



*Subsidizing Violence: U.S. Tax Exemption
for Settlement Expansion in the Occupied
Palestinian Territory*

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Introduction

Since June 2014, more than 1000 settler attacks have been carried out against Palestinians in the West Bank (Figure 1). The expansion of the illegal settlement enterprise is inseparable from the rising intensity of settler violence against Palestinian communities across the Occupied Palestinian Territory (OPT) and remains increasingly concerning following the arson attack that killed three members of the Dawabsheh family – including an 18 month old child – in the Nablus region of the West Bank in July 2015. Although the United States condemns the illegal expansion of settlements in the OPT, their military aid to Israel – now standing at \$3 billion a year – provides the foundation for Israel’s indifference to international condemnation. Additionally, there continues to exist 501(c)(3) registered organizations in the United States that act as financial intermediaries for Israeli-based nonprofits who actively support and promote illegal settlement expansion.

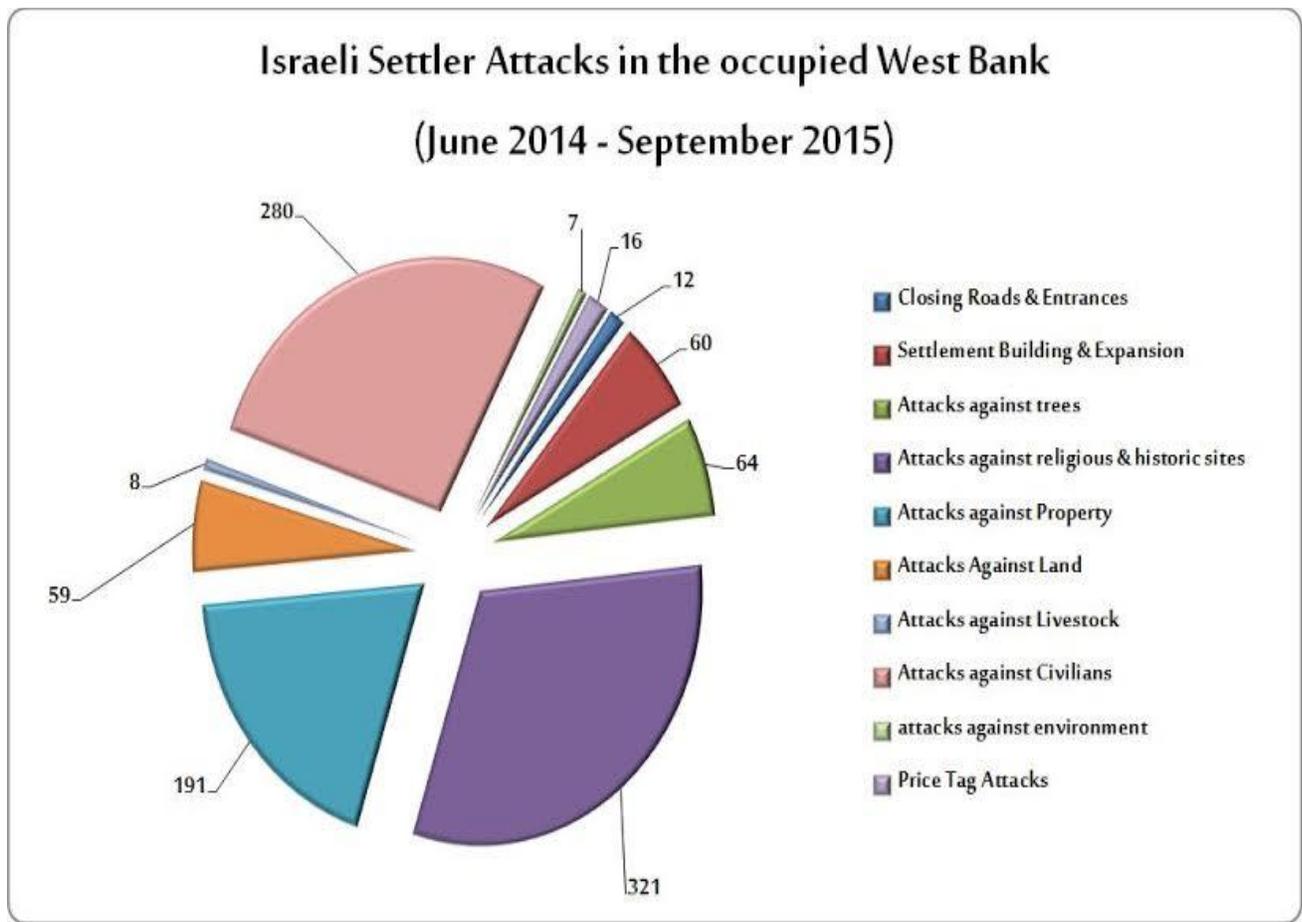


Figure 1: There were over 1000 settler attacks on Palestinian communities since June 2014.

In 2012, a group of 13 Palestinians attempted to file a complaint against several US-based financial intermediaries supporting settlement activities in the OPT, seeking compensation for “terrorist activities” committed in the OPT which violates US anti-terrorism legislation. Among the organizations cited as providing financing to extremist settler organizations are Christian Friends of Israeli Communities, the Hebron Fund, Central Fund of Israel, One Israel Fund and American Friends of Ateret Cohanim. These organizations are charged with supporting terrorist activities in the OPT through the funding of settlers who have attacked Palestinians and their properties with firebombs, stones, live shooting, the burning of Palestinian land and trees and the vandalizing of Palestinian churches and mosques across the West Bank.¹ However, in April 2015, their appeal was rejected in the US Court of Appeals in New York after it was dismissed in a lower court.

These nonprofits are registered 501(c)(3) organizations in the United States that act as financial intermediaries for several Israeli nonprofits in the OPT to provide tax exempt status for their activities. Most of these nonprofits adhere to extremist Zionist ideologies and actively promote the illegal expansion of settlements and the de-Palestinianization of the OPT. At times, the organizations actively incite violence against Palestinians and are largely funded with the objective of displacing Palestinians from their homes and lands. As settler attacks against Palestinians and their properties are on the rise across the OPT, these organizations represent a dangerous presence in the region for their incitement of violence and promotion of illegal activities that uproot any potential for a just peace in Palestine.

The following sections detail several of the Israeli-based nonprofits that are receiving tax-deductible donations through US-based organizations that act as financial intermediaries to support their activities. These organizations should be analyzed within the framework of an ever-growing settler presence in the OPT that disrupts and threatens Palestinians’ daily lives and which commonly erupts into violence against Palestinian communities.

¹ Silver, Charlotte. “Palestinians sue US groups over support for settler attacks.” *The Electronic Intifada*. 2013.

Women in Green

Women in Green (WIG) is an extremist nationalist organization led by Yehudit Katsover and Nadia Matar. The organization was founded in 1993 in response to the Oslo Accords and expanded their activities after the 2005 withdrawal from Gaza. WIG receive tax-deductible charity donations through their New York-based financial intermediary Central Fund for Israel, a registered 501(c)(3) organization. According to their website, they are called “Women in Green,” because of the “green hats we sometimes wear to show our opposition to the abandonment of parts of our homeland,” and advocate against any Israeli recognition of the Green Line, or the 1967 borders of present-day Palestine. They claim their motto as “The land of Israel belongs to the people of Israel” and their organization’s general focus is “preventing Arab takeover of state land and strengthening the Jewish people’s possession of the land.”² Their activities are largely centralized on planting trees in the area of Netzer within what Israel refers to as “Gush Etzion,” a settlement bloc with a population of over 70,000 Israeli settlers and spanning an area of 69.8 km², representing the heart of Israeli colonization activities in Bethlehem and Hebron Governorates. Gush Etzion is comprised of 11 illegal settlements: Neve Daniel, Keidar, Rosh Tzurim, El’azar, Migdal Oz, Allon Shevut, Kfar Etzion, Bat Ayin, Beitar Illit, Efrata, and Gva’ot (Figure 2).

Gush Etzion is central to Israel’s strategies of annexing Area C (Israeli-controlled areas of the West Bank) into its territories while establishing contiguity between the illegal settlements and Israel’s unilaterally defined region of “Greater Jerusalem,” which illegally annexes land over the Green Line and plans to expand and join the settlement blocs of Gush Etzion, Ma’ale Adumim and Giv’at Zeev. These settlements are connected by Israeli settler bypass roads – or “Jewish-only roads” – that further dissect Palestinian land and restrict their movement across the OPT. The Gush Etzion settlement bloc runs from Har Gilo in Beit Jala in the north to the settlement of Migdal Oz in Beit Ummar (Figure 3).

² Womeningreen.org

Figure 2: Illegal settlements in the Gush Etzion settlement bloc:

No.	Governorate	Settlement Name	Population	Establishment Date	Area
1	Bethlehem	Betar 'Illit	45710	1985	4,700
2	Bethlehem	Hadar Betar	74	1978	56
3	Bethlehem	El'azar	2389	1975	565
4	Bethlehem	Geva'ot	66	1984	131
5	Bethlehem	Neve Daniyyel	2149	1982	580
6	Bethlehem	Rosh Zurim	908	1969	853
7	Bethlehem	Allon Shevut	3284	1971	1,006
8	Bethlehem - Hebron	Bat Ayin (Tzurif)-- Hebron	1186	1989	725
9	Bethlehem - Hebron	Kfar Etzion--Hebron	1022	1967	993
10	Bethlehem	Efrat	9238	1979	2,283
11	Bethlehem - Hebron	Migdal Oz--Hebron	819	1977	1,211

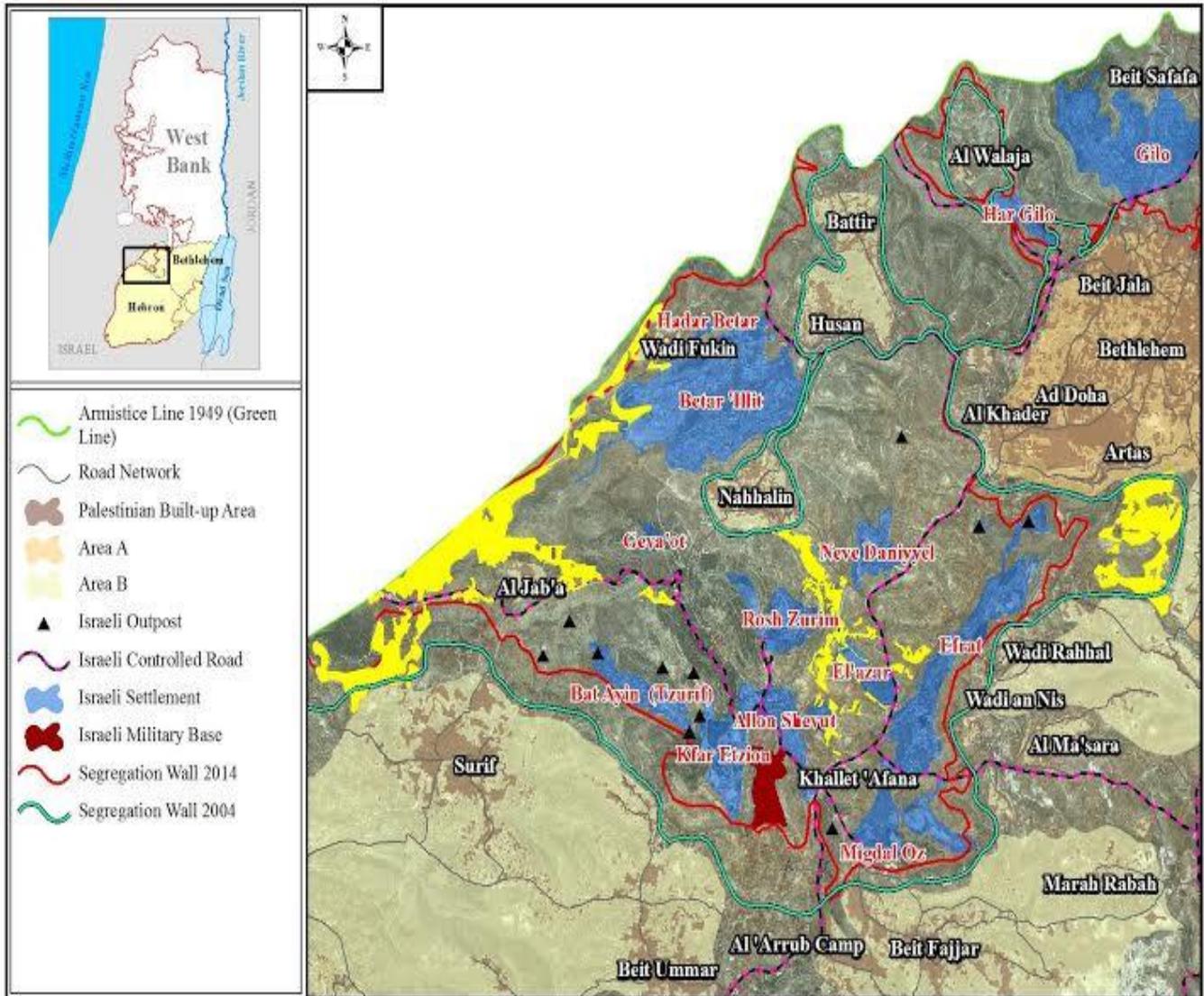


Figure 3: The settlements of Neve Daniel, Keidar, Rosh Tzurim, El'azar, Migdal Oz, Allon Shevut, Kfar Etzion, Bat Ayin, Beitar Illit, Efrata, and Gva'ot make up what Israel refers to as the Gush Etzion settlement bloc. According to the Greater Jerusalem Plan, Israel plans to expand these settlements to further surround the Palestinian communities of Al Jab'a, Nahhalin, Husan, Al Wallaja, Battir and Wadi Fukin. Furthermore, these communities will be affected by the segregation wall (in red) with Al Wallaja being surrounded on all sides. The disputed land that WIG has centralized their activities on is located between the Allon Shevut and El'azar settlements where they often incite conflict with Palestinian communities.

Netzer is a disputed area of land between the El'azor and Allon Shevut settlements and is considered Israeli "state land." However, much of what Israel refers to as "state land" was annexed through discriminatory legal channels that are designed to expel Palestinians for the expansion of illegal settlements.³ Although WIG claim the land is historically Jewish-owned, in reality the land of the El'azor settlement was owned by residents of Wadi An Nis while Allon Shevut was owned by residents of Nahalin and Beit Ummer before being displaced by the Israeli annexation of their lands.⁴

Citing the 1858 Ottoman Land Code that allows ownership of land if the land is cultivated for consecutive years, WIG focus much of their organizing efforts on cultivating land in the Netzer region to prevent any possibilities of Palestinians regaining their land that was annexed by the Israeli state. They are often embroiled in land conflicts with surrounding Palestinian communities and have gone so far as to refer to Palestinians attempting to cultivate the land as "agricultural jihadists."⁵ Following extremist Zionist ideologies, WIG promote the Jewish takeover of Palestinian land, incite violence against Palestinian communities and actively advance the expansion of Israeli settlements that are internationally recognized as war crimes.

For instance, in 2014 after the kidnapping and killing of three Israeli settlers in Hebron in the southern West Bank, WIG established a new settler outpost called "Oz Veaga'on" near Gush Etzion, strategically overlooking the settlements of Efrat and Migdal Oz in the southeast and Allon Shevut and Kfar Etzion in the northwest⁶ (Figure 4). Not only is WIG responsible for exacerbating conflicts with Palestinian communities surrounding Gush Etzion, they are also directly complicit in the expansion of the illegal settlement enterprise which the international community has identified as the most serious impediment to peace in the region. Furthermore, Israel itself considers settler outposts to be illegal.

³ see ARIJ report (2015), "The Israeli Settlement Enterprise and its Impacts on the Two-States Solution." <http://www.arjj.org/files/arjjadmin/poica/report15.pdf>

⁴ State of Palestine Liberation Organization, (2014). "Media Brief: Israel's Colonization in Western Bethlehem and Its Policies of Destroying the Prospects for Peace,"

⁵ Stakelbeck, Erick, (2013). "Israel Biblical Lands Target of 'Agricultural Jihad.'" *CBN News*.

⁶ Eye on Palestine: Monitoring Israeli Colonization Activities, (2015). "Israel introduces another settlement in the so-called 'Gush Etzion Settlement Bloc.'"

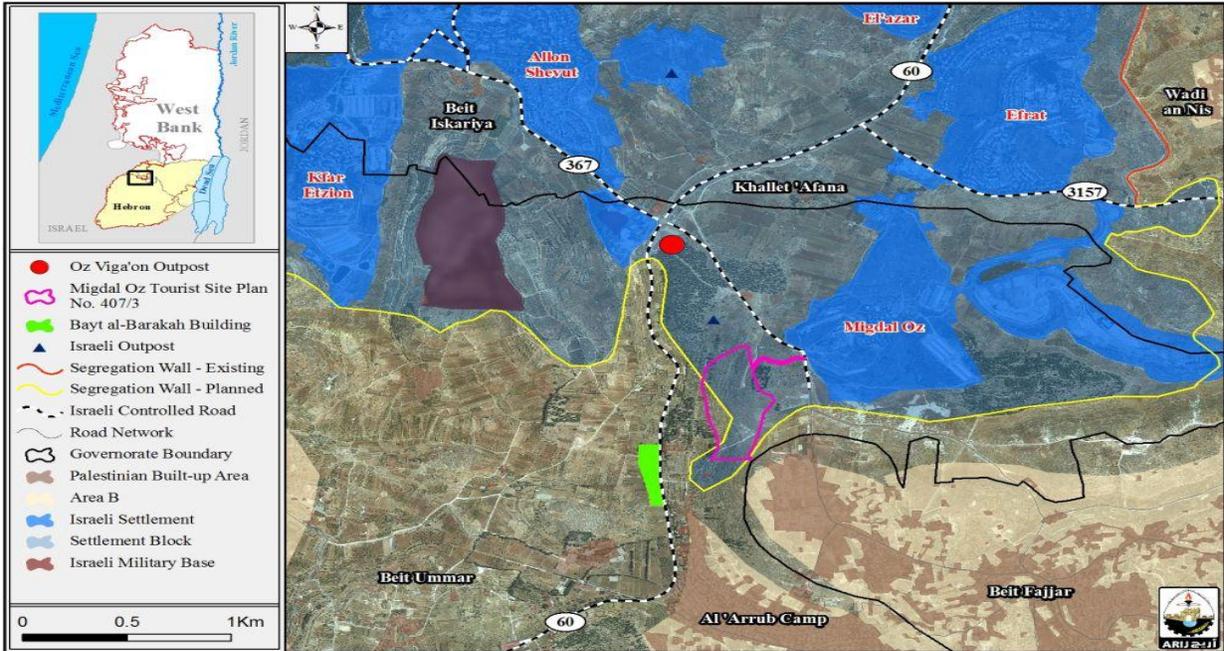


Figure 4: WIG established an illegal settler outpost called “Oz Veaga’on” in 2014 which strategically overlooks the settlements of Efrat and Migdal Oz in the southeast and Allon Shevut and Kfar Etzion in the northwest. It additionally creates a direct corridor between Allon Shevut and the expansion plans of the Migdal Oz settlement. Settler outposts are considered illegal by both the international community and by the Israeli government; however, the Israeli government and the Israeli Occupation Forces (IOF) typically support these initiatives through government funding and providing military protection.

Israel Land Fund

The Israel Land Fund (ILF) is an Israeli nonprofit organization directed and founded by Arieh King. It was established in 2007 for the mission of “Reclaiming the Land of Israel for the People of Israel; Strengthening the connection between the Jewish people around the world with their religious and spiritual homeland”; and “Fostering a love for the Land of Israel through education and agricultural programs.”⁷ However, they operate more as a real estate company focused on the transference of Palestinian land to Jewish ownership mainly in Occupied East Jerusalem for the purpose of de-Palestinianizing the Jerusalem population. They employ extremist Zionist ideologies to promote Jewish takeover of Palestinian land, stating that “House by house, lot by lot, the Israel Land Fund is ensuring the land of Israel stays in the hands of the Jewish people

⁷ Israellandfund.com

forever.”⁸ They additionally work to prevent Palestinians from purchasing any property from Jewish people, raising funds through ILF to provide counter financial offers that can deter Jewish people from selling property to Palestinians.⁹ They also receive tax-deductible donations through the New York-based Central Fund for Israel.

The ILF has been directly complicit in the eviction of Palestinians from the Sheikh Jarrah neighborhood in Occupied East Jerusalem. In August 2009, 53 Palestinians, including 20 children were forced from their homes to make room for the housing of Jewish settlers. The Al-Kurd, Hanoun, Al-Ghawi and Rfhqa Al-Kurd families have all been forcibly evicted from their homes in Sheikh Jarrah, all of whom are 1948 refugees.¹⁰ Another 500 residents of Shiekh Jarrah are at risk of forced eviction and displacement for the transference of their properties to Jewish ownership. Sheikh Jarrah is located between East and West Jerusalem and has become a central focus in Israel’s larger plans of annexing Occupied East Jerusalem and removing the Palestinian population; therefore, the activities of settler organizations coincide with Israel’s geopolitical strategies of creating “facts on the ground” so as to forcefully establish a “United Jerusalem,” with a Jewish majority. Similar evictions have occurred in the Old City, Jabal Al Mukabbar and Ras Al-‘Amud.¹¹

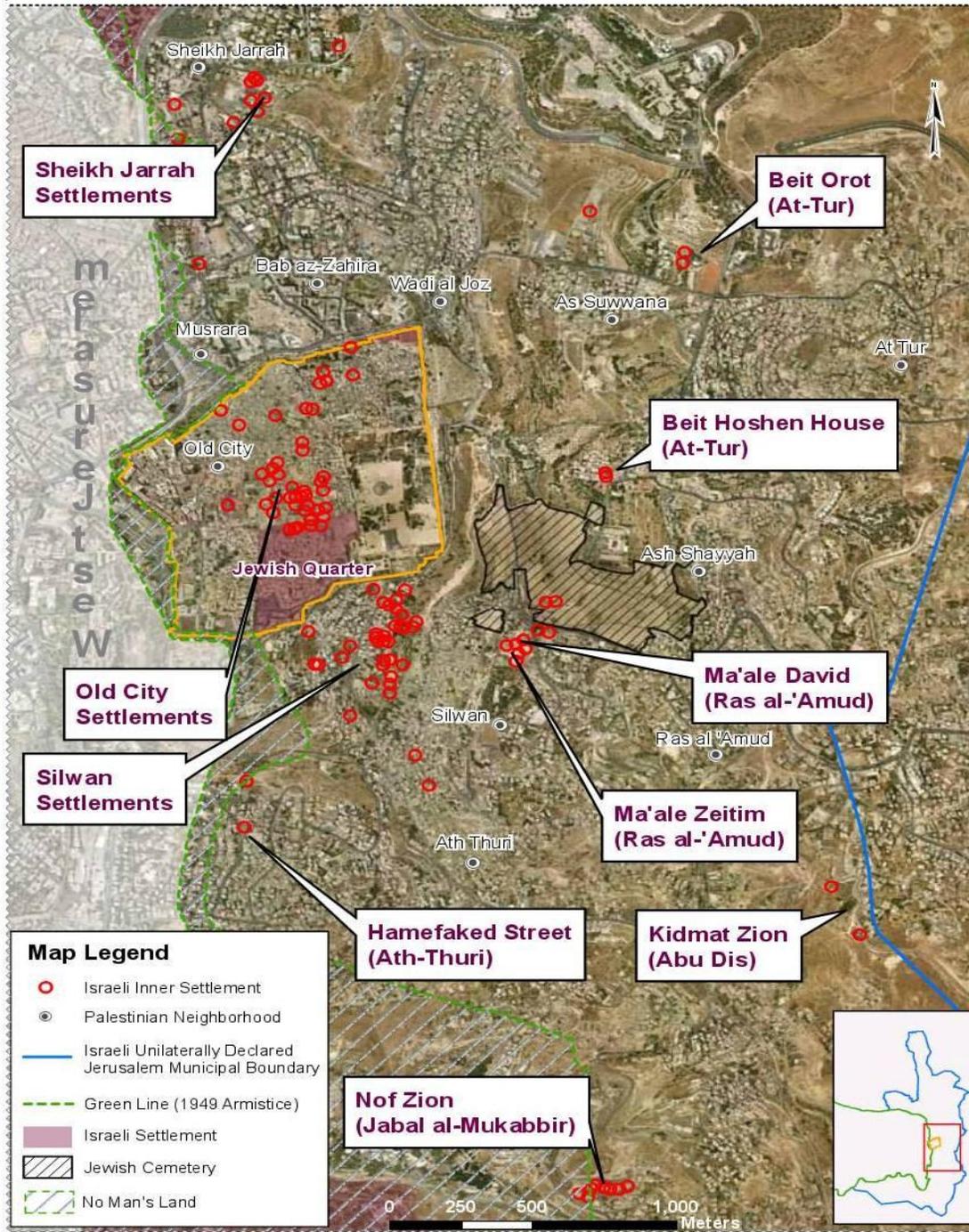
The evictions are facilitated through discriminatory legal mechanisms, particularly the 1970 Legal and Administrative Matters law, that allows Jewish individuals to claim ownership of land that is believed to have been occupied by Jewish people before 1948; however, this law only applies to Jewish people and not to Palestinians who were dispossessed of their homes and lands during the 1948 Arab-Israeli war and whose right to return is upheld in United Nations Resolution 194 but is not recognized by the Israeli government. These evictions are highlighted as one of several “success stories” on ILF’s website.

⁸ Ibid.

⁹ See: http://www.israelnationalnews.com/News/News.aspx/190431#.VhYrP_mqgko

¹⁰ The Civic Coalition for Defending Palestinian Rights in Jerusalem, (2009). “Dispossession and Eviction in Jerusalem: A summary of the story of Sheikh Jarrah.”

¹¹ United Nations Office for the Coordination of Humanitarian Affairs (OCHA), (2012). “Settlements in Palestinian Residential Areas in East Jerusalem.”



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Figure 5: Illegal settlements in Occupied East Jerusalem

In 2012, Arie King and the ILF succeeded in evicting two families from the Occupied East Jerusalem neighborhood of Beit Hanina through a court case brought against the family that claimed the property was Jewish-owned prior to 1948. The An Natsha family who were displaced by the evictions are registered as refugees with the United Nations Relief and Works Agency (UNRWA) and had reported settler harassment and intimidation by settler groups in the past. The United Nations Resident and Humanitarian Coordinator for the OPT, Maxwell Gaylard, strongly condemned the eviction, stating “Evictions of Palestinians from their homes and properties in occupied territory contravene international law, including the Fourth Geneva Convention, and should cease.”¹² Moreover, the European Union missions in Jerusalem and Ramallah further criticized the evictions and reiterated the EU and international position that Israeli settlements in the OPT are illegal under international law.¹³

Furthermore, the ILF offers the option of tax-deductible donations for directly purchasing land from Palestinians for the purpose of transferring the titles to Jewish ownership; therefore, if a Jewish person is interested in purchasing land from a Palestinian, their purchase will be processed as a tax deductible charity donation through the Central Fund for Israel and transferred to the ILF. The ILF are not only providing financial benefits for the transference of property from Palestinians to Jewish peoples in Occupied East Jerusalem, but also market these “services” within the ideological framework of de-Palestinianizing the Jerusalem population. The ILF are responsible for inciting violence against Palestinian communities, expanding the illegal settlement enterprise in the West Bank, particularly in East Jerusalem, and actively working to dispossess Palestinians of their properties through the utilization of discriminatory legal structures.

The Ir David Foundation/ Elad

Elad or the Ir David Foundation is a settler group founded in 1986 who raises funds through Friends of Ir David, a New York-based 501(c)(3) organization. Elad is also involved in the colonization efforts in Occupied East Jerusalem through a de-Palestinianization process serving

¹² OCHA, (2012). “Statement by the United Nations Resident and Humanitarian Coordinator for the occupied Palestinian territory, Maxwell Gaylard, on evictions in the East Jerusalem neighbourhood of Beit Hanina.”

¹³ *Al Arabiya News*, (2012). “EU condemns Palestinians’ eviction in East Jerusalem.”

to dispossess Palestinians of their homes, particularly in the Old City and the neighborhood of Silwan. Elad's main objective is to strengthen the Jewish presence in the City of David where the neighborhood of Silwan is located. In 1997, Elad became the main agent that is authorized to operate the City of David National Park, representing the only tourist site that is run by a private organization. They are additionally the main financiers of the archeological excavations being done in and around the site.¹⁴ They commonly politicize their archeological and tourism initiatives so as to produce claims of Jewish ownership of the land and have led several campaigns to evict Palestinians from their homes.

Since its founding, Elad has worked to evict Palestinians and erect settler compounds in Occupied East Jerusalem so as to shift "facts on the ground" to obstruct possibilities of a two-states solution and consolidate the area into a "United Jerusalem," which is not recognized by the international community and violates international law. They commonly exploit discriminatory legal channels such as the 1950 Absentee Property Law, incomplete property records and the establishment of archeological sites and excavations for the political purpose of enhancing Jewish claims to particular areas of land.¹⁵

Elad has cooperated with the Jewish National Fund (JNF) in the past that were central to land expropriation and its transference to Jewish ownership prior to 1948 and continue to play an important role in the systematic dispossession of Palestinians through discriminatory land allocation strategies. JNF in cooperation with Elad has organized various legal campaigns to displace dozens of Palestinians from Silwan.¹⁶ In 2012, the United Nations criticized the colonization efforts in Silwan and Sheikh Jarrah, stating that "settlement activity has [...] led to increased tensions, restrictions on public space, residential growth and freedom of movement. The continuous deployment of private security guards and police forces to protect the

¹⁴ Cohen-Hattab, Kobi & Noam Shoval, (2014). *Tourism, Religion and Pilgrimage in Jerusalem*.

¹⁵ Jacobs, Jill, (2014). "You, American Taxpayer, are helping to fund Israeli settlements." *The Washington Post*.

¹⁶ Institute for Middle East Understanding (IMEU), (2014). "Elad, the Jewish National Fund & the US Taxpayer-Subsidized 'Judaization' of Silwan."

settlements, particularly in Silwan and Sheikh Jarrah, has also led to frequent clashes, which undermined the physical security of Palestinian residents.”¹⁷

In September 2015, Elad led the takeover of 25 buildings in Silwan by Jewish settlers accompanied by police officers and private security guards, representing the largest incursion of illegal settlers in the past 20 years. 100 Jewish settlers now live in Silwan while it is estimated that another 200 settlers will take over the apartments expropriated from the Palestinian residents in September 2015.¹⁸

Ateret Cohanim

Analogous to the work of Elad, Ateret Cohanim is an Israeli nonprofit organization founded in the 1970s working to enhance the Jewish presence in the Old City and leading a Jewish reclamation project aimed at increasing illegal settlements across Occupied East Jerusalem. They also center their colonization activities in the heart of the Silwan area of East Jerusalem. Their website boasts of settling “over 1000 Jewish families, and hundreds of children, play centers, Yeshivot, and Synagogues in the area close to the Temple Mount area.”¹⁹ Their stated mission is to “fulfill a generations old dream of rebuilding & securing a United Jerusalem, strengthening our Jewish roots and reestablishing thriving Jewish communities that are centered around educational institutes in and around the Old City of Jerusalem.”²⁰ Ateret Cohanim receive much of their funding through the American Friends of Ateret Cohanim, a New York-based 501(c)(3) organization. Most of the funds that Ateret Cohanim receive from American Friends of Ateret Cohanim are used for the Jerusalem Reclamation Project that works to purchase land from Palestinians or to claim ownership through discriminatory legal channels on land beyond the Green Line.²¹

¹⁷ United Nations Office for the Coordination of Humanitarian Affairs (OCHA), (2012). “Settlements in Palestinian Residential Areas in East Jerusalem.”

¹⁸ Hasson, Nir (2014). “Settlers Move Into 25 East Jerusalem Homes, Marking Biggest Influx in Decades.” *Haaretz*.

¹⁹ <http://www.jerusalemchai.org/about.cfm?categoryID=101>

²⁰ <http://www.jerusalemchai.org/about.cfm?categoryID=101&categoryName=Our%20Mission>

²¹ Sevel, Michael (2011). “The Strange Case of American Tax-Exempt Money for Settlement.” *Palestine-Israel Journal*.

In 2014, Ateret Cohanim secretly purchased 1,000 square meters in the commercial center of Occupied East Jerusalem for the establishment of a religious school – now called Ateret Cohanim Jerusalem Torah Learning Center. Significantly, before this purchase neither Ateret Cohanim nor Elad had successfully established settlements in the exclusively Palestinian areas near Damascus Gate outside of the Old City.²² Additionally, in August 2015 Ateret Cohanim led the evacuation attempts of three Palestinian homes in the Batn al-Hawa area of Silwan owned by the Sarhan family who has lived on the property for more than 80 years; Ateret Cohanim claim that the land belonged to three Jewish men from Yemen who lived there before 1948.²³

Another Palestinian family, Abu Nab, similarly received an evacuation notice for their property. The Abu Nab family has been living at the property since 1948 after the family was expelled from the Jurat el-Anab neighborhood in West Jerusalem following the 1948 Arab-Israeli war and which Palestinians are prohibited by Israel from returning. Ateret Cohanim has been attempting to evict the Abu Nab family since 2002 under claims that their property was the location of a synagogue before 1948.²⁴ Additionally in 2015, the organization filed two new lawsuits for the purpose of evicting five Palestinian families from two houses and continuing with a previous lawsuit demanding the evictions of the Rajabi family which will potentially displace 40 individuals from their property. Solely based on the legal claim that properties were under Jewish ownership prior to 1948, over 30 families in Batn al- Hawa are threatened with evictions and dozens more at risk for potential settler-driven lawsuits.²⁵

According to the Wadi Hilweh Information Center – who obtained a map and aerial photos of Ateret Cohanim’s settlement plans in the area (Figure 6) – the evictions in Silwan coincide with Ateret Cohanim’s larger strategy of confiscating 5200 square meters of land through the claims that the properties were owned by Jews from Yemen since 1881 – a claim that has already led to evictions of families from Batn al-Hawa as mentioned above. Moreover, the lands that are targeted for confiscation currently have 30-35 residential apartments with 80 families and

²² *The Guardian*, (2014). “Jewish organization opens religious school in Palestinian East Jerusalem.”

²³ International Middle East Media Center (IMEMC), (2015). “Silwan: Evacuation notices issued by right-wing Jewish organization.”

²⁴ Gostoli, Ylenia, (2015). “Neighbours gather to protest West Bank eviction order.” *Al Jazeera English*.

²⁵ Peace Now, (2015). “Palestinian Family in Silwan in immediate threat of eviction.”

approximately 300 people living in them. All of the residents have lived in the area since the 1960s after purchasing the property from previous owners.²⁶



Figure 6: Aerial view of Ateret Cohanim’s plans to confiscate 5200 square meters in the area of Silwan. The targeted area is divided into 6 pieces of land numbered 73, 75, 88, 95, 96 and 97. This area is home to 80 families and could lead to the displacement of 300 individuals.²⁷

Conclusion

The activities of settler organizations are cited by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) as being one of the main causes of Palestinian displacement in Occupied East Jerusalem as a result of forced evictions and the takeover of homes by settlers.²⁸ In the rest of the West Bank, the settler population continues to increase by 4% annually, exacerbating hostilities and violence against Palestinian communities. There are currently over 750,000 settlers residing in illegal settlements across the West Bank. The presence of settlements in the OPT is in direct violation of Article 49 of the Fourth Geneva Conventions which states

²⁶ Wadi Hilweh Information Center – Silwan, (2015). “Pictures and details: “Ateret Cohanim” seeks to control five Dunoms of lands in the neighborhood of Batn Al-Hawa in Silwan.”

²⁷ Ibid.

²⁸ OCHA, (2015). “Fragmented Lives: Humanitarian Overview 2014.”

that “an occupier may not forcibly deport or transfer parts of its own civilian population or culture into the territory it occupies.”²⁹ Furthermore, the application of Israel’s discriminatory legal regime in the OPT that facilitates the dispossession of property from Palestinian refugees over claims of Jewish property rights while disallowing Palestinians to claim their property that was owned before 1948 is similarly illegal under international law.³⁰ It is also important to note that these settler organizations operate within the larger political goals of the Israeli state that seeks to annex the land in the West Bank, undermine any potential for a cohesive Palestinian state and strategically expand illegal settlements so as to expel Palestinians and disassociate their communities from one another. Rather than acting as private actors that are independent of the Israeli state, these settlement organizations are a continuation of Israeli strategies of land confiscation in the West Bank that aims to seize Palestinian land, remove the Palestinian presence across the OPT and establish a Jewish majority in Occupied East Jerusalem.

Through the tax-exempt status of their financial intermediaries in the United States, the activities of these organizations, which includes actively dispossessing Palestinians from their lands and properties in the OPT and inciting violence and extremism against communities, are being subsidized by taxpayers in the United States. The status of these organizations directly contradicts United States and international objections to the expansion of illegal settlements in the OPT. Moreover, these organizations are complicit in the rising violence against Palestinian communities, which included 280 attacks on Palestinian civilians, 321 attacks on Palestinian religious and historical sites, and 191 attacks on Palestinian property since June 2014. The tax-deductible funding of Israeli settlement organizations directly contributes to violence, harassment and the displacement of Palestinian communities. Additionally, the subsidization of settler activities and settlement expansions in the OPT actively curtails the rights of Palestinians, uproots their physical security and undermines any potential peace in the region.

²⁹ The Geneva Conventions, (1949). Article Four Relative to the Protection of Civilian Persons in Times of War .

³⁰United Nations Office for the Coordination of Humanitarian Affairs (OCHA), (2012). “Settlements in Palestinian Residential Areas in East Jerusalem.”