

Lawyers accused of £330m Holocaust scam

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Two lawyers are being investigated by Israeli and German authorities for an alleged scam involving £330 million of Holocaust survivors' pensions.

Germany's Der Spiegel reported this week that Israel Perri, in Tel Aviv, and Frank Reppenhagen, in Berlin, had been operating the scheme since 1980, when Mr Reppenhagen allegedly discovered that a new German-Israeli pension agreement could be profitably exploited.

Under the agreement, Germany offered Holocaust-survivors time-related entry to its own social security scheme under favourable conditions. Although the response was initially slow, the day before the deadline, the scheme reportedly received 30,000 applications from Mr Reppenhagen, a pensions lawyer.

Mr Perri's involvement came through his company, the Organisation for Carrying Out the Social Security Convention (Israel-West Germany), or "Irgun," which allegedly offered loans — supplied by non-Israeli credit companies — to survivors in exchange for two-thirds of their pensions and the payment of expensive life insurance premiums. Although paying thousands of marks in fees, the claimants received pensions of only a few hundred marks each month.

"Irgun" — which this week insisted it had not acted illegally — first hit the news in 1993, when a Tel Aviv district judge ruled the company had violated its clients' trust. Mr Perri appealed to the Supreme Court, which in 1996 found the organisation to be "improper and lacking in good faith."

Israeli prosecutors estimate that the two lawyers illegally transferred about DM 1 billion to accounts held by other lawyers, agencies and bogus companies based in the Isle of Man and Lichtenstein.

In full-page adverts in the Hebrew press on Wednesday, the "Irgun" said the "German pensions" were open to all Israeli citizens, regardless of whether they had suffered at the hands of the Nazis.

It said the agreements between the foreign credit companies and the applicants had been checked by the contract division of the Jerusalem district court and by representatives of the Attorney-Gen-eral. "It is therefore clear that the contracts were honest and fair," the advert declared.