

Bank Hapoalim

**Canada Pension Plan
2011 Investment**

\$8 million

With assets of US\$86 billion, Hapoalim is the second largest bank in Israel. After the 1983 “Bank Stock Crisis,” in which bankers manipulated stock prices and were eventually indicted, the Israeli government took over Hapoalim. It then became Israel’s largest bank, and was privatized in 1996.

The Angolagate Scandal

In October 2009, when Israeli-Russian business tycoon, Arcadi Gaydamak, was indicted in Tel Aviv for laundering US\$170 million through Bank Ha-

“found guilty of masterminding [US]\$790 million worth of illegal arms trafficking to the Angolan government” during its civil war in the 1990s. The French court sentenced him in absentia to six years in jail. Through “Angolagate,” Gaydamak also committed “bribery, tax evasion, fraud and embezzlement.” His goal was to secure Angolan oil-drilling rights in exchange for the provision of weapons. When his French trial began in 2008, Gaydamak avoided French authorities by fleeing to Israel.

Funding War Industries

Over the years, Hapoalim has financed large weapons makers like Israel Military Industries (IMI), the country’s largest state-owned weapons manufacturer. In 2004, Israel’s business paper, *Globes*, reported that because of a 1998 loan, IMI was still in debt to Hapoalim for US\$110 million. (See “State-owned Israeli War Industries,” pp.48-49.)

Another Israeli military firm which has benefited from Hapoalim’s financing is Aeronautics Defense Systems, which makes unmanned aerial vehicles. In 2010, Hapoalim’s investment arm, Poalim Capital Markets, put US\$3 million into Aeronautics. Poalim’s website lists Aeronautics among its four “principal investments.” When reporting on Aeronautics in 2011, the *Calcalist*, a daily business paper in Israel, reported that “all of the company’s assets, including its production plant and bank accounts are mortgaged to Bank Hapoalim and Bank Discount.” (See DIC, p.25.) The paper notes that Aeronautics’ “debt to the two banks stands at hundreds of millions of shekels.” (Note: There are about 4 shekels in a dollar.)

Aeronautics not only makes numerous unmanned drones for Israel’s military, it also conducts military operations. Aeronautics’ website states:

“Making military history as the first civilian company to carry out all-inclusive operational missions for the

Israeli Defense Forces (IDF), Aeronautics has been outsourcing its visual intelligence services for field security to the IDF since 2002.”

Poalim also invested in PerSay, a spin-off from one of Israel’s biggest intelligence-related firms, Verint. (See “Israeli Spy Companies,” pp.43-47.)

Hapoalim is a principal shareholder and creditor of Gilat Satellite Networks, which serves Israeli military and intelligence agencies.

Hapoalim has also given long-term financing to Enlight, an Israeli company whose “largest project is the installation of 45 PV [photovoltaic] facilities on the roofs of buildings at IDF [Israel Defense Forces] bases.” Besides this US\$8 million IDF contract, Enlight is also building wind turbines for six villages in the Israeli-occupied Golan Heights.

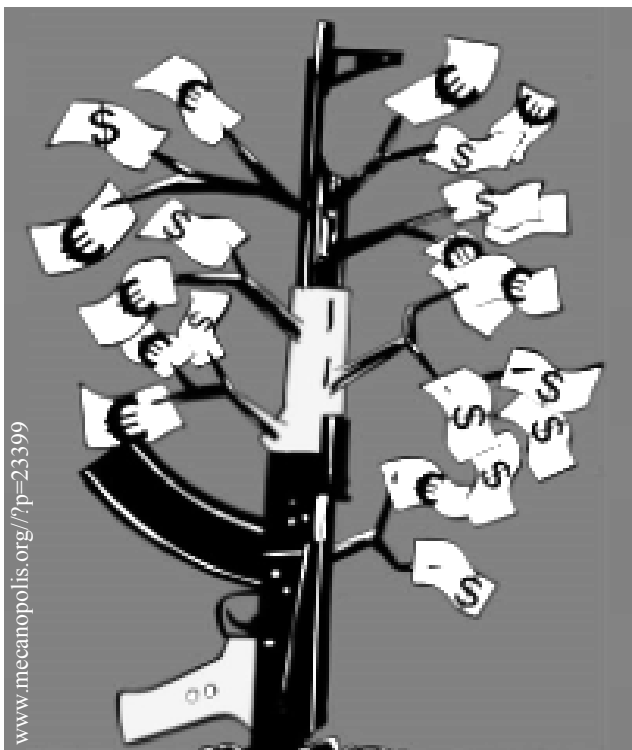
Financing the Occupation

The “Who Profits from the occupation” database, compiled by Israeli’s Coalition of Women for Peace, reveals Hapoalim’s complicity in financing the construction of illegal Israeli settlements in occupied Palestinian territories. Hapoalim also provides mortgages to homebuyers in these settlements and gives loans and financial services to their local government authorities. And, the bank has branches in occupied East Jerusalem and the Golan Heights, and benefits from access to the captive Palestinian monetary market.

Hapoalim has loaned to Israeli businesses in the occupied territories, and has financed the Jerusalem light rail project, which connects illegal Israeli settlements with the downtown core.

Mossad Chief on Board

One of Hapoalim’s former directors, Nahum Admoni, was the CEO of Mekorot, Israel’s National Water Co., which has overseen the plundering of water sources in the occupied territories. Admoni was also a director of Leumi Le’Israel and the Discount Investment Corp. (See DIC, p.25 and Leumi in table “CPP Investments,” p.53.) More significantly, this Hapoalim director was the chief of Israel’s foreign intelligence agency, the Mossad, from 1982 to 1989. During his leadership of the Mossad, Israel’s in-



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Hapoalim has financed numerous Israeli military and intelligence-related companies including Aeronautics Defense Systems, Israel Military Industries, Gilat Satellite Networks and PerSay.

poalim, he fled to Russia. Several of the bank’s senior executives were indicted for conspiring with Gaydamak. Later that month, Gaydamak was

telligence community was scandalized by the arrest of Jonathan Pollard, an Israeli spy in the US, as well as by revelations about Israel's role in the Iran-Contra scandal, and by their kidnapping of Mordechai Vanunu, an Israeli nuclear technician who blew the whistle on Israel's nuclear weapons.

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Bezeq

**Canada Pension Plan
2011 Investment
\$9 million**

Bezeq, which describes itself as "Israel's largest and leading telecommunications group," has total assets of US\$1.1 billion. Until 2005, it was a state-run enterprise with a monopoly on the Israel's landline telephone system and the country's internet-access infrastructure.

The online database, "Who Profits from the occupation," sums up Bezeq's military links saying it provides "telecommunication services to all the Israeli settlements, army bases and checkpoints in the West Bank and to Israeli settlements in the Golan Heights."

The "Who Profits" database also reveals that Bezeq's wholly-owned subsidiary, Pelephone Communications, built almost 200 antennas and telecommunication facilities on occupied land in the West Bank and the Golan Heights. Pelephone provides cell services to Israeli soldiers and settlers in the occupied territories, including such illegal "outposts" as Havat Gilad near Nablus in the West Bank.

Bezeq also owns YES, an Israeli company that provides satellite broadcasting services to some Israeli checkpoints and to all Israeli settlements.

A high-profile Israeli who was on Bezeq's board between 2005 and 2007, is retired Brigadier General Pinchas Buchris. Upon leaving Bezeq's board in 2007, Buchris became the general manager of Israel's Ministry of Defense, where he remained

until 2010. (Buchris was also a director of Gilat Satellite Networks, which provides its services to Israeli military and intelligence agencies.)

Until 2008, Bezeq was the Israeli military's sole provider of communications services. Israel's *Globes* business paper said Bezeq was "considered the [Israel Defense Forces'] IDF's in-house telecommunications services provider for many years" because there was "no alternative network large enough to provide service to the IDF bases and sites where the army needs telephony services."

A Bezeq subsidiary, Bezeq International, is the Israeli military's exclusive provider of internet access and secure telecommunications infrastructure. It also supplies landline and cellular modems for thousands of military subscribers. Bezeq International has laid at least 2,700 km of fibre-optic cable for Israel's military.

In 2009, when Bezeq won the



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**The Palestine Solidarity Campaign,
A Just Peace for Palestine, Jews for Justice
for Palestinians, and War on Want,
are all calling on British Telecom (BT)
to cut ties with Bezeq International.**