

Gambling on Extremism

How Irving Moskowitz took over a small California town
to bankroll Israel's anti-peace settlers

The Coalition for Justice
in Hawaiian Gardens and Jerusalem

www.stopmoskowitz.org

December 15, 2003

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Gambling on Extremism

Introduction

Anyone versed in the travails of the Israeli-Palestinian peace process probably has at least some acquaintance with Dr. Irving Moskowitz. While Moskowitz seeks to stay out of the limelight of the American press, many tracking the setbacks of recent years have seen his fingerprints in the extremist settler incursions into Arab neighborhoods in and around East Jerusalem, such as Abu Dis, once considered a potential site for the capital of a Palestinian state.

It's quite a leap from for-profit hospital chain owner, as Moskowitz was in 1980, to key player in the campaign to undermine the Israeli-Palestinian peace process. The intermediate step was co-opting a city government in a small, predominately Latino city in Los Angeles County, called Hawaiian Gardens. Moskowitz's needed that government as a base of operations for the gambling operations he uses to help fund Israel's radical right.

Irving Moskowitz currently operates a bingo hall and owns a casino in Hawaiian Gardens; he has used his financial clout to turn the city government into his own personal fiefdom for the benefit of those two ventures. In Israel, he uses money derived from gambling proceeds to thwart Israeli-Palestinian peace by buying strategically placed Palestinian real estate for Jewish settlers in East Jerusalem and by supporting militant groups that are opposed to the peace process.

Not incidentally, Moskowitz's gambling revenue also helps fund some of the leading lights of the US neo-conservative intellectual movement; these are the authors of the Bush Administration's war in Iraq.

Our coalition has been working since 1998 to stop Irving Moskowitz's activities in Jerusalem and Hawaiian Gardens. Now approaching the end of 2003, we are in the homestretch of our campaign. The California Gambling Control Commission has announced that it will hold a hearing on December 18th to decide whether to grant or deny his long-pending application for a casino license.

The decision will mean the difference between whether Moskowitz has mere millions or hundreds of millions of dollars at his disposal to further extremist causes both here and abroad. Representatives of our Coalition will be at the hearing to make

the case that the harm he already has done to these two communities and the peace process proves that Irving Moskowitz does not have the moral fiber or the legal to run a California casino.

What follows is a comprehensive report on the devastating impact Moskowitz's California gambling operations have had on Hawaiian Gardens and Jerusalem.

To many of our readers, Moskowitz is already infamous. And they may wonder whether this report is simply a well-worn re-telling of a "tale of two cities" that they have already heard. It is not.

What we have tried to do with this report is to create a comprehensive analysis of Moskowitz's own "road map" of obstructionism. Our goal was to understand: What was his strategy in East Jerusalem? How does he use his California gambling operations to further his goals? Why has the Hawaiian Gardens city government been unable to reign in his card club ambitions or at least harness them to the betterment – rather than the degradation – of their own civic community? And just where did the money come from that first enabled Moskowitz to seize the role of principal financier of Israel's extremists?

The report also includes new information on Moskowitz's ties to America's own extremist problem – the neo-conservatives currently pushing their hawkish policy inside and outside the US government.

The report is divided into three sections:

In Part One, we explain how grants from the Moskowitz Foundation, which runs the Hawaiian Gardens bingo, have inflamed tensions in the Middle East. Using "pass-through" foundations controlled by Moskowitz family members, his foundation has spent at least \$6 million to fund provocative real estate purchases in Arab East Jerusalem, the Golan, and the West Bank especially Hebron. He has also spent an untold amount of personal funds. By funding these projects, including two apartment developments, one in a location key to Palestinian aspirations for a future capital in the outskirts of Jerusalem, Moskowitz works to create "facts on the ground" that will be im-

movable obstacles to peace.

That certainly is how the US government sees it. In 2003, Moskowitz moved settlers into one of his properties in Arab East Jerusalem. The State Department declared the settlement "inconsistent" with President Bush's vision of a two-state solution to the Israeli-Palestinian conflict.

A Moskowitz-funded "pass-through" foundation contributed well over \$5 million to Ateret Cohanim, an ultra-nationalist group that aggressively promotes a Jewish presence in East Jerusalem. Ateret Cohanim believes that the "holy" land grab it is carrying out with Moskowitz's help will speed the coming of the messiah, and, by implication, the rebuilt temple they are planning to construct where the Dome of the Rock and the Al Aksa Mosques now stand. The group has been known to resort to violence in its effort to drive out Arab residents living there.

Moskowitz's provocative undertakings in Jerusalem have already claimed many lives. In 1996 over 70 people died in riots following the opening of a controversial tunnel parallel to the Temple Mount that he funded. This section explores the political and religious significance of the Temple Mount, the role it plays in the current strife, and just where this sacred ground figures in Moskowitz's grand plan.

Part Two describes how Moskowitz was able to persuade the city of Hawaiian Gardens to permit and then pay for his card club, now a money making machine with estimated revenues above \$150 million a year.

Card club opponents in the community allege Moskowitz used his financial and political clout to sway elections, recall candidates opposed to his casino, flout California's elections and gambling codes, and instigate a land-grab in Hawaiian Gardens - all in an effort to build his casino.

In 1988 Moskowitz took over the operation of the non-profit Hawaiian Gardens bingo club. The bingo has generated tens of million of dollars for his Irving I. Moskowitz Foundation but has failed to provide much benefit to Hawaiian Gardens.

Hawaiian Gardens could use the help. It is a largely immigrant, postage-stamp sized city, where half of all adult residents lack a high school diploma, gang violence is rampant and nearly one out of every four families live below the poverty line. Moskowitz could have made good on his promise to use the gambling proceeds generated in Hawaiian Gardens to help the community help itself through job creation, literacy and anti-violence programs. Instead, most of the small fraction of the proceeds Moskowitz contributed to Hawaiian Gardens has gone to propping up – and ultimately co-opting – the city's government.

The third part follows the money to provide a detailed analysis of how Irving Moskowitz used his non-profit operations in Hawaiian Gardens to increase his political influence in the city and for his own personal financial gain. We have carefully sifted through foundation IRS forms, court and property records, lease agreements, the California state business registry as well as conducting numerous interviews with community leaders in our effort to prove Moskowitz has engaged in non-profit profiteering in Hawaiian Gardens.

This report is the result of years of effort on the part of Coalition members to document serious abuses of the California Gambling Code and violations of moral standards that are part and parcel of Moskowitz's campaign of extremism. Much of the information included here has already been made available to the California Gambling Control Commission as a formal submission which makes clear that Moskowitz is unfit to possess a gambling license.

It is our firm hope that the Commission will agree that Moskowitz should not be allowed to use proceeds from California gambling operations to fund his disgraceful crusade against peace in the Middle East – nor should he be allowed to maintain his vise-grip on Hawaiian Gardens' government and politics.

We hope that you too will support and help publicize our campaign. For more information, we invite you to visit our website www.stopmoskowitz.org. Members of the media interested in pursuing this story in advance of the hearings are welcome to contact us at 310-553-1146 or email us at news@stopmoskowitz.org.

Part One

Playing with Matches – How Irving Moskowitz’s Millions enflame tensions in the Middle East

"The investments of Moskowitz in the city are blood money. We and our children will pay for it in blood, while he sits in his bingo mansion in Miami and throws lit matches onto the Jerusalem gunpowder keg. ¹"

Dr. Irving Moskowitz got his start selling comic books as a kid. He made his fortune buying and selling hospitals in California and once he had made his killing, retired to Miami Beach. But it was only later in life that he made a name for himself -- not in business but rather on the international charity circuit - using charitable proceeds from a bingo hall in Hawaiian Gardens, California (pop. 14, 500) to bankroll religious settlers in Israel.

Whatever one may think of Dr. Irving Moskowitz's operations in Hawaiian Gardens – non-profit or otherwise - no one has ever accused him of being less than a savvy businessman. In Jerusalem, Moskowitz has put those entrepreneurial skills to work to make himself a player in the world's highest stakes real estate game – the one for control of Jerusalem and the Temple Mount.

Moskowitz has invested an estimated \$20 million in property in Jerusalem ² but not out of any desire to become Israel's Donald Trump. Riots, glaringly negative headlines and diplomatic censure are the all-too-common dividends of Moskowitz's provocative real estate purchases in Israel.

That negative response may have something to do with the company he keeps. Moskowitz has contributed well over \$5 million to Ateret Cohanim, an ultra-nationalist group that aggressively promotes a Jewish presence in East Jerusalem, the predominately Muslim sector of the city. Ateret Cohanim believes that the "holy" land grab it is carrying out with Moskowitz's help will speed the coming of the messiah, and, by implication, the rebuilt temple they are planning to construct where the Dome of the Rock and the Al Aksa Mosques now stand. The group has been known to resort to violence in its effort to drive out Arab residents living there.

And then there are the right wing politicians. In 1996 Moskowitz participated in the opening of a controversial tunnel that runs parallel to the Temple Mount along with Jerusalem's rabidly anti-Arab Mayor Ehud Olmert and Israeli Prime Minister Benjamin Netanyahu. It was a tough ticket to get – the tunnel ceremony took place with little fanfare in the

dead of night. Unfortunately the decision-making process was equally stealthy. While Moskowitz was reportedly part of the discussions on the tunnel opening, Netanyahu failed to consult with his military chief of staff and the head of military intelligence before making the decision. ³ It was an unfortunate choice of advisors, if his security officials had been included they might have reiterated a warning they had given in the past - opening the tunnel could prove deadly. ⁴ In the riots that followed, over 70 people died, including 16 Israeli soldiers sent in to quell them.

Few in the United States understood the significance of the move or why the ensuing violence was an all but inevitable consequence – what could be more innocuous than an archaeological excavation? Likewise, what could be so wrong with efforts to "integrate" Arab neighborhoods? But nothing is that simple in Jerusalem. The re-opening of the tunnel enflamed a longstanding fear among Muslims that the Israeli government sought to undermine their hold on the Temple Mount, just as Moskowitz's high profile land purchases bring tensions between Jews and Palestinians in Jerusalem to the boiling point.

Understanding those fears – and how Moskowitz's contributions to Israeli fundamentalist causes stoke them – requires a little bit of history.

The Six Day War and today's millennialists

Holy to both Judaism and Islam, the mount is where nationalism and faith join in a volatile mix. The Temple Mount is where Solomon and Herod built their Temples and where the Dome of the Rock now stands. Many Muslims consider it their religion's third holiest site; some believe it is where [the Prophet] Mohammed ascended to heaven. Jewish extremists, most notably Ateret Cohanim, and millions of fundamentalist Christians expect the Third Temple one day soon will be built on the very same site now occupied by the Al Aqsa mosques and Dome of the Rock.

The belief that the Temple Mount is the key to salvation makes it the most sacred and contested

real estate on earth. In non-religious terms, it helps fuel the real world struggle in the Middle East.

During the Six Day War in 1967, Israeli troops took control of East Jerusalem, placing the Temple Mount in Jewish hands for the first time in 1,900 years. At that moment, the Israeli government made a grand and magnanimous break from history. Rather than following a path chosen by past conquerors, they did not order the destruction of the Dome of Rock to make way for the Temple to be rebuilt. Instead, Muslims were allowed to maintain control of the mount (known to them as Al-Haram al Sharif, the Noble Sanctuary) and Jewish worshippers continued to direct their prayers to the Wailing Wall.

The decision may well have been motivated by enlightened self-interest – after defeating its Arab neighbors Israel had no desire to start a Holy War. An overwhelming majority of Israel's leading rabbis held that the conditions were not yet in place for the rebuilding of the Temple. But that religious decree has not prevented the Temple Mount from becoming a flash point of religious desire – not just for Messianic Jewish settlers anxious for construction of the Temple to begin but also among fundamentalist Christians. Those Christians believe the Temple will hasten the Apocalypse and the return of their Messiah (a belief which underlies an apocalyptic foreign policy promoted by many on the American religious right).

Gershom Gorenberg notes in his book on fundamentalism and the Temple Mount that, "For a small but growing group of Jews on the Israeli religious right, every day since 1967 has been a missed opportunity to begin building the Third Temple. For a far larger number of conservative Christians ...building that Temple is an essential condition for the Second Coming. And for many Muslims, any attempt to destroy the shrines of Al Aqsa is a sign that the Hour is at hand."⁵

Fears that the fundamentalists will one day take matters into their own hands are real and already have come close to being acted upon. In 1984, Shin Bet, Israel's intelligence force, was shocked to learn that a group of Jewish terrorists caught attaching bombs to nine Arab buses in Jerusalem also had plans to blow up the Temple Mount.

The temptation to use a religious symbol this potent for political purposes proved too hard for some to resist. In September of 2000, then-opposition leader Ariel Sharon paid a visit to the mount to assert Israeli claims to all of Jerusalem. The visit sparked riots and the second Palestinian Intifada.⁶ As almost any day's headlines can attest, the violence triggered by that visit has yet to subside.

The Temple Mount may be their touchstone but Israel's Messianic Jewish settlers believe that trading even an inch of land for peace is a betrayal of

the covenant between God and the Jews. Their messianic fervor is the force behind the current settler movement which is committed to an Israel that stretches from the Mediterranean to the Jordan River. It is that same ideological hubris that led to the assassination of Prime Minister Yitzhak Rabin.

While not all settlers are religious, many are equally fervent out of ultra-nationalism; however, the vast majority of settlers are seeking cheaper housing and do not seek peace or war through holy land jingoism.

As in the United States, fundamentalists make up only a fraction of the Israeli electorate but their political influence, particularly with the current government, far exceeds their numbers. And they have the financial backing of a number of conservative Jewish millionaires, most notably, Irving Moskowitz.

Irving Moskowitz – real estate agent for the radical right

Since the Irving I. Moskowitz Foundation took over the Hawaiian Gardens charity bingo in 1988 it has handed out nearly \$56 million in grants.⁷ The majority of that money, \$33 million, has gone to settler groups and other hard right organizations that are opposed to peace between Israel and the Palestinians.⁸ This includes American right-wing think tanks such as The Jewish Institute for National Security Affairs (JINSA) and Center for Security Policy, groups that hold considerable sway over the Bush Administration's Middle Eastern foreign policy.

But as one Israeli analyst noted, Moskowitz's high profile in the Middle East stems not so much from the size of the funds he has provided to ultra-nationalist groups purchasing land in and around Jerusalem but rather from his unerring choice of incredibly sensitive sites – many of them in traditionally Arab sections of the Old City of Jerusalem and in the vicinity of the Temple Mount.

The Temple Mount is located in the southeast corner of the Old City of Jerusalem and it is surrounded on three sides by Arab neighborhoods. Moskowitz, like a real estate tycoon turned practitioner of Lao Tzu's *Art of War*, is using property as a weapon in his quest to convert Jerusalem into an exclusively Jewish city.

Consider his decision to build an apartment complex in a village on the outskirts of Jerusalem known as Abu Dis – smack in the middle of an area that had been considered during the first Abu Mazen-Beilin peace talks as a possible site of a future Palestinian capital.⁹

Moskowitz first garnered headlines in the lead-up to Easter of 1990 when members of the ultrana-

tionalist group Ateret Cohanim moved into Saint John's Hospice, a property in a predominately Arab neighborhood of Jerusalem's Christian sector. He and several other Jewish investors helped purchase the building for the settlers at a cost of \$3.5 million.¹⁰

As real estate deals go it was quite a coup. Saint John's Hospice is one of the largest properties in the Old City. News of the take-over made headlines around the world but they were far from positive. The less reflective news reports called it a land grab in the Christian quarter and focused on the property's (extremely tenuous) connection to an 11th century crusader hospital. Other stories delved into the murky circumstances of the sale (Moskowitz employed a Panamanian front company and brought in a Lebanese Christian businessman to pose as the buyer).¹¹ And still others talked about the sensitivity of the building's location – one of its balconies looked directly into the nearby El Omariye Mosque. Most troublesome was the precedent the deal had set - with this move a right-wing Jewish group and its American financial backers had overturned a policy of "status quo" in the Old City that had been in place since the 1967 war, upsetting a balancing act that had gone on between three faiths within the city limits. And it was done without debate, without a single ballot being cast by Jerusalem's residents.

The Saint John's Hospice deal was preceded by his purchase of Shepherd's Hotel in 1988. Located in East Jerusalem, Shepherd's hotel was one of Moskowitz's first major acquisitions in the Old City. Moskowitz sold one of his for-profit hospitals to come up with the \$1 million asking price (this was in the days before he began using funds generated by the Hawaiian Gardens bingo to bankroll his land deals).¹² On a personal level, the acquisition must have given him some sense of triumph, as it was once the residence of Mohammed Amin Hussein, the mufti of Jerusalem in the 1920s and 1930s and a man who incited Arab violence against Jews.¹³ But given its history, what Moskowitz chose to do with the property is somewhat troubling: he promptly peddled it to the Israeli police to use as a staging ground during the first intifadah.¹⁴

Moskowitz's early purchases may have caught the attention of the press but at the time they were of secondary importance compared to the tens of million of dollars the Israeli government was secretly channeling to the settlers.¹⁵ After the Labor party came to power in 1992 and began peace talks with the Palestinians, it froze all such funding. Daniel Seidman, an attorney for the Peace Now movement, said Moskowitz then became the "driving force" behind the Jerusalem settler acquisitions.¹⁶

In 1997, Moskowitz further stoked tensions by moving three Jewish families into a building he owned on the southwest slope of the Mount of Olives known as Ras al-Amud.

Echoing other settler operations Moskowitz has been

Moskowitz and the "Neocons": Links to the US Foreign Policymaking Establishment

Extremism Starts at Home

In the summer of 1991, Jack Fiedler and Irving Moskowitz accompanied more than one hundred leading evangelical Christians to Israel. The group included a Who's Who of America's religious right: Ed McAteer, founder of the Moral Majority, Brant Gustafson, head of the National Religious Broadcasters, Robert Dugan of the National Association of Evangelicals and Nelson Price, Vice President of the Southern Baptist Convention.

The trip had been orchestrated to pressure President Bush into supporting Israel's right to govern all of Jerusalem, the West Bank, Gaza and the Golan Heights.

Of course, conservative Christians were looking for something in return, a political alliance that extended beyond Israel. The Moral Majority's Ed McAteer told *Jewish Week*, "The Jews sometimes think that their friends are the black man or the National Council of Churches – I've known all along that was not true."¹

The trip did engender a certain amount of distaste in Israel, particularly from Jews concerned that the evangelicals visiting Jerusalem might be interested in, well, evangelicizing. Jack Frager, then President of the American Friends of Ateret Cohanim wasn't worried, according to *Jewish Week*: "Whatever the eventual problems may be, Frager said, 'these people have the ear of Washington's political heavyweights...for us not to utilize these allies would be foolish.'"²

That, in a nutshell, sums up the views of some wealthy, conservative American supporters of Israeli extremists, including Irving Moskowitz. The goal is to drum up support for policies in Washington that help promote the aims of Israel's maximalists, wherever it can be found. To them, America's religious right is good – it has the numbers and can turn up the heat on recalcitrant politicians when needed (as one prominent Christian Evangelical said, "We do not support the road map. The Bible is our road map"). But obtaining – and if need be buying - the sup-

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involved with, the site was politically sensitive as well as strategic. Close to the Temple Mount, the building looked down on the Arab neighborhood of Silwan, considered the probable location of the ancient City of David.



Protestors tell Moskowitz to go home.

But there was more to it than just its historically significant location. According to a story that ran on Arutz Sheva, a broadcasting network owned and operated by settlers:

The original idea behind the new neighborhood was to obstruct the implementation of the "Beilin-Abu Mazen Plan." According to the plan (drawn up by Oslo Accords architect Yossi Beilin and recently appointed Palestinian prime minister Abu Mazen), an area was to be created allowing Arabs to travel from Abu Dis and Azariya to the Temple Mount and all the way to the Jericho road without passing through Jewish communities. The new neighborhood connects Ir David (City of

David) with Har HaZeitim (Mt. of Olives) and Har HaTzofim (Mt. Scopus). "Between the Old City and Abu Dis/Azariya there is now a greatly expanding Jewish presence," says (Aryeh) King.¹⁷

King was one of the first settlers to move into Moskowitz's settlement in Ras al-Amud.

It was yet another stealth move. The families slipped into the building during the middle of the night; in their wake they brought an intense and disruptive security presence to the Arab community.¹⁸ Not surprisingly, the move created a firestorm of protest. An editorial cartoon that ran in Israel at the time depicted Moskowitz as an American fat cat tossing matches into the powder keg of Israeli Palestinian relations.¹⁹

The move also threatened to scuttle the Israeli-Palestinian peace talks. Foreign Minister David Levy called it "unnecessary and harmful." Levy declared that, "the action taken by these individuals is unacceptable, especially as we are striving to overcome obstacles in the peace process. Every Jew has the right to live in Jerusalem, of which Israel is sovereign, but the Israeli government is responsible for maintaining public safety for Jews and Arabs alike, and not to promote ferment and tension."²⁰

Under intense diplomatic pressure from the White House, Prime Minister Benjamin Netanyahu ultimately demanded that Moskowitz remove the settlers. But it proved to be only a temporary ploy because the settlers never really left the site.²¹ Moskowitz went on to construct a 134-unit apartment building for Jewish settlers on the four acre property in Ras al-Amud.

The Bipartisan Consensus – not helping

In the days just after Moskowitz moved militant settlers into Ras Al-Amud, the Clinton State Department termed Moskowitz's actions "a lightning rod" for increased tensions that might harm the peace process and the state of Israel.²²

The US and Israeli governments finally negotiated a stand-down to the diplomatic problem Moskowitz had created when he agreed to move the three families out in exchange for the presence of 10 yeshiva students brought in to "guard" the building.

With the tacit support of Jerusalem's then Mayor Ehud Olmert (now Deputy Prime Minister in Ariel Sharon's government), the Ras Al-Amud development project continued to grow into the largest Jewish settlement in an Arab neighborhood in Jerusalem. This past spring, at the height of the war

in Iraq, Moskowitz again thumbed his nose at the White House by moving settlers into the apartment complex.

A State Department spokesman called the new project Moskowitz had built “simply inconsistent” with President George Bush’s vision of a two-state solution. National Security Advisor Condoleezza Rice phoned Sharon’s office to warn that letting Jews move into the settlement might raise tensions during the war in Iraq and further undermine the prospect of a political settlement.²³

Few Americans have the audacity and the where-withal to conduct their own foreign policy in the face of opposition from the US government. When considering Moskowitz’s dollar diplomacy in Jerusalem it is important to remember the questionable source of much of those funds. Moskowitz is using millions of tax-free dollars generated by the Hawaiian Gardens bingo to back right-wing militants in Jerusalem. In at least one case, the pass-through foundation Moskowitz employed to transfer the funds told the Internal Revenue Service that its non-profit purpose was to fund educational and religious programs in Israel – it said nothing about backing militant settler groups intent on taking over Arab neighborhoods.²⁴

The company he keeps

While many of Moskowitz’s property deals are inherently provocative, they would not succeed in creating such fierce opposition without the active participation of militant settler groups.

Ateret Cohanim remains Moskowitz’s closest ally in his efforts to remake Jerusalem. From Saint John’s Hospice to Ras Al-Amud, they have worked hand in glove to extend the presence of Jews into Jerusalem’s Arab neighborhoods. The division of labor is simple: Moskowitz supplies the money and they supply the foot soldiers. Using a pass-through foundation called American Friends of Ateret Cohanim, his Irving I. Moskowitz Foundation gave the group \$5,625,250 between 1987 and 2001.²⁵ The organization, a yeshiva and settler group rolled in one, had, in 1996, moved more than 600 settlers into at least 40 buildings in Jerusalem.²⁶ Ateret Cohanim is one of the Yeshivot where military training and traditional learning is combined to fulfill the requirements of a special track of Army service for the religious. At times this blurs the line in dangerous ways between when yeshiva student/settlers are acting on their settler ideology and when they are acting in a military capacity.

Ateret Cohanim’s ideological premise is single-minded: it is committed to the replacement of the Al Aqsa mosques with a rebuilt Temple. Its yeshiva employs a curriculum that is decidedly outside of Israel’s religious norm; including classes to prepare

students for the resumption of animal sacrifice suspended almost 2000 years ago. They are making themselves ready for when the Temple is rebuilt.²⁷

Matti Dan, senior director of Ateret Cohanim, likes to present an image of his group’s settler activity that sounds somewhat akin to the US civil rights movement. Journalist Uriel Heilman wrote in a *Jewish Advocate* report that, “According to Dan, those who regard Ateret Cohanim as a rightwing extremist organization have it all wrong. ‘Today if you choose to live in the Old City, you have to live with Arabs, and that means you’re more of a Dove than Peace Now.’”²⁸

Not quite. Mixed neighborhoods are almost unheard of in Jerusalem. Certainly, no Arabs are allowed to move into Jewish neighborhoods.

When the settlers do manage to insert themselves into a neighborhood it comes at the expense of the existing Arab residents. They find themselves - literally overnight - subject to an oppressive security presence and the settlers’ in-your-face-attitude. Journalist Patrick Cockburn writes, “The houses they have taken over are easily visible because blue and white Israeli flags fly from the barred windows and tough-looking guards, subsidized by the government, stand outside with sub-machine guns.”²⁹ Old City residents also find themselves subject to security checkpoints much like those separating cities in Gaza and the West Bank, turning daily commutes into an ordeal. (It’s hard to fathom what impact the checkpoints have on daily life. Imagine waking up one morning and finding out that from now on you must go through airport security every day on your way to and from work, only the airport guards are sporting machine guns and wearing Army uniforms).

Plus Ateret Cohanim is not exactly running Ghandi-inspired sit-down protests in Arab diners to gain access to these communities. The group’s tactics at times have verged on the sinister. On December 12, 1991, armed yeshiva students allied with Ateret Cohanim forcibly occupied six Arab homes in Silwan, pushing the occupants into the pounding rain in the dead of night, clutching copies of their leases and bundles of clothing.³⁰

The group also is not above using middlemen in an effort to acquire property in the Old City. This tactic has resulted in death threats for some Arab sellers duped into selling their property without knowing that Ateret Cohanim settlers would be the ones moving in.³¹

These are not rogue elements of the settler group in action but rather the creation of the yeshivah’s radically right-wing school of thought. Rabbi Shlomo Aviner, the head of Ateret Cohanim Yeshiva, has said that the Israeli army should consider the death penalty for people who refuse military service for ideological reasons. According to

the rabbi, "such people could dangerously influence the nation, so the nation should get rid of them with the most radical measures."³²

Irving Moskowitz also created an American financial conduit to a group that has helped forge the intellectual leadership of the settler movement. Founded in 1924 by Israel's first pre-state chief rabbi Avraham Yitzhak Hacohen Kook, Mercaz Harav has for the last three decades occupied a role in the national-religious camp that extends far beyond its 500 yeshiva students and 200 kollel members (the advanced students who are already married); Mercaz Harav has become synonymous with religious nationalism in Israel. Mercaz Harav has produced many leaders of the settler's movement including Benny Elon, Israel's Tourism Minister and an early advocate of expelling Palestinians from the West Bank and Gaza.³³ From his perch as cabinet minister Elon also has proposed killing the relatives of suicide attackers.³⁴

Rabbi Benny Elon is the head of Beit Orot, a Yeshiva built in the Mount of Olives area of Azzariyah. A suit now before the Israeli Supreme court alleges subterfuge and land fraud by the City of Jerusalem and Moskowitz.³⁵ The land was earmarked for a badly need Palestinian girl's school. The suits claims that in purchasing the property, Moskowitz signed an agreement to sell the property for the school.³⁶

In addition to its central role in constructing the ideological underpinning for the settler movement, the yeshiva sends its students out to physically join the fray. According to the *Jerusalem Post*, one of the leading rabbis at the yeshiva, Rabbi Svi Tau, was a major force behind the 1997 move of Mercaz Harav students into the settlement owned by Irving Moskowitz in Jerusalem's Ras al-Amud neighborhood.³⁷ That same year Moskowitz gave a pass-through organization, American Friends of Mercaz Harav, \$7.2 million.³⁸

The Likud Connection

Jewish settlements such as Ras Al-Amud could not take root without at least tacit approval of the Israeli government. When in power, the Likud party goes far beyond passive support; it has, in effect, acted as a third arm of Jerusalem's settler movement. And Moskowitz is again on the scene, greasing the political wheels with his money and serving as a persuasive advocate for Likud's most right-wing constituents.

When Moskowitz succeeded in moving settlers into Ras Al-Amud at the height of the Iraq war, questions arose as to how the settlement could have obtained access to the city's water system and other municipal services unless it had been granted permits by someone in Jerusalem city gov-

ernment. But providing utilities is small-time support in comparison to the aid the settlers have received from previous Likud administrations.

Shortly after Rabin took office in 1992, a government appointed investigative committee headed by Haim Klugman, the director-general of the Justice Ministry, found systematic and often illegal government efforts to take ownership and possession of Palestinian properties, particularly in Silwan, and transfer them to Ateret Cohanim and another settler group named El-Ad.³⁹ Although Prime Minister Yitzhak Rabin halted these practices after receiving the Klugman report, they were reactivated under Prime Minister Netanyahu's government.⁴⁰

Abraham Hillel, head of the Jewish National Fund Land Department, testified in Israeli court on May 25, 1998, that settlers often employed a cooperative Palestinian resident to provide testimony that a given property is "absentee" owned. Sometimes, based on that sole evidence presented to the Absentee Property Custodian (whose son worked at the same time for the settler organizations), the property was declared absentee, confiscated, and transferred to a government agency. These dwellings were leased even before the residents were evicted.⁴¹

In one instance the Jewish National Fund sought to takeover a house in Silwan, that it claimed was left empty after the 1967 war. But the family living there insisted it had been theirs since the 1920's. Their proof: A 1932 letter written by Jewish residents of Silwan thanking their grandfather for protecting Jews during the 1929 riots.⁴²

According to *Jerusalem Post* reporter Larry Derfner, the settler group El-Ad gets its money from right-wing contributors, including Irving Moskowitz.⁴³ Derfner said the group acquired most of its houses by paying off the resident Arab families to leave, and moving in Jews to take their place. But those sales took place only after the families had come under threat of eviction by the government.

The land coveted by Ateret Cohanim and El-Ad has both historical and strategic value. Silwan, on the southern slopes just outside the Old City Wall, is considered by some to be the place where David founded the City of Jerusalem. It is also high ground close to the Temple Mount. There are some 100 houses on the slope. According to the *Post*, by 1998 El-Ad owned half of them and had its eyes on more.

Even the decision by Netanyahu's government to open the so-called Hasmonean tunnel helped the settlers increase their presence near the Temple Mount. Indeed, it provided a short-cut from Ateret Cohanim's yeshiva to the wall⁴⁴ and, in effect, extended the wailing wall roughly 200 yards which led to a heavier security presence to protect visi-

tors. Palestinians who live there are now questioned on the way to their homes. Reporter Patrick Cockburn notes settler activity in the area already had been causing trouble for locals, "They are already hampered by the presence 200 yards away of Israeli soldiers guarding a house belonging to Ariel Sharon. It is increasingly difficult for them to live a normal life in the district."⁴⁵

Not incidentally, it was Ariel Sharon's decision to move into a leased two-room apartment in the Muslim Quarter during Chanukah of 1987 that first put Ateret Cohanim on the map. Sharon's ostensible move to East Jerusalem (his primary residence remains a large farm outside Jerusalem) simultaneously opened up the apartment complex for Ateret Cohanim settlers – one of their first forays into the Old City. It also raised the credibility and status of the group, particularly in the eyes of potential American funders.⁴⁶

Despite statements Prime Minister Netanyahu made after the riots and the tunnel ceremony to the effect that he had not expected violence, Netanyahu was initially reluctant to re-open it.⁴⁷ Ateret Cohanim leader Mati Dan and Jerusalem Mayor Ehud Olmert actively campaigned for the tunnel to be opened. But under pressure from the White House to avoid any actions that would hurt the peace talks, Netanyahu initially chose to heed the advice of his security personnel who had warned against it.⁴⁸

Around this time Moskowitz flew to Israel and met with potential candidates for prime minister to discuss backing them in the upcoming elections – including right-wing leader Benny Elon.⁴⁹ It is not much of a stretch to think Netanyahu may have reversed his decision on the tunnel to keep Moskowitz happy and prevent him from throwing his considerable financial support behind a political rival with the potential to split the right-wing vote.⁵⁰

The connections between Moskowitz, the settlers and right-wing politicians form an unvirtuous circle: Moskowitz gives money to the settlers which allows them to take actions that raise tensions and radicalize more Israelis, which creates more support for Likud and its get-tough policies, which increases the settlers' influence allowing them to lobby for a freer hand and more government subsidies that further the settlements – and so on.



Baruch Goldstein's grave became a shrine (shown) of ultra-nationalist religious settlers but the court ordered it be returned to its previous simple state.

It is not hard to see where all of this is headed.

The Hebronization of Jerusalem

Hebron is home to some of the most reactionary elements of the settlement movement; it is also the site of some of the worst violence in the West Bank. This is not a coincidence. The settler leadership in Hebron seeks to create conflicts with Arabs by staging marches and other events at Jewish religious sites that are acts of provocation in the eyes of the city's predominately Arab community.

Most of the settlers live in an exclusive, government-subsidized suburb of Hebron called Kiryat Arba; another 500 live in the city proper. These settlers are known to fight even with the police and soldiers sent to protect them. Margot Patterson, writing for the *Catholic Reporter*, quotes a settler spokesman who says, "We shouldn't give up one inch of Israel, whether this will bring war or not. We're in the middle of a war because the Arabs are trying to take over bit by bit the whole of Israel."⁵¹ Accepting the logic of this statement requires a belief that Palestinians who have been living in Hebron for generations if not centuries somehow do not belong there.

Some Israeli parents with children in the military have begun to question the value of sending young soldiers barely out of adolescence to defend settlers in places like Hebron.

But from his vantage point in Miami Beach, Irving Moskowitz's faith in the settler cause remains unshaken. Moskowitz is a major backer of the Hebron



Irving Moskowitz (left) tours Jerusalem's Old City.

Fund, a foundation that raises money for ultra-nationalist Jewish settlers dedicated to transforming Hebron into a Jewish City. Over the years, Moskowitz has given the fund more than \$750,000 in bingo proceeds.

It is easy to see why Moskowitz is interested in Hebron – it is another hot spot in the Palestinian-Israeli struggle where religion and nationalism meet. The city is home to the Tomb of the Patriarchs that is, like the Temple Mount, holy to both Jews and Muslims. The struggle over how the two faiths share the site and the city has led to tension and bloodshed.

In 1994 Baruch Goldstein, a Hebron extremist from New York, emptied two clips of machine gun ammunition into a crowd of Muslims praying at the Tomb of the Patriarchs in Hebron. He succeeded in killing 29 Muslim worshippers and wounding more than 100 others before being killed himself.

Goldstein provided medical treatment to many of the settlers and soldiers injured during the Palestinian uprising. In December of 1993, a settler who was a friend of Goldstein's and his son were shot in a drive-by shooting carried out by Hamas. At their funeral, Goldstein called for vengeance. In the wake of the massacre, Israeli military and political leaders chalked up Goldstein's actions to those of a lone, deranged man.⁵²

But Goldstein was not alone; many in Hebron hailed him as a hero. He was, like many in his settler community, a member of the zealously right-wing Kach party. Founded by Meir Kahane, a New Yorker who emigrated to Israel and made a name for himself as a leader on the fringe of the radical right, the party was ultimately banned by the Israeli

government for its racist positions. It sought to make sexual relations between Jews and Arabs a capital crime. The Kach party platform also included the expulsion of all Arabs from Israel and the removal of the mosques on the Temple Mount.⁵³ According to Rabbi Yisrael Ariel, the number two man on the party's 1981 slate of Knesset candidates, "a Jew who kills a non-Jew is exempt from human judgment, and has not violated the prohibition against murder."⁵⁴

Goldstein was simply taking his political party's beliefs to their logical conclusion.

Extremist thought in action

The Hebron settlers had a head start on those in Jerusalem – they began their move into the West Bank in 1968. Many fear the tension and violence that have overtaken that community also will consume the Old City.⁵⁵ It is not inevitable. But if it does happen it will be because enough extremists on both sides have come to view violence and suffering as acceptable tools for achieving their aims of total control.

Moskowitz is already well down that road. In the month following the Hebron massacre, he wrote in a column in the Brooklyn-based *Jewish Press* defending Baruch Goldstein's assault on the Muslim worshippers. Moskowitz wrote:

[Yet] when Arabs murder and maim Jews every day in Israel and a lone Jewish man, overwhelmed by his grief over Arab terrorism, strikes at the Arabs – the hue and cry from around the world is deafening. Accusing fingers are pointed at all of Israel. The Israeli government is pressured to make concessions to the Arabs to "atone" for a deed it did not commit. There are calls to expel all Jews from Hebron and from all of Judea and Samaria.

Of course all violence and killings are bad. In an ideal world, one could simply condemn all such behavior and that would suffice. But we don't live in an ideal world. We live in a world in which Israeli Jews are constantly victimized...

Moskowitz goes on to suggest that an American court would have found Goldstein not guilty by reason of temporary insanity following the death of his

friends. He notes in the case of the Menendez brothers (two boys who killed their wealthy parents), the trial ended in a hung jury because of evidence that their actions resulted from years of abuse.⁵⁶ It is doubtful the Menendez brothers would have gotten off if they had killed 29 people.

Moskowitz's defense of Goldstein gives some credence to a report in *Mother Jones* magazine that suggested he was in favor of the 1995 assassination of Prime Minister Yitzhak Rabin. Robert Silverstein told reporter Christopher Cook he had been childhood friends with Moskowitz. Silverstein recounted to Cook part of a conversation he had with Moskowitz soon after Rabin's assassination, "I said this business with Rabin is too much. Suddenly there was a cold silence. Then he said, "You don't know all the facts." Shocked, Silverstein concluded that Moskowitz supported the assassins. Their friendship was at an end."⁵⁷

Moskowitz's Zionist views gone wrong also led him to repudiate UNICEF, the United Nations organization that supplies the basic needs of the world's poorest children. In a letter he signed as president of the Zionist Organization of America's Southern Pacific Region, Irving Moskowitz rationalized his attack as a response to the United Nations 1975 resolution equating Zionism with racism, which he called, together with Hitler's Nuremberg Laws, one of the world's two "most infamous acts against the Jewish people." He called it a "sacrilege" to the memory of Holocaust victims "that the United Nations is attempting through the vehicle of UNICEF, to use the plight of unfortunate and suffering children, as a means to cover up the United Nations' perfidious actions against Israel and the Jewish people." He added, "The fact that UNICEF feeds children is a lame excuse to support the UN or any UN agency."⁵⁸

Free speech and free thought no matter how hateful are, of course, an Americans right. But even the US Supreme Court says you are not allowed to scream "Fire!" in a crowded theater when there isn't one.

Some believe the Internet assassination "game" sponsored by Moskowitz's wife, Cherna, rises to that level. In February of 2000, the Israeli newspaper *Yediot Aharonot* reported that Cherna Moskowitz paid the server hosting fees for a website featuring an Internet video game that encourages players to blow up Israeli politicians who are leaders in the quest for Israeli-Palestinian peace. The game's sound track included screams of pain whenever a player made a direct hit. According to *Yediot Aharonot*, Prime Minister Barak's spokesperson called it an incitement to violence of the type that brought about the assassination of Prime Minister Yitzhak Rabin in 1995.⁵⁹ (The host company shut down the site immediately after it was

exposed by *Yediot Aharonot*. Stills and a cached version of the game can be viewed www.stopmoskowitz.org/assassination.html).

It is this potential drift from saying into doing that is so dangerous.

"Actions speak louder than words," Moskowitz told the *Jerusalem Post* in 1999. "Too many people talk and don't do; that's one of the problems in Israel. I am doing what the Zionist movement set out to do, what Herzl in 1897 set out to do. Every Jew should try to emulate what Herzl did, in the love of, and the dedication for, and the urging of Jews to develop Israel."⁶⁰

The question is, when do you reach the point where the end no longer justifies the means? The scary answer within the context of Israel's radical right is: Never.

Moskowitz chooses to back extremist settlers who share the same ideology that drove Baruch Goldstein and Rabin's assassin. It is the same as that of the Jewish Underground terrorists who sought to blow up the Temple Mount.

One of the Jewish Underground members explained to his Shin Bet interrogators, "the demolition of these mosques would have infuriated all the hundreds of millions of Muslims in the world. Their rage would inevitably have led to a war which in all likelihood would have escalated into a world war. In such a war the scale of casualties would be formidable enough to promote the process of Redemption of the Jews and the Land of Israel. All the Muslims would by then disappear, which means that everything would be ready for the coming of the Messiah."⁶¹

Sparking a world war seems a staggeringly immoral act to contemplate. It is the belief system espoused by the Jewish Underground members and other extremists that creates such hubris. In their view, World Redemption is at stake— therefore normal rules do not apply. Or as Ateret Cohanim's Rabbi Schlomo Aviner puts it, "while God requires other normal nations to abide by abstract codes of "justice and righteousness," such laws do not apply to the Jews."⁶²

It also assumes that Arab hostility is theological in nature rather than being rooted in a real-world sense of injustice, and therefore, can't be resolved politically through compromise.

In his book on fundamentalism and the Temple Mount, Gershom Gorenberg quotes Jerusalem Rabbi and Orthodox philosopher David Hartman as saying that "The Six Day War brought the feeling among Orthodox Zionists that they were the instrument of the Redemption. The mistake that leads to is feeling that, "if I am an instrument for redeeming the world, I can't be doing evil. I am ushering in a new era of history and therefore I don't see what I am doing to the Arabs, I don't see what I am doing

to the country.”⁶³

It is even harder to see the damage when you are sitting halfway across the world in Miami Beach.

Bankrolling a morally bankrupt movement

Whenever the Israeli-Palestinian peace process revives, fundamentalists on both sides will certainly gear up their fight against it. However, it is generally believed that extremist Palestinians' attacks on Israelis will be halted only when Palestinian society experiences a credible end to the Israeli occupation and is no longer desperate enough to support suicide bombers. Polls also find that all but 10 or 15 percent of the Israeli settlers will gladly return to Israel proper with financial help from the government. It is the radical fringe, the extremists, that Moskowitz supports.

Reining in their own radical right is obviously up to the Israelis. But there is no reason why they also should have to contend with the havoc wrought by the millions Moskowitz spends each year financing a morally bankrupt strategy of Israeli maximalism

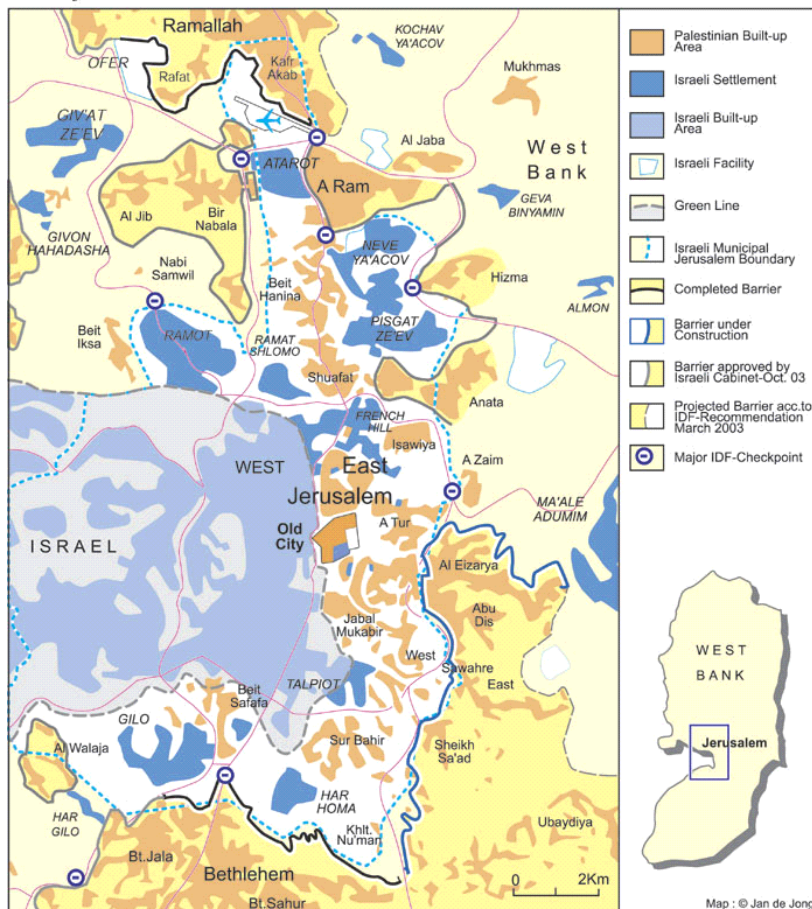
Most of that money comes from a bingo hall his

foundation runs in the small California town of Hawaiian Gardens, under an agreement that the revenue generated is supposed to go to local causes. The idea that the bingo losses of Hawaiian Gardens' low-income residents and their neighbors should fund groups like Ateret Cohanim probably does not fit most people's definition of philanthropy.

The bingo money is Moskowitz's box of matches. In 1996, Moskowitz got what amounted to a can of gasoline when the city of Hawaiian Gardens allowed him to set up a casino that generates tens of millions of dollars in for-profit revenue for Moskowitz each year that, unlike the bingo funds, can not be traced through the publicly available tax records his foundation must file.

Of course, cities are not usually in the business of handing out casino licenses just for the asking to someone, like Moskowitz, with no experience running a card club. Which raises the question – how did he get it? Answer: by hijacking a city government.

Fortress Jerusalem - November 2003



Map of post 1967 expanded municipal Jerusalem in which Moskowitz created an arc of Jewish East Jerusalem settlements including purchases in Ras al Amud, Abu Dis, Silwan (21 known sites), Beit Orot, St. John's Hospice in the Christian Quarter, and a number of sites in the Muslim Quarter of the Old City and Shepherds Hotel, designed to bust-up neighborhoods.

Part Two

Den of Iniquity

*What a casino in the wrong hands can do to a small town.
The story of Irving Moskowitz's takeover of Hawaiian Gardens*

It's been said that Irving Moskowitz runs Hawaiian Gardens like a plantation and attorney Beryl Weiner acts as his overseer.

And that Moskowitz is a litigious sort who used the carrot of "charitable" contributions and the stick of unending lawsuits to set up some sweetheart land deals for himself and finagle the city into building him a casino.

And there are those who say he halted his charitable contributions to the city whenever his wishes went unfulfilled, recalled elected officials who failed to do his bidding, got city employees fired who crossed him.

Or, as public law attorney Fred Woocher put it, this is:

...a sordid tale of greed, corruption and collusion...leaving in its wake a trail of broken laws ... I will state to you on the record that I have never seen in my more than 20 year career as a lawyer practicing in the area of municipal law...a City and a situation more lawless than that which existed and continues to exist in the City of Hawaiian Gardens. And at its roots is the desire of Irving Moskowitz to use the City and the financial opportunities it presents him to develop a vast bingo and gambling enterprise.⁶⁴

When one considers all the manipulation and chicanery that has been attributed to Moskowitz in his dealings with Hawaiian Gardens – it's hard to believe that one man could possibly be responsible. Reasonable minds stop and think, "A lone developer holding an entire community politically captive? No, it can't be, this sounds like someone's idea of a cartoon bad guy, they must be exaggerating."

Only they're not. Moskowitz started having casino dreams more than two decades ago. He knew as the owner of a card club in the Los Angeles area he stood to make tens of millions of dollars each year. If getting his way meant doing whatever it took to co-opt the Hawaiian Gardens city govern-

ment – so be it. He wanted that casino.

Card Club ambitions

"I have no plans to bring poker or any kind of card club into Hawaiian Gardens."⁶⁵

That was what Dr. Irving Moskowitz said in 1995, just months before he financed a campaign to place a casino referendum on the ballot in Hawaiian Gardens.

But Moskowitz's intentions were clear as far back as 1983 when a company he controlled reportedly sold six acres of Hawaiian Gardens property but made the sale revocable and contingent upon obtaining a permit to operate a card club in the City.⁶⁶

At the time, permission to run a casino was a distant possibility, Hawaiian Garden voters had just made clear in a referendum that they did not want any card clubs within the city limits.⁶⁷

Moskowitz's property was in the middle of a roughly 22-acre plot on Hawaiian Gardens' west boundary. It was under-utilized prime land, with immediate freeway access, just off the City's main thoroughfare and the redevelopment agency desperately wanted it developed to increase the city's tax base. In the 1980s, the agency had encouraged Moskowitz to either sell or build and as an enticement had even asked him to become the main developer of the city's "Gateway" project. Instead, he continued to sit on his property. Frustrated, the City Council sought to use its power of eminent domain to take control of the land. Moskowitz counter-sued, asking for \$10 million in damages; the City decided it was prudent to back off.⁶⁸

The City needed the development. During the time when Moskowitz was busy land-banking, Hawaiian Gardens, population of 14,500, had a per capita income of less than \$8344. This eight-tenths-of-a-square mile city had little land to spare. Many of the predominately Hispanic residents had been living in Hawaiian Gardens for generations and were proud of their tight-knit community. But as one former City Council member said, "In this town three to four families are living in a house. People are

living in garages.” Hawaiian Gardens then, as now, had high unemployment. The City needed to create jobs.

While the Hawaiian Gardens Community Redevelopment Agency waited, Moskowitz acquired more property in the area plus a local non-profit bingo that generated \$350,000 in annual revenue for the city. Both gave Moskowitz added leverage in his dealings with the city council.

Moskowitz’s interest in building a casino had evidently not gone away. In 1989, after a meeting with Moskowitz, City Council Member Donald Schultze wrote a memo to the other council members that said, “He wants a card casino on the property and it must go to the voters to obtain permission to build one.”⁶⁹

The City again tried to take the property through use of eminent domain and Moskowitz again sued.⁷⁰

The stand-off ended in 1993, when Moskowitz formally asked the City’s Community Redevelopment Agency (CRA) to condemn the best commercial land in the city that he didn’t already own and help him develop a supermarket on it.

In 1993 City officials allotted \$5.5 million in redevelopment funds to buy several acres next to the bingo hall and give the land to a corporation controlled by Moskowitz at a half-price discount. In return, Moskowitz was going to build a commercial center that included a much-needed Smith’s supermarket generating \$250,000 in yearly tax sales for the city.

The agency and Moskowitz’s Cerritos Gardens General Hospital Company committed to this plan of action in July 1993 in a legal document known as a Disposition and Development Agreement (DDA). If city officials thought the proposed development plan was finally on track, they were quickly disillusioned. Moskowitz’s attorney Beryl Weiner pressured Hawaiian Gardens elected officials into accepting a disadvantageous deal.⁷¹

Accounts of what happened vary, but this much is clear - when City Council members met to approve the document (members of the council and the redevelopment agency board are one and the same) they were presented with a new one drafted by Weiner. The \$3 million good faith deposit the city had asked for had been whittled down to \$25,000. And it also included language that potentially could allow Moskowitz to challenge any “special assessments” (read – additional taxes) imposed on the development project.⁷²

This was a deal decidedly not in the interests of the agency or the City. And the council members neither understood what they were getting into, nor apparently, whom they were dealing with.

Of course, it would have helped if they had actually read the agreement.⁷³ At least two of the City

Council members failed to realize that by voting for Moskowitz’s version, the city was now responsible for all the up-front costs of acquiring land for the supermarket project.

Then, after Moskowitz’s great rush to get the DDA passed, he and his lawyer Beryl Weiner simply cut off communications, totally obstructing Hawaiian Gardens’ efforts to set up escrow and remove tenants from the properties. Rather than paying his share of the purchase in 30 days, as he had agreed to do in the agreement he had just signed, Moskowitz made the City wait months for his check.⁷⁴

In January 1994, Moskowitz still had not paid his share of the costs. By then the Agency had advanced the entire \$5.5 million to purchase the property with the expectation that Moskowitz would quickly reimburse the city with his agreed half of the purchase price. His failure to do so put Hawaiian Gardens in desperate financial straits.

Moskowitz made matters worse by antagonizing local businesses that held leases on the property the city had just acquired for the supermarket project. Moskowitz demanded that these tenants sign leases with him rather than letting them opt for immediate relocation settlements.

As time went by, his failure to assure key tenants of their future on the site⁷⁵ set the stage for what would become extremely long and costly legal battles known as inverse condemnation actions.

In April 1994, Moskowitz still had not closed escrow. Despite his culpability in the inverse condemnation lawsuits, that month the Redevelopment Agency passed an amendment to the development agreement that made the City responsible for legal costs associated with relocating businesses and, in a bizarre twist, it allowed Moskowitz to pick the attorney who would represent the agency in these cases.⁷⁶ Moskowitz, predictably, picked Beryl Weiner. The completely avoidable legal complaints filed by the major businesses on the site ultimately cost the CRA well over \$2 million. Not to mention hundred of thousands of dollars in unnecessary legal fees charged to the city by Weiner.

Escrow finally closed on May 5, 1994, and the Agency received a wire money transfer on May 6, 1994 for a little over \$2.5 million.⁷⁷ Taking into account the looming legal bills, Moskowitz’s late payment basically made it a wash. But at least the supermarket development seemed to be back on track.

Then, during a few short weeks in August 1995, everything changed again. By then, Hawaiian Gardens was facing bankruptcy – it had overspent its \$3 million budget by approximately \$2.2 million the previous year.⁷⁸ At the same time, Moskowitz was sitting on the City’s most important commercial properties, approximately 20 acres close to the

Carson Street exit of the 605 Freeway.

Suddenly, after sitting on the project for years, Moskowitz perceived a need for speed. Moskowitz pressured the city government to quickly amend the DDA to eliminate the requirement for a "big box" store and simply call for a "commercial development between 50,000 and 80,000 square feet."

Moskowitz's newfound sense of urgency may have had something to do with a moratorium the state had imposed on new casino initiatives starting January 1, 1996. But the DDA Moskowitz had signed in 1993 explicitly stated that the property the City bought for him was to be used exclusively for a major food and drug retail center. If the DDA had to be amended – new hearings as well as an environmental impact statement would be necessary. And there was no time for that before the December 31st moratorium kicked in.

The new DDA made no mention of a gambling enterprise. But at the same time Moskowitz was pushing the City Council to loosen the language on the development agreement, he also had set government and local loyalists in motion to initiate and put on the ballot for election in November 1995 an ordinance authorizing casino gambling in Hawaiian Gardens.

On August 22nd, the City Council agreed to amend the DDA again. During the same meeting, three pro-Moskowitz members voted to fire the City Clerk and replace him with Domenic Ruggeri, a recently defeated pro-Moskowitz member of the City Council. Ruggeri said, "what Dr. Moskowitz dictates is what we should do." ⁷⁹

Within days, a Moskowitz ally on the City staff, Leonard Chaidez, informed the Mayor, the Council and the acting City Administrator that a petition was being circulated for an initiative that would allow a card club to operate in the city. ⁸⁰ But the ballot measure was written to effectively permit a casino only on Moskowitz's Carson Street property (much of it just purchased from the city at a cut rate cost).

Chaidez's announcement came just a few weeks after Moskowitz's attorney Beryl Weiner told the Agency that Smith's no longer wanted to build a supermarket in the Hawaiian Gardens and he needed the city to condemn more land for the project so he could attract a Kmart. ⁸¹

Ruggeri immediately forwarded the petitions to the Los Angeles County Registrar of Voters for signature verification. ⁸² Two days later, on August 24, 1995, the Registrar of Voters notified the City that 593 signatures were "qualified" and 387 were not. ⁸³ The registrar also sent Ruggeri a two-page memo notifying him that some of the petition circulators were not qualified. Casino opponents sued.

In 1995 Hawaiian Gardens was facing bankruptcy

–it had overspent its \$3 million budget by approximately \$2.2 million the previous year. ⁸⁴ At the same time, Moskowitz was sitting on the City's most important commercial property. Hawaiian Gardens was in a bind and Moskowitz helped put it there. And now he was planning to exploit the city's financial weakness, all for the sake of a card club he said didn't interest him.

Campaign Shenanigans

California's Gambling Code warns of the potentially corrupting influence of casino operators over local politicians and elections.

One of Moskowitz's companies was the sole source of funding for the committee that campaigned in favor of the casino. Pro-Moskowitz forces, including street gang members employed by his "yes" campaign, used strong-arm tactics to win votes. After the election victory in favor of the casino, Moskowitz, through his allies on the City Council, prevented other casinos from competing for a license in the City, thus ensuring that he would be the only victor.

It sounds a lot like a corruption, doesn't it?

Moskowitz reported spending \$544,124.20 on the vote "yes" on Measure A campaign, or approximately \$600 per yes vote. ⁸⁵ Cerritos Gardens General Hospital Company, the same company he used as the casino licensee, was the sole source of funds for the committee that campaigned for his casino, "United Citizens to Save Hawaiian Gardens – Yes on A." ⁸⁶

Most of that money was spent on direct cash payments to residents of Hawaiian Gardens.

Fourteen city employees or commission members received money from Moskowitz's campaign committee, including the wife of City Council member Robert Canada (she was a city playground supervisor). Michiko Canada received a \$1,767.92 payment. Canada would later say he gave the money back.

Some City workers allegedly campaigned for the card club initiative during work hours. ⁸⁷ City staffer Glenn Cornejo was arrested for removing absentee ballots from City Hall and personally passing them out to casino supporters. ⁸⁸ According to former Hawaiian Gardens detective Radames Gil, City bus drivers also campaigned for the casino while driving senior citizens around town.

The committee also hired more than 40 street gang members to work on the campaign. These were *not* teen wannabes – Hawaiian Gardens had a serious gang problem stretching back four decades. The *Barrio Hawaiian Gardens* gang had ties to the "La M," the Mexican Mafia prison gang. ⁸⁹ According to two Hawaiian Gardens police officers,

Vincent Barbosa, a "La M" associate who presided over all the Sunday gang meetings in Hawaiian Gardens, was among the workers hired by Moskowitz's "Yes" campaign. Another campaign worker and member of the *Barrios* later went on to be convicted of a hate crime homicide.⁹⁰ Witnesses said he and several other young men had used a baseball bat to bash in the head of a young African American man visiting relatives in Hawaiian Gardens.⁹¹ They did it in broad daylight.

Gang members allegedly used intimidation tactics during the campaign.

According to Ray Rosas, gang members were putting campaign signs on the lawns of Hawaiian Gardens residents without asking. As the former director of the Coalition for Youth Development, a non-profit agency that provided social services in Hawaiian Gardens, Rosas worked with many of the city's gang members.

Rosas says they also were writing graffiti – "vote yes on Proposition A" -- and tried to put up banners at the youth agency. Rosas would take it down.

"I guess I am grateful I wasn't shot," says Rosas. "My car was vandalized and my tires were slashed. Some of the gang members I knew would sometimes warn me. They would say, "Ray, go home, don't stay here tonight" or "don't park your car over there, park it somewhere else."

Kathleen Navejas, a city council member leading the campaign to defeat the casino initiative, said they threatened to burn down the house of a family that had posted a vote no sign on their front lawn. "I went to one of the guys who had made the threat and asked, you're gonna burn down a house over a sign?" said Navejas. "And he said, "I got to do what I got to do – they can't keep the sign up."

There is a certain irony to the use of gang members as campaign workers. Backers of the card club initiative campaigned on a promise that the casino would end the city's chronic budget deficits and it was the only way to "save" the Hawaiian Gardens police force.

The department, established in 1995, was very popular with Hawaiian Gardens residents who appreciated its rapid response and the greater respect its officers showed them, as opposed to members of the LA County Sheriffs Department. (Later, the City would be forced to disband the police force during a budget crunch precipitated by Moskowitz).

Detective Gil said the police force would see known gang members walking around with signs in support of the proposition, "They also wore these t-shirts that said "Save Our Police Force." We thought that was a laugh – guys who would probably kill you in a heartbeat."

According to Rosas, gang members appreciated

the joke as well. "They thought it was hilarious," said Rosas. "From their perspective, it was, I'm getting the money, so who cares?"

Meanwhile, casino opponents, under the aegis of Citizens Against Card Club Associations (CACCA), sued to stop the election. In their lawsuit, they contended that the casino campaign had committed fraud in its signature gathering. The County's manager of the Voting Records Division, Wendell Patterson, said in a sworn statement that 593 signatures belonged to registered voters, barely enough to put the initiative on the ballot, and many of those signatures had been collected by unqualified circulators. An accompanying copy of the letter from the Registrar shows that 21 unqualified circulators collected 54 of the valid signatures.⁹²

Litigants against the election learned in the course of their discovery that "volunteers" at Moskowitz's bingo (these were unpaid workers earning money solely through tips) served as petition circulators, although they were not registered to vote in the City, nor were they even residents of Hawaiian Gardens.⁹³

In their brief, casino opponents also pointed out that the three individuals who signed the Declaration of Intent to put the casino initiative on the ballot were all tied to Moskowitz and at least one of them, Fred Licon, benefited financially during the ballot measure campaign.⁹⁴ Licon was a city employee whom Moskowitz said, under oath, "works at one of my projects" during his "off-hours."⁹⁵ During the Measure A campaign, Moskowitz paid \$8,372.40 in campaign funds to Licon, his wife and sister.⁹⁶ The suit against the referendum also alleged that Licon signed petitions that he did not himself circulate.

The lawsuit nearly succeeded in halting the election. In late October, a Los County Superior Court ruled in favor of the casino opponents, on the grounds that the pro-Moskowitz signature gathering process was "invalid." But Moskowitz and his supporters on the City Council quickly appealed the ruling and, on October 30, 1995, they won a reversal that allowed the initiative election to go forward.

The final tally was 965-722 in favor of the casino initiative. The measure was actually defeated by votes cast on election day. The election was instead determined by hundreds of absentee and provisional ballots cast in favor of the initiative. The Committee Against Card Club Associations again challenged the results, alleging that City Clerk Dominic Ruggeri refused to count the ballots of known casino opponents.

Moskowitz and his allies filed a counter suit alleging, among other things, conspiracy, unfair competition and violations of federal anti-racketeering laws. Later, several card clubs joined the casino

opponents as plaintiffs in the case and charges were added to the lawsuit involving the City's decision to award the sole casino license to Moskowitz. The case was ultimately settled in 1997; as part of the settlement, the litigants recognized the election as valid.

An education in chicanery

Election shenanigans aside, there was another problem with the casino project – its location. From a business perspective Moskowitz had picked a prime spot visible from the freeway and just off the city's main intersection. But Moskowitz's property bordered a middle school, a city park, and playground.

California's gambling law stresses the importance of ensuring gambling does not take place near schools, churches, hospitals and public parks and says a state gambling license can be denied on the basis of location alone.⁹⁷

Ferris Fedde Junior High School could not be closer to the casino property. The casino's back entrance directly faces the school. On any given day, adolescents wearing backpacks or tooling around on bikes can be seen roaming the sidewalks and street between the casino and their school. Students would not find it very difficult to gain access to the premises, they could just walk through the back of the parking lot.

The casino's back lot also empties out onto a street that passes the local baseball field as well as city playground equipment. The two fast food places closest to the school – Taco Bell and Pizza Hut – are directly across the street from the front of Moskowitz's casino.

Back in 1995, the proposed casino's close proximity to the junior high school did not escape the attention of the ABC Unified School District's Superintendent, Thomas Riley. The day after the casino ordinance was placed on the ballot Riley wrote to Mayor Robert Canada expressing concern

Moskowitz's "United Citizens to Save Hawaiian Gardens – Yes on A" paid the following City Employees:

Tommy Blajos	City Employee – Public Works	\$ 146.16
Michiko Canada	Commissioner – Recreation & Parks Commission	\$ 1,767.92
Anita Chavez	City Employee – Transportation / Recreation & Parks	\$ 1,178.59
Glynn Cornejo	City Employee – Recreation & Parks / Transportation	\$ 1,489.99
Rose Flores	City Employee – Executive Secretary to City Manager	\$ 1,009.90
Erma Licon	City Employee – Crossing Guard & Sister of Fred Licon	\$11,595.02
Fred Licon	City Employee – Code Enforcement Officer	\$ 3,777.38
Patty Licon	Wife of Fred Licon	\$ 3,000.00
Nettie Peguero	Commissioner – Recreation & Parks Commission & Wife of Steve Peguero, city employee	\$ 2,414.77
Steve Peguero	City Employee – Code / Parking Enforcement	\$ 2,305.82
Robert Salazar	City Employee – Public Works	\$ 2,921.05
Richard Scism	Commissioner – Public Safety Commission	\$ 1,183.81
Vilma Uribe	City Employee – Recreation & Parks / Transportation	\$ 281.35
Richard Yeamons	City Employee – Recreation & Parks	\$ 260.99

for the "bad elements" associated with a poker parlor and the effect they might have on the middle school students who attended the Ferris Fedde.⁹⁸

In the letter, Riley laid out some questions the school board and community members were asking him. They wanted to know what security measures would be provided for the school, would street access changes affect Fedde students, and "what types of individuals will be hanging around the parlor, the school and the community?" Pointedly, Riley asked: "Has an environmental impact study been initiated? If so, how does one offer comments? If not, when will such a study be conducted?"⁹⁹

Under the California Environmental Quality Act, it is up to the lead agency on any given construction project to decide whether an environmental impact report is necessary. When Moskowitz had only been planning to build a supermarket, the city had decided an environmental impact report was not needed. But after the project morphed into a casino, some city government officials began to think a review of the casino's impact on the community's

health and safety was not a bad idea.

At any rate, Riley told school board members that Mayor Pro Tem Robert Canada promised him that if the casino initiative passed, an environmental assessment would be conducted and the school district would be given the chance to voice its concerns.¹⁰⁰

Meanwhile, Moskowitz took the casino campaign directly to the school. In 1995, the Irving I. Moskowitz Foundation, which runs the Hawaiian Gardens Bingo, made a \$15,000 donation to the ABC Unified School District.¹⁰¹

According to Kathleen Navejas, Paul Gonzalez, the principal of Ferris Fedde, her daughter's middle school, invited Moskowitz to present the check during the fall open house. "He made a big statement, talked about how he started out selling comic books," said Navejas. "I complained, the open house was supposed to be for the kids and not about Moskowitz."

After the election, the City government reneged on its promise to conduct an environmental study. On February 13, 1996, the Hawaiian Gardens City Council approved Moskowitz's application for a city casino license and, on the same night, passed a resolution declaring that the project was exempt from filing an environmental impact report because it was a license application, not a physical structure "and thus does not have the potential to affect a physical change in the environment."¹⁰² On March 21, 1996, the ABC Unified School District filed a lawsuit against the City of Hawaiian Gardens and Moskowitz's Hawaiian Gardens Card Club. The school district alleged that the city failure to do an environmental assessment was a violation of the California Environmental Quality Act.¹⁰³

For reasons that are less than clear, three months later the school district withdrew the lawsuit.¹⁰⁴ The decision may have been taken because Hawaiian Gardens' city attorney told the district it had missed a filing deadline by one day.¹⁰⁵ In 1996 the Irving I. Moskowitz Foundation gave the ABC Unified School District another donation of \$52,100 and sometime later, a chain link fence went up around the school. It is possible the school district had come to terms with the casino.

The Competition

Once the casino referendum had passed, other casino owners in the Los Angeles area wanted in. The Commerce Club and Hollywood Park casinos asked the city for license applications and were told that none were available -- that the only card club permitted was the one Moskowitz would build on property he owned.¹⁰⁶

Nevertheless, on January 8, 1996, Hollywood

Park submitted an application for a card club license. The following day, casino opponents alleged, Moskowitz or perhaps his lawyer, threw together a card club license -- whoever wrote it, the form was not an official city application and it failed to include some information required by the state gambling code.

City Clerk Ruggeri certified the Moskowitz application as "complete" and forwarded it to the City Administrator despite the fact that a state mandated background check had not been conducted. The city simply ordered up an Equifax credit report -- it showed Moskowitz had a driver's license and was current on his credit card payments.¹⁰⁷

In a call for blind loyalty included in his card club application, Moskowitz proclaimed, "Unlike other entrepreneurs and opportunists who may seek to swoop down on the City, pluck its fruit, and discard its remains, without concern for the City's residents, Dr. Moskowitz seeks to build a Card Club with the twin goals of maximizing profits and benefiting the City which will host the establishment."¹⁰⁸ Hollywood Park and the Commerce Club, both excluded from the application process, joined local opponents in suing the city, Moskowitz and his company.

The pro-Moskowitz city government held a public hearing on Moskowitz's casino license on February 13, 1996. During the Mayor Pro Tem Robert Canada (whose wife had received one of the biggest sums from the Moskowitz campaign committee) and two other Moskowitz-loyal members of the Council cut off the speakers who tried to outline a long list of reasons for voting against licensing the Moskowitz casino.

Attorney Frederic Woocher, representing the citizens group fighting the plan, wanted Moskowitz's permit shelved until an Environmental Impact Report was completed. Woocher noted that the site initially was earmarked for a major food and drug retail center and Moskowitz benefited from the city's purchase of property for about \$6 million and its resale to him for about \$3 million and when the land had been purchased zoning did not permit a casino.¹⁰⁹

Woocher also suggested Mayor Robert Canada and council member Lupe Cabrera abstain because of possible conflicts of interest.¹¹⁰ Cabrera owned a house within 2,500 feet of the proposed card club. That posed a conflict of interest because he stood to benefit from new and improved services related to the club. And Canada's wife had received more than \$1700 from the pro-casino campaign.

Long Beach *Press Telegram's* Joe Segura reported, "Mayor Canada said all of the money had been refunded. Asked by Councilwoman Navejas when that transaction occurred, Canada snapped,

“This is inappropriate, and I’m not going to be grilled. This isn’t public information.”

Segura noted representatives from the two other card clubs expressed interest in applying for licenses at the hearing but they were ignored.

Over the objection of the two independent Council members, residents and the competing card clubs, Canada closed the hearing. Moskowitz’s allies on the Council voted to approve a resolution granting a license to Moskowitz to build and operate his casino. It was not the final word, since the casino also requires a permanent state license. But it was enough to allow Moskowitz to break ground on his casino.

Moskowitz takes over

At that time, three years after signing the development project deal with the city, Moskowitz still had not begun demolishing the structures on the Carson Street site. Twelve of the 13 businesses cleared off the site had left Hawaiian Gardens, thereby diminishing the City’s already shaky economy. Additionally, four of the uprooted businesses had filed inverse condemnation actions.¹¹¹

Early in 1996, the City scrambled to cover its deficit, meet payroll and continue financing Hawaiian Gardens’ share of the casino expenses.

In March 1996, Moskowitz made a \$750,217 payment from bingo funds to the City through the pass-through foundation called the Hawaiian Gardens Education Foundation.¹¹² Then he stopped the money, only resuming his payments the following August.¹¹³

This hiatus had the effect, and almost certainly the intention, of making Hawaiian Gardens even more eager to please the gambling operator it was supposed to be regulating. In retrospect, it is evident that Moskowitz’s strategy during this period was to keep the City in a state of controlled economic dependence on him, making it easier for his attorney Beryl Weiner to persuade the city council to do his bidding.

“Beryl Weiner told ...me, in the City Council Chambers that if the city did not issue the permit he would ‘not deliver a check’ from the Hawaiian Gardens Foundation that the city needed to meet payroll expenses,”¹¹⁴ stated City Attorney Julia Sylva, the former city attorney.

Moskowitz also contributed and withheld funds in order to gain other concessions, such as the firing of Sylva. In August of 1997, former City Clerk Ruggeri noted in a letter to Moskowitz that Weiner may have refused to release funds committed to the City, “until, it would seem by the tone of the discussions, M. Julia E. Sylva, Esq. is relieved of her duties as the City Attorney.”

The bulk of these charitable donations to the city came from the Hawaiian Gardens Public Safety and Police Foundation and the Hawaiian Gardens Educational Foundation. The only source of funds for both organizations was the Irving I. Moskowitz Foundation.¹¹⁵ Moskowitz’s foundation money came from the “non-profit” bingo



he ran in Hawaiian Gardens.

In 1996, the Hawaiian Gardens Education Foundation received \$2.15 million from Moskowitz's foundation and contributed \$2.05 million to the city. In 1997, the Foundation received \$500,417 and contributed \$488,000 to the city.¹¹⁶

The pattern was repeated with the Hawaiian Gardens Police and Public Safety Foundation. It received \$1.4 million from Moskowitz's foundation and contributed \$1.1 million to the city.¹¹⁷

Weiner told a state panel that investigated Moskowitz's dealings in Hawaiian Gardens that, "The Hawaiian Gardens Education Foundation wasn't owned or controlled by Dr. Moskowitz. It was set up with people who were interested in helping out the community." His statement sharply contrasted what he told City Council members in September of 1997: "The Moskowitz Foundation has put \$4.7 million dollars into the city in the last 18 or 20 months. That's an awful lot of money to go to a city that has an annual revenue of million eight thousand dollars."¹¹⁸

As Weiner's remarks before the city council implied, the contributions weren't being made just for charity's sake. (What Weiner didn't say was that the City had historically depended on bingo for revenue, and it had given Moskowitz a monopoly on bingo in 1988 with the understanding that this precedent would continue.)

The Joint Legislative Audit Committee (JLAC) concluded that during the preceding decade, the city gave Moskowitz "special treatment" that cost taxpayers' money, "the special treatment appears to have accelerated during the years between 1995 and 1999, when the redeveloper [Moskowitz] began making 'contributions' to the City through non-profit charities controlled by him."¹¹⁹

In July 1995, for instance, City Administrator Nelson Oliva informed Weiner of the necessity of conducting a new environmental study due to the development project's changing scope. It never happened. Instead, one month later, Oliva was fired and roughly a year later, during a meeting with Weiner, Oliva's replacement Leonard Chaidez discussed the city's willingness to avoid the California Environmental Quality Assessment (CEQA) process, possibly in exchange for Moskowitz providing additional funds to the city.¹²⁰

Chaidez wrote that at that meeting, Weiner said Moskowitz was prepared to fund the City at a rate of \$200,000 per month until the card club was built and operational, and that the funding would not take the form of an advance or a loan. Chaidez wrote that he was concerned to see a final agreement between the City and Moskowitz and told Weiner that, "The City is ready and willing to meet with you concerning building permit fees and how they are calculated by the City." Chaidez said he

was "positive that the City can work out realistic changes that reflect the costs that the City incurs."¹²¹

Amazingly, Chaidez told Weiner that "the City is willing to construct a statement that would amend the D.D.A. and not reopen the CEQA process in order to clarify no payback on the buy down of the subject property. This can be done as part of the overall agreement without difficulty. The City can work with you or your staff in order to finalize the verbiage." (underlining as it appeared in the original letter.)

The structure of the deal (never formalized with the city council) allowed Moskowitz to spend charity bingo proceeds to save taxable businesses capital that otherwise would have been spent on building permits or environmental mitigation.

It also helped speed up construction which, at this point, mattered greatly to Moskowitz.

The state legislature had passed a law in 1996 known as the Isenberg Bill which prohibits a redevelopment agency from providing any form of assistance to development of gaming enterprises. The only exemption granted by the bill applied to agreements "entered into before April 1, 1996...pertaining to a specific project in existence before Jan 1, 1997."¹²²

Throughout Hawaiian Gardens' financing of the casino, there was a public dispute about the impact of the Isenberg Bill. The dispute hinged on whether the Community Redevelopment Agency contracted for the casino before April 1, 1996, when the law took effect, and whether the casino project actually existed before January 1, 1997 in the contractual form required by the amendment. The report issued by the Joint Legislative Audit Committee (JLAC) in 2000 presented arguments and evidence that Moskowitz's casino met neither of these criteria and therefore should not have had CRA funding.¹²³ It suggested that perhaps he ought to give back those millions of dollars in aid that he reaped from Hawaiian Gardens taxpayers.

But in 1996, the JLAC report was a long way off and Moskowitz was largely interested in getting the building permits he needed and getting around any environmental assessment requirement so he could establish some concrete facts on the ground.

Even with the off-again, on-again payments from Moskowitz's bingo, the Hawaiian Gardens government was still desperate for cash. In 1996, the City actually took \$4.2 million from the Redevelopment Agency, and the State Auditor opened an investigation into the handling of the funds.¹²⁴ The amount was greater than a typical year's budget for Hawaiian Gardens, plus, under California law, it is illegal for the City to "borrow" the Agency's money.¹²⁵

The matter had been percolating through the

City's upper echelons for some months before it broke into the open. In March 1996, Community Redevelopment Agency Attorney Graham Ritchie wrote to the City's new Finance Director, Karen Nobrega, saying that, after warning against the practice, he had learned that "the City of Hawaiian Gardens is presently using redevelopment agency funds to meet its day to day obligations." Ritchie told city staff and council members that if the practice didn't stop he would be forced to resign.

The practice continued, and grew, to the tune of \$3.3 million. Ritchie, who had been the city's and the redevelopment agency's lawyer since its founding, said in his resignation letter, that he was troubled by the fact that Hawaiian Gardens was continuing to borrow on a daily basis from the redevelopment agency. He noted that the City Council and the CRA were composed of the same five members, making it difficult for the CRA to make any independent decision.¹²⁶ After Ritchie's resignation, the City Council still proceeded to "sell" some dubious bonds, called "Certificates of Participation" (COPs) that July. The issue was secured by a paper-only transfer of City Hall facilities between the City and the CRA.

Sale of the suspect bonds was only a temporary solution. In part because taking money from the redevelopment agency to fund city expenses was a bit like robbing Peter to pay Paul. And in part because the city was still spending too much money, much of it related to the casino project.

At the beginning of 1997, despite its fiscal troubles, some members of the city staff enjoyed pay raises approaching 100 percent. According to a January 28th City memo obtained by the Long Beach *Press-Telegram*, "total salaries to the city planning staff – those who have been processing the plan to put a card club where Plowboys [a popular local market] once was – jumped 95.3 percent from \$7,862 a month to \$15,355." The paper also reported that "the city administrator and his staff received a total monthly increase that ranges from \$4,607 to \$8,764, a 90 percent jump; the city clerk staff salary improved from \$2,486 to 4,730, a 90 percent difference; finance employees' total pay was hiked from \$3,075 to \$5,271, a 71 percent increase."¹²⁷

In 1999, when the Community Redevelopment Agency was expected to pick up part of the tab for improvements to the casino property, Moskowitz stepped in to arrange a \$3 million loan to cover those costs. His card club charged the City prime interest rates for the loan.¹²⁸

Adding insult to injury

In April of 1997, the litigation between the businesses forced to leave Carson Street to make way

for the casino and the city and the card club reached new heights. Judgements were expected to top \$3 million.

The fact of the matter was the city was paying for mistakes Moskowitz and his attorney made handling the businesses' forced departure. And while Weiner's firm was simultaneously representing the redevelopment agency and Moskowitz in those lawsuits, it had refused, on Moskowitz's behalf, to pay his half of the legal costs.

The attorneys Selvin & Weiner & Weinberger, instead, requested payments from the Agency. For example, on May 7, 1996, Weinberger asked City Administrator Leonard Chaidez to pay the entire bill for appraisals related to Moskowitz's departing tenant, Lakewood Suzuki.¹²⁹

Initially, both Chaidez and Sylva sought to obtain the 50 percent of the costs incurred through communication with Weiner. In January of 1997, Leonard Chaidez sent a letter to him requesting that Moskowitz pay for half the cost of the legal judgments which at the time came to roughly \$2.2 million, meaning Moskowitz owed the redevelopment agency a little over one million dollars. At that time, Moskowitz had apparently only paid \$60,000 towards the City's legal costs created by the casino.¹³⁰

But in a turn-around on July 8, 1997, while the CRA was still struggling to pay judgments and other costs of the casino, Chaidez followed a text faxed to him from Weiner's law firm and drafted a letter to Moskowitz, limiting Moskowitz's total payments due to the CRA to \$129,308.25. Chaidez credited Moskowitz with \$109,822.20, leaving an indebtedness of only \$19,486.05.¹³¹

The city council quickly rescinded this letter. But Moskowitz sent a check, which, once the desperate CRA had cashed, Weiner maintained, constituted agreement to the vastly discounted Moskowitz obligation.¹³²

A second Chaidez letter of July 8, 1997, addressed to Weiner, stating that the City owed his law firm over \$760,000 for handling the inverse condemnation cases for the redevelopment agency.¹³³

Interestingly, both letters apparently were authored by Weiner, as he had sent the same language to Sylva under a May 6, 1997 fax cover. The letters were both written on plain paper with direction to place the letters on "letterhead."¹³⁴

The city council rescinded the second letter as well and fired Leonard Chaidez. It also voted to give him a \$90,000 severance package.¹³⁵ That did not stop the Chaidez from suing for wrongful termination. And once Moskowitz facilitated his election to the city council, the city quietly settled his case for \$219,000 – a huge chunk of its budget.¹³⁶

All in all, the report released by the Joint Legislative Audit Committee (JLAC) in 2000 suggested the city had taken a bath on the casino project. The Moskowitz defense against the JLAC report's findings was that, no matter how much money the casino drained from Hawaiian Gardens it would soon begin pumping wealth into the City via a tax on casino revenue. Arguably, that money comes at the expense of the community's political autonomy. But even by a yardstick that only considers cash flow, it may not be such a good deal. Exacerbating Moskowitz's draining of Hawaiian Gardens' resources is his apparent plan, evident in the language his attorney was able to insert into the development agreement, to one day stop paying taxes on the casino's gambling proceeds – a plan we believe he intends to activate if the state gambling commission grants him a permanent casino license.¹³⁷

Payback

It may seem hard to believe that Irving Moskowitz and Beryl Weiner were able to exercise such complete control over Hawaiian Gardens' city government. One can't help but wonder, why was nobody seemingly willing or able to stop them? Some tried. When Placido Alvarez was elected to the City Council in 1997, he was in the minority that wanted to renegotiate the Hawaiian Gardens' casino deal. Alvarez said he watched in frustration as Moskowitz and Weiner manipulated other members of the City Council.

"I was pissed," Alvarez said, "And it wasn't just the votes. Bob Stiens (a political consultant) and Beryl Wiener were always around. One time I found them sitting in the City Council office. I asked the receptionist – what are they doing here? She said they wanted to talk to me. I said this is the city council office – you can't come in whenever you want. There is no meeting – you have no right to be here." He added, "Nobody had objected before – they just did whatever they wanted. I got on their bad side after that."

One former city council member who occasionally joined forces with the pro-Moskowitz majority admitted, "They outsmarted us. Beryl is a lawyer – I am just a guy who went to high school."

But it wasn't really a question of smarts. Officials who raised objections about any aspect of the casino deal became targets of Dr. Moskowitz. The public face of Moskowitz's political payback campaigns, however, was Beryl Weiner.

According to former Mayor Kathleen Navejas, Weiner was infamous for telling City council members what to do. Navejas said he "uses what I would describe as a direct approach. He'll say, 'You either vote this way or we'll have you re-

called."¹³⁸

And he was as good as his word. In 1996, Navejas and Robert Prida were recalled after opposing the casino. In 1997, Moskowitz organized another recall effort and took out councilman Rene Flores because he refused to tow the line.¹³⁹

City Attorney Julia Sylva, one of a handful of City staff who challenged Moskowitz's grip on the city government, chose to resign the night that Leonard Chaidez and another Moskowitz ally joined the City government as council members rather than suffer a public termination.¹⁴⁰

Council members Lupe Cabrera, Placido Alvarez and Ralph Cesena, who comprised the majority who fired Moskowitz ultra-loyalist Leonard Chaidez, also did not fare so well. As they came up for reelection, Moskowitz ran candidates against them, defeating them.

One former city council member who asked not to be named explains why Moskowitz wanted them out: "We were trying to renegotiate the agreement. We heard the casino was making as much as \$158 million dollars, the second highest profiting casino in the state. They were paying the city \$60,000 a month. It wasn't enough. We bought the property. It cost almost \$6 million – we sold it to him for half that much." He adds, "Moskowitz – when you meet him he is such a nice man. But when you leave he sends the dogs after you...Three Latinos lost elections in a community that's 90 percent Latino – that's never happened before."

According to Placido Alvarez, it wasn't hard for Moskowitz to control the elections. Alvarez said Moskowitz was able to buy the loyalty of many candidates simply by putting up a couple of thousand dollars to finance their campaigns. And he had a plan for rounding up votes, "Moskowitz would go out into the community, go to people's houses, see how they live. He would see 10 people living in a house," said Alvarez, "He would give one or two of them a job. All you need are 500 or 600 hundred votes. You can control that whole family's votes by giving one person a job - they think they have to support him as a way to keep long-term employment. But as soon as the election is over he lets them go."

Two of the campaigns to discredit and demoralize council members were particularly vicious. In September of 1995, Moskowitz cut off the \$30,000 monthly contributions his foundation was making to a food bank run by Kathy Navejas and her husband Carlos.¹⁴¹ In October DA investigators searched the premises. A statement of probable cause questioned \$190,000 in checks made out to cash. The Navejases denied any wrongdoing and no charges were filed.¹⁴²

Navejas said Moskowitz decided to cut support after her husband refused to hand over names and

numbers of food bank recipients. She said he feared Moskowitz would use the information to lobby them for votes in the casino referendum.¹⁴³

The Hawaiian Gardens Food Bank still exists but is now completely controlled by Moskowitz (the food back trucks can often be seen in the casino parking lot). Ray Rosas, the former head of the city's youth agency says the donations now come with a sense of "remember who gave this to you."

Navejas said the pressure tactics extended to her children. She said other students were threatening her daughter: "She was just twelve at the time – it was devastating for her – I had to pull her out of school. My son too."

In Placido Alvarez's case opponents made an accusation during his campaign that he was working for the Commerce Casino. "I said prove to me – I will give you a \$1,000 for every penny of money you find that I took from a casino. This accusation was made during the 2001 election."

Unable to make the allegation stick, city council members went after his father instead, finding him guilty of expensive housing code violations for allowing family members to live in his garage.

"I grew up in a family with 10 kids," said Alvarez, "there was no question someone was going to end up living in the garage."

It is against the Hawaiian Gardens' housing code to turn a garage into a dwelling place unless a homeowner makes certain specified and often expensive improvements and purchases a city permit that costs \$2,000. But in Hawaiian Gardens, this was a law broken by many of its larger immigrant families. Instead of a slap on the wrist, Alvarez's father was publicly called on the carpet by the majority of the city council, they also imposed the maximum fine and penalties.

Alvarez believed it was selective enforcement, "There had never been a case of code violation being put on the agenda for that kind of infraction before – they used it to get at me."

Then they started going after other members of his family for code violations. Alvarez said the council's actions cost his family a lot of money, "but for my father it wasn't the money – it was the public embarrassment. They made it seem as if he had done something criminal."

Alvarez, who is a real estate agent, still owns property in Hawaiian Gardens. But his father and the rest of his immediate family left Hawaiian Gardens.

At what cost?

In the complaint public law attorney Frederic Woocher filed on behalf of card club opponents he wrote, the tale begins with "the decades long scheming of a wealthy developer to establish a lucrative card club casino in the tiny City of Hawaiian Gardens . . . and ends with the developer's hand picked junta of city officials granting him an unlawful monopoly to build and operate a multi million dollar club."¹⁴⁴

To date, Moskowitz does appear to have gotten



Moskowitz's casino evicted this popular donut stand in Hawaiian Gardens.

what he wanted. His Vegas-style card club attracts middle-class gamblers from Orange County. Revenues are estimated at up to \$150 million a year.¹⁴⁵

And what about Hawaiian Gardens? Three years ago, the Joint Legislative Audit Committee investigation concluded that, "A city that embarked on an economic revitalization effort almost 20 years ago has little to show for its efforts save for an inappropriate gaming establishment, approximately \$12 million in expenditures of public funds, and financial dependence on the goodwill of one owner/developer who is operating an illegally-subsidized gaming operation."¹⁴⁶

Since then, things have not turned around for the city. At a city council hearing this past summer, interim city council administrator Raul Romero explained how he helped Hawaiian Gardens close a multi-million dollar budget gap. Romero discovered \$3 million owing to the City from the casino jackpot

poker proceeds. He noted that no one in Hawaiian Gardens government had noticed the missing revenue because they had failed to review the casino accounts during the last five years. His thanks for putting the city on firmer fiscal ground? At that same meeting the city council chose to terminate his services by a 3-2 vote.

Then in August, the city council voted to cancel its November election. It had to – nobody had filed papers to oppose the two city council members up for re-election.¹⁴⁷

Former City Council member Placido Alvarez said he is not surprised that no one wanted to run for city council this year, “Why should they? There’s no democracy in the city anymore.”



Moskowits's Food Bank truck parked near the casino.

Part Three

How Moskowitz Profits from his Hawaiian Gardens Non-profits

A Detailed Analysis of Irving Moskowitz's Non-profit Operations in Hawaiian Gardens

nonprofit (non-prof-it) *adj.* 1. not conducted or maintained for the purpose of making a profit <a nonprofit organization> - *noun* 2. a nonprofit organization, institution, corporation or entity.

These days, Dr. Irving Moskowitz is seldom seen in Hawaiian Gardens but his presence is everywhere. A banner bears his name in a picture of the Little League team that runs in the local paper. Senior citizens attending a city council meeting sport t-shirts with Moskowitz's name emblazoned across the back.

Moskowitz may be hundreds of miles away at his home in Miami Beach but he is ubiquitous in the community as a businessman and benefactor who has pumped millions of dollars into the city. And there is no question Hawaiian Gardens is in need of help. The unemployment rate is high in this largely immigrant slice of LA County where half of all adults lack a high school diploma. And where close to one out of every four Hawaiian Garden residents lives below the poverty line.¹⁴⁸

But Irving Moskowitz's track record of less-than-charitable activity in Hawaiian Gardens belies his image as a philanthropist – a careful examination of his financial records and those of his non-profit foundation show that the majority of his contributions resulted in either financial gain or increased political influence for himself.

Dr. Moskowitz, it seems, has engaged in non-profit profiteering in Hawaiian Gardens.

Putting the 'profit' in Non-profit healthcare

Take Tri-City Regional Medical Center in Hawaiian Gardens.

In 1996, when its balance sheets were beginning to look less-than stellar,¹⁴⁹ Moskowitz decided to spin off this privately owned hospital as a non-profit, while retaining ownership of the building and land.¹⁵⁰ Immediately after converting Tri-City Regional Medical Center into a non-profit, the Irving I. Moskowitz¹⁵¹ Foundation donated \$4.9 million in tax-free proceeds from its Hawaiian Gardens bingo to the hospital.¹⁵² Moskowitz then began collecting the money back by charging the hospital \$95,000 a

month in rent, payable to his private landlord company.¹⁵³ Those payments now exceed \$110,000 per month.¹⁵⁴ California state financing records show that in 2000 the foundation made an additional transfer of funds to Tri-City.¹⁵⁵

The hospital's fidelity to the concept of charitable trust¹⁵⁶ is tenuous at best. This could perhaps be forgiven if the hospital was meeting the health care needs of the local community. But despite its non-profit status, Tri-City is less than solicitous when it comes to the health of Hawaiian Gardens.

When the hospital applied for non-profit status in 1997, it made a commitment to provide pre-natal care.¹⁵⁷ Recent patient discharge data published by the state of California shows that Tri-City has stopped delivering babies – none were born at the hospital in either 2000 or 2001.¹⁵⁸

It isn't for lack of demand for services. Last year residents of Hawaiian Gardens brought home 98 newborn babies.¹⁵⁹ While small in size (the city's population is a little under 15,000¹⁶⁰), Hawaiian Gardens is a young, largely immigrant community – recent census data indicates the average age of its resident is 26. More than half of the households have children under the age of 18. And as of 2000, a little more than 10 percent of the population was under the age of 5. The women of Hawaiian Gardens are having babies – they are just not having them delivered at the hospital in their own neighborhood.

Tri-City's failure to fully address the health care needs of the poor may be a factor. Again, nearly one out of every four resident of Hawaiian Gardens lives below the poverty line and many are immigrants who do not qualify for state programs such as MediCal (although MediCal is available to cover prenatal care and deliveries for undocumented immigrants, making the hospital's failure to provide these services all the more shocking).

When it turned non-profit the hospital made a commitment to provide free or reduced cost care to the indigent¹⁶¹ – and yet in recent years Tri-City has provided zero dollars in charity care. State health care data shows the other four non-profit hospitals of comparable size in LA County provided a combined total of two million dollars in

Tri-City's Tax-Exempt Status – An Abuse of Public Trust?

An organization is not a non-profit simply because it says so. There are state and federal standards that non-profit entities must meet in order to maintain their legal status -- and to qualify for tax-exemption.

A review of California state health care data, Internal Revenue Service non-profit guidelines as well as Tri-City Regional Medical Center's lease all strongly suggest that rather than serving the health needs of Hawaiian Gardens and the surrounding community, the hospital is mainly operating as a private surgical facility for a wealthy physician's stomach stapling practice.

Meeting the Community Benefit Standard

Providing health care is not enough to qualify as a non-profit. According to IRS guidelines, a hospital may qualify for tax-exemption only if it is organized and operated exclusively for charitable purposes and if it meets the community benefit standards.¹ Tri-City fails on both scores.

The IRS defines community benefit as the operation of a hospital in a way that helps the community as a whole. For the IRS, Tri-City's failure to provide charity care to poor patients should be a red flag. The IRS gives points to organizations that have a formal policy to provide free care to patients who are too poor to pay.² Tri-City has such a policy – it just doesn't follow it.

When it applied for 501c(3) status, the hospital's application declared, "With regard to charity cases, the Hospital's policy is simple. The Hospital will not turn away any patient for financial reasons. When a charity patient is admitted, the case is handled individually on a case by case basis. In some cases, the Hospital absorbs costs associated with providing services to charity patients."³ But in 2000 and 2001 the hospital provided zero charity care, despite net income of over \$2 million in 2001 alone.

Tri-City also renege on another policy it presented to the IRS when it filed for tax-exempt status – its commitment to pre-natal care. The hospital's administration promised that, "Prenatal Services will provide care for the female patient during pregnancy, labor, delivery and the post-partum period."⁴ There were no babies delivered in Hawaiian Gardens in 2000 and 2001.⁵

Tri-City's administration might argue that its failure to provide obstetric services is the result of a lack of demand from the community. But by the IRS'

Continued on page 36

charity care¹⁶² in 2001 (the most recent year that statistics are publicly available).¹⁶³

Tri-City's failure to pull its own weight when it comes to helping out poor patients has little to do with its bottom line – in 2001 the hospital's gross patient revenue exceeded \$72 million and its net income was slightly more than two million dollars – despite the fact that its occupancy rate in 2001 was an abysmally low 19.6 percent.¹⁶⁴ The average occupancy rate for other hospitals of comparable size in the state of California that year was 52.16 percent.¹⁶⁵

How does the hospital manage to stay afloat with such low patient volume? The answer may be as close as the sign in front of Tri-City's main entrance announcing it is also the home of "The Center for the Surgical Treatment of Obesity."

Tri-City, it seems, has gotten into the lucrative business of stomach stapling.

The Center, run by the somewhat famous Dr. Mathias Fobi provides surgical stomach shrinking services to patients clinically termed morbidly obese, that is, those who are 75 to 100 pounds or more overweight. (In what is perhaps an unfortunate display of poor taste, his website's motto is "lighten up."¹⁶⁶) According to a CBS News Report profiling his practice, Fobi performs surgery on up to 600 patients a year.¹⁶⁷

While Fobi charges for the surgeries he performs, the hospital also bills patients for the use of its operating and recovery rooms and other medical services it provides. In 2002 patients who underwent the surgical procedure at Tri-City, on average, racked up \$50,000 in hospital charges.¹⁶⁸

State health care data shows that at least 439 Tri-City patients underwent the stomach stapling procedure last year, that is, more than one out of every four patients that received some sort of surgical treatment at the hospital had their stomach stapled.¹⁶⁹ Total charges for those patients was \$21,936,400 – representing close to a third of the hospital's gross charges for the year.

Tri-City's 2001 income tax forms (the most recent that are publicly available) indicate that by far its highest paid independent contractor that year was FOCA Management Company, a private company registered to Dr. Mathias Fobi.¹⁷⁰ Tri-City paid Fobi's firm \$2,293,044 – more than its next four highest paid contractors combined.¹⁷¹

Dr. Fobi has made numerous national television and radio appearances touting his surgical techniques and his patients come from as far away as Alaska,¹⁷² but the obesity center appears to be of little value to the community where it is based: last year not one Hawaiian Gardens resident made the short trek across this mile-wide city to receive the procedure.¹⁷³

One former City Council member recalls that when

the hospital was first built, Hawaiian Gardens welcomed it as the solution to the community's unmet health care needs. But citing the high cost of treatment at Tri-City and the lack of charity care, he said few use the hospital now. State health care data backs that assertion up – despite its proximity only 13.7 percent of all Hawaiian Gardens residents who were hospitalized in Los Angeles County last year were admitted to Tri-City Regional Medical Center.¹⁷⁴ Hawaiian Garden residents admitted to the hospital represented an even smaller percentage of Tri-City's total patient census – just 5.4 percent.¹⁷⁵

Banking on Bingo Bucks

Moskowitz earns more than \$1.3 million dollars annually as landlord of what is ostensibly a non-profit hospital. But his money-making off non-profits doesn't end there.

In 1988, the city of Hawaiian Gardens granted the Irving I. Moskowitz Foundation a license to operate a non-profit bingo within its city limits in exchange for a commitment to spend the majority of the funds generated by the bingo on the local community.

The foundation, which had existed mainly to own a piece of land in Northern California and seldom got much cash, was suddenly taking in more than \$30 million annually from bingo games. But the foundation's bottom line wasn't the only beneficiary.¹⁷⁶

Moskowitz is the managing general partner (for practical purposes, the sole owner) of Cerritos General Hospital Company, the private firm that owns the land where his bingo is situated and the building in which the game is played.¹⁷⁷

It is not possible to tell from the foundation's IRS 990 forms (which non-profits file instead of income tax returns), exactly how much Moskowitz's foundation is paying him for use of the land, but even by conservative estimates, the total comes to several hundred thousand dollars a year. The Moskowitz Foundation's 2000 and 2001 990 forms show that in both years it paid total occupancy costs (defined by the IRS as rent and utilities) of over \$900,000 for services and programs. The bingo is the foundation's only activity -- apart from writing checks. If even half its occupancy costs went to paying rent on the bingo hall as opposed to covering the costs of electricity, gas and water, it's safe to say Moskowitz is paying himself roughly \$450,000 a year for the privilege of holding his own bingo games.

On top of the bingo's rental payments, Moskowitz also drew more than half a million dollars in salary (\$322,880 in 1999 and \$184,503 in 2000, respectively) from the Moskowitz Foundation.¹⁷⁸

By contrast, the Moskowitz Foundation takes advantage of a state law requiring bingo workers to be volunteers for the non-profit operating the bingo. To run the bingo, Moskowitz uses mostly immigrant workers who have no ties to, or even knowledge of, the aims of his foundation, compensating them with nothing but the opportunity to get tips from bingo winners.¹⁷⁹ Workers say that their



Tri-City Hospital sign greets motorists entering Hawaiian Gardens saying the "community" facility serves all health needs – as long as you're not poor or pregnant.

nightly shifts sometimes bring in as little as \$20, even though the "volunteers" essentially function as full-time employees.¹⁸⁰ The Mexican American Legal Defense and Educational Fund is currently suing Moskowitz's bingo on behalf of 24 unpaid bingo workers.¹⁸¹

Moskowitz – arguably his own biggest recipient

In 1996 Moskowitz applied to operate a casino in Hawaiian Gardens. His application to the city council notes that Dr. Moskowitz was supporting a number of charities in the city including scholarship programs, local churches and a dental health pro-

gram.¹⁸² 1996 was, for perhaps obvious reasons, a stand-out year for the Foundation's charitable giving. It contributed \$2.9 million to local non-profits operating in the city.¹⁸³ Unfortunately, rather than increasing its investment in social services such as literacy, job and anti-violence programs, the bulk of the money, \$2.06 million, went to a "pass-through" foundation, the Hawaiian Gardens Education Foundation, which funneled the funds to the Hawaiian Gardens city government.¹⁸⁴ (1996 was not a stand-out year in the sense that the Moskowitz Foundation has been more focused on propping

Calling in his chits

Moskowitz's involvement with charitable enterprises in Hawaiian Gardens earned him more than money – it also gave him unrivaled prestige and political clout in a community he was determinedly pressuring to give - and help him keep - a casino monopoly that is expected to generate revenues of up to \$100 million dollars a year.¹⁸⁷

Arguably, Moskowitz would never have had the chance to own a multi-million dollar casino had he not traded on the influence derived from his Foundation's contributions to the city.

Out of the \$18.5 million the Moskowitz Foundation distributed in Hawaiian Gardens from 1988 thru 2001, \$6,159,281 went to Hawaiian Gardens city coffers.¹⁸⁸ And a total of \$13,936,610 went from the Moskowitz Foundation to organizations that Moskowitz either controlled or profited from directly – or that were run by his political allies and their relatives.

These contributions include the \$4.9 million grant to the Tri-City Hospital and more than \$3 million dollars given to a food bank run by Moskowitz and his wife Cherna.¹⁸⁹

Critics - including Ray Rosas, the former director of a local non-profit - say the food bank was used "as a vote-generating

machine" for Moskowitz-backed candidates.¹⁹⁰

Rosas says that anyone who has been on the receiving end of a Moskowitz Foundation donation in Hawaiian Gardens knows there is an expectation of a quid pro quo – sometimes on a check-by-check basis.

Rosas would know, he is the former head of the Coalition for Youth Development – an agency that for four years sought to combat substance abuse, child abuse, high unemployment and the high school drop-out rate in Hawaiian Gardens. The Coalition was funded almost exclusively by Moskowitz's bingo foundation.

After the agency presented the Foundation with a proposal seeking \$1.5 million to fund a job center, Rosas and several board members met with the foundation's attorney Beryl Weiner. Rosas says that during the meeting Weiner implied that he would not support the job center unless they came out in support of Proposition A, the Moskowitz-sponsored 1995 ballot measure that would author-



Casino under construction in 2000; bingo, barely visible, is in the strip mall to the left.

up city government than it has on funding charitable enterprises in the city). That left \$840,000 for donations to local charities.

And if our estimates are correct, Moskowitz and his private firms are earning at least \$1.6 million dollars a year in rent from "charitable" enterprises in Hawaiian Gardens.

If one tallies all of Moskowitz's foundation donations to charities operating in Hawaiian Gardens as well as to the city coffers starting from 1988, Moskowitz's first year in the bingo business through 2001 (the year of the most recent Foundation 990 available to the public), the total comes to roughly \$18.5 million dollars.¹⁸⁵

On average, that is \$1.3 million dollars per year of municipal revenue and charitable giving – or about 1/30th of the bingo's annual profits¹⁸⁶ or roughly \$88 per Hawaiian Gardens resident per year. At any rate, it is less than the amount of tax-free funds generated by the bingo that wound up in Moskowitz's pocket - no matter how you cut it.

ize casino gambling in Hawaiian Gardens. Rosas says he told the lawyer that, as the head of a 501c3 non-profit, he could not take a position on a political referendum and Weiner replied, "If you can't support this (Proposition A) – this proposal is going to have funding problems."¹⁹¹

Rosas says the pressure continued. He says on another occasion when he reiterated his refusal to support the proposition, "Weiner told me that "maybe I wasn't the right person for this job. Maybe we need someone more friendly to the foundation. After all, it is the doctor's money." I felt his comments conveyed a clear message – do our bidding or get out."¹⁹²

Of course, it wasn't the doctor's money that Weiner was threatening to withhold. It was money generated by the charitable bingo operation and that was supposed to be funding programs which benefited the community – like Rosas' non-profit agency.

Soon after Rosas' refusal to support Proposition A, the Coalition's funding problems grew worse; the Foundation slashed its grant by more than half and it was forced to eliminate programs.¹⁹³ In the end, Moskowitz's defunding forced the agency to close down entirely.

Rosas believes the City and the Moskowitz Foundation offer nowhere near the same level of services the Coalition used to provide.

Contributions to City coffers = increased political clout

Moskowitz channeled most of the \$6.16 million his foundation gave to the City via "pass-through" foundations, created by his lawyers and headed by local loyalists, some of them related to City officials.

The Hawaiian Gardens' Public Safety and Police Foundation, for instance, was purportedly set up to support the city's police department. Starting in 1997,¹⁹⁴ the short-lived foundation helped keep Hawaiian Gardens' cash-strapped city government afloat by writing \$200,000 checks each month made payable to the municipal coffers – at the time it amounted to about half the city's budget.¹⁹⁵ The Public Safety and Police Foundation president and incorporator, Donna Schultze, is the daughter of the late city council member Donald Schultze and

current city council member Betty Schultze. One of the foundation's directors, Suzanne Underwood, was recently elected Hawaiian Gardens' City Clerk and has long been a vocal supporter of Moskowitz. The Irving I. Moskowitz Foundation provided the totality of the \$3.7 million dollars received by the Foundation during its short existence.¹⁹⁶

Comparing city budget documents and the foundation's IRS Form 990s, there is a \$372,894 discrepancy between what the public safety foundation claimed to have given the city and what the



Stomach stapling accounts for a large part of Tri-City Hospital's tiny patient census.

city recorded as donations received from the foundation.¹⁹⁷ The foundation dissolved in 2000 and the whereabouts of the missing funds has never been explained.

Some might argue that keeping Hawaiian Gardens solvent was a small price for Moskowitz to pay as he sought support to build his casino. (In fact the City had long depended on the bingo for a substantial part of its budget and, when it licensed the Moskowitz Foundation, expected the support to continue). But apparently, he himself didn't think so. His chief lieutenant in Hawaiian Gardens, attorney Beryl Weiner, attempted to use the money to pressure the city council into doing Moskowitz's will – including demands to fire employees who did not do the doctor's bidding.

In 1999 Hawaiian Gardens City Council Julia Sylva reported that Weiner threatened to withdraw the donations when city officials or agencies did not take Moskowitz's orders, given by Weiner.¹⁹⁸

On another occasion, former City Clerk Dominic Ruggieri noted in a letter to Moskowitz that Weiner would “not make any additional [financial] commitments until, it would seem by the tone of discussions, Ms Julia E Sylva, Esq. is relieved of her duties as City Attorney.”¹⁹⁹

According to one former city council member who asked not to be named, Sylva’s ‘crime’ was asking too many questions about past deals shifting casino construction costs from Moskowitz to Hawaiian Gardens. “As soon as she started doing that,” he said, “they got rid of her lickety split.”

When Moskowitz found himself in a legal wrangle over his efforts to make the city pay the lion’s share of his casino development costs, he turned the money spigot off completely. As part of its belt-tightening measures, the city disbanded the police department and 70 percent of the city staff was laid off,²⁰⁰ severely cramping its ability to deliver services.

Tallying the costs

The City Council members who complained about Moskowitz’s decisions to cut off city funding are all gone, replaced by the current Hawaiian Gardens city government, which is actively campaigning on Moskowitz’s behalf in his bid to win a permanent casino license. Last year, a City Council member argued in a *New York Times* article that it did not matter what Moskowitz did with the foundation money overseas, in part, because he said his city benefited too.²⁰¹ By the same logic, it is likely that he would make the same argument with regard to Moskowitz’s profits – what difference as long as our residents are benefiting too?

But this rising-tide-lifts-all-boats theory of philanthropic profiteering could not be more wrong - Moskowitz’s donations have merely provided a smokescreen for unbridled opportunism and they have enabled him to use his financial clout to turn the city into a personal fiefdom. No one has benefited more from the money he has donated to the Hawaiian Gardens community than he has himself, but it is the residents of Hawaiian Gardens who are paying the price.

Conclusion

Bankrolling a morally bankrupt movement

Moskowitz's continuing hold over the Hawaiian Gardens gambling operations is not inevitable. Under the law, a gambling license is a privilege – not a right - granted by the state of California.

On December 18th the California Gambling Control Commission will hold a hearing to decide whether to grant Moskowitz a permanent license for his casino. The Coalition for Justice in Jerusalem and Hawaiian Gardens intends to present our case against granting Moskowitz a continued hold on his largest source of gambling income. One has only to point to his actions in the Middle East and Hawaiian Gardens to prove that he does not possess the good character the law requires of licensees.

Hawaiian Gardens deserves better than to be used as a money pipeline to the Holy City.

Moskowitz's powder-keg development activities in Jerusalem may get most of the headlines but the damage done to the democratic process in Hawaiian Gardens is no small matter and may bear further investigation by legal authorities.

The community of Hawaiian Gardens should have prospered from millions of dollars in bingo revenues for its schools, head start programs, recreational life and much needed youth and job creation programs. Instead, residents are saddled with an unresponsive city government, scant social services and bond indebtedness. Important life chances were denied to Hawaiian Gardens residents because

Moskowitz used its public funds and his less-than-charitable bingo financed an inappropriate casino.

Thanks to Moskowitz, the two cities remain deeply intertwined in unfortunate ways, as some Hawaiian Gardens residents have come to understand: "I feel like I understand what the Palestinians are going through," Arturo Perez told *Jewish Week* reporter Lawrence Cohler-Esses, "It's the same thing like what we are going through here."²⁰²

It is not just Palestinians who suffer when Moskowitz inserts himself into Israeli-Palestinian conflict. After settlers moved into Ras al-Amud, breaking the proposed route for Palestinians' unimpeded access to the Temple Mount, Yossi Sarid, leader of the leftist Meretz opposition party, urged the police to stop Moskowitz leaving the country. "It is totally unacceptable," said Sarid, "that a foreigner comes to Israel and acts like an elephant in a china shop. If everything blows up, he will not be here to be blown up with us. He endangers my life, the lives of my loved ones, the lives of the whole nation. That's why I asked the police not to let him leave, so that he will stay with us, but I know that he won't."²⁰³

Moskowitz continues to live in Miami Beach, exerting a negative influence from afar over two communities to which he has never really belonged. It is high-time someone took his box of matches away.

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port of Washington Establishment types with the power to *set* a foreign policy agenda that puts support for the Israeli right at its core, now that is even better.

Neo-cons are us

In Britain, when a party falls out of political favor, its leaders form a shadow government and wait for the next election. In the United States, they join think tanks.

During the long exile of the Clinton years, two think tanks in particular provided a home to many former Reagan and Bush administration officials who later resurfaced as leading “neocon” voices in the current Bush Administration. They are the Jewish Institute for National Security Affairs (JINSA) and the Center for Security Policy (CSP). The ties between these two groups run deep. And Irving Moskowitz has given money to both.

Some of the Bush Administration’s heaviest hitters, such as Dick Cheney and Under Secretary of State John Bolton, as well as the third highest Pentagon executive, Douglas Feith, have come from their ranks. Others, such as former Defense Board Chairman Richard Perle and CSP’s Frank Gaffney, remain technically out of government but obligingly fill the talking head role in support of government policies they helped craft.

These policies range from support for missile defense to opposition to arms control treaties. Underlying all of them is a fervent belief in American unilateralism.

Here’s an example of how the think tank revolving door works: In 2002 Richard Perle, a former Reagan Administration Defense official and head of the Bush Pentagon’s Defense Policy Board, invited his former JINSA colleague Michael Ledeen to give a talk to that advisory panel. Ledeen’s briefing cast Saudi Arabia as an enemy and a threat the United States needed to neutralize. He then proceeded to lay out a foreign policy prescription echoing many JINSA recommendations.

Ledeen is perhaps best known for crafting the Orwellian term “total war” to describe the lengths he believes the US must go to in its quest to fulfill its destiny of spreading democracy worldwide.³ Ledeen has advocated regime change in Syria, Iran and Saudi Arabia. The premise behind this proposal is that US hegemony in the Middle East is the only way to ensure the safety of both Israel and the United States.

It’s a view favored by other JINSA/CSP hardliners and their funders, too. The Center for Security Policy has received millions of dollars in donations from war contractors Lockheed Martin and Boeing. As of 2001 it also had taken in more than \$500,000 in contributions from the Irving I. Moskowitz Foundation.⁴ Other notables on the CSP donors list: Lawrence Kadish (Kadish helps underwrite the Republican National Committee and Americans for Victory Over Terrorism, an offshoot of conservative activist William Bennett’s Empower America, which helps identify internal and external threats to American security including former President Jimmy Carter); and Poju Zabludowicz, heir to a vast business empire that includes arms manufacturer Soltam—a former employer of Richard Perle.

CSP’s founder and CEO Frank Gaffney made a name for himself by keeping interest alive in missile defense long after the Clinton Administration thought it was dead. CSP also helped develop the arguments against the Anti-Ballistic Missile Treaty. An obscure CSP memo co-written by Douglas Feith (now Undersecretary of Defense for Policy) in 1995 that encouraged the United States to withdraw from the ABM treaty essentially became policy, as have other CSP reports opposing the Comprehensive Test Ban Treaty, the Chemical Weapons Convention and the International Criminal Court.

Gaffney, who is a protégé of Richard Perle, also was among the loudest in the attack Iraq camp. Gaffney’s recent efforts include a TV and print ad campaign that promotes the improbable view that Palestinians should be considered America’s main enemy in the War on Terror (Osama Bin Laden, anyone?). Gaffney’s obsession with Israel bears the imprint of money donated by CSP’s far-right Zionist supporters including Irving Moskowitz.

JINSA was founded in the 1970s by neoconservatives concerned that the United States might not be willing to provide Israel with adequate military supplies in the event of another Arab-Israeli war. Past board members have included Dick Cheney, John Bolton (reportedly appointed to keep an eye on Secretary of State Colin Powell) and CSP’s Douglas Feith. Richard Perle and former Director of Central Intelligence James Woolsey, are still on JINSA’s board, as are Reagan era hardliners Jeane Kirkpatrick, Eugene Rostow and Ledeen—briefly Oliver North’s Iran/contra liaison with the Israelis. Oh,

and Irving Moskowitz.⁵

In a report for *The Nation* on JINSA and CSP, Jason Vest writes:

JINSA relishes denouncing virtually any type of contact between the US government and Syria and finding new ways to demonize the Palestinians. To give but one example (and one that kills two birds with one stone): According to JINSA, not only is Yasir Arafat in control of all violence in the occupied territories, but he orchestrates the violence solely "to protect Saddam.... Saddam is at the moment Arafat's only real financial supporter.... [Arafat] has no incentive to stop the violence against Israel and allow the West to turn its attention to his mentor and paymaster."⁶

Last year, the "get Arafat" crowd's views were made official policy with the help of David Wurmser. A former American Enterprise Institute (AEI) scholar who at the time was special assistant to John Bolton (he was recently appointed Middle East Advisor by Dick Cheney), Wurmser is also married to the Middle East Media Research Institute's Meyrav Wurmser - a first rate propagandist, according to *London Guardian* editor Brian Whitaker. During his time at the State Department, Wurmser helped craft the "Arafat must go" policy that has turned into a diverting sideshow of the Bush Administration's "Road Map" to peace. In his 1999 AEI-published book, *Tyranny's Ally*, Wurmser acknowledged Moskowitz as a "gentle man whose generous support of AEI allows me to be here."⁷

Writing about JINSA and CSP for *The Nation*, Jason Vest repeated a joke making the rounds in Washington, that the axis of evil really refers to "JINSA, CSP, AEI, and Hudson Institute underwritten by American Zionists, defense contractors and conservative foundations who make common cause in Likudnik and Pax Americana."⁸

It would be a whole lot funnier if it was less true.

1. P. 168-170, cited in A. Johnson, *A United Jerusalem: The Story of Ateret Cohanim*, KTAV Publishing House, Inc., 1992. The copyright for this book is owned by the American Friends of Ateret Cohanim.

2. Ibid.

3. B. Whitaker, "Conflict and Catchphrases," *London Guardian*, February 24, 2003.

4. The Irving I. Moskowitz Foundation is wholly funded by the Hawaiian Gardens bingo. It is controlled by Irving Moskowitz. Amount from Foundation's IRS Forms 990.

5. J. Vest "The Men From JINSA AND CSP," *The Nation*, August 15, 2002.

6. Ibid. Vest's excellent reporting is the source of much of the information on the connections between the Bush Administration and these two groups included in this section. To read the full story, please visit:

http://www.stopmoskowitz.org/csp_article1.html.

7. J. Lobe, "New Cheney Advisor Sets Syria in his Sight," Inter Press Service, October 21, 2003.

8. Ibid.

(Please see notes to Parts One, Two and Three at end of paper)

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lights, it would be hard for the hospital to know what the health care needs of the surrounding area are unless it consults with the community. As part of its review, the IRS looks for a governing or community board composed of civic leaders rather than ones dominated by hospital administrators, physicians and other professionals connected to the hospital.⁶

Again, Tri-City looks good on paper but failed to live up to its promises. In its application for 501c(3) status, the hospital touted its 25 member community advisory board which consisted of "school officials, clergymen, business owners, city government and community organizations. The board assesses and determines the prevalent health care problems in the community."⁷ According to one former city official who sat on the hospital's community board, the advisory board ceased meeting soon after it was formed. Citing the high cost of treatment at Tri-City and the lack of charity care, he said few residents of Hawaiian Gardens use the hospital now.

State health care data backs that assertion up – despite its proximity only 13.7% of all Hawaiian Gardens residents who were hospitalized in Los Angeles County last year were admitted to Tri-City Regional Medical Center. Hawaiian Garden residents admitted to the hospital represented an even smaller percentage of Tri-City's total patient census – just 5.4% (Less than a fifth of the patients treated by Tri-City lived within a five-mile radius of the hospital).⁸

Hospital charges were also higher than the norm – no one from Hawaiian Gardens was discharged with less than \$2,900 in charges, less than one in ten left with charges under \$5,000.⁹ This includes patients who used the emergency room for relatively simple complaints such as a cut, chest pains or a child's broken bone. On average – Tri-City patients from Hawaiian Gardens were charged well over \$10,000.¹⁰ Many of the residents of Hawaiian Gardens are immigrants without insurance to cover their health care costs, so for them, Tri-City's high charges are all but unaffordable.

Beyond the degree to which a hospital serves the community, the IRS also considers whether or not the majority of its activities promotes a tax-exempt purpose.¹¹ Arguably, Tri-City is doing more to advance the business of Dr. Mathias Fobi than it is to promote the health of the surrounding community.

The for-profit Center for the Surgical Treatment of Obesity is located within the Tri-City Hospital campus. The center, which provides surgical stomach shrinking services to the morbidly obese, generates at least one quarter of the hospital's surgical cases and probably a good deal more. Last year, 439 of Tri-City's patients underwent the stomach stapling procedure and on average, they racked up

\$50,000 in hospital charges each. Total charges for those patients totaled \$21,936,400 – representing close to a third of the hospital's gross charges for the year.¹²

Another 15 patients received "tummy tucks," their total charges ranged \$24,000 to \$100,344.¹³ And more than 200 of the hospital's other patient discharges involved some sort of abdominal procedure such as an abdominal CAT-Scan, a procedure which is often associated with stomach stapling.¹⁴ The hospital discharge data strongly suggests that perhaps as much as half of Tri-City's surgical practice is tied to the Obesity Center.

Insiders, Disqualified Persons and Private Benefit

While Fobi charges for the surgeries he performs, the hospital also would typically bill patients for the use of its operating and recovery rooms and other medical services it provides. Tri-City's IRS form 990 from 2001 (the most recent one that is publicly available) indicates that year it paid Fobi's private firm, FOCA Management Company, \$2,293,044 -- more than its next four highest paid contractors combined.¹⁵

Whether the firm is managing all or just part of the hospital's patient care – \$2.3 million is an extraordinarily large amount for a non-profit of Tri-City's size (the hospital has less than 130 licensed beds) to pay for an administrative service. At minimum, it suggests the potential for a conflict of interest on Fobi's part, particularly if the firm's fees are based on revenues.¹⁶ At worst, it could represent a violation of federal anti-kickback laws governing doctor-hospital relationships.

The payment to the management firm also has the potential to put Tri-City's tax-exempt status in jeopardy. IRS guidelines expressly forbid those having an interest in the hospital from benefiting from its net earnings.¹⁷

A public trust?

The same rule that draws into question the large payment Fobi received also applies to the hospital's former for-profit owner, Irving Moskowitz.

Moskowitz is neither a board member nor a Tri-City executive and, at least technically, he does not maintain ownership of the hospital. But Cerritos Gardens General Hospital Company, a private firm run by Moskowitz, has received more than a million dollars in annual rent from Tri-City since it spun off the hospital as a non-profit in late 1996.¹⁸ The rental agreement alone does not necessarily jeopardize the hospital's tax-exempt status. However, both members of Tri-City's two-person governing board and the hospital's president (who is also one

of the two board members) are long-time Moskowitz associates. And, a review of Tri-City's financial circumstances indicates that Moskowitz retains a level of de facto control over Tri-City.

Immediately after Tri-City Regional Medical Center was converted into a non-profit, the Irving I. Moskowitz Foundation¹⁹ donated \$4.9 million in tax-free proceeds from its Hawaiian Gardens bingo to the hospital.²⁰ California state financing records show that in 2000 the foundation made an additional transfer of funds to Tri-City. The state financing statement does not record the amount of the loan but it does indicate that the hospital pledged its accounts receivable as collateral.²¹ Two additional state financing records, dated February 2, 1999 and January 25, 2001, show the hospital also is indebted to its landlord - Cerritos Gardens General Hospital Company.

What's more, a clause in the lease signed between Tri-City and Cerritos Gardens grants Moskowitz's private firm the right to resume control of the property at any time, regardless of whether the lease remains in effect or not. It states that the "Lessor may re-enter or resume possession of the Hospital, and remove Lessee and Lessee's property there from, and at its option either terminate this lease, or without terminating it, lease the Hospital for the account of the Lessee for the remainder of the term or terms as Lessor shall see fit."²²

The social contract of tax exemption for charitable organizations is based on the assets of those organizations being held in trust for the public - not for the benefit of an individual or a group that controls a charity.

A case could be made for Moskowitz and his firm making a calculated decision to rid themselves of the inconvenience of paying state and federal tax on the facility while continuing to reap a profit through sizable rent payments (subsidized first by a grant from his own foundation and later, from the net earnings derived from business generated by the for-profit obesity center). All the while he and his firm would be able to maintain control through the hospital's financial obligations to the company and his foundation. And, if that did not work or was no longer the optimal business model, the for-profit firm could resume possession of the land and the building at any time. It is a classic case of having one's cake and eating it too. It is also an affront to the basic tenets of public trust and hardly what the federal government had in mind when it established tax-exempt status for non-profits.

1. J.E. Gitterman and M. Friedlander, "Health Care Provider Reference Guide," Internal Revenue Service, 2003, p. 2, "The promotion of health for the benefit of the community is a charitable purpose. Engaging in health care activities alone does not necessarily further charitable purposes." and p. 9 "The test used for determining if a health care provider satisfies the IRC 501c(3) operational test is the "community benefit standard" enunciated in Revenue Ruling 68-545, 1969-2 C.B. 117, and court cases that apply Rev. Rul. 69-545. The community benefit standard is the test used to determine whether a hospital, clinic or other health care provider is operated to promote health in a way that accomplishes a charitable purpose."

2. J.E. Gitterman and M. Friedlander, "Health Care Provider Reference Guide," Internal Revenue Service, 2003, p. 9, "Prior to Rev. Rule 69-545, tax-exempt hospitals were required by rev. Rul 56-185, 1956-1 C.B. 202 to admit and treat patients who were unable to pay... Although a formal policy to provide charity care is still relevant, the new standard also takes into account a number of additional factors indicating that the operation of the hospital benefits the community as a whole."

3. Gardens Regional Hospital and Medical Center, Inc. 1023 IRS application for Recognition of Exemption Under Section 501c3 of the Internal Revenue Code Addendum to Schedule C - Hospital and Medical Research Organizations, November 25, 1997.

4. Gardens Regional Hospital and Medical Center, Inc. 1023 IRS application for Recognition of Exemption Under Section 501c(3) of the Internal Revenue Code - Exhibit B "Statement of Activities," November 25, 1997.

5. California Office of Statewide Health Planning and Development (OSHPD), Patient Discharge Database, 2000 and OSHPD Annual Utilization Report of Hospitals, 2001.

6. J.E. Gitterman and M. Friedlander, "Health Care Provider Reference Guide," Internal Revenue Service, 2003, p. 10, "As used with regard to a hospital, the "Community benefit standard" in Rev. Rul. 69-545 includes the following factors: Does the hospital have a governing board, community board, board of trustees, or board of directors composed of prominent civic leaders rather than exclusively members who are hospital administrators, physicians or other professionally connected to the hospital?"

7. Gardens Regional Hospital and Medical Center, Inc. 1023 IRS application for Recognition of Exemption, Exhibit B, November 25, 1997.

8. According to the 2002 OSHPD Public Patient Discharge Data, 136 Tri-City discharges came from the Hawaiian Gardens zip code (90716) and Tri-City Regional Medical Center discharged a total of 2519 patients that year. Less than 500 patients discharged from Tri-City lived in zip codes that were within a five-mile radius of the hospital.

9. 2002 OSHPD Public Patient Discharge Data

10. Ibid.

11. J.E. Gitterman and M. Friedlander, "Health Care Provider Reference Guide," Internal Revenue Service, 2003, p. 33, "Each director, principal officer and member of a committee with board delegated powers shall annually sign a statement which affirms that such person... understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes."

12. 2002 OSHPD Public Patient Discharge Data and OSHPD Annual Utilization Report of Hospitals and 2001 OSHPD financial data. and The International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM), National Center for Health Statistics, 2002.

13. 2002 OSHPD Patient Discharge Data and The International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM), National Center for Health Statistics, 2002.

14. Ibid.

15. Gardens Regional Hospital - DBA Tri-City Regional Medical - 2001 federal tax return.

16. J.E. Gitterman and M. Friedlander, "Health Care Provider Reference Guide," Internal Revenue Service, 2003, p. 18, "If compensation is based on revenues, the potential for unreasonable compensation warrants a close review."

17. J.E. Gitterman and M. Friedlander, "Health Care Provider Reference Guide," Internal Revenue Service, 2003, p. 4, "IRC 501 c(3) expressly provides that to qualify for exemption, no part of an organization's net earnings shall to the benefit of private shareholders or individuals...in practice the inurement prohibition applies to insiders...In the health care setting physicians may be insiders depending upon whether they exercise control." p. 8 also notes that insider status is not necessarily a pre-requisite for a violation of the inurement prohibition, "...if the charity confers a private benefit on non-insiders, the charity is not operating exclusively in the public interest and its exemption may be jeopardized if the private benefit is substantial."

18. According to Los Angeles County property records Cerritos Gardens Hospital Company currently owns the property at the hospital's address. Irving Moskowitz is identified as the company's managing general partner in his casino application submitted to the city of Hawaiian Gardens. Hawaiian Gardens Card Club, Inc., Information in Support of Application for Card Club License, January 25, 1995.

19. Moskowitz and his wife Cherna have presided over the Foundation as President and Secretary Treasurer since at least as far back as 1988. Irving I. Moskowitz Foundation 990s, 1987-2001.

20. The Irving I. Moskowitz Foundation 1997 990, Statement 7, p. 28 (On p. 23 the Foundation notes that, "Concerning grants and allocations to Gardens Regional Hospital and American Friends of Mercaz Harav which

are listed on statement 7: the donees have agreed under specified circumstances to return a portion of the grant to the Irving Moskowitz Foundation.").

21. UCC Record, California Secretary of State, May 15, 2000, debtors: Gardens Regional Hospital and Medical Center, Inc. and Tri-City Regional Medical Center, Secured Parties: Irving I. Moskowitz Foundation.

22. Gardens Regional Hospital and Medical Center, Inc. 1997 1023 IRS application for Recognition of Exemption Under Section 501c3 of the Internal Revenue Code - Exhibit E, "Lease by and Between Cerritos Gardens General Hospital Company, a CA limited partnership and Gardens Regional Hospital and Medical Center," November 25, 1997. The lease agreement notes that the hospital's dba (doing business as) name is Tri-City Regional Medical Center. p. 36, Para 25.1. J.E. Gitterman and M. Friedlander, "Health Care Provider Reference Guide," Internal Revenue Service, 2003, p.17 - Retained Rights - A review of the underlying docs is necessary to determine if there is retained authority by the seller and on p. 11 it states, "Financial control may include the right to approve annual operating and capital budgets, strategic planning initiatives, and significant sales, leases, mortgages, or other transfers of encumbrances of real estate or personal property." It is worth noting that the lease between and Between Cerritos Gardens General Hospital Company and Tri-City includes a demand for an annual review of the non-profits financial statements.

(Please see notes to Parts One, Two and Three at end of paper)

Notes to Part One

1. Ornan Yekutieli, head of the Meretz Party in Jerusalem's city council, quoted in a news report by E. Hareuveni, "Money for Settlements in Abu Dis, Not for Poor Neighborhoods," *Kol Ha'Ir*, January 10, 1997.
2. E. Wohlgelernter, "His Money Talks," *Jerusalem Post*, January 12, 1999.
3. Ibid.
4. P. 183, G. Gorenberg, *The End of Days: Fundamentalism and the Struggles for the Temple Mount*, The Free Press, 2000.
5. P. 14, G. Gorenberg, *The End of Days: Fundamentalism and the Struggles for the Temple Mount*, The Free Press, 2000.
6. H. Chu. "Faith and Rage Intersect at Jerusalem Holy Site," *Los Angeles Times*, September 27, 2003.
7. Irving I. Moskowitz Foundation 990s, 1987-2000. Please also see our analysis of the distribution of the bingo profits at <http://www.stopmoskowitz.org/militants.shtml>.
8. Irving I. Moskowitz Foundation 990s, 1987-2000.
9. C. Cook, "The Bingo Connection," *Mother Jones*, September 1, 2000.
10. Funds for the purchase of Saint John's Hospice were collected from investors under the aegis of the Jerusalem Reclamation Project, an organization closely allied with Ateret Cohanim. P. 52 A. Johnson, *A United Jerusalem: The Story of Ateret Cohanim*, KTAV Publishing House, Inc., 1992. The copyright for this book is owned by the American Friends of Ateret Cohanim. Moskowitz is identified as a financial supporter of the project in Z. Yehzekeli's "The Millionaire Behind the Tunnel," *Yediot Aharonot*, October 4, 1996.
11. Real estate law in Jerusalem is tortuous. According to Ann Johnson, the Matossian family had an open-ended lease for the Saint John's Hospice property that began in 1932. The Greek Orthodox Patriarchate built and owned the property and wanted to resume control of the building. On May 16, 1989, the Patriarch won a court-ordered eviction of the Matossian family, this ruling was issued more than a month before Martyros Matossian entered into a contract on June 28, 1989 with a purchasing company, SBC Establishments Incorporated, to sublet Saint John's Hospice for \$3.5 million. According to an account given by Sira Matossian, Martyros' nephew, to the *Jerusalem Post*, his uncle was first approached by a Lebanese Christian businessman named Nabil Nicola Sahnawi, who offered to buy the sublet. Sira Matossian said his uncle had been told that SBC Establishments Incorporated was a Panamanian company owned by Sahnawi. In fact, SBC's funds were secured under the aegis of the Jerusalem Reclamation Project, an organization closely allied with Ateret Cohanim. Ps. 28-33 and 52, A. Johnson, *A United Jerusalem: The Story of Ateret Cohanim*, KTAV Publishing House, Inc., 1992. The copyright for this book is owned by the American Friends of Ateret Cohanim.
12. P. Cockburn, "Taking Jerusalem By Stealth," *Independent*, October 6, 1996.
13. M. Dorf, "Just Who is Irving Moskowitz?" Jewish Telegraph Agency, September 23, 1997.
14. H. Hamashige, P. Lieberman, M. Curtius, "Bingo King Aids Israeli Right Wing," *Los Angeles Times*, May 9, 1996.
15. Ibid.
16. Ibid.
17. "Mount of Olives Jewish Neighborhood Thriving," Arutz Sheva Israel Broadcasting Network, May 21, 2003. The story can be found at (www.arutz7.net).
18. "It is the security presence that most irks the Arab neighbors, disrupting day-to-day life. "We can't live normally here; it's very difficult because the police and Border Police are here all the time," said Birkan Fuaz, sitting in a car at the corner talking with a friend. "They don't allow us to move around in our village freely, you understand? All the time they ask us for our identity cards, our car papers, [and] search us - how can we live with them?" E. Wohlgelernter, "Inside Ras al-Amud," *Jerusalem Post*, November 9, 1997.
19. C. Cook, "The Bingo Connection," *Mother Jones*, September 1, 2000.
20. "Ras al-Amud: Reactions by Israeli Leaders," Israel Radio, September 15, 1997. See also <http://www.stopmoskowitz.org/article0077.shtml>.
21. "We continued to use the two structures, one as an office and one for living," explained Aryeh King, one of the ten residents at the time. "During the first months we really felt like we were running a covert operation. Sometimes the police would come to make sure we were only ten people, and if needed we would hide in the back of closets." King was married about six months later. "We wanted to be married at Maaleh Zeitim," he said, "but the Prime Minister's Office refused." In the end they agreed that the wedding would take place in nearby Beit Orot, but the private room for the newly married couple would be in Maaleh Zeitim. "Even then, the police

- did a search," King remembers. Before the year was up, four of the ten original residents were married. There were now four families and number of single people. Settlement never ceased, even after the permanent building began. The structure in which the four families lived was only destroyed in 2001." Mt. of Olives Jewish Neighborhood Thriving," Arutz Sheva Broadcasting Network, May 21, 2003.
22. US State Department Daily Press Briefings, September 17, 1997.
 23. J. Greenberg, "Despite US Concerns, Israelis Move Into East Jerusalem," *Chicago Tribune*, April 7, 2003.
 24. C. Mann, "Jewish Purchase of Arab Land Could Trigger IRS Investigation," Jewish Telegraph Agency, January 14, 1997.
 25. Irving I. Moskowitz Foundation 990s, 1988-2001.
 26. P. Cockburn, "Taking Jerusalem By Stealth," *Independent*, October 6, 1996.
 27. M. Patterson, "Bingo Tycoon Subsidizes Extremism in Israel," National Catholic Reporter, October 18, 2002.
 28. U. Heilman, "Organization aiming to make Jerusalem Jewish again not settling for status quo," *The Jewish Advocate*, October 15, 1998.
 29. P. Cockburn, "Taking Jerusalem By Stealth," *Independent*, October 6, 1996.
 30. Ibid.
 31. "Martyros Matossian, the second generation right-holder is the seller who entered into the purchase contract with the purchasing company. He has vanished from the scene. On April 11, 1990, newspapers published the death warrant issued for him by the PLO... Martyros Matossian's nephew, Sira Matossian, "told the following version of his story to the *Jerusalem Post*. Before 1985, we turned down a similar \$5 million offer from an American Jewish doctor. We said, "We cannot do it," quotes from P. 28, A. Johnson, A United Jerusalem: The Story of Ateret Cohanim, KTAV Publishing House, Inc., 1992. The copyright for this book is owned by the American Friends of Ateret Cohanim.
 32. This quote came from an interview with Rabbi Schlomo Aviner published in *Yediot Aharanot* and quoted in "Israel: Officers Refuse Military Service," *Pravda Online*, July 18, 2002.
 33. "Elon, who is also a rabbi, assumed leadership of Israel's Moledet Party in 2001 after the previous leader, Moledet founder Rechavam Zeevi, was assassinated. He and his party are committed to an Israel that stretches from the Mediterranean to the Jordan River, an outcome that Elon believes is both promised by God and made inevitable by realpolitik. It hinges, however, on a radical and polarizing notion -- that Palestinians can and should be "transferred" out of Israel." C. Tristram, "Benny Elon's Long, Strange Trip," *Salon*, May 14, 2003.
 34. A. Eldar, "Checkpoints in the Territories – and In Jerusalem," *Ha'aretz*, February 21, 2002.
 35. Case 5355/94 Bagatz (Supreme Court Case) filed in 1994 in the High Court sitting at the Supreme Court.
 36. Ibid.
 37. H. Keinon, "A Divided Soul," *Jerusalem Post*, December 12, 1997.
 38. Irving I. Moskowitz Foundation 990, 1997.
 39. L. Derfner, "The Home Front," *Jerusalem Post*, September 1, 1998.
 40. Ibid. The Klugman Report was considered so shocking in its expose of government collusion that it was classified.
 41. "JNF Settlement Activity" published by Americans for Peace Now in July, 1998.
 42. "The Gozlan family has a letter - also dated 1932 - which was written to their grandfather, Gozlan Abdel Jawad Abassi, better known as Abu Mohammed, by 13 Jewish notables in the neighborhood. In the letter the Jews refer to the neighborhood both by its Arabic name, Silwan, and its Hebrew name, Shiloah. They thank Abu Mohammed and his Arab neighbors for protecting them during the 1929 Arab riots." L. Derfner, "The Home Front," *Jerusalem Post*, September 1, 1998.
 43. Ibid.
 44. *Knight Ridder/Tribune News Service*, 28 September 1996.
 45. Ibid.
 46. P. 118 and 152, A. Johnson, A United Jerusalem: The Story of Ateret Cohanim, KTAV Publishing House, Inc., 1992. The copyright for this book is owned by the American Friends of Ateret Cohanim.
 47. Z. Yehezkeli's "The Millionaire Behind the Tunnel," *Yediot Aharanot*, October 4, 1996.
 48. P. 183 G. Gorenberg, The End of Days: Fundamentalism and the Struggle for the Temple Mount.
 49. E. Wohlgelemler, "His Money Talks," *Jerusalem Post*, January 12, 1999.
 50. Knight-Ridder, op. cit.
 51. M. Patterson, "Hebron: A West Bank Magnet for Trouble, Pt 2," *Catholic Reporter*, October 18, 2002.

52. Ps. 204-205, G. Gorenberg, The End of Days: Fundamentalism and the Struggle for the Temple Mount, The Free Press, New York, 2000.
53. Ibid.
54. p. 128, G. Gorenberg, The End of Days: Fundamentalism and the Struggle for the Temple Mount, The Free Press, New York, 2000. The Ariel quote is from Y. Harkabi, Israel's Fateful Decisions, I.B. Tauris, London, 1988.
55. A. Eldar, "Checkpoints in the Territories – and In Jerusalem," *Ha'aretz*, February 21, 2002.
56. I. Moskowitz, *Jewish Press*, op. cit.
57. C. Cook, "The Bingo Connection," *Mother Jones*, September 1, 2000
58. I. Moskowitz, *Long Beach Jewish Chronicle*, October 26, 1976
59. D. Goldman and Y. Karnie, "Who is Behind the Site Calling for the Assassination of Barak?" *Yediot Aharonot*, February 21, 2000.
60. E. Wohlgeleit, "His Money Talks," *Jerusalem Post*, January 12, 1999.
61. The quote is from a story by Daniel Ben-Simon that ran in *Davar*, February 27, 1994, and it was excerpted by I. Shahak, "The Ideology Behind the Hebron Massacre," Middle East Institute, No. 471, 18 March 1994.
62. I. Shahak, "The Ideology Behind the Hebron Massacre," Middle East Institute, No. 471, 18 March 1994.
63. P. 247, G. Gorenberg, The End of Days: Fundamentalism and the Struggle for the Temple Mount, The Free Press, New York, 2000.

Notes to Part Two

64. Fredric Woocher, Outline of testimony for presentation at hearing convened by JLAC Chairman Scott Wildman, Los Angeles, September 18, 2000.
65. J. Segura, "Bingo Linked to Israel," *Press-Telegram*, March 13, 1995.
66. p. 51, "The "Gateway" Redevelopment Project in the City of Hawaiian Gardens: A Study in Redevelopment Abuse," published by the California Joint Legislative Audit Committee (hereinafter JLAC), July 10, 2000.
67. JLAC interviews, Ibid.; Long Beach Press Telegram, October 18, 1984.
68. P. 58, JLAC, op. cit.
69. Memo from city council member Donald Schultze to rest of Council June 30, 1989.
70. "On January 21, 1987, the Agency filed an eminent domain action, and again, Weiner filed a cross-complaint, this time accusing the City and Agency of multiple unlawful activities, including racketeering, conspiracy, fraud, malicious intent and violations of both the Constitution and his client's Civil Rights," p. 7, JLAC report, The JLAC report footnote for this passage reads: January 21, 1987 Complaint filed in Superior Court and March 19, 1987 Cross Complaint filed in Superior Court.
71. JLAC, op. cit.
72. "Moskowitz's DDA: 1) Shifted responsibility for soils testing from the redeveloper to the Agency, 2) Shifted responsibility for hazardous materials from redeveloper to Agency, 3) Altered the "good faith" deposit from \$3 million to \$25 thousand.4) Restricted City's ability to impose special assessments on any property owned by the redeveloper5) Eliminated redeveloper's responsibility in sharing the cost of "goodwill" payments 6) Shifted responsibility of site improvements from redeveloper to Agency. 7) Added assurance that the redeveloper's payments for property would not exceed 50 percent of the property's fair market value at the time of Agency acquisition. 8) Restricted City's and Agency's remedies in case of developer default 9) Gave the redeveloper additional rights to terminate." Ibid. Both DDAs are available for comparison on the Coalition's website, at www.stopmoskowitz.org/switching.shtml.
73. After the vote, Mayor Canada asked,
"I'd like to ask agency attorney and executive director . . . how long do we have to advertise a condemnation? Do we have to hold a public hearing? What is our process in order to do this?"
"We voted on this in closed session already," Ruggieri said. "Once you sign the agreement, you will have to determine, you will be financing the entire acquisition," Ritchie informed the Agency. "You have to be sure you have the money. If you have the money, you will be required to have an appraisal of the property. I think we only have windshield appraisal."
"What are you talking about?" Canada asked. "We're financing the whole acquisition?"
 Ritchie explained. *"They put up \$25 thousand good faith deposit. You are required in their agreement to acquire the property and tender the property to them. And if they*

don't want to proceed after you've bought it, they can forfeit the \$25 thousand."

"It's a 50/50 split," insisted Navejas. "The last version I recall, you have to spend the money; you have to buy the property, and you have to tender the title to them," explained Ritchie. "If they don't want it, they have the privilege of forfeiting the deposit . . . then you own a couple of pieces of property. I'm not sure what you'd do with them because they're surrounded by their property. But you would own it." Excerpt from May 6, 1993 audio tape of Agency special meeting.

74. JLAC Report, pp. 94-97.

75. JLAC Report, p. 102.

76. The redevelopment agency voted to approve language supplied by Weiner requiring the CRA to pay Moskowitz's legal fees for actions of Moskowitz's choosing and volition against the condemned businesses. But the language actually certified by the CRA Chairman and the City Clerk added the stipulation that Beryl Weiner's own law firm be hired at the CRA's expense – to the tune of \$310 per hour. The amendment read:

"Redeveloper shall have the right to cause action(s) to be filed, defend such action(s) as are filed against it, and take other reasonable steps in connection with claims of current at-will tenants of the Site, including obtaining exclusive possession of the Site; and Redeveloper shall have the right to employ such attorneys as it may select to prosecute and/or defend such action(s) or to take other reasonable steps in connection therewith, provided the hourly fees of such attorneys are reasonable and agreed to by Agency, which agreement shall not be unreasonably withheld. Agency hereby consents to the Redeveloper's selection of Beryl Weiner, Esq. And the law firm of Selvin & Weiner & Weinberger, a partnership of professional corporations ('Law Firm'), as the attorneys retained in order to obtain exclusive possession of the Site. The Law Firm's current regular hourly rates are \$300 [per hour] . . . , which fees are deemed reasonable and which are hereby agreed to by Agency. Any future adjustment by the Law Firm in their fees shall be subject to the consent of Agency, which consent shall not be unreasonably withheld. Agency shall indemnify Redeveloper for all such fees and costs." JLAC Report, p. 108, Amendment to DDA 93-26. The report (p. 109) added the following: "*(Note: Apparently, several parties, including Weiner, misconstrued or mischaracterized the meaning of the amendment. While the amendment technically allows the redeveloper to select its/his own attorney to evict tenants, and requires the Agency to indemnify the redeveloper for what it deems as reasonable attorney fees, the amendment was interpreted as if Weiner and his firm were retained as Agency counsel, which was untrue)*" p. 111, The new language, naming Weiner and his firm and their hourly rates, was not approved by the CRA board. Without returning to the CRA for a vote, Mayor Robert Prida and CRA attorney Graham Ritchie simply executed the document.

77. JLAC Report, p. 108, citing May 5, 1994 First Los Angeles Bank Seller's Closing Statement/May 6, 1994 facsimile note from City to First Los Angeles Bank/May 6, 1994 Bank of America Money Transfer Notification.

78. July 18, 1995 minutes from City Council, quoted in JLAC report.

79. BC 136790, Committee Against Card Club Associations and Mary Corrales vs. City of Hawaiian Gardens, et al. P. 9, citing Exhibit 3, Ruggeri's letter.

80. JLAC report, p. 133, August 24, 1995 memorandum to Mayor, council and Charles Gomez

81. Ibid.

82. BC 136790, p. 9.

83. BC 136790, p 10.

84. July 18, 1995 minutes from City Council, quoted in JLAC report.

85. Campaign statement for United Citizens to Save Hawaiian Gardens – Yes on A, filed 1/31/96.

86. Ibid.

87. October 18, 1995 sworn deposition of Kathleen Mello-Navejas, cited in JLAC report, p. 135.

88. Confirmed by Walter McKinney who was then Hawaiian Gardens police chief.

89. One of its member incarcerated in 1957 was among the founders of the Mexican Mafia prison gang. R. Russell and V. Mejia, "City of Fear," *New Times*, January 12-19, 1998.

90. According to former Hawaiian Gardens police chief Walter McKinney and Hawaiian Gardens police detective Radames Gil, Albert Martinez aka: Badger, was convicted of the hate-crime murder that took place in Hawaiian Gardens in May, 1997. He is also on the Measure A payroll -Disclosure Statements 10/08/95 to 11/04/95 & 11/05/95 to 12/31/95.

91. R. Russell and V. Mejia, "City of Fear," *New Times*, January 12-19, 1998.

92. Declaration of Wendell Patterson, Case No. BC 136790, October 14, 1995.

93. Fredric Woocher, Outline of testimony for presentation at hearing convened by JLAC Chairman Scott Wildman, Los Angeles, September 18, 2000.

94. BC 136790, p. 4.
95. Declaration of Irving I. Moskowitz in *Moskowitz v. Bi-rite Meat and Provisions* VC 023098.
96. 33 BC 136790, pp. 14-15
97. California Business and Professions Code Section 19852)
98. September 27, 1995, letter from Superintendent Thomas J. Riley wrote to Hawaiian Gardens Mayor Pro Tem Robert Canada. "[T]he efforts that are being made to open the poker parlor have an effect on all of us. It's (sic) proximity to the school does bring added concerns when it comes to the safety of our children, not only at Fedde Junior High but also with the surrounding elementary schools and the Artesia High School." Superintendent Riley also wrote:
It has come to my attention that the city has approved the placement of a ballot measure to establish a poker parlor adjacent to Ferris Fedde Junior High School. At this time ABC Unified School District is maintaining a neutral stance as to the ballot measure. However, both the principal of Fedde Junior High School, Mr. Paul Gonzalez and I have been approached by various members of the community with questions regarding this venture. Some of my Board members have also voiced concerns. The questions are concerned primarily with the safety and security of our students and the control of the streets and areas surrounding the proposed casino.
99. Riley letter, 9/27/95.
100. Riley memo, 10/15/95 to the ABC Unified School District's Board of Trustees regarding an October 2, 1995 meeting he and several district administrators had with Mayor Pro Tem Canada, Council member Lupe Cabrera and Hawaiian Gardens City Administrator Charles Gomez.
101. The Irving I. Moskowitz Foundation 990 1995.
102. Notice of Exemption, 2/14/96.
103. BC0146643, Complaint for Declaratory Relief, or in the Alternative, Petition for Writ of Mandate, Petition for Temporary Restraining Order.
104. BC0146643, Request for Dismissal, 5/20/96.
105. May 8, 1996, Hawaiian Gardens City Attorney Graham Ritchie wrote a letter to ABC Unified School District's attorney, Terry Tao, referring to a conversation about an effort on or around March 21, 1996. Ritchie's letter suggests that the District had delayed serving its action on the city and Moskowitz while the parties tried to reach an understanding. Ritchie informed Tao that the District had filed its challenge to the CEQA exemption a day too late, and suggested that Tao dismiss the action.
106. *Los Angeles Times*, 1/12/96; BC 136790
107. BC 136790.
108. Memorandum, "Information in Support of Application for Card Club License (Hawaiian Gardens Card Club, Inc., a California Corporation dba The Card Club and Casino), 1/25/96.
109. J. Segura, "Card Club Plan is Approved," *Press Telegram*, February 14, 1996
110. Ibid
111. JLAC pp 13-14; Moskowitz reportedly only began demolishing structures in mid-1997, according to the JLAC report, which quotes a letter from Moskowitz son-in-law and representative, Yigal Hirsch, to Leonard Chaidez, city administrator, dated 6/13/97.
112. City printout, op. cit.
113. City printout, op. cit.
114. Declaration of Julia Sylva, sworn under penalty of perjury p. 38 JLAC report.
115. Irving I. Moskowitz Foundation and Hawaiian Gardens Education Foundation 990s, 1996 and 1997..
116. Ibid.
117. IRS forms 990, Public Safety and Police Foundation, 1996 through 2000.
118. Sept 9, 1997 City Council meeting, cited in JLAC report p. 39.
119. JLAC report, p. 38.
120. In a letter dated July 25, 1996 that Chaidez sent to Weiner, he wrote " . . . to memorialize and clarify our meeting of July 16, 1996 in which we discussed an interim financial assistance plan. . . . It was stated by you at that meeting that Dr. Moskowitz is prepared to fund the City of Hawaiian Gardens through various sources, at a rate of \$200,000 per month until the card club is built and operational. [The funding was not to take the form as an advance or a loan. It was to take place from July 1, 1996]. . . . I am positive that the City can work out realistic charges that reflect the costs that the City incurs. . . . The City is willing to construct a statement that would amend the DDA and not reopen the CEQA process in order to clarify no payback on the buy down of the subject property. This can be done as part of the overall agreement without difficulty. The city can work with you or your

staff in order to finalize the verbiage . . . The redevelopment Agency will pay its obligations with regards toward fees on inverse condemnation proceedings.” JLAC report, p. 36-37 JLAC.

121. Ibid.

122. California Health and Safety Code Section (33426.5)

123. JLAC Report, pp. 27, 31 and 32 and passim.

124. *Los Angeles Times*, June 19, 1996.

125. CRA revenue comes from property taxes under state and county control. According to the JLAC report: “CRAs actually operate as an administrative arm of the State as they are pursuing a State concern and effectuating a State legislative policy. They utilize a “*tax-increment*” to pay the principle and interest on loans, advanced funds or indebtedness incurred to finance or refinance a project. The tax increment results from the increase in property value due to the redevelopment project (project) and is to be placed in a special fund for repayment of indebtedness incurred in financing the project, with a minimum 20 percent earmarked for affordable housing initiatives.” P. 26, JLAC Report. For this passage, the JLAC Report cites: September 7, 1999 Legislative Counsel opinion #19078.

126. Letter of Resignation from CRA Attorney Graham Ritchie to CRA, June 11, 1996.

127. *Long Beach Press Telegram*, February 7, 1997.

128. JLAC Report, p. 14.

129. May 7, 1996 letter from Weinberger to Chaidez, cited in JLAC report, p.139.

130. January 16, 1997 letter from Chaidez to Weiner

131. July 8, 1997 letter from Chaidez to Moskowitz, cited in JLAC report, p.142.

132. Draft purportedly by Chaidez to Selvin Weiner Weinberger law firm, July 8, 1997; letter from Weiner to CRA Executive Director Simpson, August 8, 1997, saying at that July 8, 1997 meeting, the agency approved the letter agreement between the agency and Moskowitz and Cerritos Gardens General Hospital Company and “[P]ursuant to the letter agreement dated July 8, 1997 between the Agency...and Redeveloper... enclosed you will find Dr. Moskowitz’ check payable to the Agency in the sum of \$19,486.05” and an executed copy of the July 8th letter “which I note has not yet been signed by Julia E. Sylva, the Agency’s attorney.”

In a letter dated September 18, 1997, Weiner stated: “The Agency Letter confirmed certain facts and understandings relating to the obligations of the parties under the ... [[DDA]. The Agency Letter also requested that, if Dr. Moskowitz agreed with the understandings as set forth in the Agency Letter, he was to countersign the Letter and forward a check payable to the Agency in the amount of \$19,486.05. Dr. Moskowitz countersigned the letter and forwarded a check...which...was deposited during the day on August 26 by the Agency before the Agency purported to ‘rescind’ the agreement, which, by the way, purported to take place the evening of August 26, 1997. The check itself contains a notation that it was ‘deposited pursuant to Agency Counsel advice.’ Accordingly, there is nothing which, at this point may be rescinded.... There is no ‘going back.’ Moreover, the July 8, 1997 letter agreement is consistent with, and merely confirms actual rights and obligations under the DDA.”

133. “By this letter and notwithstanding any prior statements . . . the Agency acknowledges its liability to Selvin & Weiner & Weinberger . . . for the reasonable attorney’s fees and costs incurred between May 1994 and January 1997 in connection with SWW’s handling of inverse condemnation cases on behalf of the Agency . . . In connection with these services, the Agency hereby acknowledges that the total amount owed by the Agency . . . is a total of \$764,376.77. Additional interest . . . is owed but has not been calculated . . . \$550,000 shall be paid to SWW out of the proceeds of the escrow involving the sale of . . . real property.” Excerpt from a July 8, 1997 letter to Weiner, executed by Chaidez, quoted in JLAC Report, p. 44

134. April 1997, two letters addressed to Weiner and Moskowitz respectively in plain white paper with directions to place the contents on letterhead, cited in JLAC report, p. 44.

135. *Long Beach Press Telegram*, July 16 and 17, 1997; *Los Angeles Times*, July 18, 1997.

136. Printout of detail of city General Fund, showing payout of \$80,000 on 9/8/99 and \$139,219.64 on 11/10/99, for a total of \$219,219.64. Both payments were to "L. Chaidez Phillip D. Eaton & Associates" (the latter being Chaidez's attorneys) and the "invoice description" was "Case Settlement Agreement" for the first payment and "Settlement agreement/Chaidez for the second one. The Coalition was unable to find an agenda showing the City's consideration of the matter. Chaidez's role in the decision to settle is unclear.

137. The language, which Moskowitz's operatives inserted into the DDA Part C. [§315] stating: there under. Nothing herein contained shall be deemed to prohibit the Redeveloper from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to the Redeveloper in respect thereto; notwithstanding, neither the Agency nor the City of Hawaiian Gardens may at any time designate the Site or any property or business in, on or about the Site, or any other property or business located at or near the

Site on property now owned or hereafter acquired by Redeveloper as a special assessment district or single out the Site, or any property or business in, on or about the Site, or any other property or business located at or near the Site on property now owned or hereafter acquired by Redeveloper, for greater tax assessments or treatment (including, but not limited to, business license or other taxes) that established for all other properties or businesses within the City of Hawaiian Gardens, nor may any such taxes, assessments or treatment (including, but not limited to, business license or other taxes) be hereafter increased by any percentage greater than such increases for all other properties and businesses within the City of Hawaiian Gardens." We encourage the Commission to compare the original language with the Moskowitz insertion quoted above, at our website www.stopmoskowitz.org/dda.shtml

138. R. Russell and V. Mejia, "City of Fear," *New Times*, January 12-19, 1998.

139. *Ibid.*

140. C. LeDuff, "California Bingo Hall Plays on World Stage," *New York Times*, November 25, 2002.

141. J. Segura, "Food Bank Takes it," *Press-Telegram*, September 14, 1995.

142. R. Russell and V. Mejia, "City of Fear," *New Times*, January 12-19, 1998.

143. J. Segura, "Food Bank Takes it," *Press-Telegram*, September 14, 1995

144. BC136790, Superior Court California

145. C. LeDuff, "California Bingo Hall Plays on World Stage," *New York Times*, November 25, 2002.

146. P. 3, JLAC

147. J. Bernstein, "Hawaiian Gardens Cancels City Council Elections," *Los Cerritos Community News*, August 14, 2003.

Notes to Part Three

148. <http://censtats.census.gov/data/CA/1600632506.pdf>

149. *Gardens Regional Hospital and Medical Center, Inc. 1997 1023 IRS application for Recognition of Exemption Under Section 501c3 of the Internal Revenue Code – Part IV, p. 9 Balance Sheet and Gardens Regional Hospital and Medical Center dba (doing business as) Tri-City Regional Medical Center 1998 990. Tri-City applies for tax-exempt status at the end of 1997 – at the beginning of 1998 its total assets totaled \$5,303,473, its liabilities equaled \$10,237,632, and it had \$150,432 cash on hand.*

150. *According to Los Angeles County property records Cerritos Gardens Hospital Company currently owns the property at the hospital's address. Irving Moskowitz is identified as the company's managing general partner in his casino application submitted to the city of Hawaiian Gardens. Hawaiian Gardens Card Club, Inc., Information in Support of Application for Card Club License, January 25, 1995.*

151. *Moskowitz and his wife Cherna have presided over the Foundation as President and Secretary Treasurer since at least as far back as 1988. Irving I. Moskowitz Foundation 990s, 1987-2001.*

152. *The Irving I. Moskowitz Foundation 1997 990, Statement 7, p. 28 (On p. 23 the Foundation notes that, "Concerning grants and allocations to Gardens Regional Hospital and American Friends of Mercav Harav which are listed on statement 7: the donees have agreed under specified circumstances to return a portion of the grant to the Irving Moskowitz Foundation.")*

153. *Gardens Regional Hospital and Medical Center, Inc. 1997 1023 IRS application for Recognition of Exemption Under Section 501c3 of the Internal Revenue Code - Exhibit E, "Lease by and Between Cerritos Gardens General Hospital Company, a CA limited partnership and Gardens Regional Hospital and Medical Center." The lease agreement notes that the hospital's dba (doing business as) name is Tri-City Regional Medical Center. It is also worth noting that the agreement included a provision allowing Cerritos Gardens Hospital Company to resume ownership of the hospital at any time.*

154. *Gardens Regional Hospital and Medical Center, Inc. 1023 IRS application for Recognition of Exemption Under Section 501c3 of the Internal Revenue Code - Exhibit E, "Lease by and Between Cerritos Gardens General Hospital Company, a CA limited partnership and Gardens Regional Hospital and Medical Center." On p. 3 the lease states the base monthly rental rate will be increased by no less than 4% per calendar year.*

155. *UCC (Uniform Commercial Code) Financing Statement 0013761201, California Secretary of State, May 15, 2000, debtors: Gardens Regional Hospital and Medical Center, Inc. and Tri-City Regional Medical Center, Secured Parties: Irving I. Moskowitz Foundation. Two additional CA UCC Records, 9903560258, dated February 2, 1999 and 0013761201, January 25, 2001, indicate that Tri-City also is indebted to its landlord - Cerritos Gardens General Hospital Company. These state financing statements do not record the amount of the loans but show that the hospital pledged its accounts receivable as collateral.*

156. The social contract of tax exemption for charitable organizations is based on the assets of those organizations being held in trust for the public – not for the benefit of the individual who controls a charity.
157. “Prenatal Services will provide care for the female patient during pregnancy, labor, delivery and the post-partum period.” Gardens Regional Hospital and Medical Center, Inc. 1023 IRS application for Recognition of Exemption Under Section 501c3 of the Internal Revenue Code –Exhibit B “Statement of Activities.”
158. California Office of Statewide Health Planning and Development (OSHPD), Patient Discharge Database, 2000 and OSHPD Annual Utilization Report of Hospitals, 2001.
159. 2002 OSHPD Public Patient Discharge Data.
160. <http://censtats.census.gov/data/CA/1600632506.pdf>
161. “With regard to charity cases, the Hospital’s policy is simple. The Hospital will not turn away any patient for financial reasons. When a charity patient is admitted, the case is handled individually on a case by case basis. In some cases, the Hospital absorbs costs associated with providing services to charity patients.” Gardens Regional Hospital and Medical Center, Inc. 1023 IRS application for Recognition of Exemption Under Section 501c3 of the Internal Revenue Code Addendum to Schedule C – Hospital and Medical Research Organizations.
162. OSHPD financial data 2001 and the OSHPD Patient Discharge Database 2000. Additionally, OSHPD records indicate Tri-City Regional Medical received zero dollars in Disproportionate Share (DSH) funds 2000 and 2001. These are funds that the state makes available to hospitals which care for large numbers of poor patients, the money is pegged to the number of Medical patients the hospital serves. The hospital’s failure to collect DSH funds is striking given the low income levels of many in the Hawaiian Gardens community.
163. Tri-City Regional Medical Center is one of five non-profit hospitals in Los Angeles County with 100-149 licensed beds, charity care statistics can be found in OSHPD financial data 2001.
164. OSHPD Annual Utilization Report of Hospitals, 2001 and 2001 OSHPD financial data
165. OSHPD Annual Utilization Report of Hospitals, 2001
166. <http://www.cstobesity.com/>
167. “Shrink Stomach, Lose Weight?” 48 Hours, July 13, 2000
168. 2002 OSHPD Public Patient Discharge Data.
169. 2002 OSHPD Public Patient Discharge Data.
170. Gardens Regional Hospital - DBA Tri-City Regional Medical - 2001 federal tax return. Dr. Mathias Fobi is listed as Foca Management’s Agent for Service of Process in the California Secretary of State’s business registry database.
171. Gardens Regional Hospital - DBA Tri-City Regional Medical - 2001 federal tax return.
172. “Shrink Stomach, Lose Weight?” 48 Hours, July 13, 2000
173. 2002 OSHPD Public Patient Discharge Data.
174. According to 2002 OSHPD Public Patient Discharge Data, 136 Tri-City Regional Medical Center discharges came from the Hawaiian Gardens zip code (90716). A total of 988 patients registered Hawaiian Gardens zip codes in the state’s total patient discharge set for all hospitals in that year.
175. According to the 2002 OSHPD Public Patient Discharge Data, 136 Tri-City discharges came from the Hawaiian Gardens zip code (90716) and Tri-City Regional Medical Center discharged a total of 2519 patients that year.
176. Irving I. Moskowitz Foundation, 1988 and 2001 990s.
177. Irving I Moskowitz Foundation 1997 990, Statement 14, p. 11, “The Foundation leases property from a partnership in which the president is a general partner. The lease includes a fully furnished, fully equipped bingo parlor which is a license to operate bingo games in the city of Hawaiian Gardens.” LA County property records indicate the bingo hall is situated on property owned by Cerritos Garden General Hospital Company, as discussed earlier, Moskowitz is the company’s general partner.
178. p.4 Irving I. Moskowitz Foundation 1999 and 2000 990s.
179. C. Cook, “The Bingo Connection,” Mother Jones, September 1, 2000.
180. Ibid.
181. J. Seguro, “Bingo Club Sued: Latino Rights Groups Says People Called Volunteers Are Employees,” Long Beach Press-Telegram, March 20, 2000.
182. Hawaiian Gardens Card Club, Inc., Information in Support of Application for Card Club License, submitted to the city of Hawaiian Gardens, January 25, 1995.
183. Irving I. Moskowitz Foundation 1996 990 and Printout from Hawaiian Gardens City government, showing that \$2,060,217 went from the Moskowitz Foundation to the City, via the Hawaiian Gardens Education Founda-

tion, a "pass-through" foundation completely funded and controlled by Moskowitz.

184. This information was obtained from a list of donations made to the city of Hawaiian Gardens, 1995-2000, obtained through a Public Record Act request to the city.

185. Irving I Moskowitz Foundation 990s, 1988-2001.

186. *Ibid.* A more detailed examination of the foundation's history of contributions to questionable causes can be found at: <http://www.stopmoskowitz.org/bingobucks.pdf>.

187. R. Russell and V. Mejia, "City of Fear," *New Times Los Angeles*, February 12-18, 1998 edition. *The Information in Support of Application for Card Club License*, submitted to the city of Hawaiian Gardens, January 25, 1995 estimates the casino would gross \$50 million dollars in its first year alone.

188. This information was obtained from a list of donations made to the city of Hawaiian Gardens, 1995-2000, obtained through a Public Record Act request to the city.

189. *Hawaiian Gardens Food Bank, Inc.* 2001 990 indicates that Moskowitz is president and his wife Cherna is vice president of the food bank.

190. Interview with Ray Rosas conducted on September 18, 2003. The quote comes from R. Russell's and V. Mejia's article "City of Fear," which ran in *New Times Los Angeles*, February 12-18, 1998 edition.

191. *Ibid.*

192. *Ibid*

193. Irving I Moskowitz Foundation 990s filed in 1995 and 1996.

194. *Hawaiian Gardens reluctantly dissolved its Police Department in 1997 because Moskowitz refused the city sufficient bingo funds to pay for it.*

195. "Entrepreneur to Open Long-Awaited Card Club," *Los Angeles Times*, December 12, 1997; Segura, J., "Hawaiian Gardens Wants Arbitrator to Handle Dispute," *Long Beach Press-Telegram*, August 5, 1999.

196. *Hawaiian Gardens Public Safety and Police Foundation* 990, 1997-2000.

197. *Hawaiian Gardens Public Safety and Police Foundation* 990s, 1997-2000, *Irving I. Moskowitz Foundation* 990s 1997-2000 and a list of donations made to the city of Hawaiian Gardens, 1995-2000, obtained through a Public Record Act request to the city.

198. March 19, 1999 memorandum from HG City Counsel Julia Sylva to the Hawaiian Gardens Redevelopment Agency.

199. August 3, 1997 memorandum from Dominic Ruggeri to Irving Moskowitz.

200. "Entrepreneur to Open Long-Awaited Card Club," *Los Angeles Times*, December 12, 1997; Segura, J., "Hawaiian Gardens Wants Arbitrator to Handle Dispute," *Long Beach Press-Telegram*, August 5, 1999.

201. C. LeDuff, "California Bingo Plays on World Stage," *The New York Times*, November 25, 2002

202. L. Cohler-Esses, "A Tale of Two Cities," *TheJewishWeek.com*, September 26, 1997.

203. E. Silver, "An Uncomfortable Line," *Jewish Journal*, September 26, 1997.