

## Sharon and His Mafiya Allies Plot Israel Election Theft

by Jeffrey Steinberg

On July 16, 2000, as President Bill Clinton was huddled with then-Israeli Prime Minister Ehud Barak and Palestinian Authority President Yasser Arafat at Camp David, attempting to hammer out a final peace agreement between Israel and the Palestinians, 150,000 Israelis turned out in Tel Aviv's Kikar Rabin, to hear Ariel Sharon and other leading Israeli Jabotinskyite fanatics denounce peace and call for Barak's ouster.

Five years earlier, a similar mobilization of radical West Bank settlers, "Greater Israel" racists, and "Jewish underground" terrorists was directed against then-Prime Minister Yitzhak Rabin, the architect of the Oslo peace accords, and set the preconditions for his Nov. 4, 1995 assassination. The assassin, Yigal Amir, came from the ranks of the Sharon and Benjamin Netanyahu-led anti-Rabin mob.

The July 2000 protest rally against a Barak "sellout" at Camp David marked the public launching of Ariel Sharon's drive to overthrow the Barak Labor Party-led government, trash the peace process, and launch a regionwide "strategy of tension"—which had been designed in 1996, by American advisers to Sharon's Likud party, who now happen to be senior Bush Administration officials, centered in the offices of Vice President Dick Cheney and Defense Secretary Donald Rumsfeld. Their goal: to bury the Oslo peace process in a sea of Palestinian and Arab blood.

Echoing earlier public calls for the assassination of Rabin, Sharon told the Tel Aviv crowd, "Before us . . . is a prime minister who threatens his people with terrorism, with war, with an Intifada, and enlists world leaders, ministers, and political activists to join in his threats. A responsible, experienced prime minister would limit himself to one sentence. He would say: 'Israel is strong. You have been warned. . . .' Barak's peace is a mistaken and a bad peace. . . . I want to hear

from Camp David that Arafat has given up East Jerusalem and the Old City, that he gave up the Jordan Valley, the airspace over Judea and Samaria" (the last referring to the West Bank).

Sharon was joined on the podium by Israel's two leading wannabe-Nazi advocates of the "ethnic cleansing" of all Arabs and Palestinians from Israel, the West Bank, and the Gaza Strip—Avigdor Lieberman and Rehavam Ze'evi (Ze'evi was assassinated, gangland-style, in 2001, days after resigning as a Tourism Minister in Sharon's government). The rally was also addressed by Natan Sharansky, the head of Yisrael Ba'Aliya party.

The coverage the next day in the *Jerusalem Post* revealed that the vast majority of participants in the rally were West Bank settlers, and that the rally had been bankrolled by multimillionaire New York City landlord, and fanatical Sharon backer, Sam Domb.

What none of the media coverage at the time revealed, however, was that one of the major hidden hands behind Sharon's drive to wreck the peace process and install a fascist war Cabinet, was a collection of Russian "Mafiya" dons and American organized crime figures, whose own longstanding goal was to install their ally Sharon in power, and complete the process of transforming Israel into a Mafiya "mini-state," a goal first set out by Meyer Lansky in the 1960s. The Lansky Plan was exposed in *EIR*'s groundbreaking March 1, 1986 report, "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia." In a most prescient introduction to that report, Lyndon LaRouche had warned of American government complicity in Sharon's rise to power: "Unless we purge the 'sleaze-ball' element from positions of security and policy-shaping without our government, Sharon's takeover of Israel is unstoppable, and we shall not long continue to have a

United States.”

This year’s Israeli election, scheduled for Jan. 28, which will pit incumbent Likud Prime Minister Sharon against Labor Party Chairman Gen. Amram Mitzna, is rapidly evolving into a referendum on the Mafiya’s total consolidation of power in the Jewish state. According to one well-placed Washington source, the Russian Mafiya, along with American Christian Zionists and U.S. right-wing Jewish gangsters—the heirs of the original Meyer Lansky National Crime Syndicate—are pouring millions, perhaps billions of dollars, into Sharon’s campaign coffers, to steal the elections for Knesset (parliament), which will also determine the next government.

### Lucky Loutchansky

The role of Sam Domb in bankrolling the Tel Aviv kickoff rally for Sharon’s 2000 election campaign, already provided evidence of the Mafiya hands behind the “butcher of Sabra and Shatila.” Domb, also a financial backer of former New York City Mayor Rudolph Giuliani (R) and New York Gov. George Pataki (R), had briefly grabbed headlines, in 1993, when he managed to wrangle an invitation to a Democratic National Committee fundraising event at the White House, hosted by President Clinton. Domb’s guest at the event was Grigori Loutchansky, already notorious as the head of Nordex, an Austria- and Russia-based “trading company,” identified by Interpol as *the* major front for Russian organized crime.

By the time Domb tried to bring Loutchansky to a second Clinton fundraiser two years later, practically every major law enforcement and intelligence agency in the world had opened up investigations of the Latvian-born Loutchansky and Nordex. At the urging of the U.S. National Security Agency (NSA), Loutchansky was disinvented.

Not easily put off, Loutchansky did succeed in getting his Nordex partner, Ukrainian mob boss Vadim Rabinovich, a seat at a September 1995 Clinton-Gore fundraiser at the Sheraton Bel-Harbor Hotel in Miami, according to best-selling investigative author Robert I. Friedman. At the time of Rabinovich’s participation in the campaign event, he was on a State Department watch-list of criminals to be barred from entering the United States. He had served eight years in a Ukrainian prison for theft of state goods, reported Friedman, in *Red Mafiya: How the Russian Mob Has Invaded America* (Boston: Little Brown & Co., 2000; see *EIR*, Feb. 9, 2001).

On July 8, 1996, *Time* published a dossier on Loutchansky, which was based on an Oct. 26-27, 1995 meeting, comprised of Interpol representatives from 11 nations, assembled at the agency’s Lyons headquarters, devoted exclusively to Loutchansky and Nordex. A classified report from the German intelligence agency BND on Loutchansky, obtained by *Time*, charged that Nordex had been created as an espionage front “to earn hard currency for the KGB.” The

report continued, “Nordex subsidiaries are alleged to be defrauding Russian firms, i.e., the Russian state, of several millions in hard currency annually. Nordex is allegedly involved in money-laundering activities for third parties, as well as other criminal activities. Further evidence suggests involvement in the international arms trade as well as the smuggling of narcotics and nuclear material across the Baltic.”

One of Loutchansky’s Russian partners-in-crime was former Prime Minister Viktor Chernomyrdin, according to the *Time* report and numerous law enforcement documents, including a Russian Federal Security Service (FSB) study. “According to the secret Russian FSB report obtained by *Time*,” the magazine reported, former Soviet Deputy Prime Minister Vladimir “Shcherbakov”’s dacha on the outskirts of Moscow was used by Loutchansky for meetings with Prime Minister Viktor Chernomyrdin. . . . Before he became Prime Minister, Chernomyrdin was chairman of Gazprom, the giant Russian natural-gas company, and a frequent visitor to Nordex in Vienna, according to Austrian sources. . . . When Chernomyrdin became Prime Minister in December 1992, according to the Russian FSB report, a politician said, ‘They might as well engrave Nordex’s name on Lenin’s tomb.’ ”

Loutchansky’s access to the Democratic Party and the Clinton White House, according to former Administration officials, came via Vice President Al Gore, who was also one of Chernomyrdin’s biggest Washington boosters. On Nov. 23, 1998, the *New York Times* had revealed that Gore suppressed CIA intelligence, dating back to 1995, that Chernomyrdin had amassed a personal fortune of \$5 billion, during his tenure as Gazprom chairman and Prime Minister. According to the *Times* account, when Gore personally received a copy of the CIA dossier on his Russian friend, he sent the document back to Langley “with barnyard epithets scrawled across its cover. The Vice President,” the *Times* continued, “did not want to hear allegations that Mr. Chernomyrdin was corrupt, and was not interested in further intelligence on the matter.”

A few days after the *New York Times* story broke, the *New York Post* added further details to the Gore-Chernomyrdin cover-up. *Post* financial columnist Jack Dizard wrote that Gore’s national security aide Leon Fuerth “has his fingerprints all over this week’s scandal about the cover-up of Chernomyrdin’s and [Anatoly] Chubais’s organized crime connections. . . . Fuerth’s role in this might become an issue when people look at Gore’s record.”

Several years earlier, Fuerth was credibly accused in the *Washington Post* of being the Likud “mole” inside the Clinton-Gore White House, providing then-Israeli Prime Minister Netanyahu with advance information on the American Middle East diplomatic strategy, to enable Likud leader Netanyahu to parry every effort by President Clinton to force Israel to uphold the Oslo Accords.

(On July 8, 1996, Prime Minister Netanyahu received a

hand-delivered document, “A Clean Break: A New Strategy for Security the Realm,” spelling out how Israel could abrogate the Oslo Accords, and pursue a permanent annexation of the West Bank and Gaza, among other policies. The paper had been prepared for him by Richard Perle, currently, chairman of Rumsfeld’s Defense Policy Board; Doug Feith, currently Assistant Secretary of Defense for Policy; and David Wurmser, special assistant to State Department chief arms control negotiator John Bolton, among others [see *EIR*, Sept. 20, 2002]).

### Loutchansky’s ‘Offer’ to Bibi Netanyahu

Loutchansky experienced no obstruction when he invoked his Right of Return and took up Israeli citizenship. His Mafiya capital bought him instant access to the highest levels of Israeli politics. According to Friedman’s *Red Mafiya*, Natan Sharansky, the former Soviet “refusenik,” head of Israel’s Russian emigré party, Yisrael Ba’ Aliya, and a Sharon Cabinet minister, readily admits that he took millions of dollars from Loutchansky—even after officials from the U.S. State Department, the Congress, and the CIA begged him to stay away from the Russian mobster. “We told Sharansky to stop taking money from Loutchansky,” said Jonathan Winer, a Clinton senior State Department official and expert in international organized crime.

Friedman also reported that, just prior to the 1996 Israeli elections, Sharansky introduced Loutchansky to Likud candidate Bibi Netanyahu. The Israeli press reported, at the time, that Netanyahu took \$1.5 million from Loutchansky; other media accounts placed the figure at over \$5 million. Netanyahu admitted being offered cash from the Russian mobster, but denied that he took it.

Winer, who probed the transactions for the Clinton Administration, complained bitterly, “The Likud is corrupt, and Bibi is disgusting. He’s had meetings with Loutchansky and Kobzon—criminals promoting their own interests.”

Joseph Kobzon was identified in a CIA report as Russia’s “crime czar.” One of the Soviet Union’s and Russia’s most popular singers, Kobzon was twice elected to the Duma, the lower house of the Russian parliament; was a member of the Russian Olympic Committee; and the dean of the School of Popular Music at Moscow’s Music Academy. An FBI classified document, obtained by Friedman, called Kobzon the “spiritual leader” of the Mafiya in Moscow, who was “highly respected . . . because of his intelligence, contacts, shrewdness and ability to help when [organized crime] groups get into trouble.”

Another Russian Mafiya figure who poured money into Sharansky’s pockets was Grigori Lerner, identified by author Jeffrey Robinson, in his book *The Merger—The Conglomeration of International Organized Crime* (Woodstock, N.Y.,: Overlook Press, 2000) as the mob’s number-one money launderer. Lerner, on at least one occasion, gave Sharansky

\$100,000, by the Cabinet minister’s own admission.

Lerner established the Israeli-Russian Finance Company, with headquarters in Limassol, Cyprus, in partnership with Russia’s Promstroi Bank. Limassol was exposed in the 1986 *EIR* Sharon report as the location for secret meetings between Sharon and top Soviet intelligence and crime figures. By November 1995, Lerner had won limited approval from the Bank of Israel, to carry out securities transactions. With a network of offshore operations in Panama, the Caribbean, Mauritius, and Luxembourg, Lerner was soon laundering money in and out of Israel, for the Russian Mafiya, Italian organized crime families, and Colombian drug cartels.

Lerner, alone, among the top Russian Mafiya dons enjoying the fruits of Israeli citizenship, did time in an Israeli jail. He was arrested on May 12, 1997, as he was boarding a plane for the United States. Although he was under investigation for fraud and bribery in Israel, Lerner’s arrest actually came as the result of intense pressure from Russian prosecutors, who had linked Lerner to the assassinations of several Russian “bankers,” including one of his partners at Promstroi Bank. Lerner spent a grand total of ten months in jail, after which he struck a plea agreement with Israeli prosecutors, in which he agreed to leave the country for six years and pay a fine of \$1.4 million. In return, all the murder probes were shut down.

Another leading Israeli law enforcement official who locked horns with the Russian Mafiya was Lt. Gen. Hezi Leder, who was head of Israeli police intelligence in the mid-1990s. Leder prepared a three-page assessment for Prime Minister Rabin, shortly before Rabin’s assassination, warning, that “Russian organized groups [have] become a strategic threat” to Israel. Rabin responded to Leder’s memo by setting up an inter-agency task force of top Mossad and Shin Bet officials, to wage a war against the Mafiya. After Rabin’s assassination, his terrorized successor, Shimon Peres, halfheartedly continued the project; but, when Netanyahu was elected Prime Minister, he immediately shelved the entire effort.

By the time Netanyahu was running for Prime Minister in 1996, in the wake of the Rabin assassination, the Russian Mafiya factor had become so prominent, that some top Israeli law enforcement officials broke their code of silence and went public with their concerns. Moshe Shahal, the country’s chief of internal security, warned that “Elements of the Russian Mafiya are effectively trying to control Israel. The gangsters are now trying to buy and influence politicians,” he warned. Shahal and others warned of credible reports that the Russian Mafiya was prepared to spend between \$1.5 and \$4 billion to “secure political power,” according to Robinson.

According to *Red Mafiya*, in June 1996, the Committee of the Controller held a top-secret Cabinet meeting to present evidence that Russian gangsters had hand-picked a number of candidates for local and national office. The scandals now rocking the Likud Party, on the eve of the Jan. 28, 2003 elec-

tions, raise the question of whether *any* candidates on the Sharon slate are free from Mafiya contamination.

Friedman, in *Red Mafiya*, stated the case with characteristic bluntness: "With two decades of unimpeded growth, the Russian Mafiya has succeeded in turning Israel into its very own 'mini-state,' in which it operates with virtual impunity." General Leder seconded the assessment: "We know how to deal with terrorist organizations. We know how to deal with external threats. This is a social threat. We as a society don't know how to handle it. It's an enemy among us."

### The Real 'Godfather': Marc Rich

*EIR's* ongoing investigation into the Russian Mafiya's current drive to consolidate a vise-like grip over Israel, via Sharon's re-election on Jan. 28, has found that all roads, eventually, lead to Zug, Switzerland and fugitive commodity trader Marc Rich. If the Russian Mafiya has one "Godfather," it is Rich.

Rich, up until his December 2000 pardon by President Bill Clinton, had been facing 325 years in jail in the United States, on a 1983 Federal indictment for trading with the enemy (Iran) and tax evasion. But those charges represented only a hint of the true story. By the time Rich and his partner, Pincus Green, fled from the U.S. indictments, and set up shop in Zug, they had already emerged as the world's leading sanctions-busters, providing embargoed oil from Khomeini's Iran and the Soviet Union to the apartheid regime in South Africa, in exchange for a virtual monopoly on some of Africa's and the Soviet Union's most precious metal reserves.

Rich, for decades, had the exclusive foreign contract to market Russian minerals and precious metals; his Soviet and Russian ties also involved massive international arms sales—some recent deals, reportedly, in partnership with Viktor Bout, the most notorious of the Russian black market gun-runners, who shares a base of operations with Rich in the tiny Arab Emirate of Sharjah, a well-known smugglers' haven, adjacent to the money-laundering capital of the Persian Gulf, Dubai. Bout has been linked to major arms sales to the Afghan Taliban, and to Liberia's Charles Taylor and the murderous Revolutionary United Front (RUF) rebels in neighboring Sierra Leone. Rich, long ago, established Liberia and Sierra Leone as two of his major African bases, dealing in "blood diamonds." Further, Bout's arms sales to the Taliban were carried out with Vadim Rabinovich, Loutchansky's Ukrainian Nordex partner!

Rich's links to the Russian Mafiya, however, long predated his flight to Zug. As *EIR* first documented in the March 17, 1988 Special Report, "The Kalmanowitch Report: Moscow's Moles in the Reagan-Bush Administration," Rich sponsored the original Russian mob migration to Brighton Beach, Brooklyn, which began shortly after the U.S. Congress' passage of the Jackson-Vanek Amendment, linking all U.S. trade with the Soviet Union to Moscow's treatment of

Soviet Jewry. Beginning in the mid-1970s, Soviet Jews began a mass migration to the United States and Israel. Many immigrants, whether or not they were actually of Jewish parentage, were Russian mobsters, some having served long sentences in the gulag for their lucrative black market activities, often in league with equally corrupt Soviet Communist Party and KGB apparatchiks.

According to Friedman, one of the first bosses of the Brighton Beach Mafiya, Evsei Agron, had become a *vor v zakonye* ("thief-in-law") while serving seven years in a Soviet prison for murder. In 1971, he left the Soviet Union, and set up a gambling and prostitution ring in Hamburg, Germany, before arriving in the United States in October 1975.

He was greeted, upon his arrival in Brooklyn, by Rabbi Ronald Greenwald, one of Marc Rich's most trusted operatives, who would handle all of Rich's American business dealings, after the oil and metal trader fled to Switzerland. Greenwald introduced Agron to Murray Wilson, one of the Lansky Syndicate's most efficient money-launderers, who was, at the time, working for the Genovese crime family.

Greenwald ushered the Russian gangsters into the world of bigtime organized crime, from Las Vegas casino skimming, to a multibillion-dollar-a-year gasoline tax evasion scam.

Agron's successor as Brighton Beach Mafiya crime lord, Marat Balagula, extended the Russian underworld's reach to mineral-rich Africa—with Greenwald and Rich providing all of the connections. In 1977, Greenwald, exploiting Rich's sanction-busting ties to South Africa, was named as the Ambassador to the United States, from the newly established "independent" bantustan of Bophuthatswana. Rich, Greenwald, and Israeli Likud operative—and soon to be busted KGB spy—Shabtai Kalmanowitch, created a front company, B International, which ran the bantustan—in league with casino mogul Sol Kurzner, whose Sun City casino resort became a favorite money-laundering vehicle for the Israeli Mossad, as well as international crime syndicates. Rich's other "cut" in the Bophuthatswana deal, was control over the bantustan's platinum mines—which produce one-third of the world's output of the precious metal.

In 1985, Rich, Greenwald, and Kalmanowitch—backed up by their Russian Mafiya underlings, and a team of "former" Mossad and Israeli Defense Forces operatives—all allied with Ariel Sharon—staged a coup d'état in the diamond-rich West African state of Sierra Leone. Rich and Kalmanowitch gobbled up the country's diamond, gold, and iron mines, and looted the place blind. A full 85% of Sierra Leone's diamonds were smuggled onto the black market through Russian Mafiya, Mossad, and other routes, controlled by Rich and Kalmanowitch.

In April 1987, according to Interpol documents obtained by Friedman, Kalmanowitch and Greenwald got caught in a multimillion-dollar check-kiting scheme, targeting Merrill

Lynch. Scotland Yard arrested Kalmanowitch in London, and extradited him to the United States. Free on bail, Kalmanowitch fled to Israel, where he was promptly arrested—on charges of spying for the Soviet KGB!

Even in jail, Kalmanowitch continued his collaboration with Rich. His bodyguard in the Israeli desert prison, Monya Elson, another Russian Mafiya thug, who was busted in 1984 for smuggling cocaine between the United States and Israel, returned to Brighton Beach in 1990, to take over as Mafiya boss-of-bosses.

Rich, in the meantime, was busy creating the black infrastructure through which hundreds of billions of dollars worth of Russian state assets would be smuggled out of the collapsing Soviet Union into Swiss, Israeli, Cypriot, Antiguan, and other offshore dirty-money havens.

In June 2002, Swiss, Italian, and U.S. law enforcement agents carried out a major crackdown on Russian Mafiya operations, dubbed “Operation Spiderweb.” According to Bologna, Italy chief investigative magistrate Paolo Giovagnoli, the probe produced evidence linking Marc Rich to the Mafiya operations, running through the Bank of New York, owned by another Swiss-based Rich business crony, Bruce Rappaport. Rappaport also is a partner of Ariel Sharon intimate Arie Genger.

According to news accounts of “Operation Spiderweb,” Interpol and British police documents also established that Marc Rich was the partner of Grigori Loutchansky in the 1989 launching of Nordex, which was “created by the old guard of the communist regime to allow the exodus of U.S.S.R. Communist Party funds before the Soviet Union’s collapse.”

The investigation showed that Rich’s Swiss company, Glencore International AG, had intricate ties to both Nordex and another Russian front company, Benex, which used the Bank of New York to launder stolen Soviet and Russian assets—many of which wound up, along with the thieves themselves, in Israel. Israel, to this day, has no laws prohibiting money laundering.

From his Zug base of operations, Rich established a string of tax-exempt foundations, including the Marc Rich Charitable Foundation and a sister foundation in Israel. Rich’s “charitable” activities in Israel are run by a former senior Mossad operative, Avner Azulay. Rich has boasted that his charitable activities have included the financing of international Mossad operations—including the airlifting of Ethiopian Jews to Israel in the early 1990s. Rich’s “charitable” activities in Israel, according to several U.S. and Israeli intelligence sources, should be viewed as one major source of Russian Mafiya cash into the Sharon campaign.

## **Clinton Was Set Up**

The Rich pardon, which blew up immediately in the face of President Clinton, was orchestrated, in fact, by some of the ex-President’s most ardent enemies, within Israel and within his own U.S. Democratic Party, including the friends of Al

Gore and Joe Lieberman, led by Michael Steinhardt, the son of Meyer Lansky syndicate jewelry fence, “Red” Steinhardt. Steinhardt launched the Rich pardon effort in late 1999, in league with two top “former” Mossad officials, Zvi Rafiah and Azulay.

Rafiah had been the Israeli controller of a nest of spies and agents-of-influence, operating in the 1970s on the staff of the Senate Foreign Relations Committee. The pivotal player in the Rafiah-run spy network was Stephen Bryen, who served as staff director of the Near East Subcommittee, a position that gave him access to classified Pentagon documents on all the Arab military forces. Other allies of Bryen in the Senate-based spy cell, reportedly included: Richard Perle, Elliott Abrams, Frank Gaffney, and Steven Emerson.

In February 1978, Bryen was seen passing Pentagon secrets to a delegation of Israeli Defense Ministry officials at the Madison Hotel, in Washington, D.C. It took a major effort by top Zionists in the U.S. Justice Department to cover up the Bryen spy operation. Rafiah left his diplomatic post at the Israeli Embassy, only to return to the U.S. capital shortly after—as the business representative of several Israeli arms manufacturers.

While President Clinton took a big political hit over the Marc Rich pardon, and may still be facing legal problems down the line, the actual architect of Rich’s escape from the clutches of American prosecutors is riding high in the Pennsylvania Avenue corridors of power: Lewis Libby, the chief of staff and national security aide to Vice President Dick Cheney, was, for more than 15 years, Marc Rich’s attorney, fending off Federal investigators, and, eventually, playing the key behind-the-scenes role in orchestrating the pardon.

Libby was the law partner and protégé of Leonard Garment, the Richard Nixon attorney, who later emerged as one of the central damage-control operatives for Sharon, “Dirty Rafi” Eytan, and other Likud spooks, following the U.S. arrest of Israeli spy Jonathan Pollard in November 1985.

Garment appointed Libby to handle all of Rich’s legal affairs for their firm, Dickstein Shapiro. The only time that Libby did not handle the Rich account, was when he served in the Reagan and George H.W. Bush Administrations—as the deputy to his other mentor, who is today Deputy Secretary of Defense, Paul Wolfowitz. Following the Pollard arrest, Wolfowitz’s name had appeared on the list of suspected Pollard handlers, inside the U.S. national security establishment. The list, which also included Bryen and Perle, was compiled by the General Counsel to the Secretary of Defense.

With Rich and the Russian Mafiya’s ties extended all the way up into the Office of the Vice President of the United States, it is no wonder that Ariel Sharon boasts that Israeli-American ties have never been tighter.

All that may change later this month. For Israelis, Jan. 28, 2003 represents an opportunity to end the Mafiya state of siege, which has already brought the country to the brink of self-destruction.