

Report from Bonn by Rainer Apel

Money laundering for the SPD

The investigation of the Friedrich Ebert Stiftung may hit top Social Democratic leaders hard.

Over a period of one year, the Social Democrats here have unsuccessfully tried to turn part of the "Flick" party bribery scandal into a means of toppling Christian Democratic Chancellor Helmut Kohl. The investigation of the Chancellor's possible involvement was formally dropped in May. But now, the Social Democrats themselves have been hit by a scandal involving the Friedrich Ebert Stiftung (FES).

The FES is being investigated for illegal money transfers, misuse of its status as a foundation, and even money laundering. Rumors have it that several tens of millions of deutschemarks passing through the foundation are not in the foundation's books. Considerable sums of money, which the FES received from German industry donors, were transferred to the Fritz Naphtali Foundation in Tel Aviv, which turns out to be a mere letter-box venture, with a telephone that no one ever answers.

The main interest of the German investigators right now is a secret bank account kept in Basel, Switzerland, at the Internationale Genossenschaftsbank (Ingeba). As it turned out, millions of deutschemarks were placed in this bank account by Alfred Nau, the treasurer of the Social Democratic Party (SPD) until 1982. The director of the Ingeba board is Walter Hesselbach, a West German banker with many connections to the international underworld of real-estate speculation and dirty-money transactions. A So-

cial Democrat, Hesselbach is also on the board of the FES, the same board which decides where the donations the foundation receives are to be invested.

Moreover, Hesselbach is the man who founded the Fritz Naphtali Foundation in 1961.

From the Naphtali Foundation, connections reach into the Bank Hapoalim in Tel Aviv, the Histadrut labor confederation, and the Israeli Labor Party, and back from there into the German Social Democrats and the BFG, the German Labor Union Federation's Bank für Gemeinwirtschaft.

Well, such investigations take a long time, one might say, and little may come out in the end.

This is certainly true. In fact, the FES has been under investigation since 1982. It was not until mid-June that the prosecutors decided to raid some financial offices of the BFG, the FES, and the SPD, securing a lot of documents and bookkeeping material. This should have come earlier, because, as happens in these kinds of affairs, the responsible parties, those who could tell the whole story, have a habit of dying off rather quickly.

The following people are already dead in the FES/Naphtali affair:

- Alfred Nau. The Social Democratic Party treasurer during the period in question died in the summer of 1982. His successor, Friedrich Halstenberg, happens to know nothing of what Nau did. Nau never told him, naturally.

- Henryk Margulies. Walter Hesselbach's main representative in

Tel Aviv died of a heart attack.

- Jakob Levinson. The president of Bank Hapoalim, who knew about his bank's relations to the Naphtali Foundation, decided to shoot himself in the head in February 1984. The same Levinson happened to be the only person, outside Hesselbach himself, who knew the details of all the money transactions. Hesselbach himself, of course, is not talking.

The SPD, naturally, knows nothing of the affair. But the German prosecutors are investigating where 40 million deutschemarks for the Social Democrats' election campaigns in 1980 actually came from. The documents, if there ever were any, went with the late treasurer Alfred Nau, who had been working for the FES for decades. What is known is that the FES, the SPD's political foundation, placed a lot of money in the Naphtali Foundation's bank account in Basel.

While those who died can tell no tales, the membership list of the FES board "speaks." It reads like a leadership list of the SPD: Holger Börner, acting governor of the state of Hesse; Horst Ehmke and Egon Bahr, the key strategic policy makers of the SPD; Peter Glotz, national party manager of the SPD; Peter von Oertzen, publisher of *Vorwärts* magazine, the Social Democrats' official party publication. And, last but not least, Johannes Rau, the Social Democrats' chancellor candidate for the national elections in January 1987.

All of this is now being investigated, and it will take time. But six months before the next national elections, Johannes Rau and his SPD associates cannot welcome such an investigation, with all the bad media headlines it will entail.

Worse may happen than just bad headlines: The affair could end some very prominent political careers in the SPD. Let us hope so.