



S. DANIEL ABRAHAM
CENTER FOR MIDDLE EAST PEACE

Israel and the Middle East News Update

Wednesday, August 2

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News Excerpts

August 2, 2017

Israel Radio News

Former PM Chief of Staff Ari Harow to Become State Witness

Ari Harow, who served as chief of staff in the Prime Minister's Office under Prime Minister Netanyahu, is expected to sign a state's witness agreement. Harow is expected to supply information to police detectives in Case 1,000—the gifts affair—and in Case 2,000—the talks between Netanyahu and *Yedioth Ahronoth* publisher Arnon Mozes. The State Attorney's Office is engaged in advanced talks with Ari Harow on turning him into a state's witness. He is being investigated in another affair, on suspicion of promoting the interests of a private firm he owned while he was a public servant. An evidentiary foundation has been assembled for prosecuting him on offenses of bribery and fraud.

See also, ["Netanyahu's Former Chief of Staff Ari Harow in Talks to Become State Witness" \(Ha'aretz\)](#)

Ynet News

Kushner: There May Be No Solution to Israeli-Pal. Conflict

Jared Kushner, son-in-law and senior advisor to US President Donald Trump, has expressed doubt the administration could find a "unique" solution that would lead to peace between Israel and the Palestinians. While speaking to congressional interns on Monday, Kushner was asked how he plans to negotiate peace between Israel and the Palestinians and how he plans to succeed where others have failed. "What do we offer that's unique? I don't know," he responded. He added that "there may be no solution, but it's one of the problem sets that the president asked us to focus on."

See also, ["Israeli-Palestinian Conflict May Not Be Solvable" \(Times of Israel\)](#)

Times of Israel

As Peace Prospects Falter, Poll Finds Recognition Sways Minds

A razor-thin majority of Israelis and Palestinians still support the two-state solution, though support for the idea is decreasing among Israelis, according to a major new poll of both societies published Tuesday. However, the survey also shows that a significant part of the opposition to a two-state outcome comes from mistrust, not ideology. For instance, the poll, conducted by veteran Israeli and Palestinian public opinion researchers, found that a third of Israeli Jews who initially rejected a two-state peace deal would change their mind if the agreement included Palestinian recognition of Jewish holy sites in the West Bank.

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Police Arrest Instigators of Jerusalem Violence

On Sunday night police arrested 33 men suspected of playing key roles in the recent violent demonstrations in and around the Old City of Jerusalem. Raids took place across East Jerusalem neighbourhoods including A-Tur, Beit Hanina, Wadi Joz, Ras Al Amud, Issawiya, as well as in the Shuafat refugee camp and the Old City. It is expected that following questioning the men will be brought before a court to have their detention extended. A police spokesperson said that the major instigators of the riots had been identified using a combination of groundwork, intelligence-gathering, documentation, and "sophisticated use of technologies".

Not Just Subs: Italian Jets, Libyan Gov't Brought into Case 3,000

In 2012, Israel agreed to buy 30 training jets from the Italian air force. The last plane was delivered a year ago. But in recent weeks the deal has resurfaced in the Israel Police's Lahav 433 fraud investigation unit, which is currently investigating alleged corruption in Israel's acquisition of German submarines, as part of what is being called Case 3000. At least some of the people questioned about the subs have also been asked about events behind the scenes in the Italian deal. Last January, when stepping down as accountant-general at the Finance Ministry, Michal Abadi-Boiangiu remarked that she had blocked the payment of commissions related to a huge arms transaction. She declined to elaborate but had been referring to the 2012 planes deal.

See also, ["Another National Security Council Official Involved in Submarines Affair" \(Ynet News\)](#)

Jerusalem Post

Abbas Meets w/ Hamas Delegation to Discuss Palestinian Unity

Palestinian Authority President Mahmoud Abbas met with a Hamas delegation in Ramallah on Tuesday to discuss unity among the Palestinian people, according to Palestinian News Agency WAFA. The parties discussed ending internal Palestinian division as well as the current situation in the West Bank. In addition, they reviewed last week's events surrounding the Aksa Mosque in Jerusalem, in particular their efforts to "preserve the historical and legal status" of the holy site.

US News

Netanyahu Steps in to Stop Brawl of Israeli MK, Jordanian MP

It had all the ingredients of a political brawl: a Jordanian and an Israeli lawmaker, both known for attention-seeking blusters, challenged each other to a showdown Wednesday on the border between their two countries. Everyone expected a fist fight — or at least a shouting match. Israel's Oren Hazan and Jordan's Yehiya al-Saoud were each already on their way to the border crossing on Allenby Bridge on the River Jordan when Israeli Prime Minister Benjamin Netanyahu ordered the Israeli lawmaker to stand down. The showdown was averted but the hyperbole from both sides reflects heightened diplomatic tensions between Israel and Jordan over the escalation around a contested Jerusalem shrine and over last month's deadly shooting at the Israeli Embassy in Amman.

See also, ["Jordan MP Challenges Firebrand Israeli MK to a Duel" \(Times of Israel\)](#)

See also, ["Jordan and Israel Chasm Over Amman Embassy Incident Is Not Healing" \(Jerusalem Post\)](#)

Times of Israel

Tillerson Says He Disagrees with Trump on Iran Deal

US Secretary of State Rex Tillerson on Tuesday said he hasn't always seen eye-to-eye with his boss, particularly on the Iran nuclear deal, which US President Donald Trump opposes. But Trump's top diplomat said he's comfortable in his job and in his relationship with the commander in chief. Speaking to reporters at a nearly hour-long news conference at the State Department on Tuesday, Tillerson sought to dispel speculation that he is frustrated and looking for a way out. "He and I have differences of views on things like JCPOA [Joint Comprehensive Plan of Action], and how we should use it," the US secretary of state said, referring to the Iran deal, according to Reuters.

See also, ["Trump Seeks Way to Declare Iran in Violation of Nuclear Deal" \(New York Times\)](#)

A Key Figure

By Itamar Eichner and Eli Senyor

- The law enforcement agencies are engaged in talks with Ari Harow, the former chief of staff to Prime Minister Binyamin Netanyahu who used to be a trusted aide to Binyamin and Sara Netanyahu, about serving as a state's witness. If an agreement of that kind does get signed it is likely to have a significant impact on the two principal investigations involving Netanyahu: Case 1,000—the gifts and benefits affair; and Case 2,000—the talks that Netanyahu held with *Yedioth Ahronoth* publisher Noni Mozes.
- If he does agree to turn state's witness, Harow might best be described as “Netanyahu's Shula Zaken.” Zaken was Ehud Olmert's closest aide who ultimately was persuaded to provide the authorities with evidence that incriminated him, mainly to save herself from a lengthy prison sentence.
- People who have met with Harow in the past several months came away with the impression that there had been a falling out between him and Netanyahu, but still never believed that he would agree to become a state's witness and would incriminate the prime minister. Now, with the fact of the talks between Harow and the Israel Police and State Attorney's Office (which were reported last night by Channel Ten News), things appear to be different. Harow is likely to be able to provide information about the prime minister's relationships with some of the magnates who are at the heart of Case 1,000. In terms of Case 2,000, Harow attended those meetings and was the person who recorded the conversations between Netanyahu and Mozes on his cellphone.
- Harow is facing an indictment on bribery, breach of trust, conflict of interest and acquisition through fraudulent means. The investigation into his alleged wrongdoing has been under way for more than two years. The detectives have found that he continued to pursue his personal business interests while working in the Prime Minister's Bureau, and created a fraudulent semblance as if he had sold his company. In practice, he continued to control the company and exploited his status and public position to promote that business and to enjoy the profits. The case against him is based on solid evidence. The state will be prepared to go easy on him if he agrees to serve as a state's witness, depending on the quality of the information he provides.
- Harow, aged 44, was born in Los Angeles and immigrated to Israel at the age of 12. He served in the Golani Brigade and, after being discharged, left for the United States for undergraduate studies and returned to Israel for graduate work. He was hired as a foreign relations adviser to Prime Minister Netanyahu in 2002, and was tasked with overseas fundraising. He subsequently served as director of American Friends of Likud, and helped connect Netanyahu to large donors. He became a powerful figure and was considered to be very close to the Netanyahu family. In February 2008 he replaced Ayelet Shaked as Netanyahu's bureau chief. He resigned two years later over health issues and established an international consulting firm that provided lobbying services to a variety of countries and organizations. He returned to the Prime Minister's Bureau in 2014, this time as chief of staff, replacing Gil Sheffer.

- Harow claimed to have sold his company upon his return to the Prime Minister's Bureau, but it became evident in 2015 that he had been forced to resign because of legal problems: he had signed a conflict of interest arrangement in which he undertook to sell the company he owned for USD 3 million. Shlomit Barnea Farago, the director of the Legal Department in the Prime Minister's Office, discovered that the company that bought Harow's company had failed to make the necessary payments. Justice Ministry officials suspected that the sale of the company had been a sham. The purchasing company ultimately announced that it was backing out of the deal. Harow resigned. At the end of 2015 he was arrested at Ben Gurion Airport upon his return from a trip overseas and was taken for questioning. Last February the police recommended prosecuting him.
- It was recently reported that a team of detectives from Lahav 433 that had been sent to the United States to complete the investigation returned to Israel with information that complicated matters further for Harow. That information is apparently at the core of the police's efforts to persuade him to turn state's witness.
- Another issue that came up in the investigation was an affair that was first reported by *Yedioth Ahronoth* involving Harow's role in arranging for the president of Madagascar to be invited to visit to Israel, at which point H3 Global, a company that Harow helped establish and owned, played a role in organizing the visit. Harow attended the meeting that was held between Netanyahu and the president of Madagascar.
- Harow's name also came up in the draft report about the Bibi Tours affair since American Friends of Likud, which Harow headed, allegedly paid for several of Binyamin and Sara Netanyahu's airline tickets. American Friends of Likud also allegedly paid the salary of Odelia Carmon, who was Netanyahu's adviser. Harow was also Netanyahu's contact man for several of his biggest donors and friends in the United States—some of whose names came up in Case 1,000, including Arnon Milchan.
- Harow is likely to be able to provide information about the prime minister's residences affair that revolves primarily around Sara Netanyahu.
- It is unknown at this point the precise nature of information Harow can provide to the police.

Itamar Eichner, diplomatic correspondent, and Eli Senyor, contributor, work for Yedioth Ahronoth.

Summary:

People who have met with Harow in the past several months came away with the impression that there had been a falling out between him and Netanyahu, but still never believed that he would agree to become a state's witness and would incriminate the prime minister. Now, with the fact of the talks between Harow and the Israel Police and State Attorney's Office (which were reported last night by Channel Ten News), things appear to be different. Harow is likely to be able to provide information about the prime minister's relationships with some of the magnates who are at the heart of Case 1,000. In terms of Case 2,000, Harow attended those meetings and was the person who recorded the conversations between Netanyahu and Mozes on his cellphone.

Gaza Set to Become Scene of Egypt-Qatar Tug of War

By Ahmad Melhem

- **RAMALLAH, West Bank —** It appears the long-besieged Gaza Strip might finally benefit as alliances continue to shift in the Middle East. Gaza, ruled by Hamas, is actually being wooed by both sides in the Qatar crisis.
- **Hamas concluded a set of meetings earlier this month with dismissed Fatah leader Mohammed Dahlan and the Egypt-backed United Arab Emirates (UAE).** Those meetings give the Gaza Strip hope for a breakthrough in its decadelong blockade by Israel and Egypt.
- **This breakthrough opens up several possibilities: a \$100 million power plant that would take 18 months to build; the opening of the Rafah border crossing between Gaza and Egypt at the end of August; and the activation of the community reconciliation committee that was established under the 2011 reconciliation agreement concluded in Cairo.** The committee, backed by Hamas and its one-time foe Dahlan, will settle the cases of those killed in the 2007 inter-Palestinian conflict by financially compensating their families. All of these projects are to be funded by the UAE, where Dahlan lives.
- **These understandings benefit all parties concerned. Hamas will strengthen its rule in Gaza, the electricity crisis will be solved, and the Rafah crossing will be opened, thus facilitating the travel of individuals and the movement of goods to and from the Gaza Strip.** The arrangement could also restore social calm once the families of those who fell prey to the Palestinian division are financially compensated, thus preventing any retaliatory operations to avenge the deaths of their relatives. Meanwhile, Egyptian security will benefit, as Hamas' Ministry of Interior announced June 28 that it started setting up a buffer zone on its border. What's more, the understandings will allow Dahlan to return to Palestinian politics and deal a blow to his rival, Fatah leader and Palestinian Authority President Mahmoud Abbas in Ramallah, who dismissed Dahlan from Fatah.
- **The UAE will not only seek to strengthen the status of its allies (Egypt and Dahlan) in Gaza but will also work to expel Qatar from Gaza — despite Qatar's long-time financial generosity toward Hamas and the strip.** This comes as the UAE, Saudi Arabia, Bahrain and Egypt have cut ties with Qatar due to its support of the Muslim Brotherhood and its hostility toward the UAE-backed Egyptian regime. "Hamas does not want to lose any side," political author and analyst Talal Awkal told Al-Monitor. "It wants to retain the Qatari support and gain the Egyptian and Emirati support, but this is no longer possible in light of the regional crises, which will prompt it to pick a side."
- **Qatar has been one of the most prominent supporters of Hamas since Egypt and Israel imposed a siege on Gaza in 2007; Qatar has financed social, health and economic projects.** These projects include paying about \$12 million to address the electricity problem in the Gaza Strip earlier this year, the construction of large residential projects such as the Hamad residential city and other humanitarian donations. However, "Hamas considers Egypt, including its allies, to be its best option [at the moment]. It would be in [Hamas'] interest to implement understandings with Egypt at a time when Qatar cannot open the Rafah crossing or solve the electricity crisis let alone maintain Hamas' control over Gaza," Awkal added.

- If Egypt and its allies want to expel Qatar from Gaza, they will have to rely on the UAE's financial role. "Cairo made the decision of easing the siege on Gaza for political and security calculations. Consequently, Hamas' execution of the understandings will prompt the UAE to provide support for Gaza," Awkal said. Qatar seems to have realized the Egyptian-Emirati desire to expel it from Gaza. Qatari Ambassador Mohammed al-Emadi on July 7 visited the Gaza Strip to meet with Hamas leaders and announced July 10 that his country would continue to support the Palestinian people, especially the besieged Gaza Strip, despite the crisis his country is contending with.
- While Qatar made no comment about Egypt's rapprochement with Hamas, it confirmed its continued support for the Gaza Strip and continues to host Hamas leaders. As understandings between Hamas, Egypt and Dahlan advanced, Qatari and Turkish media outlets kept issuing related reports. On July 26, Qatari newspaper Al-Araby Al-Jadeed published an article by Jordanian journalist Issa al-Shuaibi accusing Hamas of being the "de facto authority" and pointing out that Hamas "is willing to change its political alliances, most importantly with Qatar, in return for the food it is being offered by the UAE and Egypt. Dahlan's offers to Gaza are mere attempts by Egypt and the UAE to pull the Gaza Strip out of the 'Qatari influence.'"
- Turkey's Yeni Safak newspaper said July 26 that Dahlan and UAE Crown Prince Sheikh Mohammed bin Zayed are setting up a military training camp in Gaza for hundreds of people in Sinai who then will be sent to Qatar and Turkey to carry out attacks. While Hamas so far has sought to distance itself from the regional crisis, Ahmed Yousef, who was a political adviser to former Palestinian National Authority Prime Minister Ismail Haniyeh, denied in an interview with Al-Monitor that Egypt had asked Hamas to cut off its relations with Qatar to proceed with the rapprochement.
- As for Hamas' decision to choose between its relations with Qatar and its understandings with Egypt and its allies, Yousef said, "We have no intention of siding with one Arab country against another because our goal is to garner all the Arab support possible for the Palestinian cause. So any alliance with Egypt and the UAE at the expense of Qatar or Turkey will lead the Palestinian cause to lose great momentum, and our relations with Egypt do not infer a rift with Qatar and Turkey." He added, "Hamas will not side with an Arab party against another, and this is an issue we ought to clarify to all countries."
- He pointed out that "Qatar confirmed that its projects are ongoing in Gaza and that all its commitments will be completed according to plan." Ghazi Hamad, a Hamas leader, told Al-Monitor, "Hamas does not accept that someone asks it to reject Qatari aid and does not allow anyone to interfere in its policies. The movement is keen on keeping good relations with Qatar, the UAE and Saudi Arabia, without being part of the regional axes or the Arab differences."
- Israeli journalist Yoni Ben Menachem, in his July 19 article on the Jerusalem Center for Public Affairs blog, wrote that the Gaza Strip is about to become the center of a tug of war between Egypt and Qatar, as Egypt will not agree to Qatar maintaining a foothold in Gaza. Menachem added that Egypt and Dahlan's mission will be to prevent Qatari Ambassador Emadi from resuming Qatar's projects in Gaza, while the Hamas leadership will have to decide on a specific direction as far as the continued presence of Qatar in Gaza is concerned.

- A leader in the Dahlan following, Naima Sheikh, told Al-Monitor, “The understandings reached by Hamas and Dahlan did not tackle the relationship between Hamas and Qatar and did not include any demands to cut off relations with Qatar, because this involves Hamas alone.”
- However, if Hamas' understandings with Egypt and Dahlan are to proceed, then the Gaza Strip will turn into a competition between those two on one side and Qatar on the other, so one side can isolate the other. This scenario will eventually unfold unless Hamas is forced to choose between the Egypt-UAE side and the Qatari side.

Ahmad Melhem is a Palestinian journalist and photographer based in Ramallah for Al-Watan News. He writes for a number of Arabic outlets.

Summary:

While Qatar made no comment about Egypt's rapprochement with Hamas, it confirmed its continued support for the Gaza Strip and continues to host Hamas leaders. As understandings between Hamas, Egypt and Dahlan advanced, Qatari and Turkish media outlets kept issuing related reports. On July 26, Qatari newspaper Al-Araby Al-Jadeed published an article by Jordanian journalist Issa al-Shuaibi accusing Hamas of being the “de facto authority” and pointing out that Hamas “is willing to change its political alliances, most importantly with Qatar, in return for the food it is being offered by the UAE and Egypt. Dahlan's offers to Gaza are mere attempts by Egypt and the UAE to pull the Gaza Strip out of the ‘Qatari influence.’”