

Former Israeli premier faces corruption charges

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Ehud Olmert has become the first person to have held the office of Israeli prime minister to be charged with a criminal offence. The 61-page indictment against the former premier includes a litany of charges, including accepting bribes, fraud, breach of trust, falsifying documents and income-tax evasion. They cover the period when he served as industry and trade minister from 2003 to 2006 and before that, when he was mayor of Jerusalem from 1993 to 2003.

The indictment relates to three separate investigations. The most damning charges emerged when a New York businessman and fundraiser, Morris Talansky, was questioned in an Israeli court last year. Talansky alleged that he gave \$150,000 to Olmert to finance his campaigns. He claimed he had lent Olmert money on three occasions to pay for personal trips. In all, Olmert is alleged to have received more than \$500,000 between 1997 and 2005, much of it cash stuffed into envelopes, which he failed to report. He is accused of abusing his position to promote Talansky's business interests in Israel and elsewhere.

Following these court revelations, the police widened their enquiries to encompass the period when Olmert was mayor of Jerusalem. This has led to charges that he used Rishon Tours Travel Agency to make out multiple bills for the same international trips to various public and charitable organisations made on their behalf in his capacity as a government official before he became prime minister. This fraud amassed \$92,000, which he spent on personal and family travel.

Thirdly, he is alleged to have used his position as minister for trade and industry to aid the interests of his former law partner and political associate, Uri Messer.

Shula Zaken, Olmert's former personal secretary who had served him for more than 30 years, has been indicted on similar charges and with wire tapping Olmert's conversations with politicians and ministers.

With more than 200 witnesses likely to be called to give evidence, Olmert's trial is expected to last four years, excluding any appeals to the Supreme Court.

The indictment this week concludes the lengthy criminal investigations that forced Olmert to step down as leader of the Kadima party last September, precipitating an early general election this year. His successor, Tzipi Livni, was unable to form a coalition. Olmert even then remained in office as caretaker prime minister until new elections in February brought the right-wing nationalist coalition government of Benjamin Netanyahu to power, with the switch of Labor from an alliance with Kadima to one with Likud.

No other Israeli politician has faced so many investigations by the police and judicial authorities. The three investigations are only some amongst numerous enquiries into allegations about his corrupt dealings and his connections with convicted criminals. That he has been able to evade charges for so long is due to his political value to the ruling elites in Tel Aviv and Washington.

An opponent of the Oslo Accords with the PLO, as mayor of Jerusalem he promoted the ongoing expansion of the settlements in East Jerusalem, illegally annexed by Israel in 1967 and after the second intifada broke out in September 2000, called for the harshest reprisals. After his term of office as mayor expired, he was elected to the Knesset and joined Ariel Sharon's Likud coalition government.

He supported Sharon's "disengagement" from Gaza that was aimed at securing Washington's support for further expansion of the settlements in the West Bank and Gaza. This outraged the Likud party, leading Sharon, with Olmert's backing, to split from Likud to form Kadima, which he led after Sharon became ill.

The pullout from Gaza and the formation of Kadima was hailed by commentators as a realignment of the

“centre” that would provide a path to peace and ensure Israel’s security. In reality it marked a further shift to the right of official Israeli politics that saw leading Labourites such as former party leader Shimon Peres join a common organisation with Sharon.

As prime minister, Olmert supported negotiations with the Palestinians, providing the Bush administration with a fig leaf to win support from Washington’s European allies and the Arab regimes that was vital in the wake of the Iraq war and occupation. Behind this cover, Olmert continued with Israel’s policy of expanding the settlements, building the security wall that encroached still further on Palestinian land and launched military assaults on Hezbollah and Hamas in 2006 and Hamas again in the winter of 2008-09. He also initiated talks with Syria, aimed at isolating Iran and cutting off aid to Hezbollah, Iran’s proxy in Lebanon.

Olmert also continued the financial policies of his predecessor, liberalising the economy and carrying out other measures that favoured the dozen families that control the majority of Israel’s corporations and wealth. At the same time, the broad mass of the population became ever poorer, making Israel one of the most economically and socially unequal of the advanced countries.

That Olmert was ultimately forced to leave office was bound up with a sustained attack on his handling of the 2006 war against Lebanon, without which Livni’s leadership challenge over his corruption would probably have failed.

Olmert is not just one rotten apple. The events of the last week have revealed the depth of corruption and degeneracy in the top echelons of Israel’s political establishment.

Just a few days ago, former finance minister and Olmert confidante, Abraham Hirschson, was convicted of multiple counts of fraud, including embezzling about NIS 2.5 million (\$750,000) from the National Workers Organisation he headed, and was sentenced to five years in jail. Shlomo Benizri, a prominent Shas politician and former health minister, was convicted for bribery and sentenced last week to 18 months imprisonment. The former president of Israel, Moshe Katsav, is currently on trial for rape and sexual harassment of several women in his office. He was forced to step down in June 2007.

A serious corruption charge now looks set to destabilise the present government. Police are likely to charge the foreign minister and leader of the far-right Israel Beiteinu party, Avigdor Lieberman, with corruption following a

long-running investigation into allegations of bribery, fraud, breach of trust, money laundering and obstruction of justice in a case dating back over nine years. According to *Ynet*, police believe he pocketed about \$2 million in his business dealings after he became a minister. The charges carry sentences of up to 31 years in jail. If he is charged, he will be forced to resign.

While Olmert is the first Israeli prime minister to be charged, he is not the first prime minister to be investigated for bribery and corruption. His predecessors, Ariel Sharon, Ehud Barak, Benyamin Netanyahu and Yitzhak Rabin, were all under investigation but charges were never brought. At one point, when Sharon was prime minister, it seemed that he would be charged with bribery during his tenure as foreign minister in a case that also implicated his successor, Olmert, but the incoming attorney general refused to press charges. In a separate case, Sharon’s son, as his campaign manager, served a jail sentence over illegal campaign contributions during his 1999 election to the Likud leadership.

The prosecution of Olmert will alter nothing fundamentally within Israel’s corrupt ruling elite. Business will carry on as usual. That Israel should be ruled by such a venal clique demonstrates the impossibility of preserving democratic norms in a society in which the political process, like every other institution, is geared towards preserving the interests of the fabulously wealthy elite at the direct expense of the working class. The broad mass of the population is alienated from all the official parties, which have become instruments for the unrestrained enrichment of the upper echelons and a focus for the lucrative attentions of semi-criminal and criminal layers anxious to establish their own place within ruling circles.



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