

Administration Makes First Moves Against Israeli Spies

by Jeffrey Steinberg

At the same time that Attorney General John Ashcroft has ordered the suppression of news coverage of massive Israeli espionage operations inside the United States, the Bush Administration has taken several significant initiatives, aimed at closing some of the most egregious loopholes, that have facilitated Israeli penetration of American national security institutions at the highest levels.

In the beginning of March 2002, both the Defense Department and the Justice Department issued new regulations, prohibiting foreign nationals from involvement in the development and maintenance of information technology systems at the two giant federal bureaucracies. While internal memos and public statements by the Pentagon and the Justice Department did not mention Israeli telecommunications firms as the targets of the new orders, the timing of the actions—just days after major international media exposes of the Israeli spy operations in America—left little doubt about the motive for the crackdown.

And one interoffice communiqué from the Drug Enforcement Administration, according to well-informed sources, does single out several Israeli companies, with sensitive DEA information technology contracts. The companies, Comverse and JSI, received a \$25 million contract from DEA in Sept. 1997 to provide interception equipment, used in some of the agency's most sensitive international and domestic drug investigations.

Pete Nelson, the Pentagon deputy director for personnel security, told World Tribune.com, on March 13, 2002 that “some foreign nationals—those in the most sensitive positions—may not be permitted to remain in those positions . . .

[W]e need to ensure all people with access to sensitive IT systems are cleared and properly vetted for the material to which they have access.”

The new DOD regulations, to be implemented within the next 60-90 days, would extend restrictions that already exist on classified projects, to non-classified DOD projects as well.

According to the newsletter *Middle East Newslite*, Israeli firms currently have DOD contracts for encryption technology and software, that is vital for the security of the Pentagon's most sensitive data bases.

The Israeli firms have made deep inroads into the Defense Department's IT operations, as the result of recent years' pressures on Pentagon budget planners to save money by outsourcing, even to foreign firms. The Department's Pete Nelson admitted, “The IT business has become largely contractual, with programming and data work being farmed out to areas where there is cheap labor. If this trend does not simultaneously take into consideration security requirements, there would be reason for concern.”

The Justice Department, on March 4, issued a memorandum from Robert F. Diegelman, Acting Assistant Attorney General for Administration, which placed similar bans on foreign nationals involvement in information technology development and maintenance. The memorandum ordered DOJ information officers and procurement directors to fully implement a July 12, 2001 Justice Department Order, No. 2460.2D, which banned foreign nationals from any access to the Department's IT systems, unless a waiver was first issued by the Department's Chief Information Officer. The March 4, 2002 memorandum emphasized that no waivers would be granted,

under any circumstances, for IT projects which involved access to classified systems.

Comverse and Telrad

Readers of *EIR* who have followed the Israeli espionage scandal since *Executive Alert Service* broke the story on Dec. 4, 2001, will recall that a string of Israeli companies—all founded by veterans of the Israeli Defense Force signal intelligence division—have won sensitive U.S. national security contracts, giving them extraordinary access to Justice Department and White House secured communications systems. Comverse Infosys, Inc., a company founded in Israel in 1984, is the leading provider and operator of wiretap systems, used by the Department of Justice, the FBI and the Drug Enforcement Administration (DEA). Telrad Telecommunications and Electronics Industries Ltd. is Israel's largest telecommunications conglomerate. During the Clinton Administration, Telrad was contracted to revamp the White House secured communications systems.

A third Israeli telecommunications giant, Amdocs International Ltd., has the exclusive customer-billing and call-tracking contracts with the 25 largest phone companies in the United States, giving Amdocs access to the routing information on practically every telephone call placed in America.

The most comprehensive dossier on these Israeli firms to appear in the U.S. media, was published in *EIR* on Feb. 1, 2002, and has since been republished, along with exhaustive additional documentation of the Israeli spy apparatus, in a LaRouche in 2004 campaign special report, *Zbigniew Brzezinski and September 11th*.

The 'Art Students'

What's more, both Comverse and Amdocs personnel have been linked to the scores of Israeli spy teams, that have been operating in every part of the United States, since no later than January 2000 (see "EIR Blows Israeli Spies' Cover in Sept. 11 Case," *EIR* Dec. 28, 2001, and "Israeli Spies Scandal Is Too Big To Bury," *EIR* Jan. 11, 2002). These 6- to 8-person espionage squads, posing as "Israeli art students," have been infiltrating and surveilling government offices, military bases, safe-houses and private homes of government executives. Some of the teams have been linked to "Islamic" radical circles, with possible ties to terrorist groups.

According to government sources, and a 60-page Drug Enforcement Administration working document, now widely circulating among reporters in the U.S. and Europe, 125 Israeli "art students" were detained and deported between January 2000 and July 2001; another 80-100 Israelis have been similarly detained, interrogated, and deported, since the attacks on the World Trade Center and the Pentagon on Sept. 11, 2001.

In one case, set forth in the DEA document, an Israeli "art student" was bailed out of jail by another Israeli, named Ophir



A new Pollard affair? The case of Jonathan Pollard, serving a life term for espionage, has so far been the most serious case of Israeli espionage against U.S. national security. But the case of Israeli spies and the Sept. 11 attacks, is only beginning to be investigated seriously.

Baer, who was an employee of Amdocs.

The proximity of the Israeli "art student" spy teams to some of the suspected al-Qaeda "sleeper" networks in the United States has prompted some American national security officials to suspect that Israel had infiltrated the Sept. 11 terror plot, at some level, and failed to pass on the information to U.S. authorities.

In Texas, California, Arkansas, and Florida, U.S. investigators found that the Israeli "art student" teams were living within a stone's throw from houses and apartments occupied by suspected "Islamic" terrorists, whose names appeared on an Oct. 2001 list of individuals whose assets were frozen, at the request of the U.S. government.

In the most egregious instance, a dozen Israeli spies were operating out of a Hollywood, Florida address, 4220 Sheridan Street, just a block away from 3389 Sheridan Street, the apartment where Mohammed Atta was living with three other men accused of the Sept. 11 hijackings.

Movers and Shakers

On March 15, the first evidence of direct Israeli Mossad ties to the U.S.-based spy teams surfaced, in an unlikely location. The weekly Jewish newspaper *Forward* published a pair of lengthy stories on the Israeli "art student" spy flap, which attempted to discredit the charges that the Israelis were targeting the U.S. government for espionage operations.

(The idea of Israel spying on the United States is still a point of maximum tension between Washington and Tel Aviv, nearly 17 years after the arrest of Naval intelligence analyst Jonathan Jay Pollard, who was caught stealing thousands of top-secret U.S. military documents, and passing them to officials of the Israeli embassy in Washington.)

Forward's Marc Perleman reported that "far from pointing to Israeli spying against U.S. government and military facilities, as reported in Europe last week, the incidents in

question appear to represent a case of Israelis in the United States spying on a common enemy, radical Islamic networks suspected of links to Middle East terrorism.” Perleman claimed that American officials were furious when they learned of the Israeli “art student” spy operations—because they had not been alerted in advance. “The resulting tensions between Washington and Jerusalem,” he wrote, “arose not because of the operations’ targets but because Israel reportedly violated a secret gentlemen’s agreement between the two countries under which espionage on each other’s soil is to be coordinated in advance.”

On the face of it, Perleman’s explanation for the Israeli “art student” fiasco is pure fabrication. The DEA documents, buttressed by on-the-record statements by several U.S. government spokesmen, confirms that dozens of DEA, FBI, and other federal law enforcement facilities were targeted for aggressive surveillance by the Israeli teams; and at least 36 military bases on U.S. soil were similarly targeted, including an Oklahoma air base that houses America’s AWACS surveillance aircraft, and a secret U.S. Special Forces facility near Fort Bragg in North Carolina.

What was revealing about the Perleman story, was the confirmation that one of the most controversial of the Israeli spy teams was a Mossad squad, working undercover.

On the evening of Sept. 11, local police in Bergen County, New Jersey, arrested five Israeli nationals as they were driving a van, owned by their employer, a Weehawken, N.J. moving company called Urban Moving Systems.

The five Israelis, Sivan and Paul Kurzberg, Oded Ellner, Moer Marmari, and Yaron Shmuel, had been spotted on the roof of the moving company warehouse, shortly after planes crashed into the World Trade Center towers, taking photos of one another and obviously clowning around, while pointing at the burning towers in the background.

Perleman reported, “In addition to their strange behavior and their Middle Eastern looks, the suspicions were compounded when a box cutter and \$4,000 in cash were found in the van. Moreover, one man carried two passports, and another had fresh pictures of the men standing with the smoldering wreckage of the World Trade Center in the background.”

The five men were turned over to the FBI by the Bergen County police, and, after two of the men’s names appeared on an FBI-CIA list of known Mossad operatives, the U.S. opened a foreign counterintelligence investigation of the incident. The Israelis were held for several months, interrogated and put through lie detector tests, and were eventually deported back to Israel.

A Pattern?

After one brief interview with the FBI, the owner of the moving company, Dominik Otto Suter, fled to Israel. Authorities confirmed that the company was a Mossad front, whose “main office” was a letter drop address in midtown Manhattan.

Putting the New Jersey arrests together with a similar incident that took place a month later in Pennsylvania, poses further questions about another possible modus operandi of Israeli Mossad spy operations in America.

According to *The Mercury*, a Pottstown, Pennsylvania newspaper, on Oct. 17, 2001, another group of Israelis, working for a moving company, were detained by police in Plymouth, Pennsylvania, a Philadelphia suburb, in response to complaints that they were illegally dumping the contents of a tractor-trailer behind a local restaurant. The three Israelis, Ron Katar, Moshe Elmakias, and Ayelet Reisler, were detained by the FBI, after a search of the tractor-trailer unearthed detailed surveillance videos of the Sears Towers in Chicago, and other suspicious items. The tractor-trailer had the logo “Moving Systems Incorporated” on the side, and was mostly filled with office furniture and household items. The FBI probe revealed that the operator’s log of the truck’s movements had been falsified.

It is not yet clear whether the “moving companies” are part of the same spy apparatus that has been the subject of the DEA-initiated interagency counterintelligence probe, a probe that is an included part of the Sept. 11 terror investigation.

Government officials are not talking about how the multiple tracks of Israeli spy leads are being viewed, although a DEA internal memorandum from Dec. 2001, clearly links the “art students” probe to the review of the status of the Comverse and JSI contracts.

EIR has also learned that, in several Western European countries, including the Netherlands and possibly Germany, the Israeli Mossad is officially handling all visa background checks, for applicants from Arab and Muslim countries. According to a well-placed diplomatic source, the Israelis offered these “services,” free of charge, to the European immigration agencies, in return for access to the unusually detailed information contained in the visa applications. The rationale for the deal is that the Israeli secret services maintain the most comprehensive watch-lists of suspected Arab and Islamic terrorists and criminals.

The source of this startling information, however, noted that, under this arrangement, the Israelis have access to the past travel itineraries of all the visa applicants, and would, therefore, have a profile of individuals—such as Mohammad Atta—who travelled back and forth to Pakistan and Afghanistan, and other al-Qaeda, Hamas, and Islamic Jihad hotbeds of activity. The source asked the obvious question: How much did the Israeli Mossad know about the activities of the so-called “Hamburg cell” of al-Qaeda terror plotters? And why, if the Israelis did, indeed, have the authority to turn down visa applications, did Atta and the others have such free access between Europe and the United States?

These are disturbing questions that need answering, if the full story of the events of Sept. 11, 2001 is ever to be known, and a serious crackdown on the actual authors of the horrific attacks achieved.