

Israel Prime Minister Netanyahu faces possible corruption charges

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Israeli police have confirmed there is enough evidence in two separate cases to indict Prime Minister Benjamin Netanyahu on charges of bribery, fraud and breach of trust and to show he had acted “against public interests.”

Their very belated decision highlights the corrupt relations that exist between Israeli politicians and big business and the media networks. It shreds Israel’s pretensions to be the Middle East’s “only democracy.” No less than its counterparts throughout the region, the Israeli political system is the criminal instrument by which the corporate and financial elite enforce their dictates on the Jewish and Palestinian working class.

State prosecutors and the attorney general, Avichai Mandelblit, a former military prosecutor and one-time Netanyahu aide, must now examine the recommendations and decide whether to press formal charges. The process, including a hearing with Netanyahu’s lawyers, is expected to take months. Netanyahu could therefore still serve out his term and even run for re-election in September 2019.

Under Israeli law, it is not clear that a prime minister—as opposed to ministers and mayors—is required to resign if indicted. Given the long legal process that lies ahead, Netanyahu’s position depends on broader political machinations, both at home and in Washington, and whether his friends in high places will be enough to shield him from rising popular discontent with his government’s anti-working class policies.

There have been large weekly demonstrations calling for Netanyahu to resign. The latest opinion polls say that 53 percent of Israelis believe the police, and around half believe he should resign.

Netanyahu, while not denying many of the facts, denied any wrongdoing and vowed to fight on, saying that no police recommendation would prompt his

resignation. This is in stark contrast to a decade ago when, as opposition leader, he demanded that then-Prime Minister Ehud Olmert resign after police recommended his indictment. A leader “sunk up to his neck in interrogations” could not govern properly, Netanyahu declared.

Netanyahu, with his coalition partners thus far standing by him, at least until a formal indictment, now says, “Let me reassure you: the coalition is stable. No one, not I and no one else, plans to go to elections. We will continue to work together with you for the people of Israel until the end of our term.”

He insisted that the police report was “biased, extreme, full of holes like Swiss cheese and doesn’t hold water.” He accused the police of vastly inflating their figures and trying “to create a false impression of exchanges that never existed.”

The first case against Netanyahu, known as Case 1,000, involves the receipt of substantial gifts and benefits totalling nearly \$300,000 from several wealthy businesspeople, including Netanyahu’s well-known billionaire benefactor and Hollywood producer, Arnon Milchan, Ronald Lauder, an American businessman whose family founded the cosmetics giant Estee Lauder, and the Australian billionaire James Packer.

The quid pro quo for Milchan was Netanyahu’s lobbying then-US Secretary of State John Kerry to support his bid to obtain a 10-year visa, which was ultimately successful, efforts (unsuccessful) to legislate generous tax breaks for him and intervention to prevent the collapse of TV Channel 10, in which he was a shareholder.

Packer, Milchan’s business partner, had, it is believed, sought to obtain Israeli citizenship or permanent-resident status for tax purposes.

In the second case, known as Case 2,000, which is

far more serious, Netanyahu sought to make a deal with Arnon “Noni” Mozes, the boss of Israel’s daily *Yediot Aharonot* and its online site *Ynet*, to rescue its falling circulation and advertising revenues. He offered to back a law banning free newspapers, including *Israel Hayom*, founded and published by US casino tycoon Sheldon Adelson in 2008 at a cost of \$261 million, which functions as Netanyahu’s mouthpiece. In return, *Yediot Aharonot* would ensure more favourable coverage of the prime minister and allow him to nominate journalists.

The proposed deal came to nothing. After months of trying but failing to block the introduction of a bill banning free newspapers, Netanyahu dissolved parliament, called an early election just two years after the previous one in 2013, and even made it a condition of the new coalition agreement that there would be no further attempts to introduce a similar ban.

Like almost all of Israel’s prime ministers after the first, David Ben-Gurion, Netanyahu and his family have faced numerous allegations of corruption. Both his and his wife’s lavish life style have given rise to the moniker “King Bibi and Queen Sara.”

This is not the first time the police have recommended charges, although the attorney generals closed both cases. In the late 1990s, the police recommended Netanyahu’s indictment for fraud and breach of trust for trying, when prime minister, to appoint an attorney general who would turn a blind eye to a minister under investigation for corruption, in return for that minister’s political support.

In a second case, in March 2000, when he was out of office, the police recommended his indictment for bribery, fraud and breach of trust for holding on to \$100,000 in gifts that were state property, and getting the state to pay for private work on his home.

The net is also closing in on Netanyahu’s family and close associates. His wife Sara faces criminal charges of using state monies to buy \$100,000 in catered meals.

Among those caught up in an even more explosive scandal, called Case 3,000, involving the \$2 billion purchase of submarines and missile ships from a German supplier, are David Shimron, Netanyahu’s personal lawyer and second cousin, and Yitzhak Molcho, a lawyer, friend and close adviser.

Questions are also being raised over gifts from a close friend of Netanyahu who owns Bezeq, Israel’s

telecommunications corporation, in return for favourable media coverage of Netanyahu.

His immediate predecessor, Ehud Olmert, served a jail term for bribery offences committed when he was mayor of Jerusalem prior to becoming prime minister.

Israel’s so-called left and centrist parties have issued pro forma statements calling on Netanyahu to resign, but they have done nothing during the last 13 months, when he was subject to police questioning, to challenge him. They did not even try to get the necessary 40 signatures—out of a possible 54 opposition legislators—to force the prime minister to answer questions on the bribery allegations.

Yair Lapid, leader of the centrist opposition Yesh Atid, has given testimony to the police about Netanyahu's attempts to help Milchan during his term as finance minister, when he blocked the legislation—prompting Netanyahu to claim that the charges are politically motivated.

As a former journalist, Lapid worked for Milchan and Mozes at *Yediot Ahronot*. His wife still works there and they all remain friends.

According to two opinion polls carried out since the announcement, despite the scandal, Netanyahu's Likud would win the largest number of seats in the Knesset, Yair Lapid's Yesh Atid would come in second, and the Zionist Union would come in a poor third.

Emboldened by what he believes is strong support from the Trump administration, Netanyahu is likely to distract public attention by escalating tensions against Iran, Hezbollah in Lebanon, and the Palestinians.



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