

The Plaintiffs: **1. World Jewish Congress**
2. Israel Singer

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Versus

The Defendant: **Isidor Leibler**

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Nature of the claim: Defamation.

Amount of the claim: NIS 26,520,000.

Complaint

A. The Parties

1. **The First Plaintiff** (“WJC”) is an international organization founded in 1936, which now operates in approximately one hundred countries worldwide. The WJC’s main mission is to address the interests and needs of Jews and Jewish communities throughout the world. *Inter alia*, the WJC acts in such areas as the war on anti-Semitism, the return of property of Jews who perished in Holocaust, etc.
2. The WJC is registered as an association in Switzerland. The WJC’s headquarters are located in New York in the United States, and it operates affiliate offices in numerous other countries.
3. **The Second Plaintiff** (“Singer”) is a U.S. citizen. Singer is Chairman of the WJC’s Policy Council, and a former Secretary General of the WJC. Singer has been acting to promote Jewish interests, *inter alia* in the framework of the WJC, for decades.
4. **The Defendant** is a citizen and resident of Israel. The Defendant once held senior positions within the WJC, including co-chair of the Operations Committee and Senior Vice President of the WJC.

B. General Background

5. This claim concerns a false defamation campaign waged by the Defendant against the WJC and against Singer as a senior WJC executive. In order to give an impression of the severity of the matter, the background to such defamation should first be surveyed.

6. In October 2003, the then-Secretary General of the WJC, Mr. Avi Beker, retired from his office. It was decided that he would be replaced by an Operations Committee, which would be responsible for the management of the organization in practice. Three members were appointed to the Committee: The Defendant; the Defendant's associate Mr. Elan Steinberg; and Singer.
7. In March 2004, the Operations Committee instructed that the WJC's office in Geneva, Switzerland, be closed and that employees at the office, including its legal counsel, Mr. Daniel Lack, be terminated.
8. After this decision, in April 2004, the President of the Swiss Federation of Jewish Communities (SIG), Alfred Donath, sent a letter to the President of the WJC, raising claims regarding irregularities in the organization, which letter was authored for Alfred Donath by his personal friend, Daniel Lack. On July 14, 2004, Daniel Lack sent another letter, which too raised claims regarding irregularities in the organization. Daniel Lack's letter expressed a claim regarding a concern due to financial irregularities in the remittance of funds from a WJC account in Geneva, as follows:

“The transfer of US\$ 1,199,979.64 (labeled as being “for the pensions”) from a special account of the WJC in Geneva (that none of us were aware of) by an employee whose employment had been terminated”.
9. On July 18, 2004, the Operations Committee of the WJC discussed Daniel Lack's said letter. The Committee decided that the funds mentioned in Daniel Lack's letter, which had at that time been held by a custodian, Adv. Zvi Barak, would be remitted from the custodian to a WJC account. The Defendant participated in the said meeting, and expressed no claim in connection with the said funds.
10. On July 19 and 20, 2004, the Governing Board of the WJC convened. The Governing Board is a constitutional organ comprised of WJC officers and senior representatives of Jewish communities from around the world, which is senior to the authority of the Operations Committee. The Defendant participated in the Governing Board's meeting and made no reference at all to Daniel Lack's letter.
11. On July 20, 2004, the WJC's Operations Committee convened again, and discussed, *inter alia*, Daniel Lack's letter, and the scheduled remittance of the funds from the custodian, Adv. Zvi Barak, to the WJC account. The Defendant participated in this meeting too, and again expressed no claim in connection with the said funds.
12. On August 16, 2004, in view of complaints that were voiced against the Operations Committee of the WJC, and in order to enable representatives of various Jewish communities to play a more active role in the leadership of the WJC, WJC President, Edgar Bronfman, decided to expand the Operations Committee to a Steering Committee, which would comprise more members, including representatives of various Jewish communities from around the

world. **This step considerably reduced the Defendant's status and power within the WJC.**

13. Immediately after the Operations Committee had been expanded to a Steering Committee, and in view of the erosion in the Defendant's powers, the Defendant entered negotiations with the WJC about his status and authorities within the organization. The negotiations were conducted via Prof. Yoram Dinstein, who headed the WJC's Task Force on Constitution and Governance. The Defendant presented Prof. Dinstein with a series of demands including, *inter alia*, a senior international office in the WJC, as well as budgets and powers. **The Defendant relayed, via Prof. Dinstein, various threats, whereby if his demands were not met – he would attack the WJC, while mentioning explicitly, *inter alia*, that he would do so by way of a demand for an “investigation” and independent financial audit of the WJC's conduct over the last five years.**
14. On August 18, 2004, the Defendant told his associate, Elan Steinberg, that he believed the WJC would not grant his demands regarding the powers to be given to him within the WJC. **The Defendant made it clear that if his demands were indeed rejected – he will be going to “war” against the WJC.** The Defendant added that he intended preparing a memo attacking the WJC, in which claims would be raised regarding the management of the WJC, **and thereafter “slowly leaking” the memo to the media.**
15. And, indeed, in the second half of August 2004 the Defendant prepared such a memo (the “**Leibler Memo**”), which included claims against the WJC and against Singer, and sent it to Elan Steinberg and to others for their comments. In the memo, the Defendant raised, for the first time, claims in connection with the account in Geneva (which was mentioned in Daniel Lack's letter). As may be recalled, the Defendant did not raise the said claims in the meetings at which Daniel Lack's letter was discussed.
16. On August 29, 2004, a meeting was held between the Defendant and the Minister of Diaspora Affairs at that time, Mr. Nathan Sharansky. In the meeting, the Defendant presented Minister Sharansky with a copy of the Leibler Memo, and asked for Minister Sharansky's intervention at WJC management. Thus, the Defendant began carrying out his threat to “go to war” against the WJC. It should be noted that Minister Sharansky rejected the Defendant's request.
17. In the following days, the Defendant continued circulating the said memo among various persons, including Rabbi Richard Hirsch and Mr. Naftali Lavi.
18. Meanwhile, the WJC learned of the Defendant's plan to “go to war” against the WJC and to distribute the said memo, *inter alia*, after Elan Steinberg received e-mail correspondence from the Defendant, which included a copy of the memo, at the WJC's offices in New York. This e-mail correspondence, including the memo, was available on the WJC network.
19. In early September 2004, several journalists from various media approached the WJC for a response in connection with the issues raised in the Leibler

Memo. Consequently, and in order to minimize the expected damage from the Defendant's attack on the WJC, the WJC approached the weekly "Jewish Week" and gave it the WJC's response to the Defendant's expected accusations.

20. On September 8, 2004, the Defendant disseminated the Leibler Memo (**Annex A**) openly and in wide circulation. In the memo, the Defendant accused the WJC and Singer personally of financial irregularities, and raised implicit accusations of unlawful usage of WJC funds, as specified below. Needless to say, the statements were false slander. The most conspicuous false slander, which generated the most resonance, pertained to the account in Geneva. **Just as he had threatened in advance to do**, the Defendant phrased the slander in the form of a demand for an "investigation" and an independent financial audit of the WJC's conduct over the last five years. It should be noted that the Defendant had received legal advice when drafting the memo, probably due to his awareness that his statements constituted defamation.
21. Also after publication of the Leibler Memo, the Defendant continued his "war" on the WJC and on Singer, and continued making false public slander against them, the most conspicuous of which pertained to the account in Geneva. The Defendant repeated the slander over and over again, by various means.
22. The Defendant's slander gained much resonance, and was communicated broadly in the media, both in Israel and around the world. The Defendant interviewed with various media and continued to attack the WJC. The Defendant also disseminated, with wide circulation, articles that were published in the media and included false claims about the WJC and Singer.

C. Libel

23. **This complaint concerns only the Defendant's slander in connection with the account in Geneva.** The WJC and Singer reserve all of their rights in connection with additional slanders made by the Defendant against them. Some of the Defendant's slander against the WJC, and against Singer personally, in connection with the account in Geneva, is specified below.
24. As aforesaid, on September 8, 2004, the Defendant disseminated the Leibler Memo, in which he slanders the WJC and Singer (**Annex A**). Section 10.3 of the memo deals with the account in Geneva, and is fraught with false slander against the WJC and Singer. *Inter alia*, the Defendant wrote the following:

"The communication from Mr. Lack (who has retained legal counsel in this matter) also mentioned alleged irregularities in the management of the WJC's accounts in Switzerland including, inter alia, the discovery of an undisclosed WJC account in UBS, Geneva which had contained approximately \$1,200,000..."

We were perplexed because Singer had never informed the Operations Committee or the Task Force of the existence of

such an account. WJC personnel in Geneva were initially also unaware of it. Singer then confirmed that the funds had been transferred to the account in Geneva a number of years ago from the WJC bank account in New York but insisted that it represented money paid by the Jewish Agency for his pension. This was particularly puzzling since Singer was never an employee of the Jewish Agency. However, Singer advised Professor Dinstein that the pension was provided to him by the Jewish Agency in recognition for the services he has provided to the Jewish people and the Jewish Agency in relation to the restitution issues...

In the past, the Jewish Agency did indeed make annual financial contributions to the budget of the WJC, but we are not aware of pension payments being provided to those not employed by the Jewish Agency..."

25. These statements include a deeply grave – and false – accusation against the WJC and against Singer.

26. After circulation of the Leibler Memo, the Defendant repeated the slander against the WJC and Singer in many opportunities. Thus, for instance, after the European Jewish congress called upon the Defendant to resign from his offices at the WJC, on November 14, 2004, the Defendant wrote an "open letter" to the executive members of the European Jewish congress which included, *inter alia*, the following statements (**Annex B**):

"... on the basis of distortions and lies provided by Messrs Herbits and Singer and their professional acolytes, you called on me to resign my post on the WJC..."

...the Operations Committee was informed of the existence of a substantial overseas bank account of which none of us (other than Singer) had been aware...

...the EJC executive had the gall to endorse a resolution blaming me for the hostile media coverage. Perhaps they expected me to remain silent when Singer, Herbits and their spokesmen disseminated lies and accused me of trying to displace Edgar Bronfman or alleged that I was indulging in blackmail to promote my agenda...

Most of you are aware that Israel Singer personally threatened the head of the Swiss Jewish Community (including his family) unless he withdrew his call for an independent audit."

27. On December 2, 2004, the Defendant wrote to the members of the WJC management, *inter alia*, the following (**Annex C**):

"The truth is that the existence of this account was deliberately concealed from me as well as my colleagues, Elan Steinberg and

Yoram Dinstein, despite the fact that we had specifically requested details of all overseas bank accounts.”

28. In addition, the Defendant repeated the libel that was published in the media against the WJC, and disseminated the said libel in public. Thus, the Defendant translated an article that was published in German in the magazine *Facts*, to which he added an introduction written by himself, which included a biography of the author. On November 18, 2004, the Defendant publicly disseminated the translation, by e-mailing the same to a list of addressees (**Annex D**). The article includes, *inter alia*, the following statements:

“The World Jewish Congress is at the brink of disaster. Impropriety, embezzlement, money laundering: these are the accusations directed against Israel Singer, the strong man of the WJC. Singer ordered the transfer of \$1.2 million dollars from the WJC to an account owned by his friend. Now Jews throughout the world demand unreserved clarification...

The grounds for the conflict related to a \$1.2 million, allegedly given from a secret WJC account by Singer for private purposes, who acted with Bronfman approval. What is clear is that on July 1, 2003, Singer personally arranged the transfer of that money to a friend in Israel - without informing any relevant WJC personnel in Geneva.”

29. Following the said article, the WJC filed a libel lawsuit against *Facts* magazine, which is still pending before the courts in Switzerland. After publication of the article, *Facts* magazine was forced to publish the WJC’s counter statement to the article (as it is required by Swiss law to do). In addition, the magazine voluntarily published a correction to the article. To the best of the Plaintiffs’ knowledge, the Defendant did not disseminate the WJC’s counter statement to the article, or the correction to the article, to the addressees to whom he had sent the translation of the article.
30. The Defendant further interviewed with various media regarding the funds that were held in the Geneva bank account, and publicly defamed the WJC and Singer. Thus, for instance, the Defendant interviewed with the weekly “Jewish Week” and raised most severe claims – different to those he had raised in the Leibler Memo – against the WJC and Singer, in connection with the said Geneva account. On June 10, 2005, the weekly published the following:

“A document that offers an alternative explanation to the WJC version of events, according to Leibler, is the draft of a memorandum of understanding among Hoxter, the New York consultant who was instrumental in arranging meetings with Swiss, German and Austrian officials over the years; Barak, the Israeli attorney and former fighter pilot who co-chaired with Singer the World Jewish Restitution Organization; and Singer.

Dated Nov. 14, 2002, the memo outlines an agreement for the three to start a consulting firm that would require financing from

Singer. It is unsigned, but the attorney general's staff is said to be exploring whether the transferred WJC funds — the first installment of which was sent to Geneva the month before — may have been intended as Singer's capital for the new business and could explain why it was transferred to a custodial account held by Barak, a would-be partner.

"There are too many coincidences here for this to be a coincidence," said Leibler, who noted that the timing of the draft of the memo coincides with the dates involved in the transfer of funds to the Swiss account, and that Barak was to act as a trustee in the proposed business deal and was a trustee for the transferred funds."

31. In conclusion, the Defendant raised most severe accusations against the WJC and against Singer, as a senior executive of the WJC. The Defendant claimed that the WJC had unlawfully remitted funds to Singer. At first, the Defendant claimed that the said funds were designated for Singer's pension. Thereafter (in the interview with "Jewish Week"), the Defendant claimed that the funds were designed to serve as capital for a business venture – the establishment of a consulting firm – in which Singer was involved. These are false and defamatory statements of extreme severity.

D. Damage

32. The libel that the Defendant published against the WJC and against Singer generated considerable resonance. It was quoted in a series of slanderous publications against the WJC and against Singer in the media, both in Israel and around the world. The libel that the Defendant disseminated inflicted severe damage on the WJC and on Singer.
33. The WJC is a body that relies heavily upon its reputation. The WJC's reputation is essential, *inter alia*, for fund-raising purposes. The libel that was disseminated by the Defendant against the WJC undermined the WJC's reputation, and has brought about a significant decline in the volume of donations which the WJC has been able to raise. The WJC estimates the loss in fundraising revenue at \$3 million. In addition, the WJC has incurred considerable financial expenses, which include payment to legal counsel, accountants, etc., in Israel and in the United States, to ward off the Defendant's false slander. The WJC estimates the said costs at \$1.5 million. The Defendant's slander against the WJC has also undermined the WJC's international standing. This damage is, naturally, difficult to quantify. The WJC estimates this damage at \$1 million. The total damage caused to the WJC is \$5.5 million, equivalent to NIS 25,520,000 on the date of filing of the Complaint.
34. The libel disseminated by the Defendant against Singer personally has hurt Singer's reputation and public standing. Following the slander, Singer was forced to dedicate much time and effort to protect his reputation. For purposes of this claim, Singer estimates the damage caused to him at NIS 1 million, and intends to donate any amount adjudicated in his favor to the WJC.

E. The Requested Remedies

35. The Defendant disseminated defamatory statements against the WJC and against Singer, pursuant to the Prohibition of Defamation Law, 5725-1965.
36. The Honorable Court has subject matter and territorial jurisdiction to hear the claim.
37. The Honorable Court is moved to summon the Defendant and to charge him with:
 - 37.1 Payment of damages in the sum of NIS 25,520,000 to the WJC;
 - 37.2 Payment of damages in the sum of NIS 1 million to Singer;
 - 37.3 Publication, at his expense, of a notice of correction of and apology for the libel he has disseminated, and publication, at his expense, of the judgment in one daily newspaper in Israel, one daily newspaper in Switzerland and three daily newspapers in the United States (pursuant to the authority vested in the Honorable Court by Section 9(a)(2) of the Prohibition of Defamation Law, 5725-1965);
 - 37.4 Payment of trial expenses and legal fees, including V.A.T. as required by law.

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