

## Weld-Burns spy ring purged at Justice Dept.

by Joseph Brewda

The astonishing degree to which Israeli and Soviet intelligence has taken over the U.S. Justice Department has come into focus following the ouster of Deputy Attorney General Arnold I. Burns and Criminal Division director William F. Weld on March 29. Burns and Weld have claimed they left office because their factional enemy, Attorney General Edwin Meese, is corrupt, and that their effort to oust him had failed. Washington insiders point to Burns and Weld's known ties to George Bush, and see their departure as evidence of a brutal Bush campaign shake-up. Neither version is correct.

It now appears that the reason Burns and Weld fled office, is that U.S. intelligence professionals are on the verge of proving that both officials oversaw crucial aspects of the Jonathan Pollard Mossad-KGB spy ring. Pollard had been arrested in November 1985 for spying for Israel; subsequent investigation has proven his Israeli controllers sold much of his information to Moscow. Both officials have good reason to fear potential indictment for espionage or obstructing government investigations into espionage.

### The Pollard connection

The connection of the Burns-Weld ring to Pollard first emerged publicly on April 11, when the *Washington Times* began a three-part series into Burns's corruption, based on government leaks. The *Times* exposed the amazing fact that Burns had been the target of a 1986 government inquiry into fraudulent tax shelters. Burns was then the third ranking official in the department. The *Times* also reported that Weld had crushed the investigation into the Burns tax evasion scheme. Apparently unbeknownst to the *Times*, the particular corporate fronts established by Burns, were not merely scams.

They were part of the network which "tasked" Pollard on behalf of Jerusalem—and Moscow.

The behavior of Burns and Weld is extraordinary, even if espionage were not involved.

According to the *Times'* sources, and since confirmed independently, Burns and his law firm, Burns, Summit, Rovins, and Feldesman, drew up the papers for at least 15 different multimillion-dollar tax shelters in the Bahamas, beginning in 1978. According to the Internal Revenue Service, the Burns scheme was a "sham operation set up for investors to claim improper tax deductions," through supposed business losses on claimed investments that were never actually made.

In 1986, Burns, then the Associate Attorney General of the United States, was forced to pay more than \$100,000 in back taxes which he had evaded through falsely claiming business losses. Moreover, Burns was compelled by subpoena to testify in a California tax case which had been taken out against two of his co-investors in the scheme. Two of Burns's partners at his firm were also compelled to testify, as was Burns's business partner, Edward C. Levine, whose connection to Pollard will be noted below.

Prosecutors at the trial, *U.S. vs. James Brown*, demonstrated that the tax shelter's supposed research operation of investigating new techniques in steroid production, which was used to claim a \$1.4 million business loss for 10 investors, did not exist. The tax scheme was a phony. Burns admitted under oath that he had drafted the documents for the scheme. Meanwhile, Burns's partner, Edward Levine, took the Fifth Amendment.

Following his testimony, the IRS continued its probe into other Burns schemes. These investigations are still continu-

ing. By summer 1986, Roger Olson, then head of the tax division of the Justice Department, sought a criminal investigation of Burns. Confirmation of Associate AG Burns's nomination to the post of Deputy AG was then still pending before the U.S. Senate. Olson succeeded in forcing the criminal division to begin a "threshold inquiry" into whether sufficient evidence existed to justify the appointment of a special prosecutor to investigate, and potentially prosecute, Burns, for tax fraud.

However, the probe which Olson launched was crushed within weeks by Burns's factional ally, Criminal Division director William Weld. Weld personally quashed the investigation of Burns, as he later stifled all Justice Department efforts to probe George Bush's direction of the Iran-Contra deals. Not one word about Burns's outrageous, sleazy behavior was brought up by the Senate, or by the press, and the Burns nomination breezed through.

Once Burns was esconced as the number two officer in the department, two things occurred.

- He assumed control of all cases relating to Jonathan Pollard or his known accomplices. Faced with growing legal troubles, AG Meese had handed over all these cases to Burns.

- He fired tax division director Olson, the official seeking to indict him, and installed the brother of his (Burns's) political aide in his place.

According to the *Washington Times's* government sources, by the spring of 1987, Burns was using every conceivable excuse to oust Olson. For months, Burns kept up a "drumbeat of criticism" of Olson at daily departmental meetings, insiders say. Ultimately, Burns forced Olson out in summer 1987, on the absurd pretext that he had missed the final session of a mandatory U.S. Attorneys' conference that spring.

## More than sleaze

That the Deputy Attorney General of the United States has been a tax dodger and organizer of conspiracies to evade taxes, is shocking enough. But to depict Burns as a mere delinquent, underestimates the actual significance of his Bahamas operations, and the magnitude of Weld's crime in protecting him.

The nature of Burns's 15 Bahamas-based corporate fronts is indicated by the following facts. Burns's companies were not merely used to facilitate the laundering of personal funds out of the reach of the IRS. The facts suggest that the firms were crucial to the Israeli intelligence ring which ran Jonathan Pollard:

- All 15 of Burns's Bahamas corporations did business exclusively in Israel, and only under the personal direction and authorization of Dr. Yigal Ehrlich, the Israeli Ministry of Industry's chief scientist. Minister of Industry Ariel Sharon, Ehrlich's superior, controlled the Pollard network, via his chief subordinate, Rafi Eytan, who directed *LEKEM, the Israeli spy agency, which employed Pollard.*

- All of Burns's corporations were established by Israel D. Rosen, an Israeli attorney based in New York. Rosen is an agent of BIRD, the U.S.-Israeli Binational Research and Development Foundation, which is the primary front for LEKEM in the United States. BIRD's counsel, Howard Katz, was *Pollard's paymaster.*

- Burns's chief sidekick in these schemes, outside of Rosen, was the above-mentioned Edward Levine. In the spring of 1986, Levine was subpoenaed by the IRS in relation to Burns's tax schemes. He promptly retained the counsel of the law firm, Anderson, Hibey, the *same law firm that was simultaneously representing Jonathan Pollard for espionage.*

- Burns was parachuted into the Justice Department as its number-three official in January 1986, a mere two months after Pollard's arrest. Burns's nomination was the result of the pressure of the law firm of Elliot Richardson, the mentor of William Weld. Burns's nomination shocked observers: *He had never worked for the government, and had never even participated in a criminal case.* Burns's chief preoccupation at Justice has been to protect the LEKEM network.

Investigations by *EIR* have determined the following shocking features of the Pollard spy network, of which Burns was a figure. The true story has never been told before.

## How LEKEM works in the U.S.

The actual U.S. station chief for LEKEM in the United States is General Itzhak Ya'akov, who is now based out of Robotics and Software International (RSI) in New York. Ya'akov is the former chief scientist of both the Israeli Defense Forces and the Israeli Defense Ministry. Ya'akov retired at an early age, in 1980, and emigrated to New York, nominally to solicit high-technology investment into Israel, especially its arms industries. His prime assignment, however, was to field espionage networks, including those later directing Pollard.

Ya'akov was certainly well suited for both tasks, having formed or sponsored a dozen of Israel's top arms industries and arms smuggling fronts. Some of these fronts later were implicated in the Iran-Contra sales which the U.S. Justice Department has done so much to protect. Ya'akov himself has traveled to Iran on several occasions, according to some reports, on behalf of these U.S.-Israeli sales.

But Ya'akov's connections are not simply to Israel. Ya'akov's Russian-born wife has had a series of interesting previous marriages into the exiled Russian nobility. U.S. intelligence sources report she has come under investigation for possible ties to the KGB. Ya'akov and his wife travel to the U.S.S.R. every year.

Among the most significant operations established by Ya'akov is BIRD. BIRD had been formed in May 1977 by the U.S. and Israeli governments, nominally to "promote and support mutually profitable cooperation between the private sectors of the U.S. and Israeli high-technology industry." In

fact, BIRD's purpose was to facilitate Israeli scientific espionage in the United States, as later seen by its "tasking" of Pollard. This espionage was sanctioned by networks within the U.S. government as part of the secret protocols of the 1979 Camp David accords.

The chairman of the Executive Committee of BIRD is the abovementioned Dr. Yigal Ehrlich, the chief scientist of the Israeli Ministry of Industry. There are two prominent Americans on BIRD's board of governors. One was, until recently, John Negroponce, currently deputy director of the National Security Council, and one of the principal overseers of the Iran-Contra deals. The other is Assistant Secretary of the Treasury for International Affairs, David C. Mulford. Mulford is a former senior officer in White, Weld, William Weld's family firm.

Simultaneous with the formation of BIRD, Arnold Burns began forming a series of Bahamian-Israeli research firms, which to the naive government investigator, appeared to be mere shady tax shelters, or fronts for illegal tax scams. Every single one of Burns's firms was established by Burns in coordination with the abovementioned BIRD agent Israel Rosen. All projects carried out at the firms was done under the authority of BIRD's Ehrlich.

### **The ADL angle**

Arnold Burns's connections to the Israeli-Soviet espionage did not merely proceed through his business ties to LEKEM's BIRD network. His close involvement with the Anti-Defamation League of B'nai B'rith should already have alerted U.S. counterintelligence to his dubious loyalties. The ADL is not merely an organized-crime front established by Meyer Lansky's syndicate: It has deep connections to both Soviet and Israeli intelligence.

Burns's involvement with the ADL runs deep. His law firm is the counsel for the Sterling National Bank of New York, the ADL's bank, and one of its main mob connections. Sterling National handles all of the ADL's money. In 1982, it was sued by the Italian government for laundering several hundred million dollars, which the shady financier, Michele Sindona, was accused of having looted from the Vatican.

When Jonathan Pollard was captured outside of the Israeli embassy in November 1985 with U.S.-classified documents, the ADL, predictably, led the chorus accusing the U.S. government of "anti-Semitism." Then-ADL chairman Kenneth Bialkin argued that Pollard's espionage, and treason, was "justified." By January 1986, the ADL, Israeli government, and U.S. State Department were successful in inducing the U.S. Justice Department to consider striking a deal with Israel. A Justice Department team then traveled to Israel to meet with Eytan and other spies who controlled Pollard.

The Justice Department later broke its deal with Israel, and indicted several Israeli officers, including Eytan, when it discovered that the Israelis and Pollard had systematically concealed the existence of two "handlers" of Pollard: the

abovementioned Howard Katz, BIRD's counsel, and one Col. Aviem Sella, who recruited Pollard to Israeli intelligence during 1984.

We have already seen the connection of Burns to Katz. We now show his connection to Sella.

During the 1983-84 period, when Colonel Sella was stationed in New York as an agent of Israeli intelligence, his wife was, according to Pollard's own attorney, "nationally active in the Anti-Defamation League." The reason for the ADL's concern to protect Pollard should now be clear. During this same period, the Burns law firm represented the ADL's piggybank. Releasing the name of Sella and Katz would not only implicate the ADL; it would implicate Burns, then installed as the third ranking official of the Justice Department.

On March 2, 1987, Richard Hibey, Pollard's attorney, submitted a memorandum in aid of sentencing on Pollard, where he cited Sella's ties to the ADL. Amusingly, Hibey reasoned that Sella's ties to the ADL disproved the contention of some, including former Defense Secretary Weinberger, that Pollard was a "false flag" asset of the KGB.

As Hibey puts it: "Secretary Weinberger also laments the possibility that Mr. Pollard could have been a victim of a 'false flag' operation. . . . All of the indicia of the flag point squarely to Israel and nothing in Pollard's experience belied that. Thus Mr. Pollard knew then that Colonel—now General—Avi Sella to be an Israeli military hero who led the bombing raid on the Iraqi nuclear reactor site in 1981. While residing in New York, Sella's wife was nationally active in the Anti-Defamation League. . . . The spectre of a 'false flag' was, in reality, nonexistent." For Hibey, the ADL could only be tied to Israel.

Memoranda submitted by the U.S. government reveal that Mrs. Sella, far from being simply a wife to an Israeli intelligence officer, was a spy in her own right. In this respect, Mrs. Sella is comparable to the Russian-born wife of LEKEM station chief General Ya'akov, her husband's immediate superior.

The U.S. government notes that in July 1985, Pollard traveled to Israel to meet with his Israeli controllers. These meetings included Colonel and Mrs. Sella, and Rafi Eytan. As a result of these tasking meetings, Pollard was "encouraged to redouble his espionage efforts on the part of Israel." This "tasking" proceeded both through BIRD and the ADL.

Thus, investigators are forced to the conclusion that Arnold I. Burns and his protector William F. Weld, formerly of the U.S. Department of Justice, were right in the middle of an Israeli-Soviet espionage ring which no less a personage than former Defense Secretary Weinberger reported as having damaged U.S. national security more than any espionage case in recent memory. The significance of their hands-on control of the criminal division, and more recently, the tax division, in addition to other powerful sections of the Justice Department, is being investigated with that in mind.