
Who Can Control Israel's Arms Dealers?

By PHILIP GIRALDI

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Turkey too resells American weapons and military secrets for a profit-and that's a loss to our security.

U.S. Navy photo by Mass Communication Specialist Seaman George M. Bell/
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Ten years ago, FBI whistleblower Sibel Edmonds revealed that the defense ministries of several major recipients of United States military hardware were being scrutinized because they had been falsifying end-user certificates, claiming that the equipment was intended for their own use while at the same time arranging to sell it to other militaries that were blocked from receiving the sensitive technology. In May 2006, I described in a Deep Background column for TAC how the two countries most heavily engaged in the practice-Israel and Turkey-also benefited from their connections with leading neoconservatives in Washington. Richard Perle and Doug Feith in particular benefited financially from their ties to defense industries in Israel while also serving as richly rewarded "consultants" for Turkish interests. Feith's International Advisors Inc., a registered agent for Turkey in 1989-1994, was paid \$600,000 a year by Turkish sources, while Richard Perle received \$48,000 annually as a consultant. Feith has also long been associated with Northrop Grumman sales in the Middle East. While at the Pentagon in 1983, Perle was criticized for endorsing the U.S. Army's purchase of an armaments system from an Israeli company that had paid him \$50,000 in consulting fees one year before.

Turkey, like Pakistan and Egypt, has a powerful and somewhat autonomous military establishment. It does not have a law barring its active-duty military officers from having potentially conflicting outside business relationships. Indeed, much of its defense industry has traditionally been run by senior-level retirees, with active-duty officers sometimes having equity stakes in the various armaments companies. That basically means that the people making the key decisions on procurement are often able to deal with former colleagues, enabling both parties to benefit from the process. It differs from the revolving door at the Pentagon-where senior officers retire to the boards of defense contractors and then work to sell arms to former colleagues who themselves expect to climb on the gravy train someday-in that the Turkish decision-makers might actually have a direct and immediate beneficial interest in the result.

Israel operates similarly, though the arms trade is a much larger part of its total economic activity. The country's main export is weapons, ranking it as the sixth largest arms seller in the world by volume but number one as a percentage of its overall economy. As in Turkey and the U.S., the business is largely run by retired senior officers.

Unlike Turkey and the U.S., there have been a number of scandals connected to Israeli weapons development and sales, including the arrests of Israeli weapons dealers in Latin America and Africa. There has also been illegal activity relating to the sale of restricted technology. The Israelis sold the F-16-derived avionics of the Lavi jet fighter that it was developing with U.S. funding to China, which then produced its own version, while the electronics of the U.S.

Sidewinder air-to-air missile also went to Beijing, enabling it to produce a clone called the PL-8. The PL-8 was later sold by China to Saddam Hussein's Iraq.

India also benefited from U.S.-developed technology pirated and sold by Israel when it purchased the Israeli Phalcon version of the AWACS plane. In 2010 Tel Aviv sold electronic-warfare systems for the F-16 fighter to Pakistan, nominally an enemy country with which Israel does not have diplomatic relations. More recently, the Pentagon has balked at giving Israel full maintenance access to the avionics on the F-35 air supremacy fighter planes that Israel will be receiving as part of its annual aid package because of concern that the electronics will be stolen.

In Sibel Edmonds's day, the Turks and Israelis were under investigation by the FBI because U.S.-made weapons incorporating restricted technologies were appearing in a number of countries not authorized to receive them, many of which were located in Central and South Asia as well as in Latin America. The weapons have also wound up in the hands of criminal cartels and narcotics traffickers, mingling arms sales with large-scale fraud, extortion, and drugs. In Turkey, these hidden relationships and the accompanying networking are frequently referred to as the "Deep State," meaning those non-elected powerful figures who are able to provide cover for transnational illegal activity and are well-placed enough to prevent any serious inquiry into their dealings. The always in-demand weapons are frequently the specialty items that make the rest of the relationship work, and the keys to acquiring the arms are the end-user certificates. FBI investigators believed that both the Turks and Israelis were falsely declaring their intended use of the weapons to enable downstream sales elsewhere at inflated prices to meet demand from countries and groups that could not obtain them legally.

While Turkish interests are largely confined to the Near East and adjacent areas in Europe, the Israelis operate worldwide. Israeli arms dealers, security services, and consultants span the globe. They dominate the airport security industry and have also been linked to training, equipping, and intelligence-gathering for corrupt and dictatorial regimes in Africa, Asia, and Latin America. Security companies sometimes work as stringers for Israeli intelligence and may have ties to criminal groups including burgeoning Russian-Israeli organized crime in the United States.

The scale of Israeli legal and clandestine arms sales now appears to far exceed anything that might have been imagined at the time when Sibel Edmonds was translating documents. Israel's state controller, to its credit, has reported that there are major deficiencies in the supervision of the country's arms-exporting companies, suggesting further that there have been abuses as a result. In a familiar pattern, those who issue the licenses also regulate those whom they license. The Israeli defense ministry approves arms exporters and also has oversight authority regarding them through its Defense Export Controls Agency (DECA). According to the state controller, DECA has failed to "ensure proper enforcement" of international norms and regulations on weapons sales.

As in Turkey, this failure to act is largely due to the fact that the arms trafficking is highly profitable and widely perceived as an acceptable perk for active and retired military officers. The Israeli defense ministry has licensed 6,784 arms dealers, a figure that makes this quite possibly the country's largest private business sector. The ministry also disclosed that 6,684 individuals were involved in "security exports" during 2012, organized in 1,006 companies and 312 independent businesses, with 1,900 marketing permits and 8,716 export licenses issued. Presumably some of the numbers overlap, and the distinction between companies and independent

businesses is by no means clear, though it does suggest that regulation of a large and politically sensitive industry has been perfunctory.

An Israeli district court has ordered that the names of some of the licensees be made public amidst additional revelations from the Defense Ministry that some companies involved in weapons deals "do not appear" on the list of registered dealers, suggesting that there is an underground industry operating alongside, and possibly in collusion with, the legal one. The Ministry is resisting naming any of the licensees "to protect the security of the state and its foreign relations."

How the ongoing attempt by the Israeli courts and state controller to bridle the arms-export industry develops will be interesting to follow, as it pits the civilian rule of law against the most powerful component in the Israeli state, the country's military. Patrick Tyler in his recent book *Fortress Israel* likens Israel to a new Sparta, where a dominant state militarism and an increasingly martial culture are the driving forces behind expansionistic policies and reluctance to make peace. The army is the largest landowner in Israel and is increasingly engaged with the private sector and other institutions, including the universities, where there is a flourishing security-knowledge industry. For example, Prof. Yitzhak Ben Israel of the Social Sciences Department of Tel Aviv University works on mathematical models for the success rates of targeted killings. He uses a substitution formula to predict how many people have to be killed to result in the collapse of an organization or political party.

A key component of the militarized state is the drive to increase the production and export of weapons while also becoming a global security-services provider. This has led to a certain recklessness about who is being trained, where the arms wind up, and what sensitive technology might be exposed in the process. The Pentagon has long been nervous about the freewheeling Israeli consultants and arms dealers operating worldwide, particularly as those weapons and expertise command the highest prices in areas of armed conflict. The United States, as the primary source and funder for advanced weapons for Israel, most definitely has a horse in the race as the arms flow frequently produces political instability, and the technology that is sold or bartered can endanger U.S. security. But it would be a non-starter for the Defense Department to go head-to-head with an indifferent Congress in any attempt to restrict Israel's access to U.S. weaponry. So Israel will continue to sell and barter technology and weapons, legally or illegally, and the question becomes to what extent the Israeli government itself will put a brake on the unsavory side of that activity.

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