

JEWISH SCHOOLS COME UNDER FIRE FOR ALLEGED ABUSES IN FEDERAL AID

By Deborah Kalb and Steven Weiss

WASHINGTON, Oct. 28 (JTA) -- About two dozen Jewish schools in the New York area came under fire on Capitol Hill this week, as a congressional subcommittee investigated allegations that the schools abused a federal educational grant program.

The colleges and yeshivot, many of them Chasidic, stand accused of abuses including listing people not enrolled in the schools as applicants for federal Pell grants.

In addition to the subcommittee investigation, the Education Department notified some of the same schools last week that their ongoing participation in the Pell grant program was in question because of eligibility requirements.

Earlier, the department levied fines on some of the schools, which include yeshivot and colleges with Judaic studies programs.

Sen. Sam Nunn (D-Ga.), chairman of the Governmental Affairs subcommittee on investigations, convened hearings Wednesday and Thursday to look into the allegations.

The hearings were to be the first in a series dealing with allegations of fraud and abuse in the Pell grant program. They were also called to look into how carefully the Education Department oversees the program.

At Wednesday's hearing, Nunn announced that a subcommittee investigation had made a number of "disturbing" findings among the yeshivot in question.

The investigation found that many yeshivot listed their tuition costs at artificially high levels so that students could qualify for more aid, paid students a stipend simply to attend classes, and disbursed Pell grants to unenrolled students.

Yeshivot were also found to have paid "brokers" who provided the schools with students eligible for aid, and falsified and forged documents to receive federal funding.

Should Federal Aid Be Used?

Nunn also questioned whether the federal aid program, which is supposed to help students obtain a bachelor's degree or specific vocational training, should apply to yeshivot, which admit that they are non-vocational and focus instead on religious studies.

"While the study of one's religion is certainly a laudable pursuit, one must question whether federal student aid programs should be used to fund such schools," Nunn said.

The Jewish community was shaken over the investigation's focus on Jewish schools, a concern the senators addressed at Wednesday's hearing.

There was "no singling out" of any religious group for this investigation, said Sen. William Cohen (R-Maine), a member of the subcommittee.

"I don't care what the affiliation of the institution is," Cohen said, adding that as long as the institution is receiving federal money it should be investigated.

But officials at Jewish religious-school organizations expressed concern this week that Jewish schools were being targeted.

Bernard Fryshman, the executive vice presi-

dent of the Association of Advanced Rabbinical and Talmudic Schools, said in an interview Wednesday that his schools have "not had any problems at all."

But the allegations against the approximately two dozen yeshivot have "inevitably" had a spillover effect onto other Jewish schools, he said, noting that the issue was "very serious for us. It hurts innocent people."

"The good reputation of yeshivas is being blemished by the alleged irresponsible actions of a few individuals and organizations who are not part of the mainstream yeshiva/seminary movement," Moshe Zev Weisberg, the president of the Yeshiva Administrators of Financial Aid organization, said in a statement.

'Witch-Hunting' Against Jewish Schools

The statement by Weisberg's group, which represents traditional seminaries, noted that none of its 65 member schools was under investigation.

"This 'witch-hunting' against Jewish schools must simply stop," Weisberg's statement said.

According to Sen. Claiborne Pell (D-R.I.), the grant program that bears his name has awarded almost \$64 billion in grants since it began more than 20 years ago.

Rabbis from two of the yeshivot under investigation were scheduled to testify before the subcommittee Thursday, but they did not appear.

The rabbis are Simche Waldman, the administrator of Bais Fruma in Brooklyn, and Michael Meisels, dean of Sara Schenirer Teachers Seminary in Brooklyn.

In a statement read by Nunn, the rabbis asserted their Fifth Amendment right against self-incrimination.

Nunn, while acknowledging the rabbis' right not to testify, voiced agitation at their absence.

"We have not heard the whole story" if the rabbis refuse to testify, Nunn said.

He added that the subcommittee could choose to compel the rabbis to testify if it also gave them immunity from prosecution.

Cohen called their actions "disconcerting."

"We should look into whether an institution under investigation can continue to receive federal funding when it does not cooperate" with the investigation, Cohen said.

The subcommittee did hear from representatives of Molloy College, an institution under investigation. A majority of the students attending off-site programs of Molloy, a Dominican school, are Russian Jewish immigrants.

ATTORNEY GENERAL HOLDS MEETING WITH CROWN HEIGHTS VICTIM'S BROTHER
By Deborah Kalb

WASHINGTON, Oct. 28 (JTA) -- As Jews and others in New York City await a decision on whether the Justice Department will investigate the 1991 Crown Heights rioting, Attorney General Janet Reno met here this week with the brother of a Lubavitch scholar killed in the riots.

Norman Rosenbaum, whose brother Yankel was slain in 1991, emerged unsatisfied from Thursday's meeting with Reno and Associate Attorney General Webster Hubbell.

Rosenbaum called the meeting "bland and

non-committal," according to a statement released by the office of Sen. Alfonse D'Amato (R-N.Y.).

Isaac Abraham, who works as a public relations representative for Rosenbaum, said in an interview that Rosenbaum did not get a sense of what Reno planned to do regarding any possible federal investigation of the rioting.

Franklyn Snitow, the attorney for the estate of Rosenbaum's brother, said in an interview that Rosenbaum said at the meeting that he would like to see the Justice Department take an aggressive position regarding the Crown Heights issue.

Reno then asked Rosenbaum to send her information, and Rosenbaum responded that he had already sent information to the Justice Department and other authorities, Snitow said.

D'Amato, who has been deeply involved in the Crown Heights issue, joined Rosenbaum for a news conference after the meeting.

Rosenbaum said at the news conference that he "walked away from the meeting with no real indication of the direction of any investigation," according to the statement from D'Amato's office.

D'Amato called on the Justice Department to name a special prosecutor to investigate the murder of Yankel Rosenbaum.

"Obviously the Justice Department is either unwilling or unable to investigate the case properly," D'Amato said in the statement.

"We cannot allow the Justice Department to continue and wait for time to march by and hope this problem will go away," he said. "It won't."

Senators Had Urged A Meeting

The 1991 riots between Jews and African Americans rocked the Brooklyn neighborhood and have been a reference point for relations between the two groups ever since.

In early September, Reno was expected to announce she would not pursue a federal investigation of the riots, but she postponed a decision at the urging of Rep. Charles Schumer (D-N.Y.) and Brooklyn District Attorney Charles Hynes.

Schumer and Rep. Nita Lowey (D-N.Y.), along with many Jewish groups, have been among those calling for a federal investigation.

And in late September, the Senate voted unanimously to urge a Justice Department investigation of the riots.

Abraham said Rosenbaum had met Tuesday with Senate co-sponsors of the resolution calling for the federal investigation.

Along with D'Amato, several senators wrote to Reno urging her to meet with Rosenbaum within 48 hours, which she did, Abraham said.

Those senators were Daniel Patrick Moynihan (D-N.Y.); George Mitchell (D-Maine), the majority leader; and Robert Dole (R-Kan.), the minority leader.

Abraham called the meeting "a very political move" on the part of Reno and the Justice Department.

He said the meeting lasted about 20 to 25 minutes.

The Justice Department said that the meeting was closed and that only the three participants had been present.

Rosenbaum's brother was killed Aug. 19, 1991 in rioting that broke out after a 7-year-old black boy, Gavin Cato, was killed by a car driven by a Chasidic driver.

Yankel Rosenbaum, who had been visiting New York from Melbourne, Australia, to do research, was surrounded by a group of black teenagers, some of whom were yelling, "Kill the Jew."

QUERY ABOUT DEFENSE CONTRACTORS PUTS DOTAN BACK IN THE SPOTLIGHT

By Deborah Kalb

WASHINGTON, Oct. 28 (JTA) -- The case of Rami Dotan, the Israeli air force general who was convicted of taking millions of dollars in U.S. aid money, is making headlines again here.

This week, a congressional subcommittee heard additional testimony about how Dotan's relationships with American defense contractors through the mid- and late 1980s resulted in his diverting approximately \$40 million in U.S. military aid originally earmarked for Israel.

The General Accounting Office, a congressional investigative body, said Wednesday that it found that U.S. aircraft engine-maker Pratt & Whitney and officials from Israel's Defense Ministry were involved in diverting U.S. foreign military assistance funds from their intended use for Israel's military.

The role in the Dotan affair of another American company, General Electric, was reviewed last year by the same subcommittee, the House subcommittee on oversight and investigations.

Richard Stiener, director of the GAO's Office of Special Investigations, testified Wednesday that Pratt & Whitney and Israeli defense representatives "facilitated the diversion of \$12.5 million of U.S. foreign military assistance funds through an overpricing scheme organized by" Dotan and others.

"We believe that Pratt & Whitney should have known, or strongly suspected, that government of Israel officials and other Israelis were diverting U.S. funds," Stiener said.

Israeli officials said Wednesday that the issues raised in the hearing were not new and that Dotan's involvement with Pratt & Whitney was one of the issues on which he had been tried and convicted.

Current Purchasing System Extended

The officials said that since the Dotan affair, Israel has been working to ensure that it not be repeated.

Israel was also a victim of the affair, and the Israeli Defense Ministry was not aware of what Dotan was doing, the officials said.

The Dotan case reinforced concern among American officials that foreign military contracts were not being properly monitored.

Partly as a result of this concern, the Pentagon announced earlier this year that, as of January, it would end the commercial sales channel of the Foreign Military Financing program, under which Israel buys much of its equipment.

Currently, some recipients of Foreign Military Financing, such as Israel and Egypt, buy through one of two channels.

In the government channel, the United States buys items on behalf of the recipient. The alternative is the commercial channel, in which the foreign government engages in direct commercial contracts with suppliers.

But at Wednesday's hearing, Glenn Rudd, deputy director of the Defense Security Assistance Agency, said that the current system would be extended an additional six months until July 1, 1994, while the parties affected by the changes continued to discuss the issue.

The Israeli government had expressed concern about the elimination of the commercial sales channel because of "its extensive reliance on this channel to meet its procurement needs," he said.

PALESTINIANS SAY THEY WANT POLICE FORCE OF ABOUT 30,000

By Cynthia Mann

JERUSALEM, Oct. 28 (JTA) -- The third round of autonomy talks in the Sinai border town of Taba ended this week with Palestinian delegates saying they want a police force of 25,000 to 30,000 to patrol the Gaza Strip and West Bank town of Jericho after Israeli forces withdraw.

The Palestinians said the police force would have to be equipped with helicopters, boats, machine guns and armored vehicles to help ensure security in the two regions.

The security committee, one of several panels meeting in Taba, reportedly made progress on the composition, size and weapons of the Palestinian police force. But no details were released.

Although the Israelis and Palestinians disagreed on the size of the force, the tone of the talks at the Egyptian Red Sea resort was mostly upbeat.

Members of another panel, the confidence-building subcommittee, lunched together, joined by top officials of the Israel Defense Force and Palestine Liberation Organization and former Palestinian deportees.

There was, however, some friction over the Israeli timetable for the release of Palestinian prisoners.

A member of the Israeli delegation to the talks reportedly angered the Palestinians by saying the subcommittee on confidence-building measures did not have authority over the issue.

Some Palestinians have accused the Israelis of breaking a promise to free some 12,000 prisoners it is holding.

On Monday, Israel released 617 security prisoners. The Palestinians said Wednesday they were awaiting word on a timetable for future releases.

The Palestinian delegates to the Taba talks submitted a formal protest on the prisoner release, and a brief meeting was held Thursday to address the issue.

But, contrary to expectations, no prisoner releases were announced.

A protest demonstration was held in Jericho on the matter, which is of high priority to the Palestinians.

Media Accused Of Obstructing Talks

About 40 khaki-clad Palestinian men broke through an IDF line and marched through the town accompanied by several dozen women who held aloft pictures of family members still in Israeli prisons. The demonstration proceeded without incident.

Meanwhile, Deputy Foreign Minister Yossi Beilin has accused the media of hindering progress at the Taba talks and said that privately held negotiations prevent counterproductive public posturing by delegates.

On Thursday, he compared the current talks to the secret negotiations held earlier this year in Oslo, Norway.

It was the back-channel talks, which went unreported, that resulted in a draft of the self-rule accord Israel and the PLO signed Sept. 13 in Washington, he pointed out.

The stakes are expected to rise at next week's talks in Taba, where the boundaries of Palestinian autonomy will be negotiated.

Meanwhile, 10 members of the opposition

Likud party are due to leave for Tunis in 10 days at the invitation of PLO Chairman Yasser Arafat, according to reports on Israel Radio.

The trip is unusual because the party is on record as opposing Israel's recent recognition of the PLO and the agreement the two sides signed regarding autonomy in Gaza and Jericho.

There apparently is some discontent within Likud over the visit, which was arranged without consultation with the party leadership. The Likud officials making the trip belong to the party's central committee or head local councils.

THE 2 AMERICANS SHOT IN CAIRO WERE PLANNING EGYPT-ISRAEL DEAL

By Hugh Orgel

TEL AVIV, Oct. 28 (JTA) -- The two Americans killed in a shooting Tuesday at Cairo's luxury Semiramis Inter-Continental Hotel were in Egypt to discuss the possibility of laying a natural gas pipeline across the Sinai into Israel.

The Americans, both engineers, were identified as Coby Hoffman, 47, of Edison, N.J., and Robert Guidi, 47, of Rahway, N.J.

They were consultants for a subsidiary of the Brooklyn Union Gas Company, the fifth-largest gas company in the United States.

According to Jacob Liraz, a Tel Aviv attorney specializing in oil affairs, the two engineers were to have met with Egyptian energy officials the day after the murders.

They were then planning to travel to Israel for meetings Liraz had arranged for them with Israeli oil officials.

The laying of a natural gas pipeline between Arab countries and Israel is one of the energy projects proposed for discussion at the ongoing multinational talks in Washington and elsewhere.

The murders of the two Americans, along with a third man -- Fernand Bouland, 54, a leading French jurist -- were described by Egyptian officials as the work of a mentally ill man, Saber Abu al-Ila, a 28-year-old musician.

He reportedly told police he was avenging the killings and rapes of Muslims in Bosnia.

Egyptian authorities were quick to point out that the murders were not a terrorist attack carried out by Muslim extremists.

Attacks on tourists this year by Egyptian fundamentalists bent on undermining the government of President Hosni Mubarak have virtually crippled Egypt's tourist industry.

COCA-COLA WITHDRAWS HAT WITH STAR

NEW YORK, Oct. 28 (JTA) -- The Coca-Cola Company has agreed to withdraw promotional Halloween cups after a protest by the Anti-Defamation League.

The cups, which were being distributed in Texaco convenience stores in Florida, depicted a witch wearing a six-pointed star that was similar to the Star of David.

The Atlanta-based soft drink company, in response to a letter from ADL National Director Abraham Foxman, said it had "no wish to offend the feelings of Jewish consumers and regret any offense that the cup may have caused."

The company said any resemblance borne by the design "was entirely unintentional."

Foxman, who accepted that the cups were created without any anti-Semitic intent, said they could nonetheless affect the sensibilities of consumers, Jewish and non-Jewish alike.

**THE JERUSALEM MAYOR'S RACE:
RESPECT NOTWITHSTANDING, OLMERT
OF LIKUD READY TO BATTLE KOLLEK**

[Part 2 of a Series]

By Cynthia Mann

JERUSALEM (JTA) -- Ehud Olmert's career has been built on political wars and confrontations, he says, recalling with a certain amount of pride and bravado a tough, single-handed fight more than 15 years ago against organized crime.

The risk he took forced the now 48-year-old veteran Likud Knesset member to carry a gun in his belt and employ bodyguards around the clock.

"Whatever I do, I do with passion and total devotion -- I don't give up," Olmert said of his working style. "I give them hell, I fight and I survive."

Clearly the political combat training and the motto have equipped him to take the latest battle in stride and even appear to relish it.

Olmert is challenging the widely beloved octogenarian incumbent, Teddy Kollek, in an extraordinarily bitter, heated and increasingly dirty contest for the mayor of Jerusalem.

Independent surveys indicate that Olmert, a former Cabinet minister who has been tagged by one newspaper as a "pit bull of politics," has a chance of unseating "Teddy," as Kollek is universally called.

With elections scheduled for Nov. 2, there are reportedly as many undecided voters as there are supporters for each candidate.

In an interview with the Jewish Telegraphic Agency in his campaign headquarters in Jerusalem's industrial Talpiyot neighborhood, Olmert called the race against him "brutal." It is "the worst smear campaign I've seen in the history of Israel" and is a function of the mayor's "desperation, a last resort," he said.

Kollek's campaign has focused its attacks on Olmert's character and old allegations of misconduct that Olmert says were proven to be untrue.

He attacks what he believes is Kollek's foolhardy decision to run again after signaling he would retire after 28 years.

Only Irreplaceable Man In History?

Olmert, indeed, is free with his praise for Kollek and his accomplishments, but he thinks that Kollek's age will make it impossible for him to complete another five-year term. He said the 82-year-old Kollek is too tired to serve well.

"Teddy did great things for Jerusalem and I am full of respect for his past performance," he said. "But that doesn't mean the man can stay forever."

"Is he the only man in history who is irreplaceable? This is ridiculous," said Olmert, whose campaign slogan is, "The time has arrived."

Olmert did not get his "pit bull" reputation by staying out of the muck. He recently made a splash by charging that Kollek tried to buy votes among eastern Jerusalem Arabs by reducing property tax rates.

He cited a conversation taped by Likud Party activists in which Kollek discussed with a deputy the discontent of Arab residents and "techniques" that could reverse it. The reduction of property tax rates reportedly was among the techniques discussed.

"Three weeks before Election Day, they discuss cutting (municipal) charges," Olmert said. "What do you call it?"

Kollek, for his part, was outraged at what he called Olmert's "atrocious activities."

The city provided documentation rebutting the charge and explained that any reduction in rates considered was part of a standard practice for sectors of the city with "special problems."

Olmert also believes he is "better qualified than Teddy was when he took over in 1965." With 20 years in the Knesset, "I am the longest-serving young member," he said. "I'm serving as long as (Prime Minister Yitzhak) Rabin."

Olmert says his "fighting nature" does not preclude his also being a "conciliator," a trait that is vital in a city with deep divisions and high passions.

"The most important thing is to be able to communicate to different people: Arabs, the haredim (fervently Orthodox), secular Jews, older people, new immigrants," he said.

'Against Dealing With The PLO'

The status of Jerusalem in the context of the accord with the Palestine Liberation Organization has not surfaced much in the municipal campaign, but in less than three years the city's status may well appear on the negotiating table.

Olmert voted with his party in the Knesset against the accord because he is "against a Palestinian state led by (PLO Chairman Yasser) Arafat."

"The agreement is not (about) autonomy," he said, "It's just a disguise for what is really the creation of a Palestinian state in Judea, Gaza and Samaria and eventually also in Jerusalem, if we will not stop it."

"I am against political concessions to the Arabs, I'm against the redivision of Jerusalem, I'm against dealing with the PLO," said Olmert.

At the same time, he promises to invest "10 times more" than Kollek did in the quality of life of Jerusalem's Arabs, because "I am in favor of protecting their civil rights and human rights."

"They are people who live with us and we will treat them on an equal basis."

"Five years after I take over, the overwhelming majority of Arabs will be in my favor," he said.

By contrast, he charges Kollek with trying to "cheat the Arabs" into voting for him by waiting until after the election to issue permits for Jews to build in Arab neighborhoods.

Olmert has come out in support of Jewish construction in Arab neighborhoods and in undeveloped areas of the territories that would have to be annexed to the city. But he said he will not "exercise any provocative policy" if elected.

"If you ask me if I will sponsor major (Jewish) building in the Moslem quarter, the answer is no," he says. "But if you ask me if I'll build in the former border area, in areas not densely populated with Arabs, the answer is yes. Why not? On what basis do we argue that Jews have no right to live in Jerusalem?"

Olmert's primary goals are to "protect Jerusalem as a city where people live in relative tranquility" and to "make sure the quality of life for all people is improved tremendously."

He cites an education system in collapse, a poor environment, terrible transportation and an economy in urgent need of expansion.

"I'm going to run the city, not just be a leader but a chief executive," he said. "Teddy Kollek hasn't been around to run the city on a day-to-day basis for many years. This is what the city needs and what the city is going to get."