

Funding the Israel Lobby and Illegal Settlements

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Israel's continuing development and expansion of settlements in the West Bank and East Jerusalem is considered by many to be the main obstacle to re-establishing meaningful negotiations between Israel and the Palestinians. President Obama has raised the issue on numerous occasions, as have previous presidents. But the settlement process rolls ahead, increasing what the Israelis call "facts on the ground."

Purpose

The purpose of this paper is to demonstrate that many of the benefactors of organizations within the nexus of the Israel Lobby also provide funds to organizations that use those funds to support illegal settlement activity in the West Bank and East Jerusalem. The procedure used will examine actual grants made to nine organizations that are part of the Israel Lobby, and grants made to 16 organizations which pass on at least part of the funds they receive to illegal settlements, or to organizations in Israel or the occupied territories which in turn send the funds to the settlements.

Most of the information on grants was obtained from the Foundation Center Online. In addition, tax forms filed by non-profit organizations—IRS form 990—were accessed on the website of the Economic Research Institute. Information on the funding of illegal settlements was obtained from the website at www.SettlementsinPalestine.org, as well as from various articles obtained on the Internet.

Illegal Settlements

The establishment and occupation of residential communities in the lands occupied by Israel during the 1967 six-day war has continued unabated ever since. The UN Human Rights Council recently issued an advanced unedited version of a report entitled "Report of the independent international fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people throughout the Occupied Palestinian Territory (OPT), including East Jerusalem." Most relevant is paragraph 16 of that report:

16. Article 49(6) of the Fourth Geneva Convention also prohibits an occupying Power from transferring parts of its own civilian population into the territory that it occupies. This prohibition has attained the status of customary international law. The Mission notes that the Israeli settlements in the OPT, including East Jerusalem, violates this provision and are, thus, illegal under international law. [5 references cited in footnote to this paragraph]

<http://www.ohchr.org/Documents/HRBodies/HRCouncil/RegularSession/Session19/FFM/FFMSettlements.pdf>

A report prepared by Talia Sasson, commissioned by Prime Minister Sharon, and approved by the Israeli Cabinet on March 13, 2005, cited many examples where residential settlements in the West Bank were established illegally, based on the laws of Israel itself. The following is an excerpt from Sasson's report:

"The information I have so far shows that there are 105 unauthorized outposts (that I know of today). But this probably does not reflect the true number of outposts in the area. (As for the gap between this figure and data presented by the Ministry of Defense in the past – see sec. 5.4 of the opinion.)

Out of the number I know of: 26 outposts are located on State land; 7 are located on survey lands; 15 are located on Palestinian private property; 39 are located on "mixed" lands – part State, part survey, part owned by Palestinians.

In addition, a few outposts are located on lands that I failed yet to resolve its nature.

The Implication of Establishing an Unauthorized Outpost Not on State Land

After the High Court of Justice ruling in the case of Elon More, a 1979 Israeli government resolution states that Israeli settlements in Judea, Samaria and Gaza shall be established only on State land. Hence, no settlement is to be established on other than State land (the definition for State land appears in the first chapter of the opinion). No Israeli settlement is to be established on survey land (to which the title is unclear). Surely no Israeli settlement is to be established on private Palestinian property.

It is absolutely prohibited to establish outposts on private Palestinian property. Such an action may in certain circumstances become a felony." [taken from Sasson Report,

<http://www.mfa.gov.il/MFA/Government/Law/Legal+Issues+and+Rulings/Summary+of+Opinion+Concerning+Unauthorized+Outposts+-+Talya+Sason+Adv.htm>
]

Thus, even under Israeli law many of the settlements in the OPT were not properly authorized and were therefore illegal. In addition, Israel's continued expansion of settlements clearly violates the policies of the Obama Administration:

"The United States does not accept the legitimacy of continued Israeli settlements. This construction violates previous agreements and undermines efforts to achieve peace. It is time for these settlements to stop."

President Barack Obama in Cairo – June 4, 2009

"We reject in the strongest terms the legitimacy of continued Israeli settlement activity. For more than four decades, Israeli settlement activity in territories occupied in 1967 has undermined Israel's security and corroded hopes for peace and stability in the region. Continued settlement activity violates Israel's

international commitments, devastates trust between the parties, and threatens the prospects for peace.”

Ambassador Susan Rice – February 18, 2011

The Israel Lobby

The Israel Lobby uses its considerable influence, especially with Congress, to push for the passage of laws and resolutions which promote the interests of Israel, even when, in the view of many, they are inimical to the interests of the U.S. itself. The Israel Lobby is viewed as one of many lobbies in the U.S.—although a particularly effective one—which seeks to achieve its goals by assembling helpful information, directly lobbying members of congress and channeling campaign contributions to those who support its goals, and to the opponents of those who are not fully supportive.

It is not commonly understood, however, that part of what the Israel Lobby accomplishes is to assist in the direct funding of settlement activity itself, helping to create more “facts on the ground” which make more difficult the creation of a viable Palestinian state. How does the Lobby do this?

Before answering this question it is first necessary to define, at least in part, what the Lobby is, what exactly comprises the Lobby? Following are listed some of the organizations that are usually considered to be part of the Lobby.

American Israel Public Affairs Committee (AIPAC). For many AIPAC epitomizes the Israel Lobby. AIPAC’s main focus is on the U.S. Congress. With a budget of over \$60 million, some 360 employees and a laser-like focus on matters affecting US-Israel relations, AIPAC is generally considered to be one of the most, if not the most, effective lobby in Washington DC. AIPAC not only monitors all bills and resolutions pertaining to Israel that come before Congress, they help write many of them. They then proceed to record the vote of every member of congress on all relevant legislation, and use those voting histories to reward or punish members in the future. One need only have watched the recent nomination hearing for Sen. Hagel, appointed by President Obama to be the next Secretary of Defense, to understand how voting records are used by AIPAC and its minions.

American Israel Education Foundation (AIEF). AIEF is an in-house captive servant of AIPAC. Its employees salaries are paid by AIPAC. It is housed in AIPAC’s offices. A majority of the members of its board of directors are also members of AIPAC’S board. However, unlike its parent, AIEF is a 501[c][3] non-profit organization, and is therefore eligible to accept tax-exempt contributions and to provide expense-paid trips to Israel for members of Congress. Those trips are designed to instill a greater sense of loyalty to the State of Israel as well as a sense of gratitude to AIPAC.

Conference of Presidents of Major American Jewish Organizations (CPMAJO).

The website of the CPMAJO lists fifty-one member organizations which comprise its membership, including AIPAC. The financial resources available to the member organizations, in the aggregate, are quite large. The annual income for 38 of the 51, for which a recent IRS 990 form was located, totaled \$686 million. Some of those with the largest annual revenues are:

American Jewish Joint Distribution Committee	2010	\$249,330,587
American Israel Public Affairs Committee	2010	\$66,862,011
Friends of the Israel Defense Forces	2010	\$58,224,980
Anti-Defamation League	2010	\$55,001,741
Jewish National Fund--Keren Kayemeth	2010	\$53,348,705
The Jewish Federations of North America	2010	\$47,173,118
American Jewish Committee	2010	\$42,632,422
Hillel Foundation for Jewish Campus Life	2010	\$26,286,947
ORT America Inc	2010	\$21,067,604
Jewish Community Centers Association	2011	\$11,959,460

One of the best resources for a listing of many of the elements commonly considered to be part of the Israel Lobby is the original paper by John Mearsheimer and Stephen Walt, "The Israel Lobby." [<http://www.lrb.co.uk/v28/n06/john-mearsheimer/the-israel-lobby>] In addition to the American Israel Public Affairs Committee (AIPAC), the Conference of Presidents of Major Jewish Organizations, the Committee for Accurate Middle East Reporting in America (CAMERA), and the Washington Institute on Near East Policy (WINEP), they also point to a number of think tanks that are consistently pro-Israel. These include the American Enterprise Institute (AEI), the Brookings Institution, the Center for Security Policy (CSP), the Foreign Policy Research Institute, the Heritage Foundation, the Hudson Institute, the Institute for Foreign Policy Analysis and the Jewish Institute for National Security Affairs (JINSA).

Another part of the Israel Lobby is the entire set of pro-Israel political action committees (PACs), some three dozen in number, which have been identified by the Center for Responsive Politics (CRP). CRP keeps track of federal campaign contributions made by these PACs on their website at www.opensecrets.org . Being the suppliers of campaign cash to Congressional elections for the purpose of promoting the pro-Israel agenda, these PACs can legitimately be included within the Israel Lobby. Similarly, as described below, those charitable foundations that not only provide grants to various elements of the Israel Lobby but also send funds to organizations that support illegal settlement activity in the occupied territories are also properly part of the Israel Lobby.

U.S. Taxpayer Funding of Settlements

An organization with the website www.settlementsinpalestine.org has collected information on grants to settlements and those organizations which provided grants to them. Their table, titled "Spenders: American 501[c][3] Foundations That Directly Support Illegal Settlements", shows the amounts received by 55 foundations that support

illegal settlements. The total amount received by these foundations, during the years 2001 to 2010, is \$308,097,520. Some of those included are:

American Friends of Ariel:	\$11,017,941
American Friends of Ateret Cohanim:	\$10,781,964
Friends of Ir David:	\$32,037,803
Hebron Fund:	\$13,859,907

Another table on the same website is titled “Fundors: Foundations That Support Non-Profits That in-turn Support Illegal Settlements”. The total amount shown in this table is \$66,168,735. This figure is considerably smaller than the total shown in the first table, which merely means that the foundations that directly support illegal settlements received funds from other sources not listed in the second table.

The largest amount from a single foundation was \$17,895,432 by The Irving Moskowitz Foundation, given to some 20 different foundations that in turn funded illegal settlements.

Since the grants included in this study were all made by 501[c][3] non-profit organizations, the grants were made from non-taxable income, and thus reduced tax revenue available to the US Government. In effect, US taxpayers paid a share of these grants that went to supporting the Israel Lobby and illegal settlements in the West Bank and East Jerusalem.

Expansion of the concept of the Israel Lobby to include organizations that provide funds to member organizations

If a description of the Israel Lobby should include those organizations that contribute to bending U.S. foreign policy in a manner that benefits the State of Israel, then surely organizations that supply financial resources to members of that lobby should also be considered as a part of the Israel Lobby. It follows that if some of the organizations which provide financial resources to widely-recognized elements of the Israel Lobby also supply resources to organizations which fund illegal settlements, then the entire Israel Lobby, defined to include its benefactors, is implicated in the support of the illegal settlements.

Data pertaining to a subset of the various organizations widely considered to be included in the Israel Lobby were assembled. These data consisted of grants made to the organizations from charitable foundations. A sample of some of the foundations which have been identified as providing funding to illegal settlements were also selected, and the amounts they received from charitable foundations were also identified. As will be shown below, there was a considerable overlap between foundations which provided financial support to members of the Israel Lobby and those which provided funds to organizations that funded illegal settlements. Thus, if the Israel Lobby includes those organizations that supply it with funds, then the Israel Lobby is also supplying funds to illegal settlement activity.

Organizations included for which monetary data were assembled

Information on the following organizations, generally considered to be included in the Israel Lobby, was obtained from The Foundation Center Online.

1. American Israel Education Foundation (AIEF)
2. Anti-Defamation League (ADL)
3. Jewish National Fund—Keren Kayemet (JNF)
4. Committee for Accuracy in Middle East Reporting in America (CAMERA)
5. Jewish Institute for National Security Affairs (JINSA)
6. Friends of the Israel Defense Forces (FIDF)
7. Center for Security Policy (CSP)
8. Middle East Forum (MEF)
9. Washington Institute for Near East Policy (WINEP)

This list of organizations in the Israel Lobby is obviously not comprehensive. They do, however, represent some of the strongly pro-Israel elements in the Israel Lobby. Probably most of them are in agreement with settlement expansion, which makes them especially relevant to the focus of this paper.

Several of the foundations that were listed on the website www.settlementsinpalestine.org were used to represent the universe of foundations supporting illegal settlements. The Foundation Center Online was again accessed to obtain information on grants received by these foundations (the grantees), and the foundations that provided the grants to them (the grantors). The grantee foundations for which information was obtained include the following:

American Friends of Ariel
American Friends of Ateret Cohanim - Jerusalem Reclamation Project
American Friends of Bat Ayin Yeshiva
American Friends of Beit Orot
American Friends of Bet El Yeshiva Center
American Friends of Old City Charities
American Friends of the College of Judea and Samaria
Ariel American Friends of Midrasha and United Israel Institutions
Central Fund of Israel
Etzion Foundation
Friends of Ir David
Friends of Zo Artzeinu
Hebron Fund
Jewish National Fund
Karnei Shomron Foundation
One Israel Fund

Some 853 grants to these settlement-supporting organizations were identified, totaling \$34,793,313. The www.settlementsinpalestine.org website lists more than \$265 million

going to 14 of the settlement funds listed above between the years 2001 and 2010. Obviously, the grants that were identified here which go to these funds are far from comprehensive.

How much of the money given to members of the Israel Lobby came from sources that also contributed to funds supporting illegal settlements?

The following table breaks out those grants to members of the Lobby based on whether the grantors sent money to funds that support settlements.

In total, \$116,033,134 in grants went to (a) the nine organizations that are considered to be part of the Israel Lobby and (b) to the sixteen funds identified that support settlement activity in the OPT. The first group received \$81,249,821 while \$34,783,313 went to settlement-supporting funds. Grants to the nine Lobby members from sources that also contributed to settlement funds totaled \$31,843,614. Thus, 39.2 percent of their grants came from organizations that also contributed to settlement funds.

For individual organizations the percent of the grants they received which came from funding sources that also supported groups involved in settlement funding ranged from 16.3 percent in the case of the Center for Security Policy (CSP) to 59.8 percent for the American Israel Education Foundation (AIEF). This last is interesting in that AIEF is heavily involved in funding free trips to Israel for members of Congress. In short, based on the data used in this report, 59.8 percent of the funds provided to AIEF come from sources that also send money to organizations that in turn provide funds supporting illegal settlements in the West Bank and East Jerusalem.

Grants to the Nine Organizations in the Israel Lobby and to the 16 Organizations Supporting Illegal Settlements

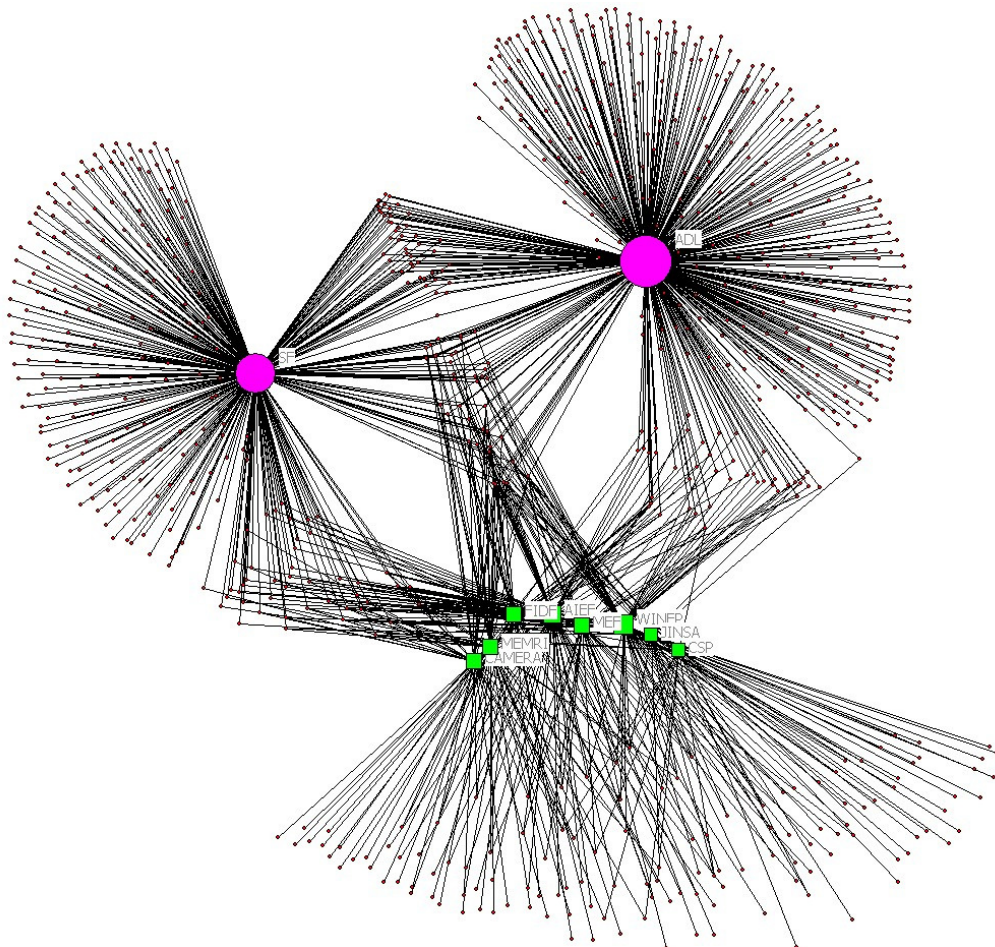
	Total Grants	Grants from agencies that also contributed to settlement funds	Percent of grants from funds also supporting settlements
ADL	28,855,243	5,883,073	20.4
AIEF	25,322,770	15,153,371	59.8
CAMERA	2,657,117	1,294,500	48.7
MEMRI	5,441,541	2,896,400	53.2
WINEP	5,363,205	2,723,580	50.8
JINSA	1,390,190	404,250	29.1
MEF	3,169,195	1,779,030	56.1
CSP	4,957,430	806,430	16.3
FIDF	4,093,130	902,980	22.1
SF	34,783,313	34,783,313	100.0
TOTALS	116,033,134	66,626,927	57.4
W/O SF*	81,249,821	31,843,614	39.2

*Note: “SF” refers to all 16 of the settlement-supporting funds.

Graphical depiction of grants to members of the Israel Lobby and to organizations that support illegal settlements

The raw data used in this paper consist of grants made from a specific funding organization to a specific organizational member of either the Israel Lobby or to an organization that supports illegal settlements in the OPT. Some feeling for how tightly linked these various organizations are, based upon the flow of grants from the grantors to the grantees, can be had by actually plotting the grants in a diagram. Such a diagram includes points for each granting organization and for each recipient organization. A line is drawn between the point representing the former if it provides a grant to the latter. In this instance there were 796 granting organizations, and 25 recipient organizations, although the 16 organizations that supported settlement activity were collapsed into a single point, representing all 16 such organizations. The resulting diagram is shown below.

Emergent Face of the Israel Lobby



This diagram was created using UCINET 6 for Windows Software for Social Network Analysis: Borgatti, Everett and Freeman, 2002, © 1999-2002 Analytic Technologies, Inc.

The small points in the diagram with a single line extending from them represent grantors that contributed only to a single organization. Those small points that have two lines emanating from them represent organizations that made grants to the two organizations depicted by the square or circle at the opposite ends of the lines. For example, the cluster of connecting lines near the upper center region of the diagram indicates that these grantors made grants to both the Anti-Defamation League (ADL) and to at least one of the organizations that support illegal settlements, labeled SF. In some cases, a single grantor contributed to 3 or more recipient organizations, therefore multiple lines emanate from such points.

It is suggested that the large number of instances where a single granting institution makes grants to multiple members of the Israel Lobby, or to at least one member of the Lobby and to one or more organizations that support illegal settlement activity give structure to the entire Israel Lobby apparatus, at least as represented by the subset of the Lobby included here. Wealthy individuals, or the private charitable foundations which they control, can exert influence and give coherence to the various organizations to which they contribute.

It is pointed out that most if not all of the grants included in this study were made by tax exempt, not-for-profit organizations. In making contributions to illegal settlement activity, they are benefiting from their tax-exempt status to aid activities that are deemed illegal under international law, some of which have even been declared illegal under Israeli law, and all of which are in opposition to the stated policy of the United States as defined most recently by President Obama.

Final comment

The Israel Lobby taken as a whole carries out a variety of functions. Some elements of the Lobby are most focused on ensuring that Congress approves legislation that promotes the interests of the Israeli government (AIPAC, AIEF). Other elements try to ensure that American public opinion strongly supports Israel (MEMRI, CAMERA, ADL). Still other elements focus their attention on seeking to promote the continued close military alliance and cooperation between the US and Israel (JINSA, CSP, FIDF). In the background but nonetheless an integral part of the Israel Lobby are the many individuals and organizations that contribute financial resources to these various elements. When those same donors also provide large amounts of funding to organizations that directly and indirectly channel those funds to the illegal settlements in the West Bank and East Jerusalem then those illegal settlements de facto become part of the Israel Lobby. Settlement subsidization has been Israeli policy for decades. By assisting in the expansion of existing settlements and the establishment of new ones, the Israel Lobby is actively assisting in the execution of policies of the State of Israel. Unfortunately, such actions conflict with the stated policies of the US government and violates international law. The support of Israel's illegal settlements by US citizens and organizations should stop.