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## Israel

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# Dirty banker Recanati gets unusual message

by Mark Burdman

Political fireworks began to go off in Israel, as the late April/early-May holiday lull came to an end. The national banking scandal kicked off by the release on April 20 of a special parliamentary commission report excoriating the heads of Israel's major banks for having engineered a collapse of bank shares in October 1983, took some dramatic new turns during the working week beginning Sunday, May 4.

On May 7, Harry Recanati, one scion of the centuries-old Recanati family of Salonika and Venice, placed an advertisement in the mass Hebrew-language daily *Haaretz*, bitterly attacking his brother, Raphael, chairman of Israel Discount Bank, whose forced removal from banking activities for life, has been demanded by the special parliamentary commission headed by Supreme Court Judge Moshe Bejski.

Brother Harry, himself a banker (anchored in the Geneva, Switzerland-based Ralli Bank), charged that the Recanati name had been "stained" by Raphael's banking practices. Going further, Harry pointed to the "hundreds of millions of dollars" Raphael had stashed in various accounts and assets abroad, and called on his wayward brother to dispense these millions to the many people that he had robbed!

Rarely is the intra-family "dirty laundry" of a prominent European-Levantine family hung out so starkly for all to see. The Recanatis are not small fry: They are one of the families listed in the official book of the European aristocracy, the so-called "Gotha." They have been up to many peculiar shenanigans, for centuries, including sponsorship of the mystical-gnostic Cabbala among demoralized Jews in the 13th century in Spain.

Brother Raphael has developed a particularly nasty pedigree, that goes beyond even the allegations of insider trading and illegally regulating the prices of bank shares, as documented in the Bejski report—and these allegations are hardly mild. A Jerusalem source told this correspondent on May 8, "There's enough in that report to bury Bank Leumi and Discount Bank for a long time. We are staggered at the number of laws broken."

Moreover, the Israeli Discount Bank's New York branch was recently discovered to have laundered \$200,000 in co-

came-derived revenues of one José Stroh, a Colombian drug trafficker living in Miami.

In any case, brother Harry—who fashions himself "an old-style aristocrat, standing above certain kinds of things," according to one Israeli insider—is evidently on to something. Several months back, we have learned, he wrote a semi-autobiographical account, available still only in Hebrew, attacking Raphael for having ruined the Recanati family and the family banks, or funds, the latter the crime of all crimes among such clans. Harry angrily laid claim to the patrimony of father Leon Recanati, the founder of Israel Discount Bank during the 1930s, and essentially accused his brother of being a usurper and a fraud!

## Political wars and slanders

One of our sources in Jerusalem reports that a "renewed storm of horror and protest" has broken out in Israel against the Discount Bank chief and against the chairman of Bank Leumi, Ernest Japhet, himself also a scion of an old continental European family. Pressure is mounting among political layers, bank depositors, and the press, for carrying out the Bejski Commission demands that Japhet and Recanati be prevented from practicing banking for life.

The two culprits, however, are reportedly attempting every trick in the book to stay on the job, up to and including making the threat that Israel's economy would be collapsed by the international banks if they were removed. During the week of May 4, they met once with Israeli Premier Shimon Peres, who has remained publicly mum on their fate. An Israeli Cabinet subcommittee formed over the May 3-4 weekend, with the aim of studying how to implement the Bejski recommendations, is reportedly advising nothing more than a slap on the wrist to the bank chiefs, or, alternatively, that the government simply implement the banking reforms suggested by Bejski, but stay away from all matters of "personalities."

This position is less mysterious, given that the subcommittee head, Finance Minister Moshe Nissim, is a member of the Israeli Liberal Party, whose leaders have close political or personal relations with Japhet and Recanati.

As documented in *EIR's* Special Report on *Ariel Sharon and the Israeli Mafia*, Bank Leumi and Discount Bank are central to the financial apparatus that patronizes Ariel Sharon, Israel's current Minister of Industry and Trade. Hitting at Japhet-Recanati, is hitting at a very sensitive raw nerve.

Hence, it is not surprising to hear of a new pattern of violent slanders against *EIR* founder Lyndon LaRouche that have been published, since the mid-April period, in certain Israeli newspapers, particularly those with known links to either the same Soviet intelligence services that have struck a geopolitical deal with Sharon, or to the organized crime front, the Anti-Defamation League of B'nai B'rith. The slander pattern coincided with the three and a half week trip to Israel of ADL national associate director Abe Foxman.