

# Will Israeli Spy Revelations Halt Netanyahu's War Drive?

by Jeffrey Steinberg

April 25—Recent revelations about Israeli efforts to fix a Federal indictment of two top officials of the American Israel Public Affairs Committee (AIPAC), through payoffs to members of Congress, have sparked a renewed focus on Israel's continuing political dirty tricks and espionage operations inside the United States. Given that the new scandal directly intersects the inner circle of advisors to Israeli Prime Minister Benjamin Netanyahu, the question on the minds of many astute observers in Washington and other world capitals is: Will these new scandals short-circuit Netanyahu's threats to start a new strategic conflict in the Middle East, through an Israeli military strike against Iran, even as the Obama Administration prepares for direct diplomacy with Tehran?

On April 19, *Congressional Quarterly's* Jeff Stein revealed that, in late 2005, the National Security Agency intercepted a conversation between an unnamed Israeli operative and Rep. Jane Harman (D-Calif.), then the ranking Democrat on the House Permanent Select Committee on Intelligence. According to the transcript of that conversation, the Israeli agent, who was under investigation by the FBI, and was the target of a FISA (Foreign Intelligence Surveillance Act) court-authorized wiretap, offered to help secure Harman the chairmanship of the committee, following an anticipated Democratic victory in the 2006 midterm elections, in return for her intervention to get charges against two accused AIPAC spies, Steve Rosen and Keith Weissman, reduced.

The Israeli "operative," whom senior U.S. intelligence sources say was an American citizen, or a dual Israeli-American citizen, promised to funnel campaign cash from media billionaire Haim Saban, the sugar-daddy to the Brookings Institution's Saban Center for Middle East Policy, headed by dual citizen Martin Indyk. Among the promised recipients of the 2006 campaign cash: Rep. Nancy Pelosi (D-Calif.), who became Speaker of the House, following the 2006 Democratic midterm sweep.

According to Stein's account, Harman volunteered that, while her relations with Pelosi, then House Minority Leader, were poor, she could intervene with the Bush Administration, because the White House was anxious to secure her support, for damage-control of a *New York Times* exposé of the government's use of illegal warrantless wiretaps against American citizens. The White House and Justice Department knew, at the time of the NSA intercept, that the *Times* exposé was about to be published, and that if Harman would side with the Bush White House, the impact of the revelation of illegal spying on American citizens on U.S. soil would be greatly reduced.

Indeed, the *Times* story, by James Risen and Eric Lichtblau, did appear on Dec. 16, 2005, and Harman did come out defending the White House, for "doing what had to be done" to protect the United States against the threat of another 9/11-type terrorist attack.

And, indeed, the Democratic Party did sweep the 2006 midterm elections and take control over both the



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*A new Israeli spy scandal directly intersects the inner circle of advisors to Prime Minister Benjamin Netanyahu: Will it short-circuit Netanyahu's threats to start a new strategic conflict in the Middle East?*

House and the Senate. But early revelations about Harman's efforts on behalf of Israel—minus the specifics of the intercepted conversation with the Israeli operative—had already surfaced in 2006, and she was passed over for the coveted House intelligence chairmanship. Speaker Pelosi has recently acknowledged that she knew about the NSA intercept at the time she rejected Harman as committee chair.

### **'Effects-Based' Madness**

In return for Harman's help, Bush's Attorney General, Alberto Gonzales, quashed the FBI investigation into the California Congresswoman, in late 2005. The NSA wiretap transcript sat in the dead file—until this month. So, why the renewed attention now?

At least part of the answer can be found in the growing rift between Washington and Tel Aviv, over a wide range of vital policy issues, from Palestinian statehood to Iran. Prime Minister "Bibi" Netanyahu has threatened—early and often—that he is prepared to order Israeli military strikes against Iran's purported nuclear weapons program, unless the United States falls in line with Israel, and promises to do the job instead.

According to Ken Katzman, a senior researcher at the Congressional Research Service, speaking at a recent Capitol Hill forum of the Middle East Policy Council (MEPC), the Obama Administration, through Defense Secretary Robert Gates, Joint Chiefs of Staff

Chairman Michael Mullen, Vice President Joseph Biden, Secretary of State Hillary Clinton, and "many other" channels, has made it clear to Israel that the U.S. will not tolerate any Israeli strikes against Iran. But the unanswered question is whether the Obama Administration is prepared to put military muscle behind the warnings. Would U.S. Naval forces in the Persian Gulf, or American forces in Iraq, intercept and shoot down incoming Israeli fighter jets or missiles, aimed at targets in Iran?

It is widely believed, among a majority of serious military analysts, that Israel does not possess the capacity—except through the use of a nuclear first strike—to seriously damage Iran's dispersed nuclear research program. However, in a June 2008 report

by Patrick Clawson and Michael Eisenstadt, "The Last Resort: Consequences of Preventive Military Action Against Iran," the AIPAC- and Likud-linked think-tank, the Washington Institute for Near East Policy (WINEP), argued that any Israeli strike against Iran, whether successful in disrupting the Iranian nuclear program or not, would be a "game-changer," forcing an existential decision upon the governments in Washington, in Europe, and in the Arab Middle East: whether to side with "moderate" Israel or "extremist" Iran. Some circles in Israel, perhaps in the inner circles around Netanyahu, may believe that Israel would come out on top—and that is where the danger of an Israeli preventive strike is greatest, regardless of the fact that it could be the Sarajevo of World War III.

Former British Prime Minister Tony Blair, the Bush-Cheney partner in the Iraq War fiasco, and the current chief "peace negotiator" for the Quartet, delivered a speech in Chicago this week, in which he identified Iran as the existential threat to the Middle East—in effect, casting his vote with Netanyahu in favor of military action against Iran, if diplomacy fails, or if Iran, in Israel's skewed judgment, gets too close to possessing a bomb.

Indeed, whereas most American military strategists had fully repudiated the discredited doctrine of "effects-based operations," under which military actions are aimed at "behavior modification" of the enemy,



NATO

*Uzi Arad, the chief national security advisor to the Netanyahu government, and a career Mossad officer, was targeted in the probe of confessed Israeli spy Larry Franklin.*

rather than concrete war-winning and peace-winning objectives, Israel has embraced precisely this strategy. In both the July 2006 Lebanon War, and the December 2008 Gaza invasion, Israeli officials spun embarrassing defeat into proclaimed “victory,” on the basis of the insane “effects-based” dogma.

The present Netanyahu government is pushing the envelope, playing what Dr. Trita Parsi, speaking at the same MEPC forum with Katzman, described, in the case of Iran’s regime, as a doctrine of “simulated irrationality.” But when does “simulation” go live? Where does Israel go over the edge and actually launch an “effects-based” attack on Iran, plunging the region, and, potentially the world, into a new bloody conflagration?

### **Bibi’s Boys**

Senior U.S. intelligence sources have told *EIR* that the leak of the NSA intercept of the Jane Harman conversation with the targeted Israeli operative comes in the context of the pending trial of the two “former” AIPAC employees, Rosen and Weissman, who are accused of passing classified documents to Israeli Em-

bassy officials, from confessed Israeli spy and former Air Force reservist and Pentagon Iran analyst Larry Franklin. According to one of these sources, the leak of the NSA transcript, which was accurately reported by Stein in *Congressional Quarterly*, came from within the Justice Department.

While there are complicating aspects of the Rosen-Weissman case, beginning with the fact that the Bush Justice Department failed to indict AIPAC, as an organization, on the same espionage charges, there is no question that Israel was engaged—again—in espionage, seeking access to U.S. defense secrets, and that the role and identities of the Israeli spy-handlers are known and proven.

On May 26, 2005, Larry Franklin was indicted on charges of passing classified material to Israel. In a superseding indictment, filed on Aug. 4, 2005, Steve Rosen and Keith Weissman were also charged. While not naming names, the indictment identified at least three Israelis who were co-conspirators with the AIPAC duo and Franklin, in obtaining classified material from the Pentagon, on the Bush Administration’s internal deliberations on how to deal with presumed threats from Iran.

And here is where the U.S.-Israel rift comes directly into play.

The three Israelis targeted in the Franklin/AIPAC probe were: Uzi Arad, Naor Gilon, and Eran Lerman. All three are intimately tied to Netanyahu; two of the three now hold top national security and foreign policy posts in the Netanyahu government.

Arad is the chief national security advisor to the prime minister, and Gilon is the chief of staff to Foreign Minister Lieberman.

The third implicated Israeli, Eran Lerman, is the director of the American Jewish Committee’s Israel/Middle East Office in Jerusalem. He took that post in 2001, prior to his being implicated in the Franklin-Rosen-Weissman spy operation, and immediately following his retirement as a colonel in the Israeli Defense Forces’ Directorate of Military Intelligence Research and Production Division. Lerman, a London School of Economics graduate, is frequently published by the Jerusalem Center for Public Affairs, a Likud think-tank headed by Dr. Dore Gold, Netanyahu’s former ambassador to the United Nations.

Between 2002 and 2005, Naor Gilon was the political counsellor at the Israeli Embassy in Washington, and he was the immediate contact point with Franklin,





State Department/Michael Gross

*Israeli Deputy Foreign Minister Avigdor Lieberman, shown here with Bush-era Secretary of State Condoleezza Rice, quit Netanyahu's Likud party to form Yisrael Beiteinu, reportedly with Netanyahu's blessing, to corral support for the pair's right-wing agenda among Israel's Russian émigrés.*

Rosen, and Weissman. At the time of his direct involvement in the espionage case, Gilon's embassy boss was Ambassador Danny Ayalon, who is now deputy foreign minister, and a member of Lieberman's Yisrael Beiteinu Party. Gilon, according to the indictments, had at least 15 meetings with Franklin between 2003 and 2004. He first met Franklin in 1997, when Franklin was posted, briefly, at the U.S. Embassy in Tel Aviv, as an Air Force Reserve officer. Franklin was sent home, after he repeatedly violated embassy rules by holding unauthorized and unreported meetings with Israeli government officials.

When Netanyahu was prime minister in 1996, then-Foreign Minister Lieberman, still with Likud, was his chief of staff. According to well-informed Israeli sources, Lieberman's departure from Likud to form Yisrael Beiteinu, was done with the connivance of Netanyahu, who was having difficulties handling the Russian émigré and "mafiya" apparatus, which forms the base of Lieberman's new party. Lieberman, a one-time bouncer at a Moldovan bar, is the poster-boy for

that Russian émigré apparatus.

Contrary to media accounts, the far more significant player in the Franklin spy affair was Uzi Arad, now Bibi's top national security aide. Arad, a career Mossad officer, "retired" from government service in 1999. The following year, he founded the Institute for Policy and Strategy at the Interdisciplinary Center at Herzliya, and established their annual global security conference, modeled on the Davos Economic Forum and the Wehrkunde security conferences in Munich.

Franklin attended at least one of the Herzliya conferences hosted by Arad, in 2003. On Feb. 13, 2004, Gilon called Franklin at the Pentagon, and asked him to meet with Arad. The following week, the two met at the Pentagon cafeteria.

When the FBI interrogated Arad about his ties to Franklin, he claimed that they were merely sharing "academic papers." However, up until April 2009, Arad was barred from entering the United States; that decision was reversed only to allow him to visit Washington as Prime Minister Netanyahu's national security representative.

In fact, the still-ongoing U.S. probe into Israeli espionage in the United States is, in part, focused on the question of whether there is a "parallel Mossad," made up of "ex" Israeli spooks, now in think-tanks and other private

sector institutions, conducting key espionage programs at arm's length from the official intelligence services. Few senior Israeli officials are willing to run the risk of another "Pollard Affair," in which an official Israeli intelligence agency, the scientific espionage unit, Lekem, was caught running American Naval Intelligence analyst Jonathan Jay Pollard. That Lekem operation was headed by former top Mossad official Rafi Eytan. Both Arad and Lerman were protégés of "Dirty Rafi," and they certainly know the price that Israel has paid—to this day—for their Pollard escapade.

When Secretary of State Hillary Clinton visited Israel recently, and met with Netanyahu, the prime minister delivered an unambiguous and undiplomatic message, by having Uzi Arad participate in the meeting. When Clinton suggested that a smaller meeting were appropriate, and that each side should send one person out of the room, offering the prime minister the opportunity to correct the obvious *faux pas*, Netanyahu obliged—by dismissing Minister Dan Meridor. Arad stayed in the room, and Clinton remained tight-lipped throughout.