

Executive Council of Australian Jewry

הוועד הפועל של
יהודי אוסטרליה

The Representative Organisation of Australian Jewry

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Board of Deputies

Jewish Community Council of
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of South Australia

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Why The Executive Council Of Australian Jewry (ECAJ) On 25 May 2006 Adopted The Enclosed Resolution And Will Not Remain In The WJC If The Defamation Suit Against Isi Leibler Is Not Discontinued

The lawsuit is not in the interests of world Jewry. It will likely continue to receive media attention for as long as it is in place. Leaving aside the possibility of Mr Leibler winning (which would be a catastrophe for the WJC), the litigation will distract the WJC from pursuing its mission and will give succour to its detractors and to all with malice towards world Jewry. The cost of litigation can never be predicted let alone for monetary damages of \$6 million, involving parties and witnesses all over the world, very extensive documentation, subpoenas, discovery and translators. Further, it is highly unlikely that any court will put this matter to rest.

There is no evidence that the “campaign” in the media was initiated by Isi Leibler as opposed to the WJC and/or Singer. The “*Jewish Week*” (8 September 2004) which represents the commencement of the “campaign”, was published before the Memorandum was distributed by Leibler and quotes extensively from Singer. The simple fact is that the WJC cannot demonstrate that Leibler did, or that Singer did not, launch the media campaign. It also appears that each time the media reported on the WJC matters, it was in response to actions of the WJC.

Our members have read the Leibler Memorandum dated 8 September 2004 and the New York Attorney-General’s Report (NYAG Report) and found that most of the concerns raised were largely substantiated. Regarding the substance of the complaint, our members have read the Leibler Memorandum dated 8 September 2004 and the New York Attorney-General’s Report (NYAG Report) and found that most of the concerns raised were largely substantiated. A comparison of that Memorandum and the NYAG Report is instructive. In respect of the central matter of a transfer of \$1.2million transfer, the NYAG Report found: “(Israel)Singer’s movement of this money, without the approval of any governing body of the WJC, and his appointment of a custodian without an agreement establishing the terms of the custodianship, violated his fiduciary duties as a trustee of charitable assets...” (section 14); “Over a five-month period, from October 2002 to February 2003, Singer transferred \$1.2 million from WJC’s account in New York to the account of WJC’s office in Geneva, to create a

pension fund for his retirement; without seeking authorization from any of WJC's governing bodies or keeping a record of the fund in the files of WJC's New York headquarters" (section 14); "Most significantly, the WJC maintained no records in New York from which the existence of assets designated as a pension fund in Geneva could readily have been detected...Accordingly, no one reviewing the WJC's 07 account ledger would have learned the intended purpose of the transfers or that the money was for any purpose other than to pay expenses of the Geneva representative office..." (section 20).

The finding that Israel Singer breached his fiduciary duty, if made in Australia for a person of Rabbi Dr Singer's status in the organization, would inexorably lead to the termination of his association with that organization. The NYAG, in consultation and agreement with the WJC, is satisfied that Israel Singer can continue to be involved, but be relieved of all and any his fiscal responsibilities and duties. That finding alone demonstrates why the lawsuit should forthwith be discontinued.

The ECAJ regards it as a serious failure of the WJC to not have immediately tried to resolve the matter in the light of Leibler's clearly conciliatory approach The NYAG should finally have resolved these matters. That was certainly Leibler's view as expressed in his 3 February 2006 email sent to the members of the WJC. That email stated:

"I am confident that if the new fiscal and oversight reforms set out in the AG's report are implemented in substance as well as in form, the WJC will soon re-emerge as a constructive global body acting on behalf of the Jewish people.

"I wish you every success **and express the hope that the confrontations of the past will now be set aside in favour of constructive activity** on behalf Klal Yisrael and the State of Israel."

The ECAJ regards it as a serious failure of the WJC to not have immediately tried to resolve the matter in the light of Leibler's clearly conciliatory approach and his expressed desire to put and keep the past confrontations in the past so that the WJC could move on with constructive activity.

Proper processes were not followed before the lawsuit was initiated The NYAG Report had not even been published when the decision was allegedly taken on 19 January 2006, by the Steering Committee, without consultation discussion or arguably the power to

institute the proceedings; the Legal Adviser to the World Zionist Organisation has stated in writing that Mr Ze'ev Bielski (Chairman of the Jewish Agency and the Zionist Executives), whom the minutes of the WJC Steering Committee meeting of 19 January 2006 record as being present, "*was not a participant in any meeting which dealt with that (filing of the lawsuit) issue*"; the so called "review" of that decision which allegedly occurred on 7 February 2006, took place after the event, and without the NYAG Report having been tabled or considered, by the Steering Committee, but after the press releases stating that the lawsuit had already been instituted. The Governing Board meeting likewise did not have the NYAG Report but only WJC documents which could not on any basis be said to be a fair, accurate summary of the NYAG Report; no correction or clarification of the wrong statements contained in your January 2005 "*Report to the Plenary Assembly*" was given or made to the Steering Committee or the Governing Board; at the Governing Board, there was no discussion, consultation, motion or vote.

To attempt to recover the costs associated with the NYAG's investigation from the complainant whose complaints have largely been vindicated is unprincipled, unprecedented and unconscionable. The WJC has now adopted appropriate fiscal governance standards and practices and has undertaken to the NYAG to comply with the requirements as reflected in the NYAG Report. It can now approach donors with a degree of confidence and credibility which without compliance with the NYAG's requirements it would simply not have been able to do. In those circumstances to attempt to recover the costs associated with the NYAG's investigation from the complainant whose complaints have largely been vindicated is, in the ECAJ's view unprincipled, unprecedented and unconscionable.

Grahame J Leonard
President
4 June 2006