

IN THE NEWS

Hezbollah kills Israeli soldier

An Israeli soldier was killed along the Israel-Lebanon border. The soldier was killed Monday by a Hezbollah anti-tank missile fired at an Israeli bulldozer that was diffusing mines.

Israeli officials placed responsibility for the attack on Syria, which is the main power broker in Lebanon and a financial supporter of Hezbollah.

In Sweden, art affects life

The Israeli Embassy in Sweden will have to relocate after the ambassador attacked an art exhibit depicting a Palestinian suicide bomber.

Ambassador Zvi Mazel told Israel Radio on Monday that he and his staff have been asked to vacate the building where the embassy has been housed for almost 50 years. The landlord cited fears that other residents could be at risk following Mazel's attack Friday on "Snow White and the Madness of Truth," a Stockholm art exhibit depicting an Islamic Jihad suicide bomber floating on the blood of her Israeli victims.

Controversial Israeli envoy OK'd for Britain

Israel approved its next ambassador to London, despite British and Israeli misgivings about his suitability.

The government endorsement clears the way for Russian-born business tycoon Zvi Hefetz to take up the high-profile post.

Hefetz had been criticized both for trumping up his diplomatic resume by claiming that during a stint in the former Soviet Union he was integral to building Israel's relations with Moscow, and for what he said was his poor English.

But a civil-service investigation last week cleared Hefetz of any serious wrongdoing, with the commissioner describing parts of his resume as "carelessly worded."

WORLD REPORT

PUBLISHED WEEKDAYS BY JTA—THE GLOBAL NEWS SERVICE OF THE JEWISH PEOPLE • WWW.JTA.ORG

As scandals swirl around Sharon, pundits predict he won't last a year

By LESLIE SUSSER

JERUSALEM (JTA) — As with President Nixon in the Watergate affair, tapes and an attempted coverup could be the undoing of Israel's scandal-haunted leader.

After audiotapes and videotapes that aired on prime-time television last week suggested Ariel Sharon knew more than he has admitted about illegal fund raising during his 1999 bid for Likud Party leader, pundits and politicians say the prime minister won't see out the year in office.

Sharon says he isn't worried and has no intention of resigning. But the race for succession is gathering pace in the Likud, with Finance Minister Benjamin Netanyahu, a former prime minister, well in the lead.

The tapes released by David Spector, a political consultant who worked for Sharon for about a year before and after the 1999 campaign, show Sharon's close advisers unabashedly contemplating illegal campaign funding.

In one tape, Uri Shani, then the Likud's director general, tells Sharon's son Omri that he could transfer Likud funds to the campaign coffers in a way that would be untraceable.

In a taped telephone conversation with Spector, Ariel Sharon asks about U.S. and European donations to what is believed to be an election fund, suggesting that he followed the wider illegal donation process in great detail.

Even if the tapes don't prove criminal wrongdoing by the man who is now prime minister, they do imply a readiness to bend the rules, pundits say. They also suggest Sharon lied to the state comptroller in April 2001, when he said he had no idea how campaign

funds were raised and that his two sons had handled all money matters.

Things are liable to get worse for Sharon soon. The state prosecution is expected to file bribery charges this week against David Appel, a wealthy building contractor and Likud activist with close ties to Sharon.

One of the charges relates to a Greek island that Appel wanted to buy in the late 1990s for tourist development. He paid Sharon's son Gilad hundreds of thousands of dollars for his "advice" on the project, with a promise of \$3 million more if the deal went through — money that police suspect was a kickback to Sharon senior, then the foreign minister, for his help in advancing the project with Greek authorities.

Gilad Sharon, at least, was not unaware of the risk he was taking. An earlier Spector tape shows him worrying that the affair could land him in jail.

If Appel stands trial for giving bribes, the issue of prosecuting those who took them will arise.

During the investigations, Sharon's public standing has been hurt further by his sons' failure to cooperate with authorities. Omri Sharon, who is a Knesset member, answered police questions but said virtually nothing; Gilad Sharon evoked his right to silence, even refusing to produce relevant documents.

The Supreme Court eventually ordered Gilad Sharon to produce the documents — but, according to the Tel Aviv District Court, he held back key documents relating to a \$1.49 million loan the Sharons took to pay back illegal campaign donations.

Continued on page 2

NEWS
ANALYSIS

■ Scandals plague Sharon, and pundits predict his political end is near

Continued from page 1

The accretion of evidence, the growing suspicion of an attempted coverup and the fact that the prime minister isn't saying anything to the Israeli public on the issue all are undermining Sharon's stature. Even if there aren't criminal proceedings against him in the end, several seasoned observers predict that he will have to go soon.

“Ariel Sharon will leave office this year,” Dan Margalit wrote in Israel's daily *Ma'ariv*. “Not because he will be tried, but because the Sharons went too far. In the Likud they already are talking about his resignation. Knesset members are getting ready to abandon his sinking ship, and this time it's easy because his resignation will not entail new elections.”

Margalit sees a pattern similar to Watergate three decades ago and a corruption investigation several years ago against Ezer Weizman, an Israeli president. Things built up slowly in those cases until a snowball effect drove Weizman from office.

Polls suggest Margalit may be right: Sharon's credibility and popularity seem to be ebbing. According to a mid-January poll in Israel's daily *Yediot Achronot*, 67 percent of Israelis believe Sharon knew about illegal campaign fund raising; only 17 percent accept his claim that he didn't.

According to the poll, most Israelis — 53 percent — still think Sharon is doing a good job as prime minister, but that's down dramatically from his 69 percent approval

rating last August. Some 46 percent now say Sharon should resign, up from 33 percent when the scandals broke a year ago.

In the Likud, the prevailing assumption is that they will have to pick a new prime minister sometime in 2004. There are five major candidates: Netanyahu, Defense Minister Shaul Mofaz, Industry and Trade Minister Ehud Olmert, Foreign Minister Silvan Shalom and Education Minister Limor Livnat.

Mofaz, who is not a Knesset member, would be eligible only if new parliamentary elections are held. But under a new election law, if a prime minister resigns the president can call on another Knesset member to form a new government without a general election. That's the more likely scenario, and it would sideline Mofaz.

The key question is who will choose the new party leader — the Likud's Central Committee or the full party membership. Netanyahu probably would win in either forum, but he prefers the full, 300,000 party membership, where he holds a substantial lead.

So would Olmert, who is not popular in the Central Committee. Shalom, who has a strong power base among party activists, is pushing for a vote in the committee.

The issue will be resolved by a party

convention next month. The latest polls of Likud membership show 44 percent supporting Netanyahu, 21 percent backing Mofaz, 9 percent for Olmert, 7 percent for Shalom and 4 percent for Livnat.

If Mofaz doesn't run, support for Netanyahu goes up to 49 percent.

If the vote goes to the Central Committee, Netanyahu still would be the favorite, but the outcome would be dependent on internal wheeling and dealing in which he might be outmaneuvered.

All the speculation could prove premature, however. Sharon insists

he won't resign, and some commentators think he'll weather this storm as he has so many before.

Gidon Samet, of *Ha'aretz*, noted that many wrote off Sharon when the scandal broke a year ago, yet he remains very much in control. Israelis are confused, Samet argued: They may not trust Sharon personally, but they cling to him as the strongman to see them through difficult times.

“Arik,” he wrote, using Sharon's nickname, “will remain at the head of a perplexed society whose compass has failed it and whose contradictions he represents. He will stay on to the end, the bitter end.”

(Leslie Susser is the diplomatic correspondent for the Jerusalem Report.) ■

Sharon insists he won't resign, and some think he'll weather this storm as he has so many before.

Rabin's assassin wants to get hitched

JERUSALEM (JTA) — Just as Israelis were wondering what nuclear whistleblower Mordechai Vanunu might reveal upon his upcoming release from prison, Yigal Amir stole the title of No. 1 Prisoner with a bombshell of his own — or, to be precise, wedding bells.

Amir has been in solitary confinement since being convicted for the 1995 murder of Prime Minister Yitzhak Rabin, but he managed what many other 32-year-old bachelors find difficult, even in Israel.

He found a wife.

According to a report Sunday by Israel's Channel Two television, Amir's beloved is an Orthodox mother of four who left her husband for the student-turned-assassin.

The late prime minister's daughter, Dalia Rabin-Pelosooff, was admitted to a hospital with chest pains after learning of Amir's planned nuptials with Larissa Trimbobler, a 38-year-old Russian immigrant with a doctorate in philosophy.

Rabin-Pelosooff's distress echoed throughout Israel.

“I would sooner go to Amir's funeral than his wedding,” Yossi Sarid, head of the liberal Meretz Party, said in a statement.

Labor Party leader Shimon Peres asked the Knesset to pass a new law forever denying Amir the right to marry.

That call was echoed by Yuval Steinitz, a legislator from the ruling Likud Party. ■

JTA WORLD REPORT

Howard E. Friedman
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 WORLD REPORT is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For more 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 with permission.

THIS WEEK

This is a new weekly column listing anticipated news developments during the coming week that are likely to be of special interest to our readership. The column will normally run on Mondays.

TUESDAY

- President Bush delivers the State of the Union address. Insiders say Bush is postponing a planned Israeli-Palestinian policy statement because of the stalemate in the region.

- Congress returns from its recess and lawmakers consider an \$820 billion omnibus spending bill, which includes more than \$10 million for specific Jewish community projects. Israel activists will be watching to see if the Senate cuts appropriations that would affect the \$2.6 billion Israel is expected to receive in foreign aid this year.

- Israel's second-in-command at the Foreign Ministry is in Washington to meet with his counterparts at the U.S. State Department and National Security Council. Yoav Biran likely will be asked to explain Prime Minister Ariel Sharon's contingency plan for unilateral separation from the Palestinians.

- A bill barring insurance companies from denying life insurance to Israel travelers could go before the New York state legislature. Insiders say the Democratic-led assembly will go along with the bill.

- The U.N. Security Council debates the issue of children in armed conflict. Israel is slated to address the group and discuss the effect of terrorism on Israeli children.

WEDNESDAY

- Gen. Wesley Clark launches a major fund-raising drive among Jews. The campaign is organizing Jewish "house parties" around the country and Clark will speak to Jewish supporters in an evening conference call.

- The Israeli-Palestinian conflict is expected to be a major topic of discussion at the World Economic Forum in Davos, Switzerland. Israeli Deputy Prime Minister Ehud Olmert and Foreign Minister Silvan Shalom will head the Israeli delegation.

THURSDAY

- U.N. Undersecretary-General Shashi Tharoor briefs a group of U.N. non-governmental organizations on anti-Semitism.

SUNDAY

- The United Jewish Communities' board of trustees meets in Scottsdale, Arizona. Insiders say last month's long-awaited decision on overseas allocations, to be voted on in Scottsdale, could be in jeopardy after New York federation leaders circulated a draft letter voicing regret over the decision.

- Democratic candidates for president appeal to New Hampshire Jewish voters at a synagogue breakfast at Temple Adath Yeshurun in Manchester.

Holocaust insurance a mess as Calif. class-action lawsuit grows

By TOM TUGEND

LOS ANGELES (JTA) — Six Holocaust survivors in California have joined a growing list of plaintiffs charging that an Italian life insurance company has reneged on payments for Holocaust-era policies.

In their lawsuit, filed last week in Los Angeles Superior Court, the survivors claim that Assicurazioni Generali, one of Europe's largest insurers, has stonewalled their requests for payouts for up to 55 years or dismissed them with meager settlement offers.

The growing number of plaintiffs is further indication that the issue of insurance payouts from pre-World War II-era policies is far from over, despite work by the International Commission on Holocaust Era Insurance Claims, which was set up in 1998 to handle the problem.

ICHEIC and its chairman, former U.S. Secretary of State Lawrence Eagleburger, have been accused of not working fast enough to provide payments for Holocaust survivors and their heirs.

One of the plaintiffs in the class-action lawsuit is Manny Steinberg, 78, who was a 14-year-old boy in Radom, Poland, when he was assigned to a munitions factory for forced labor. Later he survived a death march, Auschwitz and a Dachau satellite camp. His mother and a brother perished in the Holocaust; his father and another brother survived.

"I still remember, when I was a young child, the Generali agent coming to my father's ladies custom tailoring store every two weeks to collect \$2 or \$3 in insurance premiums," Steinberg said. "And while we were in camp my father kept reminding me, if we get out, there is an insurance policy waiting."

After six years of correspondence, Generali has informed Steinberg that it is still auditing his records. Generali told survivors George Brown and Ebi Gabor that it could not find any records of policies purchased by their parents.

The six survivors are seeking damages

and an injunction against Generali's allegedly unfair business practices. They are represented by attorney William Shernoff, who over the last three years has filed similar lawsuits on behalf of 12 other survivor families.

All the cases, as well as some class-action lawsuits on Holocaust reparations, have been transferred to a federal court in New York, where they are under review. Shernoff expects that the current litigation also will go to the New York court.

Complicating the matter is that all insurance claims against Generali and other European insurance companies have been assigned to the Holocaust insurance commission.

Peter Simshauser, Generali's attorney in Los Angeles, said that the company had paid \$100 million to ICHEIC for its operations and to settle insurance claims against Generali. "Some individual claimants have received in excess of \$500,000," Simshauser said.

He also pointed to a letter sent last week by Generali director general Meir Lantzman to

Israel's Knesset, which stated that the company had paid out \$45.5 million to 2,751 individuals.

Shernoff responded by saying the current value of policies held by survivors and heirs of Holocaust victims was more than \$1 billion.

"It's a joke," Shernoff said. "Generali is paying out less than 10 cents on the dollar."

Last September, three Los Angeles area survivors, including Steinberg, filed a suit against ICHEIC, claiming that it delayed or denied payments totaling more than \$1 billion on policies held by survivors or heirs of those who died in the Holocaust.

The deadline for submitting claims to ICHEIC expired Dec. 31.

In filing the latest lawsuit against Generali after this deadline, Shernoff said he wanted to make it clear that those who had not yet sent in a claim, or felt they had been given the runaround by ICHEIC or Generali, could still stake their claims through lawsuits.

While we were in camp my father kept reminding me, if we get out, there is an insurance policy waiting.'

Manny Steinberg
Holocaust survivor and plaintiff

NEWS IN BRIEF

WORLD

Ice-skating attack in Paris

A Jewish teenager was injured in an attack by Muslim youths at an ice-skating rink near Paris.

On Saturday, a group of youths shouted anti-Semitic insults at the 15-year-old boy before kicking him in the head and jaw with ice skates, the Bureau for Vigilance Against Anti-Semitism said in a statement. Police detained four youths aged 14 to 17, described as being of North African origin.

Pope meets Israeli rabbis

The chief rabbis of Israel met with Pope John Paul II. Yona Metzger and Shlomo Amar, making their first trip to the Vatican, said they asked the pope last Friday to speak out against anti-Semitism and to act on behalf of Israelis held by Hezbollah in Lebanon.

They also requested a day on the Catholic calendar for reflection on the Jewish faith.

The rabbis are also expected to search Vatican storage facilities for Jewish artifacts, including a menorah that stood in the Jerusalem temple 2,000 years ago.

Jews, Catholics meet

A historic conference involving top Jewish and Catholic leaders is focusing on anti-Semitism and global terrorism.

The conference, being held Monday and Tuesday in New York, includes a dozen cardinals, six chief rabbis and other religious leaders from around the world. The World Jewish Congress is sponsoring the conference.

Muslim speakers attack Jews

Muslim speakers at a Paris rally against a proposal to ban Islamic scarves in French schools attacked Jews and Israel. Addressing around 15,000 demonstrators in Paris on Saturday, Mohamed Latreche, president of the Party of French Muslims, described Zionism as "an apartheid ideology that we should fight like we fight Nazism."

Gefilte fish and chips

Fish and chips, the quintessential British dish, has partial Jewish roots, according to a recent study.

The dish has its roots in gefilte fish brought to Britain in the 19th century by Ashkenazi Jews, according to a professor at Leicester De Montford University, Panikos Panayi.

But the chips are not related to latkes; the potato tradition originated from French and Belgian pommes frites. Panayi studies how immigration and globalization have affected the British diet.

NORTH AMERICA

Representatives: Drop Belarus sponsorship

Six congressional representatives have asked Coca-Cola and McDonald's to drop sponsorship of Belarus' Olympic team because of a sports stadium built over a Jewish cemetery. Belarus' expansion of the Neman stadium in Grodno has unearthed Jewish remains and tombstones, Rep. Anthony Weiner (D-N.Y.) wrote in a letter to the two corporate giants.

Five other Democrats joined Weiner in signing the letter.

Jewish groups ready to tour

Three Jewish organizations will tour the top 40 Jewish federations to tout needs in Israel, Argentina and the former Soviet Union. Representatives of the United Jewish Communities, the Jewish Agency for Israel and the American Jewish Joint Distribution Com-

mittee will on Jan. 27 launch a North American tour they hope will increase their core funding by \$20 million, split between the groups.

Reform supports detainees on habeas

The Reform movement and two national Jewish groups support the right of terrorism detainees to judicial review.

The movement joined the Anti-Defamation League and the American Jewish Committee and a range of human rights groups in filing a brief Jan. 14 with the Supreme Court supporting the right of the detainees to claim "habeas corpus" — the violation through extended detention without charges of their right to trial.

Some of the detainees have been held at the U.S. Naval Base at Guantanamo Bay for two years since their capture in Afghanistan.

The government recently agreed to try some of the detainees in a military court.

Boston group backs same-sex marriage

Boston's Jewish Community Relations Council overwhelmingly endorsed same-sex marriage.

Last week's vote by the 42 Jewish groups that make up the Boston JCRC came as Massachusetts considers the issue.

Some groups are calling for a state amendment that would bar same-sex marriage after the state's Supreme Court struck down a ban on such marriages.

Conservatives set harassment guidelines

The Conservative movement is urging its synagogues to adopt sexual harassment and abuse guidelines.

The United Synagogue sent its 760 member congregations across North America a 14-page set of guidelines Jan. 15 aimed at preventing and dealing with sexual harassment by clergy, synagogue staff and lay people. Rabbi Jerome Epstein, United Synagogue's executive vice president, said the move came after he'd learned of more than one dozen sex-abuse or harassment cases in the movement over the past two years, only some of which became public.

Epstein said the rules were not mandatory but "best practices" and are intended to spark debate about the issue.

MIDDLE EAST

Mistaken identity

Israeli soldiers reportedly mistook a Palestinian woman for a suicide bomber and shot her.

Witnesses said the woman, a deaf farmer in her late 30s, climbed over Israel's West Bank security barrier to reach her fields and did not hear soldiers' orders to halt.

She was hospitalized in critical condition.

The army did not immediately comment on Monday's shooting, which came amid intelligence warnings of an impending terrorist attack in central Israel. The warnings were later lifted.

Mending fences?

Israel reportedly is rerouting its West Bank security barrier under mounting international pressure.

Israeli officials said there would be "tactical changes" to parts of the fence that run into the West Bank, Reuters reported.

Israel is bracing for an anticipated critical outcome to hearings on the fence scheduled at the International Court of Justice next month.

Israel's Channel Two television reported over the weekend that construction has been suspended on stretches of the fence that stray from the Green Line — the boundary that divides Israel proper from the West Bank.