

A Bigger Scandal: Illegal U.S. Funding of Ariel Sharon's Likud

by Anton Chaitkin

EIR's recent series of exposés tracing the dirty money behind Israeli Prime Minister Ariel Sharon and the Likud party, have helped fuel the roaring political scandal threatening to wreck what was once thought to be a certain Sharon win in the upcoming Jan. 28 election. Since the series began, Israeli and American journalists and researchers have provided revealing information concerning the Likud's most important foreign funders, which, upon investigation, has proven to be accurate.

Israeli law has, since 1994, *prohibited* foreign donations to Israeli election campaigns. Yet tens of millions of dollars have continued to pour in from abroad, financing the radical-right Likud political apparatus which is driving the Mideast and the world into religious-ethnic warfare. One prominent Israeli jurist told *EIR*, "Talking about illegal foreign money flows into Israeli elections is like talking about illegal booze in Chicago during Prohibition. Everybody does it, or you just don't survive."

But in the case of the money propping up the Sharon regime, its legal prohibition is made more sinister by its sources, primarily in the United States. They include heirs of the Meyer Lansky/Moe Dalitz mafia syndicate; Michael Milken's junk-bond "monsters," corporate predators, and looters; and the sponsors of terrorists such as Meir Kahane and the Armageddon-theme racial and religious provocateurs.

According to knowledgeable Israeli sources, the following names are at or near the top of the list of perpetrators, whose covert funding of the Likud has brought the Mideast to the brink of disaster.

The Lansky-Dalitz Legacy

The most important Likud sources are associates of Michael Milken's multibillion-dollar scams of the 1980s and early 1990s, and of mob bosses Meyer Lansky's and Moe Dalitz's Las Vegas:

- **Jay Zises:** (pronounced "zee-sees"), a Likud funder with his wife Nancy. As of 2000, Jay was president of "Friends of the Israeli Defense Forces in the United States."

Jay Zises and his brother Selig founded Integrated Resources, a hyper-leveraged tax shelter. The Zises debt pyra-

mid blew out in 1989, defaulting on \$955 million. The scheme was financed by Drexel Burnham Lambert's junk-bond kingpin Michael Milken and his family, and by those backing Milken, including Zises' former boss Saul Steinberg, and executives of Carl Lindner's dope-running United Fruit/Chiquita Banana. A Federal judge ruling on a lawsuit against Integrated said, "This case arises from the ashes of what is regarded by some as the most spectacular scam of the 1980s."

Milken and others were jailed, but the Zises brothers, bought out by Milken's cousin Stanley Zax shortly before Milken was indicted and Integrated collapsed, escaped with a fortune.

Jay Zises created the Roundtable Political Action Committee, a U.S. election campaign-financing arm of the Milken clique, operating from Integrated's New York office. His brother Seymour was president of the coordinating "National PAC," which operated from Washington. Run in tandem with the American Israel Public Affairs Committee (AIPAC), these are the PACs which established, in America, the pattern of dirty-money election financing which rules Israel today.

Contributors to Jay Zises' Roundtable included members of the Meshulam Riklis family. Riklis, a mobster go-between for dope-runner Robert Vesco, Vesco's lawyer Kenneth Bialkin, and the Milken group, was Ariel Sharon's personal financial angel. Riklis donated the ranch where Sharon lives today, and where Sharon, Henry Kissinger, Riklis, Bialkin, and others planned the West Bank settlement land-scam and rightist offensive exposed by *EIR* in 1986.

Other Roundtable contributors included convicted Wall Street swindler Ivan Boesky; Saul Steinberg's family; the Milstein family, partners in United Fruit; and the family of Laurence Tisch (of Loews Corp. and Lindner's United Fruit apparatus).

- **Marc Belzberg:** Canadian funder of the Likud/West Bank settlers covert nexus. Marc's father and partner, the notorious predator Sam Belzberg, was part of the inner core of the Drexel/Michael Milken junk bond operation, and a sponsor of corporate raider T. Boone Pickens. The Belzbergs bought up large blocks of stocks, and took "greenmail" from companies wanting to avoid their hostile takeovers. Marc Belzberg and his family holding company First City Financial were sued by the Securities and Exchange Commission



(SEC) in 1986 and forced to disgorge \$2.7 million in profits, for “stock parking” with banker Bear Stearns in a takeover-scam against Ashland Oil.

The Belzbergs were partners in Zises’ Integrated Resources, and arbitrage partners of Roundtable PAC co-founder James Tisch, son of Laurence Tisch.

Marc Belzberg is a director of the *Jerusalem Post*, the right-wing daily controlled by the Anglo-Canadian rightist Hollinger Corp. of Canadian-born British Lord Conrad Black.

Belzberg is a major backer of Ateret Cohanim, the Sharon-linked Jerusalem yeshiva which is purporting to train the first “priesthood” for the Third Temple, which they plan to build on Jerusalem’s Temple Mount, the site of two of the holiest sites in Islam. Belzberg was personally involved in the scheme to open up tunnels under the Temple Mount, with the aim of causing religious warfare over the intended destruction of the Al-Aqsa mosque on the Mount.

- **Ira Rennert:** a heavy donor to Likud political campaigns. A partner in the giant Milken/Zises Integrated Resources scam, Rennert parlayed his loot into his current Renco Group conglomerate in Rockefeller Center, New York; his net worth is about \$500 million. Since the collapse of Integrated, Rennert has siphoned off funds from numerous businesses.

Besides right-wing Israeli policies, Rennert’s loot has paid for a Long Island home with 29 bathrooms and a 100-car garage. Benjamin Netanyahu is often a guest at Rennert’s house in Jerusalem.

Ira Rennert and his wife Ingeborg finance the Western Wall Heritage Foundation. As Prime Minister, Netanyahu

gave this New York-based group of fanatics physical control over the tunnel entrance to the complexes underneath the Temple Mount, putting Rennert’s foundation in charge of screening and admitting visitors.

- **Marvin Josephson:** Likud sponsor and longtime owner of the Hollywood and literary agency ICM (International Creative Management). Josephson has been chairman of “Friends of the Israeli Defense Forces.” He was chairman of the National PAC, under its founding president Seymour Zises.

Josephson is a cousin to Murray Wilson, a Lansky Syndicate money-launderer and soldier for the Genovese crime family who linked up the Russian Mafia with the Marc Rich apparatus in New York.

Marvin Josephson has a few personal clients, including Henry Kissinger. He was the agent for Kissinger’s recent book, *Does America Need A Foreign Policy?*

- **Henry Kravis:** sponsor of the right wing in Israel and U.S. Republican Party. Kravis’ ties to the Bush family, apprenticeship at Bear Stearns (Caribbean banker for Meyer Lansky, and the casinos), and multibillion-dollar schemes with Milken, have ballooned into Kohlberg Kravis Roberts’ total investment assets of over \$85 billion.

KKR used leveraged buyouts, forcing debt on the takeover target, selling worthless bonds to state pension funds, insurance companies, banks and \$20 billion to Milken’s Drexel Burnham. It was the very model for the bankrupting of the U.S. economy over the past quarter-century. Kravis’ \$25 billion takeover of RJR Nabisco (R.J. Reynolds Tobacco) was the subject of the bestselling book and movie, *Barbarians at the Gate*. The echoes of that gangsterism are still heard: In December 2002, the European Union charged RJR Nabisco with money laundering in a suit filed in U.S. Federal Court. The EU complaint says the firm has “engaged in and facilitated organized crime by laundering the proceeds of narcotics trafficking and other crimes. . . . Defendants have laundered the illegal proceeds of members of Italian, Russian, and Colombian organized crime through financial institutions in New York City, including the Bank of New York, Citibank, N.A., and Chase Manhattan Bank.”

- **Steven Wynn:** tough-guy casino owner and Likud backer. Wynn started in Las Vegas in 1967, with a small interest in the Frontier Hotel casino, then controlled by the Detroit mob. He later took control of the Golden Nugget casino. In 1980, with financial backing from Drexel Burnham Lambert, Wynn built the Golden Nugget casino in Atlantic City, New Jersey, where Meyer Lansky’s Resorts International had opened the first casino in 1978. Wynn sold the Atlantic City casino and took more from Milken’s Drexel to build the massive Mirage in Las Vegas, which opened in 1989. Drexel also funded other casinos, pumping billions of hot dollars into Vegas as part of Dope, Inc.’s transformation of its money-laundering center from a city run by the old-style

Mob, into a resort center with the organized-crime activities hidden behind slick corporate fronts. Wynn is a personal friend of Milken, his neighbor in Lake Tahoe.

The mid-1990s book, *Running Scared: The Life and Treacherous Times of Las Vegas Casino King Steve Wynn*, by the famous *Las Vegas Review-Journal* reporter John L. Smith, alleged that Wynn was a front for the New York Genovese organized crime family. Wynn sued the publisher for libel and won. Wynn is deeply feared in Las Vegas.

A biography of Steve Wynn on the Milken Institute website says, “Wynn is widely credited with transforming Las Vegas into a world-renowned resort destination”; and he is on the Advisory Board (chaired by Paul Volcker) of the Center for Strategic and International Studies in Washington, a trustee of the University of Pennsylvania, and a member of the board of the George Bush Presidential Library.

- **Mervyn Adelson:** of Hollywood, Las Vegas, and Tel Aviv, an investment partner of Dalitz and top donor and friend to Netanyahu. The former husband of TV journalist Barbara Walters and former chairman of Lorimar-Telepictures, Adelson is an investment manager in Los Angeles.

Cleveland mobster Moe Dalitz, who opened up Las Vegas with Lansky, teamed up with Mervyn Adelson to create the Rancho La Costa resort in California. Adelson and Dalitz spent a decade suing *Penthouse* magazine over an article claiming that this Adelson investment had become the favored hangout for American gangsters, where murders were planned in luxury and confidence. Jimmy “The Weasel” Fratiano testified that he met there to plan the murder of actor Desi Arnaz. The suit was dropped after *Penthouse* apologized to Adelson, but not to Dalitz.

Merv Adelson’s former attorney, Yaakov Ne’eman, became Israel’s Finance Minister under Prime Minister Netanyahu, and is one of Netanyahu’s closest advisers on law, donations, and investment subjects. As the scandal over Likud gangsterism has broken wide open, the governor of the Bank of Israel (central bank) has criticized Sharon’s policies; Sharon has responded by threatening to make Adelson’s man, Ne’eman, the Bank’s governor instead.

- **Sheldon Adelson:** casino mogul, one of four foreigners named by the *Jerusalem Post* as contributing over \$100,000 to the Likud’s 1996 election campaign (the other three were Ronald Lauder, Joseph Gutnick, and Irving Moscowitz). (Sheldon and Mervyn Adelson are not related.)

Sheldon Adelson bought out the Las Vegas Sands Hotel, pioneered by Lansky, Moe Dalitz and Bugsy Siegel. Adelson developed the massive Venetian Hotel/casino, its themes carefully modelled on Venice, the historical center of oligarchy, tyranny, and corruption. He has fought a long, bitter battle against the workers and labor unions in Las Vegas, and is a central player in the casino domination of politics—ownership of politicians—in Nevada.

Sheldon Adelson has poured huge sums into Israeli poli-



“Milken’s monsters,” the corporate raiders and junk-bond swindlers infamous in the Wall Street scandals of the 1980s and since, have been central contributors to the shift of Israel’s politics to the right, and to the armageddonist—despite a 1994 Israeli law forbidding political contributions from outside the country.

tics. He has sought approval to build casinos in Israel itself—as did Meyer Lansky—but has so far not succeeded. Adelson finances the Lubavitcher cult, which operates a right-wing political and dirty-money empire from Russia to New York’s diamond district, to Israel. The Lubavitchers, who agitated against the Oslo peace accords, are emerging as the dominant force in the Jewish community in Las Vegas—despite mainstream Jewish revulsion at their tactics and politics.

Last year Adelson was granted one of three gambling licenses (Steve Wynn also got one) in Macao, China, the former Portuguese colony near Hong Kong. Adelson says what Macao needs is a Vegas-style Strip, which he envisions building.

The Dirty Millions for Armageddon

- **Irving I. Moscowitz:** casino owner, Likud funder, and war-monger. *Time* magazine’s Sept. 29, 1997 issue profiled Moscowitz as a major danger to the Middle East peace process, in an article entitled “The Power of Money: American Millionaire Irving Who?? Sets Off Seismic Jolts in Israel”: “It was his [Moscowitz’s] bingo-parlor proceeds that financed

the Jewish zealots who set up house in an Arab neighborhood in East Jerusalem, nearly provoking violent confrontation with the Palestinians and casting a blight over the peace process. . . . His money helped prompt the opening of a new exit to an archeological tunnel in East Jerusalem a year ago that sparked a bloody three-day gun battle between Israeli and Palestinian security forces in which 76 people died. Trust between Israeli and Palestinian leaders has never recovered.”

Moscowitz made money selling hospitals to conglomerates, and in 1968 set up the Irving I. Moscovitz Foundation, which funds groups dedicated to expanding Jewish settlements in the Palestinian territories occupied by Israel after the 1967 War. This dollar stream increased markedly after 1968, when officials in Hawaiian Gardens, California, asked his Foundation to take over a failing bingo hall that was a crucial source of local tax revenue. Within three years the take on the parlor grew to \$33 million a year. While Moscovitz paid some to the impoverished company town, most of the money went to the Jewish settlers. He launched a movement called the Third Way, which subsequently became a political party in the Likud’s ruling coalition of 1996-99. The head of the Third Way, Public Security Minister Avigdor Kahalani, was the man through whom Moscovitz negotiated the opening of the tunnel in which 76 died. In an Israeli newspaper interview in August 1997, Moscovitz said he had helped Netanyahu financially, stating: “Yes, not much, and in the framework of the law, from my private funds.” He added: “Every time Netanyahu asked for advice, I helped. We are friends.”

The current Intifada started in September 2000, after Sharon made a visit to al-Haram al-Sharif (Temple Mount) and other holy sites in East Jerusalem, the formerly Arab-controlled part of the city, where Moscovitz had funded the building of a 132-unit apartment building for Jewish settlers in the Ras al-Amud neighborhood. Sharon fully backs this project, and he had himself, in October 1987, rented a flat in the Muslim Quarter of the Old City. Sharon draped an Israeli flag on the building, sparking a riot as he entertained 700 prominent Israelis. And when tension was further increased through a Panamanian front company purchasing St. John’s Hospice in the Old City’s Christian quarter so that 150 settlers could take possession of it, Sharon paid them a visit.

Behind both these incidents was Ateret Cohanim, which is training the priesthood for the apocalyptic Third Temple with major funding from Moscovitz. In 2000 alone, the Irving I. Moscovitz Foundation gave \$85,000 to Ateret Cohanim; \$90,000 to Old City Charities, for settlers in the Muslim Quarter of East Jerusalem; \$105,000 for the Hebron Fund (a hotbed of Kach Party terrorism, as in the case of mass-murderer Baruch Goldstein, who killed 29 Muslim worshippers in Hebron in 1994); and similar large sums to U.S.-based political groups (such as the American Enterprise Institute and the Zionist Organization of America) promoting war with Muslims.

• **Joseph Gutnick:** the Australian mining magnate and corporate predator, reputedly the richest man in the ultra-Orthodox Jewish world. Following the Nov. 4, 1995 assassination of Israeli Prime Minister Yitzhak Rabin, Gutnick poured over \$1 million of his personal funds into the Likud election campaign of Benjamin Netanyahu. Gutnick also financed a 5,000-person “get out the vote” effort by the Lubavitcher Chabad cult. Netanyahu had a razor-thin margin of victory over Labor Party leader Shimon Peres. Since then, Gutnick has poured additional millions into building Jewish settlements in occupied Palestine, and has constantly agitated for conflict with the Palestinians.

Writing in the Australian daily *The Age* on Feb. 3, 2001, reporter David Bernstein played down Gutnick’s financial contribution to Ariel Sharon’s 2001 election campaign: “Gutnick—mining magnate, the Lubavitcher Rebbe’s Special Emissary for the Integrity of the Land of Israel and the president of the Melbourne Football Club—is in the Holy City [Jerusalem] and on the campaign trail. . . . Gutnick is doing everything he can to ensure a Sharon victory, even though, given Sharon’s huge lead in the polls, Gutnick has not needed to bankroll an advertising blitz, as he did in 1996 to help elect Netanyahu.

“Four years before his death in 1994, Rabbi Menachem Schneerson, head of the Lubavitcher sect of Orthodox Jewry, entrusted Gutnick with ensuring that Israel is always ruled by a right-wing government committed to the territorial integrity of the Biblical Land of Israel. To achieve that, Gutnick uses his wide-ranging political contacts and considerable influence with Israel’s large ultra-Orthodox community, to which he has donated many millions over the years.

“Gutnick’s campaign in 1996—widely seen to have been decisive in Netanyahu’s election—came under close scrutiny from Israeli authorities, with claims of improper funding. An investigation later cleared him of any wrongdoing in both the 1996 and 1999 elections.

“‘It’ll be wonderful to have a right-wing government back in power,’ Gutnick said by phone this week. . . .”

Former Prime Minister Netanyahu visited Australia in August 2001, as Gutnick’s guest, promoting Australian backing for the Likud’s war policy, and officially opening the \$3 million replica of the New York headquarters of the Lubavitcher movement that Gutnick built in a Melbourne suburb.

Joseph Gutnick amassed a half-billion dollars by the late 1990s, speculating in and manipulating stocks of mining companies, with backing from the British Privy Council’s raw materials apparatus, such as Anglo American/DeBeers and Rio Tinto Zinc, and in partnership with mega-speculator George Soros. Gutnick’s fortunes were later somewhat deflated—while many stockholders in his companies have been wiped out from the collapse of Gutnick’s Centaur Mining Company.

The *Asian Journal of Mining* for July/August 1997 reported that Gutnick’s organization was buying up the Wa-



The illegal money flows into Israel to support the Likud, have been equally for Sharon's factional rival and former Prime Minister Benjamin Netanyahu, as for Sharon and his faction.

fangdian diamond mine in Liaoning province in China and the Mengyin diamond mine in Shandong province. With these acquisitions, the cult leader Gutnick would control approximately one-half of the national diamond output of China.

Gutnick is now suing Dow Jones, publisher of the *Wall Street Journal* and *Barron's*, claiming a *Barron's* article defamed him by implicating him in an Australian money-laundering scandal. Gutnick claims that *Barron's* implied he had laundered large amounts through the now-jailed Melbourne money launderer Nachum Goldberg, and then "bought Nachum Goldberg's silence so as to conceal his identity as one of Goldberg's customers." Gutnick also alleged the article implied he was "masquerading as a reputable citizen when he was, in fact, a tax evader who had laundered large amounts of money through Nachum Goldberg." Nachum Goldberg was jailed in June after pleading guilty to laundering at least \$42 million in black cash through Israel, for unidentified tax evaders, using an account at the ANZ Bank. Goldberg is described as an "influential" mem-

ber of the ultra-Orthodox Addas Israel community.

Geoffrey Robertson, the Australian barrister representing Dow Jones in the case, told the Victoria (Australia) Supreme Court on June 4, 2001, that he found it bizarre that "the article accuses the plaintiff of a series of offenses, stock manipulations, classic stock scams and frauds and connections with money-laundering," but that it was only the money-laundering connection that had become the subject of defamation proceedings. There are "seven reasons [given in the article] why [Gutnick] should be investigated by American regulators, the tax service . . . and why investors should beware of him when he comes in the guise of religious philanthropist, because of his record of exploiting religious charities for these purposes."

- **Steven L. Friedman and Menachem Atzmon:** partners in Likud money-laundering, with implications in the Sept. 11, 2001 terrorist attacks.

A Philadelphia lawyer, Friedman was the general counsel in the United States for the Likud party of Israel from 1984 (or, officially, 1988) to 1999. Friedman is a close friend of the Netanyahu family; he grew up in Wyncote, Pennsylvania, around the corner from Benjamin and his father Benzion Netanyahu, the senior aide to the late Israeli avowed fascist Vladimir Jabotinsky.

Israeli plutocrat Menachem Atzmon was co-treasurer of the Likud, along with Jerusalem Mayor Ehud Olmert, during and after the 1988 Israeli elections. In August 1988, Atzmon worked with Olmert and two other men to collect illegal contributions for the Likud from corporations, against Israel's party funding law, by providing fictitious advertising services to the contributors. Atzmon was later convicted in that campaign finance fraud, while Olmert was acquitted.

Up until his 1996 conviction, Atzmon was president of the Israel Development Fund (IDF), a U.S. tax-exempt foundation funneling money illegally to the Likud. IDF is one entity in a cluster of such false-front Likud money spigots, all run by Philadelphia attorney Steven L. Friedman, a partner in the Dilworth Paxson firm.

Friedman has overseen the Likud's U.S. fundraising since 1984, when he began arranging Netanyahu's broadcasts and meetings with American leaders. Netanyahu first met Mervyn Adelson at that time, and brought him into his inner circle along with Friedman and Ron Lauder. Friedman is a key leader of the Republican Jewish Coalition, founded and run by Detroit Purple Gang mobster Max Fisher, a longtime chairman of dope-running United Fruit. The Coalition finances and corrupts the U.S. Republican Party.

Friedman created a network of tax-exempt U.S. organizations tied to the Likud. The first entity, Israel Development Fund, began in 1989. According to Internal Revenue Service records, IDF gave money directly to the Likud, directly counter to the purpose of the U.S. tax exemption laws.

In *The Jewish Week* for Feb. 19, 1999, reporter Lawrence Cohler-Esses wrote: "Several former Netanyahu cronies say

the Israel Development Fund, which over six years raised about \$1.5 million, was of indirect help to Netanyahu. Another source claims that the fund helped finance Netanyahu's jaunts to the U.S. The fund did allocate several grants to youth programs, as it was originally set up to do; but only about half of its expenditures were for such programs. According to the fund's tax reports, it granted \$16,000 to 'Lichud'—evidently a distortion of Likud." Other donations include \$9,000 to "Shood Harabanim"—apparently a mutation of the name "Ichud Harabanim," a group of West Bank rabbis who have called on Israeli soldiers to refuse to obey orders if the Israel Defense Forces redeploy in the West Bank; \$13,000 to the settlers' journal *Nekuda*; another \$13,000 to "Gagner Aliyah," a contortion of "Gesher Aliyah"—a charitable organization supervised by Avigdor Lieberman, former director-general of the Prime Minister's bureau, a body later subject to criminal investigation.

Cohler-Esses obtained a list of IDF donors from 1989 through 1992, which included "[Irving] Moskowitz; New York businessman Joseph Mermelstein; Reuben Mattus, the late founder of Haagen Dazs ice cream, and his widow, Rose; and Manfred Lehmann, the late philanthropist and right-wing activist who defended Dr. Baruch Goldstein's murder of 29 Palestinians in Hebron in 1994. . . . In 1995 [tax reports] . . . Moskowitz's foundation [was reported as giving] 5,000 to IDF and 5,000 to the Likud party through Friedman. When questioned about this, Friedman, in the only brief interview he agreed to, said the listing of the political donation to Likud was 'a mistake.' Soon after the interview, Friedman filed an amendment to his Justice Department filing stating that the 1995 Moskowitz donation to Likud was, in fact, to the charity IDF."

Menachem Atzmon resigned as president of Friedman's IDF following his 1996 conviction for Israeli election campaign finance fraud. But his later U.S. activities would prove to be much more disturbing.

Atzmon and his business partner Ezra Harel are the majority owners (57%) of ICTS—International Consultants on Targeted Security—run by "former [Israeli] military commanding officers and veterans of government intelligence and security agencies," according to its website. In 1999, Atzmon's Netherlands-based firm took over management of security at Logan Airport in Boston, Massachusetts, through ICTS' subsidiary Huntleigh USA.

This convicted Likud criminal's firm was in charge of security at Logan Airport—inspecting passports and visas, searching cargo, screening passengers—when two airliners were hijacked from there on Sept. 11, 2001, and demolished the World Trade Center towers in New York.

Is it possible that Steven L. Friedman's exalted position in U.S. and Israeli politics lent influence to help accomplish the seemingly difficult task of vetting a man with Atzmon's past as the principal figure in security at Logan, and other American and European airports as well? (Atzmon's firm also advises the U.S. and other governments on airport security.)

Zionist Establishment Funds Likud

• **Ronald Lauder:** heir of his mother Estée Lauder's cosmetic billions, rightist ideologue, and leading Likud contributor and funding coordinator. Ronald Lauder is treasurer of the World Jewish Congress and a trustee of the Special Reserve Fund of the Anti-Defamation League (ADL) of B'nai B'rith. His Ronald S. Lauder Foundation, operating in the former East bloc, paid for the ADL to open an office in Vienna, Austria, where Lauder was U.S. Ambassador in the 1980s. One of the WJC and ADL's top priorities in Central and Eastern Europe is the protection of hedge fund operator George Soros. The Lauder Foundation works in tandem with Soros' Open Society Institute, which advocates legalization of all narcotics and supports for the Colombian FARC and other narco-terrorist agencies. After serving as U.S. Ambassador to Austria in the 1980s, Lauder personally became a major investor in privatized Eastern European properties.

Lauder was named (by Secretary of State Sir Lawrence Eagleburger, former president of Kissinger Associates) to head the Central European Development Corporation (CEDC), which was created under a Federal act to function as a kind of pig trough for those with influence around the diplomatic community. CEDC is a consortium that mingles U.S. Congress-appropriated monies with those from private businessmen. With offices in Berlin and Budapest, CEDC invests in privatized Eastern European businesses for a nickel on the dollar.

A cover story in the Jan. 29, 1996 issue of New York's *The Jewish Week* reported that Lauder was funding Benjamin Netanyahu's campaign for Prime Minister in that year. This created a scandal and crisis for Lauder, who was running for chairman of the "politically neutral" Council of Presidents of Major American Jewish Organizations (CPMAJO). Within the CPMAJO, 20-odd leaders who favored the Oslo Accords peace process decided to protest Lauder's nomination.

The report that had been put together by investigative reporters of *Jewish Week* and the Israeli daily *Ha'aretz*, suggested the "possible existence of flows of cash and indirect support from Lauder to Netanyahu's political activities." The article was bolstered by the staff-swapping between Lauder and Netanyahu, including the Prime Minister's loaning of his 1996 American campaign strategist, Arthur Finkelstein, who then served as Lauder's consultant during Lauder's failed 1989 run for the New York Mayor's office.

The 1996 article, and the 1999 *Jewish Week* article about the Philadelphia money laundering, both spotlighted Lauder's boss role with the rightist think-tank, von Hayek feudal-ist economics propaganda unit, and Likud campaign nest, the Shalem Center in Jerusalem.

Lauder was the Shalem Center's chairman, founder, and funder. Shalem's executive director and fundraiser Steven Schneier worked as an aide on Netanyahu's campaign, raising

money for the Likud. But Schneier was previously the paid full-time director of Philadelphia lawyer Steven Friedman and Menachem Atzmon's tax-exempt charity, the IDF. From 1990 to 1994, leading up to and immediately after Netanyahu's primary campaign, Schneier received a total of \$220,000 from the IDF.

Then in 1994, Ron Lauder contributed \$36,415 to Steven Friedman's other Philadelphia tax-exempt front, the Israel Research Foundation. In 1995 and 1996, Friedman's Schneier went on the payroll of Lauder's Shalem Center—where he worked for the Likud election campaign.

Both the IDF and the IRF tax-exempt charities were dissolved on the same day in 1997.

- **Mortimer Zuckerman:** real estate kingpin, media baron, promoter of Likud and war. Zuckerman owns *U.S. News & World Report* weekly magazine, and the *New York Daily News*. In his own *U.S. News* column, he agitates for war against Saudi Arabia and other targets of Sharon's rage. Zuckerman's Boston Properties firm owns nearly 150 expensive offices—including Citicorp Center, hotels, and industrial sites in Boston, Manhattan, San Francisco, and Washington.

Zuckerman is a director of "Friends of the Israeli Defense Forces."

A few years ago, the powerful media boss sought the honor of succeeding Ron Lauder as chairman of the Council of Presidents of Major American Jewish Organizations, to take over in 2001 when Lauder's term as chairman was to end. In Jewish organizational circles, this position is known familiarly as "King of the Jews." But Zuckerman ran into trouble. It seems his marriage to a non-Jew, art curator Marla Prather, was deemed non-kosher by the racists in the Council. This was disposed of: in Summer 2000, Zuckerman divorced Prather. He was advanced to the head of the line of candidates, and took over as CPMAJO chairman in July 2001.

- **Morton Klein:** president of the Zionist Organization of America (ZOA), a right-wing lobby and Likud promotion agency. ZOA campaigned actively against the peace policies of Israel's Rabin government, as part of the U.S.-based agitation which led to Rabin's assassination. Among Klein's financial backers are Moscowitz, and leading supporters of Meir Kahane and Kach Party terrorists.

In July 2001, U.S. intervention moved Israel to block a catastrophic religious provocation at Jerusalem's Temple Mount. The next day—July 30, 2001—Armageddonist "Evangelicals" and their right-wing Jewish Zionist allies converged on the White House. Klein and other participants in that secretive meeting later told *EIR* that the "end-timers" conveyed a chilling blackmail message to President Bush: Approve an all-out war on Palestinians by the Israeli regime, or your Evangelical Christian political supporters will desert you. They said, according to the participants, that there are about 70 million Evangelical Christians. If only 10% of them are solidly behind the extremists settlers' agenda, that is an enormous force that could swing the balance of U.S. political power and destroy the Bush Presidency.

Others at the White House that day, meeting Bush liaison Tim Goeglein, included representatives of Pat Robertson's Christian Broadcasting Network, the "International Christian Embassy in Jerusalem"; end-of-the-world sects seeking to rebuild Solomon's Temple; and a Jewish ally of Klein's. The same day, before delivering their blackmail message, the group met at a luncheon with Sharon's Ambassador David Ivry, to discuss what they would tell the Bush Administration.

- **Joe Marmelstein:** New York watch importer and big Likud donor. Marmelstein is affiliated with the end-times Ateret Cohanim, and with Jewish Defense League terrorist circles, according to sources.

Why did Netanyahu provoke Muslim horror and anger by opening the tunnel at the Temple Mount? The *Miami Herald* reported, "Sources in Netanyahu's Likud and former Labor government officials cite a political payoff to several key American campaign contributors, including Irving Moscowitz, one of the top bankrollers of Jewish settlements in the West Bank and Gaza Strip, American watch importer Joe Marmelstein and Canadian Mark Belzberg [who] pressured Netanyahu to open the tunnel."

- **Rose Mattus:** ice cream empress and funder of thugs in America and Israel. She and her late husband made a fortune from owning the Haagen Dazs ice cream company. A heavy contributor to the Likud, Rose Mattus was an early sponsor of Rabbi Meir Kahane, founder of the terrorist Jewish Defense League. She reportedly opposed Kahane's move to Israel, but is a leading sponsor of the memorialization of the genocide-promoting Kahane as a Jewish hero.

- **Aish HaTorah organization:** Likud money conduit and propaganda agency. Posing as an Orthodox Jewish religious group, Aish HaTorah is a sophisticated psychological center garnering major contributions for the Likud/extreme right apparatus. Among important donors are actor Kirk Douglas and talk show host Larry King. Aish HaTorah's headquarters is in East Jerusalem, and it has offices in New York and Los Angeles. According to the Israeli Labor Party's current General Secretary, Knesset (parliament) Member Ofir Pines-Paz, Aish HaTorah is suspected of acting as a secret channel illegally funding Netanyahu.

Aish HaTorah runs HonestReporting.com, a McCarthyite "Internet police" organization created to attack American critics of the Likud war policies. This operation mobilized hard and fast to kill the 2001 "Israeli art students" espionage scandal related to the Sept. 11 attacks, after that story was broken by *EIR* and by Fox News in December 2001.

One aspect of the Aish HaTorah money flow is the group's Jerusalem Fund, created in 1992 in conjunction with Jerusalem Mayor Ehud Olmert. It is part of Olmert's complex of dirty-money Likud front organizations, including his own New Jerusalem Fund, which raises political cash from Armageddon-seeking Christians in America.

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