

## The Coalition for Justice in Hawaiian Gardens and Jerusalem

www.stopmoskowitz.org

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# **NEWS! COALITION DISCOVERS THAT MOSKOWITZ AGAIN FUNNELS "CHARITY" BINGO FUNDS TO HOSPITAL HE LEASES**

**August 20, 2000. The Irving Moskowitz Foundation, operator of the Hawaiian Gardens bingo, has made at least its second transfer of bingo proceeds to the Tri-City Regional Medical Center, from which Irving Moskowitz, through a private company, pockets over \$1 million a year in rent. The hospital, which operates at a loss and treats few patients, reported paying lease and rental fees of \$1.3 million in 1999. Moskowitz had owned the hospital for over 25 years when he spun it off as a non-profit in late 1996.**

Moskowitz totally controls the Moskowitz Foundation's distribution of millions of dollars of bingo revenues and gives the bulk of them to organizations opposing Middle East peace. California law requires that bingo be run for exclusively charitable purposes. Nevertheless, Tri-City Regional Medical Center's most recent financial disclosure report filed with the Office of Statewide Health Planning and Development (OSHPD) shows zero spending on charity care. And, despite the desperate poverty of the Hawaiian Gardens "region" the hospital purportedly serves, it receives none of the

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available “Disproportionate Share” funds the government gives hospitals which care for large numbers of MediCal patients.<sup>1</sup>

Moskowitz’s privileged access to millions of dollars in Hawaiian Gardens public funds to develop his Hawaiian Gardens Casino, was the subject of a scathing report issued last month by the State of California’s Joint Legislative Audit Committee.<sup>2</sup>

The Coalition for Justice in Hawaiian Gardens & Jerusalem discovered the Moskowitz Foundation’s loan to the hospital in a UCC financing statement filed with the Secretary of State last May. The filing<sup>3</sup> does not show the amount of the loan, but it shows the hospital’s pledge, as collateral to the Moskowitz Foundation, of its accounts receivable and other forms of income. The Coalition works to help Hawaiian Gardens, a small city in southeast Los Angeles County, repair the economic and social damage caused by Moskowitz.

In the past, the hospital has accounted for a Moskowitz Foundation donation of \$4.8 million as a loan, at 8.25 % interest.<sup>4</sup> The foundation reported this sum as a gift.<sup>5</sup> In its 1999 OSHPD disclosure, the hospital said it paid \$745,875 in interest and lists notes and loans payable at \$8.8 million. Its 1997 IRS filing shows a debt of \$3.5 million to Moskowitz’s Cerritos Gardens General Hospital Company, landlord to the hospital, the bingo and the casino.

The Coalition will request that Attorney General Bill Lockyer investigate Moskowitz’s circular method of putting non-profit funds in his own pocket. “The purpose of charitable bingo was to foster philanthropy, not private enrichment,” said Coalition Coordinator Rabbi Haim Dov Beliak. “Moskowitz is applying for a license to operate his casino, for which state law requires affirmatively good character – hardly what Moskowitz has demonstrated in his management of the bingo profits.”

The Coalition also hopes Lockyer and other officials will scrutinize the

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Moskowitz Foundation's past channeling of bingo funds to several "pass-through" foundations Moskowitz set up and used to fund city operations during a period when he awaited approvals for his casino. (In 1998 he stopped the donations.) One of the organizations, the Public Safety and Police Foundation, which Moskowitz gave \$3.7 million in bingo funds, did not file the required disclosures of its handling of the funds, a significant portion of which might remain in its custody.

The Moskowitz Foundation, the "pass-through" foundations and the hospital have all paid substantial legal fees to the firm which represents Moskowitz's private companies, among them the casino. Between 1995 and 1998, the firm, Selvin & Weiner & Weinberger, got at least \$2.7 million from these sources.<sup>6</sup> In its 1999 OSHPD disclosure, the hospital said it spent \$1.2 million on "other" (i.e. non-doctor) professional services.

<sup>1</sup> OSHPD Disclosure Report for 1/1/99 thru 12/31/99, available from Coalition.

<sup>2</sup> You'll find a link to the report at [www.stopmoskowitz.org](http://www.stopmoskowitz.org)

<sup>3</sup> UCC 0013761201, filed 5/15/00 at Secretary of State's office, Sacramento, available from the Coalition

<sup>4</sup> Hospital's 1997 IRS Form 990, available from the Coalition

<sup>5</sup> Moskowitz Foundation IRS Form 990 for 1997

<sup>6</sup> The chart below is based on data submitted by the various organizations on their Forms 990, copies of which are available from the Coalition

<b>Payments from bingo proceeds to Selvin &amp; Weiner &amp; Weinberger law firm</b>					
	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>Totals</b>
Moskowitz Foundation	\$647,878	\$511,458	\$553,180	\$542,402	<b>\$2,254,918</b>
Food Bank	Not available	\$41,994	\$7,103	unknown	<b>\$49,097</b>
Education Foundation	Not available	\$57,121	\$26,945	unknown	<b>\$84,066</b>
Hospital	Not available	Not available	\$288,019	unknown	<b>\$288,019</b>
Public Safety & Police Foundation	unknown	unknown	unknown	unknown	unknown
<b>Totals</b>	<b>\$647,878</b>	<b>\$610,573</b>	<b>\$875,247</b>	<b>\$542,402</b>	<b>\$2,676,100</b>