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Benny Elon sued in NY over Bethlehem building

By SAM SOKOL
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Attorney alleges former tourism minister 'seized control' of structure next to Rachel's tomb.

Evelyn Haies, an American Jew, has filed suit in New York against former tourism minister Benny Elon, over ownership of a building in Bethlehem.

Haies served Elon with papers immediately prior to the start of the Passover holiday, The Jerusalem Post has learned.

Haies, who runs the nonprofit Rachel's Children Reclamation Fund (RCRF), has been locked in a legal battle with Elon and several other prominent settlement figures for the better part of a decade over the ownership of a building – Beit Hamakolet – immediately adjacent to Rachel's Tomb in Bethlehem.

Beit Hamakolet is the only structure, aside from Rachel's Tomb, under Jewish control in Bethlehem. Situated only meters past the tomb in a fortified corridor made of high concrete walls and guard towers, the connected buildings making up the Beit Hamakolet complex have been a source of contention since their purchase from three Palestinian brothers in 2001.

There are two groups that can be found currently using the building, a group of women affiliated with the New Jersey-based RCRF and the students of Bnei Rachel, a satellite school of Elon's Beit Orot yeshiva on the Mount of Olives in Jerusalem.

"RCRF and Haies contributed more than \$500,000 through the US companies," according to Haies's lawyer Mitchell C.

Shapiro.

"RCRF and Ms. Haies allege that the directors have abdicated their responsibility and permitted Benny Elon to seize control of the Bnei Beit Rachel site and frustrate the mission of RCRF and the purpose for which the site was purchased."

Additionally, Shapiro noted in a statement, "The lawsuit alleges that the original purchase monies were forwarded by Americans Friends of Beit Orot to two Israeli trustees... who purchased the land on which the building site sits and fraudulently registered it for themselves. The trustees failed to deliver title to the rightful owners of the property and instead attempted to extract money or use of the site for themselves."

Elon, Shapiro alleged, “had previously reached side deals with the deposed trustees, who still hold title to the site today, and an arbitrator who had been appointed to resolve the outstanding disputes with the trustees in order to establish and preserve his own control over the property.”

Haies and her husband Jay, an attorney based in the United States, claim that they put up the bulk of the funding for the purchase of the property and that they were defrauded. Current and past representatives of Beit Orot, such as Chaim Silberstein – who is also named in the New York suit – however, claim that the Haieses do not have a claim of ownership and that they are attempting to take over the property for their own ends.

Haies, Elon and the other figures involved in the matter have been locked in litigation for years, with multiple suits filed in Israeli courts.

The suit was filed in New York’s Kings County on March 20.

According to allegations contained in the court filing, the individual defendants, including Elon and Silberstein, “knowingly breached their fiduciary obligations to the defendant corporations and... Haies... as part of an ongoing fraud to knowingly and intentionally divert funds paid... to acquire the combined properties and to wrongfully inhibit [Haies’s] access and use” of the properties.

Beit Hamakolet was purchased in three transactions, each of which was conducted by another corporation, each incorporated in New York for the purposes of the transaction.

Haies is the majority owner of one of the corporations and a minority shareholder in the other two. The complex nature of the purchase has made it difficult to unravel precisely who owns what and has complicated the picture of ownership.

Explaining why she decided to file suit in the US, Haies stated that “every time we get anywhere in the Israeli courts, there is another delay and another proposal to settle the case that gives the original Israeli trustees money for services they didn’t provide and Benny Elon control of the property.”

Speaking with the Post in 2012, Silberstein said that he “put this deal” to buy the house from its Palestinian owners “together about ten years ago. I brought in Evelyn as an investor to the project. Altogether there are about 30 owners of this property.”

However, he continued, while she is the “largest single owner... she is not a majority owner. This is the first very important fact that you need to know because for many years she has claimed that it is her property exclusively and that is a lie.”

He also noted at the time that Haies “refused to acknowledge that she had partners” and that she believes that she should have full title to the property and is attempting to usurp it from her “partners.”

Haies, he asserted, as never been “not willing to recognize that it is not exclusively hers.”

“She can’t take the fact that she is not the only owner of the property. She tried to destroy and kick out everybody that she doesn’t like. That’s the core of the whole problem, Evelyn Haies,” Silberstein said.

Following the filing of the New York lawsuit, Silberstein told the Post that Haies had “filed a suit against half the world” and that he was “not particularly concerned about it.”

“From what I saw,” he said, “the vast majority of what [she is claiming] is certainly not the truth and I feel sorry that she has to be brought to such desperate measures and waste money that donors give to her for Kever Rachel...”

when she could be doing good things.”

Elon also expressed pity for Haies.

In the past, he said, she raised a lot of money for Rachel’s Tomb and did a lot of good but “since then she didn’t do anything good for Kever Rachel. Nothing.”

“She is a very bad lady and she's doing good things,” the former minister stated.

He said that he was “sorry” that he had not known her before “they asked her for a donation. If I knew her I never would have asked her or [given] any encouragement to someone to ask from her.”

“She has something like ten or fifteen court [cases] here and she lost almost all of them but she is continuing and continuing,” Elon said, telling the Post that at the time of the sale he “wasn’t involved.”

“I was in the Knesset at the time,” he said.

Elon called involving Haies in the purchase of the property a “big mistake,” and said that forming three corporations to effect the purchase was the cause of the ongoing legal battle.

“According to the structure, it’s not just a donation.

But, she was only one out of hundreds because many others gave,” he said, calling her lawsuit a “desecration of God’s name.”



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