

Spy Rumors Fly on Gusts of Truth

By Marc Perelman

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Despite angry denials by Israel and its American supporters, reports that Israel was conducting spying activities in the United States may have a grain of truth, the Forward has learned.

However, 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.

In particular, a group of five Israelis arrested in New Jersey shortly after the September 11 attacks and held for more than two months was subjected to an unusual number of polygraph tests and interrogated by a series of government agencies including the FBI's counterintelligence division, which by some reports remains convinced that Israel was conducting an intelligence operation. The five Israelis worked for a moving company with few discernable assets that closed up shop immediately afterward and whose owner fled to Israel.

Other allegations involved Israelis claiming to be art students who had backgrounds in signal interception and ordnance.

Sources emphasized that the release of all the Israelis under investigation indicates that they were cleared of any suspicion that they had prior knowledge of the September 11 attacks, as some anti-Israel media outlets have suggested. The resulting tensions between Washington and Jerusalem, sources told the Forward, 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.

Most experts and former officials interviewed for this article said that such so-called unilateral or uncoordinated Israeli monitoring of radical Muslims in America would not be surprising.

In fact, they said, Israeli intelligence played a key role in helping the Bush administration to crack down on Islamic charities suspected of funneling money to terrorist groups, most notably the Richardson, Texas-based Holy Land Foundation last December.

"I have no doubt Israel has an interest in spying on those groups," said Peter Unsinger, an intelligence expert who teaches justice administration at San Jose University. "The Israelis give us good stuff, like on the Hamas charities." According to one former high ranking American intelligence official, who asked not to be named, the FBI came to the conclusion at the end of its investigation that the five Israelis arrested in New Jersey last September were conducting a Mossad surveillance mission and that their employer, Urban Moving Systems of Weehawken, N.J., served as a front.

After their arrest, the men were held in detention for two-and-a-half months and were deported at the end of November, officially for visa violations.

However, a counterintelligence investigation by the FBI concluded that at least two of them were in fact Mossad operatives, according to the former American official, who said he was regularly briefed on the investigation by two separate law enforcement officials.

"The assessment was that Urban Moving Systems was a front for the Mossad and operatives employed by it," he said. "The conclusion of the FBI was that they were spying on local Arabs but that they could leave because they did not know anything about 9/11."

However, he added, the bureau was "very irritated because it was a case of so-called unilateral espionage, meaning they didn't know about it."

Spokesmen for the FBI, the Justice Department and the Immigration and Naturalization Service refused to discuss the case. Israeli officials flatly dismissed the allegations as untrue.

However, the former American official said that after American authorities confronted Jerusalem on the issue at the end of last year, the Israeli government acknowledged the operation and apologized for not coordinating it with Washington. The five men — Sivan and Paul Kurzberg, Oded Ellner, Omer Marmari and Yaron Shmuel — were arrested eight hours after the attacks by the Bergen County, N.J., police while driving in an Urban Moving Systems van. The police acted on an FBI alert after the men allegedly were seen acting strangely while watching the events from the roof of their warehouse and the roof of their van.

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 Bergen County police immediately handed the suspects to the INS, which turned them over to a joint police-FBI terrorism task force set up after September 11 to deal with all possible links with the attacks.

The five Israelis were detained in the high-security Metropolitan Detention Center in Brooklyn in solitary confinement until mid-October. On September 25, they all signed papers acknowledging violations of U.S. immigration law. At the end of October, the INS issued a deportation order which was enforced a month later after a review by the Justice Department and prodding by Jewish and Israeli officials.

However, the former official said, this is just the official story.

In fact, he said, the nature of the investigation changed after the names of two of the five Israelis showed up on a CIA-FBI database of foreign intelligence operatives, he said. At that point, he said, the bureau took control of the investigation and launched a Foreign Counterintelligence Investigation, or FCI.

FBI investigations into possible links to the September 11 attacks are usually carried by the bureau's counterterrorism division, not its counterintelligence division.

"An FCI means not only that it was serious but also that it was handled at a very high level and very tightly," the former official said. That view was echoed by several former FBI officials interviewed.

Steven Gordon, an American lawyer hired by the families to help secure their release, said he could not confirm which FBI division was in charge of the investigation. However, he acknowledged that "there were a lot of people involved, including counterintelligence officials from the FBI."

The men all underwent at least two polygraph tests each, the lawyer added. He said one of the Israelis took the test seven times, a very unusual total according to several polygraph experts interviewed by the Forward.

After the men were arrested, FBI agents searched the warehouse of Urban Moving Systems in Weehawken, N.J., seizing computer hard drives and documents. The warehouse was closed on September 14, said Ron George, a spokesman for the New Jersey State Division of Consumer Affairs.

On December 7, a New Jersey judge ruled that the state could seize the goods remaining inside the warehouse. The state also has a lawsuit pending against Urban Moving Systems and its owner, Dominik Otto Suter, an Israeli citizen.

The FBI questioned Mr. Suter once. However, he left the country afterward and went back to Israel before further questioning. Mr. Suter declined through his lawyer to be interviewed for this article.

Earlier this year, the New York State Department of Transportation revoked Urban Moving System's license after discovering that the company's midtown Manhattan base was only a mailing address.

After they returned to Israel at the end of November, the five men told local media that they were kept in solitary confinement, beaten, deprived of food and questioned while blindfolded and in their underwear.

Mr. Ellner, one of the five Israelis, said on two occasions in recent weeks that the five men had decided not to grant any interviews right now “because we went through a very difficult period and we are not ready for this.”

Their Israeli lawyer, Ram Horwitz, told the Forward he was still waiting for the results of the medical tests undertaken by the men in Israel to make a decision on an eventual lawsuit in the United States for mistreatment.

Mr. Horwitz insisted the men were not intelligence officers.

Irit Stoffer, an Israeli Foreign Ministry spokeswoman, said the allegations were “completely untrue” and that there were “only visa violations.”

“The FBI investigated those cases because of 9/11,” Ms. Stoffer said.

Charlene Eban, a spokeswoman for the FBI in Washington, and Don Nelson, a Justice Department spokesman, said they had no knowledge of an Israeli spying operation.

“If we found evidence of unauthorized intelligence operations, that would be classified material,” added Jim Margolin, a spokesman for the FBI in New York.

One leading expert in American intelligence operations, Chip Berlet, a senior analyst at the Boston-based Political Research Associates, explained that there “is a backdoor agreement between allies that says that if one of your spies gets caught and didn’t do too much harm, he goes home. It goes on all the time. The official reason is always a visa violation.”