



Daily News Bulletin

Vol. 80, No. 139

Friday, July 26, 2002

85th Year

TOP NEWS IN BRIEF

Israeli killed in West Bank attack

An Israeli was killed and another seriously wounded Thursday in a West Bank ambush near Kalkilya.

The victim was identified as Rabbi Elimelech Shapira, 43, a father of eight who lived in the West Bank settlement of Paduel.

The gunfire, which came from the nearby Palestinian village of Burkin, continued after rescue crews arrived and only stopped after Israeli tanks drove up and returned fire, a medic told Israel Radio.

Israel: Shehada planning strike

Hamas terror mastermind Salah Shehada was planning a large-scale attack on Israel when he was killed Tuesday in an Israeli airstrike, Defense Minister Benjamin Ben-Eliezer said.

Shehada intended to have a terrorist blow up a truck loaded with a ton of explosives in Israel, Ben-Eliezer was quoted as telling fellow Labor Party members Thursday.

Court: Papon deserved appeal

France illegally denied Nazi-era war criminal Maurice Papon his right to an appeal, according to the European Court of Human Rights. In its ruling Thursday, the court said France had blocked Papon's right to a fair trial when it refused to allow an appeal of his 1998 conviction.

As a result of the ruling, Papon, 91, could get a new trial.

Papon began serving a 10-year jail sentence in October 1999 after he was found guilty of helping deport some 1,500 Jews to Nazi death camps during World War II.

Israel attacked at U.N.

Israel came under harsh criticism at a U.N. Security Council meeting Wednesday night.

Participants at the late night session lashed out at Tuesday's airstrike in the Gaza Strip that killed 14 civilians along with a terrorist mastermind.

Arab officials called the attack a war crime, and Saudi Arabia circulated a petition condemning the "continued Israeli military aggression against the Palestinian people and the Palestinian Authority."

But no resolution had been brought forward as of late Thursday afternoon.

FOCUS ON ISSUES

Florida lawsuit reflects trend to sue funders of terrorist groups

By Eugene J. Koprowski

CHICAGO (JTA) — A lawsuit against an alleged Islamic Jihad paymaster based in central Florida is the latest in a series of civil cases that Americans fed up with bombings in Israel are bringing against the financiers of international terrorism.

The latest lawsuit seeks an injunction preventing U.S.-based charities from interacting with and financing global terrorists.

The lawsuit was filed recently by John Loftus, a former federal Nazi war crimes prosecutor who currently is president of the Florida Holocaust Museum in St. Petersburg. It alleges that a professor at Tampa's University of South Florida, Sami Al-Arian, is the central figure in an operation targeting Israel and the United States with terrorist attacks.

Analysts say some U.S. citizens are turning to such lawsuits because of frustration with perceived government inaction against terrorist groups.

"The lawsuits are really being used to move against these organizations where the government has either been slow or reluctant," said Matthew Epstein, deputy director of the Investigative Project, a think tank in Washington that tracks terrorism and works closely with federal authorities.

"There's a lot of evidence that has come out, either through other trials or investigative work and media stories, that exposes a lot of these charities and networks in the United States that hatch terrorism," Epstein said.

Loftus' lawsuit alleges that millions of dollars in funding for the terrorist activities of Al-Qaida, Islamic Jihad and Hamas originates in Saudi Arabia, and is laundered through Swiss bank accounts and Islamic charities operating in Florida.

In his lawsuit, Loftus charges that Al-Arian used his status as a university professor to set up what Loftus claims were terrorist front groups, including the World and Islam Studies Enterprise, International Committee for Palestine, the Islamic Concern Project and other charities.

Al-Arian, who maintains that he is the victim of a government witch hunt, has been suspended from the university. The university president is to decide in the coming weeks if he will be reinstated.

The lawyer for Al-Arian, Robert McKee of Tampa, Fla., did not respond to calls seeking comment on the case. However, in a local press interview in Florida he was dismissive of the complaint, calling it "frivolous."

A spokesman for the Saudi information office in Washington also did not return calls.

FBI agents continue to pore over documents seized in a 1995 raid of Al-Arian's home and offices. According to a New York Times report, they are trying to trace at least \$650,000 that Al-Arian and associates sent overseas in the 1980s and 1990s, some of which, investigators suspect, went to Islamic Jihad.

"The money would come through Switzerland through the Al-Rashid Trust, as well as Saudi charities in Virginia," Loftus said in an interview with JTA. "Then it would go to one of many charities, but usually it was the Islamic Concern Project, and from there they would send the money to Syria," where Islamic Jihad is based.

The FBI began investigating Al-Arian in 1995 when Ramadan Abdullah Shallah, a professor whom Al-Arian brought to Tampa and put in charge of his university think tank, left and then resurfaced in Damascus as the head of Islamic Jihad.

According to the Times, investigators have information suggesting that Al-Arian

MIDEAST FOCUS

U.S. urges 'caution' in Israel

The United States is urging Americans in Israel "to exercise a high degree of caution." The U.S. Embassy in Tel Aviv issued the warning Wednesday after Hamas threatened to avenge a terror leader's killing by Israel.

The embassy suggested care at restaurants, cafes, malls and theaters, especially during peak hours of business.

Israeli suspected of selling ammo

An Israeli policeman was arrested on suspicion of selling ammunition to Palestinians. The suspect, Eran Mulai, lives in the West Bank, as do nine others already arrested in the case, police spokesman Rafi Yaffe said Thursday. Police have said they believe the suspects sold some 50,000 bullets for automatic rifles to Palestinian gunmen.

Several of the other suspects are from the settlement of Adura, a settlement that came under attack in April by Palestinian terrorists, who killed four Israelis, including a 5-year-old girl.

Israel opens door to Austria

Israeli Prime Minister Ariel Sharon said he is ready to restore diplomatic relations with Austria. Israel and the European Union imposed diplomatic sanctions on Austria in 2000 after the far-right Freedom Party joined a government coalition.

The E.U. states subsequently lifted the sanctions, but Israel did not.

Mossad chief to head NSC

The head of Mossad is reportedly leaving the post to become head of Israel's National Security Council.

Prime Minister Ariel Sharon offered Ephraim Halevy the post several days ago, the Israeli daily Yediot Achronot reported Thursday. Halevy, 68, will succeed Brig. Gen. Uzi Dayan next month.



Daily News Bulletin

Norman H. Lipoff, *President*

Mark J. Joffe, *Executive Editor and Publisher*

Lisa Hostein, *Editor*

Michael S. Arnold, *Managing Editor*

Lenore A. Silverstein, *Finance and Administration Director*

Paula Simmonds, *Marketing and Development Director*

JTA DAILY NEWS BULLETIN is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For information about how to subscribe by e-mail, fax or regular mail, call (212) 643-1890, or visit our Web site at www.jta.org.
© JTA Reproduction only by previous arrangement.

also is part of Islamic Jihad's leadership. A recent case in the 7th Circuit Court of Appeals in Chicago, Boim v. Quranic Literacy, was helpful to the Loftus case.

David Boim, an American, was killed in a Hamas attack in the West Bank in 1996. The case named an array of individuals and organizations allied with Hamas — such as Quranic Literacy and the Holy Land Foundation — in the United States.

The judge in the Boim case ruled that plaintiffs who have been wronged by terrorists have cause to file civil lawsuits, even against the charities that fund the terrorists.

"It's very, very on point with my case," Loftus said. "You can't use a charitable group for terrorism."

Another case that paved the way for Loftus was that of Alisa Flatow, who died in a 1995 terror attack in the Gaza Strip carried out by Islamic Jihad.

Flatow's father sued the government of Iran, which helps finance Islamic Jihad. The court assessed damages of \$247.5 million, though the government impeded collection, claiming it would harm U.S. interests.

Loftus says his case is based on violations of Florida's Consumer Protection Act, the state's Deceptive and Unfair Trade Practices Act and infringement of a federal racketeering and corrupt organizations statute usually employed against drug kingpins and mafia dons.

The information that would prove his case is in CIA, FBI and National Security Agency files, said Loftus, who claims to have a memorandum, written to the former director of counterterrorism at the CIA, to that effect.

The information was gathered by intelligence agencies, Loftus said.

"Essentially, the Israelis had a super-mole at the headquarters of Islamic Jihad in Syria. This mole reported on all of their activities until he was tortured to death in 1995," Loftus said.

Loftus said the mole even reported on a debate within the organization in which Al-Arian was considered for Islamic Jihad's top world leadership, "but he lost the vote and became No. 2 in the world."

Other evidence, including an FBI videotape, bolsters his claim that Al-Arian is a leader of Islamic Jihad, Loftus said.

"We have a handwritten letter where he talks about a recent killing in Israel which Islamic Jihad carried out, and how he needed more money to carry out more killings, and that talks on cooperation with Hamas were going along nicely," Loftus said.

Loftus charges that millions of dollars raised by the charities — including funds from the Al-Rajhi family of Saudi Arabia — were used to support terrorist training, create safe houses, provide equipment and host "terrorist conventions" in the United States.

The front groups were created in Florida, Loftus believes, because laws overseeing charities there are lax.

"If you file as a religious charity here you don't have to file anything with the IRS and you don't have to file anything with the state," he said. "There's no paperwork."

Al-Arian, a Palestinian, came to the University of South Florida in 1986 to teach engineering and computer science, according to Epstein of the Investigative Project.

In 1992 Al-Arian reached an agreement with the university for research and graduate student enrichment.

Loftus initiated the litigation against Al-Arian a few months ago, but the judge dismissed it on procedural grounds, asked him to refile the complaint and prove that he had the legal standing to sue for damages.

Loftus then donated money to the charities, whose marketing materials state that the funds are used for religious and educational purposes. Since Loftus alleges that the money is being used for other purposes, he claims that he was harmed under Florida's consumer fraud and deceptive practices laws.

The case currently is moving into the discovery phase, where witnesses will be deposed and documents exchanged.

Rumors of Saudi funding for terrorism have circulated in the intelligence community for some time. Until the Sept. 11 attacks, however, U.S. administrations didn't investigate the charges thoroughly, critics say.

Israeli officials refused to comment on Loftus' case, but said that for some time they have been trying to focus attention on the funders of terrorism. □

JEWISH WORLD

Group blasts abortion vote

The National Council of Jewish Women criticized a congressional vote to ban late-term abortions.

The U.S. House of Representatives voted Wednesday to ban "partial-birth abortions," but did not include an exception where there is a serious health risk to the mother.

"We are extremely disappointed that the House has once again bowed to right-wing pressure," said Sammie Moshenberg, director of the NCJW's Washington office. "If this bill becomes law, it would endanger the health and lives of American women."

Opponents of the bill say the legislation is written so vaguely that the ban would apply to many kinds of procedures performed throughout pregnancy.

The bill, which still faces a Senate vote, is supported by the Bush administration.

Zionist group criticizes Israel

The Labor Zionist Alliance blasted the Israeli government for its Gaza City bombing that killed a Hamas leader and 14 civilians.

Israel has a right to target terrorist leaders, and the accidental killing of civilians is often an unfortunate result, leaders of the group said.

But "Tuesday's airstrike far exceeded those limits. While Israel did not target civilians, its disregard of the possible consequences of dropping a one-ton bomb in a crowded area is inexcusable," the group added in a statement.

"In addition to the moral reprehensibility of the bombing itself, it will undercut current efforts for peace."

Supremacists to meet in Pa.

American neo-Nazis and white supremacists are planning to meet this weekend in Pennsylvania.

The "Aryan Nations World Congress" is the first to be convened in the Eastern United States in many years, according to the Anti-Defamation League.

Jews, Tutu discuss Mideast

South African Jewish leaders discussed ways to bring peace to the Middle East with Nobel Peace Prize laureate Archbishop Desmond Tutu.

Tutu later said he felt "very good" about the outcome of the meeting.

"We are people who care. We feel very strongly about things that happen in our country, that happen in other parts of the world, and we hope that we can be instruments of good in a conflict that distresses all of us," he said.

Earlier this year, Tutu irked Jewish groups by comparing Israel's treatment of the Palestinians with the treatment of blacks during South Africa's apartheid regime.

Jewish community won't mourn as Traficant booted from Congress

By Sharon Samber

WASHINGTON (JTA) — As a long-serving congressman leaves Capitol Hill, few in the Jewish community will shed any tears.

Rep. James Traficant Jr. (D-Ohio) was expelled from the House of Representatives on Wednesday night after a colorful, 18-year tenure that included a less than amicable relationship with Jewish constituents and organizations.

Traficant was convicted of federal corruption charges in April. A House committee recommended last week that he be kicked out of Congress.

Traficant, who for years voted against aid to Israel — because of his opposition to foreign aid in general — and supported accused Nazi war criminals, was hardly a favorite of the Jewish community.

While in recent years his voting record on Israel became somewhat more supportive, Traficant still managed to get himself in trouble.

Just after the Sept. 11 terrorist attacks, he suggested that U.S. support for Israel had provoked the attacks. Jewish groups were outraged, and said Traficant was an embarrassment to Congress.

A long-standing controversy involved Traficant's support for John Demjanjuk.

Demjanjuk lost his U.S. citizenship in 1981 on evidence that he was the sadistic guard "Ivan the Terrible" at Treblinka from 1942-43.

Demjanjuk was extradited to Israel in 1986 to stand trial for crimes against humanity. An Israeli court convicted Demjanjuk of being Ivan the Terrible and sentenced him to death in 1988.

He spent five years on death row during which time Traficant called for the Justice Department to reopen the case and asked Congress to probe the way the department's Office of Special Investigations handled the case.

Traficant criticized the dearth of non-Jewish witnesses in Demjanjuk's investigation and said OSI concealed evidence that would have cleared Demjanjuk.

In 1993, the Israeli Supreme Court determined that there was reasonable doubt that Demjanjuk was the Treblinka guard and Demjanjuk subsequently returned to the United States. Earlier this year, a U.S. judge ruled that Demjanjuk should be deported because he lied about his wartime activities when entered the United States. Demjanjuk is currently appealing the ruling.

As he was being investigated in January, Traficant sought to keep Jews off his jury because of the assistance he had given Demjanjuk.

His views on the Demjanjuk issue, and his other maverick stances, alienated Ohio Jewish voters, according to Bonnie Deutsch Burdman, director of the Jewish Community Relations Council of the Youngstown Area Jewish Federation.

"These things have sat with the Jewish community for a long time," she said. "He never really garnered the support of the community."

Traficant also ruffled feathers in the Jewish community for his criticism of Israeli actions toward the Palestinians, and his attendance and support at neo-Nazi sponsored events over the years. In 1990, during a nationally televised talk show, Traficant identified a man in the audience as a "member of Jewish descent."

The Youngstown Jewish community demanded an apology. Traficant, however, denied that he was an opponent of Israel or an anti-Semite, and said he would "not let certain Jewish factions make me one."

Traficant defended his positions on the House floor that year.

"If one is to be branded an anti-Semite for standing up for the constitutional rights, Palestinian dignity, and demanding that American tax dollars be spent on America, so be it," he said.

Traficant has complained of being the target of a government conspiracy, and at times has also complained of being railroaded by a "powerful Jewish lobby."

Traficant will be sentenced next week for his conviction for 10 counts of bribery, racketeering and tax evasion.

Traficant became only the second congressman to be expelled from the House since the Civil War. Nevertheless, he is vowing to run for office again. □

NOTE TO READERS: Jews everywhere are looking to Israel's leaders to provide a vision for the future. In this special series commissioned by JTA, Israel's top political figures answer the vital question: Where do we go from here? Also included in the series are pieces by Israeli Prime Minister Ariel Sharon, Defense Minister Benjamin Ben-Eliezer, Foreign Minister Shimon Peres and former Prime Minister Benjamin Netanyahu.

Destroy terror and disengage

By Ehud Barak

JERUSALEM (JTA) — Israel is at war for our very right to exist as a sovereign, freedom-loving country surrounded by an ocean of backwardness, and is determined to find its way, to stand firm against any kind of threat and to flourish and be patient and strong until the time comes for peace for the area.

The aim of Palestinian terror is not just to kill Israelis, but also to break the will of Israeli society in order to dictate a political solution.

The choice for all of us, all around the world, is not simple but very clear: to destroy terror or be destroyed by it. And we are determined to destroy it.

Visions for Peace Final in a Series

In this struggle against the Palestinians, we in Israel have to answer two basic questions: What is at stake? And what should be done about it? Post-Sept. 11, it is essential that neither the Palestinian Authority nor Yasser Arafat be able to gain a single inch as a result of the deliberate turn to terror.

We should realize that the struggle we are in is carried out on three levels: the struggle against terror on the ground; the struggle for international legitimacy and the moral high ground; and the struggle for internal unity within Israel.

There is an urgent need to shape a coherent Israeli strategy, which is now absent. In shaping this policy, we should say yes to two states for two nations, where Israel is recognized as a Jewish, Zionist democratic state. We should say yes to secure and recognized borders for Israel but no to the 1967 lines.

And we should say yes to the right of return of Palestinian peoples into the Palestinian state, but never into Israel.

Such a strategy should be based on three pillars: a tough campaign against terror, an open door for resumption of negotiations and physical disengagement from the Palestinians.

First, there must be a focused and determined campaign against terror from all sources: Hamas, Islamic Jihad, Hezbollah, Tanzim and the security services of the Palestinian Authority.

Any terrorist, in any place, at any time, including those coming out of the Palestinian Authority infrastructure, will be stopped for as long as the Palestinian Authority continues to guide and execute terror. Second, we should leave open the door for resumption of negotiations, at any moment, without any precondition beyond a complete halt to violence, based on the principles presented at Camp David.

If Palestinian terror continues in spite of this opened door, the whole world will know that terror is Mr. Arafat's choice, and he will have to bear the consequences. If the Palestinian leadership is ready to resume negotiations based on Camp David, that will signal a major achievement in the world struggle against terror because an entity supporting terrorism will have been brought back to negotiations without gaining anything by this evil endeavor.

Third, Israel must embark on unilateral disengagement from the Palestinians and establish a system of security fences. Only such a border could secure a solid Jewish majority inside Israel for generations to come, and in so doing, secure Israel as a democracy and its identity as a Jewish state.

If Israel does not find the way to disengage from the Palestinians, its future might resemble the experience of Belfast or Bosnia — two communities bleeding each other to death for generations. Alternatively, if we do not disengage from the Palestinians, Israel might drift toward an apartheid state.

Obviously, it is better to reach disengagement by consent through an agreement. But Israel cannot impose a readiness to make peace upon Mr. Arafat. The absence of a partner should not paralyze Israel from taking defensive steps in order to protect its own vital interests, which will determine its identity and future.

The disengagement would be implemented gradually over several years. The fence should include the seven big settlement blocs that spread over 12 or 13 percent of the area and contain 80 percent of the settlers.

Israel will also need a security zone along the Jordan River and some early warning sites, which combined will cover another 12 percent, adding up to 25 percent of the West Bank.

We should not formally annex the settlement blocs and the security zone to Israel in order not to block the possibility of further negotiations on this issue.

We should also not immediately dismantle even a single settlement, since it will reward terror, it will deepen the schism within ourselves — and anyhow it takes time.

I would also make it clear that we are determined to put an end to our rule over the Palestinian people for our own purposes, not just for theirs. Israel can do this by making an unequivocal commitment to move the isolated settlements into the big settlement blocs or into Israel.

In Jerusalem, there would have to be two physical fences. The first would delineate the political boundary and be placed around the Greater City, including the settlement blocs adjacent to Jerusalem. The second would be a security-dictated barrier, with controlled gates and passes, to separate most of the Palestinian neighborhoods from the Jewish neighborhoods and the Holy Basin, including the Old City.

The immediate and long-term result of installing the security fence, with sensors and military forces along it, would be a dramatic reduction in suicide attacks inside Israel. Around the Gaza Strip there is a fence, and there are practically no suicide attacks originating from Gaza.

The challenge for the United States is to find a way to convince the Europeans, the United Nations and the Russians about the urgent need to tell Mr. Arafat loud and clear, "We respect and recognize the legitimate rights of the Palestinian people. We are ready to help you negotiate, together with the Israelis, a just and fair arrangement. But it's time for action. If you do not act immediately to put an end to terror and incitement, to be ready to negotiate from a point free of terror activities, you are not just end of story with the Israelis, you will not be just isolated by the Israelis, but you will be isolated by us and the rest of the world."

Without such an action, he will never even contemplate moving. If he refuses, it should be known that the rest of the world is waiting for another Palestinian leadership to emerge. □

Ehud Barak is the former prime minister of Israel. This piece was adapted from a recent New York Times column and from remarks he made at the recent AIPAC policy conference.