

ADL asset Holtzman bites the dust

by Jeffrey Steinberg

On Sept. 28, New York City's incumbent Comptroller Elizabeth Holtzman suffered an overwhelming defeat in the Democratic Party primary runoff election. Holtzman was trounced by longtime Queens State Assemblyman Alan Hevesi, who had the backing of Mayor David Dinkins. Hevesi received over 68% of the vote.

The defeat of Holtzman, who also lost a 1992 bid for the Democratic Party's nomination for the U.S. Senate seat held by Alfonse D'Amato (R), brings to an end the political career of one of the Anti-Defamation League of B'nai B'rith's (ADL) most loyal assets. Holtzman, who served two terms in the U.S. Congress in the late 1970s, was the driving force behind the creation of the Department of Justice's Nazi-hunting unit, the Office of Special Investigations (OSI). While pretending to pursue Nazi war criminals living in America, the OSI actually served as a beachhead for ADL-linked criminal networks, paved the way for a "special relationship" between the DOJ and Soviet intelligence services, and provided a propaganda platform for factions in Israel and the U.S. Zionist lobby closely aligned with organized crime.

In its 14 years of existence, the OSI never prosecuted a genuine high-ranking Nazi war criminal, but did manage to railroad a number of innocent people, several of whom were murdered either through Jewish underground terrorist attacks or in Soviet bloc prisons.

One of the most shameful cases was that of Tscherim Soobzokov. A Circassian refugee who worked for U.S. intelligence in Jordan in the 1960s as a liaison to King Hussein, Soobzokov was accused by *New York Times* writer Howard Blum of being a wartime Nazi. Blum's allegations were based on files leaked to him by Holtzman, who traveled to the Soviet Union for doctored KGB files. Soobzokov successfully sued Blum and the *New York Times*, and forced the OSI to drop the phony case against him, only to be assassinated by a Jewish Defense League-planted bomb in 1985.

Holtzman's defeat came weeks after John Demjanjuk, the Ukrainian-born retired Cleveland auto worker, returned to the United States after spending seven years in an Israeli prison because of false charges that he was the World War II Treblinka, Poland concentration camp mass murderer known as "Ivan the Terrible." The Sixth Circuit Court of Appeals in Cincinnati is now reviewing evidence that Holtzman's friends at the OSI committed fraud upon the court in their prosecution of Demjanjuk.

Gangster chronicle

As a congresswoman and later as the District Attorney of Brooklyn, Holtzman cultivated an image as a corruption-buster and liberal crusader for political reform. Yet, it was a kickback and conflict-of-interest scandal that brought her down in her reelection bid, and could still lead to felony indictments. On Sept. 11, three days before the first primary, the New York City Department of Investigations (DOI) delivered a report to the city's Conflicts of Interest Board (COIB) on Holtzman's acceptance of 1992 campaign loans from Fleet Bank and Fleet's subsequent hiring by her office as city bond underwriters. The release of that report was largely the result of an unsuccessful effort by Holtzman to withhold documents and witnesses from the DOI investigators. When the COIB offered to make the full text of the report available prior to the election, Holtzman refused, preferring not to answer the detailed charges.

It is fitting that Holtzman's political demise was accompanied by the taint of sleaze. From the outset, she was surrounded by liberal doses of graft and corruption.

One of Holtzman's first acts as a congresswoman in 1976 was to launch a probe into alleged corruption in a U.S. Department of Agriculture-sponsored summer free lunch program in New York City schools. As a result, several officials of a Brooklyn kosher catering firm, B'nai Torah Institute, were indicted on minor financial charges. The company was driven into bankruptcy, opening up \$25 million in USDA contracts. The institute's owners were backers of New York Mayor Abraham Beame and Rep. Dan Flood (D-Pa.).

One of the major beneficiaries of the fall of B'nai Torah was Sidney Holtzman, the congresswoman's father, a New York City lawyer. By 1981, six of the nine catering firms that received the lion's share of the \$25 million in USDA contracts were represented by Sidney Holtzman. One of the firms, ARA Services, has been suspected of ties to organized crime. Three of the other firms were secretly owned by members of the Bistrizky family, longtime friends and business associates of Sidney Holtzman.

Holtzman's own campaign financing was traced by *EIR* investigators in 1980 back to an Indianapolis, Indiana political slush fund, the Plumsock Fund. Established from the estate of Evelyn Lilly Lutz, the heiress to the Eli Lilly pharmaceutical fortune who married New York City left-wing politico Herbert Lutz, Plumsock reportedly bankrolled the careers of former New York City Mayor Ed Koch, former Los Angeles Mayor Tom Bradley, and Liz Holtzman. Two founders of Plumsock, Dan Wolf and Ed Fancher, launched the *Village Voice* in the mid-1950s to replace the New York City Democratic Party with a crew of ADL-linked insurgents. Typical of the new breed who got Holtzman's career off the ground was Max Palevsky, former chairman of the board of Xerox and the original financial angel behind the National Organization for the Reform of Marijuana Laws (NORML), the drug legalization lobby.