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July 20, 2017

Charles Grassley Senator R - IA
United States Senate - Committee on the Judiciary
WASHINGTON, DC 20510-6275

- Legal Action – Freedom of Information
- Public Opinion Polling
- Reports and Analysis
- Conferences

Dear Senator Grassley,

The Judiciary Committee scheduled an important hearing for July 19, 2017 bearing the title “Oversight of the Justice Department’s (Non) Enforcement of the Foreign Agents Registration Act.” The hearing was postponed, but we hope you consider rescheduling it just as soon as possible. We offer the following information about the most damaging FARA failure of them all: **the Justice Department’s failure to enforce a November 21, 1962 registration order covering the American Israel Public Affairs Committee, AIPAC.**

The committee should inform itself about what happened after a prior extensive Senate FARA inquiry was launched 55 years ago.

Senate Foreign Relations Committee Chairman JW Fulbright became convinced that unregistered Israeli foreign agents were a serious matter in 1961. A classified staff report worried that:

FARA
Foreign Agents Registration Act



AIPAC
THE AMERICAN ISRAEL PUBLIC
AFFAIRS COMMITTEE



"In recent years there has been an increasing number of incidents involving attempts by foreign governments, or their agents, to influence the conduct of American foreign policy by techniques outside normal diplomatic channels....there have been occasions when representatives of other governments have been privately accused of engaging in covert activities within the United States and elsewhere, for the purpose of influencing United States Policy (the Lavon Affair)."

The Lavon Affair referred to 1954 Israeli false-flag terror attacks on U.S. facilities in Egypt, in the interest of preventing the handover of the Suez Canal to Egyptian control. The Israeli spies were caught and prosecuted by Egypt, while the disclosure of the attacks created a diplomatic crisis with the U.S.

During the course of the 1960s Senate² and Justice Department investigations, it was revealed that Israel was funneling millions of dollars to unregistered foreign agents in America to lobby for foreign aid to Israel, set up think tanks, engage in Madison Avenue public relations, fund lobbying newsletters, and establish an umbrella organization called the American Zionist Council (AZC).

¹ Declassified memo, March 31, 1961, Confidential Staff Report to Senate Foreign Relations Committee Chair J.W. Fulbright <http://www.israellobby.org/forrel/default.asp>

² Activities of Nondiplomatic representatives of foreign principals in the United States, Hearings before the Committee on Foreign Relations of the US Senate, 88th Congress <http://www.israellobby.org/Senate/default.asp>

Within the AZC was an unincorporated unit that lobbied congress called the "American Israel Public Affairs Committee."

On November 21, 1962, the Department of Justice ordered the AZC to register as an Israeli foreign agent (enclosed). This touched off an intense battle between the Justice Department and the AZC which outlasted both JFK and RFK. The bloodied and bruised Justice Department hid away its files on the affair until they were finally declassified and released in 2008.³ **This was a violation of FARA transparency provisions.**

The effort to register Israel's foreign agents clearly failed. Just 42 days after the Justice Department order, the American Israel Public Affairs Committee incorporated itself in Washington⁴ and continued the AZC's functions. Since the year it was ordered to register—as part of the AZC—AIPAC has extracted an inflation-adjusted \$250 billion from US taxpayers for its foreign principals. Influencing the conduct of US policy "by techniques outside normal diplomatic channels" has never stopped.

If AIPAC had complied with the 1962 FARA order, by now it would have filed 109 required biennial reports (1963-2017) of its activities. It would have had to detail joint efforts with Israeli operatives. These include a 1975 incident in which AIPAC Director Morris Amitay circulated classified information about a proposed US Hawk missile sale to Jordan. AIPAC's FARA file would have had to detail AIPAC staffers Steven Rosen, Douglas Bloomfield and Ester Kurz 1984 receipt of stolen classified information taken from US industry groups opposed to allowing duty free imports from Israel into the United States. Of course, the FARA disclosure would include details on two AIPAC executives, Steven Rosen and Keith Weissman, who from 2002-2004 solicited and received stolen classified national defense information from Colonel Lawrence Franklin about Iran and other matters which they passed to the Israeli embassy. The pair attempted to contextualize and place the stolen classified national defense information in the *Washington Post* to precipitate a US attack on Iran.

AIPAC is not complying with the 1962 DOJ order. The Judiciary Committee should invite the FARA Section Head Heather Hunt, who knows all about the AZC-AIPAC incident, to testify why. In 2009 Hunt, along with other members of the FARA division, received a two-hour briefing with the unsubtle title of "The American Israel Public Affairs Committee is an Unregistered Foreign Agent of the Israeli Government."⁵

If the Committee does not believe Israeli foreign agent activity to be important, they might want to invite as a witness Stephanie Schriock. Schriock has publicly claimed that as a high-powered campaign fundraiser for major candidates across the U.S., the first step in obtaining seed funding for a political campaign was always to circulate a position paper on Israel to AIPAC regional officials. Only then could candidates obtain funds from willing pro-Israel donors sufficient to launch a serious campaign. AIPAC's oversized role in US campaign finance on Israel's behalf has now made regional peace and productive innovation in US policy impossible, and war all but inevitable.⁶

It is clear AIPAC is still an Israeli foreign agent for three reasons. The first observable sign, listed on the Department of Justice FARA webpage, is that AIPAC is so obviously devoted to the sole purpose of channeling US taxpayer funds to a foreign country. Such activity, though DOJ lists sugar quotas as an example, is the major red flag. Despite changes in its PR framing, AIPAC's primary business is the same as when founder Si Kenen first conceived it. "The lobby for Israel, known as the American Israel Public Affairs Committee (AIPAC) since

³ Department of Justice orders the AZC – AIPAC or Register as Foreign Agents – Complete file, released under FOIA in 2008 <http://www.israellobby.org/AZCDOJ/default.asp>

⁴ American Israel Public Affairs Committee articles of incorporation and application for tax-exempt status. <http://www.israellobby.org/AIPAC/default.asp>

⁵ Available online at <http://irmep.org/11-3-2009AIPACFARA.pdf>

⁶ <https://www.youtube.com/watch?v=AbFa9SYZlno>

1959, came into existence in 1951. It was established at that time because Israel needed American economic assistance...”

The second is that AIPAC was incontrovertibly established with foreign seed funding, including to Kenen, nestled inside the AZC.⁷ The third is that, as an unincorporated unit within the AZC, AIPAC was clearly covered by the order to register as an Israeli foreign agent.

My organization is happy to provide as many copies of the following two books detailing this challenge to America’s electoral system as the committee requires to inform itself about the mounting costs of the Justice Department’s failure to enforce FARA.

“America's Defense Line: The Justice Department's Battle to Register the Israel Lobby as Agents of a Foreign Government,” IRmep, 2008.

“Foreign Agents: The American Israel Public Affairs Committee from the 1963 Fulbright Hearings to the 2005 Espionage Scandal,” IRmep 2007

When the Senate Judiciary Committee convenes its panel investigating FARA enforcement, I would be happy to testify about the ongoing heavy costs of this FARA failure.

Sincerely,



Grant F. Smith, Director of Research

Enclosure: 11/21/1962 FARA Order to AZC/AIPAC

⁷ Israeli payments to AIPAC founder Isiah Kenen. <http://www.israellobby.org/JA-AZC/default.asp>

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146-1-51-14032

November 21, 1962

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

American Zionist Council
515 Park Avenue
New York 22, New York

Gentlemen:

In an amendment to a supplemental registration statement filed by the American Section of the Jewish Agency for Israel under the Foreign Agents Registration Act of 1938, as amended, for the period ending March 31, 1962, it is reported that your organization received \$32,361.77 in subventions and \$11,450.00 as a special grant from the American Section of the Jewish Agency for Israel.

The receipt of such funds from the American Section of the Jewish Agency for Israel constitutes the Council an agent of a foreign principal as that term is defined in Section 1(c) of the Foreign Agents Registration Act of 1938, as amended. The stated purpose for which these funds were received would appear to make unavailable any exemption from registration as provided in the statute. Consequently, the Council's registration is requested.

For your information and guidance in this matter there is enclosed a pamphlet which contains a reprint of the statute together with the rules and regulations promulgated thereunder by the Attorney General.

For your use in registering there are enclosed three copies of Form FA-2, three Exhibit C forms and twelve Forms FA-4. Each officer and director of your

J. WALTER YEAGLEY
Assistant Attorney General
Internal Security Division

Mailed direct free R3
Date: 11/21/62 Reprint
By: *row*
3 FA-2 Forms
3 Exhibit C Forms
12 FA-4 Forms
1 sample dissemination report

FILE *Amaz. C*
By: *row*
NATHAN B. LEVINS, Chief
Registration Section

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organization as well as each employee or other person above the grade of stenographer or clerk who renders assistance for or in the interests of the foreign principal is required under the terms of the Act to file a Form FA-4 in duplicate. No form is provided for the Exhibit B, which is a copy of the agreement with the foreign principal. If the arrangement is not in writing, then a description of the terms and expenses agreed upon must be submitted. The registration statement and all exhibits and supplements thereto are to be filed in duplicate.

Registration is accomplished by the filing of a registration statement supported by the appropriate number of exhibits and by the filing of supplemental statements at six month intervals for as long as the agency relationship continues.

Your attention is also directed to Section 4 and Rule 400 of the Act pertaining to the filing and labeling requirements of the statute. If you as a registrant disseminate any material in the United States which contains political propaganda as defined in Section 1(j) of the Act, it is necessary for you to file a copy of such material with this Department and two copies with the Library of Congress as well as to label such publications and to submit dissemination reports. A sample for a dissemination report is enclosed herewith. The following is a suggested form for the required label.

A copy of this material is filed with the Department of Justice where the required statement under the Foreign Agents Registration Act of (your name and address) as an agent of (name and address of your foreign principal) is available for public inspection. Registration does not indicate approval of this material by the United States Government.

If you have any question with regard to this matter, please feel free to communicate with me.

Sincerely,

J. WALTER YEAGLEY
Assistant Attorney General
Internal Security Division

- Enclosures
1 Pamphlet Reprint
3 FA-2 Forms
3 Exhibit C Forms
12 FA-4 Forms
1 sample dissemination report

SIGNED

By:

NATHAN B. LENVIN, Chief
Registration Section

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