

President, Senior Officials Briefed on Possible 'Penetration' of White House Phones

By Carl Cameron

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WASHINGTON - The White House telephone system may have been penetrated by an employee of an Israeli-owned telecommunications billing company that helped install new telephone lines there three years ago, Fox News has learned.

The FBI, which has briefed President Clinton, CIA Director George Tenet, FBI Director Louis Freeh and Attorney General Janet Reno, is investigating what sources told Fox News was a "penetration of the U.S. government telephone system."

The breach may have involved the "real time" interception of telephone conversations inside the White House and other government offices. It does not involve the secure lines that the president uses for calls to foreign leaders or the military, the sources said.

For the past 18 months, the FBI has been investigating Bell Atlantic and Amdocs, a Chesterfield, Mo., telecommunications billing company, Fox News has learned. Amdocs helped Bell Atlantic install new telephone lines in the White House in 1997.

Amdocs, once a small Israeli software company, is the world's leader in the \$20 billion telecommunications billing software industry, with expected revenues this year of \$1.1 billion, said Debra Katz, an analyst with Gerard, Klaur and Mattison in New York. The company employs 5,600 people worldwide and is run by "an amazingly high caliber of people."

Dan Ginsburg, a spokesman for Amdocs, said that the company has not been notified of any FBI investigation and only heard of the probe from news reporters Thursday night. Bell Atlantic officials declined comment.

In 1997, the White House had a new, state-of-the-art phone system installed by Bell Atlantic. The system installed was not the secure, military-installed system for classified conversations but rather a commercially secure phone system. The classified phone lines presumably remain secure and are not involved in the alleged breach, sources said.

Sources said the investigators told the president that a senior-level employee of Amdocs had a separate T1 data phone line installed from his base outside of St. Louis that was connected directly to Israel.

Investigators are looking into whether the owner of the T1 line had a "real time" capacity to intercept phone calls from both the White House and other government offices around Washington, and sustained the line for some time, sources said. An interceptor could allegedly place the location in the White House or other buildings where phone calls originated. Sources familiar with the investigation say FBI agents on the case sought an arrest warrant for the St. Louis employee but Justice Department officials quashed it. Fox News has learned the chairman of the Senate Intelligence Committee Richard Shelby was briefed, along with Senator Richard Bryan, D-Nev., a ranking Democrat on the committee. Several other lawmakers on key committees with jurisdiction over these matters have never been briefed.

White House spokesman Joe Lockhart told Fox News he was not aware of any such investigation. A senior law enforcement official at the Justice Department said Friday evening that "to suggest that the phones at the White House have been penetrated is not supported by the facts, and the FBI has not identified anyone it plans to arrest."

Amdocs provides billing and customer services to telecommunications companies around the world, including Bell Atlantic, BellSouth, Sprint and Vodafone. The Israeli-owned company has grown at an incredible rate since opening an American base in 1997, tripling its U.S. revenues to more than \$600 million in 1999.

Amdocs software handles 50 percent of all local calls in the United States and 90 percent of all local calls in Germany.

FOXNews.com reporters contributed to this report

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