

Alice Speri
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From New York to the West Bank -
Following US Tax Dollars into
Israel's Settlements

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Tova Lieberman is from Brooklyn. Wearing elegant jewelry over her conservative clothes, she sits next to her husband, Daniel, and does most of the talking, looking straight into the camera. The couple received the 2009 Chasdei Avot award from the Hebron Fund, an honorary recognition of their financial support of the Jewish presence in the city of Hebron, in the Occupied Palestinian Territories.

Mrs. Lieberman talks of the kindness and self-sacrifice of the Jewish community of Hebron, of their commitment to live there, "sometimes in deplorable conditions."

She also challenges U.S. President Barack Obama's Middle East policy.

"Whether the government wants to believe it or not, we're not leaving from there," she says in the promotional video shown at the Hebron Fund's annual fund raising dinner last November in New York City. "We will continue to buy property in and around Hebron and the Arabs will continue to complain about it."

As she speaks, the camera moves from a living room richly adorned in religious paraphernalia to images of the Lieberman family's visit to Hebron and the disputed Cave of the

Patriarchs, known as Me'arat HaMachpela by Jews, the Ibrahimi Mosque by Muslims.

"We are not going anywhere. We will win. We need you to help us," Mrs. Lieberman continues, adding that the honor she is accepting belongs to all those who provide financial support to a Jewish Hebron. "It's our home. It's our destiny. It's our promise. We are staying."

Tova and Daniel Lieberman's support of Israeli expansion in the West Bank not only challenges the Obama administration's policies, which oppose continued settlement in Israel's Occupied Territories. Ironically, it does so while also taking advantage of US tax laws that benefit donors like them and the Hebron Fund itself, as well as many other US non-profits supporting the settlers.

Opponents of the settlements are increasingly focusing on this contradiction between government policy and tax regulations -- enforced by the Internal Revenue Service -- that some argue amounts to having US taxpayers subsidize the settler movement.

Hebron is home to some 170,000 Palestinians and about 700 Jewish settlers, who have been building their presence there since the 1967 Six Day War, won by Israel and followed by the

occupation of the West Bank and Gaza Strip. Over 7,000 Jews live in other settlements surrounding Hebron, the biggest of which is Kiryat Arba.

These settlements are considered illegal under international law. They are seen by many as being in violation of the Geneva Convention and have been condemned by at least five UN Security Council resolutions, all consistently ignored.

Perhaps more significantly, neither the American nor any other foreign government recognizes Hebron and its surrounding settlements as a part of Israel.

To religious settlers, however, Hebron is the second holiest place after Jerusalem and an integral part of Eretz Israel, a greater Israel defined by Biblical borders that do not reflect today's political boundaries.

With the current US administration pledging to settle the Israeli/Palestinian land dispute within two years, and Israeli and Palestinian leaders ostensibly committed to reaching an agreement, the future of Hebron would appear to be clearly Palestinian.

While leaders and negotiators debate the prerequisites necessary for peace talks, Jewish settlers in Hebron and elsewhere know that, if definite borders are ever to be established, they will be drawn on demographics and "facts on the ground": Jewish homes, Jewish roads and the physical presence of Jewish families and children in the Occupied Territories.

This kind of Jewish presence in Arab land requires determination, sacrifice and a profound devotion to the notion of a greater Israel. It also requires money.

Settlement Watch, a division of the Israeli organization Peace Now, monitors Jewish expansion in the West Bank and estimates the settlements cost the Israeli government \$556 million a year.

The Israeli government protects its citizens in the West Bank by building separate roads that connect the settlements to Israel "proper" and by massively deploying its military with the officially stated mission of protecting both the settlers and their Palestinian neighbors from reciprocal attacks. Some 300 Israeli Defense Force troops are stationed in Hebron alone, almost one soldier for every two settlers.

Most of the construction work in the settlements is in the hands of American, Canadian and European developers. Much of the money needed for settlement development comes from private American donations.

Of this money, a significant amount reaches the settlements in the form of charity, contributions that by virtue of their philanthropic nature enjoy tax-exempt status under the Internal Revenue Code.

Charity status under the IRS grants both donor and organization significant federal tax breaks, as well as additional state tax breaks, and all sorts of discounts - from postal rates to preferential options for employee benefits. The money the organizations save costs the IRS as an "expenditure," the technical term for the missed income it would receive if these organizations were to pay taxes. The offset for that forgone income is covered by ordinary taxpayers' dollars.

The International Crisis Group, an independent organization that seeks to prevent and resolve conflict, reported in July 2009 that the Hebron Fund raises an average \$1.5 million a year to support Jewish settlement in the city.

The fund solicits donations and organizes fundraising events. Tickets to the annual dinner held in November 2009 started at \$300 a person while a \$50 contribution buys a certificate of honorary citizenship of Hebron. The Hebron Fund's online gift shop sells honey from "The City Of The Forefathers" for \$9 a jar or the possibility, for \$18, to treat an Israeli soldier to pizza and snacks.

With the exception of a \$75,500 annual salary for Executive Director Yossi Baumol, and operating costs, the Hebron Fund's revenue is otherwise devoted "to provide humanitarian, educational and religious services for the Jews of Hebron," the fund's Web site states.

"In addition, the Fund aids the maintenance and development of the synagogues in the Machpela Cave and other religious institutions in the area," the site states, referring to the disputed monuments of Hebron's Jewish, Muslim and Christian past. The Machpela Cave is currently a highly guarded worship facility split into a Muslim and a Jewish section, separated by bulletproof glass and three security checkpoints.

The Hebron Fund is not the only organization of its kind.

An examination of IRS documentation led to at least 32 organizations registered in the U.S. as tax-exempt charities that support Jewish settlements in the West Bank and East Jerusalem with sizable financial contributions. The groups, mostly Jewish but also Christian-Zionist, often adopt a particular community of settlers and for the most part claim on their tax forms to be contributing to charitable or educational projects.

While some of these organizations have Web sites, many operate virtually anonymously and their tax forms often list only post office box addresses.

Recently, heightened awareness of their activities in support of settlement development has brought closer, and apparently unwanted scrutiny. Reaching both the organizations' managers and their supporters has been difficult. Yossi Baumol of the Hebron Fund, for instance, has declined multiple requests for comment for this article.

In November 2009, however, Baumol told a NY1 TV reporter, "The fundraising we are having is for humanitarian and religious and educational purposes in the city of Hebron to help the Jewish community there."

"I don't like to be accused of racism," Baumol added.

Contributions vary. In 2008, the American Friends of the College of Judea and Samaria, a Brooklyn-registered charity claiming to provide for "the expansion and furtherance of the needs of educational institutions in Israel," raised \$742,028, which actually benefited the first higher learning institution in Ariel - home to over 16,600 settlers. That same year a different organization, the American Friends of Ariel, raised \$ 2,182,682 for the settlement's development fund.

In 2009, the donations' beneficiary, the College of Judea and Samaria - recently upgraded to university status - solicited donations from elderly, and wealthier, US donors. Supporters were invited to donate the minimum withdrawals they would be required to make anyway from their Individual Retirement Accounts (IRAs) or 401k retirement accounts under IRS regulations.

"Are you 70 or over? Are you required to take minimum distributions from your IRA . . . even if you don't need the money?" a flier read, calling on retired donors to reduce their taxable income and detailing how a donation could save them up to \$35,000 in federal income tax.

In 2008, the American Friends of New Communities in Israel, a New York-based nonprofit, raised \$253,475 "to assist in settling new communities in Israel, including absorption, social, educational and security needs." The money contributed, among other projects, to the expansion of the controversial settlement of Maskiot in the northern Jordan Valley, and to the installation of emergency communication systems in homes the group deems at high-risk of "terrorist" infiltration.

Other organizations' projects also expand beyond the charitable and educational and contribute directly to security. Some of the \$79,516 raised in 2007 through the Efrat Development Foundation, for example, was given to this southern West Bank settlement to "upgrade the security of the community against terrorist attacks," the organization's 2007 tax returns show.

In another case, part of the \$4,055,765 raised in 2008 by the Friends of Ir David went towards the purchase of "housing and the rehabilitation of distressed properties," in other words, the expansion of the Jewish presence in East Jerusalem, where Palestinian families continue to be evicted and their homes demolished despite protests by Israeli and international peace

organizations. In 2004, the same group donated a record \$8,802,013, its tax returns show.

Claiming to be "the largest North American charity whose efforts are dedicated to the citizens and communities of *Yesha*," - a Hebrew acronym for the Occupied Territories, - the One Israel Fund has raised an average \$ 2.1 million a year for the past seven years, devoted exclusively to the support of settlement activity. The Fund provides "essential security, emergency medical, social service and other forms of humanitarian aid to the over 300,000 men, women and children living in Judea, Samaria and those impacted by the evacuation from Gaza," their mission statement claims.

The non-profit status these groups enjoy as designated 501(c)(3) organizations under IRS regulations implies an official US government recognition of their activity.

"The United States does not accept the legitimacy of continued Israeli settlements," President Obama said in his celebrated Cairo address to the Arab and Muslim world in June 2009. "This construction violates previous agreements and undermines efforts to achieve peace. It is time for these settlements to stop."

The statement echoed those of previous US administrations, which have alternated in calling Israeli settlements "illegitimate" and "unhelpful."

Even former President George W. Bush, a strong and vocal supporter of Israel while in office, at one point declared: "Israeli settlement activity in occupied territories must stop."

While US officials have always preferred to avoid reference to the legality of settlements under international law, State Department Legal Advisor Herbert J. Hansell stated in an unrefuted 1978 congressional inquiry that, "the establishment of the civilian settlements in (Israeli-occupied) territories is inconsistent with international law."

Just as American support for Israel has been reiterated by every U.S. president since Harry Truman, so has American disquiet over the settlements, giving US foreign policy across administrations the more permanent value of nonpartisan public policy.

On the second day of his presidency, Obama appointed George Mitchell, a soft-spoken, former senator and mediator in the

Northern Ireland peace process, as US special envoy to the Middle East.

"He said, I want you to go over there tonight," Mitchell recalled in a recent appearance on the Charlie Rose show, broadcast over 200 PBS television affiliates. Mitchell joked that he had to tell the president he had no clothes with him and had to inform his family before flying to the Middle East. "He was anxious from the first to get into it," Mitchell said.

President Obama's urgency reflected increasing international pressure on Israel, inflamed by the December 2008 bombing and invasion of Gaza, which ended less than two days before Obama's inauguration on January 20, 2009. Since then, the question of a settlement freeze has dominated the pre-negotiation discussions, with the Palestinians demanding an absolute halt in the construction of all settlements, including those in East Jerusalem, and the Israeli government rejecting the freeze and claiming the right to the natural development of existing blocks.

Just days after President Obama's Cairo speech, the Israeli newspaper Ha'aretz reported that right-wing settlers had established a new outpost in the West Bank, the "Homesh-Obama

Hilltop Project," a mocking response to Obama's insistence that Israel stop all settlement construction.

Since then, the tones have softened and many saw a government retraction when in a September 2009 briefing about trilateral talks between Obama, Israeli Prime Minister Benjamin Netanyahu and Palestinian Authority President Mahmoud Abbas, Mitchell argued that neither a settlement freeze nor any of the actions the US requested of the Israeli government was ever "a precondition to negotiations."

Since Israel's refusal, Mitchell has continued to defend the position that a settlement freeze would be ideal rather than essential. "It would create the best opportunity to have a context in which the re-launch of negotiations could succeed," he said.

Last November, Prime Minister Netanyahu agreed to a ten-month settlement freeze - with the exception of East Jerusalem - in order to resume peace talks. In January 2010, however, he also announced that the Etzion settlement block, south of Jerusalem, "will be an inseparable part of the State of Israel for eternity." Several news outlets continue to report that construction has yet to stop even in areas where the Israeli government has mandated a freeze.

Mitchell justified what to many seemed like a retreat in the US condemnation of settlements as a requirement of pragmatism for the sake of higher ends.

Settlements are "a reality that's going to have to be dealt with," he told Rose.

If the official US position on settlements may seem ambiguous, however, the international position is extremely clear -- Israeli settlements are illegal under international law.

Some civil rights activists also argue that private American funding of the settlements, while not necessarily illegal, does contradict stated US foreign policy as well as the nation's commitment against racial discrimination.

If that seems abstract and hard to pin down on legal grounds, others have started to accuse organizations registered as 501(c)(3)s and supporting settlements of repeatedly violating US tax laws.

Like Tova Lieberman and Yossi Baumol, Ethan Heitner is from Brooklyn and an American Jew.

An art student and dedicated peace activist, he speaks passionately of Jewish-American intellectual history, the paradoxes of a left-wing tradition versus the conservatism of contemporary Zionism and the Palestinians' right to a sustainable and contiguous state within pre-1967 borders.

A week before their 2008 fund raising dinner, Heitner rode his bike to the Hebron Fund's office on Ocean Avenue, Brooklyn, he recalled in an interview, and asked to see the organization's Form 990, which all tax-exempt non-profits are required to file with the IRS.

The first page of the form, titled "Return of Organization Exempt from Income Tax," unambiguously states it is "Open to Public Inspection."

Heitner and Baumol, the executive director of the Hebron Fund and a prominent activist in the settlement movement, stand at opposite poles of Jewish American views on Israel, a political struggle of international consequence, but one also fought largely from Brooklyn.

"A member of this so-called 'peace' organization forced his way into the Hebron Fund offices," Baumol wrote about Heitner

in a recent press release, in which he announced the fund's 2009 dinner.

The annual fund raising event, during which Tova and Daniel Lieberman were honored with other donors, was held at the Mets Stadium on November 21, 2009 "despite a letter of protest sent by anarchist extreme leftwing activists," Baumol wrote to a list of supporters. Baumol described the activists as "a few anti-Israel Jews affiliated with the Arab Adalah organization whose main work is pushing their 'Campaign for Boycott, Divestment and Sanctions against Israel' - which attempts to discourage businessmen from doing business with Israel."

The activists Baumol referred to are members of Adalah-NY: The Coalition for Justice in the Middle East, which describes itself on its Web site as a "grassroots strategic alliance of concerned organizations and individuals in New York, formed to demand an immediate, unconditional, and permanent end to US and US-sponsored Israeli aggression in the Middle East." Heitner is the group's spokesman.

"I did not break into the office," Heinter said. "On a business day I walked through the front door and said, I'd like to access these publicly available documents."

"Yossi Baumol came out his office yelling at me," Heitner recalls. "He said, I can't just give this to anyone who walks off the street."

Heitner didn't want to disclose that Adalah-NY was interested in the fund's fiscal practices and argued instead that, "the law says any member of the public should be able to get access to these documents." Baumol refused to comply and Heitner left.

Adalah-NY, which is not an Arab organization, as Baumol claimed, does indeed embrace the international "BDS" campaign for boycott, divestment and sanctions against Israel.

"The BDS campaign is our primary mission," Heitner said. Adalah-NY, however, focuses concurrently on several campaigns, including an effort to raise awareness, especially among moderate Jews, of US funds being channeled to settlements in the West Bank.

"I think there's a broad consensus even among American Jews that settlements are vaguely bad but no one really understands how they get built," Heitner said, referring to examples from his own family, which moved to New York from Israel in 1964.

The question of US non-profits qualifying for tax breaks to finance settlements, however, is of interest to many beyond the Jewish community. The Hebron Fund's decision to host their 2009 dinner at the New York landmark Mets Citi Field Stadium was an opportunity for Adalah-NY to prove just how American this conflict has become.

In the weeks preceding the event, the group joined many others in launching a massive boycott campaign.

"We didn't think we would stop the Mets from hosting the Hebron Fund," Heitner said. What they wanted was to put the Hebron Fund in the spotlight.

Together with 10 other American, Israeli and Palestinian organizations, Adalah-NY wrote a letter to New York Mets Chairman Fred Wilpon and copied in Commissioner of Major League Baseball Bud Selig; Rachel Robinson, chairman of the Jackie Robinson Foundation; US Secretary of State Hillary Clinton and Special Envoy to the Middle East George Mitchell. The groups urged the Hebron Fund's dinner be cancelled, detailing the organization's support for Israeli settlements and citing numerous examples of violence and racism by Hebron settlers towards the local Palestinian population.

"The New York Mets will be facilitating activities that directly violate international law and the Obama administration's call for a freeze in settlement construction, and that actively promote racial discrimination and the ethnic cleansing of Palestinians from their homes," they wrote. They added that some of the dinner's honorees personally support violence and terrorizing of Palestinians.

The groups appealed to the memory of Jackie Robinson, the first African-American Major League player to break the color barrier in US baseball, who struggled against segregation and racism.

To the soundtrack of "Take me out to the ball game," rewritten to include the lyrics "root, root, root for justice," the group put together a video alternating images of racist attacks and death threats against Robinson with images of the graffiti that litter the walls of Hebron: "die Arab sand-niggers" and "Arabs to the gas chambers."

The letter said it would be a tragic irony for such a dinner to be held right above the Jackie Robinson Rotunda.

"As a Jew, I was always told that we had to root for the Mets because they were the underdog," said Louisa Solomon, who joined the protest. Solomon is a life long Mets fan and a

member of the group Jews Against the Occupation. "I was pretty disgusted to find that our beautiful new ballpark was going to host this racist event."

"Would you host the KKK?" read a sign held at the rally.

But in spite of protests, the event went ahead as planned.

"Citi Field hosts a wide range of events that reflect the diversity of our hometown and the differing views and opinions of New Yorkers," the Mets said in a statement on NY1 TV, adding that the beliefs of hosted organizations do not necessarily reflect those of the Mets.

The decision to host the dinner was praised by a number of Zionist organizations. "The annual event of the Hebron Fund, which is being held in your facility, is a tribute dinner to honor the heroic Jewish community of Hebron in Israel," wrote National Council of Young Israel President Shlomo Mostofsky in a letter to Wilpon, the Mets chairman. "The Hebron Fund dinner is a celebration of the human spirit."

"I must offer much gratitude to Adalah-NY for assisting to make this event the success it was," wrote Hebron's Jewish community spokesperson David Wilder in an open letter after attending the event. Wilder referred sarcastically to the

activists' efforts, "I have no doubt their assistance backfired, bringing out people who might otherwise have stayed home."

But the "free publicity" for which Wilder thanked Adalah-NY is exactly what Adalah-NY wanted, a heightened awareness of the activities of nonprofits like the Hebron Fund. To them, calling on the Mets to boycott the fundraiser was only the beginning of a larger campaign against the flow of US dollars into Israeli settlements.

"The Hebron Fund has raised \$10 million since 2000, more than \$1 million a year," Heitner said. While it is difficult to independently establish the amount of money organizations like the Hebron Fund pump into the settlements every year, the combined contributions are believed to range in the tens of millions of dollars.

In a Washington Post story published in March 2009, David Ignatius reported the amount reached an estimated \$33.4 million between 2004 and 2007. Research compiled by the investigative website www.SettlementsinPalestine.org, updated to February 2010, said the donations reached \$190 million in a span of seven years.

"Their numbers still understate the matter significantly," said Neil Strauss, one of the protagonists of the campaign against the tax exemption for pro-settlement organizations.

"Although I think we know most of the major organizations involved in these laundering schemes, there are undoubtedly many smaller ones that we missed, and we don't know how many," he wrote in an email to this reporter. "That's why getting the government to study the question would be a good idea."

Trained as a civil rights lawyer, over the last year Strauss learned more about tax laws than he ever thought he would. Born 34 years ago to a Canadian father and an Israeli mother, Strauss grew up between Canada and Efrat, one of the largest settlements in the southern West Bank. There, he went to school with one of Yossi Baumol's daughters. Baumol, at the time was a leader of the Efrat settler community.

Raised in an orthodox family, it was not until years later, when he moved to Canada, that Strauss started to question the legitimacy of a place he had once called home.

"When I got to college I learned a lot more about how the world really works. For a while I was enraged that I had been

lied to for so long and I was mad at myself for having been so naive," he said. "Then I followed what I thought was right and what made me better able to live with myself."

Today, Strauss is a legal researcher for the Washington-based American-Arab Anti-Discrimination Committee and a supervisor of the Free Palestine subcommittee of the National Lawyers Guild, the nation's first racially integrated bar association, which is committed to civil rights and social justice.

A world away from Efrat, Strauss's work has brought him to the other side of the dispute over settlements.

"I'm lying to my parents," he said about his pseudonym, adding that after years of arguments he has given up trying to persuade his own family of his beliefs.

Strauss runs workshops inviting volunteer law students to look for violations of tax regulation, rather than broader political questions of international law, although he does stress that settlements and settlements support are contrary to both international law and American public policy.

"The IRS is staffed by professional tax people and bureaucrats are less susceptible to Zionist political pressure than

elected officials," he said, explaining that turning to the IRS is "easier than challenging support to Israel, which is a political issue."

Since March 2009, the ADC has filed official complaints to the IRS - accompanied by copious documentary evidence - exposing what it claims are illicit practices by ten of these organizations. They now hope the IRS will audit the organizations in question.

"The law is pretty clear," Strauss said. "If these laws were applied honestly, these organizations would not have tax exemption."

According to IRS regulations, in order to obtain 501(c)(3) tax-exempt status, an organization must set forth "charitable, religious, or educational purposes," including "lessening neighborhood tensions, eliminating prejudice and discrimination, defending human and civil rights." The ADC argues settlements do just the opposite.

Furthermore, a charity "may not be an action organization," meaning it must not engage in "political activities." A 501(c)(3) can also be disqualified if it engages in propaganda

or if it operates in ways that do not pertain to its stated purposes.

The ADC also maintains that some of these organizations may be guilty of fraud and misrepresentation when they claim they operate in Israel but in fact operate in the West Bank and when they state charitable purposes when they actually buy military equipment and train paramilitary organizations.

"The smallest goal is to get their tax-exempt status removed," Strauss said. "If that happens people will continue donating to the settlements but the amounts will be smaller because the donor will have to pay taxes on it and the organization will have to pay taxes on the income."

For smaller organizations, the removal of the tax exemption could be fatal.

"Some organizations would die without it, especially in these days that donations are down," Strauss said. "Others would see a reduction in income."

The ADC is also hoping that larger, wealthier charities, such as the Jewish National Fund, which operate both in Israel and

the Occupied Territories, will end their activities in support of settlers in order to protect their exemption.

The ADC claimed its first success in January, 2010, when IRS Commissioner Douglas Shulman told National Public Radio that if the IRS did find these organizations to be breaking tax law, it would disqualify them from exemption, as it does many organizations every year. Some, however, argued Schulman's statement wasn't quite as resolute as the ADC later implied.

In addition to Adalah-NY and the ADC, at least five other organizations have formed a coalition against American support of settlements.

Among their complaints is the US government's reluctance to deal with groups they say are in flagrant violation of stated US policy and the double standard applied to US-based Arab and Muslim charities. In 2007, for example, the Holy Land Foundation, the largest Islamic charity in the United States, was shut down on the grounds that funding it raised ended up in the hands of Hamas, which the United States lists as a terrorist organization.

Adalah-NY members say the double standards are blatant and refer to the case of Noam Arnon, a spokesman of the Hebron

Jewish community and an honoree at the 2009 Hebron Fund dinner.

"Noam Arnon openly praises the murder of Palestinians and praises individuals like terrorist Baruch Goldstein," Andrew El-Kadi, a Palestinian American member of Adalah-NY, charged, citing a report by the Associated Press.

In 1994, Brooklyn-born doctor Baruch Goldstein entered the Muslim section of the Cave of the Patriarchs and opened fire, killing 29 Palestinians gathered for Friday prayer, before being lynched to death. His burial place, in the nearby settlement of Kiryat Arba became a site of pilgrimage honored by many, including Noam Arnon, until the Israeli Supreme Court ordered the shrine to be removed, enforcing an Israeli law against the building of monuments for terrorists.

"Look at the statements made by Noam Arnon," Heitner added.

"Can you imagine a Palestinian making these statements that is affiliated with a US 501(c)(3)? They would get shut down immediately."

Double standards aside, what the activities of settlement supporters have exposed is the inconsistency between stated US

foreign policy and the administration's capacity to enforce that policy, not only overseas but first and foremost at home.

Yet, as sympathetic to the anti-settlement movement as they may be, many civil liberties advocates are hesitant to argue that settlement support should be stopped on the grounds that it is against government policy.

"You have to very careful with that, you don't want to set a precedent that allows the government to shut the flow of funding to all organizations that support activities contrary to its policy," suggested Lara Friedman, a former diplomat and the Director of Policy and Government Relations for Americans for Peace Now, a Washington-based think tank.

Friedman pointed as an example to organizations that continued to support family planning programs in the developing world, even when the Bush administration strongly opposed them.

Others feel that disqualifying organizations from 501(c)(3) status may infringe on first amendment free speech rights, though this would only remove their tax exemption and not their right to operate.

"Unlike some friends and colleagues, I'm less impressed by the First Amendment argument that stripping such organizations of tax exemption would inhibit their freedom of speech," wrote Ambassador Philip Wilcox, a veteran US diplomat and the President of the Foundation for Middle East Peace, a Washington-based foundation devoted to fostering peace between Israelis and Palestinians.

Instead, Wilcox noted in an email, there is a certain reluctance, in Washington, to publicly engage in a highly controversial debate.

"My sense is that caution among Washington organizations in approaching the Treasury Department about this issue is fear of retaliation," he wrote. "Well-heeled settlement donors here could impose legal and auditing expenses on those who blow the whistle."

While non-profits funding settlements have operated under the radar for some time, the case can no longer be made that their work is unknown to government. "I think there is a lot of willful blindness," Heitner, the activist, said.

Some of these organizations in fact do more than collect contributions and have become vocal in their challenge to the Obama administration's position on settlements.

The projects of the One Israel Fund, for instance, range from sponsoring "defense equipment" and a Tactical Response Team of volunteers trained to respond to terrorist attacks to covering wedding expenses for settlers who lost their homes when they were evicted from Gaza.

The group also organizes themed tours to settlements, from "Wine Tasting Throughout Our Biblical Home" to "Summer Security Missions," which include visits to local commands, intelligence and terrorism information centers and K-9 training.

The One Israel Fund is also one of a few to openly challenge the US government's opposition to settlements, not only with facts on the ground, but also with words.

"Next on the chopping block: Judea and Samaria," is the title of one of the Fund's fliers, which quoted President Obama's remarks about settlements at his Cairo speech. "We're used to hearing the same old rhetoric from politicians: obstacles to peace, painful concession," the flier continues, soliciting

donations. "Now we have a new buzzword: illegitimate. The only thing that doesn't seem to change is the terror."

Another such group is Shuva Israel - The Return to Israel Fund, a Texas-based 501(c)(3) of "Evangelical Christians Lovers of Zion."

"What is our response to President Obama's pressure on Israel to freeze building in the communities of the Biblical Mountains of Judea and Samaria?" the group asks in gigantic font on the homepage of its "Stand with Israel" campaign. A link leads to the answer: "Become part of 12,000 Christian Zionists to sign up and give \$12 a month, equaling \$144,000 monthly to support the Jewish community settlements in the eternal biblical heartland of Israel."

If the spirited level of fundraising by such groups says anything, it is that settlers and their American supporters do feel threatened and do fear they are running out of time. While, even pre-recession, charitable donations in general were declining, many pro-settler groups have had their contributions increase remarkably. Construction and expansion of the settlements, too, has been bustling, Peace Now reports, something confirmed by settlers themselves.

While peace talks face delay, settlement supporters work relentlessly to assure a continued Jewish presence in the West Bank and new citizens of Israel continue to move into the Palestinian Territories.

Shifra Mincer is one of them. Brought up in Manhattan and a recent Ivy League graduate, she moved to Israel after college and now lives in Tekoa, a small but rapidly expanding settlement near Hebron.

"Most people here think Obama's effort will fail. In Tekoa there is lots and lots of building going on, all Palestinian workers doing the building," she wrote. "In general, people feel like the Gaza pullout was a failure, and therefore repeating it in the West Bank would just be idiocy. That means, a unilateral pullout without a proper peace treaty."

Mincer said she believes the unprecedented attention paid to settlements by the international community and the American government will pass, without anyone having made much of the political momentum and with a return to the status quo: settlements continuing to grow amidst general disinterest.

"When Obama first was elected, people talked about it here a lot," Mincer wrote. "But at this point people are just hoping nothing will come of the talking."