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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

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~~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.

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Declassify on: OADR

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

MFR:ldj
(3)

WFO 85C-13181

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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)

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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

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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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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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