



The “war of civilizations” cabal of Deputy Secretary Paul Wolfowitz in the Pentagon, though held back from their earlier demands for bombing Arab countries after Sept. 11, now dominate arms talks with Russia—one of the sabotage operations against Putin-Bush cooperation.

Israeli Espionage: The Corporate Nexus

by Jeffrey Steinberg

Joseph Churba, calling for a “firm deadline for the destruction of North Korea’s nuclear complex.” If this destruction were not carried out by the North Koreans themselves, Crouch said, then it should be done by U.S. air power.

Doug Feith, Crouch’s boss, comes from the same circles. Feith was a key advisory board member of neo-conservative Frank Gaffney’s Center for Security Policy, and during the second Reagan Administration in the late 1980s, he served as special counsel to then-Assistant Secretary of State for International Security Policy Richard Perle. Both were investigated by the Secretary of Defense’s Office of General Counsel as suspected participants in the Jonathan Jay Pollard Israeli spy ring. During the 1990s, Feith denounced President Clinton’s peace efforts in the Middle East, and attacked the Chemical Weapons Convention. His collaborators, Gaffney and Perle, are now leading the attack on the current President Bush for his close collaboration with President Putin, his failure to attack Iraq, and his refusal to back Sharon’s drive to crush the Palestinians.

John Bolton served in the first Bush Administration, then spent several years at the neo-conservative American Enterprise Institute, where he helped found, along with former British Prime Minister Margaret Thatcher, the New Atlantic Initiative, co-chaired by former Secretary of State Henry Kissinger. Bolton was also a leading proponent of a full-scale invasion of Iraq to overthrow Iraqi President Saddam Hussein.

During his confirmation hearing last March, Bolton was roundly criticized by Democrats for his hostility toward arms control agreements. Sen. Byron Dorgan (D-N.D.) complained that Bolton “doesn’t care a whit about arms control,” and would be a “fox in the chicken coup.” Bolton’s nomination was endorsed by Kissinger, former Secretary of State James Baker III, and former Deputy Secretary of State Lawrence Eagleburger.

According to U.S. government investigators probing a massive Israeli spy apparatus inside the United States—with possible links to the Sept. 11 attacks on the World Trade Center and the Pentagon—many of the several hundred Israeli nationals detained in the past two years on suspicion of espionage, visa violations, etc., entered the United States on special exemption visas and work permits. During the height of the information technology bubble, the U.S. government set up a special category of visas, for foreign nationals hired to work for American companies in the telecommunications and computer field.

The sources report that the Israeli detainees who were in the United States on these special work permits all worked for an Israeli company, Amdocs. Amdocs is one of Israel’s computer and information technology giants, founded by veterans of Israel’s sophisticated “signals intelligence” agency, the parallel to America’s National Security Agency. The bulk of Amdocs’ financing and business, however, is not in Israel, but in the United States, where Amdocs has automated billing contracts with 25 of the largest U.S. telephone companies. Amdocs is now preparing to further expand its presence in the U.S. telecommunications market, by moving into the operating systems area—unless the ongoing U.S. government spy probe sinks the Israeli expansion move.

Spy Saga

As first reported by *EIR*’s Executive Alert Service on Dec. 4, 2001, U.S. intelligence and law enforcement agencies have been probing a massive Israeli spy network, operating coast-to-coast, and possibly linked to the attacks of Sept. 11. Beginning in the late 1990s, officials of the Drug Enforcement Administration and other Federal law enforcement agencies began assembling reports about Israeli “art students” attempting to penetrate government buildings, safehouses, private residences of top officials, and military bases. Under the guise of selling Israeli works of art and toys, these “students” conducted aggressive surveillance of the sites, and also made efforts to profile law enforcement officials and staff personnel for prospective recruitment by Israel.

Following the attacks on the World Trade Center and the Pentagon, U.S. law enforcement tracking of these Israelis

was given higher priority; it was soon discovered that the “students,” most of whom had specialized Israeli Defense Forces backgrounds, were also infiltrating Arab-American communities, and had long-established connections to some suspected Islamic terrorist cells.

The investigation of the Israeli “art students” is continuing, according to Federal government sources, and the probe is an integral part of the “war on terrorism.” Despite howls of protest from the Sharon government in Israel, and from Zionist Lobby organizations led by the Committee for Accurate Middle East Reporting in America (CAMERA) and the Jewish Institute for National Security Affairs (JINSA), the United States is still holding an undisclosed number of Israelis in custody, as part of the anti-terror sweep.

Amdocs, Comverse, and Telrad

The linkage of several of the detained Israeli suspected spies with Amdocs, reportedly set off alarm bells, among some Federal investigators, including officials of the National Security Agency and the CIA. For years, according to *EIR*'s sources, Amdocs has been under scrutiny for suspected links to the Israeli Mossad or military intelligence. Repeated investigations turned up no direct proof of this, although some links were unearthed to Israeli organized-crime rings, involved in “Ecstasy”-for-diamonds smuggling in the United States.

The reason for the concern is that Amdocs, along with two other Israeli high-tech companies—Comverse and Telrad—have become major sub-contractors for sensitive U.S. national security activity. Comverse is one of two prime contractors with the FBI for the administering of Federal court-authorized wiretaps. Telrad has been contracted in the past to revamp the telephone systems at the White House, and at other high-security government installations. During the Clinton Administration, at the height of the “Lewinsky Affair” and the impeachment process, there were widespread allegations of Israeli wiretapping of the President’s personal phone calls. Then-Israeli Prime Minister Benjamin Netanyahu made no secret of the fact that his government was fully engaged in the “Clintongate” assault on the U.S. Presidency.

The three Israeli companies constitute a core component of what *EIR* has called the Mega apparatus—the combination of wealthy and politically connected American Zionists, typified by Edgar Bronfman and Ronald Lauder; the vast neo-conservative “Israel First” apparatus, heavily penetrated into the U.S. government and national security think-tank circuit; and the Israeli spy apparatus, including the “scientific espionage” agencies, which, in the 1980s, ran the Jonathan Jay Pollard spy ring.

To provide our readers with an appreciation of the depth of penetration of the U.S. national security structures by the Mega apparatus, we publish, below, dossiers on the three Israeli firms presently at the center of the U.S. government probe of the “Israeli connection” to Sept. 11.

Company Profiles

Amdocs

Israeli-owned Amdocs is one of the leading providers of customer-billing and customer-relations services to telecommunications companies in the U.S.A. and internationally. As such, it is reported to have access to a record of almost every phone call made in the United States. Its senior management are reported to be senior members of the Israeli military and intelligence services.



Amdocs International Ltd., the parent company in Israel, is owned by the Morris Kahn Group, which was among its founding investors in 1982. Morris Kahn owns the Aurec telecommunications group in Israel, of which Amdocs was previously a part, and was known as Aurec Information. The name was changed to Amdocs, and it went public, around 1998.

Kahn is a business partner of Ian G. Koblick, who runs the Marine Resources Development Foundation based in Florida, engaged in deep-sea research around the world. Kahn is also a partner in Coral World (underwater observatories) with the Steinmetz group, which controls Ampal-American Israeli Corp. (AMEX: AIS), which has large holdings in the Israeli communications, real estate, and diamond industries.

Kahn’s Aurec and the American International Group (AIG) have a joint venture in Israel, Golden AIG Direct Insurance Co.

SBC (Southern Bell), which has a long relationship with Aurec, helped launch Amdocs in the United States in the early 1980s with a \$25 million investment that gave it a 50% stake. SBC held about 23% of Amdocs stock in 1999. The other major shareholders are the New York investment firm of Welsh, Carson, Anderson & Stowe, and Amdocs International, Inc. (the Morris Kahn Group).

Major Product Lines:

- Billing and order-management software;
- Customer Relationship Management (CRM) software that provides instant access to wide-ranging information on customers. In October 2001, Amdocs purchased Nortel’s Clarify unit for \$200 million cash, which became part of Amdocs CRM division.
 - A Fraud Management System (FMS), which is described as detecting fraudulent activity, such as hacking, calling-card cloning, and subscription fraud. Using “data-mining” techniques, FMS profiles customers and detects abnormal usage that might indicate fraud. (In February 2001, Amdocs contracted with Deutsche Telekom to implement a

fraud-management system for DT's customer base of 46 million.)

Amdocs describes its product as "the world-leading fraud detection system," and it can define specific parameters, or "fraud detection rules," to meet specific requirements.

Sources note that this can be used in the opposite manner, to discover patterns of activity among police and other law-enforcement agents; since each call generates a CDR (Call Dialing Record), it is possible to use these "data-mining" techniques to determine patterns of activity by police agencies—whom the agencies are in contact with, how often, etc. Using this method, it would be possible to discover whom police, FBI, or Drug Enforcement Administration (DEA) agents are using as informants and undercover operatives, for example. (see *EIR*, Dec. 28, 2001, "EIR Blows Israeli Spies Cover in Sept. 11 Case," for details of how Amdocs has used this capability.)

Major customers include: SBC, Verizon, Bell South, Nextel, Sprint, British Telecom, Deutsche Telekom, Libertel-Vodafone (Netherlands), Bell Canada, and Bezeq (Israel).

Amdocs Ltd.

Channel Islands

Ticker symbol: (NYSE) DOX

Annual sales: \$1,500,000 (2001)

Employees: 8,400

Amdocs, Ltd.

8 Hapnina St.

Ra'anana 43000 Israel

Amdocs, Inc.

1390 Timberlake Manor Parkway

Chesterfield, Mo. 63017

www.amdocs.com

Officers and Directors:

Bruce K. Anderson, Chairman of the Board and CEO of Amdocs, Inc. since September 1997. General partner of investment firm WCAS, formerly with ADP.

Avinoam Naor, Director of Amdocs Ltd., Chief Executive Officer of Amdocs Management Ltd., a founder of Amdocs in 1982; 28 years in software development for communications systems, member of the team that established the computerized system for Golden Pages, the Israeli yellow pages company.

Robert A. Minicucci, Chief Financial Officer, Director of Amdocs Ltd.; General Partner of WCAS; previously with First Data Corp.; Senior Vice President and Treasurer of the American Express Co.; and a Managing Director of Lehman Brothers.

Adrian Gardner, Director; Managing Director of Lazard LLC, London.

James S. Kahan, Director; SBC Senior Executive Vice

President-Corporate Development; previously with Western Electric, Bell Laboratories, South Central Bell, and AT&T.

John T. McLennan, Director; Vice Chairman and Chief Executive Officer of AT&T Canada; previously President and Chief Executive Officer of Bell Canada.

Lawrence Perlman, Director; previously Chairman of Ceridian Corp.

Michael J. Price, Director; Co-Chairman of FirstMark Communications International LLC; previously Vice President and Managing Director of Lazard Frères & Co. LLC.

Modi Rosen, Director; founder and a co-manager of Magnum Communications Fund, a venture capital fund specializing in the Israeli telecommunications industry; previously Vice President of Monitor Co.; managing partner at Shaldor, an Israeli consultancy firm.

Ron Zuckerman, Director; founder and former Chairman of Precise Software Solutions; founder and Chairman of Sapiens International; Chairman of EC-Gate.

Thomas G. O'Brien, Treasurer and Secretary of Amdocs Ltd.; previously Controller of Big River Minerals Corp.; Arthur Young and Co.

Kevin Picker, Director and General Manager of Amdocs (U.K.) Ltd.; previously general manager of Myers Tyres in Australia; financial director of KM Printing and Publishing; member of the Australian and South African Institutes of Chartered Accountants, and Israeli Institute of Certified Public Accountants.

Paul Atkinson, Senior Vice President, Amdocs Management Ltd.; CEO of Solect until the acquisition of Solect by Amdocs in April 2000; previously President and co-founder

Hiding the Blue-and-White

"Israeli companies trading on U.S. exchanges are always striving to hide their blue-and-white markings," writes Jonathan Nassie, referring to the colors of Israel's flag. Nassie is a correspondent for the Israeli-based financial news source TheMarker.com, an affiliate of TheStreet.com. In a story datelined Tel Aviv, on Oct. 12, 2000, Nassie notes that every notice by Comverse Technologies, or Check Point Software, always begins with an American city where they base their U.S. operations. They almost never mention Israel, supposedly on the assumption that foreign companies, and particularly Israeli companies, trade at a discount on U.S. markets.

"Once an Israeli, always an Israeli," Nassie declares, "and even if Comverse plants itself in New Jersey or Amdocs registers itself in Guernsey Island, it's Israeli, tried and true."

of Southwest Sun, representative of Sun Microsystems in central Canada.

Dov Baharav, Senior Vice President and Chief Financial Officer of Amdocs Management Ltd.; previously Chief Operating Officer of Optrotech Ltd.

Shlomo Baleli, Senior Vice President, Amdocs Management Ltd., joined Amdocs in 1982; previously, member of the team that established the computerized system for Golden Pages, the Israeli yellow pages company.

Simon Cassif, Senior Vice President of Amdocs Ltd. (U.K.); previously, Chief Information Officer and Vice President, Systems and Computers at Bezeq, the Israel Telecommunication Corp. Ltd.

Eli Gelman, Senior Vice President of Amdocs Management Ltd.,

Nehemia Lemelbaum, Senior Vice President of Amdocs Management Ltd.; previously with Contahal Ltd., a leading Israeli software company; from 1967 to 1976, with the Ministry of Communications of Israel, the organization that eventually became Bezeq, the Israel Telecommunication Corp. Ltd.

Melinos Pissourios, General Manager of Amdocs Development Ltd.; Financial Controller of Amdocs Development Ltd. in Cyprus. previously, Group Financial Controller at AEC Holland Group; KPMG Peat Marwick.

Mario Segal, Senior Vice President and Chief Operating Officer of Amdocs Management Ltd.; previously with a major North American yellow pages publisher; major Israeli insurance company.

Comverse Infosys, Inc.

Comverse is one of the leading suppliers of wiretap equipment to U.S. law-enforcement agencies; many

U.S. law-enforcement and intelligence officials believe that Israel security agencies have direct access to U.S. wiretap information via Comverse equipment.

Comverse describes itself as a world leader in the “lawful interception market” for law-enforcement agencies. It supplies its Audiodisk line of multimedia digital recording monitoring systems to law-enforcement and intelligence agencies; the system is also used by financial institutions, correctional institutions, 911 systems, etc. Audiodisk was apparently first developed for the Israeli military, and in 1990 Comverse sold its first Audiodisk system to a European government. Comverse President Kobi Alexander said at the time, that this order “is the first major order for our defense products outside of Israel.”

In October 2001, Comverse introduced a new product, Reliant SL, described as “a compact, cost-effective solution

used by law-enforcement agencies to conduct court-ordered electronic surveillance.” A Comverse official stated: “As a global provider of lawful interception, we are aware of our customers’ wide range of needs. Reliant SL allows us to offer a complete set of lawful interception solutions to all our customers, supporting them with a compact system that can easily migrate to a full-scale, country-wide monitoring center.”

Comverse has developed at least two other capabilities which are as befitting a national intelligence agency, as a private telecommunication company:

- Facial-recognition systems, which have become a hot topic since Sept. 11, allowing law-enforcement and intelligence agencies to pick suspects or wanted persons out of a crowd. The system being marketed to businesses, is promoted as using security cameras to provide face recognition on persons working anywhere within a company, and keeping track of people who enter and leave a company during the day. Facial-recognition systems are being tested in U.S. airports and other places where crowds gather; they are even used in Las Vegas gambling casinos. A recent news story quotes Visionics, a New Jersey firm which has an alliance with Loronix, a wholly-owned subsidiary of Comverse, saying that “facial recognition is a valuable new technology that has a role to play in counter-terrorism.” Visionics cites testimonials from British police in the London suburb of Newham, who have been using the system.

- Voice-recognition systems—Comverse is involved in developing and marketing voice-activated voice-mail systems in a partnership with the wireless carrier SunCom. Comverse was involved in recording regional dialects and constructing a data base of 26 regional markets for voice-recognition. Although not mentioned in the news coverage, this is a technology which the U.S. National Security Agency (NSA) has been working on for years, enabling it to automatically process and analyze wiretap data.

Company Profile and History:

Comverse started in Israel in 1982, where it was known as Efreit Future Technology, Ltd. It was started by the Alexander family. Zvi Alexander (the father of Amdocs Chairman Kobi Alexander) formerly headed the Israeli National Oil Co. According to the *Long Island Business News* (Jan. 21, 1991), Kobi Alexander “served in the Israeli armed services as an intelligence officer in an elite commando unit.”

Comverse was established in 1984 in the United States, when Kobi Alexander teamed up with an eight-year veteran of the British Royal Air Force, Brian Wiltshire. The latter, who claimed to be impressed by the company’s three Israeli founders, also formed a strategic alliance with British Telecom.

In early 2000, another founder and senior executive of Comverse, Carmel Vernia, was appointed by the Israeli Ministry of Industry and Trade, as Chief Scientist of the State of Israel, a position which oversees government investment in the high-tech sector. (According to many sources, the devel-



opment of the Israeli high-tech sector, including telecommunications, was sponsored by the Israeli military.)

Comverse does nearly all its manufacturing in Israel, where it can take advantage of government subsidies and tax credits. A 1993 article on Comverse in *World Trade* magazine reported: "By virtue of its Israeli operations, Comverse enjoys tax breaks and subsidies provided by the Tel Aviv government to high-tech companies," adding that it also receives Israel government grants for research and development. "But as an American company, Comverse has been able to open doors that, as an Israeli outfit, it probably couldn't have," the article continues, noting that being a "U.S. company" helped it in Europe, Mexico, and Chile, for example.

In 1997, when President Bill Clinton appointed U.S. Air Force Gen. Robert T. Marsh (ret.) to head the President's Commission on Critical Infrastructure Protection, Marsh was also the Chairman of the Board of Comverse Government Systems Corp., which provided telephone interception equipment to the U.S. government. Comverse Government Systems Corp. (first called Comverse Government and Defense Systems Division) is now called Comverse Infosys. (Marsh was with the U.S. Air Force from 1949-84; He was named Chairman of Board of Thiokol Corp., when Morton-Thiokol spun off its aerospace division in 1989 to create Thiokol Corp. He is former Chairman and now a Director of CAE Electronics, a leading company providing flight training and simulation; also named in August 1991 to the board of Flight International, which provides flight and training services, and is a director of Teknowledge, which specializes in Internet financial transactions, computer security, and firewalls for the U.S. Department of Defense and private companies. Teknowledge's officers and board members come from ING Barings, Schroder & Co., L.F. Rothschild, and Rand Corp.)

In January 1997, George Soros' Quantum Industrial Holdings Ltd. and Comverse Technology announced the formation of a \$30 million technology venture capital fund, to be known as ComSor Investment Fund. The primary purpose of the new fund, which was created and based in the Netherlands, was to invest in high-technology companies in Israel. "We believe that Comverse's knowledge of high technology in general, and the Israeli high-technology sector in particular, combined with Soros Fund Management financial and investing acumen, create a team with all the skills to successfully identify and nurture emerging technology firms," said Comverse Chairman Kobi Alexander.

Since that time, ComSor has periodically announced investments in Israeli-based telecommunications firms, including Witcom Wireless Telecommunication, NetReality, HarmonyCom (based in Tel Aviv, London, and Ann Arbor, Michigan), Global Factory, Inc. of Santa Clara, California (in which Charles Bronfman's Koor Industries is also an investor), and, during this past year, Mindsense Biosystems of Rehovot, Israel.

Comverse Technology, Inc.

170 Crossways Park Dr., Woodbury, New York 11797
www.cmvt.com

Ticker symbol: (NASDAQ) CMVT

Annual sales: \$1.2 billion (2000)

Employees: 6,370

Officers and Directors:

Kobi Alexander, CEO, Chairman of Board.

Brian Wiltshire, Executive VP.

David Kreinberg, VP, CFO.

Itsik Danziger, President.

William F. Sorin, Secretary.

Susidiaries and Divisions:

Comverse—primary operating division

Wakefield, Mass.

www.comverse.com

Officers and Directors:

Zeev Bregman, CEO, formerly with Clarity Ltd.

Francis Girard, Vice Chairman, previously President and CEO of Boston Technology, which merged with Comverse Technology to form Comverse. Previously with NEC and Wang.

Michael Ben-Assa, VP-Europe, previously VP of Telrad Telecommunication until March 1999, and before that, was with Optrotech Israel. (See section on Telrad, below.)

Gideon Be'ery, VP Marketing, joined Comverse in 1988, after serving in the Israeli Air Force where he developed data communications systems; also taught at Tel Aviv University.

Gadi Bahat, VP and General Manager, previously at RAD Data Communication and Scitex.

Menashe Rothschild, CTO, previously with Tecnomatix, Elron, and Motorola.

Kevin Allen Wood, President-Americas.

Carmel Sofer, President-Europe, previously VP of an Israeli paging company.

Yossi Shabat, VP-Asia Pacific.

Comverse Information Systems (Infosys) (see above, provider of wiretap equipment to U.S. government agencies)

234 Crossways Park Dr., Woodbury, New York 11797

www.cominfosys.com

Annual sales: \$60 million (1999)

Employees: 200

Loronix (facial-recognition systems)

Durango, Colorado

www.loronix.com

Startel (networking software for Call Centers)

Irvine, California
www.startelcorp.com

Star*Home (mobile phone services for international travellers)

Zurich, Switzerland
www.starhome.com

Ulticom (telecommunications software)

Mt. Laurel, New Jersey
www.ulticom.com

Wydeband (broadband services)

Tel Aviv, Israel
www.wydeband.com

Persay (voice-verification and recognition systems)

Woodbury, New York and Tel Aviv, Israel
www.persay.com

Telrad

Telrad Telecommunications and Electronics Industries Ltd. describes itself as Israel's leading telecommunications company, which began by supplying phone sets to the Israeli Ministry of Communications in 1951. It is the major supplier of digital switches to Bezeq (Israel's telecommunications company), and international operators Barak, Golden Lines, and Bezeq International. Telrad also "provides secure communications systems for the Israeli Defense Forces," according to the website of its parent company, Koor Industries, which is Israel's largest industrial conglomerate. Koor owns 80% of Telrad; the other 20% is owned by Nortel, formerly Canada's Northern Telecom, which paid \$45 million for its holding in Telrad in 1996. Nortel and Koor formed Nortel Networks Israel (NNI) to deliver Nortel Internet services in Israel; Nortel also acquired some of Telrad's markets outside of Israel. Koor is a holding company. One of its major lines of business is "defense electronics"—providing electronics for the Israeli military.

The chairman of Koor Industries is Charles Bronfman, a co-founder of the Mega Group—the secretive organization of American and Canadian "mega-millionaires" who set policy for the Israeli lobby in the United States.

Koor Industries is owned 35% by Claridge (of which Bronfman is Chairman), and 20% by Hapoalim Properties (which is also owned by Claridge).

The *Sunday Times* of London reported on May 21, 2000,

that Israeli intelligence agents had infiltrated Telrad, a company subcontracted by Nortel to develop a communications system for the White House, and that, as a result, Israeli agents were able to tap data flowing from the White House, which was copied into a secret Israeli computer in Washington and then transferred to Tel Aviv two to three times a week.

Koor Industries, Ltd.

Platinum House
21 Ha'arba'ah Street
Tel Aviv, Israel
www.koor.com
Ticker symbol: (NYSE) KOR

Edgar Bronfman, Chairman; Chairman, Claridge Israel Inc.; former Co-Chairman of Seagram Co. Ltd.

Telrad Networks, Ltd.

P.O. Box 50
Lod 71100 Israel

Telrad Telecommunications, Inc.

135 Crossways Park Dr.
Woodbury, New York 11797
www.telradusa.com

Officers and Directors (partial listing):

Israel Ron, President and CEO.

Edith Friedman, VP and CFO.

Tony Arote, VP Sales and Marketing.

Craig Chawner, VP Engineering.

Yiftach Atir, Director; Executive VP, Koor Corporate Venture Capital; previously Managing Partner, Evergreen Venture Capital; 20 years in the Israeli Defense Forces, including serving as military attaché in Japan and South Korea.

Yuval Yanai, Director; Senior VP and CFO of Koor Industries; Director, ECI Telecom; previously officer of Nice System Ltd. and Elscint Ltd.

Aaron Zuker, Director; VP of Koor Industries and Director of other companies in Koor Group; Managing Director of R.M. Renaissance Management Ltd.

Shlomo Heller, Director; General Counsel and Corporate Secretary of Koor Industries; previously General Counsel of United Mizrahi Bank Ltd.

Quality Sales Corp.

incorporated in Delaware on April 16, 2001;
d/b/a N.B.S. Supplies, Inc. in Florida
2020 North East 163rd Street, Suite 103
North Miami Beach, Florida 33162

Officers and Directors:

Amit Raibi, President, CEO, and Director.

Oren Anker, Co-President, COO, and Director.

Samantha Thurman, Director.

