

Amdocs Ltd.

Canada Pension Plan 2011 Investment

\$13 million

With assets of US\$4.5 billion, Amdocs is the world's largest billing service for telecommunications companies. Although registered in the Guernsey Islands, and with operational headquarters in the US, Amdocs is one of Israel's largest companies. With clients that include America's top 25 phone companies, Amdocs handles 90% of the transactional call data on all US telephone communications. This data on billions of daily phone calls, includes who called who, and for how long. Information like that is a dream come true for intelligence agencies that engage in surreptitious data-mining operations.

Amdocs has its origins in 1967 when Israel's Ministry of Communications awarded a tender for Israel's Yellow Pages to Morris Kahn, who was backed by ITT. (See table, "CPP Investments," p.53.) Kahn, now one of Israel's richest men, was a top shareholder in a private equity firm called Aurec Group. He and Boaz Dotan, former head of Israel's Department of Information, cofounded Aurec Information in 1982 to sell billing software to telecom companies. The firm became Amdocs in 1985 when Southwestern Bell Telephone, a wholly-owned subsidiary of AT&T, bought half its shares.

Amdocs has been the subject of several US-government investigations because it was suspected of transferring phone-call billing data to Israeli intelligence agencies. A Fox News report in December 2001 stated that:

"the FBI and other government agencies have investigated Amdocs more than once.... [S]ources tell Fox News that in 1999, the super secret National Security Agency [NSA]... issued what's called a Top Secret Sensitive Compartmentalized Information report, TS/SCI, warning that records of calls in the United States were getting into for-

eign hands in Israel, in particular.... that the NSA has held numerous classified conferences to warn the FBI and CIA how Amdocs records could be used."

Soon after 9/11, President Bush issued an executive order authorizing the NSA to conduct telephone surveillance without legal warrants. The scandal broke in the mid-2000s when it was learned that Amdocs' largest clients, AT&T and Verizon (see pp.7-8, and p.53), used two mass-surveillance firms from Israel (Narus and Verint Systems, respectively) to transfer data to the NSA



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Baharav was President/CEO of Amdocs from 2002 until 2011, when Israel's Ministries of Defence and Finance appointed him to chair Israel Aerospace Industries Ltd., the country's top state-owned weapons manufacturer.

on billions of phone and internet communications per day. (See "Israeli Spy Companies," pp.43-47.)

AT&T apparently began collaborating in the government's warrantless-surveillance program at least eight months before September 11, 2001. That's when a project began to

"enable the NSA to tap into any phone line and to monitor any digital transfer of information on ATT's networks including voice telephone calls, facsimile transmission and all internet traffic."

In 1999, Amdocs announced it was integrating Narus systems into its own surveillance programs "to obtain comprehensive network usage information" including all data on "voice, video, and

data transmission" over the internet.

Amdocs' customers include top Israeli telecom firms, with links to Israel's military: Bezeq, Cellcom, Pelephone and Partner Communications. (See Bezeq, pp.11-12, and Cellcom, pp.17-18. For Pelephone and Partner, see table, "CPP Investments," p.53.)

The trusted connection between Amdocs and Israel's military industrial complex was amply illustrated in 2011 when the government of Israel appointed Amdocs' president and CEO, Dov Baharav, to become the chairman of the board at Israel Aerospace Industries, the country's largest state-owned war industry. (See "State-owned Israeli War Industries," pp.48-49.)

A search through the "Executive Profiles" on the *Business Week* website reveals some ties between Amdocs and Israel's military and intelligence agencies. For instance, Sami Totah, an 18-year veteran of Amdocs (1984-2002), who served as the company's chief operating officer and senior vice president, is described as having been a "Captain in an Intelligence Unit" of the Israel Defense Forces (IDF). (Israel's *Globes* business paper notes that Totah is "a veteran of Unit 8-200 (the IDF signal intelligence gathering unit)."

Business Week says another Amdocs' senior vice president, Ayal Shiran, "served in the Israel Air Force, where he was responsible for... the development of computer systems for the F-15 jet airplane." (Israel has used this US-made warplane in numerous attacks, including against Lebanon in 2006, and Gaza in 2008-2009.)

Amdocs' former general manager of corporate development, Yuval Baharav, did "software development and research projects... in the Israel Defense Forces." While at Amdocs, he managed the integration of an Israeli firm called XACCT Technologies Inc.

XACCT was acquired by Amdocs for US\$30 million in 2003. Founded in 1997 by "alumni of Israel's defense technology unit," such as Eran Wagner, XACCT provides "network data management solutions for global communications service providers." Dion Wiggins – the CEO of *Asia Online* – warned that "A closer look at XACCT's technology reveals some startling implications and opportunities

for abuse.” When asked about the FBI’s mass collection of data on internet use, Wagner – then XACCT’s vice president of technology – washed his hands of any complicity in FBI wrongdoing by replying: “We provide them with a weapon; they could abuse the use of the weapon, but it’s up to them.”

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Analog Devices Inc.

Canada Pension Plan
 2011 Investment

\$12 million

The integrated electronic circuits made by this US multinational, semiconductor company are at the heart of military radar, communications and avionics equipment. ADI’s products are used in unmanned aerial vehicles, night vision goggles, navigation equipment and flight control systems for warplanes. With assets of US\$4.3 billion (2010), ADI is a leading manufacturer of data-conversion and signal-conditioning technology, such as Digital Signal Processors (DSPs). ADI also makes gyroscopes and accelerometers used in a variety of missiles.

Although ADI’s wholly-owned subsidiary, Analog Devices (Israel), was established in 1980, it wasn’t until 1996, that ADI established its R&D “Design Centre” in Israel. From its inception until its closure a decade later, the ADI’s centre was led by Ran Talmudi, who began his high-tech career at Elbit Systems, Israel’s largest weapons manufacturer. (See pp.28-29.)

When ADI’s president Jerald Fishman, went to Israel for the ADI centre’s opening, he told the *Globes* business paper that during the previous year ADI sold US\$20 million worth of products to Israel’s communications and “defense electronics industries.” He estimated that ADI’s future sales to Israel’s military sector alone would comprise 40% of its total sales.

In its reportage, Israel’s *Globes* newspaper noted that “Even though Fishman, one of the Analog Devices founders, is a Jew, the company’s Is-

raeli connection comes through chairman Ray Stata.” Stata, who cofounded ADI in 1965, also started Stata Venture Partners. This investment firm’s holdings include Teradiode, a laser manufacturer that says its products “enable many defense applications, including infrared countermeasures, target designators and directed energy weapons.”

Fishman and Stata gave ADI’s Israeli R&D Centre “the job of developing the TigerSHARC.” A scan of ADI’s website finds more than 11,000 pages mentioning the military applications of TigerSHARC DSPs.

Although its R&D Centre in Israel was closed in 2006, Analog Devices (Israel) is still active in Ra’anana distributing ADI’s products.

ADI electronics are embedded in countless weapons systems including those made by Israel’s second largest military company, the state-owned Israeli Aerospace Industries.



Image: www.analog.com

ADI also has a broad network of “Third Party Developers” (TPDs) in Israel. TPDs are companies whose products rely on ADI electronics. Of the eight Israeli firms that ADI lists as its TPDs, six are described by ADI as supplying the “Military” (M) and/or “Security & Surveillance” (SS) markets. These firms are: MasterKey (SS), Galium (SS), Imaging Diagnostics (M, SS), Jungo (M, SS), Linux4biz (M, SS) and Orlead (M, SS).

Another company in ADI’s database of TPDs is Elliptic. This Ottawa-based firm says it supplies both military and security/surveillance markets. Elliptic, which uses ADI’s SHARC and TigerSHARC processors, also says that it exports to customers in Israel.

One of ADI’s top Israeli customers, Elta Electronics, is a subsidi-