Coalition for Justice in Hawaiian Gardens & Jerusalem

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Hawaiian Gardens members not included because they fear retaliation www.stopmoskowitz.org

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TO: RABBIS, PRESIDENTS, BOARD MEMBERS AND SOCIAL ACTION CHAIRS (please distribute)

FROM: THE COALITION FOR JUSTICE IN HAWAIIAN GARDENS AND JERUSALEM

RE: PLEASE DON'T BE DETERRED FROM AN IMPORTANT CAUSE

DATE: DECEMBER 13, 2000

Last month, reacting to the request of the Board of Directors of Temple Israel of Long Beach for area congregations to join in asking California Attorney General Bill Lockyer to reject Irving Moskowitz's application for a casino license, Moskowitz's lawyer wrote to temple' presidents. In addition to rampant ad hominem attacks on Rabbi Haim Dov Beliak -- the coordinator of the Coalition for Justice in Hawaiian Gardens and Jerusalem, who has no connection to Temple Israel -- the Moskowitz attorney's letter attempts to deter congregations from joining Temple Israel's effort.

This letter counters some of the untrue and misleading statements in that letter, which was signed by attorney Beryl Weiner. We hope that, once you've read this letter, you'll see no reason to be deterred by Weiner's warning not to embroil your congregation in our cause – because it is *our* cause, the cause of all of us who value justice and peace.

Temple Israel's call for denial of the casino license responded to a campaign led by the Coalition for Justice in Hawaiian Gardens and Jerusalem. Our goals are:

- to stop Irving Moskowitz's use of the impoverished city of Hawaiian Gardens as a cash cow for his fight against Middle East peace
- to help Hawaiian Gardens recover the money, direction, and social cohesion it lost during the past decade, as Moskowitz established a huge "charitable" bingo, a casino and political hegemony,
- to establish a prototype Latino-Jewish political collaboration for social justice.

There is one true statement in Weiner's letter. Our coalition is, indeed, appealing to you to join us in opposing Moskowitz's activities in Hawaiian Gardens.

We don't care whether Moskowitz makes another million dollars or loses another million dollars. (He probably doesn't either.) We do care that he presents himself as representing – *indeed, as saving* – the Jewish people by using Hawaiian Gardens as a cash cow for mayhem in Jerusalem.

We are also appealing to Attorney General Bill Lockyer to deny Moskowitz's application for a bingo license because we don't believe the people of Hawaiian Gardens will ever see any return on their totally involuntary "investment" in Moskowitz's casino. (We'll explain in a moment.) We believe the profits will flow to the extremist, anti-peace settler causes to which Moskowitz has given millions of dollars over the years.

For these reasons, we shudder at and protest Weiner's portrayal of Moskowitz as the philanthropist of Hawaiian Gardens. It just isn't true! Moskowitz has not for some time made charitable contributions to Hawaiian Gardens causes. In fact, he stopped funding city programs after he used his political clout manipulatively to get Hawaiian Gardens public funds to develop *his for-profit casino*.

As we show in the immediately following paragraphs, Moskowitz has exported millions of dollars in profits from his "charitable" Hawaiian Gardens bingo to extremist and right-wing organizations fighting anti-Middle East peace. In addition, he has transferred millions in bingo proceeds to his own operations in the city, a near-impenetrable tangle of for-profit and non-profit entities. One example of that is the Moskowitz-owned hospital, which he switched to non-profit status, then gave \$4.7 million from the foundation through which he controls the bingo; around the same time Moskowitz signed a lease with the hospital which will pay almost five million dollars into his private, for-profit company.

Some examples of Moskowitz's uses of profits from his "charitable" bingo in Hawaiian Gardens.

(All spending is through the non-profit Irving I. Moskowitz Foundation, controlled solely by Moskowitz. Source of information is IRS Forms 990 filed by Moskowitz Foundation and recipient non-profits.)

- Total grants given by Moskowitz Foundation 1988-1998: \$49.5 million
- Total grants given by Moskowitz Foundation to extremist and right-wing organizations fighting Middle East peace, 1988-1998: \$28.2 million.
- Total grants given to Hawaiian Gardens programs 1988-1998, including Moskowitz-controlled entities such as a food bank,: \$10.5 million.

(Please note that \$7.9 million of this amount was given during the 1995-1998 period during which Moskowitz was eliciting public funds and approvals for his casino. He has not made any bingo-profit donations to the city since September 1998).

• Estimated bingo profits and revenue that Moskowitz paid into his own private-profit landlord companies 1988-1998: \$9 million.

You should also know that he has used the bingo and other non-profits to pay \$2.7 million in "legal fees" to Weiner's law firm, Selvin & Weiner & Weinberger, between 1995 and 1998. (This total may be partial, as some Moskowitz-controlled Hawaiian Gardens non-profits did not file required IRS disclosure statements.)

The Moskowitz Foundation, it is important to note, does not contain Moskowitz's own money. Even though he uses the funds as though they are his own, the Moskowitz Foundation's assets are comprised of bingo funds and some dormant land. Local leaders tell us that Moskowitz assured them he would donate most of the bingo profits to Hawaiian Gardens causes. The numbers show he hasn't done that. Cozy and reassuring as the image of the philanthropist-doctor may be, the numbers show that Moskowitz is simply draining money from one poor community to oppress another, the Palestinians in Jerusalem.

In a putative rebuttal to reports that public funds were inappropriately devoted to the Moskowitz casino, Weiner argues in his letter that the city's "investment," as he calls it, was lawful. He does not, significantly, argue that it was voluntary. We encourage you to read about the document substitutions and other subterfuges the Moskowitz organization used to capture public funds. Please go to our Web site, at <u>www.stopmoskowitz.org</u>, and click on "casino contracts compared." Then click on "the story of Moskowitz and Hawaiian Gardens."

Weiner's argument that the casino will give the city fabulous profits in the years ahead doesn't in any way excuse the plundering of a poor, primarily Latino community.

How could profits next decade mitigate Moskowitz's impoverishment of the city while a whole generation of its at-risk youth comes to maturity?

Moreover, our Coalition's research indicates that Moskowitz plans to stop paying any casino revenue taxes to the city the moment the city repays the \$3.5 million loan he made it take from him to complete a range of casino amenities, including the decorative "fire-breathing" volcano near the building's entrance. (The California State Legislature's Counsel recently opined that it is illegal for a public agency to take such a loan.) Additionally, we've warned that Hawaiian Gardens could be left holding the bag for almost \$5 million worth of bonds it recently issued, to be repaid with casino revenue taxes.

The coalition has identified "stealth" language inserted by Moskowitz operatives in the casino development agreement with Hawaiian Gardens that forbids the city from imposing special taxes on the casino. The Coalition warns that Moskowitz will invoke that language and stop paying taxes as soon as he's collected his \$3.5 million loan (with interest). We have also pointed out that the loan repayments are not scheduled to really kick in until after the March 2001 election, in which the Moskowitz organization appears to expect to seat a solid three- or four-member majority.

The bond proceeds and the loan went for casino-related expenses that are usually borne by developers. Moreover, the bonds cover almost \$1 million of "legal fees" that Weiner's law firm charged for representing Hawaiian Gardens in eminent domain actions related to the casino. Even in the unlikely event that the representation is not ultimately deemed to have been a conflict of interest, it was appears not to have been legally contracted by Hawaiian Gardens. Two members of the 1994 City Council that (in its role as the Community Redevelopment Agency) purportedly okayed hiring Weiner, say the council never voted on the retainer. State Senate Majority Leader Richard Polanco urged Hawaiian Gardens to delay in paying the Weiner bill. But the City Council, under the iron Moskowitz fist, ignored all pleas, issued the bonds and paid the bill.

Especially appalling to us is that, during this brief Potemkin period of casino revenue, before loan repayments kick in, the Moskowitz-controlled City Council majority has not stirred itself to fund desperately needed public services. Instead, the three Moskowitz council members voted enormous increases in council pay and car allowances.

Weiner devotes a great portion of his letter to disparaging and discrediting a July 6th report on Moskowitz's dealings with Hawaiian Gardens issued by the then Chair of the Joint Legislative Audit Committee (JLAC). The report, which is posted on <u>www.stopmoskowitz.org</u>, cites Hawaiian Gardens documents unavailable to the Coalition to conclude that Hawaiian Gardens' involvement with Moskowitz's casino was "a gross abuse of redevelopment for the benefit of a single private interest. It demonstrates how [Hawaiian Gardens'] cash-strapped redevelopment agency ... fell victim to an aggressive and litigious redeveloper and his attorney."

Ironically, in an apparent effort to buttress his disparagement of the JLAC report, Weiner includes a letter to Moskowitz from California State Assembly Speaker Robert Hertzberg, calling the report "preliminary," but noting that "because the preliminary report raises some very serious concerns about the redevelopment project and the relationship of the redevelopment agency to certain financial interests in Hawaiian Gardens, I believe it is essential that the full Joint Legislative Audit Committee have the opportunity to hear the issue and take whatever action it deems appropriate." Hertzberg also says in the September 22, 2000 letter to Moskowitz that he has ordered JLAC Chair Assemblymember Fred Keeley "to conduct a full and fair hearing on the preliminary staff report."

Despite his disparagement of the JLAC report, Weiner has gone to considerable lengths to rebut its conclusions of probable lawbreaking by saying that a 1997 court judgement found the casino had broken no laws. What he neglects to say is that the "judgment" was a settlement in a civil lawsuit in which Moskowitz and Hawaiian Gardens paid casino opponents several hundred thousand dollars in exchange for the plaintiffs' declaration that no laws were broken. That hardly qualifies as an ultimate criterion of legality in the conduct of public agencies.

Hawaiian Gardens is completely and abjectly dependent on Moskowitz. This dependence goes beyond financial thrall to political obeisance and paralysis. Weiner and other Moskowitz operatives have publicly condemned and threatened city council members for participating in Coalition activities. Our coalition members were present at one Hawaiian Gardens City Council meeting when Weiner, in remarks from the podium, told an audience containing well-known Moskowitz political enforcers, that two council members had participated in a Coalition news conference. The implications were chilling and clear.

Moskowitz opponents have never had a fair chance to contest elections because Moskowitz has hired intimidating gang members as campaign workers. Additionally, there is such thoroughgoing suspicion of the way the Moskowitz loyalists who dominate city Hall conduct the vote-counting process, that the Coalition for Justice is seeking volunteers and financial support for an intensive election monitoring effort during the current campaign for municipal offices. (We hope your committee will let our Coalition tell you more about this important opportunity for Jewish-Latino political cooperation.)

The Moskowitz operation has not only used its absolute political control of the city to gain the use of public funds, draining millions in local revenues. It has repeatedly moved to foreclose other revenue sources. Because he could (and did) regulate the flow of bingo proceeds to Hawaiian Gardens, Moskowitz controlled the size of the city government at will. After the staff was shrunk by layoffs from over 100 to 28, there was no one to apply for grants or other funds available to local governments.

To avoid taxing your patience, we've given you only the barest outlines of the research and documentation on which we base our arguments and, more importantly, our efforts on behalf of Hawaiian Gardens. We're eager to share the underlying research, analysis and documentation with any committee considering supporting the Coalition's efforts.

And whether or not your congregation decides to take an active role in bringing justice to Hawaiian Gardens, we urge you not to be deterred by Weiner's "caution" not to "embroil" your congregation in "a controversy." There's no controversy. Just a decade of wrong to be righted.

PLEASE NOTE: Special Social Action Service and Program Friday night, December 15, 2000, 8:00 PM Temple Israel 3538 East 3rd Street Long Beach