

Privileged and Confidential--DRAFT

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(What Have We Learned?)

Nearly eight weeks ago, CBS news reported that an anonymous governmental source had disclosed that the FBI was investigating the involvement of two AIPAC employees in a "spy ring" involving AIPAC and an employee of the Department of Defense. As many of you will remember all too well, a spate of other news stories—fueled by illegal leaks from law enforcement—followed in the proceeding days.

Within hours of the initial revelations in the press and throughout the days and weeks that followed, we communicated with each of you; by fax, by email and by conference call to tell you what we knew about the nature of this alleged investigation. The most important thing we told you then I will repeat today:

AIPAC has done nothing wrong. Neither AIPAC nor any member of our staff hasbroken any law.

(PAUSE)

We also told you that virtually all we knew about the nature of this investigation we had learned from press leaks by the authorities. Since then, Abbe Lowell, a member of AIPAC's legal team, has met with the US Attorney overseeing the investigation. At that meeting, he received only very limited information about what this investigation is all about. Other facts we have pieced together from press reports and discussions we have had with some of the people who the authorities have questioned. Today, I want to update you—AIPAC's top leadership—on what we have learned.

Before I do so, let me warn you. What you are about to hear may shock you. It may make you angry. You will have the urge to interrupt and ask me how what I am telling you could happen in America, to our community. You will want to turn to your neighbor to share your outrage.

(Lower inflection, more serious)

I am asking that you do neither.

(PAUSE)

It is simply too important that you—AIPAC's most important members—absorb the full dimensions of what has transpired and what it could mean not only to AIPAC, but also to our community. There will be ample time for all of your questions and comments after this briefing.

We have with us today a distinguished guest who will participate in today's discussion, 48 TDB lawyer. TBD is one of the legal community's most authoritative figures on xxxxx. 49 He will help you understand the legal issues involved. (REWRITE once his remarks are 50 known.)

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Before we begin, I want to underscore the confidential nature of this discussion. The issues we are about to discuss have important ramifications—legal and otherwise—for the individuals involved, AIPAC and our entire community. Please do not discuss anything you hear today outside this room, especially with the media.

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We are sharing this information with you for two reasons. First and most importantly, we told you that we would keep you, the leadership of AIPAC, fully informed as we learned more about this investigation. Secondly, if history is any guide, information about this investigation could be unlawfully leaked and interpresented to the press at any time. We want to do our best to ensure that what you learn about this investigation, you learn from us.

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Let's begin with what the facts are, as we know them.

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Despite leaks in August by governmental authorities to the media intimating that two AIPAC employees—Director of Foreign Policy Issues Steve Rosen and Deputy Director of Foreign Policy Issues Keith Weissman—were part of an espionage ring,

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No AIPAC employee has ever sought secret information on behalf of the Israeli government, and no evidence has been presented by the investigators suggesting that they did.

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75 76 No AIPAC staff person was ever given, nor did any AIPAC employee ever accept any paper, written report or any other tangible material that was designated as classified, despite those initial press leaks alleging that some secret document was exchanged.

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No AIPAC staff person has asked any U.S. government official for information it would be illegal for an AIPAC employee to have. As everyone in this room knows, we don't need illegal information to do our work.

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No AIPAC employee ever tried to buy information from a U.S. government official, or received any cash or valuables in exchange for information they had.

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When one hears "spy ring" alleged on the evening news, one would assume that one or more of these activities would be involved. You would think that an AIPAC employee was being accused of asking for, buying, taking or profiting from information it is illegal for them to have. Yet, based on what we know, none of these activities are even the focus of this investigation.

What then, is this investigation really about? What are Steve and Keith apparently suspected of doing?

Listening. That's what they are suspected of. Sitting at a table, over a cup of coffee or lunch, listening to ideas and information that Pentagon Analyst Larry Franklin volunteered to them. And afterwards, sharing that information as they routinely do after similar meetings with Administration officials such as Franklin every day. Sharing it with you on conference calls and during briefings in your community. Sharing it with other policymakers in Washington during discussions about where different agencies and principals stand in a particular policy debate. Sharing it with Israeli officials as part of our work to help them understand how America views its relationship with Israel and its priorities in the Middle East.

Such conversations are common in Washington. AIPAC leaders and staff aren't the only ones that have them. So do staff from other advocacy organizations, analysts from think tanks, professors from universities, leaders of every Fortune 500 Company, foreign diplomats including Israeli officials and members of the media. They too, like us, meet every day with members of Congress and people working in every part of the Administration, from the White House to the State Department to the Pentagon, to discuss policy issues.

Our country's policymakers rely on AIPAC for its insights into what other parties in the foreign policy discussion are thinking. It is not unusual, for example, for a National Security Advisor or Assistant Secretary of State to ask me or other AIPAC leaders what the perspective is of Israeli leaders on a particular topic, or our sense of the support on Capitol Hill for a particular initiative.

Obviously, we also engage in frequent discussion with Israeli government officials at both the embassy in Washington and in Israel. Let me emphasize something everybody in this room already knows, AIPAC is an American organization made up of American citizens who advocate for American policies in the Middle East generally and toward Israel in particular. We don't act on instructions or directions from the Israeli government.

We do share information and insights with Israeli officials. We learn from them what Israeli leaders think on a variety of topics, from next steps to solve the conflict with the Palestinians to how best to tackle the war on terror. Israeli officials get from us our impressions, based on our discussions with American officials, what are the priorities or concerns of American policymakers when it comes to America's relationship with Israel.

 So the fact that AIPAC staff would have a conversation with someone in Larry Franklin's position, an individual responsible for covering Iran policy issues for the Pentagon, and communicate what they have learned to others, is not surprising. It is routine. It is what AIPAC employs them to do.

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The fact that the FBI taped at least two of those conversations, one held in June 2003 and the other in July 2004, however, stunned us.

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When we first learned this, we were as shocked as you probably are now. While we believe AIPAC has a special and unique role in America's foreign policy debate, the day-to-day nuts and bolts of what our organization does are no different than the day-to-day operations of many organizations in Washington. It was and it still is unthinkable to us that the way AIPAC works would arouse suspicion.

During the conversations that the authorities apparently taped, Larry Franklin volunteered information and perspectives on a variety of topics. All of them were subjects that had been widely covered in the press. We now understand that he sprinkled the word "classified" into at least two conversations. Because Franklin characterized some of the information in this way, the authorities are contending that Steve and Keith violated the law, merely by sitting at the table, passively listening, to information they didn't even solicit.

 Some of you may be asking, why Keith or Steve jump up and run out of the room when they heard the word "classified." After all, those of us raised on Cold War thrillers know that the word classified is describe "top secret," inditary plans on how to beat the Soviets and the like: Right?

(PAUSE)

Well, not exactly.

The word classified has come to refer to literally millions of pages of government material, covering everything from plans for the movement of U.S. troops in Iraq or the architecture of one our nuclear facilities, to what was said in a discussion amongst policymakers about what to do about social security farm subsidies or for that malter, Iran.

Max Frankel, the legendary executive editor of the New York Times once wrote about this issue that, "Everything that our Government does, plans, thinks, hears, and contemplates in the realms of foreign policy is stamped and treated as secret, and then unraveled by that same government, by the Congress and by the press more continuing round of professional and social contacts and cooperative and competitive exchanges of information."

The word classified is not a legal term. It is an administrative term, telling federal employees what information they should or shouldn't share with others.

Common sense—and the law—dictates that troop movements and policy debates are not the same. That is why many people, including many members of Congress and the media, have been sharply critical of the process for classifying information, contending

that what the classification process has become is really a way to keep government away from the people. While sharing classified information about troop movements, something that affects our nation's security is clearly, illegal, sharing other types of classified information is not. (ALTERNATIVE IS TO TAKE THIS PARAGEOUT)

Let me be clear. AIPAC does NOT ask for information it is illegal for us to have. We do routinely meet with government employees who have access to a wide range of information. Some of this information is public, some could be private, and some could be classified. How government officials compartmentalize what they know from public sources, private sources, or classified sources when they talk with people outside the government is something that AIPAC staff assumes government officials know how to do. Furthermore, in a town like Washington, where government officials are known to exaggerate their importance and access to sensitive information, the use of the word "classified" in conversation would not necessarily stand out as significant.

We believe that what the authorities are suggesting—that Keith and Steve committed a crime merely by being passive listeners to a government employee volunteering information they didn't even ask for —is a gross misapplication of the law. I believe this will become clearer to you after I walk you through the details of the conversations themselves, and TBD lawyer explains what the law actually says.

AIPAC staff met with Larry Franklin four times over a two-year period between late 2002 and 2004.

Let me describe what occurred during those meetings.

(Winter of 2002/03)

Steve and Keith were first introduced to Franklin at a gathering of professionals working foreign policy professionals in the winter of 2002-03. Franklin was one of a handful of experts in the Department of Defense specializing in Iran. Given AIPAC's interest in the topic, he was the type of Administration official with whom Steve and Keith would be interested in maintaining contact.

(The first meeting: June 9, 2003)

As part of their routine contact with Administration officials, Keith arranged for him and Steve to meet Franklin for lunch on June 9, 2003. During lunch, Franklin volunteered information that there had been a policy discussion concerning Iran within the Administration and that there was a draft memorandum on the topic working its way through the policymaking process for a decision in the White House. He stated that there had been disagreements over whether to be "tougher" on Iran or more conciliatory and that a decision had been made at the agency levels that involved some kind of tougher policy. He said the memorandum had been stalled for some time at the National Security Council.

Franklin did not show the memorandum to Steve or Keith. They did not know about its existence until Mr. Franklin brought it up. During the conversation, Steve and Keith did get the impression that Franklin was suggesting that Steve and Keith help unclog the logjam on this policy by getting this information to the right place in the White House. Given the influential role policymakers know AIPAC has in the overall foreign policy debate in Washington, it is not unusual—and definitely not illegal—for policymakers with one point of view to try and enlist AIPAC's support in lobbying those with a different point of view.

(The second meeting: June 21, 2003)

A week or so later, an article appeared in *The Washington Post* on June 15, 2003 written by Michael Dobbs entitled, "Pressure Builds for President to Declare Policy on Iran." In the article Dobbs talked about the debate going on in the Administration over the future direction of America's policy toward Iran. Steve and Keith then decided to arrange another meeting on June 21 to discuss the dispute that Mr. Franklin had mentioned and that had now been reported in the media.

The three again discussed the policy dispute in general terms. During the meeting, Mr. Franklin was focused on going over what he termed the horrible things that the government of Iran had perpetrated around the world. During the meeting, Franklin referred back to a single piece of paper he brought with him, that based on they type of things he was saying to Keith and Steve, contained or described a list of atrocities committed by the government of Iran. The list contained items that had been widely reported, from Iran's funding of terrorism to its pursuit of weapons of mass destruction.

Some news reports have indicated that Mr. Franklin provided or showed Steve and Keith a draft of a document called the national security presidential directive on Iran. Franklin did not show or give them either the page he seemed to be referring to during the discussion, nor any other document, during that meeting or at any other time.

Other news reports indicate that Franklin may have stated that some of the information he was sharing in the conversation was classified. If Franklin did use that word -- either because he was already cooperating with the government and was asked to do so in order to entrap Steve and Keith-- or for any other reason - it did not register with either Keith or Steve as being meaningful.

First of all, the discussion at lunch concerned general, public policy issues that had been reported in the media. Secondly, Franklin was known for his dismissal of governmental sources, particularly classified ones. He preferred to rely more on his own use of unorthodox public albeit esoteric archives as well as information gleaned from conversations with his own personal contacts, many of whom his governmental colleagues considered unreliable. Franklin tried to give an air of mystery to all that he said, making it impossible to know if the information he was sharing was truly classified or gleaned from his own esoteric sources of information and relationships.

Steve and Keith concluded after the lunch that Mr. Franklin exaggerated his contacts and information and might describe his information as being sensitive or classified only to aggrandize himself. In fact, Steve decided after that meeting that it was not worth his time to see or speak with Mr. Franklin again. Nonetheless, because Franklin's job was to evaluate Iran policy for the Pentagon, Steve asked Keith to touch base with him from time to time.

(The third meeting: July 9, 2004)

It would be a year before Keith would call Franklin to meet again. In July, 2004, Keith contacted Franklin to set up another lunch. Keith invited Steve to join them, but Steve declined. On July 9, Keith and Franklin met. They had a very general discussion of events in the Middle East and Iran.

(The fourth meeting: July 26, 2004)

Less than two weeks after that meeting, Franklin called Keith to have lunch, telling him he had something important to tell him.

Keith was about to leave on vacation and tried to put the meeting off – Franklin said it could not wait. What Keith did not know at the time but what now appears to be true is that Franklin had been cooperating with law enforcement. Apparently, he was anxious to meet so the authorities could record their discussion. They agreed to meet on July 26.

When they met, Franklin seemed agitated. During the conversation, he stated that he had sensitive or classified information from an intelligence source that involved people being killed and lives at stake. The key information that Franklin was trying to impart was that Iranians had targeted Israelis in Iraq for death, kidnapping, or injury. Once again, Franklin asked for help getting this information to the right place in the White House.

At no time during the meeting did Franklin give any document or material to Keith. At no time did Franklin show Keith any paper or material marked classified in any way. At no time, did Franklin tell Keith anything about U.S. operations, policies, directives, or plans.

While Franklin's formulation was startling, Keith did not find the substance of what he said particularly surprising. Seymour Hersch had already reported in an in-depth piece in *The New Yorker* a month earlier that Israelis were in northern Iraq to assist the Kurds. Extensive information about Iranian agents operating in Iraq had also been reported. To Keith, an Iran expert and a seasoned analyst whose job it was to connect the dots between disparate pieces of information, Franklin's statements reflected a potentially logical conclusion that could be drawn from publicly available data rather than a "state secret."

After the meeting, Keith did what he often does after such meetings. He shared what he had learned with Steve, wove it into briefings when he went on the road to address many of you, factored it into his ongoing analysis of Iran and shared the insights with Israeli officials and other analysts with whom he was in regular contact.

This is it - the conduct in question. The authorities are investigating Keith and Steve and AIPAC for violation of the laws covering classified information, merely because they heard information they did not solicit and, in one instance, at a meeting they didn't even request that apparently was a government set-up. We believe that the suggestion that Steve or Keith acted illegally is a gross misapplication of the letter and intent of the law. Let me underscore again -- AIPAC does not ask for information that it is illegal for us to have. The purpose of our discussions with individuals in the foreign policy establishment is to exchange views on information that is lawfully provided. So these are the facts. We would now like to turn this over to TBD to discuss the law as it applies to this situation. (What is the law?.) INSERT TBD LAWYER [We need to describe why Steve and Keith haven't broken any U.S. laws in 3-4 very easy to understand legal points] (TRANSITION OFF OF TBD LAWYER, THIS OR SOMETHING SIMILAR) (Why is this happening?) As TBD has just explained, neither Keith nor Steve, nor AIPAC, has done anything wrong. So why are the authorities fixated on these conversations? Based on what we have learned in the last few weeks about this investigation, we believe that some people may be trying to distort the meaning of the law in order to undermine AIPAC, and indeed the entire pro-Israel movement. In short, they are not only suggesting that two members of our staff broke the law. They are also trying to gather evidence that AIPAC, by virtue of who we are and what we do, is violating the law. I realize this is a serious statement. However, there a number of factors that point to such a conclusion. I want to take a few moments to lay out for you what we have learned. First of all, we have deep concerns about how this investigation has been conducted. News reports indicate AIPAC has been under investigation for at least two years, yet the

first time AIPAC heard anything was the morning of August 27 when FBI agents appeared at the home of one of our colleagues early in the morning. Rather than asking us or them for information, or issuing a subpoena for information as is usually done in such cases, law enforcement officials appeared that day at the AIPAC offices with a search warrant and a team of 7 agents. For the first 10 days after this story broke, the authorities refused to talk to us. Everything we learned about the investigation we learned from leaks in the press. Since then, they have had only one substantative meeting with our attorneys. They have not even responded to our offers to provide them with any specific information they request. One of our attorneys, who himself served as an advisor to the Attorney General of the United States, told us that in 25 years of legal practice he has seen no precedent for the Department of Justice's approach to this case.

Think about this. AIPAC has been around for half a century. Presidents, Vice Presidents and virtually every high-level foreign policy official from Democratic and Republican Administrations have addressed us. During the same two-year period that the investigation of AIPAC has allegedly been going on, more than 37 high-level Administration officials—including the President himself, the White House Chief of Staff and the Secretary of State—have addressed AIPAC. In fact just last month, John Bolton, the top State Department official responsible for overseeing policy toward Iran, briefed AIPAC's Executive Committee.

National Security Advisor, Condoleezza Rice, was briefed on the FBI's inquiry into AIPAC more than a year ago. Yet she continued to speak to me and other AIPAC leaders on a regular basis, and approved the President's appearance before AIPAC in May. She herself will be addressing us in a little more than an hour.

How is it that she—and other individuals at the highest echelon of the Administration—continue to trust AIPAC and work with us, but the FBI believes it must use leaks to smear us and the most aggressive investigative tactics at its disposal to intimidate us in order to get information?

Secondly, I have spent 20 minutes describing to you in detail the conversations that took place between AIPAC staff and Larry Franklin. Based on the limited information we have learned from the authorities, what happened in these conversations is ostensibly what the investigation is about.

We were surprised to learn, therefore, that most of the questions the FBI has posed to individuals it has interviewed in connection with this investigation have had little to do with Larry Franklin and his conversations with AIPAC staff. Instead, most of the FBI's questions have focused on the very nature of how AIPAC works.

The FBI has been interviewing many people—both in and out of government—about
AIPAC. They have interviewed current and former diplomats and analysts at think tanks.
They have flown as far as Europe to conduct interviews. Their questions have not
focused primarily on Steve, Keith or Larry Franklin. Instead, they have focused on
AIPAC's role in affecting U.S. Middle East policy, from what the nature of our activities

414 were in discussions about the Road Map to U.S. policy toward Iran. In one such meeting, 415 the interviewee was actually asked to respond to the supposition that AIPAC is actually a 416 spying operation for Israel.

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Finally, the fact that press reports have indicated that David Szady, a senior FBI 418 419 counterintelligence official who some Jewish organizations believe has targeted Jews for 420 investigation, is involved in the investigation, has only heightened our concerns. According to these reports, Szady has targeted lews and blocked or slowed their 422 clearances. He was directly involved in a high profile case involving a Jewish former CIA staff attorney who sued the FBI, CIA and its top officials for religious 423 424 discrimination. (DO NOT USE UNTIL WE HAVE VERIFIED)

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For all of these reasons, we have come to believe that this investigation is not just about what was said, or heard or reported out of this or that conversation. We believe some people are trying to launch an assault on our mission, our institution and our community.

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The natural question to ask is, why?

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(PAUSE)

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We can't be sure. But we can make some educated guesses.

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Clearly, in the post 9-11 environment in which we live, the FBI is under tremendous pressure to investigate and prosecute espionage cases of any type. It takes only a few over-zealous individuals to begin an investigation. Once it begins, it hard to stop no matter what the merits. Then, once government officials decide to leak information about an investigation to the media, there is even more pressure for the Justice Department to show something for its work.

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But we also have to consider the political climate surrounding this investigation.

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First of all, it is important to consider the times and the foreign policy atmosphere in which we live. Our nation, and this city, is engaged in an important—and divisive policy debate over America's Middle East policies that will affect America's future. The rivalry among the Pentagon, State Department, National Security Council and Intelligence agencies has been widely reported.

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The divisions that also exist among different constituencies within each of these agencies and organizations is less well known, but no less important. Lately, there has been a lot written about the policy differences between the so-called neo-cons working at the Pentagon who favored a more robust Middle East posture and other parts of the permanent civil service within the Departments of Defense, State, and the CIA. There are some people in the government who are concerned about the Bush Administration's close relationship with Israel. It would not be surprising if AIPAC, which touches many of the issues that divides these constituencies, got caught in the crossfire.

Secondly, anti-Israel attitudes persist within the permanent foreign policy and intelligence bureaucracy in this country to this day. In the 50's, 60's, and 70's we used to talk about those groups within the State Department who held anti-Israel attitudes. We talk about them less today, but some people there still hold such attitudes. By working with Congress to weigh in on America's Middle East policies, you have helped to make them less relevant. But they are there. They don't like how close this White House is to Israel. Some people, particularly in certain quarters of the intelligence community, share the conviction that Israel constitutes the biggest espionage threat to America, a view that is based in prejudice, not on the facts.

Against this backdrop, our concerns about the origins of this investigation and the purposefully intimidating manner in which it has unfolded have only deepened.

(PAUSE)

I am sure that what you have just heard is disturbing to all of you. Many of you will ask me "what can I do?" The purpose of this briefing is not to encourage you to act. We promised to keep you, AIPAC's most dedicated leaders, up-to-date on what we have learned about this investigation. That is why we are briefing you today.

For now, we need to let the legal process run its course. AIPAC and its employees are represented by a group of experienced attorneys that includes not only the best legal minds in Washington, but also individuals deeply committed to this institution and our cause.

There will come a time in the future when there will be an opportunity for you to stand and up and be counted. Right now, our first job is ensuring that these spurious allegations are dropped and this investigation is ended.

But even then, our work will not be over. We must ensure that the legitimacy of the work that we do as American citizens—lobbying to affect our nation's policies in the Middle East and encouraging its friendship with Israel—is reaffurned. We cannot abride any suggestion that American citizens should be perceived as disloyal or involved in illegal activities simply for seeking to participate in the decisions of their elected leaders.

My friends, think about it. If AIPAC is undermined, how will critical military aid to Israel and humanitarian aid to more than x other nations pass?

If AIPAC is weakened, who will urge America to be strong in standing up for Israel's right to defend itself at the United Nations?

If AIPAC is incapacitated, who will work to ensure that America's friendship with Israel remains strong?

My friends, more than AIPAC's future is at stake. So is the future of the U.S.-Israel relationship. In a world without AIPAC, Israel and America both lose. As the President

himself told many of us when he addressed our Policy Conference in May, "By
defending the freedom and prosperity of Israel, you're also serving the cause of America.
Our nation is stronger and safer because we have a true and dependable ally in Israel.
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You and I must ensure that APAC is neither slowed nor silenced. Even as we fight these
outrageous allegations, we cannot be distracted from our mission.
Next week, 435 members of Congress and 33 Senator will be elected. We must reach out
to all of them—the old friends and potential new ones among them.
to all of their the old ments and potential less offers affects.
Next year when Congress reconvenes, it will consider new legislation aimed at stopping
Iran from acquiring nuclear weapons and advancing America's war on terror. We must
make our voices heard on these and other issues.
make our voices heard on these and other issues:
And in the future, we must ensure that APAC continues to grow to enable us to be
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innovations can make all America safer.
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