



The Secret Budget of the Settler Right

Direct funding by the Settlement Division
revealed and analyzed

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MOLAD INVESTIGATION REVEALS HUGE AMOUNTS OF ISRAELI TAXPAYERS' MONEY SECRETLY FUNDING WEST BANK SETTLEMENTS AND HAWKISH PARTIES

The Settlement Division of the World Zionist Organization (WZO) is officially intended to support the development of Israel's rural and underprivileged areas through funding new communities and regional development (note that the Hebrew equivalent of "settlement" refers here to establishment of communities in general, and not specifically in the West Bank). In practice, the Division operates as the government's executive arm for construction throughout Israel and the West Bank.

Despite the fact that its budget relies on hundreds of millions of taxpayer shekels a year, the Division refuses to disclose its use of funds – a matter made possible by the fact that, as part of the non-profit WZO, the Division is not bound by the Freedom of Information Act. As a result, its activity remains unsupervised by either parliament, media, or the public at large.

With Israelis now more interested than ever in the simple yet potent question that led the last elections – "Where is the money?" – **the Division is a powerful example of how Israeli taxpayers are intentionally and systematically kept in the dark about use of their taxes.** Small wonder, given that the Division exploits these funds for purposes of highly questionable legality.

Molad's latest report finds that **the WZO's Settlement Division has become a private slush fund for the settler movement:** a fat, unsupervised budget that allows parties affiliated with the settler enterprise – headed by Bennett's HaBayit HaYehudi and Lieberman's Yisrael Beiteinu – to use taxpayers' money to boost West Bank settlements and gain political and ideological traction throughout Israel. Molad has obtained data proving that, contrary to its stated mission, **74% of the Division's direct funding of local authorities and communities go to the West Bank.**

The Division also channels exorbitant amounts of money into a vast network of religious right-wing non-profits. This raises serious suspicion of improper management, as the WZO is currently chaired by Avraham Duvdevani, a member of the National Religious Party (now HaBayit HaYehudi) who is also on the board of two "hesders" (yeshivas that combine religious study with military service) generously financed by the Division. In 2007, prior to his appointment, liberal daily Ha'aretz termed Duvdevani "one of the most powerful people in the National-Religious Party and in the entire Jewish-nationalist Right". Duvdevani was formerly the secretary-general of the World Bnei Akiva youth movement and ran for the National-Religious Party's list for the Knesset. He also headed the Settlement Division himself, until forced to resign over grave findings in the Sasson Report on Unauthorized Outposts, published in 2005.

That report found serious irregularities and systematic offenses in the Division's activity concerning allocation of land for construction in the West Bank. "The Settlement Division mostly established many outposts that were unauthorized by the relevant government authorities", wrote Adv. Sasson. "The Division is supposed to be

an executive branch charged with carrying out government decisions," she added, "but the tables have turned: the executive branch exceeded its mandate and began to participate in decision-making." The report added that the Division ignored "the need to make a valid plan; [it did so] not randomly, but as a work method, in violation of the Jordanian building and planning laws that apply in the West Bank. The Division did not even attempt to submit a plan for approval before construction began."

Taxpayers' money is being used to entrench right-wing settler ideology throughout Israel. Part of the Division's mission is to fund "gar'inim": small activist groups that take up residence in certain areas to promote social action of various kinds. A subset of these activist centers is religious, focusing on religious indoctrination of the population within which they operate. A careful examination of the Division's allocation of direct funds indicates that **40 of 52 (76%) of religious activist centers funded by the Settlement Division are explicitly affiliated with the HaBayit HaYehudi Party.** Major party functionaries are involved in many of these non-profits. Beneficiaries of this funding include: a non-profit headed by Rabbi Dr. Daniel Tropper, who is closely affiliated with Economy Minister Bennett and is now leading the project to rewrite the party's constitution; Rabbi Rahamim Nasimi, who ran for the party's internal elections and enlisted several thousand new party members; several religious entities established by Deputy Education Minister Avi Wortzman; and various religious institutions run by rabbis who directed their populace to vote for Bennett in the recent elections. The latter receive hundreds of thousands of shekels a year from the Division.

The Division also annually transfers hundreds of thousands of shekels to a religious center headed by none other than Rabbi Ariel Dorfman, a member of HaBayit HaYehudi and head of the authority responsible for religious activist centers at the Ministry of Construction and Housing. A conflict of interests is inherent to Dorfman's dual role: he holds a position of high influence over government funding of religious non-profits, and personally heads a religious non-profit that benefits directly from that funding.

This report also reveals that **the Division transfers public funds to non-profits whose activity is unrelated to its mission.** For example, millions of shekels are transferred annually to religious activist centers that operate inside cities in central Israel, such as Hod HaSharon, Modi'in, Ramat HaSharon and Ra'anana. This blatantly contradicts several government resolutions that stressed the importance of assisting activist centers that offer social and educational activities in Israel's social periphery, and especially in the Negev, the Galilee, and the area bordering Gaza.

Absurdly, the data we obtained indicate that the Division even funds an activist center in Ramat Aviv Gimel – one of Israel's wealthiest neighborhoods. This is not assistance to an underprivileged community, but financing proselytization efforts in kindergartens, state schools, and community centers. Leading activists admit that **the**

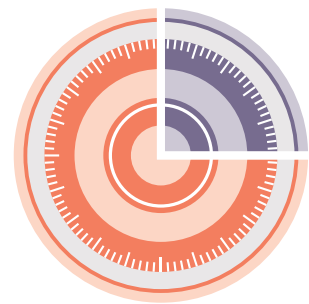
overall goal of these centers is to "disseminate the Torah in central Israel". Sources in HaBayit HaYehudi claim that **this mechanism also increases party control over local councils and will assist the party in the next general elections.**

The Settlement Division also channels hundreds of thousands of shekels to "hesders" (see above) by naming them "settlement activist centers", contrary to a government resolution stipulating that yeshivas would not be considered activist centers eligible for financial aid.

Lastly, a meticulous examination of the Division's beneficiaries uncovered that **the heads of some non-profits that receive public funding through the Division openly advocate for "Price Tag" actions against soldiers to prevent evacuation of illegal outposts in the West Bank.** They also explicitly support military insubordination, incite their followers against Palestinian citizens of Israel, advocate for a religious state founded on the Torah, and work to fulfill the vision of establishing a Third Temple.

Recent years have seen several failed attempts to expose the Division's budget. A few years ago, responsibility for the Division was shifted from the Ministry of Agriculture and made the direct responsibility of the Prime Minister's Office, in an apparent attempt to ensure that the nature and scope of the Division's actions remain hidden from public view. In April 2014, Justice Minister Tzipi Livni tried to have the Division's budget made transparent by law, but was blocked by MK David Rotem, chair of the Constitution, Law and Justice Committee, and a member of Avigdor Lieberman's party. Rotem, who worked as a lawyer prior to joining the Knesset, represented the Settlement Division in the past. Members of Knesset who object to having the Division's budget exposed openly admit that they do so to remove any hindrance to construction in West Bank settlements.

Key findings



74% of the Division's direct funding of local authorities goes to West Bank settlements; the Negev and Galilee – underprivileged areas in northern and southern Israel – remain neglected

In response to growing public criticism of the Division in recent years, supportive politicians have claimed that its resources are used largely within Israel proper, and not in the West Bank. For instance, in January 2014, Finance Minister Yair Lapid claimed that “most of the Settlement Division’s budget goes to the Negev and the Galilee.” This claim is disingenuous, or at best, mistaken. In the Division’s budget submitted to the Knesset, as part of the Budget Law, the northern and southern regions of Israel are indeed funded more than the central region (which includes the West Bank). However, most of the Division’s funds are provided outside of that budget. In the last six months alone, the Division received 346 million shekels (approx. 95 million USD) that were not included in the budget submitted to the Knesset.

The new data we reveal here on the Division’s actual support of local authorities and communities leave its political agenda unquestionable.

Direct funding of local authorities and communities

Total direct funding of local authorities and communities:

198,861,560 NIS
(~54,853,927 USD)

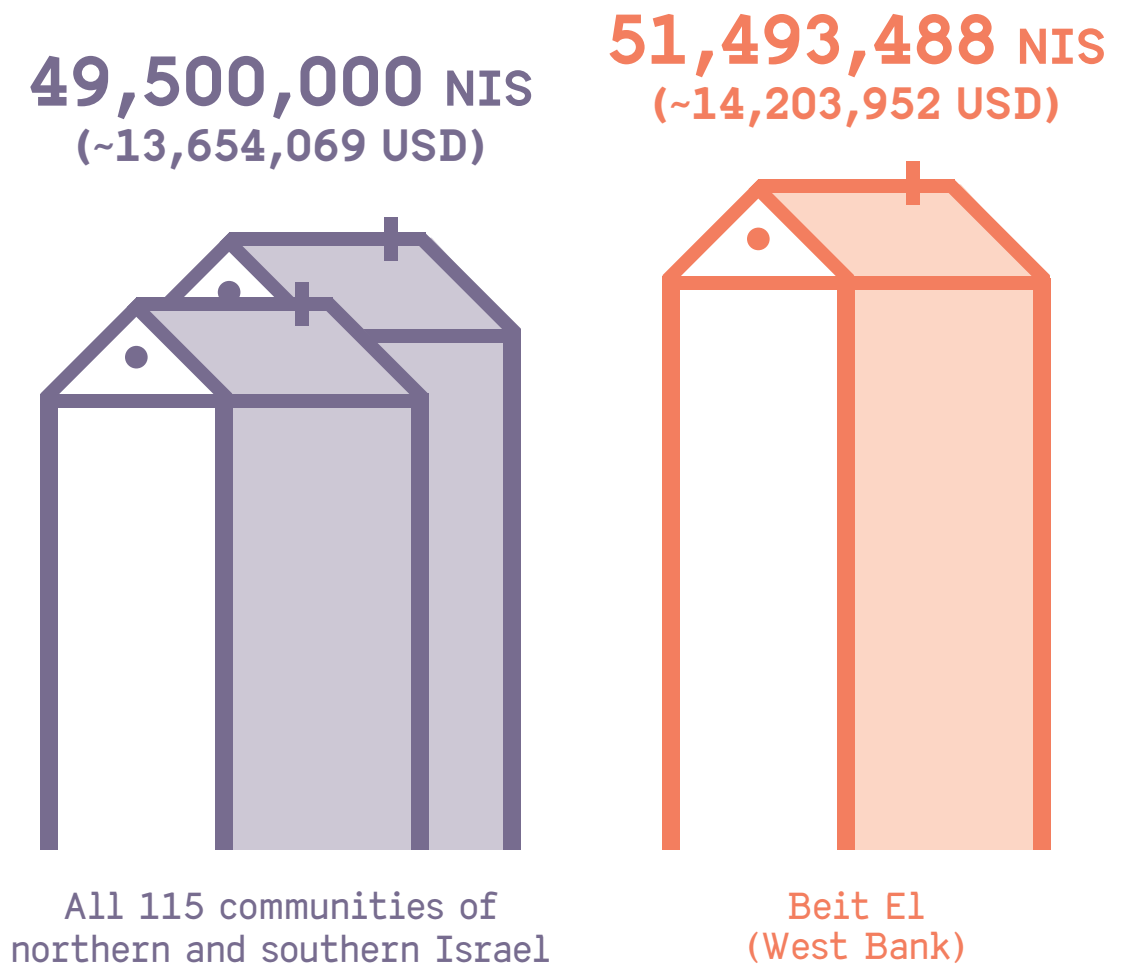
Total direct funding of West Bank settlements:

148,700,306 NIS
(~41,017,458 USD)



A comparison of Division funds allocated to authorities throughout Israel reveals worryingly disproportionate funding. For example, a single settlement in the West Bank receives more than all communities in northern and southern Israel put together: while the settlement of Beit El is allocated 51.5 million shekels a year, all 115 underprivileged communities supported by the Division in the Galilee and the Negev make do with a total of 49.5 million shekels a year between them. The Beit El regional council receives two separate allocations earmarked as payment for private contractors, and another listed merely as “other”. The entire process goes unsupervised, without government tenders, and far from public attention.

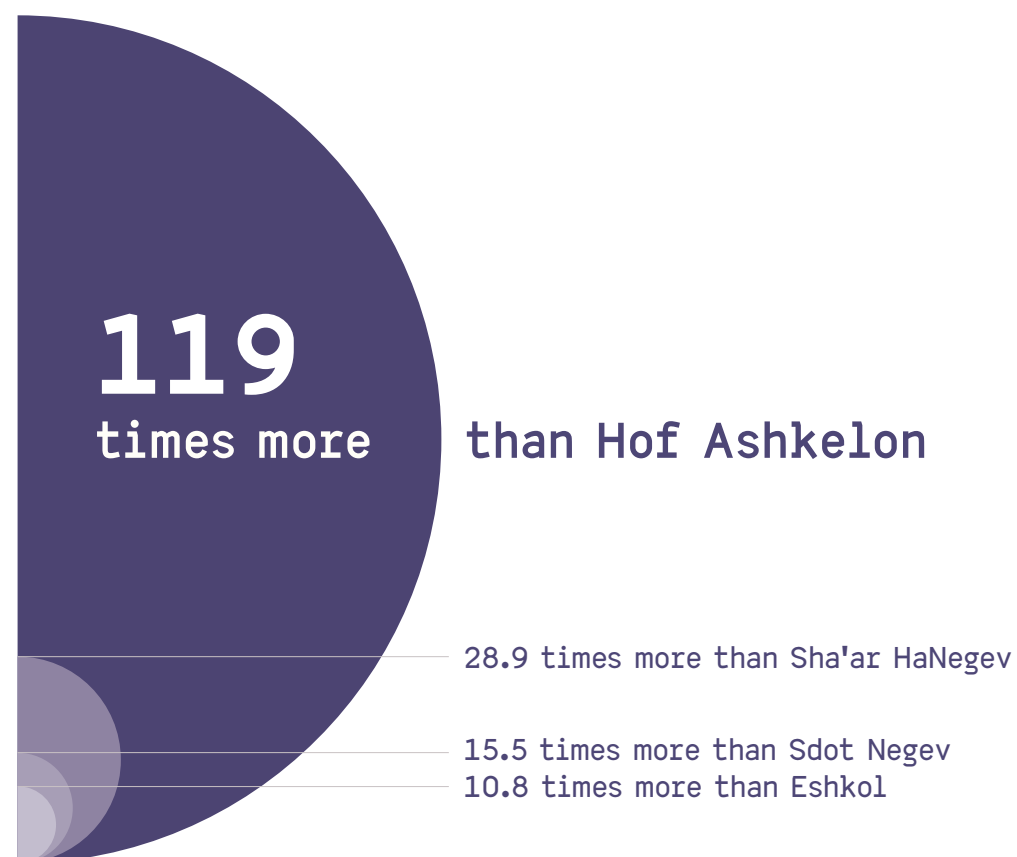
Direct funding of local authorities – compared:



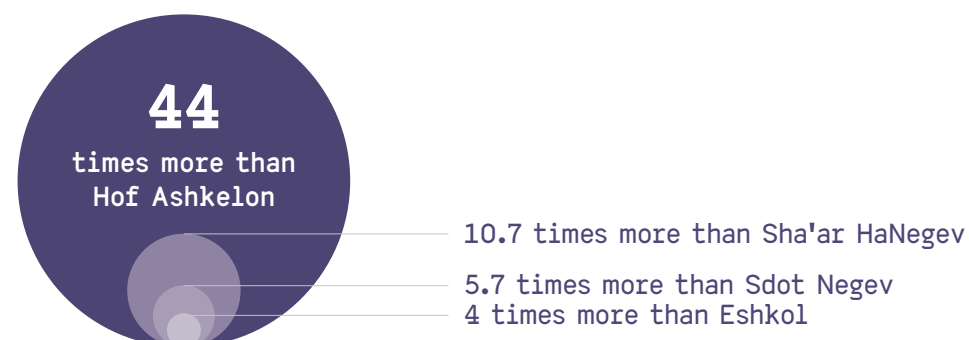
The Upper Galilee regional council, in northern Israel, is directly funded with some 2 million shekels. Direct funding for the Ramat Negev regional council in southern Israel amounts to some 1.5 million shekels. Even the Eshkol regional council on the border with Gaza, which a government resolution afforded priority and increased state support, receives just 1.5 million shekels.

Direct funding of regional councils – a comparison between the West Bank and Israel proper (per resident, 2014):

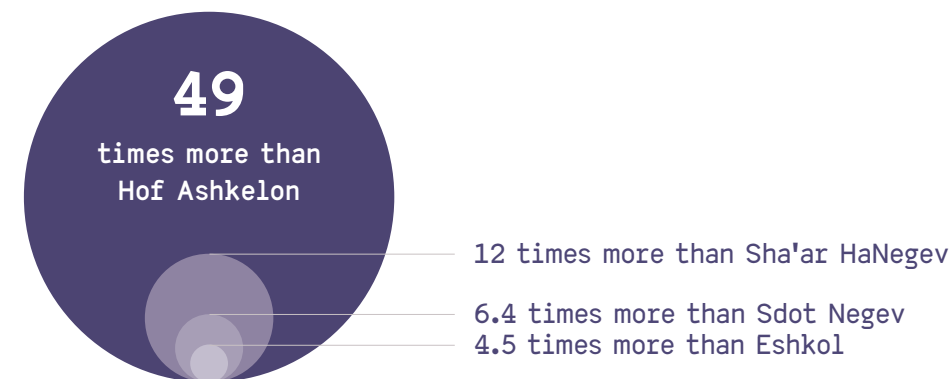
1. Har Hevron



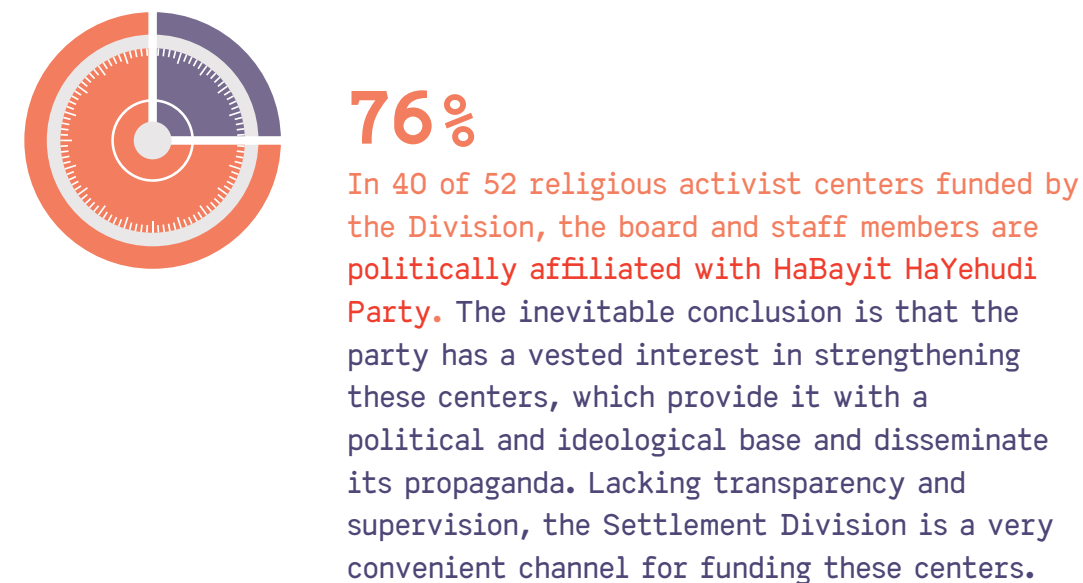
2. Mateh Binyamin



3. Shomron



Funding of activist centers:



Apart from the mechanism of religious indoctrination and dissemination of the right-wing settler ideology, our examination of the Division's beneficiaries revealed that many of them are involved in extremist political activity, some of it illegal. Through the Division, Israeli taxpayers are funding public figures who promote military insubordination, permit violence against soldiers, and actively increase friction between Jewish and Palestinian citizens.

One example is the religious activist center in Ramla, central Israel, which received 220,000 shekels from the Division in 2014, in addition to 63,612 shekels from the Education Ministry. Similar centers have been established in other mixed Jewish-Palestinian cities, such as Lod, Jaffa and Acre.

One of the leaders driving the establishment of religious activist centers in mixed cities is Rabbi Shmuel Eliyahu, chief rabbi of the northern city of Safed. He explained that the centers are meant to "spread the light of the Torah throughout the Land of Israel". Rabbi Eliyahu is notorious for his extreme views regarding Palestinian citizens of Israel. A few years ago, he issued a religious edict prohibiting followers from selling or renting property to Arabs, adding that "Jews must force Arabs to leave".

The leaders of the Ramla center belong to the extreme fringes of the settler right-wing. One of its founders, Elyakim Visenstern, is spokesperson for the "Temple Mount Movement" that seeks to fulfill the vision of a Third Temple in Jerusalem. He is also the spokesperson of the Yesha Rabbinical Council (Yesha is the Hebrew acronym for Judea, Samaria and Gaza), which promotes insubordination, and of Honenu, an organization that provides legal defense for "Price Tag" perpetrators (violence and vandalism aimed at Palestinians, as revenge for state action against settlements). After Palestinian youth Mohammed Abu Khdeir was murdered in East Jerusalem in July 2014, Honenu offered the three suspects free legal aid.

Another founder, Yair Kartman, is a board member of Komemiut, an extreme right-wing movement that aims to "reinforce and instill the values of Jewish pride". The movement supports "Price Tag" actions taken to prevent the evacuation of illegal outposts in the West Bank, prohibits followers from renting property to Arabs, organized the "beasts' parade" to march alongside the gay pride parade in Jerusalem, encourages insubordination, glorifies ultranationalist Rabbi Kahane whose racist party was banned from the Knesset, and works to undermine religious women's organizations.

Naftali Bennet, Economy Minister and head of Habayit HaYehudi Party, visited the center in April 2014 and said: "I congratulate your immense dedication. I congratulate the religious activist center in Ramla. Let's call it a social activist center... Change is needed. You've been carrying out a revolution for a decade now, and we'll do whatever we can to help you. Think of us as your civil servants. Just carry on. I really recommend... Come to Ramla."

The Division's funding of religious activist centers blatantly breaches the Finance Ministry's rules concerning direct funding. In 2013, the ministry stipulated that the government would not fund institutions engaged in political activity. Our findings show that many religious activist centers explicitly engage in such activity: they promote the interests of HaBayit HaYehudi and are headed by party functionaries.

The Division also violates other Finance Ministry criteria. For example, it directly funds a non-profit named "Nahat", established just last year by Rabbi Ariel Dorfman, despite the ministry rule that a non-profit is only eligible for governmental support after two years of operating independently. The government also stipulated that double funding by different government offices must be prevented. The data we obtained show that a substantial part of the Division's funding of activist centers breaches the resolutions described above.



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