

# Franklin Affair Blows Neo-Con Moles at DOD

by Jeffrey Steinberg

On Aug. 27, CBS News revealed that the FBI was closing in on an Israeli mole inside the office of Undersecretary of Defense for Policy Douglas Feith, who had passed classified documents on Bush Administration Iran policy to officials of the American Israel Public Affairs Committee (AIPAC), who, in turn, fed the material to an Israeli diplomat in Washington. The next day, the *Washington Post* and other news outlets identified the alleged Israeli spy as Larry Franklin, an Iran desk officer at the Near East South Asia (NESA) policy office of the Pentagon. Subsequent news reports named the Israeli embassy's political counsellor Naor Gilan and AIPAC official Steve Rosen as participants in a lunch meeting, attended by Franklin 18 months ago, which was being surveilled by FBI counterintelligence agents.

The ongoing probe of Franklin's activities then unearthed what could emerge as the biggest Israeli spy operation against the United States since the November 1985 arrest of Jonathan Jay Pollard.

Pollard, a Naval intelligence analyst, passed a trove of classified Pentagon documents to Israel between 1982 and 1985, until his arrest. While Pollard is serving a life sentence without parole, an extensive network of American national security officials, known collectively as the "X Committee," which had been abetting the Pollard espionage activities, remains at large.

Moreover, with the inauguration of George W. Bush on Jan. 20, 2001, the "X Committee" returned to government, taking up critical policy-making positions at the Pentagon, the National Security Council, and the State Department's arms control office. In the Spring of 1988, *EIR* obtained and published a list of suspected "X Committee" members, who were under investigation by the Secretary of Defense's General Counsel Office. The list included such former and current officials of both the George H.W. Bush and George W. Bush Administrations as Paul Wolfowitz, Doug Feith, and Richard Perle; as well as "Bush 43" consultants and fellow-travellers Michael Ledeen, Steven Bryen, and Frank Gaffney.

## **An Institutional Move**

Immediately after the revelations of the "Franklin Affair," Lyndon LaRouche issued an assessment that the exposure of the Pentagon mole was part of a move by U.S. institutions, to pre-empt a potential Israeli "breakaway ally" attack on Iran's nuclear facilities—an attack that would throw the entire

Southwest Asia region into perpetual war, and possibly bring the planet to the brink of a limited nuclear war. These institutions had reason to worry.

On Aug. 19, UPI senior political analyst Martin Sieff had warned that a U.S.A. war with Iran, possibly involving the use of American nuclear weapons, could erupt as early as September. And on Aug. 21, Israeli military historian Martin van Creveld wrote in the *International Herald Tribune* that a joint American-Israeli attack on Iranian nuclear sites could take place prior to the Nov. 2 U.S. Presidential election.

Indeed, on Aug. 31, a well-placed U.S. intelligence source confirmed that AIPAC was about to launch a multimillion-dollar propaganda and lobbying campaign, pressing for military action against Iran. The source was uncertain whether the Franklin revelations would force AIPAC to pull back from the war propaganda offensive. What is certain is that the news revelations about Franklin's alleged spying for Israel may have stymied a further FBI probe into the AIPAC/Israeli nexus, and have reopened a long-standing war inside the Washington Beltway, over the role of the much larger, neo-conservative "mole hill," which today has dominated the Bush-Cheney Pentagon civilian bureaucracy and the Office of the Vice President, and which was responsible for the Iraq war fiasco. The network spotlighted by the "Franklin Affair" and subsuming the Pollard era "X Committee," has been under investigation, on and off, on suspicion of espionage for Israel, for more than 30 years.

The stakes in the Franklin investigation are enormously high.

Lyndon LaRouche has emphasized that the pivotal issue is not one of "friendly espionage." The neo-con apparatus in Washington, and their Israeli allies, typified by Ariel Sharon and the even more rabid right-wing circles in Israel, pose a menace to the survival of both the United States and Israel. It is their utopian fantasies about world domination through perpetual war that pose a far greater threat than the passing of classified documents from Washington to Israel.

Nevertheless, the currently unfolding "spy scandal" offers a perfect opportunity for a long-overdue clean-out of the neo-con "mole hill."

### **Who Is Larry Franklin?**

Sources in the military and intelligence community have provided this news service with a profile of the suspected Israeli mole: Larry Franklin is a Defense Intelligence Agency (DIA) analyst, who shifted from Cold War Soviet studies, to a specialty in Iran-Iraq. A protégé of DIA Sovietologist Winnifred Joshua, Franklin also studied at Johns Hopkins University's School of Advanced International Studies (SAIS), where he was reportedly picked up by Paul Wolfowitz, now Deputy Secretary of Defense, and an individual who has been probed for passing U.S. secrets to Israel since 1978, according to a February 2004 in-depth study by Stephen Green, which catalogued long-standing espionage allegations

against, and investigations into Wolfowitz, Feith, Michael Ledeen, Stephen Bryen, and Richard Perle.

In the Summer of 2001, Franklin was transferred from DIA to the Pentagon's policy office under Feith, where he took charge of the Iran desk at NESA, and later worked for the Office of Special Plans (OSP), the Iraq war-planning unit under Feith and NESA head William Luti. Luti had been a military aide to former Speaker of the House Newt Gingrich, and had been in the Office of Vice President Dick Cheney at the start of the "Bush 43" Administration. According to Lt. Col. Karen Kwiatkowski (USAF, ret.), who served in NESA from June 2002 to March 2003, Luti bragged at staff meetings, that he was reporting directly to "Scooter," which she learned, was a reference to Cheney's chief of staff, I. Lewis "Scooter" Libby.

As an Air Force Reserve officer, Franklin had served several tours of duty at the U.S. embassy in Tel Aviv, where, according to one military source, he had gotten in trouble for unauthorized contacts with Israeli intelligence officials. According to one news account, the current FBI probe into Franklin's activities was triggered by a June 2002 leak in the *New York Times*, which detailed American war plans against Iraq. While on the NESA Iran desk, Franklin was also reportedly the subject of a probe into his mishandling of classified documents; however, a serious probe into that incident was blocked by the intervention of Luti and Feith, according to a confidential Pentagon source.

Franklin, according to an eyewitness, was part of a neo-con inner circle that met frequently, behind closed doors, in the office of Doug Feith. The group included Feith, Luti, OSP official Abram Shulsky, Office of Net Assessment Mideast specialist Harold Rhode, former Defense Policy Board Chairman Richard Perle, David Wurmser, and Michael Maloof. As a group, they worked closely with Wolfowitz and with Libby, whose own ties to the Israeli Mafiya and Israeli intelligence run deep: Libby was the former attorney for Israeli Mafiya boss Marc Rich.

The Libby-Rich relationship opens a Pandora's Box of investigative leads, yet to be taken up by U.S. counterintelligence investigators. As Rich's attorney during the 1990s, Libby played a pivotal role in orchestrating Bill Clinton's last-minute Presidential pardon for Rich. Rich, based as a fugitive in Zug, Switzerland and Israel, had fled U.S. Federal charges of tax evasion and "trading with the enemy." In this 1998-2000 effort on Rich's behalf, Libby worked behind the scenes with a leading Israeli spook, Zvi Rafiah, who was at the center of the U.S. Justice Department's 1978 probe of accused Israeli spy Stephen Bryen.

### **Franklin, Rhode, and Ledeen**

In the Summer of 2003, it was revealed that Larry Franklin had been part of a Pentagon team, composed also of Rhode and self-professed "universal fascist" Michael Ledeen, who had travelled to Rome, in December 2001, to open unautho-



*Secretary of Defense Donald Rumsfeld (left) and Deputy Secretary Paul Wolfowitz are sitting atop what could be the biggest Israeli spy operation against the United States since the arrest of Jonathan Pollard in 1985.*

rized channels to the Iranian government, through a widely discredited Iran-Contra figure, Manucher Ghorbanifar. According to one news account of the trip, the troika sabotaged talks then under way between the State Department and the Iranian government, involving the turning over to the United States of five top al-Qaeda figures, who were in custody in Iran.

Virtually every member of the neo-con grouping is reported to be currently under investigation for espionage, fabrication of intelligence, and other treachery against the United States. Sources, for example, have identified Rhode, a longtime protégé of British intelligence's Dr. Bernard Lewis, and a close collaborator of Ledeen, as the target of a separate espionage probe, involving his passing of U.S. national security secrets to Israel, while he was in Baghdad last year, as part of the Coalition Provisional Authority (CPA). While in Baghdad, Rhode practically lived out of the home and office of Iraqi National Congress head, Ahmed Chalabi.

Ledeen is also, according to law enforcement sources, a target of inquiry, concerning his suspected role in passing forged Niger government documents to the Italian intelligence service, SISMI. The forged documents purported to "prove" that Iraq was seeking uranium from Niger, to build a nuclear bomb. Vice President Cheney and other Bush Administration officials used the threat of Iraq's alleged imminent possession of a nuclear bomb, as a bludgeon to force Congressional approval of the Iraq war. When President George W. Bush cited the Iraqi efforts to obtain uranium "yellowcake" from an African state in his Jan. 28, 2003 State of the Union address, the whole issue blew up, leading to the ongoing Federal criminal probe.

Although both the State Department and CIA had cautioned that the Niger yellowcake story was dubious, Bush and Cheney went ahead with their shrill allegations. Then International Atomic Energy Agency (IAEA) director Dr. Mohammed ElBaradei revealed in early March 2003, that the Niger documents were shoddy forgeries. According to several former U.S. intelligence officials, one prime suspect in the document forgeries scam is Chalabi's Iraq National Congress (INC). Chalabi is now under indictment in Iraq for counterfeiting; and U.S. officials charge that he passed damaging U.S. national security secrets to Iran. Ledeen, a longtime Chalabi booster, has also long been a paid "consultant" to SISMI. A September 2004 *Washington Monthly* article reports that when Ledeen, Franklin, and Rhode met in December 2001 with Iranian government officials in Rome, the head of SISMI and Italy's Minister of Defense also attended the meetings.

Ledeen, Franklin, and Rhode's efforts to revive 1980s Iran-Contra channels to the ayatollahs in Tehran (Ghorbanifar is said to be associated with the powerful faction headed by former Iranian President Ali Akbar Hashemi Rafsanjani) have raised further concerns, according to Congressional sources and an Aug. 30 story in the *Boston Globe*. Staffers from the Senate Select Committee on Intelligence and the House Judiciary Committee are probing whether the Office of Special Plans engaged in unauthorized covert operations, involving efforts to destabilize or overthrow the governments of Iran and Syria. Another OSP official, Michael Maloof, was stripped of his security clearances in 2003, as the result of his collusion with a Lebanese businessman, Imad el Hage, who has been linked to efforts to destabilize the Lebanese government.

## Threat of War Against Iran

*Over the course of the last two months, the drumbeat for a potential immediate strike against Iran's nuclear construction sites, either by Israel or by the United States, has been getting louder and louder, to the point where some have anticipated such a move occurring even before the November election. It is likely this momentum which led some to act on the "Israeli spy" scandal.*

*Highlights of this public drive include:*

**July 3:** Israeli Foreign Minister Silvan Shalom attacked Iran during a meeting with U.S. National Security Advisor Condoleezza Rice. "We cannot allow the Iranians to move forward in their efforts to develop nuclear weapons. The Iranians still continue to do everything they can in order to develop nuclear weapons that might, of course, be used against Israel," he told her.

**July 18:** The *Sunday Times* of London cited "Israeli sources" claiming that Israel has "completed rehearsals for a strike against Iran," and that "Israel will on no account permit Iranian reactors—especially the one being built in Bushehr with Russian help—to go critical. . . . If worse comes to worst, and international efforts fail, we are very confident we'll be able to demolish the ayatollahs' nuclear aspirations in one go."

**July 21:** Israel's Military Intelligence branch presented its National Estimate of the Situation report to the Israeli Security Cabinet, which declared that "the development of unconventional weapons in the Middle East is the most important existential threat to Israel," and warned that Iran could produce a nuclear weapon as early as 2007.

On the same day, Shin Bet domestic intelligence director Avi Dichter briefed the Knesset (parliament), during which he held Iran responsible for the actions of Hamas and Islamic Jihad.

**July 29:** On a visit to the Gulf region, U.S. Secretary of State Colin Powell made threatening statements toward Iran, saying it was not abiding by its commitments, and the U.S. would likely take the case to the UN Security Council.

**Aug. 8:** National Security Advisor Condoleezza Rice issued a statement declaring that the world was "worried and suspicious" about Iran's nuclear program, believing that the Islamic Republic was seeking nuclear weapons.

**Aug. 17:** Neo-conservative Undersecretary of State



*This Iranian nuclear power plant is a potential target for a strike—even a nuclear strike—either by Israel or the United States.*

for Arms Control and International Affairs John Bolton told an audience at the Hudson Institute in Washington, D.C. that Iran's nuclear program had to be urgently taken up by the UN Security Council, because Iran was allegedly moving rapidly to get nuclear weapons, and the ability to deliver them.

**Aug. 19:** UPI senior analyst Martin Sieff warned that the danger of a war between the United States and Iran was very real, and could lead to the use of nuclear weapons. "Forget an October Surprise," Sieff wrote. "A much worse one could come in September: Full-scale war between the United States and Iran may be far closer than the American public might imagine."

**Aug. 21:** Israeli strategist and military historian Martin van Creveld wrote in the *International Herald Tribune*: "Ariel Sharon may be on the warpath again and the target is Iran," he said. But, he continued, "The claim that Iran is working on nuclear weapons and would have them within three years has now been floating about for a decade and a half and, so far, has always proved false. Perhaps this is no wonder. Having witnessed the Americans' vain hunt for weapons of mass destruction in Iraq, some of us may be less inclined to accept whatever intelligence does or does not say—including Israeli intelligence, which has more than once invented nonexistent threats."

—Nancy Spannaus

## Rafi Eytan . . . Again?

According to one Israeli source familiar with the Franklin case, in the wake of the CBS revelations, a team of as many as 30-40 Israeli operatives, led by former Jonathan Pollard controller Rafi Eytan, fled the United States for safe havens in Canada and Mexico. Although there is no direct evidence linking Eytan's purported presence inside the United States with the AIPAC/Franklin case, both *EIR* and UPI had reported last year about Eytan's renewed activities against the U.S.A.; and Zvi Rafiah has been identified by one Israeli source as a longtime Eytan deputy.

## LaRouche and *EIR*'s Track Record

As this issue of *EIR* goes to press, there are reports that the FBI counterintelligence probe of Larry Franklin may soon snare several top AIPAC officials, suspected of conduiting classified U.S. government material to Israel. Among the documents believed to have been passed from Franklin, to AIPAC, to Israel, are Bush Administration policy working papers on Iran.

According to one U.S. government source, Israel radically modified its spying operations against the United States in the wake of the 1985 Pollard arrest. No longer are Israeli spies tasked to heist classified documents in classic espionage fashion. Now, Israeli officials maintain personal ties to U.S. government officials and Israeli lobbyists, and garner vast amounts of vital data through verbal briefings, often conducted over Washington "power lunches." However, the source emphasized, on some occasions, it is vital for the Israelis to obtain physical hard copy, to maximize their ability to tilt U.S. policy. According to the source, FBI counterintelligence professionals detected a high density of communication between Israeli embassy spooks and AIPAC officials, some of whom, because of former government postings, maintained access to classified materials. This was the backdrop to the current Franklin Affair.

Readers of *EIR* over the years, know that the nexus of American neo-conservatives, right-wing Zionist Lobby activists (Dr. Bernard Lewis' son, Michael Lewis has been, for years, the head of AIPAC's vast "opposition research" unit), Christian Zionist fundamentalists, and Israeli Jabotinskyites has been a continual subject of scrutiny by Founding Editor Lyndon LaRouche and the publication's counterintelligence team.

As far back as March 1986, *EIR* published a Special Report on "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," which provided a comprehensive road map of the American and Israeli-based circles behind the Jonathan Pollard spy ring, including such neo-con figures as Richard Perle, Michael Ledeen, Elliott Abrams, and such Israeli right-wing figures as Ariel Sharon and Rafi Eytan. The report, for the first time, exposed a vast, criminal real-estate grab for the occupied West Bank and in the Old City of Jerusalem, near the Islamic holy site, known as Haram al-Sharif or the Temple Mount. The "Landscam" plot implicated Sharon, along with



*Richard Perle is a key part of the neo-conservative network that has been operating against U.S. national security interests for three decades, dating back to Perle's and Paul Wolfowitz's first collaboration, under the sponsorship of "X Committee" godfather Albert Wohlstetter. The X Committee was suspected of abetting Jonathan Pollard's espionage on behalf of Israel.*

top British aristocrats, and even former U.S. Secretary of State Henry A. Kissinger. The documentation contained in the Sharon report triggered a U.S. national security investigation into the "Landscam" project.

The report's release also triggered an hysterical response from the European-based circles of fugitive swindler Marc Rich, hiding out Switzerland and Israel. Rich activated an agent-of-influence, then recently cultivated, inside *EIR*'s European bureau, Laurent Murawiec. Murawiec successfully suppressed the circulation of the Sharon report in Western Europe, peddling the line that an attack on Sharon and the Jabotinskyites would provoke charges of "anti-Semitism" and would shut off the spigot of funding from Swiss financial circles into *EIR*'s European offices.

The Murawiec operation was kept in place up through the early 1990s, at which point, Murawiec formally split from LaRouche, peddling the "anti-Semitism" slanders on his way out the door. Murawiec next surfaced as an asset of Marc Rich's Swiss banking circles, through a Geneva-based front company, Geopol, which was housed in the offices of the George Soros-linked Union Bancaire Privée of the de Picciotto family. The same De Picciotto interests would promote Marc Rich's January 2001 Presidential pardon by Bill Clinton, an act which the former President would later publicly renounce, citing Lewis Libby's prominent role in the incoming "Bush 43" White House.

Murawiec was next dispatched to the United States, where he became an asset of Richard Perle, first at the RAND Corp., and more recently at the Hudson Institute. On July 10, 2002, Murawiec delivered a power-point briefing to the Defense Policy Board at a Pentagon conference room in Defense Secretary Donald Rumsfeld's office. In his rant, Murawiec called for the United States to militarily seize and occupy the oil fields in Saudi Arabia's Eastern Province.

Despite the Rich-Perle-Murawiec sabotage efforts, the LaRouche/*EIR* exposés of the neo-con treachery continued to gain political traction. In 1988, *EIR* published a sequel Special Report, “The Kalmanowitch Report: Moscow’s Moles in the Reagan-Bush Administration.” The report traced the Israelis’ arrest of accused Soviet spy Shabtai Kalmanowitch to the very Marc Rich circles of international organized crime and “asteroid” intelligence operatives that were implicated in the Pollard affair.

Shortly after the publication of the Kalmanowitch report, *EIR* published its June 2, 1988 exposé of the “X Committee” (see *Documentation*).

In late 1992, *EIR* released a book-length dossier on the Anti-Defamation League of B’nai B’rith, exposing its long-standing role as an Anglo-Israeli intelligence front. The report was based, in part, on thousands of pages of FBI documents, detailing both collusion with, and investigations of the ADL by the Bureau. Just as the *EIR* book, *The Ugly Truth About the ADL* was coming off the presses, the FBI and the San Francisco Police Department announced a far-reaching espionage probe into the ADL, then headed by Abraham Foxman, who would re-emerge as an intimate of Lewis Libby and Zvi Rafiah in the Marc Rich pardon caper eight years later. The FBI and SFPD probes were launched when it was unearthed that a private investigator on the ADL’s payroll, Roy Bullock, was spying on a wide range of civil rights, labor, and Democratic Party-linked activists and organizations, and selling his work product to the governments of South Africa and Israel.

The very right-wing Zionist and neo-conservative circles implicated in the Pollard era “X Committee” and the ADL spy efforts, surfaced soon after the Bullock scandal, as major opponents of President Bill Clinton’s Oslo land-for-peace initiative with Israeli Prime Minister Yitzhak Rabin and Palestine Liberation Organization Chairman Yasser Arafat. When the Monica Lewinsky scandal broke, LaRouche launched a Committee to Save the Presidency, which exposed what Hillary Clinton would later call a “vast right-wing conspiracy”—comprised of the same Perle, Gaffney, Ledeen circles, plus their longtime moneybags Richard Mellon Scaife.

The network has been operating against U.S. national security interests for three decades, dating back to Richard Perle and Paul Wolfowitz’s first collaboration, under the sponsorship of “X Committee” godfather Albert Wohlstetter. With the April 2003 to Summer 2004 circulation of more than 3 million copies of the *Children of Satan* series of exposés of the neo-con perfidy, the climate has been created, at long last, for the full-scale purge of this poison from the American body politic. The *Children of Satan* reports have now been published, in a single volume, by the Lyndon LaRouche Political Action Committee. The first copies hit the streets of Washington, as the CBS news story about Larry Franklin was beginning to break, and as Republican Party Convention delegates were converging on New York City, to renominate George Bush and neo-con patron Dick Cheney.