

IN THE NEWS

Netanyahu quits Israeli government

Israeli Finance Minister Benjamin Netanyahu resigned from the Israeli government in protest over the upcoming withdrawal from the Gaza Strip.

Netanyahu said Sunday that he was leaving the government because the withdrawal "endangers Israel's security, divides its people and sets the standards of withdrawal to the '67 borders," the *Jerusalem Post* reported.

Despite Netanyahu's opposition, the Cabinet passed the first phase of the withdrawal plan Sunday by a vote of 17-5. [Story, Pg. 3]

Presbyterians to press firms on Israel ties

The Presbyterian Church said it would press four American companies to stop providing equipment and technology to Israel.

The church said last Friday it had selected Caterpillar, Motorola, ITT Industries and United Technologies for possible divestment if the companies refuse to stop doing business with Israel.

Jewish groups criticized the move as unfairly singling out Israel without helping the Palestinians.

The move is the latest by mainline Protestant churches regarding divestment from Israel.

The Presbyterians also said they would pressure Citigroup because of its alleged connection to an Arab bank believed to have ties to suicide bombers.

Jewish terrorist buried in hometown

The Jewish terrorist who gunned down four Israeli Arabs was buried Sunday in a civilian cemetery in his hometown.

The question of where to bury Cpl. Natan Eden Zada, an AWOL Israeli soldier, has been debated since he opened fire on a public bus on Aug. 4 before being killed himself by an angry Arab mob.

Some residents of Zada's hometown, Rishon le-Zion, had opposed the burial, worried that the site could become a shrine for Jewish extremists.

WORLD REPORT

PUBLISHED WEEKDAYS BY JTA—THE GLOBAL NEWS SERVICE OF THE JEWISH PEOPLE · WWW.JTA.ORG

Indictment of former AIPAC staffers raises the prospect of a day in court

By RON KAMPEAS and MATTHEW E. BERGER

ALEXANDRIA, Va. (JTA) — The indictment of two former officials of the American Israel Public Affairs Committee suggests that the government wants to prove an extensive pattern of trading classified information.

Paul McNulty, the U.S. attorney for eastern Virginia who handed down the indictment here Aug. 4, decisively counted out the pro-Israel lobby as a target in the inquiry.

Still, the broad scope of the charges — stretching back more years and covering a broader array of U.S. and Israeli officials than was previously known — is sure to send a chill through Washington's lobbying community.

The indictment charges Steve Rosen, AIPAC's former policy director, and Keith Weissman, its former Iran analyst, with "conspiracy to communicate national defense information to people not entitled to receive it," which carries a maximum sentence of 10 years in prison.

Rosen is also charged with actual communication of national defense information, also punishable by 10 years in prison.

The charges against the former AIPAC staffers do not rise to the level of espionage, which the defendants and their supporters had feared.

Weissman and Rosen are expected to appear in an Alexandria, Va., federal court on Aug. 16.

Attorneys for Rosen and Weissman expressed confidence that they would handily beat the charges.

"The charges in the indictment announced today are entirely unjustified," said a statement from Rosen's attorney, Abbe Lowell.

"For 23 years, Dr. Steve Rosen has been a passionate advocate for America's national interests in the Middle East. He regrets that the government has moved ahead with this indictment but looks forward to being vindicated at trial."

Weissman's lawyer, John Nassikas, said he looked forward to challenging the charges "vigorously in court."

AIPAC announced last Friday that it had hired former Justice Department officials who now work for Howrey LLP, a major Washington-based law firm that consults with organizations engaged in lobbying, to review its lobbying practices.

"The conduct of Rosen and Weissman was clearly not part of their job," an AIPAC official said. "However, we made a decision that the events of the last year warranted an internal review of policies and procedures related to information collection and dissemination."

"The goal is to ensure that nothing like this can ever happen again," the official said.

Previously disclosed government documents have focused only on activity dating back to 2003. Those documents outlined interactions with only one midlevel government official, former Pentagon Iran analyst Larry Franklin, who has already been indicted in the case, and one Israeli diplomat, political officer Naor Gilon, who ended a three-year tour of duty in early August.

The indictment lists charges involving incidents dating back to 1999, four years before the AIPAC staffers met Franklin. The charges are related to information on Iran and terrorist attacks in Central Asia and Saudi Arabia that was allegedly exchanged with three U.S. government officials and three staffers at the

Continued on page 2

■ *Indictment of former AIPAC staffers raises prospect of day in court*

Continued from page 1

Israeli Embassy in Washington.

A source close to the defense said one of the U.S. officials involved, who has not been indicted, was recently appointed to a senior Bush administration post. The source, who asked not to be identified, would not name the official.

The indictment for the first time acknowledges that the FBI used Franklin in a sting operation against Rosen and Weissman. It includes five charges against Franklin in addition to those against the two former AIPAC staffers.

In indicting all three with "conspiracy to communicate national defense information to persons not entitled to receive it," McNulty made it clear that the target was much broader: those in Washington who trade in classified information.

"Those entrusted with safeguarding our nation's secrets must remain faithful to that trust," McNulty said. "Those not authorized to receive classified information must resist the temptation to acquire it, no matter what their motivation may be."

The charges against the two former AIPAC staffers do not rise to the level of the crime committed by Jonathan Pollard, who plead guilty in 1986 to spying for Israel. Pollard plead guilty to a single count of conspiracy to deliver national defense information to aid a foreign government, which is punishable by life imprisonment.

The indictment against Rosen and Weissman does not anywhere allege that Israeli officials ever solicited the information, nor does it say that Israel compen-

sated them for the information.

McNulty suggested he would argue that the intent was critical. He described Franklin, Rosen and Weissman as "individuals who put their own interests and views of American foreign policy ahead of America's national security."

Lowell, Rosen's attorney, described the charges as a "misguided attempt to criminalize the public's right to participate in the political process."

The indictment includes a laundry list of contacts Rosen and Weissman had with U.S. government officials and Israeli Embassy officials.

It notes that Rosen had security clearance when he was an official at the Pentagon-allied Rand Corporation think tank in the late 1970s and early 1980s, apparently to underscore that Rosen would have known the implications of receiving classified information.

The indictment also lists conversations Rosen allegedly had with an Israeli diplomat in 1999 about terrorist acts in Central Asia that Rosen allegedly described as "an extremely sensitive piece of intelligence." It does not name the official.

Also outlined is a conversation that Weissman had in 1999 with the same official about a 1996 attack on U.S. troops in Saudi Arabia, in which Weissman discussed what he allegedly called a "secret FBI, classified FBI report."

In 2000, the indictment alleges, Rosen relayed classified information from a U.S. government official to the media. The information, according to the indictment, concerned U.S. strategy in the Middle East.

In 2002, Rosen relayed information about the terrorist group Al-Qaida from another government official — the official a defense source says was recently promoted to a senior government position — to other AIPAC officials, the indictment alleges.

In March 2003, Rosen and Weissman allegedly received classified information from Franklin on U.S. policy on Iran and relayed it to another Israeli diplomat.

In June of the same year, Franklin allegedly relayed to Weissman and Rosen classified information about Iranian activity in

Iraq, newly occupied by a U.S.-led force.

By July 2004, the indictment said, the government had co-opted Franklin and used him to set up Weissman and Rosen in a sting.

In that operation, Franklin allegedly warned Weissman that Iranian agents planned to kidnap, torture and kill U.S. and Israeli agents in northern Iraq.

The indictment alleges that Franklin made clear that the information was "highly classified."

According to well-placed sources, Weissman relayed this information to Rosen, who relayed it to Gilon at the Israeli Embassy; Glenn Kessler, the State Department correspondent at The Washington Post; and Howard Kohr, AIPAC's executive director, identified in the indictment as "another AIPAC employee."

McNulty made it clear that neither AIPAC nor any of its other employees were targets.

A source close to AIPAC said the group is not concerned that the indictment identifies two occasions — in 2002 concerning the Al-Qaida information and in 2004 concerning the sting — when Rosen allegedly shared information with AIPAC staffers.

"There was no indication by Steve Rosen within AIPAC that he was" obtaining classified information, said the source, who asked not to be identified.

AIPAC has already scaled back its lobbying of the executive branch of government — something the indictment pointedly notes was Rosen's expertise.

Israeli officials have confirmed to JTA that the FBI is seeking an interview with Gilon. It is not clear if the FBI also wants to talk with the two other Israeli Embassy officials cited in the indictment; they are not named.

One major question likely to come up during the trial is why the two U.S. government officials listed in the indictment as leaking the information are not facing trial.

"They should be going after all the guys who gave the information," said Malcolm Hoenlein, the executive vice president of the Conference of Presidents of Major American Jewish Organizations. ■

(JTA intern Avi Mayer in Washington contributed to this report.)

An indictment details the charges against two former AIPAC employees.

JTA WORLD REPORT

Howard E. Friedman
President

Mark J. Joffe
Executive Editor and Publisher

Lisa Hostein
Editor

Michael S. Arnold
Managing Editor

Lenore A. Silverstein
Finance and Administration Director

Noa Artzi-Weill
Marketing Director

JTA WORLD REPORT is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For more information about how to subscribe by e-mail, fax or regular mail, call (212) 643-1890, or visit our Web site at www.jta.org.
© JTA. Reproduction only with permission.

Netanyahu departure upsets government

By DAN BARON

JERUSALEM (JTA) — Finance Minister Benjamin Netanyahu has thrown Israeli politics into disarray with an 11th-hour resignation to protest the upcoming Gaza Strip withdrawal.

After long denying pundits' speculation that his days alongside Prime Minister Ariel Sharon were numbered, Netanyahu tendered his resignation Sunday, just as the Cabinet approved the first phase of settlement evacuations, which are slated to begin next week.

"I am all torn up inside," Netanyahu told reporters. "Like anyone, I aspire to leave Gaza. I aspire to peace," he said. "But the disengagement plan endangers Israel and is polarizing its people."

Sharon had no immediate comment on the surprise move by his top Likud Party rival, which was hailed as a heroic act of conscience by many Israelis who see the unilateral withdrawals from Gaza and the northern West Bank as a recipe for renewed Palestinian terrorism.

But on the left, Netanyahu was accused of cynically staking out a claim on a second term as prime minister at the cost of government stability. Labor Party ministers were quick to recall how he handed over most of the West Bank city of Hebron to the Palestinian Authority while he was prime minister in 1997, despite having earlier lambasted the land-for-peace principle before he headed the government.

"Netanyahu is, once again, coming out as a schemer at a historic juncture, preferring his own interests over those of the nation's," Infrastructure Minister Benjamin Ben-Eliezer said.

Barring copycat resignations by other Likud ministers who have voiced misgivings about the Gaza plan, Sharon's most important policy is expected to stay on track.

Sharon wasted no time in naming Trade Minister Ehud Olmert to be Netanyahu's replacement.

But all agreed that, in today's global economy, Netanyahu's shoes as finance minister would be hard to fill. During two-and-a-half years at the Treasury, he made a major impact with belt-tightening reforms that many economists credited with pulling the Jewish state out of recession.

The Israeli markets panicked at Netanyahu's resignation, which came an hour before trading ended. The MAOF Index plummeted 5.25 percent, and there were similar drops across the board.

Netanyahu appealed for calm, extol-

ling the skills of his Finance Ministry aides and recommending that his successor keep them on.

"He will receive an economy that has gone from collapse to growth," Netanyahu said. "As long as the same course is maintained at the helm, this trend should continue."

According to media reports, Netanyahu's decision to quit the government was so quick as to have caught his closest

advisers off-guard. Some political analysts suggested that, with the removal of 25 Jewish settlements to formally begin on Aug. 15, Netanyahu seeks to inherit as the next prime minister an Israel devoid of the security burden of Gaza, while remaining unassociated with its evacuation.

The walkout could help restore Netanyahu's credibility among hard-line supporters.

Just last week, one of his long-standing foreign funders, the Australian diamond billionaire Joseph Gutnick, said in an Israeli-television interview that Netanyahu had disappointed many of those who voted for him as prime minister in 1996.

In his remarks to reporters, Netanyahu did not detail his political aspirations, saying only that he did not want to be remembered as having taken part in a withdrawal that could turn Gaza into a "base for Islamic terror."

"You know, I'm the son of a historian," he said. "In 10, 50, 100 years, I want them to be able to say, He did not take part in it." ■

'In 10, 50, 100 years, I want them to be able to say, He did not take part in it.'

Benjamin Netanyahu
Outgoing Israeli Finance Minister

THIS WEEK

TUESDAY

■ The U.N.'s International Atomic Energy Agency meets in response to Iran's threats that it will resume fuel-cycle work and may go as far as producing enriched uranium. Negotiators from the European Union have been trying to convince Iran to halt the work, which can be used either to fuel civilian power plants or to produce nuclear bombs. Israel believes it is time for E.U. negotiators to refer the matter to the U.N. Security Council for sanctions.

FRIDAY

■ Israel's ambassador to the United States, Daniel Ayalon will address the National Press Club in Washington. The talk, "On the Eve of Israel's Disengagement from Gaza," takes place just three days before Israel is to begin moving settlers out of the Gaza Strip.

SATURDAY

■ A group of Candian aboriginal leaders leaves for an Israeli solidarity tour. Officials with B'nai Brith Canada will accompany the ministers on the third annual Stand with Israel tour. The tours began in 1993 after a former aboriginal leader, David Ahenakew, made anti-Semitic remarks.

SUNDAY

■ The United Jewish Communities' National Lesbian, Gay, Bisexual and Transgendered Pride in Israel mission departs for a week in the Jewish state.

Prof. 'proud' after Jihad attack

WASHINGTON (JTA) — A Florida professor blessed Islamic Jihad and felt proud after a 1994 suicide bombing that killed three Israelis, a court heard.

Sami Al-Arian is on trial with three others on charges that he used fronts to raise funds for the Palestinian terrorist group.

On Aug. 4, FBI agent Kerry Myers described intercepting a fax to Al-Arian in 1994 from the Islamic Jihad's Damascus office, claiming responsibility for an

attack by a suicide bomber on a bicycle that killed three Israelis in a Gaza Strip settlement.

In a return fax, Al-Arian wrote, "Pride and glory overwhelmed us. May God bless your efforts and accept our martyrs."

His co-defendant, Hatem Naji Fariz, was taped in a 1995 phone call as saying that "the whole world is pleased" by a suicide attack in Beit Lid, in central Israel, that killed 22. ■

NEWS IN BRIEF

MIDDLE EAST

Shooter's friends arrested

The Israeli army arrested three friends of the Jewish terrorist who killed four Israeli Arabs in a shooting rampage Aug. 4 in northern Israel.

The teenagers, arrested last Friday, are suspected of knowing that Natan Eden Zada planned to attack Arabs, Ha'aretz reported.

Zada and the three arrested youths lived in the West Bank settlement of Tapuah.

Tapuah is known as an extremist haven that includes many followers of the late Rabbi Meir Kahane, who advocated expelling Arabs from Israel and whose political party was outlawed.

Sharon: Attack was terrorism

Israel will formally recognize the Aug. 4 deadly shooting spree in northern Israel as a terrorist attack.

Prime Minister Ariel Sharon asked the National Insurance Institute last Friday to designate the attack in the town of Shfaram — in which a young Jewish man opened fire in a public bus, killing four Muslim and Christian Arabs — as terrorism.

The designation allows the insurance agency to grant the victims' families monthly financial allotments for the rest of their lives.

Tens of thousands of mourners attended funerals last Friday for the victims: Michel Bahus, 56; Nader Hayak, 55; Hazar Turki, 23, and her 21-year-old sister, Dina.

JAFI aids Muslim, Christian terror victims

The Jewish Agency for Israel is granting financial assistance to Muslim and Christian families of victims of the Aug. 4 terror shooting in northern Israel.

"The families have been notified that they are eligible to receive aid" from the agency's Fund for Victims of Terror, Michael Jankelowitz, an agency spokesman, told JTA last Friday.

"This is the first time that the fund is assisting Christian and Muslim Israeli Arabs."

In the past, he said, disbursements from the fund have gone to Jews and, in one case, to a Druse family.

NORTH AMERICA

Fines in Michigan for fake kosher

Health inspectors in a Michigan county may impose fines on food sellers who falsely claim food is kosher.

Wayne County commissioners on Aug. 4 approved the measure — which also applies to halal food — because of complaints from local Muslims that butchers were asking higher prices for meat and falsely claiming it was halal.

Dearborn, with one of the largest Arab populations in the United States, is in Wayne County. Businesses now must post signs identifying the slaughterer and the wholesaler.

The new county law comports with existing state law in Michigan, and extends its powers to health inspectors.

Groups slam Dobson comments

Jewish groups called on James Dobson to rescind comments comparing stem-cell research to Nazi medical experiments.

Dobson, who founded the evangelical political group Focus on the Family, told a radio show Wednesday that though embryonic stem-cell research may have the potential to produce positive findings, it should be condemned the way that Nazi "experiments" perpetrated on concentration-camp inmates during the Holocaust were condemned.

Officials from the Anti-Defamation League and the Reform movement's Religious Action Center issued strongly worded statements last Friday, calling on Dobson to repudiate his comments.

WORLD

Group blasts U.N. officials on Israel comments

The World Jewish Congress called on the U.N. human rights commissioner to disavow comments on Israel made by several U.N. officials.

The WJC said Louise Arbour should distance herself from the comments made by the U.N. special rapporteurs, who said last week in Geneva that the United Nations "clearly cannot make itself a party to negotiations" for Middle East peace unless Israel abides by last year's International Court of Justice opinion on Israel's security fence.

In a nonbinding ruling rejected by Israel, the ICJ ruled last year that the barrier is illegal.

Pakistanis detain Jewish filmmakers

Pakistani authorities who detained two Swedish filmmakers of Jewish descent for 16 days probed them about their "religious preferences."

Leon Flamholz and his son David, together with Tahir Shaw, a British writer of Afghan origin, were making a film about the Mogul empire when authorities arrested them July 18 in Peshawar, a large city near Afghanistan.

Authorities said their 16-day detention and their deportation Aug. 3 were "lenient" because the men had entered on tourist visas and didn't have permits to film. David Flamholz said the men were "blindfolded, held in shackles at gunpoint" and held in cells "stained with blood and excrement," according to The Associated Press.

Some of their interrogators' questions focused on their religion, he said, apparently because of their Jewish background.

British and Swedish diplomatic officials said they were denied access to the men.

Brits to investigate war-crime claims

British police will investigate claims that former Ukrainian SS members are living in the United Kingdom and have escaped prosecution for war crimes.

Secret files released last week by Britain's National Archives revealed that 7,100 soldiers, many of whom had been volunteers in an SS division responsible for numerous atrocities, were allowed into Britain after World War II as farm laborers, despite government misgivings.

British police have begun checks on 75 suspects, some of whom are believed to have been concentration-camp guards.

Tattoo it like Beckham

Victoria and David Beckham got matching Hebrew tattoos to celebrate their sixth wedding anniversary.

Soccer star Beckham was the first to get the biblical saying, "I am my beloved's and my beloved is mine," tattooed on his left forearm.

His wife, a former Spice Girl, followed suit with a smaller version on her neck.

The footballer was said to have chosen the Hebrew inscription because of his Jewish heritage: His maternal grandfather was Jewish and Beckham, 30, has spoken of his fond memories of attending synagogue with him.

Victoria Beckham, 31, has expressed interest in Kabbalah, and the couple has been spotted wearing the red string bracelets that some Kabbalah devotees favor.