



Shurat HaDin Israel Law Center

2012 Annual Report



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A Message from the Director

Dear Friends,

Shurat HaDin's mission is to obtain justice for terror victims and to combat terror activities by obstructing the flow of funds. The achievements highlighted below illustrate our accomplishments over the past year. In a time of tremendous economic and political challenges, Shurat HaDin nevertheless maintained momentum on all fronts of the battle against terrorism, from academic research to favorable verdicts in the court of law. This document seeks to provide an up-to-date report on the organization's activities.

We are proud of our progress in the past year of 2012 and thankful to the many generous supporters who continue to support. It is through their generosity that we are enabled to continue our crucial work and to provide advocacy and legal representation on behalf of the State of Israel and the international Jewish community.

Thank you for all your support.

Yours,



Nitsana Darshan-Leitner

Fighting on Behalf of Israel

Shurat HaDin – Israel Law Center is a world leader in the fight to stop terrorist funding. By using legal action and civil lawsuits, Shurat HaDin assists in bankrupting terror groups and grinding their activity to a halt. Shurat HaDin works with western intelligence agencies and a network of volunteer lawyers around the world to file legal actions on behalf of terror victims. We have successfully disrupted the terrorist groups and helped their victims to strike back at those responsible for devastating their lives.

Today, Shurat HaDin represents hundreds of terror victims in legal actions against Hamas, Islamic Jihad, Hezbollah, North Korea, the Palestinian Authority, Iran and Syria. We also have taken legal measures against

numerous financial institutions used by the terrorists, such as UBS AG, the Lebanese-Canadian Bank, American Express Bank, and the Bank of China.

In addition, Shurat HaDin is at the forefront of the battle for Israeli security and to safeguard Jewish rights worldwide. Shurat HaDin joined forces with the Israeli Navy, the IDF and the Prime Minister's Office and utilized legal actions to block the planned Gaza Flotilla from breaching the Israeli coastal blockade of the Hamas controlled Gaza Strip. We act on behalf of IDF soldiers accused of war crimes or of employing unnecessary force against Palestinians rioters and we fight to secure the release of Jewish prisoners around the world. We file lawsuits to combat anti-Semitic organizations, and are leading the fight against those calling for boycotts and sanctions against the Jewish state.

Shurat HaDin ensures that the private sector has a role in initiating bold action, that governments are restrained from, to help win the war against Israel's enemies.

Achievements and Activities in 2012

* **Lawsuit on Behalf of Families of Slain Students against Bank of China**

In October, 2012, we filed a \$1 billion lawsuit against Bank of China on behalf of families of eight Israeli high school students killed in a March 2008 shooting in *Merkaz Harav Yeshiva* in Jerusalem. The civil lawsuit, filed in New York State Supreme Court, alleges that the bank "intentionally and recklessly" provided banking services to terrorist groups through its New York branch. The plaintiffs contend that Israeli counterterrorism officers met with officials from the Chinese Ministry of Public Security and China's central bank in 2005 and demanded they move to prevent the Bank of China from making further wire transfers, but the demands were ignored. Bank wire transfer operations, particularly those moving money into the U.S. and vice versa, have received attention in the U.S. in recent years.



* **Lawsuit against Secretary Hillary Clinton, State Dept. over Claimed Terror Group Funding**

In November, 2012, Shurat HaDin, representing 24 Americans living in Israel, filed a civil action lawsuit against the State Department claiming that the U.S. government is funding Palestinian terrorism in the West Bank and Gaza. The suit, *Bernstein vs. Clinton*, which was filed in the District Court for Washington, D.C., asserts that the State Department has failed to observe



congressional safeguards, transparency, and reporting requirements in its funding of the Palestinian Authority (PA) and United Nations Refugee Worker's Administration (UNRWA). It alleges that, as a result, American taxpayer money has ended up in the coffers of terrorist organizations like Hamas. According to the lawsuit, the State Department has given over \$4 billion to Palestinians through USAID since the Oslo Accords in 1993, while portions have illegally ended up with terrorists. In the last four years, the average aid to Palestine has been \$600 million annually. An additional \$200 million in funding went to UNRWA in 2008 and 2009, and the body subsequently donated \$500 million to recipients in the West Bank and Gaza. The suit asks the court to examine the State Department's observance of funding safeguards and end aid to the PA until the department is in compliance with all the funding regulations.

* **\$338M Judgment against Syria over Kidnapping of Americans by Kurdish Terrorists**

On December 17, 2012 plaintiffs we represent won a \$338 million judgment against the government of Syria on behalf of two American biblical archaeologists leading an excavation in Turkey, who were kidnapped by the Turkish terror group the PKK. The Americans, who were searching to discover the location of the remains of the biblical Noah's Ark, were held hostage for 21 days before they finally were able to escape. The



decision, handed down in the United States district court for Washington D.C., found that the government of Syria was responsible for providing

material support and resources to the Kurdish Workers Party ("PKK"), a terrorist organization designated by the United States State Department.

*** Major Decision in a Lawsuit against Lebanese Bank on behalf of Hezbollah Terror Victims**

In November 2012 a case we represent won a major decision in the highest court in New York, the Court of Appeals, concerning a lawsuit against a front bank utilized by the Hezbollah terrorist organization. The federal suit was brought by dozens of victims of two 2006 rocket attacks in northern Israel that were allegedly perpetrated by Hezbollah. The plaintiffs claim that Beirut-based Lebanese Canadian Bank used an account with American Express in New York



to wire millions of dollars to the group. In a unanimous decision, the Court of Appeals ruled that because the claims arose from an alleged transaction that took place in New York, courts in the state may hear the case. The plaintiffs' allegations "show purposeful availment of New York's dependable and transparent banking system, the dollar as a stable and fungible currency, and the predictable jurisdictional and commercial law of New York and the United States," Judge Susan Read wrote for the court. This could open up the gate for many future cases against overseas banks that assist terror groups.

*** Court Awards Family of American Terror Victim \$332 Million against Syria**

On May 16, 2012, United States District Court for Washington D.C. handed down an important decision in the amount of \$332 million against the government of Syria for its role in an April 2006 terrorist attack perpetrated in Israel. The suicide bombing killed 11 civilians and injured scores of others. One of those murdered in the bombing was Daniel Wultz, an American student from Florida. His family brought the lawsuit against the Syrian Arab Republic and other parties alleging that Damascus had allowed the Palestine Islamic Jihad (PIJ), which carried out the attack, to be headquartered in Syria and provided other material support to the terrorist group. The civil action demanded compensation and punitive damages against the Syrian government as well as numerous Syrian military and intelligence officials. The U.S. District Judge Royce Lamberth ruled, "When a state chooses to uses terror as a policy tool - as Iran and Syria continue to do - that state forfeits its sovereign immunity and deserves unadorned condemnation. Barbaric acts

like the April 17, 2006 suicide bombing have no place in civilized society and present a moral depravity that knows no bounds." There is a good chance for the victim's family to get compensation through frozen Syrian assets held by the U.S.

* **Suicide Bombing Victim Sues Hotel to get Money from Iranian President**

On September 14, 2012 we filed a lawsuit in NY federal court, against Manhattan's luxurious Warwick Hotel for agreeing to host Iranian President Mahmoud Ahmadinejad during his visit to the United Nations General Assembly on the week of September 24th. The lawsuit demanded the Warwick Hotel hand over any money they receive from Iran or alternatively, exclude Ahmadinejad from his hotel room and hand the keys over to our client Stuart Hersh, an American citizen who was severely injured in a 1997 Hamas suicide bombing in Jerusalem. In 2003, a federal court found Iran liable for the attack and ordered them to pay Hersh \$12 million, plus interest. Hersh alleged that Iran had provided material support and resources to the terrorist group. To date, that judgment remains unpaid. This current enforcement proceeding seeks to satisfy a portion of the judgment.



* **US Supreme Court Dismisses Torture Case against the Palestinian Authority on Technicality**

On April 19, 2012, The US Supreme Court decided to dismiss a lawsuit brought on behalf of the family of a Palestinian-American murdered at the hands of Palestinian intelligence officers in Jericho in 1995. The Court ruled that the Torture Victim Protection Act, as it is currently drafted, did not allow the family to sue the Palestinian Authority and Palestine Liberation Organization. The Justices held that the use of the term "individual" in the law's wording denoted that only private individuals, rather than corporations or organizations, could be targeted and held liable for torture. The US Supreme Court only chooses to hear about 80 cases each year. A dozen human rights advocates joined Shurat HaDin's appeal, including the UN Human Rights Commission, Senator Arlene Specter (who had originally sponsored the law), Stanford University's Supreme Court Clinic, The Center for Law & Accountability and others.

*** Israel Law Center Calls on Attorney General to Prosecute 'flytilla' Activists**

On April 12, 2012, Shurat Haden called on Attorney-General Yehuda Weinstein to prosecute pro-Palestinian activists who come to Israel as part of the mass “fly-in” or “flytilla” event. The activists intended to cause disruptions at the airport and create an international media scandal for Israel. In the letter to Weinstein, we said those “flytilla” activists who come to Israel would be acting in violation of Israeli law, including the Penal Code, the Police Ordinance and Emergency Regulations. Police estimated that between 500 and 1,000 activists would try to land in Israel on 20 flights from Western Europe and Turkey, though organizers estimated that closer to 2,000 people will attempt to arrive. While police view the flytilla activists as hostile elements seeking to create provocations, organizers of the event, also called “Welcome to Palestine,” have in turn insisted that Israel is overreacting. Shurat HaDin has long expressed the view that effective and tough law enforcement efforts against anti-Israel provocateurs is the only means of deterring future criminal actions. Too often, those that intend to enter Israel and engage in unlawful protest activities are let off with a slap on the wrist which emboldens them to undertake new dangerous provocations.



*** Director of Shurat HaDin Wins Prestigious Prize**

On April 4, 2012, Attorney Nitsana Darshan-Leitner, the director of Shurat HaDin, was recently chosen as a 2012 winner of a prestigious award for Zionism. The annual recognition, "Lion of Zion" Moskowitz Prize for Zionism, seeks to bestow "support for people...acting for the benefit of the common good in order to ensure the strength and resilience of the national Jewish homeland." In selecting Darshan-Leitner, the prize committee noted Nitsana's "dedication, day in and day out, to preserving the honour of Israel and to pressing the legal case against those who seek to harm it." They additionally stressed that Darshan-Leitner had "achieved results, including some about which we in this country are still unaware... [She] is a beacon for society."



* **Fighting Australian Aid to the PFLP Terror Organization**

On February 2012, Shurat HaDin first exposed Australian Aid funding of a Gazan agricultural “charity” (the “UAWC”) with close links to the proscribed terrorist group the Popular Front for the Liberation of Palestine (PFLP). Shurat HaDin prepared and distributed a detailed dossier of evidence against the UAWC including numerous PFLP



directors, sharing facilities with the PFLP & working together with the PFLP. Shurat HaDin launched an ongoing media and political campaign against AusAID and World Vision Australia funding of the UAWC which has included large amounts of press and numerous actions in Federal Parliament. Since October 2012 Shurat HaDin has been in negotiations with World Vision discussing plans for them to cease funding of the UAWC.

* **Shurat HaDin Warns the PLO's Landlord and Verizon**

On January 24, 2012, Shurat HaDin warned the landlord of the Palestine Liberation Organization's (“PLO”) office in Washington, D.C. and the publicly traded Verizon telephone company that providing premises, phone lines and other associated services to the PLO is illegal and will expose the landlord and Verizon to both criminal prosecution and civil liability to American citizens and others victimized by PLO-sponsored terrorism. In letters signed by American counsel Robert Tolchin of New York and Nitsana Darshan-Leitner, to Endeka Enterprises LLC, the owner of the premises that house the PLO's offices and Verizon which provides them telephone service, we demanded that Endeka and Verizon permanently discontinue providing services to the PLO.

Other progress and developments in 2012

* **Student Internship Programs**

Shurat HaDin's internship programs provide law students and young attorneys with a unique opportunity to play a role in the fight against terrorist organizations and states or institutions sponsoring terror. Students work in a dynamic environment with volunteer lawyers from around the world. This program is not found at other institutions or non-government organizations and the acquired experience is invaluable, providing an edge when competing for a post-graduation job. *The Arnold Silverman Internship Program/Summer* (ASIP/Summer) and the winter internship program bring top

law school students to serve as interns at Shurat HaDin's Tel Aviv office. The students will be making a difference by working on actual law cases that assist innocent civilians injured in terrorist attacks along with other issues relevant to Israeli and Jewish security.

The students conduct hands-on research and writing involving the litigation activities of Shurat HaDin, evaluating topics such as anti-boycott activities, tort laws, free speech issues, sovereign immunity, evidentiary matters, anti-terror laws, legislative history on different laws, and a variety of other fields. They also research potential or on-going cases, as well as draft memos and summaries. The students benefit from Shurat HaDin's internship programs on many levels: they receive professional work experience and bolster their resume, it lays the groundwork for future networking and meeting new professionals, encourages closeness with the Jewish state and other Jewish people.

* **Law and Policy Center**

We also are working to develop a center on security and *lawfare* to be based in Jerusalem. The center would assist with our litigation activities by affording greater involvement of academics and policy makers both from Israel and abroad, ongoing activities such as conferences, workshops, and lecture series, and broadening of existing student programs. We have established a small endowment for a lecture series, and are seeking funding for a building that would allow for a small venue and office.

* **Education through Missions and Public Speaking**

Director Nitsana Darshan-Leitner is frequently asked to speak at numerous events all over the world, from Australia, Europe, South America to Canada. These events, usually organized by local communities, serve many purposes. They allow for increased awareness, not only of Shurat HaDin, but of the whole idea of lawfare and its potential. The events provide Shurat HaDin's Director with a stage to widen its circle of supporters. We try to travel to many different countries each year to provide information on the work of the law center. Some of the countries visited this year include Mexico, Norway, Canada, England and the Netherlands.

Shurat HaDin organizes missions twice a year to Israel. Participants of these *Ultimate Missions* travel around the country, have the privilege of hearing lectures by high ranking Israeli government officials, intelligence agents and IDF officers, survey court proceedings and tour along Israel's strategic borders.

*** Increased Media Exposure**

Shurat HaDin has experienced increased media exposure over the past year, with many news stories making head waves on numerous local and international networks and wire agencies such as Reuters, Fox News, Wall Street Journal, Associated Press, New York Post, Xinhua and CNN. Some of the news items included the launching of lawsuits against the Bank of China, victories in legal battles against Syria and Iran, as well as the sending of warnings to companies doing business with terror groups. Shurat HaDin was also able to expand its online footing and is now present on all major social media networks such as Facebook, Twitter, Google+, and LinkedIn. In addition, our audience continues to be updated via our blog and electronic newsletters. Finally, we have worked to interactively inform followers about the activities of those taking part in our Ultimate Missions to Israel and internship programs.

A Climate for Change – Strategy for 2013

While Shurat HaDin endeavors to preemptively obstruct terror funding and anti-Israel activities, it must also react swiftly to seek justice for victims. Thus this coming year will likely be an evermore demanding one for Shurat HaDin.

*** Canada Office**

2013 marks the opening of yet another office, this year in Canada. The Toronto office will go on the offensive and attempt to duplicate the success of the U.S. office. Initially it will act against anti-Israel campus events in a legal capacity and bring a series of test-cases under different jurisdictions to explore what types of cases could be successfully argued. In addition to the legal aspect, a public relations campaign will serve to increase awareness of the organization and will likely deter anti-Israel activities.

The initial stage of the litigation project would require one full time attorney; we are currently conducting interviews to fill the position.

*** ICC Campaign**

Exactly 65 years after passing the Partition Plan for Palestine in 1947, the UN General Assembly voted to recognize Palestine as a non-member state with observer status. This has far-reaching implications for Israel. Member states with observer status, such as Palestine can file suit against Israel in the International Criminal Court (ICC).

Israel has never enjoyed a favorable mindset in the international community, a matter which seems to have escalated in recent years partly due to the growth of Islamic countries in the UN, and to the fraudulent propaganda led by various hostile elements including the PA throughout the years. The possibility of not receiving a fair trial is of real concern for the Jewish State; that even speaking the truth will fall on deaf ears (the Goldstone Report is a perfect example). The ICC can determine that Israel is guilty of war crimes, that it is illegally holding and inhabiting territory, and can order Israel to pay heavy compensation to the Palestinians.

A result of such a ruling for Israel means that it would be forced to comply with the ICC or risk sanctions by the international community (embargo, termination of aid etc), or diplomatic pressure. Shurat HaDin is preparing for this eventuality by launching a widespread Israeli media campaign with the purpose of staving off and deterring this move. The campaign will target/ call for Israeli victims of terror and we will gather an overwhelming amount of evidence and plaintiffs who would be willing to file their claim against the PA for crimes they have committed against them, crimes that are well beyond the acceptable definition of crimes against humanity. **If the Palestinians take on ICC membership they themselves can be sued for crimes in the ICC. Palestinian officials will themselves be looking at accusations and indictments brought by Israeli victims of Palestinian terror.**

We believe the PA cannot afford to defend itself against such accusations, in particular as they will be facing a large number of charges, very severe by nature. Moreover, they will no longer have the luxury of being solely on the accusing side, placing Israel on the defense. Undoubtedly the PA has much to lose by facing such accusations. They risk losing the vast international support which they currently enjoy. They could be slapped with hundreds of millions of dollars in compensation fees and losing the extensive financial support they currently receive from various countries around the world.

*** Australian & New Zealand Involvement – Boycott Divestment Sanctions (BDS) Movement**

Shurat HaDin has been active in preparing to bring legal action against the global BDS movement in Australia. Large amounts of evidence have been collected and collated, including by Australian interns serving with Shurat HaDin, and the legal grounds for action have been prepared. Shurat HaDin has built connections with lawyers and Jewish community leaders in Australia in preparation for taking action when the right opportunity arises (specifically an Australian business actually being damaged by BDS and being willing to cooperate).

New Zealand Superannuation Fund (NZ Super) has commenced an illegal and damaging boycott of three Israeli firms: Africa Israel Investments, Elbit Systems Ltd, and Shikun Binui. The NZ fund has divested its holdings in Africa Israel Investments Ltd based on misleading and deceptive statements that are politically motivated by the anti-Israel activity of the global Boycott Divestment Sanctions (BDS) movement. Shurat HaDin's legal analysis has concluded that the actions and statements of NZ Super are likely to be both illegal under New Zealand laws, prohibiting misleading and deceptive statements in trade, and are potentially damaging to the abovementioned companies. In particular, NZ Super's statements imply that Africa Israel Investments Ltd activities in building houses in Jewish towns are illegal and/or unethical when in fact they are perfectly legal and ethical. Shurat HaDin seeks to commence legal action against NZ Super for misleading and deceptive conduct in order to combat the growing attempts to delegitimize Israel and anti-Semitic discrimination against Jews and Jewish interests by the BDS movement.

*** Lynched IDF Soldiers Case is going to Trial**

The case of the two soldiers lynched in the police station in Ramallah in the beginning of the Intifada is going to trial this year. In October 2000, two IDF reservist soldiers, Vadim Nurzhitz and Yossi Avrahami, accidentally entered the Palestinian Authority (PA) controlled city of Ramallah and were taken into custody by local PA policemen and taken to a local police station. PA policemen allowed the mob access to the police station and even participated in the vicious murder and mutilation of the Israeli reservists. The brutal lynching was captured on video by Italian TV and broadcast around the world.

Shurat HaDin has been gathering evidence and brought suit in the Jerusalem District Court against the Palestinian Authority for 64 million shekels claiming that they were responsible for the atrocious murders of the two Israelis and demanding compensation in addition to punitive damages. The case is now at the stage of evidentiary hearings.