

Israel Elections: Sharon May Sink in Likud Money Scandals

by Dean Andromidas

Speaking of “adding hope to the United States’ Middle East agenda” in Washington on Dec. 12, Secretary of State Colin Powell announced a new \$29 million program aimed at promoting “democracy” and open economic policies throughout the region. The program did not aim at Israel, however, he said, because it is the “Middle East’s only democracy” and therefore not in need of political reforms.

Israel’s current general election campaign, therefore, should serve as an example of democracy in action; a campaign where war and peace should be at the center of political debate. On one side is Prime Minister Ariel Sharon, whose policies have led to two years of the worst bloodshed in the region’s bloody recent history, and whose backing from the war party in Washington threatens to allow Israel to ignite the Clash of Civilizations between the Muslim world and the West. On the other side is the Labor Party’s Amram Mitzna, like Sharon a retired general, who hopes to revive the peace policies of slain Prime Minister Yitzhak Rabin. Paralleling Mitzna’s efforts are those of the rest of the peace camp led by the dovish Meretz party and the Israeli Arab parties. Since Sharon won the Likud party primary, the international media has been pushing the line that he, enjoying the unprecedented backing of President George W. Bush, will easily win a landslide victory as the “strong leader” Israelis are said to want.

But generally missing from this coverage, is the fact that a major election scandal threatens to expose the “Middle East’s only democracy” as a banana republic. Israeli police have opened an official investigation into the internal Likud elections for the party’s list of candidates for the next Knesset (parliament). Police have already arrested four party officials amid reports of cash payoffs, vote manipulation by organized crime elements, and kickbacks. The dirty trail leads directly to George Bush’s “good friend,” Ariel Sharon. It dramatically confirms the *EIR* exposé of Dec. 13, “Exposed: Dirty Money

Schemes, To Steal an Election for Sharon.”

How ‘Mideast’s Only Democracy’ Works

On Dec. 8, the 3,000-member Likud Central Committee held its convention to elect candidates for the Jan. 28 general Knesset election. The event was described in the Israeli daily *Ha’aretz* as “a spectacle that looked like a cross between a Turkish bazaar, a Nigerian riot, and a Hamas funeral in Gaza.” The committee deliberated on who will become Israel’s future lawmakers amid reports of cash payoffs, fist fights, and ballot fraud.

Under the Likud party’s “democratic” system the Central Committee elects candidates to preference slots from 1 to 120. While Sharon and former Prime Minister Benjamin Netanyahu (currently Sharon’s Foreign Minister) were named automatically to the first and second slot, the competition for the rest was feverish, because those who did not reach the top 30 slots were unlikely to enter the Knesset. This democratic process was not open to the press, but *Ha’aretz* correspondent Ari Shavit managed to infiltrate the event, and reported: “Anyone who has managed to sneak into the completely closed area of Booth 26 understands exactly why the media was not allowed to enter: the Likud has no interest in having the public see how the large intestine of its internal democracy functions. It has no interest in having the public see the defense minister and finance minister of the State of Israel sweating and frightened as they kowtow to the odd collection of Central Committee members. Or to see . . . Pnina Rosenblum [the “cosmetic queen of Israel”], deeply cleavaged, sitting for hours on a high chair at the entrance and bending over to every delegate who enters before planting two wet kisses on his cheeks. Or Deputy Minister [Naomi] Blumenthal standing barefoot on a stainless steel slate that rests on a cardboard carton, distributing seductive smiles in all directions.”

After the convention, the press trumpeted a great victory for the extreme right wing of the party, the camp of Netanyahu, Sharon's big rival. But a closer look at the list revealed that among the top 30 candidates were a nightclub cocktail waitress—whose father is a suspected crime boss—a tire repairman, and figures hitherto unknown to Likud politics. *Ha'aretz*, referring to the striptease artist Cicciolina elected to the Italian Parliament in the 1980s, wrote: "The 16th Knesset will include some Likud representatives whose candidacy is as legitimate as the Italian Stripper. . . . These people represent a phenomenon that stands to undermine the status of Israeli politics and public ethics. . . . The Likud Central Committee must provide a convincing answer [as] to why it chose as its emissaries for national leadership, a tire-repairer, a student whose family has been under intelligence surveillance by the police, a former secretary of the prime minister's office, a minister's driver, a local council deal-maker who failed to pass the civil service exams, and several ambitious young people whose sole public experience is having spent two years in the proximity of a minister." And the list included Moshe Feiglin, often called a "Jewish fascist" and "Jewish Nazi," who is Israel's Meir Kahane of the 21st Century.

Within hours of the closing of the Likud convention, candidates who found themselves at the bottom of the list revealed demands for thousands of dollars by "vote contractors" in the Central Committee, in return for votes. One candidate, Haim Cohen, told *Ha'aretz* he was asked to pay \$70,000, and another candidate was asked to pay the equivalent of \$200,000. One candidate's secretary told Israel's Channel 2, that her boss told her to plaster a bumper sticker with his name across her chest, and begin to offer sex to Central Committee members in return for their votes. But far more ominous, were revelations that several of the committee members, controlling hundreds of votes, were among Israel's top crime families.

First Arrests Made

Within days of these exposés, the Israeli police opened an official investigation, and by Dec. 17, made their first arrests: four Central Committee members, including Gil Haddad and Haim Naim, top party apparatchiks from the city of Lod. Both were accused of asking for cash—up to \$300 per vote—and both are cronies of Sharon. According to *Ha'aretz*, Haddad "is considered a key figure in the Central Committee, who often brags he has an open line to Prime Minister Ariel Sharon. His lawyer, Ari Kedri, mentioned that connection during yesterday's court hearing as evidence of his client's good character." Other arrests are expected.

One candidate, Ruhama Avraham, secretary to Benjamin Netanyahu as prime minister, reportedly paid the fee, and although a political novice, won the 18th slot, which all but guarantees her a seat in the next Knesset and a fat cabinet portfolio should Likud win the next government.

In former years, supporters at Likud conventions would welcome Ariel Sharon with shouts of "Arik, King of Israel!"

But at the next convention, shouts of "Arik King of Sleaze!" will be more more appropriate. The "deal-makers" in the Central Committee represent the top organized crime families in the country. For Israel's Al Capones, the real payoff comes after the elections.

Writing in *Ha'aretz* on Dec. 17, commentator Amir Oren called Likud, "No longer a party that has criminals, but criminals who have a party. When three high-ranking officials of the Public Security Ministry—the minister, his deputy, and his assistant—were all subject to the mercies of the Central Committee in the struggle over their places on the list, very few organs of power remained outside of the control of crime."

The revelations are biting deep into the fabulous polls that showed Likud winning over 40 Knesset seats. Sharon's advisers have stopped talking about doubling Likud's number of seats, as more and more of its candidates who found themselves victimized at the hands of the Central Committee, make their way to the offices of the National Fraud Squad. *Ha'aretz* wryly commented, "Only President Bush and his war on Iraq can save the day, and so far, he's keeping quiet."

Sharon has responded, as before, by lying his head off that he knew nothing, and has called on Justice Minister Meir Sheetrit (who won the number 16 slot on the Knesset list) to form a committee of party elders to investigate and propose changes to the primary process. But he cannot escape his own responsibility. Sharon chose to have the election of the Knesset list carried out in the Central Committee, rather than in primaries, involving the whole party membership. He replaced the old Central Committee, which was identified with Foreign Minister and former Prime Minister Benjamin Netanyahu, with a committee 60% of whose members were newly chosen since Sharon's primary victory.

The 'Big Deal'

According to investigations by *Ha'aretz* and other sources, the candidates who made it to the top of the Knesset list did so because of a "big deal" involving several Central Committee members who were among the top crime families in Israel, and who controlled hundreds of votes among the 3,000 Central Committee members. Some of these candidates are currently among the most important ministers in Sharon's government, and would also be in his next government if Likud should win the elections. Sharon's son Omri was part of the "big deal." But the *capo di tutti capi* of the Likud, and of its "big deals," is Ariel Sharon himself.

The king-makers are led by the infamous Moussa Alperon, the Al Capone of Israel. He has been in and out of jail and reportedly sits at the head of a criminal empire that includes narcotics trafficking, illegal gambling, "gray market" financing, money laundering, and trafficking in women for prostitution. Israel has been cited by the United Nations and the U.S. State Department as one of the worst offenders in this slave trade. Nonetheless, the Likud by-laws did not bar him from becoming a Central Committee member with the

power to choose Israel's future lawmakers.

Working with Alperon was David Appel, a shoddy contractor close to Netanyahu. In 1997 Appel was accused of involvement in the infamous "Bar-On Affair," which almost landed an indictment against then-Prime Minister Netanyahu. That affair involved a conspiracy to appoint Likud member Roni Bar-On—now number 31 on the Knesset list—Attorney General, on the promise that he would drop a kickback investigation of one of Netanyahu's cabinet ministers. The other person involved in this affair was Tzachi Hanegbi, who was Justice Minister at the time. All escaped indictment only because current Attorney general Elyakim Rubinstein, who had won the appointment instead of Bar-On, refused to level any indictments. On Dec. 8, Hanegbi won the highly prized number three position on the Likud election list. He is currently Environmental Minister, and only recently escaped indictment again, this time for appointing 80 people to his ministry, who had absolutely no qualifications for their jobs.

Another member of this powerful circle is the Gavrieli family, whose patriarch is Reuven Gavrieli. This worthy organizes taking planeloads of Israeli gamblers to Turkey, where he runs a string of casinos. Two of his brothers spent time in prison for drug dealing, and another, Shoni, runs the Arian Club in Jaffa. Shoni's daughter might now be able to go from being a cocktail waitress in her father's nightclub to launching a career in politics after winning the 29th spot, way ahead of some very senior Likud members including Jerusalem Mayor Ehud Olmert.

Then there is the Oz family, whose patriarch is Shlomi Oz. The family recently took over the Ramat Gan branch of the Likud, one of the party's most important and richest. Not so long ago, at end of the 1980s, Shlomi Oz was member of the Alperon gang, for which he managed Alperon's "debt collection" company. Together with the Alperons, he was involved in a plot to counterfeit \$2 million, and he served almost three years in prison. After his release, his fortunes changed; no longer was he breaking the legs of truant debtors, but was able to earn a fortune in the real estate business. He also became the representative of a security company of more than 1,000 employees, Tzevet Bitahon Ltd., which provides security to local authorities and public companies. They also guard Likud's national headquarters in Tel Aviv, and Sharon's Office of the Prime Minister. The company's deputy director, Erez Halfon, who worked for the company at Likud headquarters, is now in charge of staging political rallies for Sharon.

The Next Criminal Generation

Among Oz's freinds is Omri Sharon, the Prime Minister's son. Out of this deal, Omri, who only entered politics in the last two years as his father's errand boy, got the 27th slot. Omri earned a spot in the big deal because he helped bring these "families" into the Likud. For months he criss-crossed

Israel, meeting with leading families of various *hamulas* or clans among the Oriental Jewish communities, to sign them up to the Likud. A single *hamula* could represent a bloc of hundreds of votes. Many of these clans had criminal elements, who in many cases were their most influential and wealthy. The Gavrielis and the Alperons represent leading families of *hamulas* and became new members of the Central Committee. According to *Ha'aretz*, one such clan that Omri personally organized was the Jarusha *hamula*, a family with a well-known criminal wing.

After Shlomi Oz took over the Likud branch, Ramat Gan Mayor Zvi Bar called senior Likud member Moshe Arens, to tell him, "I want you to know, the Mafia has taken over the Likud branch in Ramat Gan." Arens did not reply, but it is interesting to note that Sharon has named Arens to his investigative commission. It is an open question whether Arens, who in the 1970s rescued Netanyahu from a career as a furniture salesman and launched his career in the Likud, will act on the Ramat Gan Mayor's tip.

While this sleaze was being spread out in the headlines of Israel's leading newspapers, Sharon went on Israel's much watched "Popolitika" TV show, and with the straight face he is known to adopt when he is lying, said, "When the reports began appearing in the press I understood there was an attempt to exploit our democratic system. My son, Omri, had nothing to do with criminal elements who managed to get into the Central Committee."

Sharon's real mob connections, which *EIR* has exposed for years, are to the descendants of the old networks of Meyer Lansky. Compared to Lansky, the Alperons and Gavrielis are street-corner punks. It was Lansky associate Meshulam Riklis, among other things a leading casino operator in Las Vegas, who was one of Sharon's key U.S. financial backers. Riklis' protégé, New York businessman Arie Genger, is Sharon's current back-channel to the Bush White House.

Looking for a \$14 Billion Boost from Bush

One wonders whether Palestinian Authority President Yasser Arafat will now ironically turn the tables, and state that he will not negotiate until Israel's leadership is "reformed" of its cronyism and criminal elements. New polls reveal that 15% of Likud supporters are no longer so sure that they will vote for the party; that 19% of Likud voters would support talks with the Palestinians unconditionally, as Labor Party Chairman Mitzna proposes; and that Labor could pick up more than the 26 seats it holds now.

Sharon is desperately trying to create the impression that the \$14 billion bailout he requested from the Bush Administration is already in the bank. He is also trying to neutralize Mitzna by claiming the Labor Party would reenter a unity government with Sharon after the election, something Mitzna has always denied. Sharon may sink in the sleaze he helped create; the question is, will the Bush Administration continue to throw him more lifelines?