

**MAY 24 2010**

Before the Office  
of the  
United States Trade Representative  
Section 301 Committee

The Institute for Research: Middle Eastern Policy, Inc.

\*Hand Delivered\*



BEFORE THE OFFICE OF THE  
UNITED STATES TRADE REPRESENTATIVE

INSTITUTE FOR RESEARCH:  
MIDDLE EASTERN POLICY, INC

- ) Petition for Relief Under
- ) Section 301(a) of the Trade
- ) Act of 1974, as Amended,
- ) 19 U.S.C. §§ 2411 et seq.

PETITION

The Institute for Research: Middle Eastern Policy (IRmep) represents American citizens and industries residing in 42 states concerned about trade, development and US Middle East policy formulation. IRmep also represents some of the US industries and organizations originally opposed to passage of the 1985 US-Israel Free Trade Area. (See Appendix #1)

During the spring of 1984 American trade associations, companies and industry representatives provided business confidential information solicited through the Federal Register by the International Trade Commission and US Trade Representative for development of a classified 300+ page report on proposed duty-free entry of Israeli products into the US market. In 1984 the Israeli Minister of Economy Dan Halpern obtained the classified US government report *Probable Economic Effect of Providing Duty Free Treatment for U.S. Imports from Israel, Investigation No. 332-180*. Halpern passed it to the American Israel Public Affairs Committee (AIPAC) to lobby and engage in public relations in order to generate conditions favorable for passage of the FTA in the US. By request of the USTR, the FBI launched an investigation into how Israel and AIPAC obtained and circulated copies of the classified report during the most critical negotiation period. AIPAC was ordered to return the classified business confidential information, but instead made an unauthorized copy to continue leveraging the data against US industry. After Halpern claimed diplomatic immunity, the Justice Department closed down the investigation. US industries were never compensated. The FBI investigation file wasn't declassified until the summer of 2009. (See Appendix #2) The USTR continues to refuse declassification and release of the trade report due to the extreme sensitivity of the data. (See Appendix #3)

Section 301 of the U.S. Trade Act of 1974, “authorizes the President to take all appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international trade agreement or is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce.”

An analysis of the performance of all other US-bilateral FTAs reveals that they do not deliver a systemic advantage to any partner. Whether one country or another has a trade surplus in any given year is a "random walk" responding to market forces. In 2010, the US had a \$31.43 billion surplus with its bilateral FTA partners, though in 2006 and 2007 these same agreements produced a narrow US deficit.

## US-other Bilat FTA Trade in Goods

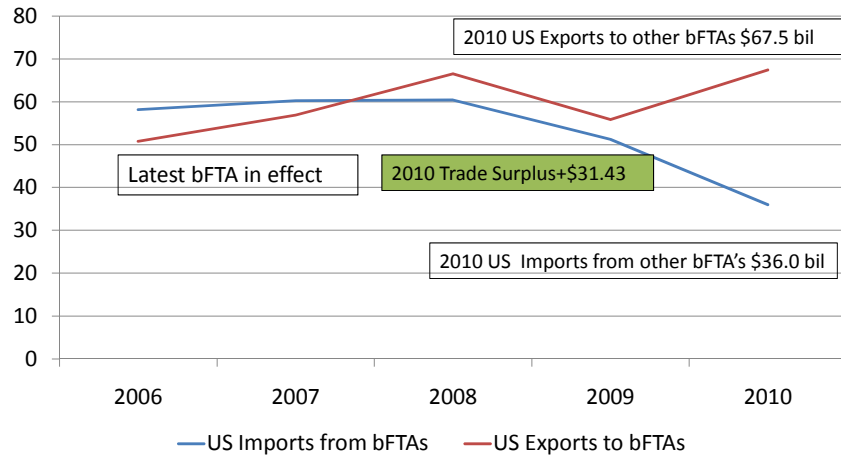
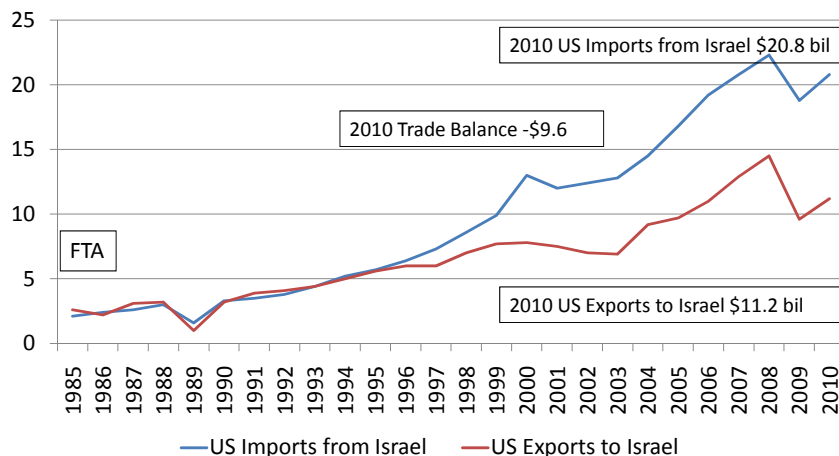


Figure 1 US-Bilateral FTA Performance

Because Israel unfairly leveraged business confidential information stolen from US corporations and industry groups to create new export oriented industries to penetrate the American market, it gained an unwarranted systemic advantage. The US-Israel FTA is an anomaly among FTAs in that it principally benefits the foreign party, providing a destination for 40% of Israel's exports. It resembles a private industry funded foreign aid program more than a bilateral FTA. In 2010 the US Israel FTA produced an \$11.2 billion US deficit in goods trade. Over the past 10 years, the US deficit has averaged \$7.09 billion per year. Since 1985 the cumulative US-Israel deficit in current dollars is \$80.9 billion.

## US-Israel Trade in Goods



It is probable that if the US-Israel free trade negotiations and subsequent exchange had taken place without the misappropriation of classified US trade data, it would more resemble other US-bilateral trade agreement performance. Absent the Israeli advantage achieved through data misappropriation, it is highly likely US-Israel trade would have been in parity, producing no systemic deficit for the US. Under normal conditions, the US would have likely enjoyed a 50% share of bilateral flows, or \$33.2 billion in additional exports to Israel.

Assuming average wholesale margins of 20%, over the last ten years US exporters lost \$6.64 billion due to this Israeli violation of the U.S. Trade Act of 1974. The 76 organizations opposed to the FTA (or their successors) have never been fairly compensated for Israel's theft and ongoing use of their confidential business information.

**This petition seeks Israeli government compensation for the trade data theft equal to a total \$6.64 billion settlement divided between the 76 US industry groups in proportion to their 10 year trailing gross revenue. If the Israeli government refuses to pay, an import duty to generate \$6.64 billion compensation over the next five years should immediately applied to Israeli exports to the US.**

## **Appendix #1 – US Industries Opposed to the 1985 US-Israel FTA**

Abex Corporation  
AFL-CIO  
AG West, Inc.  
American Butter Institute  
American Dehydrated Onion and Garlic Association  
American Farm Bureau  
American Fiber Textile Apparel Coalition  
American Hoechst Corporation  
American Mushroom Institute  
American Protective Services  
Applewood Orchards  
Apricot Producers of California  
Arkansas Industrial Development  
Axette Farms, Inc.  
Belger Cartage Service  
Bob Miller Ranch  
Byrd Foods, Inc.  
California Avocado Commission  
California Dried Fig Advisory  
California League Food Processors  
California Tomato Growers Association  
California Tomato Research  
California-Arizona Citrus  
Casa Lupe, Inc.  
Davis Canning Company  
Dow Chemical, U.S.A.  
Ethyl Corporation  
Florida Citrus Mutual  
Furman Canning Company  
Gangi Bros Packing Co.  
Garden Valley Foods  
George B. Lagorio Farms  
Great Lakes Chemical Corporation  
Greater Chicago Food Brokers  
Harter Packing Co.  
Hastings Island Land Company  
Heidrick Farms, Inc.  
Hunt-Wesson Foods  
King Bearings, Inc.  
Langon Associates  
Leather Products Coalition  
Letica Corporation  
California Farm Bureau Federation  
Liquid Sugar  
Mallet and Sons Trucking Company  
McGladdery & Gilton  
Monsanto  
Monticello Canning Company, Inc.  
National Cheese Institute  
National Milk Producers Federation

New Jersey Food Processors

Ohio Farm Bureau Federation

Otto Brothers Farms

Pacific Coast Producers

Perrys Olive Warehouse

Radial Warehouse Company

Rominger & Sons, Inc.

Roses, Inc.

Rubber Manufacturers Association  
Footwear Division

San Jose Chamber of Commerce

South Georgia Plant Growers

Sporting Arms and Ammunition  
Manufacturers Institute, Inc.

Stephen Investments, Inc.

Sun Garden Packing Company

Sunkist Growers, Inc.

Transport Associates, Inc.

Tri/Valley Growers

U.S. Bromine Alliance

United Midwest Manufacturing Company

University of California

Victor A. Morris Farms

Warren Hicks & Sons, Inc.

Western Growers Association

Westpoint Pepperell, Inc.

Woolf Farming Co.

Zonner, Inc.



**Appendix #2 -Declassified FBI Investigation into Israeli/AIPAC Theft of  
Classified Trade Data**

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- \_\_\_\_\_

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- ~~SECRET~~
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 6-20-84

FM WASHINGTON FIELD (~~65C-13189~~) (P), (C-~~9~~)

TO DIRECTOR, FBI PRIORITY

DECLASSIFIED BY 60324 uc haw/gk/shs  
ON 04-17-2009

BT

~~C O N F I D E N T I A L~~

UNSUBS; THEFT OF CLASSIFIED DOCUMENTS FROM THE OFFICE OF  
THE UNITED STATES TRADE REPRESENTATIVES; ESPIONAGE-ISRAEL;  
OO:WASHINGTON FIELD

~~ALL MARKINGS, NOTATIONS AND ITEMS OF INFORMATION  
CONTAINED IN THIS COMMUNICATION ARE CLASSIFIED "SECRET"  
UNLESS OTHERWISE NOTED.~~

ON JUNE 19, 1984, 395-4447 7305 ASSOCIATE GENERAL  
COUNSEL, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE,  
600 17TH STREET, NORTHWEST, WASHINGTON, D.C. (WDC), ADVISED  
THAT THE UNITED STATES TRADE REPRESENTATIVE FUNCTIONS TO  
ASSIST THE PRESIDENT OF THE UNITED STATES IN NEGOTIATING  
TRADE AGREEMENTS WITH FOREIGN COUNTRIES. AMBASSADOR  
WILLIAM BROCK HEADS THIS AGENCY AND HOLDS CABINET LEVEL  
RANK.

  EXPLAINED THAT BEFORE THE PRESIDENT CAN ENTER INTO

①-WFO  
LBS:sgt *SGT*  
(4)

Approved: *[Signature]* Transmitted 1 (Number) 1 (Time)

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FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- \_\_\_\_\_

PRECEDENCE:

- Immediate
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CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date \_\_\_\_\_

PAGE TWO DE WF #0017 ~~CONFIDENTIAL~~

A TRADE NEGOTIATION HE OFTEN ASKES THE UNITED STATES INTERNATIONAL TRADE COMMISSION (USITC) FOR ADVICE ON THE PROBABLE ECONOMIC AFFECT OF ANY AGREEMENT HE MIGHT NEGOTIATE. IN THIS CASE, ADVICE WAS REQUESTED IN FEBRUARY OF 1984; CONCERNING AN AGREEMENT WITH THE STATE OF ISRAEL. THIS INFORMATION WAS RECEIVED FROM THE USITC DURING THE LAST WEEK OF MAY. THIS INFORMATION WAS CLASSIFIED CONFIDENTIAL.

TWO DAYS PRIOR TO RECEIVING THE DOCUMENTS FROM THE INTERNATIONAL TRADE COMMISSION, [ ] ADVISED THAT HE HEARD A RUMOR THAT THE AMERICAN ISRAELI PUBLIC AFFAIRS COMMISSION (AIPAC) ALREADY HAD RECEIVED COPIES OF THIS DOCUMENTS.

[ ] STATES THAT APPROXIMATELY TWO WEEKS PASSED AND WHILE THEY WERE DECIDING WHERE AND WHO THIS INFORMATION WOULD BE DIVULGED TO, A CONGRESSIONAL STAFFER ADVISED THEM THAT THE ISRAELIS WERE OFFERING COPIES OF THIS DOCUMENT TO MEMBERS OF CONGRESS BECAUSE THE UNITED STATES TRADE REPRESENTATIVE WAS SLOW IN DELIVERING THEM.

LAST FRIDAY, ON JUNE 15, 1984, GENERAL COUNSEL FOR THE UNITED STATES TRADE REPRESENTATIVE, [ ]

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Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
(Number) (Time)

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- \_\_\_\_\_

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date \_\_\_\_\_

PAGE THREE DE WF #0017 ~~CONFIDENTIAL~~

CONTACTED [ ] OF THE AMERICAN ISRAELI PUBLIC AFFAIRS COMMISSION AND ASKED HER IF AIPAC HAD A COPY OF THIS REPORT.

[ ] REPLIED YES AND [ ] SAID THE MATERIAL WAS CLASSIFIED AND ASKED FOR IT TO BE RETURNED.

LATER ON, THE DIRECTOR OF AIPAC TELEPHONED [ ] AND ADVISED THAT HE HAD NO KNOWLEDGE THAT AIPAC HAD OBTAINED A CLASSIFIED DOCUMENT AND HE STATED THAT THE MATERIAL WOULD BE RETURNED AND THAT THEY WOULD COOPERATE IN EVERY WAY IN ANY INVESTIGATION TO DETERMINE HOW THEY RECEIVED A COPY OF A CLASSIFIED DOCUMENT.

LATER ON THAT DAY, AN UNBOUND XEROX COPY OF THIS DOCUMENT WAS DELIVERED BY AN AIPAC MESSENGER TO THE UNITED STATES TRADE REPRESENTATIVE OFFICE.

[ ] ADVISED THAT ALL INFORMATION CONTAINED IN THIS DOCUMENT WAS CLASSIFIED CONFIDENTIAL OR BUSINESS CONFIDENTIAL. THE HIGHEST LEVEL OF CLASSIFICATION IN THIS REPORT IS CONFIDENTIAL. [ ] ESTIMATES THAT BY OBTAINING THIS DOCUMENT, THE PRESIDENT'S NEGOTIATING <sup>POSITION</sup> ~~PHYSICIAN~~ CONCERNING A TRADE AGREEMENT BETWEEN THE UNITED STATES AND THE STATE OF ISRAEL IS COMPROMISED BECAUSE THIS REPORT DIVULGES THOSE

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Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
(Number) (Time)

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- \_\_\_\_\_

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date \_\_\_\_\_

PAGE FOUR DE WF #0017 ~~CONFIDENTIAL~~

PRODUCTS AND INDUSTRIES THAT HAVE BEEN IDENTIFIED BY THE INTERNATIONAL TRADE COMMISSION AS BEING THE MOST SENSITIVE TO IMPORTS FROM ISRAEL. ALSO, THE REPORT BASICALLY STATES THAT THE UNITED STATES CAN LOWER DUTIES ON ALL GOODS BEING IMPORTED FROM ISRAEL AND IT WILL <sup>ONLY</sup> ~~NOT~~ HURT ANY ~~UNITED STATES~~ INDUSTRIES ~~EXCEPT~~ SEVEN INDUSTRIES. THESE INDUSTRIES ARE LISTED IN THIS REPORT.

[ ] ADVISED THAT THIS DOCUMENT WAS STOLEN OR GIVEN TO THE AIPAC BY EITHER A MEMBER OF THE UNITED STATES TRADE REPRESENTATIVE STAFF <sup>R</sup> OF THE INTERNATIONAL TRADE COMMISSION.

[ ] ADVISED THAT HE BELIEVES THE COPY CAME FROM THE INTERNATIONAL TRADE COMMISSION BECAUSE ALL INTERNAL COPIES KEPT AT THE UNITED STATES TRADE REPRESENTATIVE ASSOCIATION WOULD HAVE AN INTERNAL DOCUMENT CONTROL NUMBER IN THE UPPER RIGHT HAND CORNER OF THE COVER PAGE. THE DOCUMENT IDENTIFIED AS HAVING BEEN RETURNED FROM AIPAC HAD NO SUCH NUMBER.

INVESTIGATION CONTINUING, FBIHQ WILL BE ADVISED OF PERTINENT DETAILS.

~~C BY 5854. DECL. OADR.~~

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Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
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PP HQ

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P 20 0224Z JUN 84

FM WASHINGTON FIELD (65G-13189) (P) (C-9)

TO DIRECTOR, FBI PRIORITY

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~~CONFIDENTIAL~~

UNSUBS; THEFT OF CLASSIFIED DOCUMENTS FROM THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVES; ESPIONAGE- ISRAEL; OO: WASHINGTON FIELD

~~ALL MARKINGS, NOTATIONS AND ITEMS OF INFORMATION CONTAINED IN THIS COMMUNICATION ARE CLASSIFIED "SECRET" UNLESS OTHERWISE NOTED.~~

ON JUNE 19, 1984, [REDACTED] ASSOCIATE GENERAL COUNSEL, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, 600 17TH STREET, NORTHWEST, WASHINGTON, D.C. (WDC), ADVISED THAT THE UNITED STATES TRADE REPRESENTATIVE FUNCTIONS TO ASSIST THE PRESIDENT OF THE UNITED STATES IN NEGOTIATING TRADE AGREEMENTS WITH FOREIGN COUNTRIES. AMBASSADOR WILLIAM BROCK HEADS THIS AGENCY AND HOLDS CABINET LEVEL RANK.

[REDACTED] EXPLAINED THAT BEFORE THE PRESIDENT CAN ENTER INTO

RECEIVED  
FEDERAL BUREAU  
OF INVESTIGATION  
21 JUN 84 03 32z

DECLASSIFIED BY 60324 uc baw/dk/sbs  
ON 04-17-2009

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Inspection	ELC
Intell.	RCC
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

*Plates*  
*[Handwritten signature]*

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PAGE TWO DE WF 0017 ~~CONFIDENTIAL~~

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INVESTIGATION CONTINUING, FBIHQ WILL BE ADVISED OF PERTINENT DETAILS.

~~C BY 5854. DECL. OADR.~~

BT

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DECLASSIFIED BY 60324 ac baw/dk/sbs  
ON 04-17-2009

Airtel

Date: 8/13/84

TO: DIRECTOR, FBI

FROM: SAC, WASHINGTON FIELD OFFICE (65C-13191) (P) (CI-7)

UNSUBS:

THEFT OF CLASSIFIED DOCUMENTS FROM  
THE UNITED STATES TRADE REPRESENTATIVES;  
ESPIONAGE-ISRAEL  
OO:WFO

~~SECRET~~

~~All markings, notations, and items of information  
contained in this communication are classified "SECRET" unless  
otherwise noted.~~

Re WFO tel to Director dated 6/20/84.

Enclosed for the Bureau are the original and four  
copies of an LHM dated and captioned as above.

Preliminary investigation by WFO indicates that the  
confidential report on trade with Israel was likely taken while  
being prepared at the International Trade Commission (ITC). A  
 cursory review of security procedures at ITC disclosed no  
security procedures are in place that would prevent outright  
theft or the printing of an "extra" copy of the report.

This confidential report contains no national defense  
information and was originally classified to protect the U.S.  
bargaining position during negotiations with Israel. The  
"Business Confidential" information identifies seven U.S.  
industries that would be harmed by lowering import tariffs on  
Israel products.

~~SECRET~~

~~Classified by: 558  
Declassify on: OADR~~

2-Bureau (Enc. 5)  
1-Washington Field

MFR:ldj  
(3)

WFO 85C-13181

~~SECRET~~

Personnel at USTR and ITC were most angered by the fact that the American-Israeli Public Affairs Commission (AIPAC) had apparently attempted to influence members of Congress with the use of a purloined copy of the ITC report and had usurped their authority.

WFO files disclose that AIPAC is a powerful pro-Israel lobbying group staffed by U.S. citizens. WFO files contain an unsubstantiated allegation that a member of the Israeli Intelligence Service was a staff member of AIPAC.

REQUEST OF THE BUREAU

The Bureau is requested to coordinate this matter with the appropriate officials at the DEPARTMENT OF JUSTICE for a prosecutive opinion.

U.S. DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON FIELD OFFICE  
WASHINGTON, D.C. 20535  
August 6, 1984

UNKNOWN SUBJECTS:  
THEFT OF CLASSIFIED DOCUMENTS FROM  
THE OFFICES OF  
THE UNITED STATES TRADE REPRESENTATIVES:  
ESPIONAGE-ISRAEL  
PRELIMINARY INQUIRY  
(INITIATED JUNE 19, 1984)

~~All markings, notations, and items of information  
contained in this communication are classified "SECRET" unless  
otherwise noted.~~

OFFICE OF ORIGIN: WASHINGTON FIELD OFFICE

DATE INVESTIGATIVE SUMMARY PREPARED: August 13, 1984

BASIS FOR INVESTIGATION:

Investigation is based upon a complaint received from  
[redacted] Associate General Counsel, Office of the  
United States Trade Representative (USTR), 600 17th Street, NW,  
Washington, D.C. (WDC). This complaint alleges that person(s)  
unknown had made available to the government of Israel, a  
confidential report published by the International Trade  
Commission outlining The Probable Effect of Providing Duty-Free  
Treatment of Imports from Israel (332-180).

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INVESTIGATION TO DATE:

On January 25, 1984, the U.S. International Trade  
Commission (ITC), WDC, was requested by the USTR to prepare a  
report for the President relating to the establishment of a free  
trade area with Israel. This report was to be available within  
four months. The first "prehearing report" was published April 4,  
1984, by ITC. Twenty copies were distributed within ITC to key

This document contains neither recommendations nor  
conclusions of the FBI. It is the property of the FBI  
and is loaned to your agency; it and its contents are  
not to be distributed outside your agency.

~~SECRET~~

~~Classified by: 558  
Declassify on: OADR~~

UNKNOWN SUBJECTS

~~SECRET~~

personnel. On May 3, 1984, five more copies were distributed within ITC for senior staff/editorial review and for review by the six ITC Commissioners. On May 16, 1984, 13 more copies called "Action Jacket" copies were distributed within ITC as a device for recording the clearances and comments of the commissioners. On May 31, 1984, 40 copies of the final report were distributed with one copy to the President, 28 copies to USTR, and 11 copies within ITC. One copy of the statistical appendix to the subject report was made available to USTR on May 9, 1984, to assist in the preparation of testimony before Congress. No other copies were available to any other individuals or agencies until May 30, 1984.

On May 21, 1984, a DEPARTMENT OF COMMERCE (DOC) employee was in Jerusalem following the formal U.S.-Israeli negotiations which had been held the week before. This employee met with a [redacted] of the Israeli delegation and an Israeli Embassy official from WDC. [redacted] stated he had received a cable from the Israeli Embassy in WDC and then proceeded to read from this cable what appeared to be a full summary of the report including the conclusions regarding sensitive products.

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On or about May 30, 1984, prior to the USTR distribution of the "final report," a member of the Trade Subcommittee of the Senate Finance Committee notified USTR that after a conversation with an employee of the AIPAC, WDC, this member was left with the impression that AIPAC had a copy of the subject report although they did not offer a copy to this employee. This AIPAC member was familiar with the report's contents and conclusions.

On June 7, 1984, the Israeli trade minister and [redacted] lunched with Ambassador WILLIAM BROCK [redacted] USTR. [redacted] recalled that [redacted] was aware of the contents of the report.

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On June 12 and 13, 1984, information passed to USTR indicated that certain members of Congress could acquire copies of the ITC report through AIPAC.

On June 15, 1984, the USTR general counsel telephoned AIPAC employee [redacted] and inquired if AIPAC had a copy of the USTR report. [redacted] advised they did. [redacted] was asked to return this confidential report and all copies. Subsequently, [redacted] of AIPAC, contacted USTR, to claim no knowledge of the report himself and to disassociate himself from such activities. A copy of the USTR report was subsequently

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UNKNOWN SUBJECTS

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delivered to USTR. Also delivered was a substantial portion of a second copy of the report in an unsorted condition. The full report copy was a copy of the "final report" and had no identifying mark on the outside cover which was clearly stamped confidential. This indicates that this copy was probably made prior to the May 30 delivery to USTR. USTR officials advised the significance of the unauthorized disclosure of the contents of the ITC report is that the bargaining position of the United States was compromised and "Business Confidential" information used in the report was made available to the public. This disclosure also impacts on the effectiveness of the ITC to solicit data from the U.S. business community. No national defense information was utilized in the preparation of the ITC report.

OBJECTIVE:

To identify individual(s) responsible for the unauthorized disclosure of the contents of the ITC report to the government of Israel and employees of AIPAC through interviews of ITC personnel and congressional staff aides.

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DECLASSIFIED BY 60324 uc baw/ak/sbs  
ON 04-17-2009

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FM DIRECTOR FBI

TO FBI WASHINGTON FIELD OFFICE (85C-13191) ROUTINE

BT

~~SECRET~~

UNSUBS; THEFT OF CLASSIFIED DOCUMENTS FROM THE UNITED STATES  
TRADE REPRESENTATIVES; ESPIONAGE-ISRAEL; OO:WFO

~~THIS COMMUNICATION IS CLASSIFIED "SECRET" IN ITS ENTIRETY.~~

RE WASH NGTON FIELD OFFICE AIRTEL, AND ENCLOSED LHM, DATED  
AUGUST 13, 1984.

IN DISCUSSIONS WITH THE DEPARTMENT OF JUSTICE (DOJ)  
REGARDING CAPTIONED CASE, DOJ OPINED THAT CAPTIONED MATTER DID  
NOT REP

ESENT A VIOLATION OF THE ESPIONAGE STATUE AS IT WAS  
REPORTED THAT NO NATIONAL DEFENSE INFORMATION WAS UTILIZED IN  
THE PREPARATION OF THE REPORT. DOJ ADVISED A VIOLATION OF THE  
THEFT OF GOVERNMENT PROPERTY (IGP) STATUS HAS OCCURRED AND THAT  
THE MERITS OF THE IGP V SLATION SHOULD BE PRESENTED TO THE LOCAL  
UNITEE STATES ATTORNEY'S OFFICE FOR A PROSECUTIVE OPINIDN.

~~C BY: 8049, DCL:OADR.~~

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*Present joint w/ with  
OSD Div. personnel*

*Present to AUSA w/*

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9/17/84

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*Present to AUSA w/*

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ROUTINE

DECLASSIFIED BK 60324 uc baw/dk/sbs  
ON 04-17-2009

FM DIRECTOR FBI

TO FBI WASHINGTON FIELD OFFICE (65C-13191) ROUTINE

BT

~~SECRET~~

UNSUBS; THEFT OF CLASSIFIED DOCUMENTS FROM THE UNITED STATES  
TRADE REPRESENTATIVES; ESPIONAGE-ISRAEL; OO:WFO

~~THIS COMMUNICATION IS CLASSIFIED "SECRET" IN ITS ENTIRETY.~~

RE WASHINGTON FIELD OFFICE AIRTEL, AND ENCLOSED LHM, DATED  
AUGUST 13, 1984.

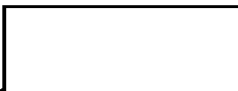
IN DISCUSSIONS WITH THE DEPARTMENT OF JUSTICE (DOJ)  
REGARDING CAPTIONED CASE, DOJ OPINED THAT CAPTIONED MATTER DID  
NOT REPRESENT A VIOLATION OF THE ESPIONAGE STATUE AS IT WAS  
REPORTED THAT NO NATIONAL DEFENSE INFORMATION WAS UTILIZED IN  
THE PREPARATION OF THE REPORT. DOJ ADVISED A VIOLATION OF THE  
THEFT OF GOVERNMENT PROPERTY (TGP) STATUS HAS OCCURRED AND THAT  
THE MERITS OF THE TGP VIOLATION SHOULD BE PRESENTED TO THE LOCAL  
UNITED STATES ATTORNEY'S OFFICE FOR A PROSECUTIVE OPINION.

TK8:LP (3)

8/30/84

4058/S 4570

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② -



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SEE NOTE PAGE THREE



~~C BY: 8049, DCL-OADR~~

BT

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~~SECRET~~

PAGE THREE

NOTE:

THIS CASE WAS PREDICATED UPON RECEIPT OF INFORMATION FROM THE OFFICE OF THE U.S. TRADE REPRESENTATIVE (USTR), ON 6/19/84. USTR HAD REQUESTED THE U.S. INTERNATIONAL TRADE COMMISSION (ITC) TO PREPARE A REPORT REGARDING THE EFFECTS OF LOWERING IMPORT TARIFFS ON ISRAEL PRODUCTS. THE REPORT CLASSIFIED "CONFIDENTIAL" CONTAINS NO NATIONAL DEFENSE INFORMATION. BEFORE THE REPORT WAS MADE AVAILABLE TO THE USTR, THERE WERE REPORTS THAT THE AMERICAN ISRAELI PUBLIC AFFAIRS COMMISSION (AIPAC) HAD ALREADY RECEIVED A COPY OF THE REPORT. USTR CONTACTED AIPAC AND AIPAC SUBSEQUENTLY RETURNED A COPY OF THE REPORT TO THE USTR.

THIS MATTER WAS DISCUSSED WITH [REDACTED], INTERNAL SECURITY SECTION, DOJ, ON 8/21/84; WITH SSA [REDACTED], FUGITIVE/GENERAL GOVERNMENT CRIMES PROGRAM, ROOM 5062, ON 8/24/84; AND WITH [REDACTED] GENERAL LITIGATION AND LEGAL ADVISE SECTION, DOJ, ON AUGUST 24, 1984.

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THIS COMMUNICATION IS TO ADVISE WFO THAT THE DOJ HAS RECOMMENDED THAT CAPTIONED MATTER BE PRESENTED TO THE UNITED STATES ATTORNEY OFFICE FOR A PROSECUTIVE OPINION REGARDING VIOLATION OF THE TGP STATUE AS THE MATTER WOULD NOT WARRANT PROSECUTION AS A VIOLATION OF THE ESPIONAGE STATUE.



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No. 52B-18153

Washington Field Office  
Washington, D. C. 20535

September 19, 1984

United States Attorney  
Washington, D. C. 20001

Attention: Assistant United States Attorney  
(AUSA) Charles Harkins

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-17-2009 BY 60324 uc baw/dk/sbs

Re: Unknown Subjects;  
Theft of Classified Documents  
From The United States Trade  
Representatives; Theft of  
Government Property

Dear Sir:

Please recall a conversation between AUSA Charles Harkins and Special Agent [redacted] of this office on September 18, 1984. On this occasion, the following facts were discussed:

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On January 25, 1984, the U.S. International Trade Commission (ITC), Washington, D. C., was requested by the United States Trade Representatives (USTR) to prepare a report for the President relating to the establishment of a free trade area with Israel. This report was to be available within four months. The first "pre hearing report" was published April 4, 1984, by ITC.

On or about May 30, 1984, prior to the USTR distribution of the "final report", a member of the Trade Subcommittee of the Senate Finance Committee notified USTR that after a conversation with an employee of the AIPAC, Washington, D. C., this member was left with the impression that AIPAC had a copy of the subject report.

On June 15, 1984, the USTR general counsel telephoned AIPAC employee [redacted] and inquired if AIPAC had a copy of the USTR report. [redacted] advised they did. [redacted] was asked to

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2 - Addressee  
② - Washington Field Office  
52B-18153  
1- 65C-13191  
TVW:pep  
(4) JCP

*Clare*  
*5/20/84*  
*9/1/89*

52-18153-2  
SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_  
SERIALIZED \_\_\_\_\_ FILED \_\_\_\_\_  
SEP 19 1984  
FBI-WASH. FIELD OFFICE

return this report and all copies. Subsequently, [redacted] of AIPAC, contacted USTR, to claim no knowledge of the report himself and to disassociate himself from such activities. A copy of the USTR report was subsequently delivered to USTR. Also delivered was a substantial portion of a second copy of the report in an unsorted condition. The full report copy was a copy of the "final report" and had no identifying mark on the outside cover which was clearly stamped confidential. This indicates that this copy was probably made prior to the May 30 delivery to USTR. USTR officials advised the significance of the unauthorized disclosure of the contents of the ITC report is that the bargaining position of the United States was compromised and "Business Confidential" information used in the report was made available to the public. No national defense information was utilized in the preparation of the ITC report.

The USTR conducted an internal investigation into the unauthorized release of the document. This investigation revealed that 78 copies of the document were made prior to May 30, 1984, a large number of USTR personnel had access to the document. The investigation was inconclusive as to who released the document.

Representatives from FBIHQ discussed the case with Department of Justice (DOJ) officials and the DOJ officials stated the matter did not present a violation of the Espionage Statute because no national defense information was utilized in the preparation of the report. DOJ advised a violation of the Theft of Government Property (TGP) statute has occurred and that the merits of the TGP violation should be presented to the local U.S. Attorney's Office for prosecutive opinion.

AUSA Harkins and SA [redacted] discussed the matter and both agreed the case lacks prosecutive merit. Thus, AUSA Harkins declined prosecution of the matter under the TGP statute.

In view of AUSA Harkins' opinion, this office will not investigate the matter any further.

Sincerely,

Norman A. Zigrossi  
Special Agent in Charge

By: [redacted]  
Supervisory Special Agent

FBI

## TRANSMIT VIA:

- Teletype  
 Facsimile  
 AIRTEL

## PRECEDENCE:

- Immediate  
 Priority  
 Routine

## CLASSIFICATION:

- TOP SECRET  
 SECRET  
 CONFIDENTIAL  
 UNCLAS E F T O  
 UNCLAS

DECLASSIFIED BY: 60324 uc baw/dk/sbs  
 DN 04-17-2009

Date 9/21/84

TO: DIRECTOR, FBI

~~SECRET~~

FROM: SAC, WASHINGTON FIELD OFFICE (65C-13191) (C) (CI-7)

THEFT OF CLASSIFIED DOCUMENTS FROM  
 THE UNITED STATES TRADE REPRESENTATIVES;  
 ESPIONAGE-ISRAEL  
 OO:WFO

~~All markings, notations and items of information  
 contained in this communication are classified "Secret"  
 unless otherwise noted.~~

Reference Butel to WFO, 8/27/84.

Referenced communication advised that captioned matter had been coordinated with the DEPARTMENT OF JUSTICE (DOJ) and that the DOJ had determined that no violation of an espionage statute had occurred inasmuch as national defense information was not used in the preparation of the USTR report. DOJ recommended this matter be pursued as a Theft of Government Property (TGP) and that a prosecutive opinion be obtained from the U.S. Attorney, Washington, D.C.

On 9/18/84, Assistant U.S. Attorney (AUSA) CHARLES HARKINS advised that he had reviewed the captioned matter and decided that this case lacks prosecutive merit under the TGP statute and therefore declined prosecution.

Based upon the above prosecutive opinion, this matter is considered closed.

~~SECRET~~  
 Classified by: G-3  
 Declassify on: OADR

2-Bureau  
 1-Washington Field  
 MFR:ced  
 (3)

CARBON COPY

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
 (Number) (Time)

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

C-X

ALL INFORMATION CONTAINED  
 HEREIN IS UNCLASSIFIED  
 DATE 04-17-2009 BY 60324 uc baw/dk/sbs

Date 12/6/84

TO: DIRECTOR, FBI  
 (ATTN: FUGITIVE/GENERAL GOVERNMENT  
 CRIMES UNIT)

FROM: SAC, WASHINGTON FIELD (65C-13191) (C) (CI-15)

UNSUB; THEFT OF CLASSIFIED  
 DOCUMENTS FROM THE UNITED STATES  
 TRADE REPRESENTATIVES;  
 ESPIONAGE-ISRAEL;  
 OO:WFO  
 BUDED: 12/15/84

Preliminary inquiry initiated 6/21/84; closed 9/26/84.

Reference Bureau airtel to WFO, 11/13/84.

The above captioned matter was initially investigated as an espionage matter; however, the Department of Justice was consulted and advised that this matter should be pursued as a Theft of Government Property (TGP) matter inasmuch as no national defense information was utilized in the preparation of the report prepared for the U.S. Trade Representative.

On 9/19/84, this matter was presented to AUSA CHARLES HARKINS, U.S. Attorney, Washington, D.C., and HARKINS advised that he had reviewed the investigation to date and decided this case lacks prosecutive merit under the TGP statute and therefore declined prosecution. In view of AUSA HARKINS' opinion, this office did not pursue the matter further and terminated the investigation.

3-Bureau  
 2-WFO  
 (1-52B-18153)

cc-4

52-18153-3  
 Searched  
 Serialized *mdt*  
 Indexed  
 Filed *mdt*  
 12-6-84

MFR:ced  
 (5)

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_

(Number) 5  
 (Time) 12/12/84  
 1'

*sdj*  
 12/12/84  
 already closed 9/26/84

WFO 65C-13191

An investigative summary of this matter was prepared 8/6/84, and forwarded to the Bureau prior to coordination with DOJ. No other reports were prepared.



~~SECRET~~

Subject

Unknown Subjects, Theft and Unauthorized Disclosure of Documents From the United States International Trade Commission

Date

NOV 1 1985

SST:GEMcD:GAC:mtf

To

The Director  
Federal Bureau of Investigation

From

Stephen S. Trott  
Assistant Attorney General  
Criminal Division

The Criminal Division has determined that additional investigation should be conducted to ascertain responsibility for the unauthorized disclosure of the report of the United States International Trade Commission (No. 332-180). This matter was the subject of a previous FBI inquiry which may be identified by reference to file no. 52B-18153.

The known information indicates that it is likely that offenses under 18 U.S.C. §641 (theft of government property) and 18 U.S.C. §1905 (disclosure of confidential business information) have occurred; therefore, please conduct an appropriate investigation, designed to identify the offender or offenders and to determine the details regarding the disclosure(s).

Reports of your investigation should be made to the Public Integrity Section to the attention of [redacted]

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[redacted] Any questions regarding the investigation should be addressed to him.

ALL FBI INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-17-2009 BY 60324 uc baw/dk/sbs

~~SECRET~~

52B-18153-4  
SEARCHED \_\_\_\_\_  
SERIALIZED *mdj*  
INDEXED \_\_\_\_\_  
FILED *mdj*  
12-2-85



TRANSMIT VIA: AIRTEL

CLASSIFICATION: \_\_\_\_\_

DATE: 11/15/85

FROM: Director, FBI

✓ TO: SAC, Washington Field (52B-18153)

UNKNOWN SUBJECTS,  
THEFT AND UNAUTHORIZED DISCLOSURE  
OF DOCUMENTS FROM THE UNITED STATES  
INTERNATIONAL TRADE COMMISSION  
TGP  
OO: WASHINGTON FIELD  
BUDED: 12/30/85

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-17-2009 BY 60324 uc baw/dk/sbs

Reference Bureau telephone call to Washington Field Office on 11/15/85.

Enclosed for Washington Field are two copies of a self-explanatory Department of Justice memorandum, with its enclosure, dated 11/1/85, captioned as above.

Washington Field will reopen this matter and expeditiously conduct investigation in accordance with the provisions of Section 52, Manual of Investigative Operations and Guidelines.

On 11/13/85, [redacted] <sup>724-7137</sup> Public Integrity Section, Department of Justice, advised FBIHQ that a meeting is scheduled for Friday, 11/15/85 at 3:15 p.m. in his office to discuss this matter. [redacted] requests that a representative from the FBI attend this meeting. It is anticipated that the complainant, [redacted] will be present and the Washington Field case Agent is to be available to interview [redacted] regarding this case.

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Upon completion of this investigation Washington Field will submit an LHM with copies of pertinent FD-302s attached setting forth all investigation conducted in this matter to the attention of the Fugitive/General Government Crimes Unit, FBIHQ, by COB 12/30/85.

~~SECRET~~ MATERIAL ATTACHED.

Enclosures (2)

*Report and*  
*copy*  
*12/2/85*  
*12/2/85*  
*52B-18153-5*  
*not not*  
*DL*

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MEMORANDUM

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-17-2009 BY 60324 uc baw/dk/sbs

TO: SAC, WFO (52B-18153) (P)

Date 12/17/85

FROM: SA JOHN HOSINSKI (C-4)

UNSUBS;  
THEFT AND UNAUTHORIZED DISCLOSURE OF DOCUMENTS FROM THE U.S.  
INTERNATIONAL TRADE COMMISSION  
TGP  
OO:WFO

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On December 3, 1985 SA [redacted] met with [redacted]

[redacted]  
AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE (AIPAC), 500 North  
Capitol Street, N.W., Suite 300, Washington, D.C. (202) 638-2256  
regarding the receipt by AIPAC of a classified report published  
by the U.S. INTERNATIONAL TRADE COMMISSION in June of 1984.

[redacted] advised that he was somewhat familiar with  
this incident, but was not in a position to furnish the FBI with  
any details regarding the matter. SA [redacted] advised [redacted]  
that the FBI needed to know 1. Who at AIPAC had knowledge of this  
report being in the possession of AIPAC 2. Who received or  
handled this report at AIPAC 3. Who furnished this report to  
AIPAC. 4. The current residence for a [redacted] a former  
AIPAC employee with knowledge of this report being in the hands  
of AIPAC.

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[redacted] stated that [redacted] of AIPAC  
should be the person to address these questions and that he would  
have [redacted] contacted SA [redacted] at the earliest possible  
time.

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Regarding [redacted] stated that she  
resigned her position at AIPAC shortly before the birth of her  
child and that she is not expected to return.

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Continuous efforts to telephonically [redacted]  
[redacted] during the period December 3, 1985 thru December 11, 1985 by  
SA [redacted] proved negative.

USTIA  
[redacted]

AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE  
500 NORTH CAPITOL STREET, N.W., SUITE 300  
WASHINGTON, D.C. 20001  
(202) 638-2256

52B-18153-6  
[handwritten initials]

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WFO 52B-18153

On December December 11, 1985, DEPUTY ASSISTANT DIRECTOR (DAD) PHIL PARKER, INTELLIGENCE DIVISION, FBIHQ, telephonically contacted SA [ ] regarding captioned matter. DAD PARKER stated to SA [ ] that this investigation had come to the attention of Director WEBSTER and asked for an explanation of investigation this far. DAD PARKER indicated that this matter would be studied at FBIHQ and WFO would be contacted re further investigation.

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On December 13, 1985, SSA [ ] advised SA [ ] that the investigation regarding captioned matter should proceed in the normal investigative procedure.

1-WFO

JAH:erw  
(1)

## FEDERAL BUREAU OF INVESTIGATION

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-20-2009 BY 60324 uc baw/dk/sbs

Date of transcription 1/6/86

1

[redacted]  
American Israel Public Affairs Committee (AIPAC), 500 North  
Capitol Street, N.W., Suite 300, Washington, D.C. (WDC),  
telephone #638-2256 was interviewed by FEDERAL BUREAU OF  
INVESTIGATION Special Agents (SAs) [redacted] and  
[redacted] regarding a trade report published by  
the United States Trade Representatives (USTR) which allegedly  
was in the possession of AIPAC in 1984.

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[redacted] was interviewed in the presence of her  
Attorney, [redacted] representing the law firm of  
DICKSTEIN, SHAPIRO, AND MORIN, 2101 L Street, N.W., WDC,  
telephone #828-2236. [redacted] provided the following information:

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[redacted] advised that she has been employed with  
AIPAC from January 1982 until present. She advised that in  
April of 1984, she received a document from an Israeli Embassy  
Official, [redacted] advised that [redacted]  
is the [redacted] at the Israeli Embassy. [redacted]  
[redacted] described this document as being an International Trade  
Commission (ITC) report studying free trade between Israel  
and America and the implications resulting from possible  
agreements. She stated that the document was 50-80 pages in length and  
that she was not aware of the title of this report. She further  
advised that this document was marked "confidential".

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Regarding the receipt of this document, [redacted]  
stated that [redacted] came to the AIPAC office for a meeting  
and prior to the meeting he handed her an envelop which was  
unmarked. At that time, she said she was unaware of the contents  
of the envelop. She further stated that this meeting was a  
conference on the free trade issue between America and Israel  
but she advised she cannot recall who else was attending this  
meeting.

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Investigation on 12/19/85 at Washington, D.C. File # 52B-18153-7  
SAs [redacted]  
by [redacted] JAH:rlw Date dictated 12/23/85

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Continuation of FD-302 of [redacted], On 12/19/85, Page 2\*

[redacted] stated that [redacted] never discussed the document with her and that he never explained to her how he received it. She stated that after she received the document, she placed the document in her desk and subsequently gave it a cursory examination a short time later before passing it on to [redacted] for AIPAC. She advised that she provided [redacted] with this document approximately one week after she had received it from [redacted]. [redacted] advised that when she gave this document to [redacted] she does not recall any specific instructions she gave to [redacted].

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[redacted] advised that she paid no attention to this document until she received a phone call from the U.S. Trade Representative (USTR) General Counsel [redacted] several weeks later. [redacted] called to ascertain if AIPAC had this trade report in their possession. She further advised that prior to that call she was given a duplicate copy of the report by AIPAC official [redacted]. She advised she had no information as to who duplicated this report but that after AIPAC received a call from [redacted] she then received a call from [redacted] telling her to destroy the duplicate copy of the report. [redacted] advised that she destroyed this duplicate copy by throwing it down the garbage chute at her residence. She stated that the original report was then returned to the U.S. Trade Representatives but that she does not know the identity of the person who returned the report.

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Regarding the availability of the report, [redacted] advised that the document was known to be "floating around town" and that the contents of the report were common knowledge to those interested in these matters.

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[redacted] advised that she could provide no opinion or comments regarding what other officials at AIPAC may have seen the report or in what manner [redacted] obtained the report. It was then requested by her Attorney, [redacted], that if the FBI had any further request of [redacted] that the FBI should contact [redacted] and he would submit any questions to [redacted]. [redacted] otherwise did not wish to furnish any additional information regarding this matter.

FEDERAL BUREAU OF INVESTIGATION

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 04-20-2009 BY 60324 uc baw/dk/sbs

1/6/86

Date of transcription

1

[redacted]  
Maryland, home telephone [redacted] was interviewed by FEDERAL BUREAU OF INVESTIGATION (FBI) Special Agents (SAs) [redacted] regarding a classified report received by the American Israel Public Affairs Committee (AIPAC) in June 1984.

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[redacted] was interviewed in the presence of her Attorney [redacted] representing the law firm of FRIED, FRANK, HARRIS, SHRIVER AND JACOBSON, 600 New Hampshire Avenue, N.W., Washington, D.C. (WDC), telephone #342-3622. [redacted] provided the following information:

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[redacted] advised that while she was employed by AIPAC, she was [redacted] She advised that she had been employed by AIPAC from the period of [redacted] She stated that the address for AIPAC is 500 North Capitol Street, N.W., Suite 300, WDC, telephone #638-2256. She furthered advised that she does not plan on returning to AIPAC [redacted]

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[redacted] advised that she first became aware of the U.S. International Trade Commission Report on American Israeli Free Trade when she received the report in June of 1984. She stated that she received the report from [redacted] who as employed as [redacted] with AIPAC. [redacted] advised that when she was given the report by [redacted] she was told to "keep it in a safe place" but was otherwise given no specific instructions regarding the report or regarding who initially received the report for AIPAC.

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[redacted] advised that as [redacted] it was her responsibility to study any reports or documents pertaining to American Israeli trade and considered the receipt of this report a very ordinary event. She did not know if it was common knowledge at AIPAC whether or not AIPAC had possession of this report. She stated she received the report in June of 1984 and

Investigation on 12/19/85 at Wheaton, Maryland File # 52B-18153-8  
by SAs [redacted] JAH:rlw Date dictated 12/23/85

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12/19/85

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Continuation of FD-302 of [REDACTED]

, On

, Page

held on to it for a few weeks. She stated that sometime in July of 1984, the General Counsel for the U.S. Trade Representatives (USTR) [REDACTED] asked her if she had seen a copy of this report. She advised [REDACTED] that she had seen a copy and for her to check with AIPAC General Counsel [REDACTED] if he had any further questions regarding this document.

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[REDACTED] advised that subsequent to her conversation with [REDACTED] she turned the report over to someone at AIPAC but she does not remember specifically who it was. She further advised that she had no information regarding who provided this report to [REDACTED] and that [REDACTED] did not indicate to her how she received it.

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[REDACTED] described the report as being approximately 100 pages in length but stated she did not see a title to this report. She further described this report as being a study by the International Trade Commission (ITC) examining the different product sectors in America and the possible impact these sectors if duty free imports from Israel were allowed. She advised that she did not utilize any of the information gleaned from this report. She could not recall whether the report was classified or not.

[REDACTED] does not specifically recall to whom she returned the report at AIPAC but thinks it could have been [REDACTED]. She further advised that there was a general discussion of the report at AIPAC but that this was not considered an especially significant matter. [REDACTED] advised that her [REDACTED] became aware of the report at the time of the newspaper articles regarding this matter.

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[REDACTED] could otherwise provide no other information relating to how the report was received by AIPAC or who initially received the report. [REDACTED] advised that she has no pertinent information regarding this matter and requested that any future contact of her by the FBI be coordinated through her Attorney, [REDACTED].

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X AIRTEL

1/8/86

TO: DIRECTOR, FBI  
ATTENTION: FUGITIVE/GENERAL CRIMES UNIT

FROM: SAC, WASHINGTON FIELD (52B-18153) (C) (C-4) ~~SECRET~~

UNSUBS; Theft and Unauthorized  
Disclosure of Documents from the  
United States International Trade  
Commission  
TGP;  
(OO:WFO)

DECLASSIFIED BY 60324 uc baw/dk/sbs  
ON 04-20-2009

~~All markings, notations and items of information  
contained in this communication are classified "Secret"  
unless otherwise noted.~~

Re Bureau airtel dated 11/15/85, captioned as  
above.

Enclosed for the Bureau are the original and  
four (4) copies of an LHM captioned as above and two (2)  
copies each of FD-302's concerning the interviews of [redacted]  
[redacted] conducted by WFO on 12/19/85.

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Captioned matter initially investigated as an  
espionage matter (Preliminary Inquiry initiated 6/19/84).  
In August, 1984, DOJ advised that captioned matter did  
not represent a violation of the espionage statute.

~~SECRET~~

Classified by: G-3  
Declassify on: OADR

2 - Bureau (Enc. 9)  
1 - Washington Field Office

JAH:cdd *ew*  
(3)

*Plot #5*  
*11-11-86*

*52B-18153-9*

SEARCHED  
SERIALIZED  
INDEXED  
FILED  
JAN 1 1986  
FBI - WASHINGTON

*ret for 52B-18153-9*



~~SECRET~~

On 9/18/84, Assistant United States Attorney (AUSA) CHARLES HARKINS declined prosecution of this matter under the Theft of Government Property (TGP) violation.

On 11/1/85, DOJ, Public Integrity Section requested re-investigation of captioned matter under captioned violations.

Subsequent investigation at WFO revealed that [REDACTED] EMBASSY OF ISRAEL, WDC, was the individual who presented this document to representatives of the AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE (AIPAC) in WDC.

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Logical investigation dictates that [REDACTED] be interviewed regarding this matter. However, due to the fact that [REDACTED] and has been granted immunity against prosecution in the U.S., WFO is considering this matter closed. WFO will re-open this matter if authority is granted regarding the interview of [REDACTED]

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b7C

REQUEST OF THE BUREAU

Liaison with appropriate officials at the DEPARTMENT OF JUSTICE and at the U.S. DEPARTMENT OF STATE to determine procedure for obtaining authority to interview [REDACTED] regarding captioned matter.

b6  
b7C~~SECRET~~

52B-18153

Washington, D.C. 20535  
January 14, 1986

~~SECRET~~

UNKNOWN SUBJECT  
THEFT AND UNAUTHORIZED DISCLOSURE  
OF DOCUMENTS FROM THE  
UNITED STATES INTERNATIONAL  
TRADE COMMISSION;  
THEFT OF GOVERNMENT PROPERTY

~~All markings, notations and items of information  
contained in this communication are classified "Secret"  
unless otherwise noted.~~

Office of Origin: Washington Field Office.

Date Investigative Summary Prepared:

January 3, 1986.

Basis For Investigation:

The initial investigation regarding this matter was based upon a complaint received from [redacted] Associate General Counsel, Office of the United States Trade Representative (USTR), 600 17th Street, N.W., Washington, D.C. (WDC). The complaint alleged that person(s) unknown had made available to the Government of Israel, a confidential report published by the International Trade Commission (ITC) outlining the probable effect of providing duty-free treatment of imports from Israel.

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~SECRET~~

Classified by: G-3  
Declassify on: OADR

5 - Bureau  
1 - Washington Field Office

JAH:cdd  
(6)

Investigation To Date

This matter was initially investigated by WFO as a possible violation of the espionage statute. The preliminary inquiry regarding this investigation was initiated on June 19, 1984.

This preliminary inquiry determined that on January 25, 1984, the U.S. International Trade Commission (ITC), WDC, was requested by the USTR to prepare a report for the President relating to the establishment of a free trade area with Israel.

On May 31, 1984, 40 copies of the final report were distributed with one copy designated for the President, 28 copies to the USTR, and 11 copies within the ITC.

On May 21, 1984, a Department of Commerce (DOC) employee was in Jerusalem following the formal U.S.-Israeli negotiations which had been held the week before. This employee met with [redacted] of the Israeli Delegation and [redacted] for the Israeli Embassy in WDC. [redacted] stated that he had received a cable from the Israeli Embassy in WDC and then proceeded to read from this cable what appeared to be a full summary of the report, including the conclusions regarding sensitive products.

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On or about May 30, 1984, prior to the USTR distribution of the "final report", a member of the Trade Sub-Committee of the Senate Finance Committee notified USTR that after a conversation with an employee of the "American Israel Public Affairs Committee" (AIPAC) in WDC, this member was left with the impression that AIPAC had a copy of the subject report. This unidentified AIPAC member was familiar with the report's contents and conclusions.

On June 7, 1984, the Israeli Trade Ministry and [redacted] lunched with Ambassador William Brock [redacted] of the USTR. [redacted] recalled that [redacted] was aware of the contents of the report.

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On June 12 and 13, 1984, information passed to USTR indicated that certain members of Congress could acquire copies of the ITC report through AIPAC.

UNKNOWN SUBJECT

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On June 15, 1984, the USTR general counsel telephoned AIPAC employee [redacted] and inquired if AIPAC had a copy of the USTR report. [redacted] advised they did. [redacted] was asked to return this confidential report and all copies. Subsequently, [redacted] of AIPAC, contacted USTR to claim no knowledge of the report himself and to disassociate himself from such activities. A copy of the USTR report was subsequently delivered to USTR. Also delivered was a substantial portion of a second copy of the report in an unsorted condition. The full report copy was a copy of the "final report" and had no identifying mark on the outside cover which was clearly stamped confidential. This indicates that this copy was probably made prior to the May 30 delivery to USTR. USTR officials advised the significance of the unauthorized disclosure of the contents of the ITC report is that the bargaining position of the United States was compromised and "Business Confidential" information used in the report was made available to the public. This disclosure also impacts on the effectiveness of the ITC to solicit data from the U.S. business community. No national defense information was utilized in the preparation of the ITC report.

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This matter was studied by U.S. Department of Justice (DOJ) officials [redacted] Internal Security Section, and by Mr. [redacted] General Litigation and Legal Advice Section. On August 24, 1984, it was determined that this matter did not represent a violation of the espionage statute as it was reported that no national defense information was utilized in the preparation of the report.

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DOJ subsequently opined that a violation of the Theft of Government Property statute had occurred and that the matter should be presented to the local United States Attorney's Office for a prosecutive opinion.

On September 19, 1984, Assistant United States Attorney (AUSA) Charles Harkins, WDC, opined that this matter lacked prosecutive merit and declined prosecution under the Theft of Government Property statute.

On November 1, 1985, the Criminal Division of the DOJ advised WFO that it has determined that additional investigation should be conducted to ascertain responsibility for the unauthorized disclosure of this report. Specifically,

UNKNOWN SUBJECT

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it was requested that this matter be investigated to determine if offenses under 18 U.S.C. 641 (Theft of Government Property) and 18 U.S.C. 1905 (Disclosure of Confidential Business Information) had occurred:

Mr. [redacted] DOJ, Public Integrity Section, was designated to coordinate this investigation. A meeting took place on November 15, 1985, at the Department of Justice between [redacted] and representatives of the Federal Bureau of Investigation (FBI) in an effort to outline investigative strategies.

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As a result of the investigation into this matter being re-opened, two employees at AIPAC [redacted] [redacted] were interviewed by WFO.

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On December 19, 1985, [redacted] was interviewed by WFO and advised that she was employed as [redacted] for AIPAC during the period of [redacted]

[redacted] She also advised that as an employee of AIPAC, she became aware of the trade report prepared by the ITC. She indicated that she received the report from [redacted] [redacted] for AIPAC, in approximately June of 1984.

[redacted] explained that she studied the report for a few weeks before returning it to an unrecalled official at AIPAC. She further advised that she had no information regarding who initially received the report at AIPAC, who released it from the ITC, or the USTR or who gave it to [redacted]

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On December 19, 1985, [redacted] was also interviewed regarding this report. [redacted] advised that she received the report from [redacted] for the Israeli Embassy in WDC. She advised that [redacted] gave her this report in approximately April of 1984.

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She advised that [redacted] gave no specific instructions regarding the report and, in fact, she later learned that the report was known to be "floating around town" and that the contents of the report were common knowledge to those interested in these matters.

[redacted] stated she could provide no information regarding who initially provided the report to [redacted]

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UNKNOWN SUBJECT

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Both [redacted] and [redacted] were accompanied by their attorney's during their respective interviews.

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In an effort to locate the individual responsible for releasing this report, the USTR conducted an internal investigation into this matter. This investigation revealed that 78 copies of the document were made prior to May 30, 1984. Investigation revealed that a large number of USTR personnel had access to this document. The investigation was inconclusive regarding who released the report.

Conclusion:

Appropriate officials at the U.S. Department of State and at the U.S. Department of Justice will be requested to review this matter and make a determination regarding the feasibility of interviewing [redacted] [redacted] concerning captioned matter.

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M E M O R A N D U M

1/28/86

TO: SAC, WFO (52B-18153)

FROM: SSA [redacted]

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SUBJECT: UNSUBS;  
THEFT AND UNAUTHORIZED DISCLOSURE OF  
DOCUMENTS FROM THE U.S. INTERNATIONAL  
TRADE COMMISSION  
TGP  
(OO:WFO)

Re telephone call of SSA [redacted] to SSA [redacted]  
[redacted] 1/23/86.

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By referenced telcall, SSA [redacted] requested that  
captioned investigation be reopened by WFO. SSA [redacted] stated  
that Department of Justice had requested additional interviews be  
conducted in furtherance of this investigation. Specifically,  
SSA [redacted] requested that [redacted] of the Israeli  
Embassy and MR. [redacted] of AIPAC be interviewed by WFO  
personnel to obtain all details regarding their contact with  
documents mentioned in this investigation.

[redacted] further advised that prior to [redacted] being  
interviewed, authority should be obtained from the Israeli desk  
at the U.S. State Department in view of [redacted] diplomatic  
status.

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ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-20-2009 BY 60324 uc baw/dk/sbs

2-WFO  
CJD:pep (2)  
*pep*

*Reopen*  
*As*  
*2/3/86*  
*assign*

52-18153-10  
SEARCHED INDEXED  
SERIALIZED  
FEB 3 1986  
FBI - WASH DC

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FD-302 (REV 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/21/86

[redacted]  
American Israel Public Affairs Committee (AIPAC), 500 North  
Capitol Street, N.W., Suite 300, Washington, D.C., telephone  
(202) 638-2256 was interviewed by Federal Bureau of Investigation  
(FBI) Special Agents (SAs) [redacted]  
[redacted] regarding a classified report received by AIPAC in June  
of 1984.

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[redacted] was interviewed in the presence of his  
Attorney, [redacted] representing the law firm of  
WILLIAMS & CONNOLLY, the HILL Building, Washington, D.C.,  
telephone (202) 331-5000. [redacted] provided the following  
information:

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[redacted] advised that he is employed at AIPAC in  
the capacity of [redacted] with responsibilities  
pertaining to Congressional Relations and for Lobbying on Capitol  
Hill. [redacted] advised that he first became aware of the  
International Trade Commission (ITC) report being at AIPAC on a  
Friday afternoon in the spring of 1984. He stated that on this  
occasion [redacted] with AIPAC advised him that  
she received a call from the U.S. Trade Representative (USTR)  
General Counsel [redacted] asking her whether she or anyone  
at AIPAC had this document. [redacted] advised that [redacted]  
stated to [redacted] that she had the document and at that point  
[redacted] asked that she return it to the USTR. [redacted]  
asked [redacted] if it was true that she had this report and she  
advised that she did have it. [redacted] subsequently examined  
the document to determine if it had any secret classification or  
pertained to any United States National Defense matters. [redacted]  
[redacted] advised that he and [redacted] went to the office of  
[redacted] of AIPAC and informed him of the  
incident. [redacted] inquired as to whether [redacted] actually  
had the report and if AIPAC had done anything illegal in having  
it. [redacted] advised that he stated to [redacted] that it

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Investigation on 2/13/86 at Washington, D.C. File# 52B-18153-13  
SAs [redacted]  
By [redacted] DDR:erw Date dictated 2/14/86  
This document contains neither recommendations nor conclusions of  
the FBI. It is the property of the FBI and is loaned to your  
agency; it and its contents are not to be distributed outside  
your agency.

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Continuation of FD-302 of [redacted] On 2/13/86 Page2\*

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contained no National Defense information and that AIPAC did not solicit the report. Both [redacted] were satisfied that AIPAC had not acted improperly in possessing the report.

[redacted] immediately called [redacted] at the USTR to make arrangements to return the document. The report was subsequently returned to the USTR by a member of the AIPAC office staff. Prior to returning this document, [redacted] asked to have a duplicate copy of the document made so that the staff of the AIPAC could further examine the report. [redacted] advised that he saw no "secret classifications" on the report and there were no indications that this was a report pertaining to United States National Security. He further believed that AIPAC had not acted improperly or illegally in having this report in its possession and thereafter, asked [redacted] for AIPAC to examine the document regarding the free trade issue between the U.S. and Israel. He stated that [redacted] retained the duplicate copy of the report and that the original report was returned to the USTR. [redacted] advised that he did not consider this report to be especially important and thought that any controversy regarding the report had ended.

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In November of 1985, [redacted] asked [redacted] about the report and she stated to him that it was generally useless and that she had eventually thrown it away.

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Regarding the identity of the individual who provided the report to AIPAC, [redacted] advised that he has no first hand knowledge pertaining to this matter. He did advise that he was told that Israeli Embassy official [redacted] had initially provided the report to a representative of AIPAC. [redacted] further advised that he had no information pertaining to who may have provided the report to [redacted]

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[redacted] stated that it was his understanding that several other industries had copies of this report as well as several people on Capitol Hill and that AIPAC did not consider possessing this report an especially significant matter. [redacted] could otherwise provide no additional information relating to who may have provided the report to [redacted]. He further requested that any future contact of him by the FBI be coordinated through his Attorney, [redacted]

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## FEDERAL BUREAU OF INVESTIGATION

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-20-2009 BY 60324 uc baw/dk/sbs

Date of transcription 3/13/86

1

[redacted]  
Embassy of Israel, 3514 International Drive, N.W., Washington, D.C. telephone (202) 364-5692 was interviewed by Federal Bureau of Investigation Special Agents [redacted] and [redacted] regarding the receipt of a U.S. International Trade Commission (USITC) report pertaining to free trade between the U.S. and Israel.

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During this interview, [redacted] was accompanied by [redacted] [redacted] for the Embassy of Israel, Washington, D.C.

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[redacted] advised that at some unrecalled time in 1984 he received this USITC report pertaining to free trade between America and Israel. [redacted] advised that he received this document from someone that he would not identify. He indicated that he received this information in his official capacity as a diplomat and that it would be against the principles of diplomatic work to divulge any information pertaining to the identity of the individual who provided him the report. He further advised that it is impossible within the professional ethics of a diplomat to identify individuals who provide certain information to a diplomat.

[redacted] did state that the individual who provided him with the report was not a U.S. Government Official nor was he an employee of the U.S. Government. [redacted] indicated that there were numerous negotiators regarding this free trade issue representing several U.S. Government agencies including the U.S. Trade Representatives, the U.S. Treasury, the U.S. Commerce Commission, the U.S. Department of State, and the U.S. Department of Agriculture. He advised that there were usually one or two principals representing each of these agencies which would attend most negotiations. He further advised that he thinks certain U.S. negotiators wanted the person who provided [redacted] the report to know about certain aspects pertaining to the United States

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Investigation on 3/7/86 at Washington, D.C. File # 52B-18153-12  
by SAs [redacted] JAH:cjc Date dictated 3/13/86

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Continuation of FD-302 of 52B-18153; [REDACTED], On 3/7/86, Page 2

and Israel.

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Regarding the availability of this report, [REDACTED] advised that the report had been widely circulated among the staff and members of Capitol Hill, as well as among various consultants representing the interest of each agency affected by the free trade issue. He advised that the Government of Israel did not ask to receive the report and stated that when the individual provided him with the report, the transaction was not conducted in a discreet or secretive manner.

[REDACTED] advised that he furnished the report to an employee at the American Israel Public Affairs Committee (AIPAC) during the Spring or Summer of 1984. He believes he gave the report to either [REDACTED] or to [REDACTED]. [REDACTED] indicated that this report was only part of a package that he provided to AIPAC with other routine information.

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[REDACTED] advised that he could not recall the specific period of time when he was given the report but stated that the contents of the report were well known by the time he had received it. [REDACTED] advised that he did not try to conceal the fact that representatives of Israel had this report in their possession. He further stated that he believes that the controversy regarding this report is extremely exaggerated and that in his opinion, the fact that representatives of Israel viewed this report, caused no economic damage to any U.S. business or interest.

Washington, D.C.  
March 31, 1986

~~SECRET~~

UNKNOWN SUBJECT  
THEFT AND UNAUTHORIZED DISCLOSURE  
OF DOCUMENTS FROM THE UNITED  
STATES INTERNATIONAL TRADE COMMISSION;  
THEFT OF GOVERNMENT PROPERTY

~~All markings, notations and items of information  
contained in this communication are classified "Secret" unless  
otherwise noted.~~

Office of Origin: Washington Field Office.

Date Investigative Summary Prepared: March 14, 1986.

Basis for Investigation:

The initial investigation regarding this matter was based upon a complaint received from [redacted] Associate General Counsel, Office of the United States Trade Representative (USTR), 600 17th Street, N.W., Washington, D.C. (WDC). The complaint alleged that person(s) unknown had made available to the government of Israel, a confidential report published by the International Trade Commission (ITC) outlining the probable effect of providing duty-free treatment of imports from Israel.

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~SECRET~~

~~Classified by: G-3  
Declassify on: OADR~~

5-Bureau  
1-Washington Field Office

JAH:las  
(6)

UNKNOWN SUBJECT

Investigation to Date:

This matter was initially investigated by WFO as a possible violation of the espionage statute. The preliminary inquiry regarding this investigation was initiated on June 19, 1984.

This preliminary inquiry determined that on January 25, 1984, the U.S. International Trade Commission (ITC), WDC, was requested by the USTR to prepare a report for the President relating to the establishment of a free trade area with Israel.

On May 31, 1984, 40 copies of the final report were distributed with one copy designated for the President, 28 copies to the USTR, and 11 copies within the ITC.

On May 21, 1984, a Department of Commerce (DOC) employee was in Jerusalem following the formal U.S.-Israeli negotiations which had been held the week before. This employee met with [redacted]

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[redacted] for the Israeli Embassy in WDC. [redacted] stated that he had received a cable from the Israeli Embassy in WDC and then proceeded to read from this cable what appeared to be a full summary of the report, including the conclusions regarding sensitive products.

On or about May 30, 1984, prior to the USTR distribution of the "final report", a member of the Trade Subcommittee of the Senate Finance Committee notified USTR that after a conversation with an employee of the "American Israel Public Affairs Committee" (AIPAC) in WDC, this member was left with the impression that AIPAC had a copy of the subject report. This unidentified AIPAC member was familiar with the report's contents and conclusions.

On June 7, 1984, the Israeli Trade Minister and [redacted] [redacted] lunched with Ambassador William Brock and [redacted] of the USTR. [redacted] recalled that [redacted] was aware of the contents of the report.

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On June 12 and 13, 1984, information passed to USTR indicated that certain members of Congress could acquire copies of the ITC report through AIPAC.

On June 15, 1984, the USTR general counsel telephoned AIPAC employee [redacted] and inquired if AIPAC had a copy of the USTR report. [redacted] advised they did. [redacted] was asked to return this confidential report and all copies. Subsequently,

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UNKNOWN SUBJECT

[redacted] of AIPAC, contacted USTR to claim no knowledge of the report himself and to disassociate himself from such activities. A copy of the USTR report was subsequently delivered to USTR. Also delivered was a substantial portion of a second copy of the report in an unsorted condition. The full report copy was a copy of the "final report" and had no identifying mark on the outside cover which was clearly stamped confidential. This indicates that this copy was probably made prior to the May 30 delivery to USTR. USTR officials advised the significance of the unauthorized disclosure of the contents of the ITC report is that the bargaining position of the United States was compromised and "Business Confidential" information used in the report was made available to the public. This disclosure also impacts on the effectiveness of the ITC to solicit data from the U.S. business community. No national defense information was utilized in the preparation of the ITC report.

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This matter was studied by U.S. Department of Justice (DOJ) officials [redacted] Internal Security Section, and by [redacted] General Litigation and Legal Advice Section. On August 24, 1984, it was determined that this matter did not represent a violation of the espionage statute as it was reported that no national defense information was utilized in the preparation of the report.

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DOJ subsequently opined that a violation of the Theft of Government Property statute had occurred and that the matter should be presented to the local United States Attorney's Office for a prosecutive opinion.

On September 19, 1984, Assistant United States Attorney (AUSA) Charles Harkins, WDC, opined that this matter lacked prosecutive merit and declined prosecution under the Theft of Government Property statute.

On November 1, 1985, the Criminal Division of the DOJ advised WFO that it has determined that additional investigation should be conducted to ascertain responsibility for the unauthorized disclosure of this report. Specifically, it was requested that this matter be investigated to determine if offenses under 18 U.S.C. 641 (Theft of Government Property) and 18 U.S.C. 1905 (Disclosure of Confidential Business Information) had occurred.

[redacted] DOJ, Public Integrity Section, was designated to coordinate this investigation. A meeting took place on November 15, 1985, at the Department of

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UNKNOWN SUBJECT

Justice between [redacted] and representatives of the Federal Bureau of Investigation (FBI) in an effort to outline investigative strategies.

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As a result of the investigation into this matter being re-opened, [redacted] employees at AIPAC [redacted] were interviewed by WFO.

On December 19, 1985, [redacted] was interviewed by WFO and advised that she was employed as [redacted] for AIPAC during the period of [redacted]. She also advised that as an employee of AIPAC, she became aware of the trade report prepared by the ITC. She indicated that she received the report from [redacted] for AIPAC, in approximately June of 1984.

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[redacted] explained that she studied the report for a few weeks before returning it to an unrecalled official at AIPAC. She further advised that she had no information regarding who initially received the report at AIPAC, who released it from the ITC, or the USTR, or who gave it to [redacted].

On December 19, 1985, [redacted] was also interviewed regarding this report. [redacted] advised that she received the report from [redacted] for the Israeli Embassy in WDC. She advised that [redacted] gave her this report in approximately April of 1984.

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She advised that [redacted] gave no specific instructions regarding the report and, in fact, she later learned that the report was known to be "floating around town" and that the contents of the report were common knowledge to those interested in these matters.

[redacted] stated she could provide no information regarding who initially provided the report to [redacted].

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On February 13, 1986, [redacted] [redacted] for AIPAC was interviewed by WFO. [redacted] advised that he first became aware of this report being in the possession of AIPAC at some unrecalled date in the spring of 1984.

At this time, [redacted] advised that [redacted] informed him that USTR General Counsel [redacted] had contacted her to determine if AIPAC had this report.

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UNKNOWN SUBJECT

It was determined by [ ] that [ ] and [ ] had seen the report and that it was his understanding that [ ] provided them with the report. [ ] stated that the report did not pertain to U.S. national defense matters and that AIPAC had taken no action to solicit the report.

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[ ] advised that he had no information pertaining to how [ ] had received the report. [ ] did advise that he provided a duplicate copy of the report to [ ] before the original report was returned to USTR. In November of 1985, [ ] told [ ] that she had discarded the duplicate copy of the report at some time prior to November of 1985.

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[ ] stated that AIPAC did nothing illegal or improper by possessing the report and that once USTR contacted AIPAC regarding the report, AIPAC took immediate action to return it.

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On March 7, 1986, [ ] was interviewed at the Israeli Embassy by WFO. [ ] acknowledged receiving the report and passing it on to representatives of AIPAC.

Regarding the receipt of this report, [ ] citing diplomatic immunity, claimed that it would be "impossible within the professional ethics of his diplomatic position" to identify the individual who furnished the report to him. [ ] did state that this person was not a U.S. Government official or an employee of the U.S. Government.

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[ ] stated that this report was widely disseminated before he received it and that, in his opinion, the report contained little, if any, sensitive or useful information.

[ ] advised that he could not recall exactly who he gave the report to at AIPAC, nor the approximate date he gave them the report. He advised that this report was not handled in any type of secret manner and that everyone who had knowledge of the report considered this matter to be very routine.

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[ ] concluded by saying that in his opinion the fact that Israel had the report caused no economic damage to any U.S. business or interest and that the entire issue seems to have received more attention than it deserved.



UNKNOWN SUBJECT

Conclusion:

Investigation by WFO indicates that this report was likely leaked while being prepared at the International Trade Commission (ITC). A review of security procedures at ITC disclosed the fact that there are no security procedures in place that would prevent the outright theft or the printing of an "extra" copy of a report.

The internal investigation conducted by the USTR concluded that the report was compromised by May 21, 1984. Also, the first indication of AIPAC's possession of the report preceded or was coincidental with the delivery of USTR's copies.

As a result of this incident, both the USTR and the ITC are re-evaluating their security procedures and changes will be implemented as deemed appropriate.

In view of the above information and due to the fact that [redacted] has claimed diplomatic immunity in this matter, active investigation into this matter will be discontinued at WFO. Washington Field will be contacted by the USTR or the ITC if pertinent information is developed regarding this or similar incidents.

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C-4

TRANSMIT VIA: AIRTEL

CLASSIFICATION: \_\_\_\_\_

DATE: 1/14/87

FROM: Director, FBI

TO: SAC, Washington Field (52B-18153)

UNSUBS;  
THEFT AND UNAUTHORIZED DISCLOSURES  
OF DOCUMENTS FROM THE UNITED STATES  
INTERNATIONAL TRADE COMMISSION;  
THEFT OF GOVERNMENT PROPERTY  
OO: WASHINGTON FIELD

Enclosed for Washington Field are two copies of a self-explanatory letter received from the Department of Justice, dated August 25, 1986, classified Secret, pertaining to captioned matter.

Washington Field should close your investigation based on the enclosed letter.

Enclosures (2)  
*gaw*

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 04-20-2009 BY 60324 uc baw/dk/sbs

52B-18153-16

SEARCHED	INDEXED
SERIALIZED <i>27</i>	FILED <i>27</i>
JAN 16 1987	
FBI - WASH. FIELD OFFICE	

*[Handwritten signature]*

## **Appendix #3-Denial of FOIA/MDR Release of Classified Trade Data**

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON, D.C. 20508

May 14, 2010

Mr. Grant Smith  
Institute for Research  
Middle Eastern Policy  
Calvert Station  
P.O. Box 32041  
Washington, D.C. 20007

Dear Mr. Smith:

This letter is USTR's final response to your request for seven product areas referenced in "Probable Economic Effect of Providing Duty Free Treatment for U.S. Imports from Israel, Investigation No. 332-180", under the Freedom of Information Act.

Please be advised that, the seven different product areas you requested are contained in a classified document that was denied in FOIA #08122049. After a thorough review, we have not located any othewr documents within the scope of your request.

Inasmuch as this constitutes a complete grant of your request, I am closing your file in this office.

In the event that you are dissatisfied with USTR's determination, you may appeal such a denial, within thirty (30) days, in writing to:

FOIA Appeals Committee  
Office of the United States Trade Representative  
1724 F Street, N.W.  
Washington, DC 20508

Both the letter and the envelope should be clearly marked: "Freedom of Information Act Appeal". In the event you are dissatisfied with the results of any such appeal, judicial review will thereafter be available to you in the United States District Court for the judicial district in which you reside or have your principal place of business, or in the District of Columbia, where we searched for the records you seek.

Should you have any questions, please feel free to contact the FOIA office at (202) 395-3419.

Sincerely,

*Carmen Suro-Bredie*  
Carmen Suro-Bredie  
Chief FOIA Officer

EXECUTIVE OFFICE OF THE PRESIDENT  
THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON, D.C. 20508

June 8, 2010

Mr. Grant Smith  
Institute for Research  
Middle Eastern Policy  
Calvert Station  
P.O. Box 32041  
Washington, D.C. 20007

Dear Mr. Smith:

This letter provides the United States Trade Representative's (USTR) response to your request for Mandatory Declassification Review (MDR) of classified information titled "Probable Economic Effect of Providing Duty Free Treatment for U.S. Imports from Israel, Investigation No. 332-180".

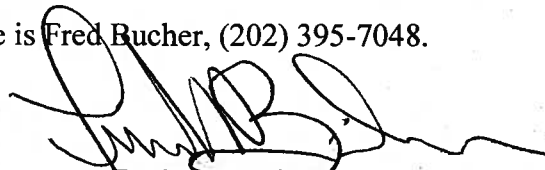
I would note that request for this information was previously submitted by you under FOIA (please see USTR responses dated February 20, 2009, and May 14, 2010 attached). In both responses, USTR determined that the information should remain classified in the interest of national security pursuant to Executive Order 12958.

Though not required (since a FOIA Review of this information has been conducted within the last two years), the USTR has completed a Mandatory Declassification Review of the information. This MDR resulted in a decision by the USTR for the information to remain classified in the interest of national security pursuant to Executive Order 12958.

Should you wish to appeal this decision, you may submit your appeal, within 30 days of the date of this correspondence, to:

Executive Secretary, ISCAP  
C/O Information Security Oversight Office  
The National Archives Building  
700 Pennsylvania Avenue, NW, Room 100  
Washington, D.C. 20408  
Telephone: (202) 357-5250  
FAX: (202) 357-5907  
E-Mail: [iscap@nara.gov](mailto:iscap@nara.gov)

The point of contact for this correspondence is Fred Bucher, (202) 395-7048.



Fred W. Bucher  
Director of Security  
U.S. Trade Representative

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON, D.C. 20508

February 20, 2009

Mr. Grant Smith  
Institute for Research  
Middle Eastern Policy  
Calvert Station  
P.O. Box 32041  
Washington, D.C. 20007

Dear Mr. Smith:

This letter is USTR's final response to your request for **"the complete report prepared by the International Trade Commission to U.S. Trade Representative William E. Brock in preparation for the U.S.-Israel Free Trade Agreement in 1984"**, under the Freedom of Information Act.

Please be advised that, after a thorough review, it has been determined that the report should not be declassified. The report is classified in its entirety, leaving no segregable portions available for public viewing.

The report is being withheld in full pursuant to 5 U.S.C. §552(b)(1), which pertains to information that is properly classified in the interest of national security pursuant to Executive Order 12958.

Inasmuch as this constitutes a complete grant of your request, I am closing your file in this office.

In the event that you are dissatisfied with USTR's determination, you may appeal such a denial, within thirty (30) days, in writing to:

FOIA Appeals Committee  
Office of the United States Trade Representative  
1724 F Street, N.W.  
Washington, DC 20508

Both the letter and the envelope should be clearly marked: "Freedom of Information Act Appeal". In the event you are dissatisfied with the results of any such appeal, judicial review will thereafter be available to you in the United States District Court for the judicial district in which you reside or have your principal place of business, or in the District of Columbia, where we searched for the records you seek. Should you have any questions, please feel free to contact me or my assistant Jacqueline Caldwell at (202) 395-3419.

Sincerely,



Carmen Suro-Bredie  
Chief FOIA Officer