

AP IMPACT: USAID contractor work in Cuba detailed

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WASHINGTON

Piece by piece, in backpacks and carry-on bags, American aid contractor Alan Gross made sure laptops, smartphones, hard drives and networking equipment were secreted into Cuba. The most sensitive item, according to official trip reports, was the last one: a specialized mobile phone chip that experts say is often used by the Pentagon and the CIA to make satellite signals virtually impossible to track.

The purpose, according to an Associated Press review of Gross' reports, was to set up uncensored satellite Internet service for Cuba's small Jewish community.

The operation was funded as democracy promotion for the U.S. Agency for International Development, established in 1961 to provide economic, development and humanitarian assistance around the world in support of U.S. foreign policy goals. Gross, however, identified himself as a member of a Jewish humanitarian group, not a representative of the U.S. government.

Cuban President Raul Castro called him a spy, and Gross was sentenced last March to 15 years in prison for seeking to "undermine the integrity and independence" of Cuba. U.S. officials say he did nothing wrong and was just carrying out the normal mission of USAID.

Gross said at his trial in Cuba that he was a "trusting fool" who was duped. But his trip reports indicate that he knew his activities were illegal in Cuba and that he worried about the danger, including possible expulsion.

One report says a community leader "made it abundantly clear that we are all 'playing with fire.'"

Another time Gross said: "This is very risky business in no uncertain terms."

And finally: "Detection of satellite signals will be catastrophic."

The case has heightened frictions in the decades-long political struggle between the United States and its communist neighbor to the south, and raises questions about how far democracy-building programs have gone -- and whether cloak-and-dagger work is better left to intelligence operatives.

Gross' company, JBDC Inc., which specializes in setting up Internet access in remote locations like Iraq and Afghanistan, had been hired by Development Alternatives Inc., or DAI, of Bethesda, Maryland, which had a multimillion-dollar contract with USAID to break Cuba's information blockade by "technological outreach through phone banks, satellite Internet and cell phones."

USAID officials reviewed Gross' trip reports and received regular briefings on his progress, according to DAI spokesman Steven O'Connor. The reports were made available to the AP by a person familiar with the case who insisted on anonymity because of the documents' sensitivity.

The reports cover four visits over a five-month period in 2009. Another report, written by a representative of Gross' company, covered his fifth and final trip, the one that ended with his arrest on Dec. 3, 2009.

Together, the reports detail the lengths to which Gross went to escape Cuban authorities' detection.

To avoid airport scrutiny, Gross enlisted the help of other American Jews to bring in electronic equipment a piece at a time. He instructed his helpers to pack items, some of them banned in Cuba, in carry-on luggage, not checked bags.

He once drove seven hours after clearing security and customs rather than risk airport searches.

On his final trip, he brought in a "discreet" SIM card -- or subscriber identity module card -- intended to keep satellite phone transmissions from being pinpointed within 250 miles (400 kilometers), if they were detected at all.

The type of SIM card used by Gross is not available on the open market and is distributed only to governments, according to an official at a satellite telephone company familiar with the technology and a former U.S. intelligence official who has used such a chip. The officials, who spoke on condition of anonymity because of the sensitivity of the technology, said the chips are provided most frequently to the Defense Department and the CIA, but also can be obtained by the State Department, which oversees USAID.

Asked how Gross obtained the card, USAID spokesman Drew Bailey said only that the agency played no role in helping Gross acquire equipment. "We are a development agency, not an intelligence agency," he said.

Cuba's communist government considers all USAID democracy promotion activities to be illegal and a national security threat. USAID denies that any of its work is covert.

Gross' American lawyer, Peter J. Kahn, declined comment but has said in the past that Gross' actions were not aimed at subverting the Cuban government.

Cuban authorities consider Internet access to be a matter of national security and block some sites that are critical of the government, as well as pages with content that they deem as counterrevolutionary. Most Cubans have access only to a severely restricted island-wide Intranet service.

Proponents of providing Internet access say it can undermine authoritarian governments that control the flow of information to their people. Critics say the practice not only endangers contractors like Gross, but all American aid workers, even those not involved in secret activities.

"All too often, the outside perception is that these USAID people are intelligence officers," said Philip Giraldi, an ex-CIA officer. "That makes it bad for USAID, it makes it bad for the CIA and for any other intelligence agency who like to fly underneath the radar."

Even before he delivered the special SIM card, Gross noted in a trip report that use of Internet satellite phones would be "problematic if exposed." He was aware that authorities were using sophisticated detection equipment and said he saw workers for the government-owned telecommunications service provider conduct a radio frequency "sniff" the day before he was to set up a community's Wi-Fi operation.

U.S. diplomats say they believe Gross was arrested to pressure the Obama administration to roll back its democracy-promotion programs. The Cuban government has alleged without citing any evidence that the programs, funded under a 1996 law calling for regime change in Cuba, are run by the CIA as part of an intelligence plan to topple the government in Havana.

While the U.S. government broadly outlines the goals of its aid programs in publicly available documents, the work in Cuba could not exist without secrecy because it is illegal there. Citing security concerns, U.S. agencies have refused to provide operational details even to congressional committees overseeing the programs.

"The reason there is less disclosure on these programs in totalitarian countries is because the people are already risking their lives to exercise their fundamental rights," said Mauricio Claver-Carone, who runs the Washington-based Cuba Democracy Advocates.

USAID rejected the notion that its contractors perform covert work.

"Nothing about USAID's Cuba programs is covert or classified in any way," says Mark Lopes, a deputy assistant administrator. "We simply carry out activities in a discreet manner to ensure the greatest possible safety of all those involved."

The U.S. National Security Act defines "covert" as government activities aimed at influencing conditions abroad "where it is intended that the role of the United States Government will not be apparent or acknowledged publicly."

USAID's democracy promotion work in Cuba was spurred by a large boost in funding under the Bush administration and a new focus on providing communications technology to Cubans. U.S. funding for Cuban aid multiplied from \$3.5 million in 2000 to \$45 million in 2008. It's now \$20 million.

Gross was paid a half-million dollars as a USAID subcontractor, according to U.S. officials familiar with the contract. They spoke only on condition of anonymity because they are not authorized to discuss the case.

USAID head Raj Shah said democracy promotion is "absolutely central" to his agency's work. The Obama administration says its Cuba programs aim to help politically repressed citizens enjoy fundamental rights by providing humanitarian support, encouraging democratic development and aiding the free flow of information.

U.S. officials say Gross' work was not subversion because he was setting up connections for Cuba's Jewish community, not for dissidents. Jewish leaders have said that they were unaware of Gross' connections to the U.S. government and that they already were provided limited Internet access. USAID has not said why it thought the community needed such sensitive technology.

Asked if such programs are meant to challenge existing leaders, Lopes said, "For USAID, our democracy programs in Cuba are not about changing a particular regime. That's for the Cuban people to decide, and we believe they should be afforded that choice."

Others disagree.

"Of course, this is covert work," said Robert Pastor, President Jimmy Carter's national security adviser for Latin America and now director of the Center for Democracy and Election Management at American University in Washington. "It's about regime change."

Gross, of Potomac, Maryland, was a gregarious man, about 6 feet (1.8 meters) and 250 pounds (113 kilograms). He was hard to miss. He had bought a Rosetta Stone language course to improve his rudimentary Spanish and had scant knowledge of Cuba. But he knew technology. His company specialized in installing communications gear in remote parts of the world.

Gross' first trip for DAI, which ended in early April 2009, focused on getting equipment in and setting up the first of three facilities with Wi-Fi hotspots that would give unrestricted Internet access to hundreds of Cubans, especially the island's small Jewish community of 1,500.

To get the materials in, Gross relied on American Jewish humanitarian groups doing missions on the island. He traveled with the groups, relying on individuals to help bring in the equipment, according to the trip reports.

Three people briefed on Gross' work say he told contacts in Cuba he represented a Jewish organization, not the U.S. government. USAID says it now expects people carrying out its programs to disclose their U.S. government funding to the people they are helping -- if asked.

One of Gross' reports suggests he represented himself as a member of one of the groups and that he traveled with them so he could intercede with Cuban authorities if questions arose.

The helpers were supposed to pack single pieces of equipment in their carry-on luggage. That way, Gross wrote, any questions could best be handled during the X-ray process at security, rather than at a customs check. The material was delivered to Gross later at a Havana hotel, according to the trip reports.

USAID has long relied on visitors willing to carry in prohibited material, such as books and shortwave radios, U.S. officials briefed on the programs say. And USAID officials have acknowledged in congressional briefings that they have used contractors to bring in software to send encrypted messages over the Internet, according to participants in the briefings.

An alarm sounded on one of Gross' trips when one of his associates tried to leave the airport terminal; the courier had placed his cargo -- a device that can extend the range of a wireless network -- into his checked bag.

Gross intervened, saying the device was for personal use and was not a computer hard drive or a radio.

According to the trip reports, customs officials wanted to charge a 100 percent tax on the value of the item, but Gross bargained them down and was allowed to leave with it.

"On that day, it was better to be lucky than smart," Gross wrote.

Much of the equipment Gross helped bring in is legal in Cuba, but the volume of the goods could have given Cuban authorities a good idea of what he was up to.

"Total equipment" listed on his fourth trip included 12 iPods, 11 BlackBerry Curve smartphones, three MacBooks, six 500-gigabyte external drives, three Internet satellite phones known as BGANs, three routers, three controllers, 18 wireless access points, 13 memory sticks, three phones to make calls over the Internet, and networking switches. Some pieces, such as the networking and satellite equipment, are explicitly forbidden in Cuba.

Gross wrote that he smuggled the BGANs in a backpack. He had hoped to fool authorities by taping over the identifying words on the equipment: "Hughes," the manufacturer, and "Inmarsat," the company providing the satellite Internet service.

The BGANs were crucial because they provide not only satellite telephone capacity but an Internet signal that can establish a Wi-Fi hotspot for multiple users. The appeal of using satellite Internet connections is that data goes straight up, never passing through government-controlled servers.

There was always the chance of being discovered.

Last year, the Senate Foreign Relations Committee asked about clandestine methods used to hide the programs and reports that some of them had been penetrated.

"Possible counterintelligence penetration is a known risk in Cuba," the State Department said in a written response to AP. "Those who carry out our assistance are aware of such risks."

Gross' first trip to Cuba ended in early April 2009 with establishment of a communications site in Havana.

He went back later that month and stayed about 10 days while a site was set up in Santiago, Cuba's second-largest city.

On his third trip, for two weeks in June 2009, Gross traveled to a city in the middle of the island identified by a U.S. official as Camaguey. He rented a car in Havana and drove seven hours rather than risk another encounter with airport authorities.

Gross wrote that BGANs should not be used outside Havana, where there were enough radio frequency devices to hide the emissions.

The report for Gross's fourth trip, which ended early that August, was marked final and summarized his successes: wireless networks established in three communities; about 325 users; "communications to and from the U.S. have improved and used on a regular basis." He again concluded the operation was "very risky business."

Gross would have been fine if he had stopped there.

In late November 2009, however, he went back to Cuba for a fifth time. This time he didn't return. He was arrested 11 days later.

An additional report was written afterward on the letterhead of Gross' company. It was prepared with assistance from DAI to fulfill a contract requirement for a summary of his work, and so everyone could get paid, according to officials familiar with the document.

The report said Gross had planned to improve security of the Havana site by installing an "alternative sim card" on the satellite equipment.

The card would mask the signal of the BGAN as it transmitted to a satellite, making it difficult to track where the device was located.

The document concluded that the site's security had been increased.

It is unclear how DAI confirmed Gross' work for the report on the final trip, though a document, also on Gross' company letterhead, states that a representative for Gross contacted the Jewish community in Cuba five times after his arrest.

In a statement at his trial, Gross professed his innocence and apologized.

"I have never, would never and will never purposefully or knowingly do anything personally or professionally to subvert a government," he said. "I am deeply sorry for being a trusting fool. I was duped. I was used."

In an interview with AP, his wife, Judy, blamed DAI, the company that sent him to Cuba, for misleading him on the risks. DAI spokesman O'Connor said in a statement that Gross "designed, proposed, and implemented this work" for the company.

Meanwhile, the 62-year-old Gross sits in a military prison hospital. His family says he has lost about 100 pounds (45 kilograms) and they express concern about his health. All the U.S. diplomatic attempts to win his freedom have come up empty and there is no sign that Cuba is prepared to act on appeals for a humanitarian release.

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