

# Are Dirty Mega-Bucks Behind Sharon's Bid To Steal Israeli Elections?

by Scott Thompson and Jeffrey Steinberg

A small group of American and Canadian mega-billionaires, tied to organized crime and right-wing Zionist causes, has joined in the effort to steal the Jan. 28 Israeli elections, on behalf of Prime Minister Ariel Sharon, who is committed to drowning any Israel-Palestine peace process in a sea of blood. The Mega Group, founded in 1991 by Charles and Edgar Bronfman, Michael Steinhardt, Max Fisher, and several dozen other multi-billionaires, meets secretly twice a year, and, since its founding, has sought to impose its top-down control over the "alphabet soup" of pro-Israel political action committees, self-styled civil rights organizations, and tax-exempt charities. Among the Mega Group's institutional power bases are the World Jewish Congress, the Conference of Presidents of Major Jewish American Organizations, and the United Jewish Fund—a recent merger of the major American and Canadian Jewish charities, disbursing annual gross contributions of nearly \$3 billion.

According to one Israeli source, the group has expanded in recent years, and now is made up of over 50 American and Canadian super-rich Zionist activists. The dominant figures in the group—the Bronfman brothers, Steinhardt, and Fisher—all have longstanding personal and family organized-crime pedigrees, tracing back to the Meyer Lansky National Crime Syndicate. The Canada-based Bronfman gang, headed by Edgar and Charles' father Sam, and by Max Fisher, got their start as bootleggers during Prohibition. Fisher was a leader of the Detroit-based Purple Gang, which, in collusion with Moe Dalitz's Cleveland-centered "Jewish Navy," smuggled Bronfman's illegal booze across the Great Lakes from Canada into the Midwest. The Bronfman family motto, which applies to most of the Mega Group, is: "From rags, to rackets, to riches, to respectability."

Michael Steinhardt, like Edgar and Charles Bronfman, is the son of a Meyer Lansky lieutenant, "Red" Steinhardt, who was the National Crime Syndicate's number-one jewel fence. "Red" Steinhardt was also a partner with Lansky in the Havana casinos prior to Castro's takeover, and was also affiliated with the Genovese organized-crime family. According to Michael Steinhardt's autobiography, it was his father's ill-gotten gains that put him through the University of Pennsylvania Wharton School of Business; and it was syndicate loot that started him on a successful career as a Wall Street speculator

and hedge-fund manager.

For the past 15 years, Steinhardt has been one of Presidential wanna-be Sen. Joseph Lieberman's (D-Conn.) biggest boosters, having founded the neo-conservative Democratic Leadership Council (DLC), and promoted Lieberman as the group's poster boy.

Steinhardt grabbed headlines in January 2001, when he played a pivotal role in conning President Bill Clinton into granting a Presidential pardon to Russian Mafiya "Godfather" Marc Rich, one of Steinhardt's longtime business partners. Rich was a fugitive from U.S. Justice Department indictments for tax evasion and trading with the enemy (Iran). As *EIR* reported on Jan. 10, Rich is another source of dirty money flows into the Sharon camp, through his secret Russian Mafiya partner, Grigori Loutchansky, among others.

## Mafiya Damage Control

In a Jan. 15 interview with a Washington, D.C.-based journalist, Steinhardt boasted about his recent intervention to sabotage the electoral campaign of Israeli Labor Party Chairman Amram Mitzna, which was also intended to control the damage being done by the spreading scandal over the Likud party's ties to organized crime, into which Steinhardt and the whole Mega Group could be swept.

On Jan. 12, Steinhardt said, he had had a private dinner with Ariel Sharon. While claiming that he does not support either major party in Israel, Steinhardt did insist, that the Jan. 28 elections must produce another "national unity government," along the lines of the coalition that Sharon formed in 2001, in which Labor Party leaders Shimon Peres and Benjamin Ben-Eliezer held the Foreign and Defense portfolios. Their participation with serial war-criminal Sharon, gave him and his right-wing thug allies, 20 months in which they could tear apart the entire Oslo peace process, brutally exterminate much of the Palestinian Authority, and achieve Sharon's ultimate goal: the "ethnic cleansing" to remove all Palestinians from the West Bank and Gaza.

Mitzna has repeatedly stated that he will not join a national unity government with the mobbed-up murderers of Likud, and will press for Israeli authorities to get to the bottom of the Sharon-Likud-Mafiya election theft scandals. Whatever the outcome on Jan. 28, it is widely acknowledged inside Israel,



*The real godfather of the “Russian mafiya,” Mega-speculator Marc Rich, is another major figure above and behind the Likud election scandals which have already rocked Israel during this election.*

*Wall Street speculator Michael Steinhardt, whose family legacy is the Meyer Lansky gang and who was a founder both of the Mega group of Zionist billionaires and of the Democratic Leadership Council, was in Israel Jan. 12. His reported purpose was, at least, to twist arms for a unity government in which Labor would again prop up Ariel Sharon as Prime Minister.*

that the scandals have denied Sharon the landslide victory he was hoping for. Mitzna, in rejecting the national unity scheme, is paving the way for a near-term political victory, uncontaminated by compromise with Sharon. The organized-crime/Likud scandal has become too big to bury, and any Sharon government—minus Labor—would likely be short-lived and paralyzed by scandals.

This is something that the Mega Group—in particular Steinhardt and Rich—cannot tolerate.

### **Steinhardt and Rich**

Steinhardt also admitted to the Washington journalist, that while in Israel, he met with Marc Rich, where they joined in promoting the Mega Group’s favorite “charity,” Birthright Israel, to which, he acknowledged, Rich is a major donor. Birthright Israel, founded by Steinhardt, and co-chaired by Charles Bronfman, is a U.S.-based charity, with “501(c)3” tax-exempt status, which sends Jewish youths, between 16 and 26, to Israel for indoctrination, to convince them to “make *aliya*”—i.e., to take up permanent residence.

But a closer look by *EIR* investigators at Birthright Israel raises some important questions about what the “charity” is actually all about. Among the most disturbing pieces of the picture is its close links to an Israeli-based “charity,” the Mikhail Chernoy Foundation, a tax-exempt front, set up by one of the most notorious of the Russian Mafiya figures residing in Israel. The website of the Chernoy Foundation boasts that it is involved in joint projects with Birthright Israel.

Mikhail Chernoy is a major figure in the Russian Mafiya, whose “business” activities have been associated with Benya Stilitz’s attempted takeover of Alpha Bank in Russia, and earlier Mafiya moves to corner the Russian aluminum sector, in league with none other than Marc Rich.

Stilitz is particularly close with Russian Mafiya don Grigori Lerner (a.k.a. Zvi Ben-Ari), who is scrutinized in Jeffrey Robinson’s *The Merger: The Conglomeration of International Organized Crime* (New York: The Overlook Press, 2000). According to Robinson, after Lerner spent 18 months in jail in Russia for fraud, following a most unusual extradition from Switzerland, Lerner, in 1995, was permitted by the Israelis to found the Israeli-Russian Finance Co., accused of having been involved in laundering foreign funds.

Robinson reports that Lerner set up a string of shell companies around the globe, including in Panama, the Caribbean, Mauritius, Luxembourg, and Cyprus. Lerner became a major money launderer with the permission of the Israeli government, where there are no laws against money laundering. Lerner is also known to have given the former Israeli Minister of Trade and Industry Natan Sharansky, \$100,000; through Sharansky, Lerner made approaches with his largesse to the Likud and other parties.

Mikhail Chernoy’s Foundation was created in June 1, 2001, and is seen by Israeli investigators as a public relations ruse. Chernoy claims that it was created after the terrorist bombing of the Dolphinarium Disco in Tel Aviv, to aid the 150 survivors and families of the 20 dead, mostly Russian immigrants. The foundation website boasts that American youths whom Birthright Israel brings to Israel, have met with these bombing victims. One item on the Chernoy Foundation website reported: “The emotional meeting [between the Birthright Israel youths and the Dolphinarium survivors] was moderated by representatives of the Mikhail Chernoy Foundation, which has been assisting Dolphinarium victims from



*The principled policy of Labor Party chairman and Prime Ministerial candidate Amram Mitzna has been the target of these election-stealing operations. Mitzna's policy, announced in early January, was to refuse to enter any government led by Sharon.*

the very first night of the attack. The Foundation financed a book and is producing a movie.”

Mikhail Chernoy's brother Lev has been a prime target of the Swiss investigation into the Russian Mafiya since he attempted to take over the Russian aluminum industry—allegedly with the assistance of Marc Rich. Also, according to Robinson, Swiss investigators believe that Lev Chernoy has ties with the Mega-linked “Russian oligarch” Boris Berezovsky, who is accused of siphoning \$200 million in hard currency out of Aeroflot accounts and into Switzerland. Both Chernoy and Berezovsky are suspected of involvement with the Bank of New York, which laundered billions of dollars in hard currency and state assets out of the Soviet Union during the early 1990s. According to Robinson, the person behind many of these murky deals was Likud campaign contributor Grigori Loutchansky. A recent international law enforcement probe of the Bank of New York operations has turned up evidence that Marc Rich was a silent partner of Loutchansky's in the Nordex operations, which started out as a KGB money-laundering front in the late 1980s.

According to the book by the late Robert I. Friedman, *Red Mafiya: How the Russian Mob Has Invaded America* (Boston:

Little, Brown & Co., 2000), Natan Sharansky, the former Soviet refusenik, head of the Russian emigré party Yisrael B'Aliyah, and a Sharon Cabinet minister, took millions of dollars from Loutchansky. Sharansky then introduced Loutchansky to former Likud Prime Minister Benjamin Netanyahu, who is now Sharon's Foreign Minister. The Israeli press reported at the time, that Netanyahu took \$1.5-5 million from Loutchansky, and the contributions to the Likud are never known to have stopped.

In 1994, new Israeli election laws were passed, making it a crime to accept foreign campaign contributions.

### **Show Me the Money**

With Steinhardt and Rich running around Israel, promoting a pre-election revolt against Labor Party Chairman and lead candidate Mitzna, over his refusal to entertain the idea of a unity government with Sharon—the only thing that would save the Likud thug from a near-term political fall—another question must be asked: Is Birthright Israel, like so many other U.S.-based tax-exempt charities, serving as an illegal siphon

into Sharon's and Likud's coffers on the eve of the election?

This is a matter that urgently needs to be taken up by Israeli and American prosecutors. While there is no “smoking gun” document, proving that Birthright Israel is funneling cash into the right wing, a careful review of the fund's U.S. 990 Internal Revenue Service filings poses some disturbing questions. According to the most recent filing available, covering the year 2000, in that year alone, Birthright Israel, with U.S. status as a 501(c)3 tax-exempt charity, took in nearly \$50 million in contributions, from an undisclosed number of donors. In the same year, its total expenses—including sending U.S. students to Israel—cost under \$5 million, leaving an unaccounted-for balance of \$45 million!

The 990 forms also revealed that Birthright Israel, more than any other “charitable” agency, is dominated by the Mega Group's known members. Of the 12 names listed in the IRS filing as board members of Birthright Israel, at least 8 are publicly identified members of the Mega Group (based on a lone published profile of the group, that appeared in the *Wall Street Journal* in 1998). There is no reason to believe that the other four directors are not members as well, but this has not been confirmed, and most members of the super-secret

steering committee are chary about discussing their affiliation, or anything else about Mega.

## Who's Who in the Birthright Israel Foundation

The two co-chairmen of Birthright Israel are Mega co-founder and booze baron Charles R. Bronfman and Michael Steinhardt.

Other board members include:

**Leonard Abramson**, the founder of the health maintenance organization, U.S. Healthcare, which he sold to Aetna Insurance, pocketing \$990 million on the deal. One Mega project that Abramson formed—at the Ariel Sharon's suggestion after his 2001 election as Israeli Prime Minister—was a group euphemistically called "Emet" (Hebrew for "Truth"). In a March 13, 2001 dispatch, the Jewish Telegraph Agency reported that Sharon wanted to launch a propaganda campaign to overturn the peace process, and the result was Emet. This black propaganda outfit for a "Greater Israel" has dismayed the Israeli peace lobby, because of its support for hard-line policies, such as those backed by Morton Klein and his Zionist Organization of America. Emet has both sent students to be indoctrinated at Tel Aviv University, and has worked with Birthright Israel International students.

**Edgar Bronfman, Sr.** The brother of Charles R. Bronfman is also a member of Mega. Their father, Sam Bronfman, was a leading figure in the "Jewish Navy," which brought high-ticket booze from Canada into the U.S. during Prohibition, before "going legit," by building a second fortune in distilling, among other activities. Edgar Bronfman took over the World Jewish Congress (WJC) following the death of Nahum Goldmann, and transformed the international organization into a political dirty tricks agency, which complemented his personal efforts to prop up the dying Communist regimes of Eastern Europe, especially East Germany. Bronfman's Seagrams Liquor had negotiated lucrative business deals with the Communist Party bosses of East Germany and the Soviet Union. Bronfman had also promoted what syndicated columnists Rowland Evans and Robert Novak labeled the "grain for Jews" deal between Moscow and Israel, which steered hundreds of thousands of Soviet Jewish emigrés into Israel (including a hefty percentage of Russian Mafiya criminals).

**Ronald S. Lauder**, heir to the Estée Lauder fortune. Lauder has used his millions to fund right-wing projects in the United States and Israel. According to a feature in the Jan. 29, 1996 issue of *Jewish Week*, based on a special investigation by reporters from *Jewish Week* and the Israeli daily *Ha'aretz*, Lauder had contributed both funds and other support to the Likud, when Netanyahu was running for Prime Minister (see "A Bigger Scandal: Illegal U.S. Funding of Sharon's Likud," *EIR*, Jan. 24). Among these illicit funding channels, was the Jerusalem-based Shalem Center, which Lauder has various founded, funded, and chaired; another Lauder conduit was

the short-lived Israel Research Foundation. Lauder has been associated with Russian oligarch Berezovsky, who is one of the chief middlemen between "Godfather" Marc Rich and the Russian Mafiya dons. The Ronald S. Lauder Foundation, which dispurses some \$10 million a year, has received sufficient contributions from the family cosmetics fortune to maintain a slush fund of around \$20 million.

**Marc Rich**, remains in Zug, Switzerland, despite his pardon. Rich's ties to the Russian Mafiya pre-date his flight from U.S. law enforcement. It was Rich who sponsored the original Russian Mafiya immigration to Brighton Beach, Brooklyn, shortly after the U.S. Congress passed the Jackson-Vanik Amendment in 1974, linking all U.S.-Soviet trade to Moscow's treatment of Soviet Jewry, including emigration.

**Leslie Wexner**, another co-founder of Mega with Charles Bronfman. Among his several businesses, the best known is Victoria's Secret lingerie. Wexner is a board member of Lord Conrad Black's Hollinger International, Inc. media empire, which turned Israel's main English-language daily, the *Jerusalem Post*, into a mouthpiece for Sharon. Through Hollinger, Wexner rubs elbows with former British Prime Minister Lady Margaret Thatcher, Sir Henry Kissinger, and U.S. Defense Policy Board Chairman Richard Perle (a.k.a. "The Prince of Darkness"), who loudly advocates a "Clash of Civilizations."

**Gary Winnick** is the founder of the telecom firm, Global Crossing, whose Jan. 28, 2002 bankruptcy was the fourth largest in U.S. history, with \$12 billion in debt. Before this crash, Winnick, who was described in *Fortune* magazine as having "spent like a Roman emperor," dumped his own holdings in the firm and ended up with an estimated \$250-500 million. According to a Feb. 11, 2002 BBC News wire on Winnick: "Global Crossing's . . . main Congress beneficiary, Sen. John McCain (R-Ariz.) asked the Federal Communications Commission to encourage the development of undersea cables"—undersea fiber optic cables was Global Crossing's main asset.

**Law Wasserman** is the former head of the Hollywood entertainment conglomerate Music Corporation of America (MCA), one of the Lansky National Crime Syndicate's first forays into the mass entertainment business. Wasserman was closely linked to Chicago-based crime syndicate lawyer Sidney Korshak, who was credited with consolidating the marriage between the mob and Hollywood.

Other Mega-linked Birthright Israel board members include: S. Daniel Abraham, Bonnie Lipton, Marlene Post, Arthur J. Samburg, and Lynn Schusterman.

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