TEL AVIV—Israel denied that it spied on the U.S. in an attempt to undermine a nuclear deal with Iran, trying to defuse tensions that are widening the rift between the countries after Prime Minister Benjamin Netanyahu’s re-election.

Soon after the U.S. and other world powers entered negotiations last year to curtail Iran’s nuclear program, senior White House officials learned Israel was spying on the closed-door talks as part of a broader campaign against the emerging deal, The Wall Street Journal reported. Mr. Netanyahu vehemently opposes the terms of the deal, saying they are too soft on Iran.

“Israel does not spy on the United States, period, exclamation mark,” Yuval Steinitz, minister for intelligence and strategic affairs, told Israel Radio on Tuesday. “Whoever published those false allegations possibly wanted to damage the excellent intelligence cooperation between us and the United States.”

U.S. officials said they learned Israel was spying on the talks because U.S. agencies were also spying on Israel. Those U.S. agencies intercepted communications in which Israeli officials referred to information which the U.S. believes could only have come from the parties in the negotiations.

Current and former U.S. and Israeli officials said Israel was as able to learn details about the shifting U.S. and European positions by spying on Iranian and other officials who the American negotiators communicated with in the nuclear talks.

According to these officials, Israel shared information gathered from the talks during
congressional briefings in an effort to build opposition to a deal. U.S. officials accused the Israelis of misrepresenting aspects of the talks during these briefings.

The Israeli denials didn’t address the congressional briefings.

U.S. House Speaker John Boehner (R., Ohio) said Tuesday he was shocked by revelations that Israel spied on the nuclear talks and then passed information to U.S. lawmakers. He wouldn’t say whether he saw such actions by the Israelis as appropriate, and only said he was baffled.

“I was shocked by the fact that there were reports in this press article that information was being passed on from the Israelis to members of Congress,” Mr. Boehner said. “I’m not aware of that at all.”

Mr. Boehner added: “There was no information revealed to me whatsoever.”

The White House and Mr. Boehner have been at odds for some time over the top House Republican’s decision to invite Mr. Netanyahu to speak to Congress this month without first consulting the Obama administration. Mr. Boehner has been critical of the emerging Iran deal, and is scheduled to visit Israel in the coming weeks.

Israeli Foreign Minister Avigdor Lieberman rejected the spying allegations but told Israel Army Radio that Israel could obtain intelligence on the talks based on sources in Iran without spying on the U.S.
U.S. intelligence agencies helped the Israelis build up the systems they use to collect Iranian communications.

The tensions are the latest between the Obama administration and Mr. Netanyahu, who was re-elected on March 17 and is assembling a governing coalition of right-wing and religious parties.

President Barack Obama has said his administration is planning a reassessment of its policy toward Israel following Mr. Netanyahu’s election-eve statement that a Palestinian state wouldn’t be established on his watch. The U.S. dismissed the Israeli leader’s subsequent reversal of that position as unconvincing.

Mr. Obama also took Mr. Netanyahu to task for his election-day warning to right-wing supporters that Arab citizens of Israel were voting in droves in a bid to oust him from power. Mr. Netanyahu apologized on Monday for the message, which was widely criticized in Israel and abroad as racist.

Uzi Arad, a former security adviser to Mr. Netanyahu, said the U.S. criticism goes beyond an effort to pressure Mr. Netanyahu to fall into line with U.S. policies. “The current situation is being exploited to carry out a downgrade of the relationship and

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—Yuval Steinitz, Israel’s minister for intelligence and strategic affairs, on Israel Radio.
strategic understandings between ourselves and the U.S.,” he told Israel Radio.

—Michael R. Crittenden contributed to this article.