

THE IRAN GAME

How will Tehran's nuclear ambitions affect our budding partnership?

BY SEYMOUR M. HERSH

The Islamic Republic of Iran, depicted by the State Department as one of the world's most active sponsors of state terrorism, has also emerged as one of America's newest—and most surprising—allies in the war against Osama bin Laden and Al Qaeda. Another new ally has been Russia. And one of our oldest allies doesn't like it.

On October 24th, more than two weeks after the American air war began, Israel sent a government delegation to Washington for official talks. The delegation included Gideon Frank, the director-general of the Israeli Atomic Energy Commission, and Major General Uzi Dayan, the head of Israel's National Security Council, and its purpose was to warn the Americans, not for the first time, about new evidence of Iran's efforts to become, with Russia's help, the world's next nuclear power.

The Israeli message, as a participant summarized it, was characteristically blunt: the Iranian atomic-bomb program was making rapid progress, and something had to be done about it. As far as the Israelis were concerned, this meant that the Bush Administration should put Russia's support for Iran at the top of its foreign-policy agenda.

The warning poses a dilemma for the Bush Administration. Iran, which is predominantly Shiite, and has long-standing religious and political ties to Afghanistan (the Afghan population is about one-sixth Shiite), has offered to let American search-and-rescue helicopters stage operations from bases on its soil and has relayed sensitive intelligence from Afghanistan to the United States. According to one former

American intelligence official, Ismail Khan, the Northern Alliance leader whose troops reclaimed the western city of Herat, is known to have been a covert asset of Iran's two intelligence services, the Islamic Revolutionary Guard Corps and the Ministry of Intelligence and Security. Both organizations have been avowedly anti-American since the seizure of the American Embassy in Tehran, in 1979, and their collaboration with the American war effort is seen as striking evidence of a larger shift toward moderation.

Since the terrorist attacks of September 11th, President Mohammad Khatami of Iran, a reformer who is seeking to improve relations with Washington, has repeatedly criticized bin Laden's interpretation of Islam and said that if the Palestinian people chose to recognize Israel's right to exist Iran would respect their wishes. The American intelligence community, however, is unsure of the extent of Khatami's independence from Iran's conservative religious leaders. The mullahs remain in control of the country's intelligence services, which finance and work closely with Hezbollah and other terrorist organizations that operate inside Israel.

Iran's secret push for the bomb and the support it has received from Russia are being closely monitored by American intelligence agencies, and American and Israeli officials have been meeting in secret since the mid-nineteen-nineties to share information on the nuclear program. (Israel has had a nuclear arsenal for decades, although it has never publicly acknowledged this.)

Iran has always denied that it is trying to build a bomb. ("I hate this weapon," President Hashemi Rafsanjani, Khatami's predecessor, told "60 Minutes" in 1997.) Nonetheless, many American and Israeli intelligence officials estimate that Iran is only three to five years away from having launchable warheads. The immediate question is whether the country has passed the point of no return—the point where its domestic capability can no longer be derailed by export controls or interdiction of potential suppliers. "They're closer to that point than we should be comfortable about—and the fact that we can't pin it down also makes me uncomfortable," one American intelligence officer told me. For now, intelligence officials believe, Iran's biggest hurdle is the laborious process of producing weapons-grade material. However, if Iran somehow managed to acquire fissile material on the Russian black market, all the careful American and Israeli intelligence estimates would be irrelevant.

Following the pattern set by Pakistan—another American ally in the war against the Taliban—Iran established a maze of covert companies to conceal its nuclear program. In the last two years, according to a former senior Pentagon official, intelligence services have observed "extensive digging" in Iran as nuclear engineers rushed to construct hidden production facilities. "We know that they're going deep and clandestine," the former official said. An Israeli official confirmed that the hidden sites "are spread all around the country." The Iranians apparently hope to minimize the potential damage from what

another American intelligence official called “the Israeli version of counterproliferation”—a preëemptive air strike. (In 1981, the Israeli Air Force attacked and destroyed a new Iraqi reactor a few months before it was scheduled to come on line.)

A European diplomat who has undertaken sensitive United Nations assignments in Iran for the past two decades called Iran’s push for the bomb “contradictory behavior.” He said, “This is the time to call their bluff. This is a time for the U.S. to really make or break it with Iran.”

Iran began its pursuit of nuclear weapons in the mid-nineteen-seventies, when Shah Mohammad Reza Pahlavi, flush with oil money, ambition, and American support, set up the Atomic Energy Organization of Iran and announced that his kingdom would construct twenty-three nuclear power reactors. The Shah invested an estimated six billion dollars in nuclear projects, and Siemens, the West German conglomerate, completed more than half the construction needed for the installation of two reactors at Bushehr, near the Persian Gulf. Thousands of Iranians were abroad, studying physics and related subjects. American intelligence reports indicated that the Shah also planned to build a nuclear bomb; a nuclear-weapons design team had been set up, and covert efforts were made to acquire the materials and know-how necessary to produce weapons.

This effort came to an abrupt end in 1979, when the Shah was overthrown. The government was, eventually, taken over by the Provisional Revolutionary Government, headed by Ayatollah Ruhollah Khomeini. In “Going Nuclear,” a 1987 study of the spread of nuclear weapons, the proliferation expert Leonard S. Spector noted presciently that if American policymakers had understood more about the power of Muslim fundamentalism and anti-American sentiment in Iran they might have acted more aggressively to keep the Shah’s nuclear assets out of the new government’s hands. Nonetheless, throughout the nineteen-eighties there seemed to be little reason for official concern, as Iran and Iraq fought a devastating war that weakened both. Iran’s nuclear programs were essentially shut down, and the half-completed buildings at Bushehr were badly damaged in an Iraqi bombing raid.

The war ended in 1988, with Iran’s defeat. The ruling mullahs turned once again to West Germany and Siemens, but the

German government, under pressure from Washington—“Death to America” was still the Iranian rallying cry—decided to end its nuclear involvement in Iran. At the time, Iran and the Soviet Union’s mutual antagonism to the United States did not translate into a close relationship with each other. During the Iran-Iraq war, the Soviet Union—which shared a twelve-hundred-mile border with Iran—had been Iraq’s main supporter and its most important arms supplier. After Ayatollah Khomeini’s death, in 1989, however, the Iranian religious leadership turned for help to China and also, in a major geopolitical shift, the Soviet Union, and signed a comprehensive arms and trade agreement with the Soviets that included cooperation on the “peaceful uses of atomic energy.” The new alliance fit Moscow’s needs well, coming when the Soviet Union was in the final stages of imperial and economic collapse.

The Yeltsin government agreed to rebuild Iran’s bombed-out facilities at Bushehr, and, in 1995, the two countries signed an eight-hundred-million-dollar contract under which the Russians would help install a powerful reactor there, to be run by a Russian-Iranian team. Since then, a vast complex of buildings has been constructed at the site. Russia also began a training program for Iranian physicists and technicians, and set up clinics on how to operate a nuclear power plant.

Intelligence officials told me, however, that Iran’s most important nuclear production facilities are not at Bushehr, which is open to international inspection by the Vienna-based International Atomic Energy Agency, but scattered throughout the country, at clandestine sites, under military control. The clandestine facilities have not been “declared”—that is, they are not subject to I.A.E.A. inspection. One important hidden site is believed to be at the Sharif University of Technology, in Tehran, which allegedly serves as a procurement front and research center for the bomb program. An American officer who has worked closely with Israeli intelligence told me that at one point in the early nineties the Israelis traced a flow of illicit high-tech materials from German manufacturers to Iran, and determined that Sharif was—as he put it—“the secret place.”

More troubling intelligence came in the late nineties, when it was learned from sensitive sources that Dr. Abdul Qadeer Khan, who directed the Pakistani nuclear program from the nineteen-seventies until his retirement, earlier this year, made at least one secret visit to an Iranian nuclear facil-

ity. (He often travelled in disguise on such trips.) Khan is known to many in Pakistan as the father of the Pakistani bomb—a tribute to his ingenuity when, after secretly procuring plans for sophisticated gas centrifuges from Europe in the nineteen-seventies, he had his laboratories producing weapons-grade uranium by the mid-eighties. Khan was under American surveillance because he had made clandestine visits to North Korea. American officials believe that he brought no actual materials with him to Iran—just his years of hands-on experience in bomb-making. “This guy moves around,” one American intelligence official said of Khan. “He’s in bad places at bad times.”

The initial focus of American and Israeli intelligence was less on Iran’s progress in building the bomb than on what Iran might be able to buy ready-made from Russia. After the breakup of the Soviet Union, in 1991, Russian military officers, whose forces were starved for cash, sometimes proved willing to sell off weapons, including missiles, to almost anyone. Economic despair also struck Russia’s Ministry of Atomic Energy, known as Minatom, the huge enterprise that ran the ten closed nuclear cities where, during the Cold War, nuclear warheads were fabricated and weapons-grade uranium and plutonium—more than a thousand tons—were produced. Minatom was responsible for maintaining and, later, dismantling Russia’s huge arsenal of nuclear weapons. But by 1998 the Russian government was funding only about twenty per cent of Minatom’s operating expenses, and thousands of scientists and technicians in the closed cities were going unpaid for months at a time. Russian mobsters, taking advantage of the poverty and disarray of post-Soviet Russia, got into the business of buying military equipment and selling it to third parties.

For many in Russia’s military-industrial complex, these off-the-books deals are windfalls. “They make money—a lot of money,” a former American intelligence officer explained. The military leadership, he said, is filled with generals carrying old resentments—“a bunch of unreconstructed assholes who don’t understand that the Cold War is over.” He went on, “If you’re an unreconstructed Russian general who thinks all evil begins and ends with the United States, you help out a regional friend. The military was a state within a state under Yeltsin. The biggest problem facing the new guy”—Vladimir Putin, who

replaced Yeltsin at the end of 1999—"is how to get control of the military."

Iran is believed to have made a serious effort in the early nineteen-nineties to buy specialized materials for nuclear weapons from a factory in newly independent Kazakhstan. According to William Courtney, who was the first American Ambassador to Kazakhstan, a team of American weapons experts from the United States Embassy and the Oak Ridge National Laboratory inadvertently stumbled onto the planned deal in 1994, when they were called to the factory to inspect a cache of highly enriched uranium that Kazakhstan had offered for sale to the United States. The uranium, Courtney recalled, was to be made into fuel rods for the reactors in Soviet nuclear submarines but had been "left behind" when the Soviet Union collapsed. "The Soviets just forgot about it," Courtney said. Along with the uranium, the experts found piles of packaged materials marked for shipment to Iran. Courtney explained that the Kazakhstani later acknowledged that the Iranians had approached them about buying the goods, but claimed that they had decided against making the deal. Whatever the truth, the discovery heightened American eagerness to get all the materials out of Kazakhstan, and, in a clandestine operation, the uranium was turned over to the United States for a larger share of foreign aid.

Another American intelligence official offered a cynical view of the Russians. "They have real disdain for the indigenous capability of the Iranians," the official said, adding that by the early nineties the Russians were reasoning that the Iranian program, which was then headed by a bureaucrat, was poorly run, and that any sale of high-tech equipment was unlikely to lead anywhere. "Four lab assistants were running the program, and they were all dropouts from Florida State," a C.I.A. operative joked. In 1997, however, after Khatami was elected President, the Iranian operation was put under the aegis of Gholamreza Aghazadeh, a former oil minister who also served as Khatami's Vice-President. "It's better now—more focussed and moving ahead," the intelligence official told me.

In June of 1995, Vice-President Al Gore visited Moscow and negotiated an agreement with Viktor S. Chernomyrdin, the Russian Prime Minister. The pact protected Russia from economic sanctions in return for a pledge that Moscow would cease all deliveries of conventional arms to Iran by the end of 1999. There was also a

personal pledge, an aide who was involved told me, from President Yeltsin to President Clinton assuring him that the Russians would not provide sensitive nuclear technology to Iran. The Russian promise proved to be meaningless: Russia's support for Iran, both overt and covert, continued.

Soon afterward, the United States and Israel began holding meetings to discuss the Iranian nuclear threat and other security issues. The American team was headed by Leon Fuerth, the national-security adviser to Vice-President Gore. The Israeli delegation was usually led by a policy adviser from the Prime Minister's office, and always included one or two military-intelligence officers.

The Israelis continued to produce what they insisted was solid evidence of Russian complicity in the Iranian missile and nuclear program. In one case, Israeli and American intelligence agencies tracked the activities of a Russian military team as it took control of a mothballed production facility that made SS-4 missiles, which are capable of carrying nuclear warheads twelve hundred and fifty miles, and shipped it, "piece by piece," as one former American intelligence officer put it, to Iran. Chernomyrdin subsequently denied that Moscow had authorized the shipment. (According to a 1999 report in *Jane's Defence Weekly*, an upgraded version of the SS-4 missile, known as the Shehab 4, was being developed as part of the Iranian arsenal.)

The American meetings with the Israelis were often tense. The Israeli delegation was unsparing in its criticism of the Russians and in its insistence that the United States put more pressure on Moscow to cut off the supply route to Iran. The Clinton Administration, according to the Israelis, persisted in viewing Russia's ties to Iran as a mere by-product of corruption, greed, and lack of state control in a collapsing economy; the Israelis argued instead that the nuclear sales were part of a larger Russian strategy to begin regaining superpower status and to enlist Iran's assistance in dealing with the export of Islamic fundamentalism.

"From the start, the Israelis took the view that Russia must want Iran to have a long-range-missile capability," a former State Department official told me. "Otherwise, why not stop it?" He went on to say, however, that "over time the Israelis began to see just how screwed up the Russians' controls were." Nonetheless, "the Israelis

were almost shrill. The implication was 'You Americans have other fish to fry with the Russians, and are not giving enough attention to our security requirements.'"

Throughout its second term, the Clinton Administration continued to emphasize publicly the threat posed by Saddam Hussein's regime in Iraq—an emphasis that tended to take the pressure off Iran. "It was always a question of priority," a former Pentagon official recalled. "NATO expansion was a more important issue, and there was Bosnia, Kosovo, and Chechnya."

In Leon Fuerth's White House office, meanwhile, there were some small successes in the struggle to contain Russian greed and prevent Iran from getting the atomic bomb. With help from the Mossad, the Israeli intelligence agency, U.S. officials isolated a group of private companies in Germany, Ukraine, and the Czech Republic that were willing to sell nuclear technology to questionable customers, and persuaded them to discontinue their Iranian contacts. Other potential trading partners were discouraged from doing business with Iran through diplomatic initiatives, economic sanctions or aid, and political arm-twisting. Putin responded to American pressure and changed the leadership of the still troubled Minatom. But by the end of the decade the average pay for skilled scientists in Minatom had diminished to subsistence levels—hardly a deterrent to the sale of fissile material that could end up on the international black market.

George W. Bush's election, last year, led to a suspension of the meetings regarding Iran between the United States and Israeli officials. One former official explained that both sides had been reluctant to continue them. "When Bush took over, it dropped off the White House radar screen," the former official said. "And the Israelis really didn't push it with the new guys. Part of it may have been that the new guys needed time. And part of it may have been the intifada"—the renewed guerrilla war between Israel and the Palestinians. Another official said that the Israelis simply "pulled their punches" in the early days of the Bush Presidency. (As it happens, the Bush Administration's 2002 budget proposal called for dramatically reducing the outgoing Clinton Administration's allocation for programs aimed at safeguarding the Russian nuclear stockpile.)

One factor was the Bush Administration's determination to persuade Putin to

drop the 1972 anti-ballistic-missile treaty and join Washington in constructing a worldwide missile-defense system. Furthermore, a former Pentagon official noted, many in Russia believed that “Iran was going to get there anyway”—develop a bomb—“with North Korean or Chinese help. Why, then, invest a huge effort when it would secure Russian interests to be friendly with Iran? It wasn’t clear that changing Russian behavior would change the Iranian program.”

In the past year, according to American officials, Israel assembled evidence showing that at least two Russian export companies have continued illicit shipments to Iran of highly specialized aluminum and steel products that are essential for the assembly and operation of centrifuges. Ariel Sharon, the Israeli Prime Minister, apparently decided on a two-pronged approach: the formal talks with Washington would be renewed and reenergized, if possible, and Sharon himself would fly to Moscow and confront Putin with new evidence of Russian complicity.

According to Israeli officials, Sharon met with Putin in early September, a few days before the terrorist attacks in New York and Washington, and turned over explicit information on the private Russian sale of nuclear-related materials to Iran. Initially, the Russian government insisted that the materials were for ordinary industrial use, but it promised to investigate the matter. One Israeli official told me, “The Russians, after checking, got back to us and you”—Israel and the United States—“and said, ‘This was stopped.’ We knew it wasn’t stopped, and that the materials reached Tehran. We also know that Putin was lied to.” The Israelis remain hopeful about future relations with Putin, who has spoken warmly about the one million Russian Jews living in Israel. An Israeli official told me, “Sharon, in his meetings with Putin, made it clear that this”—the Iranian bomb—“was an existential issue for Israel. Putin understands it, but he doesn’t think the Iranians are up to it.” Meanwhile, he added, hundreds of Iranians are continuing to get advanced training in missile- and nuclear-production technology at Russian institutions.

The Israelis returned to Washington in October with a delegation that included Dan Meridor, Minister Without Portfolio, along with Gideon Frank and Major General Dayan. Their contact was no longer Fuerth but John Bolton, the Under-Secretary of State for Arms Control and International Security. The Israelis found Washington preoccupied with Iraq, with the coming war against Osama bin Laden and the Taliban, and with its newfound allies in the war against terrorism. Nearly a dozen Iranian diplomats were assassinated in Mazar-e-Sharif by the Taliban in 1998, two years after they seized power there, and Iran was eager to protect its political interests—and its borders. Pakistan, widely believed to have provided Iran with essential data on bomb design, was suddenly America’s most important ally in South Asia, and the best rewarded financially. And Putin joined British Prime Minister Tony Blair in providing repeated public endorsements of the Administration’s tactics and repeated public praise for President Bush.

One former U.S. intelligence official said that the Israelis had come to Washington to renew their warnings about the Iranian bomb, in part, because they “think it’s the only way they’re going to get anybody’s attention in the Bush Administration.” The Administration’s intelligence relationship with Iran was reminiscent, he added, of America’s decision to side with Iraq during the Iran-Iraq war. “We gave the Iraqis intelligence support, and look at the monster we created there. Today, we’re being led down the same path in Iran.” Even Israel’s most skeptical critics in the American intelligence community—and there are many—now acknowledge that there is a serious problem.

In formal evaluations, the American intelligence community lists Iran as posing a more immediate nuclear-proliferation threat than Iraq. “Everyone knows that Iran is the next one to proliferate—to possess a nuclear weapon,” an American nuclear-intelligence analyst told me. “Iran has been the No. 1 concern about who’s next for the last couple of years at the highest level of the government.” He pointed out that, after

the Gulf War, the much criticized United Nations inspection program had “shut down Iraq’s nuclear program to a large extent.” The Iraqis, he went on, “have the knowledge—they could very quickly get back up to speed, but the international community isn’t letting them do that. They’re not as far along as Iran.” Iran’s drive for the bomb, he said, “is not going to be resolved by export controls and diplomacy.”

The Bush Administration continues to concentrate on the threat posed by Saddam Hussein’s Iraq. “It’s more important to deal with Iraq than with Iran, because there’s nothing going on in Iraq that’s going to get better,” a senior Administration strategist told me. “In Iran, the people are openly defying the government. There’s some hope that Iran will get better. But there’s nothing in Iraq that gives you any hope, because Saddam rules so ruthlessly. What will we do if he provides anthrax to four guys in Al Qaeda?” He said, “If Iraq is out of the picture, we will concentrate on Iran in an entirely different way.”

Iran’s help in the war in Afghanistan, and many of its internal developments—from growing discontent with religious strictures to the increasing participation of women in political life—are encouraging to U.S. officials. But, one American official told me, it is also understood in Washington that Iran will continue to pursue the bomb, and that Russia will continue to help. “Even if Thomas Jefferson became President, Iran is going to go nuclear,” he said.

Some Israeli officials privately acknowledge that the extent of the Bush Administration’s resolve in derailing the Iranian effort to build a bomb will be tied to the progress and outcome of the war on terrorism. “It’s going to depend on how much success you have with Osama bin Laden,” one Israeli official said. “If the terror continues, there is no alternative for the U.S. but to go to Iran for help.” An American four-star general depicted the issue of priorities in more graphic terms. “We’ll tell the Pakistanis and the Russians to back off their help for Iran’s bomb,” he said, “but that’s Chapter 2, after we put our boy”—bin Laden—“in a body bag.”