

Sharon Peace Maneuvers To Avoid Prison?

by Dean Andromidas

Speculation was rife on Dec. 18 in Israel that Prime Minister Ariel Sharon's promise to issue a new "peace initiative"—which is expected to offer nothing acceptable to the Palestinians—is really aimed at drawing attention away from the numerous police investigations into his allegedly illegal campaign financing and other criminal activities. Amir Oren, senior correspondent for the Israeli daily *Ha'aretz*, writes that Sharon is preparing a diplomatic surprise to overshadow his own pending indictment. "The rumbling sounds being generated by the approaching earthquake, by the thunder of the legal bombshell, are already audible to finely attuned ears. Quiet cannot swallow noise; only a very loud noise can contain within it a loud noise. It will be the thunder of the bombshell on the diplomatic front that will shunt the criminal headlines into second place and give Sharon a bit of political time."

There are three ongoing criminal investigations of Sharon which surfaced at the end of last year. The first is of the financing of his 1999 primary campaign, where he is alleged to have illegally raised \$1.5 million from Likud Party supporters in the United States. The second is the way he paid back those contributions after the Israeli Comptroller General threatened legal action. This is the so-called Cyril Kern Affair. The third involves alleged bribe-taking from Israeli contractor and Likud Party financial backer David Appel. Now, according to Israeli press reports, Sharon could be interrogated within the next few weeks by the official fraud squad, as new evidence has been discovered over the past year.

The Sharon Crime Family

As the saying goes, "The crimes of the father will visit the sons," and the police have also been investigating Sharon's sons Omri and Gilad, as co-conspirators with their father. Another possible conspirator is Dov Wiesglass, Sharon's bureau chief and attorney, who also functions as his contactman with U.S. Vice President Dick Cheney.

On Dec. 14, Omri was interrogated by the police on his role in the illegal campaign financing, while Gilad lost a Supreme Court appeal, in which he hoped to avoid turning over potentially incriminating documents to the police. The police hope that these documents will shed light on where the \$1.5 million came from, which Cyril Kern, a near-bankrupt British businessman living in South Africa and close Sharon family friend, gave Sharon, to pay back the illegal campaign funds. Police are particularly interested to know the source of nearly

\$3 million which flowed into Gilad's bank account. This was the bank account used to pay off the illegal \$1.5 million in campaign loans; yet, according to the police, another \$1.5 million, the source of which remains a mystery, remains in Gilad's coffers.

It is believed that this money came from Austrian businessman Martin Schlaff, another close friend of the Sharons. Schlaff is a millionaire with holdings in Austrian banks and casinos, and part owner of the Jericho Casino in the West Bank, which has been shut down since the al-Aqsa Intifada began in 2000. Sharon's aide Dov Wiesglass is also Schlaff's lawyer. The fact that Schlaff has applied for a casino gambling license in Israel, has raised speculation that the \$1.5 million was indeed a bribe.

The most immediate threat to Sharon comes from the recent indictment of Likud Party financial backer David Appel, who is allegedly one of the most corrupt real estate contractors in Israel. He was indicted for bribing several lower-level government officials; but the indictment might be "corrected" to include Sharon as one of the recipients of the bribes. The question is, will his name be added as a co-defendant, or as simply one of Appel's targets. In the latter case, Sharon would not be indicted himself, but would nonetheless be suspected of knowingly taking bribes, which could force his resignation. This could happen before the New Year.

Deputy Prime Minister Ehud Olmert's name could also be added to such a "corrected" indictment. The bribes for which Olmert and Sharon allegedly received millions of dollars involve the so-called the "Greek Island affair." This affair started in 1999, when Benjamin Netanyahu was prime minister and Sharon was foreign minister. Its purpose was to get Sharon to pressure the Greek government to change zoning laws, so that Appel could construct a holiday resort on a Greek island. Olmert was mayor of Jerusalem at the time, and invited a Greek government delegation to make an official visit to Jerusalem. The visit occurred, and Sharon was on hand to meet them as well.

The suspicion that Sharon was receiving bribes was raised when police discovered that Gilad Sharon had signed a multi-million-dollar contract with Appel to supply consultancy services in support of the project (Gilad was paid \$20,000 a week!). Gilad, who is reputed to be the "slow one" of Sharon's two sons, is not a high-flying businessman, but a farmer who manages Sharon's ranch in the Negev Desert. His expertise is cattle breeding, not real estate consultancy. Not only are copies of this contract in the hands of police, but also videotaped discussions among Gilad, Omri, and others, discussing the details of the contract.

If Sharon's and Olmert's names appear on the "corrected" Appel indictment, even if not as co-defendants, it would be a major political setback and possibly make it impossible for Sharon and Olmert to remain in office. Thus there is the potential that, in one blow, the top leadership of the Likud could be overturned, and the Sharon government could collapse.

Gangland Wars

On Dec. 11, a bomb exploded in a money exchange in Tel Aviv, killing three bystanders. The bomb, which police said was as powerful as the worst of those used by Palestinian suicide bombers, was intended to kill Israeli mobster Zeev Rosenstein. Although he escaped serious injury, this was not the first attempt on his life. Police believe the bombing was in revenge for Rosenstein's ordering the killing of two members of the rival Alperon gang. Rosenstein had recently been arrested and released by the police as a suspect in those earlier killings. This attack was followed by the killing of another gangster, as well as a serious attempt on yet a third.

With the death of innocent bystanders, the mob war has created an outcry in Israel, as yet another sign of the country's disintegration—but one which leads to the Sharon family.

No one has dared to make the connection between this gangland war and the brawl now going on within Sharon's Likud Party. But sensing that his days are numbered, Sharon's rivals for the party leadership are making their moves. This includes Olmert, who could end up in the same courtroom as Sharon. Also in the queue are Foreign Minister Silvan Shalom, Defense Minister Shaul Mofaz, and above all, Finance Minister and former Prime Minister Benjamin Netanyahu. All are positioning themselves in various corners of the political arena.

In this context, two aspects of the current mob wars bear a closer examination. First of all, according to an Israeli source, Rosenstein is linked to the Russian mafia. One of the bosses of the Israeli crime family he is allied with, Felix Abutbul, was gunned down in front of his hotel-casino in Prague in November 2002. The source said that these gangland killings are part of the fallout from the demise of the "oligarchs" in Russia, who are the real godfathers of these crime families. "The *sabra* [native Israeli] gangs are taking advantage of the trouble [Russian President Vladimir] Putin is giving to the oligarchs," he added.

Although it is not known which Russian mafia bosses Rosenstein is linked to, the fact that the Russian mafia is active in Israel is well documented. It has also been shown how some of these bosses have backed the Likud and other right-wing Israeli parties, particularly the National Union. Most recently, Russian oligarch Michael Chernoy, who is wanted for various crimes by the Russian authorities, has been accused of being



Israeli Prime Minister Ariel Sharon (center), with U.S. Secretary of Defense Donald Rumsfeld (left). Sharon is offering a grand-standing "peace initiative" in hopes of diverting political attention from his own growing legal difficulties, which could land him in jail or at least collapse his government.

a Russian mafia kingpin. Whether this is true or not, Chernoy now resides in Israel, because if he tries to leave he could be arrested under an international warrant issued by the Russian government. Chernoy enjoys the most friendly relations with the Israeli right wing, especially with Avigdor Lieberman, the head of the fascist National Union Party. He is also close to certain figures in the Likud. Through his Chernoy Foundation, he most recently sponsored a conference in Jerusalem where key neo-conservatives from the United States were featured, including Defense Policy Board member Richard Perle (see *EIR*, Oct. 24, 2003).

One of the bosses of the Alperon crime family, Moussa Alperon, is a central committee member of the Likud Party. One of Moussa's reputed sidekicks is Shlomi Oz, another Likud central committee member, who is good friends with Omri Sharon. Oz, who has spent time in prison for extortion, was caught up in what was called the "airport tender" scandal. This involved the fact that a security company, of which he is one of the owners, won a tender to provide security for several Israeli airports, despite the fact that they did not meet the minimal qualifications of the tender. The tender, which was subsequently withdrawn, was approved by the head of the Israeli Airports Authority, who happens to be the brother of Israeli Foreign Minister Silvan Shalom.

It is highly unlikely that Sharon will actually choose the "road of peace" to avoid the road to prison. But he can be expected to use all the powers of the state he thinks he can get away with, in order to fend off indictment.