Whose Money Is Kosher?

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WEEKS AFTER THE disclosure of controversial contributions by Hungarian-American mega-billionaire George Soros to the pro-Israel, pro-peace lobby J Street, the Jewish non-profit world is still mulling over the ramifications of the issue.

Jeremy Ben-Ami, J Street’s executive director, acknowledged on the J Street blog that he had been “less than clear” about the $750,000 the Soros family has contributed over the last three years, starting about six months after the advocacy group was launched. At the same time, however, Ben-Ami emphasizes, he was fully honest in his statements that Soros had not provided the initial funding for the establishment of the organization, early in 2008.

Ben-Ami obviously had been more than “less than clear” about Soros’s contributions.

He had previously issued statements denying Soros had a role in founding the group and strongly implying that he continued to have no role. In essence, Ben-Ami is now saying that he has dissembled in order to protect his organization’s image and to help build up its position within the organized Jewish mainstream.

But Ben-Ami’s explanations, like those of his detractors, raise at least as many questions as they answer: Why would donations from Soros detract from J Street’s image? What is that elusive “Jewish mainstream?” And: in the organized Jewish community, whose money is kosher and can therefore be accepted? J Street was launched to provide a voice for what the organization believes is the substantial numbers of the American Jewish community who feel existing pro-Israel advocacy groups, and especially the American Israel Public Affairs Committee (AIPAC), do not speak for them. J Street was created in two parts: a lobbying group (like AIPAC) and as a political action committee (PAC).

The former is a tax-deductible organization that cannot support political candidates, which the PAC is allowed.

The Soros family contributions were donated to the lobbying arm of J Street, not the PAC. But that didn’t diminish the controversy when a Washington Times reporter in late September revealed a confidential J Street tax report leaked by the IRS, which disclosed that Soros and his two children, Jonathan and Andrea Soros, contributed an average of $250,000 a year for the years 2008, 2009 and 2010, bringing the total to about $750,000.
In an extensive telephone conversation with The Report, Ben Ami notes that since its inception, J Street has raised more than $11 million from some 10,000 different donors. So the donation from Soros represents merely a small portion – approximately seven percent – of the organization’s overall funding.

Furthermore, Ben Ami emphasizes, like most non-profit organizations in the US, J Street accepted the donation from Soros as an IRS-approved 501(c)4, which means that donors do not have to be named publicly (and the IRS is supposed to keep that information confidential). Ben-Ami tells The Report that “J Street will continue to keep its donors private” and he complains that J Street is “the victim of an unfortunate lapse by the IRS…No one knows who funds AIPAC…”

But Ben-Ami’s protestations have not convinced J Street’s opponents, who gleefully contend that the Soros-gate revelations point to J Street’s “true intentions.”

Writing in the conservative Commentary.com, for example, publicist Jennifer Rubin charged that “J Street operated under the guise that it was a legitimate grassroots, pro-Israel organization…The Soros revelation demonstrates that it is not a genuine expression of ‘liberal Zionism’ (we’ll leave discussion of that oxymoron for another time).” This incident will, she predicts, “spell the end of J Street. It might limp along, but its days as a player – or wannabe player, more precisely – are over.”

This may be exactly what Ben-Ami was afraid of. Indeed, he says, while Soros was involved in the initial discussions surrounding the establishment of J Street, Soros did not provide the funding to establish the organization because, Ben Ami says, Soros didn’t want his money to be “a source of distraction as J Street built its image… He was concerned that his involvement would be used by others to attack the effort and undercut support for us.”

Concurring with Ben-Ami, Michael Vachon, a spokesman for Soros, tells The Report that Soros knew that had he given the money at the beginning, media outlets would have tried to claim that the organization is a Soros-funded organization, but then adds that Soros himself would not have objected to making his role public once he and his family started funneling money to J Street six months after its founding, in early 2008.

HUNGARIAN-BORN SOROS accumulated his money through hedge funds. He is known to have been a strong contributor to democracy-building in Eastern Europe and the former Soviet Union, through his Open Society Institute. For instance, Open Society Institute supports initiatives such as the Central Eurasia Project, which strives to enhance policy debate on key issues affecting Central Asia, the South Caucasus and Mongolia, and Roma Initiatives, which focus primarily on improving the social, political, and economic situation of Romani populations in Central and Eastern Europe and the Balkans region, according to the Open Society Institute’s website. In Israel, Vachon tells The Report, Open Society has contributed to organizations such as Adalah and Gisha; Ir Amim, an organization devoted to sustainable Jerusalem; and social organizations such as...
Muntada – The Arab Forum for Sexuality, Education and Tebeka, an organization for the rights of Jewish Ethiopian immigrants.

Contrary to his image among some members of the Jewish community, Soros does contribute to many mainstream Jewish organizations as well, through one or another of his foundations. Accessing the 990 IRS tax forms on the web reveals that in 2008, for instance, the Soros Fund Charitable Foundation provided three-to-one matching grants for its employees who wish to contribute to Brandeis University, Birthright Israel, B’nai B’rith Youth Organization, the Jewish National Fund – Keren Kayemeth LeIsrael, the Jewish Community Center in Manhattan and the United Jewish Appeal Federation of Jewish Philanthropies of New York, in addition to several yeshivas and synagogues.

Mark Medin, senior vice president of financial resources development at the New York UJA Federation, one of the largest Jewish fund-raising organizations in the world, tells The Report that the Federation received grants from the Soros Charitable Foundation amounting, in 2008, to $60,000 (a fraction of the $153 million raised by the 2008 annual campaign). Furthermore according to Dan Brown, founder of Jerusalem-based eJewish Philanthropy, an on-line publisher and facilitator of resource mobilization serving the Jewish communal world and a columnist for this publication, Soros recently donated some $1 million to the Jewish educational organization ORT, for a Liberian Youth Training and Employment project for ex-child soldiers.

Provocatively, Brown adds, “I didn’t hear one person complain about [Soros’s contribution to ORT]. Did they not complain because they think this money is well spent or because ORT is not political, but educational?” Is the contribution from Soros less valid because it was made to promote political ends? After all, other Jewish donors are openly parading their colors on the political field yet their political agendas do not seem to taint their donations. American businessman Sheldon Adelson, who has been honored by the highest levels of the organized Jewish community, is a strong supporter of Prime Minister Benjamin Netanyahu and launched a free Hebrew-language newspaper, Israel Hayom, which is openly sympathetic to Netanyahu.

Similarly, Irving Moskowitz, another American businessman, contributes large sums of money to Israeli ultra-nationalist settler groups to enable them to purchase properties and build controversial settlements in East Jerusalem. And Texas Pastor John Hagee, who heads the John Hagee Ministries and Christians United for Israel, headquartered in San Antonio, has used local Jewish Federations as a conduit to donate some $200,000 to the rightwing “Im Tirzu” group in Israel, which has depicted the New Israel Fund and its affiliates as anti-Israel and has threatened to dissuade funders of Ben-Gurion University of the Negev if the university does not take steps to correct its purported anti-Zionist basis. (Hagee has recently announced that he will discontinue this funding because, according to a statement released to the press, “Im Tirzu has become a quasi-political organization.”) In all these cases there is a clear consistency between the donor’s stated beliefs and the mission of the organizations to which he or she contributes. This, says Claudia Jacobs, director of development, communications and alumni relations at The
Heller School for Social Policy and Management at Brandeis University in Waltham, Massachusetts, is a crucial point.

“Most non-profits don’t accept all contributions,” she contends, citing as an example that a health-related non-profit organization could not reasonably accept contributions from a tobacco company and maintain its integrity.

“What is controversial depends on the nonprofit and the situation.”

Yet, as Vachon notes, in recent years, Soros has been a top funder of liberal political advocacy groups, such as MoveOn.org. Since Jews vote for Democratic and liberal candidates at a 75 to 80 percent clip, support from Soros for J Street should seem similarly consistent.

Indeed, even the Anti-Defamation League’s national director, Abraham Foxman, a pro-Israel hard-liner, has been quoted in the press as saying that the relationship between Soros and J Street is “the most appropriate thing, it fits, it makes sense – there’s nothing wrong with it.”

BEN-AMI STATES THAT NO organization should be responsible for all the views of its donors. In fact, he contends, no organization probably agrees with the views of all its donors. “It’s not appropriate to put a litmus test on funders. Our donors support what we are doing. They are donating on our terms; that’s the criteria.”

Of more concern, he tells The Report, is that the Jewish community makes “people the controversy, not their views. There is a vilification of people, calling them self-hating Jews.” Similarly, spokesman Vachon says that “J Street’s ideological opponents caricature Soros’s views and then attack them.”

Vachon is referring to comments Soros has made and articles he’s published. In 2003, at a meeting of the Jewish Funders Network (JFN), an international organization of family foundations, public philanthropies and individual funders, Soros was widely quoted as saying that US, Israeli and Jewish policies “contribute to manifestations of anti-Semitism,” adding that he was concerned about his own role, “because the new anti-Semitism holds that Jews rule the world.”

In 2007, writing in the New York Review of Books, Soros criticized AIPAC’s influence on US foreign policy and condemned what he referred to as the organized Jewish community’s tendency to lump critics of Israel with anti-Semites. In that same article, he also wrote, “I am not a Zionist, nor am I a practicing Jew, but I have a great deal of sympathy for my fellow Jews and a deep concern for the survival of Israel.”

But his comments received more attention than his explanations, leaving Soros open to being viewed, as Ben Ami warns, as a “self-hating Jew.” Indeed, JFN head Mark Charendorf acknowledges that while Sheldon Adelson “is a polarizing figure, the difference between Adelson and Soros is that no one questions the depth of Adelson’s
commitment to Israel.”

According to Karla Goldman, director of the Jewish communal leadership program at the University of Michigan-Ann Arbor, “the term ‘self-hating’ may be thrown around by those who believe that Israel should never be pressured or questioned in regard to its policies toward the Palestinians, in order to describe those who disagree with them.

Those at the opposite pole may condemn Israel as a totality and anyone who supports and cares about it is deemed ‘fascist’ or some equivalently condemnatory term, for its policies toward Palestinians in the occupied territories and its own Arab residents and citizens – with no acknowledgment that the situation may be more complicated than simply that Israel is an evil state. The passion, vehemence, and surety of those on these two poles effectively silences those who see reality as much more complex.”

THE ‘SELF-HATING JEW’ IS ONE of the organized Jewish community’s strongest condemnations and a very effective political tool, as Goldman notes.

In fact, in the organized Jewish community, the accusation of self-hatred is more delegitimizing than a poor moral or legal standing.

Jonathan Sarna, a professor of American Jewish history at Brandeis University, notes that there is a series of rabbinic responsa about gifts to synagogues from illicit sources. In one case, he notes, the question was about taking money from Jewish prostitutes for a cover for the Holy Ark, in which the Torah scrolls are kept. According to the responsa, the prostitutes could not put their name on their gift, because it would shame the congregation – but the congregation was free to take the gift, as long as the donors remained anonymous.

And, in more recent times, most organizations, including hospitals and schools in Israel and in the US, haven’t hesitated to accept funds from junk-bond financier Michael Milkin, who was convicted in 1990 on several counts of securities fraud and served just under two years in prison.

ePhilanthropy’s Brown says the best example is Marc Rich, a commodities trader who fled the US after he was indicted on several charges, and was subsequently pardoned by former US president Bill Clinton. “He has a very different reputation in the US and in Israel, even in 2010. No one in Israel has given back his money.” In fact, after his indictment, in 2001, then-prime minister Ehud Barak publicly thanked Rich for his support of Birthright Israel.

Referring to these philanthropists, Steve Rabinowitz, president of Rabinowitz/Dorf Communications in Washington, D.C., wonders aloud if these contributions served as an attempt at “tshuva [atonement for one’s sins] or if the amount of money that the donor was offering was greater than any possible embarrassment.”

But self-hatred, in contrast, leads to a process of guilt by association: Soros gives money
to organizations such as Human Rights Watch, viewed as part of the international movement to delegitimize Israel – therefore Soros is anti-Israel and therefore, if he gives money to J Street, J Street must also be anti-Israel. And being labeled anti-Israel is one very powerful way to remove an organization from the arena that belongs solely to mainstream Jewish organizations. Goldman notes that “most Jewish communal organizations do not want to offend existing or potential donors by taking a stand outside of the mainstream… J Street must have recognized how delicate their position is… This reflects J Street’s vulnerability.”

She continues, “I believe that J Street is probably extremely aware of the history represented by [now defunct liberal groups] Breira and New Jewish Agenda, and despite its apparent success in hitting a chord of recognition among many American Jews, they must be extremely aware of the fragility of their position and how effective guilt by association was in undermining their predecessors.

“Of course it is not only the historic vulnerability of ‘pro-Israel, pro-peace’ organizations that defines this moment. It is also the history of radical anti-Semitism and Jewish vulnerability that ratchets up what is at stake here and convinces so many that nuance, moderation and compromise are untenable approaches when it comes to defending [or attacking!] the Jewish state,” she adds.

SO FAR, J STREET DOES SEEM to be weathering the storm, even if its credibility, and the credibility of Ben-Ami, have been at least temporarily tarnished by the lie regarding the funding from Soros. As one executive at another Washington, D.C.-based non-profit, who talks with The Report on condition of anonymity, says, “In Washington, it’s one thing to lie. It’s another thing to cover up. The cover-up is treated more severely.”

As Ben-Ami emphasizes to The Report, J Street’s goals are political, and its success or failure, like that of AIPAC or similar groups, will be measured in political terms. “J Street is not running a daycare center for little kids.

We’re working to change the dynamics of politics, with respect to American policy toward Israel.”

In its brief lifetime, J Street has already built relations with lawmakers, lined up support from liberal rabbis and communal leaders, and found itself on the White House invite list, even while issuing controversial criticisms of Israel and establishment Jewish groups on several occasions. In the 2008 election, the J Street PAC endorsed 41 candidates.

In this year’s highly contested congressional election, J Street PAC is supporting 61.

To counter any advantage that may give to candidates who support President Barack Obama’s attempts to bring the Israelis and Palestinians to an agreement, which is strongly supported by J Street, this summer a new Emergency Committee for Israel (ECI) was formed to financially support candidates who disagree with Obama’s US policy and treatment of Israel.
Ben-Ami acknowledges that J Street just lost the last of its Republican congressional supporters, Rep. Charles Boustany (R-Louisiana) who “was no longer comfortable given our controversy.”

Rep. Jeff Davis (R-Arizona) pulled his sponsorship earlier this year, and the other eight Republican congressional supporters – out of a total of 160 original congressmen who signed up to support J Street – pulled their sponsorship days before J Street’s first conference a year ago. (This list of supporters is separate from the congressional candidates J Street PAC financially supports.) He argues that the Soros flap is not an issue for the congressional candidates J Street is financially supporting, but “what’s causing heartache is that politicians are conflict- and controversy-averse.” It is unclear at this point, however, whether those candidates’ races will be impacted by this latest controversy. Ben-Ami contends that the candidates will be unaffected.

Sarna, however, speculates that Ben-Ami could be concerned that some of his donors might not want to give to an organization receiving contributions from Soros.

MULLING OVER THE aftermath of this incident, Jewish leaders point to a lack of clear policies, within organizations and across the community, regarding the acceptability of donations. Daniel Sokatch, executive director of the New Israel Fund (NIF), tells The Report that while most non-profits have refused to accept donations from some donors, “no non-profit I’ve worked with has had a policy. These decisions are made on a case-by-case basis.” He acknowledges that the NIF has received funding from Soros’s Open Society Institute.

“There should be some norms, some rules of the game,” says Bar-Ilan University Professor Gerald Steinberg, president of the right-leaning NGO Monitor in Israel, which has gained prominence for questioning the source of funding of many civil liberties groups in Israel, including the NIF and has engendered controversy by not revealing the sources of the funding of the organizations he does support. NGO Monitor also distinguishes between contributions from individuals and contributions from organizations and foreign governments – a distinction that many in the NGO world do not accept, since both sets of contributions are attempts by non-domestic parties to influence domestic policies.

The conundrum is one faced not only in the Jewish community. A United Way Worldwide spokeswoman, Sal Fabens, points out “nonprofits will have different views of controversial issues and related policies, depending on their issue areas.” United Way Worldwide “has no policy that excludes possibly controversial companies from helping us to make a difference in the areas of education, income and health,” Fabens tells The Report. On the other hand, United Way Worldwide “doesn’t provide national co-branding visibility with companies in businesses that are inconsistent with our social service work” in these areas. She notes the “obvious” companies are those involved in tobacco, alcohol, gambling, firearms and adult entertainment.
Rabinowitz suggests that non-profits learn from US political campaigns, which use a vetting process for contributions, especially if they are large. “Organizations need some policy, at least conceptually, on the kinds and size of money and from whom they’ll accept it. Or, if you are willing to take unsolicited or bundled funds, do you take it quietly or negotiate with the giver? “Non-profits need guidelines, because who has the time to think about this in the heat of the moment?”