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11/25/2013

Eric Holder Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

RE: Hollywood Producer Arnon Milchan is an Unregistered Foreign Agent of Israeli Intelligence

Dear Eric Holder,

This is a request for warranted enforcement of the 1938 Foreign Agents Registration Act (FARA) on behalf of IRmep members. IRmep is a nonprofit organization dedicated to improving foreign policy formulation through the enforcement of relevant laws. We request that Israeli-American movie producer Arnon Milchan be investigated as an Israeli foreign intelligence agent. We request that existing and new information be relayed to a Grand Jury to determine whether indictments should be handed down. We request that a court proceeding be held, and if found guilty that Milchan pay a \$10,000 fine and serve five years in prison for violating FARA.

As the attached FBI file declassified in 2012 reveals, federal law enforcement has long been aware that Milchan has acted as the kingpin of an espionage ring in the United States for decades. The new book "Confidential: The double life of secret agent turned Hollywood Tycoon Arnon Milchan" details Milchan's recruitment by Mossad spymaster Benjamin Blumberg and Milchan's training in setting up false front operations to access sensitive U.S. military technology. Milchan front companies Milchan Limited, Heli Trading Company, and Milco illegally shipped 800 export-controlled krytrons (used to trigger nuclear weapons) from the United States to Israel, resulting in the indictment of Richard Kelly Smyth. Milchan front companies also illegally shipped encrypted radios and chemicals for propellants of Israel's ballistic missile program.

Milchan has now taken to the airwaves boasting about how he duped the United States, stating "I did it for my country and I'm proud of it."¹ Milchan has been able to operate with financial support of movies produced in the United States such as "Pretty Woman," "War of the Roses" and "JFK." It is believed that Milchan helped Smyth flee the United States to avoid prosecution for over a decade. This role and Milchan's "immunity" opens the question of whether Milchan may have also offered the same help² to Lawrence Franklin, who pled guilty under the Espionage Act to passing classified national defense information that found its way to Israel. Franklin was also offered help to flee the U.S.

As you know, there is no statute of limitations on violating FARA, although some courts³ have (in our opinion mistakenly) claimed it is five years after an agent should have registered. We believe that, like Israeli spy Ben Ami-Kadish who was convicted and fined under FARA in 2006, that Milchan is still in communication and carrying out the orders of his Israeli foreign principals. Therefore, Milchan and his U.S. business interests can be prosecuted for failure to register under the act, if not under the Espionage Act as well.

In our research about the Foreign Agents Registration Act, we have found it to be a noble transparency law designed to protect Americans from all foreign attempts to sway public opinion and illegitimately influence American assets. It places almost no burden whatsoever on legitimate foreign agents. We urge you to uphold this important transparency law.

Sincerely,

A handwritten signature in black ink, appearing to read 'Grant F. Smith', with a long horizontal line extending to the right.

Grant F. Smith, Director of Research
Enclosure
CC: FBI Director, FARA Chief

¹ <http://www.dailymail.co.uk/news/article-2511965/Arnon-Milchan-reveals-details-double-life-arms-dealer-Israeli-spy.html>

² <http://talkingpointsmemo.com/muckraker/aipac-spy-figure-zionist-wanted-me-dead>

³ <https://www.casetext.com/case/us-v-mcgooff/>



Federal Bureau of Investigation

Washington, D.C. 20535

June 27, 2012

MR. GRANT F. SMITH
IRMEP
CALVERT STATION
POST OFFICE BOX 32041
WASHINGTON, DC 20007

Subject: MDR/HELI TRADING LTD. ARMS SMUGGLING
1985
FOIPA No. 1175900- 000

Dear Mr. Smith:

The enclosed documents were reviewed under the Freedom of Information/Privacy Acts (FOIPA), Title 5, United States Code, Section 552/552a. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Form OPCA-16a:

Section 552

Section 552a

- Exemption selection checkboxes for Section 552 (b)(1) through (b)(6) and Section 552a (d)(5) through (k)(7).

171 page(s) were reviewed and 7 page(s) are being released.

- Document(s) were located which originated with, or contained information concerning other Government agency(ies) [OGA]. This information has been:
- referred to the OGA for review and direct response to you.
- referred to the OGA for consultation. The FBI will correspond with you regarding this information when the consultation is finished.

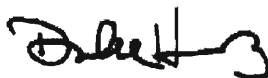
In accordance with standard FBI practice, this response neither confirms nor denies the existence of your subject's name on any watch lists.

You have the right to appeal any denials in this release. Appeals should be directed in writing to the Director, Office of Information Policy, U.S. Department of Justice, 1425 New York Ave., NW, Suite 11050, Washington, D.C. 20530-0001. Your appeal must be received by OIP within sixty (60) days from the date of this letter in order to be considered timely. The envelope and the letter should be clearly marked "Freedom of Information Appeal." Please cite the FOIPA Number assigned to your request so that it may be easily identified.

The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown, when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

See additional information which follows.

Sincerely yours,



David M. Hardy
Section Chief
Record/Information
Dissemination Section
Records Management Division

Enclosure(s)

In response to your Freedom of Information Act (FOIA) request to FBI, Records Management Division, Winchester, Virginia, cross-references were located wherein Heli Trading Company in connection with an arms smuggling investigation in 1985 is mentioned in files concerning another individual, organization, event, activity, or the like. In processing the cross-references, the pages considered for possible release included only those pages which mention Heli Trading Company by name and any additional pages showing the context in which the name Heli Trading Company was mentioned.

For your information, sealed court records are not eligible for release under the Freedom of Information/Privacy Act(s) (FOIPA). Some of the material responsive to your request has been withheld and marked "OTHER - Sealed" pursuant to United States Court Order.

The enclosed material is being released to you on CD ROM at no charge.

To minimize costs to both you and the FBI, duplicate copies of the same document were not processed.

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute(A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could be reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could be reasonably expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

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DATE: 01-06-2012
FBI INFO.
CLASSIFIED BY 60324UCBAW/SB/CMW
REASON: 1.4 (c)
DECLASSIFY ON: 01-06-2037

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/13/2002

To: Los Angeles

From: Los Angeles

NSD-1

Contact: SA [Redacted]

Approved By: [Redacted]

Drafted By: [Redacted] SC

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(S) Case ID # [Redacted] (Pending)

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(U) Title: ~~(S)~~ [Redacted]

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(S) [Redacted]

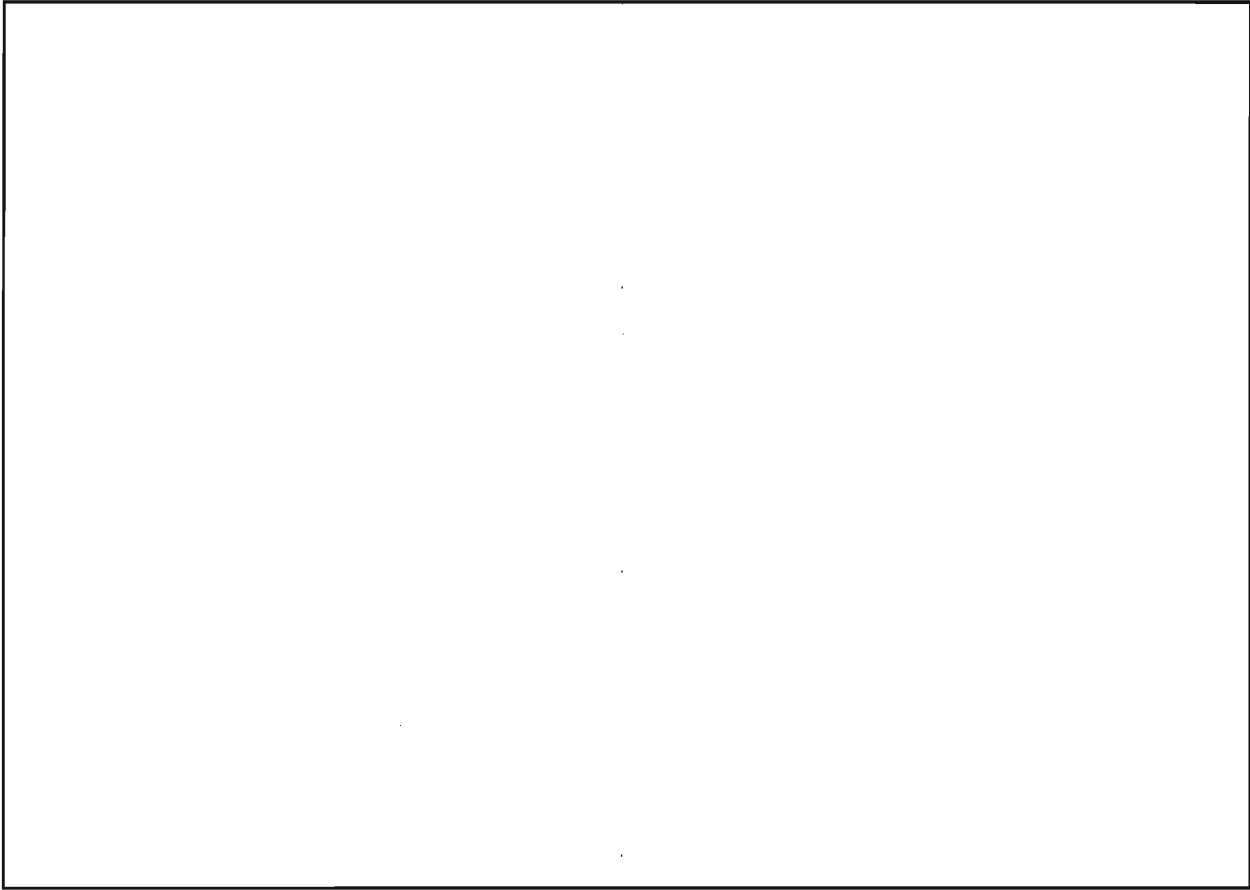
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To Los Angeles From Los Angeles
(S) Re [redacted] 13/2002

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Referral/Consult



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Engineer Sentenced in Nuclear Trigger Case

Weapons: Richard Kelly Smyth, extradited from Spain, admitted a 'grave error' in shipping to Israel devices that can fire nuclear weapons.

By DAVID ROSENZWEIG
TIMES STAFF WRITER

A Southern California engineer who fled the country in 1985 after being indicted on charges of selling Israel electronic devices that can be used to fire nuclear weapons was sentenced Monday to 40 months in federal prison.

Richard Kelly Smyth, now 72 and in frail health, was discovered

living in southern Spain last year. He was arrested by local police and extradited to the United States.

He pleaded guilty in December to violating the U.S. Arms Export Control Act and making a false statement about the contents of one shipment of the devices, which are known as krytrons and have a variety of applications, from triggering nuclear warheads to operating photocopying machines.

Despite the sentence, federal Judge Pamela A. Rymer ruled that Smyth could immediately apply to be released on parole. She also fined him \$20,000.

Israeli authorities denied having acquired the 2-inch-long krytrons for their nuclear weapons arsenal. After Smyth's indictment, they returned the remaining devices to

U.S. authorities.

Appearing in Los Angeles federal court Monday, Smyth said he made a "grave error" when he shipped about 800 krytrons in the early 1980s to Heli Trading Co. in Israel without State Department approval.

Heli Trading was owned at that time by Arnon Milchan, an Israeli-born arms trader who later became a successful Hollywood film producer. His movies have included "Pretty Woman" and "L.A. Confidential."

Milchan has denied involvement in the krytron deal. He told CBS' "60 Minutes" two years ago that he had allowed the Israeli government to use his company for trading with the United States.

In court, Smyth also apologized

for fleeing the United States just before the start of his scheduled 1985 trial before Rymer, now a federal appeals court judge. He said he panicked after reading newspaper articles saying he could be sentenced to up to 105 years in prison if convicted on all of the 30 criminal counts originally lodged against him.

The 105 years represented the maximum sentence allowed by statute. Statutory maximums are only rarely applied.

Abandoning his engineering business, Milco International Inc., and an expensive home in Orange County, Smyth and his wife, Emelie, flew to Switzerland and then settled in Malaga, Spain, passing themselves off as retirees.

Smyth, using his real name, was

vice president of the American Club in Malaga. He and his wife got along on Social Security and occasional gifts from relatives.

U.S. authorities learned of Smyth's whereabouts by accident. Last year, he opened an account at a bank in Malaga, noting in his application that he was a U.S. citizen. A routine check by the bank with Interpol turned up an arrest warrant issued in Los Angeles. Smyth was taken into custody by Spanish police.

While in jail awaiting extradition, he suffered two strokes. His lawyer, James D. Riddet, cited his client's medical condition and age as he appealed to Rymer for leniency.

Riddet asked the judge to follow the recommendation of the federal

probation office that Smyth be sentenced to 10 months in prison, roughly the same amount of time he has spent behind bars.

Smyth did not know that krytrons could be used as nuclear triggers when he sold them to Israel, Riddet said. He described his client as a patriotic American who had served his country loyally as a technical advisor to the Air Force and the North Atlantic Treaty Organization.

Smyth, he said, was a "brilliant scientist who was just not very intelligent when it came to practical matters," such as obtaining a government permit to sell the krytrons to a foreign buyer.

But Assistant U.S. Atty. Daniel S. Goodman objected to the portrayal of Smyth as "an absent-minded professor." He said Smyth knew that krytron sales overseas were restricted. In the mid-1970s, he noted, Smyth was denied a permit to ship them to Israel.

"If the defendant had gone to trial and been convicted in 1985, he would have long since been released and returned to his family," Goodman said in a memo to the judge. "The fact that he now stands before this court for sentencing at the age of 72 is not the fault of the government."

Goodman asked for a five-year sentence to show that "justice cannot be turned into a game of hide and seek where the prize for the elusive is the immunity of old age."

In sentencing Smyth, Rymer said she found it difficult to accept the notion that he was naive about the law. Observing that he and his wife spent "15 idyllic years in Spain" after fleeing the United States, she questioned why he made no effort to come back on his own to face the music.

House Arrest for Rap Lawyer

Justice: Attorney for 'Suge' Knight of Death Row Records didn't file a 1995 tax return. He has paid restitution, and must pay court costs.

By ZANTO PEABODY
TIMES STAFF WRITER

A federal judge sentenced the former attorney for rap impresario Marion "Suge" Knight to three years of probation on a misdemeanor tax charge stemming from a broad investigation into the alleged criminal activities of Knight's music label, Death Row Records.

Under the terms of a plea agreement, Encino lawyer David Kenner, 61, was ordered Monday by U.S. District Judge Florence-Marie Cooper to spend nine months under house arrest for not filing a tax return in 1995.

Kenner, whose attorney said he is now bankrupt and has cancer, has paid \$20,000 in restitution and will be required to pay an additional \$1,500 in court costs.



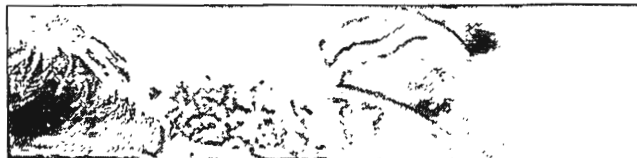
Photos by LAWRENCE K. IIO - Los Angeles Times

Visitors to the DWP's Japanese Garden in the Sepulveda Basin enjoy views from the Shoin Building during Sunday's spring event.

Oasis Not Making Anyone Thirsty

DWP: Agency's lush Japanese Garden in Van Nuys draws admirers, but few would care to tap into its source.

By MASSIE RITSCHE



Dodger Great's Ring Recovered at Pawnshop

By ANDREW BLANKSTEIN
TIMES STAFF WRITER

Los Angeles police have recovered Jackie Robinson's National League championship ring, which was stolen last year from a relative of the Dodger baseball great, authorities said Monday.

Miguel Rodriguez, 21, of Los Angeles was booked on suspicion of grand theft after the owner of a pawnshop recognized the ring, which had been pawned for \$100.

DATE: 02-06-2012
CLASSIFIED BY 60324UCBAW/SB/CMU
REASON: 1.4 (C, D)
DECLASSIFY ON: 02-06-2037

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FEDERAL BUREAU OF INVESTIGATION

DATE: 02-06-2012
CLASSIFIED BY 60324UCBAW/SB/CMU
REASON: 1.4 (B,C,D)
DECLASSIFY ON: 02-06-2037

Precedence: ROUTINE

Date: 06/17/2002

To: Counterintelligence

Attn: CD-2C, SSA [redacted] b6
CD-4B, Room 4640 b7C
IOS [redacted]

Los Angeles

From: Los Angeles

NSD-1

Contact: SA [redacted]

Approved By: [redacted] [signature]

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Drafted By: [redacted] sc (S) [redacted]

(S) Case ID #: [redacted] (Pending [redacted])

Title: [redacted]

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(S) [redacted]

Synopsis: Interview Results of [redacted]

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Full Field Investigation Instituted: 01/02/2002

Details: [redacted] date of birth [redacted] place of birth [redacted] was interviewed by writer and Special Agent [redacted] on 04/16/2002 and 04/17/2002 at the United States Attorney's Office (USAO), 312 North Spring Street, Los Angeles, California. Also present during the interview were Assistant United States Attorney (AUSA) [redacted] and [redacted] attorney, [redacted]

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Background

[redacted] was indicted on exporting over 800 krytrons to Israel without the required Department of State export licenses. [redacted] shipped the krytrons at the behest of [redacted] HELI TRADING COMPANY and MILCHAN LIMITED. [redacted] was indicted in 1985 for violations of 22 USC 2778 and 18 USC 1001. After his indictment, [redacted] fled the United States prior to trial. [redacted] was arrested in Spain on 07/11/2001 on Interpol Red Notice [redacted] because of his U.S. fugitive status. Subsequent to his arrest, [redacted] was extradited to the U.S.

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(S) [redacted]

To: Counterintelligence

Attn: CD-2C,SSA

(S) Re: [redacted] From: Los Angeles
[redacted] 06/17/2002

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The following information was provided by [redacted] regarding his recruitment by [redacted]

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SPOTTING PHASE

[redacted] met [redacted] during [redacted] first business trip to Israel. Both were employed by [redacted] at the time. [redacted] was [redacted] representative in Israel; [redacted] served as [redacted] was [redacted] point-of-contact (POC) for any business involving Israel.

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ASSESSMENT/DEVELOPMENT PHASE

[redacted] coordinated all of [redacted] trips to Israel through [redacted] companies, HELI TRADING CORPORATION and MILCHAN LIMITED; HELI TRADING COMPANY was also known as MILCHAN LIMITED.

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[redacted] invited [redacted] to Israel for each of [redacted] visits via telephone. [redacted] visited Israel 15 to 20 times prior to his indictment, each visit lasted approximately 2 to 3 days in duration.

Once in country, if [redacted] was not initially available to meet with [redacted] then [redacted] would deal with BENNY (BENNY ITZHAK) and/or [redacted] until [redacted] was available. [redacted] dealt with [redacted] quite heavily after BENNY died in Switzerland; BENNY was [redacted] It was common practice for [redacted] to introduce [redacted] to high ranking Israeli government officials especially members of the military, including Israeli Prime Minister SHIRON, then a General. [redacted] also met BENYAMIN NETANYAHU while NETANYAHU worked at HELI TRADING. [redacted] and [redacted] would meet in restaurants in Tel Aviv and in [redacted] home and/or business. It was not uncommon for [redacted] to ask [redacted] for unclassified material.

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While in the United States, [redacted] met with [redacted] numerous times in Los Angeles. [redacted] and [redacted] would have dinner frequently and would visit one another's house often. As [redacted] career in [redacted] was expanding, it was quite common for [redacted] to invite [redacted] to various Hollywood parties and introduce [redacted] to celebrities.

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To: Counterintelligence

Attn: CD-2C, SSA

(S) Re: [redacted]

From: Los Angeles

06/17/2002

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RECRUITMENT PHASE

[redacted] ordered krytrons from MILCO INTERNATIONAL; MILCO purchased the krytrons from EG&G. [redacted] knew HELI TRADING CORPORATION was purchasing the krytrons at the behest of Israel's Ministry of Defense (MOD) and that the money HELI TRADING used to purchase the krytrons came directly from the MOD. [redacted] and [redacted] referred to the purchase and exportation of the krytrons as PROJECT PINTO.

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[redacted] placed an order for an encrypted radio. [redacted] requested [redacted] ship the encrypted radio via Israeli diplomatic pouch. When [redacted] refused to ship the encrypted radio to HELI TRADING, [redacted] asked for additional krytrons in lieu of the encrypted radio. [redacted] asked [redacted] to send the krytrons "as before", which meant [redacted] wanted [redacted] to send the krytrons using a general license from the Commerce Department. A general license from the Commerce Department at that time did not require an end-user certificate.

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[redacted] ordered chemicals to be used as propellants in Israel's Intermediate Range Silent Propellants program; this program was part of Israel's Ballistic Missile program.

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[redacted] would pay [redacted] via wire transfer. MILCO'S bank account was at BANK OF AMERICA (BOA), Huntington Beach.

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[redacted] chose UNION BANK because [redacted] had an already existing account there.

TERMINATION PHASE

[redacted] saw [redacted] for the last time in 1985. Once indicted, [redacted] immediately dropped all contact with [redacted]. [redacted] contacted [redacted] for assistance; [redacted] then in turn contacted the MOD. At that time, the MOD informed [redacted] the MOD would help [redacted] then contacted [redacted] and told him the MOD'S response. Later that same day, MOD officials contacted [redacted] and informed her the MOD would not be able to help [redacted] as the Israeli government had discussions with U.S. officials regarding the krytrons Israel had purchased. [redacted] told [redacted] the Israeli government would not be able to provide any assistance to [redacted]. Shortly thereafter, [redacted] fled the United States.

b6
b7C

◆◆

To: Counterintelligence

Attn: CD-2C, SSA

(S) [redacted] From: Los Angeles
re: [redacted] 06/17/2002

b1
b6
b7c

LEAD(s):

Set Lead 1: (Adm)

COUNTERINTELLIGENCE

AT WASHINGTON, DC

Read and clear.