

# Sharon Faces Election Scandal, Threatens War

by Dean Andromidas

Reacting to the worst election scandal in the history of Israel, which is engulfing his Likud party, Prime Minister Ariel Sharon has launched a major war propaganda campaign for the Jan. 28 general election. Sharon and his cronies, through public statements and leaks to the press, have generated wild headlines: “Masses of Israelis To Head Overseas in the Event of Attack”; “Americans Hint at Attack Date To Allow Election Deferral”; “Israel on High Alert January 15th”; “U.S. Embassy Moving to Eilat in Event of War”; and “Threat of Black Death Looms.” Syria has even been accused of hiding Saddam Hussein’s weapons of mass destruction.

Far more serious is the very real escalation of violence Sharon has initiated in the occupied territories. It has counted tens of Palestinian deaths and, after more than a month’s hiatus, sparked Palestinian revenge attacks on Israelis. This violence reinforces the disorientation and despair of the Israeli population, Sharon’s hope to cling to power.

Speaking before high school students on Dec. 30, Labor Party Chairman Amram Mitzna denounced Sharon for “spreading the clouds of war and fear,” to distract the public debate away from the fact that Sharon has led Israel into a state of collapse, and now threatens to allow organized crime to take over the country. “The war in Iraq is not our war,” Mitzna said. “The probability is low that Iraq will attack us, and Iraq’s ability to attack is much lower than it was during the Gulf War.” Mitzna then hit the election scandal, declaring, “Anyone who votes Likud will end up with a government infiltrated by organized crime. Soon we will have a Knesset [parliament]—or perhaps a government—controlled by organized crime.”

This threat should also seriously worry the United States, Europe, and all those wishing to avoid a new Middle East war. But international media have all but ignored what is clearly Israel’s most devastating scandal ever. Known organized crime figures secured the nomination of top members of the Likud party, including Sharon’s son, to the best slots in the Likud candidates’ list for the Knesset election. The scandal follows *EIR*’s exposé of the U.S.-based financial apparatus which has illegally funded Likud campaigns for the last two decades, particularly those of Benjamin Netanyahu and Sharon.

## Sharon’s Gangsters Take Over Likud

As reported in *EIR* on Dec. 27, 2002, the election scandal broke open as Likud members, seeking votes from among the

3,000 members of the Likud Central Committee, in order to be nominated to the party’s candidates list, filed complaints reporting widespread demands for cash for votes, by so-called “vote contractors.” The latter included senior members of the Central Committee who were well-known organized crime figures. Since Dec. 17, when the police made their first arrests, more than a dozen Likud activists have been questioned intensively by Israel’s National Fraud Squad. Since then the media have been filled with exposés of the sleaze that has permeated the Likud. On Dec. 30 the police contacted Deputy Infrastructure Minister Naomi Blumenthal for questioning.

The Prime Minister’s response has been to hire U.S. neo-conservative campaign spin-doctor, Arthur Finkelstein, who has advised throwing a few of the “tainted” Likud members to the lions, in order to save Sharon’s own skin and in the hope that Likud can win the election, in which it was massively favored only a month ago. Thus, Sharon threw Blumenthal out of his government on the pretext that she chose to remain silent under police investigation.

But these tactics have only created a “rat against rat” atmosphere throughout the party. Refusing to be meat for Sharon’s lions, Blumenthal stated her “shock” at Sharon’s action, and that he had made “no effort” to speak with her to find out the facts, “preferring to turn her into a scapegoat.” Blumenthal’s associates said they were “amazed” that Sharon “preferred to deal with Blumenthal and not with another Likud candidate who chose to remain silent in the non-profit organizations affair.” This is a reference to Sharon’s son Omri, who zipped his lip in the investigation earlier this year into the illegal financing of his father’s 1999 primary campaign by dirty money from the United States.

Blumenthal’s campaign chief, Benny Mazgini, told Israel’s Army Radio, that he would testify that Ariel and Omri Sharon both acted illegally in the primary, and in the party’s massive membership drive—coordinated by Omri Sharon—which brought gangsters on to the Likud Central Committee. “I will give testimony on what I saw and how things were handled. I will tell the police how people were registered, who controlled them, and how the mafia and underworld heads joined the party.” The police reportedly are already investigating these charges, and have identified the center of the corruption as Sharon’s role in allowing the entry of well-known gangsters into the Likud Central Committee.

The *Jerusalem Post* reported on Jan. 2 that the police are also investigating a meeting, in which Sharon’s cronies were able to fix the voting rules at the Dec. 8 Likud Central Committee convention to the benefit of Sharon-backed candidates. The meeting included not only these candidates, but the Likud’s director general Arik Baram, and Uri Shani, who was co-president of the Likud convention. Shani is famous for being Sharon’s top crony for over 20 years, and is already under police investigation for his involvement in the illegal financing of Sharon’s 1999 campaign.

One candidate present at the meeting told the *Jerusalem*

*Post*, “Everything was planned in advance, just like in the mafia. . . . I knew this deal-making would end up hurting the party, and the investigation of the past weeks proved me right.”

### **The Moussa Alperon Gang**

*EIR* revealed the role of the “Moussa Alperon Gang” in the Likud Central Committee, in its Dec. 27 issue. In addition to Alperon, the gang includes Reuven Gavrieli, whose niece won a high slot in the Knesset candidates list; and Shlomi Oz, an ex-convict, whom Omri Sharon calls his “good friend.” This group was responsible for the so-called “Big Deal,” which ensured the candidacy of both top party members and shady newcomers.

In a hard-hitting investigative report, Israel’s Channel 2 TV revealed the involvement of Shlomi Oz in criminal embezzlement and how he won access to government contracts worth millions of dollars. Channel 2 reported that Oz was involved in the affair of the Trade Bank, which collapsed last April when it was revealed that one of its directors, Etty Alon, embezzled over \$50 million. Alon claimed she took the money to pay off the gambling debts of her brother, Ofer Maximov. Thousands of depositors lost their life savings.

Channel 2 reported that when the bank crashed, Shlomi Oz was in a Bucharest hotel room with Maximov, along with two other organized crime figures, Yossi Malka and Gabi Ben-Haroush. The latter two are members of the “Jerusalem gang,” and Malka himself is on trial for having kidnapped Maximov in order to collect the gambling debts.

The story was not just an exposé of Oz, whom everyone knows to be a gangster, but of how corrupt Likud politics has become. According to police records, the above information was collected through tapping Oz’s cell phone, registered to his Tzevet Bitahon security company. This company not only guards Likud headquarters, but also the offices of Prime Minister Sharon. Channel 2 revealed that Tzevet Bitahon was also able to win the contract to secure six of the major international entry points into the State of Israel. That contract was approved by the Chairman of the Israeli Airports Authority, Zviky Shalom, the brother of Finance Minister and Sharon cohort Silvan Shalom.

Now it is revealed that other friends of Oz are implicated in financing the Likud campaign. One Benny Ravizada, king of the “gray market” loan sharks, who was indicted for being involved in the \$50 million Trade Bank embezzlement, turns out to be a key funder of the Likud. Police are investigating an illegal contribution of \$1 million he and his associates made through his dirty-money network. The Israeli daily *Ha’aretz* reported that Ravizada also contributed to the 1996 campaign of Likud member Moshe Katzav, who is currently the President of Israel!

The same Ravizada is friends with the third member of the troika of gangsters on the Likud Central Committee, Reuven Gavrieli, who ensured a place on the candidates list for his niece, Inbal Gavrieli—a cocktail waitress who had only de-

cided to enter politics a few weeks earlier. Her father, Shoni, owns the Ariana night club where he hosted “election rallies” for his daughter, wining and dining Sharon’s top ministers, including Police and Security Minister Uzi Landau.

*EIR* has learned that Reuven Gavrieli operates casinos in Romania and Georgia, for which country he is an “honorary consul” with diplomatic license plates. In the 1980s and 1990s, Gavrieli operated a string of casinos in Turkey, until casino gambling was declared illegal a few years ago. His partner at the time was Omar Luftu Topal, known as the “casino king” of Turkey and key player in the Turkish organized crime scene. Topal was assassinated in July 1996 when he got caught up in the organized crime links that stretched from former Turkish Prime Minister Tansu Ciller, to the Turkish secret services, the Turkish mafia, and the terrorist Kurdish Workers Party (PKK). His assassination was said to have been ordered by Ciller.

One of Gavrieli’s business acquaintances told *EIR*, “You know, when I first met Gavrieli, he looked like a gangster; you know, the type you want to walk away from.”

Moussa Alperon, leader of this collection, offered his resignation from the Likud in late December because he was “damaging the party.” But after Sharon’s education minister and the Likud’s own wicked witch, Limor Livnat, issued an arrogant statement bidding “good riddance” to Alperon, he said that he was so “hurt” that he would withdraw his resignation and was ready to “expose their mafioso ways”—reveal the Likud’s complicity in all his activities, a trail which will lead directly to Sharon. Alperon’s buddy Shlomi Oz has also officially resigned; this will not prevent the police from questioning Omri Sharon about his “good friend” Oz.

### **Sharon’s Grand Mafia Design**

As the news emerged of the role that gangsters are playing in the Likud party leadership, it was revealed that Sharon wanted to dismantle the Israeli Civil Service Commission, the independent body that oversees the appointment of civil servants. The move was stymied through the intervention of Attorney General Elyakim Rubinstein, despite his known sympathies with the Likud. It was an obvious attempt to remove an obstacle to Sharon’s appointment of picked cronies throughout key civil service positions, including the police, security services, the post office, and the government’s own regulatory agencies.

Sharon ordered Likud representatives on the Israeli Election Commission to block an attempt to keep Baruch Marzel from the number-two election slot in the Knesset list of the ultra-right-wing Herut party. The Attorney General and the Chairman of the Commission recommended Marzel be struck from the list as one of the founders of the fascist Kach party, which is officially an illegal terrorist organization under Israeli and U.S. law.

Sharon then ordered the Likud commission members to vote to ban Israeli Arab Knesset members Ahmed Tibi and Azmi Bishare, allegedly for making statements against the

## Central Bank Warns

According to Dec. 30 reports from wires and Israel's daily *Ha'aretz*, the governor of the Central Bank of Israel has warned that a major Israeli bank could go bankrupt in the immediate period ahead, and—more remarkable—has called for a national economic infrastructure investment policy as the only means to stop the economic collapse which has characterized Prime Minister Ariel Sharon's term. Sharon immediately mooted replacing the governor, David Klein, with a Likud party figure.

David Klein had told *Ma'ariv* in a Dec. 27 interview that "it is not beyond the realm of belief that a major bank will collapse." This, within an environment in which the Israeli shekel has been collapsing against the dollar for over a year, caused another loss of 0.55% as of Dec. 27. Later, the Central Bank governor qualified the statement, saying that he was not identifying a specific bank, but was making a generic warning.

But in the more important statements on Dec. 30, Klein

urged that Israel immediately begin to make investments in physical infrastructure—railroads and other ground transportation, electricity, gas, water, sewage, ports, and communications—insisting that overcoming the deficit in these areas is a precondition for economic growth.

Klein also called for reducing the number of government ministries; creating a socioeconomic cabinet, divided away from the security cabinet; and blocking the use of cheap foreign laborers, by raising the costs of hiring them (presumably by taxes or by forcing employers to pay higher wages).

Prime Minister Sharon responded angrily to the publication of these policy proposals, demanding an explanation from Klein. *Globe-online* reported that Sharon's office "is using crude language to describe [Klein]."

Sharon, according to the same reports, is now considering replacing Klein with Yaakov Ne'eman. A former finance minister, Ne'eman is a go-between for the Likud and American dirty-money donors, such as Merv Adelson, for whom Ne'eman was formerly an attorney. Ne'eman is on the World Bank central committee.

State of Israel. This, too, was in opposition to the recommendations of the Commission chairman. The move is an obvious attempt by Sharon to provoke an Israeli Arab boycott of the election, which would sabotage the peace camp's efforts to win a majority in the next Knesset.

These moves are part of Sharon's grand design for an Israeli that will be willing to carry out his fanatic designs for a "greater Israel." For this he needs a political base that will support the continuation of a perpetual state of war between Israel and its Arab neighbors. In the past two years, Sharon has built up a *military* leadership who share his own hard-line views. Through these elections, he seeks a political base of obedient or corrupt cronies and organized-crime business interests. Sharon himself is unmistakably the top gangster in the Likud. He enjoys the backing of key players in international organized crime (see accompanying article), who make Moussa Alperon, Shlomi Oz, and their ilk look like street corner punks. His dictatorship would make Israel the world capital for organized crime. And, unlike a Latin American "cocaine republic," Sharon's outlaw state will have weapons of mass destruction.

### Doom and Gloom in Likud

But Sharon's plan may defeat itself. In three weeks of continuous scandal, Likud has taken a beating in the polls, and could even lose the elections. At the end of November, polls were predicting 41 seats for the Likud, more than double its current strength. But current surveys predict no more than 31 Knesset seats, and falling. On Dec. 25, the Likud held its big event launching its campaign. Only Sharon and his crony,

Jerusalem Mayor Ehud Olmert, were allowed to speak. Then Limor Livnat attempted to lead the crowd of a scant 100 activists in patriotic songs; in minutes, they began to leave. *Ha'aretz* reported on Dec. 26 that party activists, including Likud mayors who are supposed to lead the campaign at the grassroots level, say no one has been given directives or campaign funds.

*Ha'aretz* quoted Lior Katzav, a local mayor and brother of Israel's President, about a colleague who went to Likud headquarters to collect campaign instructions. "He told me," Katzav related, "that as a longtime Likud member, he had never seen such a thing, that he found the large building like a haunted house. The workers were afraid to talk, and everyone was busy reading newspapers about corruption-related affairs. . . . Finally they told him that there wasn't any more budget and there was no lists and there was no anything." Of his own city, Katzav said, "The people of this town do not believe that the elections will change anything. They are disappointed and despairing. I meet citizens and I see their burned-out looks. I meet the regular activists and I see that the fire has gone out of their eyes. Their enthusiasm is gone." Katzav then relates how he himself had to pay 10,000 shekels to a vote contractor in his failed bid to get on the Likud Knesset list; Benjamin Netanyahu and the latter's crony Yisrael Katz double-crossed him, for a deal with Sharon, so that Omri Sharon would be on the list. "Pick up the phone to people and call them to come to activities and they'll tell you, 'No thanks, we're not interested.' Likud members are fed up with what happened at the elections for the list of Knesset candidates. . . . They tell you that they aren't prepared to work for this list."