

Violence at West Bank outpost

Scores of Israelis were injured as settlers scuffled with police trying to dismantle a West Bank outpost.

Security forces moved against Amona, an illegal cluster of houses built outside the settlement of Ofra, on Wednesday after last-minute court challenges by right-wing activists failed.

But hundreds of settler youths who had barricaded themselves at the hilltop outpost threw rocks and other debris at the evacuating units, injuring at least 50 policemen.

More than 200 protesters, including three far-right Knesset members, were injured.

Hamas rebuffs Bush conditions

A Hamas leader rejected President Bush's conditions for a relationship.

"These demands are unjust to the Palestinian people," Ismail Haniyeh, the head of the Hamas slate that won a landslide in last week's legislative elections, said in an interview Wednesday with Reuters.

In his State of the Union address Tuesday, Bush said Hamas "must recognize Israel, disarm, reject terrorism and work for lasting peace."

Bush vows to defend Israel

President Bush reiterated his pledge to defend Israel if Iran attacks it.

In an interview with Reuters, Bush expanded on the pledge made last month.

"I am concerned about a person that, one, tries to rewrite the history of the Holocaust, and two, has made it clear that his intentions are to destroy Israel," Bush said in the interview Wednesday. "Israel is a solid ally of the United States, we will rise to Israel's defense if need be."

Asked if that included military assistance, he said: "You bet, we'll defend Israel."

WORLD REPORT

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

Jewish world weighs the impact of financial impropriety at the WJC

By CHANAN TIGAY

NEW YORK (JTA) — When a top official of the World Jewish Congress was relieved of financial management responsibilities after an investigation found financial impropriety, some members of the Jewish community saw it as a wake-up call to other Jewish groups.

As non-profits grow, they said, their leaders ought to stand back and evaluate how their finances flow.

Others, though, saw the situation at the World Jewish Congress, which was found to have lacked "appropriate financial controls" and to have made "inappropriate disbursements" to top WJC officials, as unique, and unlikely to lead to any significant re-evaluation of current practices.

Either way, word that Rabbi Israel Singer, the most public face of the world body, will no longer be allowed to take part in the group's fund-raising and financial management, was creating a buzz in the halls of U.S. Jewish organizations.

"I think when any such thing happens, it's the kind of thing that makes you kind of stand back and say, 'This is a wake-up call, how are we doing in this regard?'" said Susan Shevitz, former director of the Hornstein Program in Jewish Communal Service at Brandeis University.

"It calls attention to the need for really good practice — responsible, competent practice in these arenas."

"Jewish organizations need to focus much harder than they sometimes do on issues of management," said Jacob Ukeles, president of Ukeles Associates, which does management consulting and policy research for the

organized Jewish community.

"If this is a wake-up call, great. I'm not sure that people look at it that way, because I think that, at some level, each situation is idiosyncratic. This is a complex melange of personalities and facts. I don't know objectively if there are lessons to be learned," he said.

In an agreement reached with the New York state's attorney general, whose office conducted the investigation, Singer has also stepped down from his position as chairman of the group and has agreed to repay some \$300,000 in personal expenses he had charged to the WJC.

The investigation uncovered no criminal wrongdoing or loss of charitable funds.

It is too early to know the impact of the investigation on the organization, which has constituent bodies around the world, and is best known in recent years for negotiating Holocaust restitution agreements around the world, most of them by Singer himself.

New York's attorney general, Eliot Spitzer, launched his investigation in 2004 after Isi Leibler, a former senior vice president of the WJC, went public with a 12-page memo detailing allegations of financial wrongdoing by WJC officials.

The attorney general's investigation found that in 2003 Singer made a series of unusual money transfers totaling \$1.2 million to European bank accounts in an effort to launch an employee pension fund. He did so, the report said, without seeking authorization from any of WJC's governing bodies or keeping a record of the fund in the group's files.

And while Spitzer's report found that

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■ Will the discovery of financial impropriety at the WJC be a wake-up call?

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these and other questionable financial moves at the congress highlighted a lackadaisical approach to financial controls, the irregularities did not compromise the group's core mission.

Spitzer's investigation found that the WJC had made inappropriate disbursements to some of its officials.

One executive received compensation for a child's school tuition and taxes were not paid on it. Other officials submitted credit card bills that were not properly scrutinized.

In Singer's case, the Attorney General's Office said, the inappropriate disbursements totaled more than \$300,000. Among other such payments, Spitzer's office said, Singer had charged some personal expenses to the WJC on a credit card he used principally for congress business; and had used WJC funds for car lease payments and insurance for family members.

Singer has repaid close to \$215,000 already and was expected to return an additional \$132,000 this week, the congress said.

In addition to Singer, WJC's former executive director, Elan Steinberg, was barred from playing any future role in the group's finances.

Steinberg, who is no longer associated with the group, could not be reached for comment.

Singer, who was traveling in Greece, could not be reached for comment, but he said in a statement: "I sincerely regret that at times my almost exclusive focus

on execution of our mission diverted my attention from important administrative activities."

The group's secretary-general, Stephen Herbits, who was brought on as the WJC was grappling with the allegations, said the group has already made significant changes.

"There was a wide variety" of such disbursements as a "result of sloppy record-keeping," Herbits told JTA. "That was true of all of the executives here."

"The time and resources that have gone into reforming the WJC's governance processes over the past 16 months have been necessary and well-spent," Herbits said. "The organization is now stronger than ever and moving forward with its vital mission."

At the attorney general's urging, the WJC has agreed to — and begun — implementing a series of steps to ensure better financial oversight, including forming an audit committee, hiring a chief financial officer, computerizing records, implementing travel and reimbursement procedures, and creating a new fund-raising entity to improve solicitation practices.

In an effort to ensure continued compliance, the WJC will remain under tighter scrutiny than most other non-profits, a spokesman for Spitzer told JTA.

"We find it's a common problem with not-for-profit organizations — the people involved are dedicated to good work but sometimes they lack the expertise or they lack the proper commitment to following a fairly rigorous set of rules and procedures that all not-for-profits must follow," Darren Dopf told JTA.

For his part, Singer now has a new role as chairman of the newly created WJC policy council.

Singer "will be free to focus on the political, diplomatic and issue-based matters

of the organization," Herbits said. "Those responsibilities have always been Israel Singer's greatest strength and passion."

Herbits said that "the need to fight a barrage of baseless and vindictive allegations being thrown about by" Leibler required a "shameful waste of critical resources" by the WJC.

This week the WJC sued Leibler in Israel for defamation.

Leibler, for his part, said he was vindicated by the report.

It "goes well beyond anything that any of those who raised questions even implied, and the facts set out in the report are damning and speak for themselves," he told JTA from his home in Israel.

"The report has exposed the malpractices and the chaos in the administration of Israel Singer and has at least forced the WJC to choose the reforms which I've been calling for."

In the wider Jewish world, Jeffrey Solomon, president of the Andrea and Charles Bronfman Philanthropies, said that the public airing of WJC's troubles may serve to confirm an impression of Jewish organizations already held by some critics.

"For many people they have a thousand reasons why they don't want to be involved in organized Jewish life, organized charitable life. This rationalizes that lack of involvement," he said. "For people who are involved it really makes no difference. It is what it is."

One Jewish official, who spoke on condition of anonymity, said that the lack of financial oversight at the WJC was so extreme that it was unlikely that other groups would take lessons from it.

"Everybody should be looking at" their financial controls, "but I think that most places have pretty good safeguards," he told JTA. "They do not operate in a parallel way."

'For people who are involved, it really makes no difference.'

Jeffrey Solomon

President, Andrea and Charles Bronfman Philanthropies

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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.
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Hadassah endorses gay rights

NEW YORK (JTA) — Hadassah endorsed the rights of gays and lesbians in relationships. The endorsement, passed overwhelmingly by the Hadassah board

at a recent meeting in Florida, said that "same-sex couples deserve equal protections under the law, comparable to those afforded to heterosexual couples."

E.U. mixed on funds for Hamas-dominated P.A.

By DINAH A. SPRITZER

PRAGUE (JTA) — Panic is perhaps the best way to describe the European response to the recent Hamas win in the Palestinian Legislative Council election.

European Union bureaucrats and foreign ministers held a flurry of meetings and consultations following the Hamas landslide in last week's Palestinian elections that are aimed at creating a new position on European Union financial aid to the Palestinian Authority.

The 25 member-state European Union, which gave the Palestinian Authority some \$600 million in 2005, is the P.A.'s single largest source of financial support.

On the political front, the initial E.U. stance toward Hamas could be found in the clear-cut words of German Chancellor Angela Merkel, who during a visit with P.A. President Mahmoud Abbas said Germany would not speak to Hamas until it renounced terrorism and recognized Israel's right to exist.

The European Union, like the United States and the United Nations, echoed Merkel's position on Tuesday, although slipping in the caveat that Hamas needs time to adjust to its new situation.

"We don't want a Palestinian Authority that collapses," the E.U.'s external relations commissioner, Benito Ferrero-Waldner said.

How much time the Europeans will give Hamas after it forms a government in the next few months, and how flexible they will be, is the source of much speculation.

"The E.U. will inspect every sentence coming out of the mouth of Hamas leaders to look for some sign of movement towards peace so that the E.U. can keep giving the P.A. money," said Emanuele Ottolenghi, a fellow at the Oxford Centre for Hebrew and Jewish Studies and at the Middle East Centre of St. Antony's College at Oxford University.

Michael Emerson, a senior research fellow at the Centre for European Policy Studies of Brussels, took a more conciliatory view.

"Hamas should have a bit of a reflection period," he said. "The hope on the European side is that a democratically legitimate Hamas-led government transforms itself into a partner for peace; it has

happened in the past. The E.U. does not want to make such a movement less likely by being aggressive."

No change in European financing is likely to be considered until after Hamas forms a government, which analysts say may take up to three months. Even then, as long as Abbas remains president, E.U. funding may continue without a noticeable policy shift by Hamas, E.U. insiders told JTA.

"The E.U. has a long tradition of supporting the Palestinians," said Robert Lowe of the Middle East program at the Royal Institute of International Affairs, a London-based think tank. "First, they stake out a position on Hamas, then they compromise."

Jana Hybaskova, head of the Israel committee in the European Parliament, insists the Europeans are serious about cutting off funding if the new Hamas government does not accept a two-state solution.

"There was a lot of debate among the foreign ministers about how to proceed, and in the end the hardest line against Hamas won out," she said.

Hybaskova, a Czech native, was part of the European monitoring team at the Palestinian elections. "I spoke with several top Hamas candidates and they said they could stick to the hudna, the cease-fire, and eventually accepting Israel based on its 1967 borders and, perhaps in 10 or 20 years, a two-state solution," she said.

The European stance, she added, is meant to encourage Hamas moderates in a party that is by no means united. Lowe supports this strategy.

"Hamas has said it will put off violence and it knows the P.A. can't survive and pay even basic salaries without E.U. money," he said.

Some Hamas officials however, incensed by the American and European demands for a recognition of Israel, have said in recent days that they will turn to Arab sources for funding.

Lowe said this is unrealistic.

"Oil prices may be rising, but even the richest Arab countries would not be willing to fill the gap. There is no reason for the Saudis to bankroll Hamas, and Iran does not have that kind of money," he said.

On the surface, said Lowe, it might seem that Israel and the United States would want an end of European funding if Hamas does not accept the U.S.-backed "road map" peace plan. "But the truth is that it would be terrible for Israel if poverty gets even worse in the territories, which can only lead to more violence. Israel knows this is not to its advantage," he concluded.

It is this wait-and-see stance that irks Oxford's outspoken Ottolenghi.

He predicted that the Europeans would find some means to keep funding the Palestinian Authority no matter what

Hamas did, even if that meant funneling funds through Abbas.

"The chances are very small that Hamas will really change from a party that wants to destroy Israel. This whole 'if you only empower them they will change' attitude is misguided nonsense," he continued.

Cutting off funding to Hamas would be a better option in the long term, according to Ottolenghi.

"Everyone keeps comparing the transformation of the IRA from an armed terrorist group into a political force when speaking about the hopeful chance for Hamas. Well let me tell you something, the IRA didn't call for the establishment of a Catholic fundamentalist state in Ireland that should then control all of Europe. And the IRA was forced to change because the Irish government stopped financially supporting it," he said.

Ottolenghi also expressed the view that a humanitarian crisis in the Palestinian territories would be a positive result.

"In a crisis, the U.N. steps in and begins a peacekeeping operation and can set up a protectorate, as in Kosovo. Then we stop giving unconditional funding to a bunch of seventh century fanatics with suits and ties," he said.

BEHIND THE HEADLINES

'Even the richest Arab countries would not be willing to fill the gap.'

Robert Lowe

Royal Institute of International Affairs,
Middle East Program

NEWS IN BRIEF

MIDDLE EAST

Sharon gets feeding tube

Ariel Sharon had a feeding tube inserted.

Jerusalem's Hadassah Hospital said Wednesday that doctors inserted a tube into the comatose Israeli prime minister's stomach, a move that signaled that his incapacitation could be protracted.

The hospital said Sharon, who suffered a massive stroke last month, remained in stable but critical condition.

Israel compensates ex-detainees

Israel paid compensation to Palestinians who said they were tortured while in Shin Bet custody.

The \$530,000 settlement was reached last month with 28 Palestinians, who were arrested and interrogated in the early 1990s.

Their lawyer said Wednesday that in exchange for the payout, his clients agreed to drop their lawsuit, sparing the state a court battle which would have required open discussion of the Shin Bet's closed-door methods.

The Justice Ministry confirmed there had been a settlement, but noted that Israeli authorities had never admitted that the 28 who were arrested on suspicion of terrorist ties were tortured in custody.

Livni meets Mubarak

Israeli Foreign Minister Tzipi Livni asked Egypt to help press Hamas to moderate its views.

Livni flew to Cairo on Wednesday for talks with Egyptian President Hosni Mubarak, a key Israeli-Palestinian power broker.

Prior to her departure she said she would defend Israel's decision to halt the transfer of tax revenue to the Palestinian Authority following Hamas' election victory last week. She also said she would ask Mubarak to support Israel's demand that the radical Islamic group abandon violence and recognize the Jewish state's right to exist.

Autopsy sparks riot

Fervently Orthodox Jews rioted in Israel over an unauthorized autopsy conducted on the body of one of their community members.

Police discovered the body of an 89-year-old religious woman in Kiryat Ata on Monday and, suspecting murder, ordered an autopsy.

Hearing of the move, which was apparently conducted without consulting with the woman's family or community, hundreds of fervently Orthodox Jews blocked streets in Jerusalem and scuffled with police. Orthodox law generally bans autopsies.

Rabbi congratulates Hamas member

A settler rabbi congratulated a Hamas member on his election to the Palestinian Parliament, a report said.

Rabbi Menachem Froman traveled to Hebron on Sunday to congratulate Sheik Naif Rajoub, who won election to the Palestinian Authority legislature last week, the anti-Israel Council for the National Interest reported.

Froman, who lives in the West Bank settlement of Tekoa, has long favored dialogue with the Islamist terrorist group, saying it is more representative of the Palestinians than Fatah.

Froman also believes in a bi-national state that would guarantee the right to Jewish settlement throughout the West Bank.

WORLD

Chavez meets Jewish officials

Venezuela's president met with local Jewish officials after being accused of making remarks some consider anti-Semitic.

Freddy Pressner, the president of the Venezuelan Confederation of

Israelite Associations, said he believes Hugo Chavez's remarks were not anti-Semitic, Reuters reported.

In a speech given in late December, Chavez said that while the world offers riches to all, "minorities such as the descendants of those who crucified Christ" have become "the owners of the riches of the world."

The Simon Wiesenthal Center said the remarks were a veiled attack on Jews. Chavez insists he was referring to the wealthy elites and not to Jews.

In a speech given Tuesday, Chavez described anti-Semitism as "part of the international aggression against Venezuela."

World Bank head: Maintain aid to Palestinians

Paul Wolfowitz, the World Bank president, counseled continued aid for the Palestinians.

"I hope they will ask us to stay," Wolfowitz told London's Financial Times, referring to the "Quartet," the grouping of the United States, the United Nations, the European Union and Russia that guides the Middle East peace process.

The Quartet warned Hamas in the wake of its victory in Palestinian legislative elections that it would cut aid unless the terrorist group recognizes Israel and renounces violence.

"It will help the whole process if the life of the average Palestinian improves," Wolfowitz said in another interview with Reuters: "We ought to be the last people to disengage."

Wolfowitz, who is Jewish, was formerly the deputy U.S. secretary of defense.

NORTH AMERICA

U.S. presses Israel on P.A. funds

The Bush administration is pressing Israel to continue transferring funds it owes to the Palestinian Authority.

Ehud Olmert, the acting Israeli prime minister, this week suspended the transfer of taxes and customs garnered from Palestinians in the wake of Hamas' landslide victory in Palestinian legislative elections.

"This is a topic we're talking to the Israeli government about," U.S. State Department spokesman Sean McCormack said Wednesday.

The United States says it will not assist a government led by Hamas.

But the United States favors continued payments as long as the interim government, led by the relative moderate Mahmoud Abbas, is in place.

O.U. calls for restraint at Amona

The Orthodox Union called for restraint from both sides in the evacuation of illegal settlers.

Settler youths and Israeli security forces clashed Wednesday as police evacuated them from Amona, an illegal outpost in the West Bank.

At least 50 policemen and some 200 protesters were hurt in the fighting, including three far-right Knesset members.

The Orthodox Union issued a statement, saying "this effort, while authorized by the legislature and the courts, required special sensitivity and consideration in its implementation" because of its timing, just a week after the Hamas terrorist group won a landslide victory in Palestinian legislative elections.

"We are dismayed that the soldiers of the Israeli Defense Forces were unable to carry out their orders without resort to forceful tactics and we are dismayed that many who objected to and were protesting the evacuation resorted to acts of violence," the O.U. said.