



April 5, 2024

Ms. Erin McConaha
Acting Sanctions Coordinator
State Department
Washington, DC

Mr. Lawrence Scheinert
Enforcement Director
OFAC
Treasury Department
Washington, DC

Dear Ms. McConaha and Mr. Scheinert:

We are writing to request that the State Department and the Treasury Department investigate Israel Bonds and its sale of Government of Israel issued bonds in the United States in light of its likely violation of the White House [Executive Order](#) 14115 of February 1, 2024, "Imposing Certain Sanctions on Persons Undermining Peace, Security, and Stability in the West Bank (the "Executive Order"), which restricts the provision of funds to or for the benefit of sanctioned individuals."

The State of Israel instructs and exclusively authorizes the Development Corporation of Israel/Israel Bonds (a [SEC-registered brokerage firm](#)) to promote and sell its government-issued bonds, as acknowledged in the [prospectus](#) Israel Bonds publishes to promote the sale of the bonds and inform the public:

The accompanying prospectus, which starts on page one after the prospectus supplement, contains general terms of bonds sold by the State of Israel through Development Corporation for Israel.

The funds raised in the United States from the sale of the bonds go to the [general budget](#) of the State of Israel, which the government allocates at its discretion. Israel Bonds imposes no restriction on how the Israeli government distributes the revenues from the sale of the Israel Bonds, nor does it require the Israeli government to ensure that such revenues are not used in violation of U.S. laws and regulations, including the Executive Order. The Israeli government continues to use its budget to fund unlawful [settlements and outposts](#) in the Occupied Palestinian Territories, including indirect financing and material support of violent settlers.

Violation of Executive Order, "Imposing Certain Sanctions on Persons Undermining Peace, Security, and Stability in the West Bank"

Israel Bonds is providing the Israeli government with funds from the sale of bonds in the United States that the Israeli government is using to fund illegal outposts, including Meitarim Farm, an outpost owned by one of the individuals sanctioned by the Executive Order. Because Israel Bonds does not restrict Israel's use of the funds and the Israeli government does not segregate the funding it receives from Israel Bonds, there is no way for Israel Bonds to ensure that its funds are not being used in violation of the Executive Order.

Israeli governments [fund](#) illegal settlements and outposts, as well as the infrastructure (roads, water, electricity, etc.) to support them, from its general budget each year. In the 2023 budget, \$107 million was allocated to the [Settlements Division](#) of the World Zionist Congress, “a semi-government agency whose task is to fund and develop rural Jewish communities both within the Green Line and in West Bank settlements.” The WZO Settlements Division is a signatory to the land allocation contract for Zvi Bar Yosef and Zvi’s Farm, which were added to the OFAC sanctions list on March 14, 2024. Additionally Peace Now has [documented](#) recent budget maneuvers to shift money to the Ministry of Agriculture for illegal outposts in the West Bank.

One of the four [individuals](#) sanctioned by the Executive Order is Yinon Levi, who established and resides at the illegal settler outpost of Meitarim Farm in the southern West Bank and operates an animal husbandry business there. Levi was the only one sanctioned for playing a role in the forced displacement of Palestinians, in addition to physically attacking Palestinians and other civilians:

Pursuant to section 1(a)(i)(B)(2), the following individual is being designated for being responsible for or complicit in, or to have directly or indirectly engaged or attempted to engage in planning, ordering, otherwise directing, or participating in efforts to place civilians in reasonable fear of violence with the purpose or effect of necessitating a change of residence to avoid such violence, affecting the West Bank:

YINON LEVI (LEVI) led a group of settlers who engaged in actions creating an atmosphere of fear in the West Bank. He regularly led groups of settlers from the Meitarim Farm outpost that assaulted Palestinian and Bedouin civilians, threatened them with additional violence if they did not leave their homes, burned their fields, and destroyed their property. **LEVI** and other settlers at Meitarim Farm have repeatedly attacked multiple communities within the West Bank.

The Israeli government continues to fund Levi and his Meitarim Farm via the Ministry of Agriculture and the Har Hebron Regional Council. On February 4, 2024, the Israeli government granted the Ministry of Agriculture funding to finance farm outpost settlements in the West Bank, including Levi’s Meitarim Farm, following the 2021 government [decision](#) to allocate budgets from 2022-2024 for “rural settlements engaging in significant agricultural activity in areas of National priority.” [According](#) to Israeli NGO Peace Now, “around 40% of the budget (about 8 million shekels per year) was allocated for outposts in the West Bank.”

On February 14, 2024, the *Times of Israel* [reported](#) that the Har Hebron Development Company, which is majority-owned by the Har Hebron Regional Council, signed a legally binding [contract](#) with Yinon Levi to establish the illegal outpost of “Meitarim Farm” in the West Bank in 2021. The [Har Hebron Regional Council](#) is an Israeli regional council in the southern West Bank governing Israeli settlements. The council serves as the municipality for 17 settlements and an unknown number of outposts, including Meitarim Farm. The Har Hebron Regional Council is one of 53 such regional [councils](#), “which are state-authorized and -funded municipal authorities that encompass multiple towns in administrative districts across Israel and the West Bank.”

The contract obtained and published by the *Times of Israel*, attached as an addendum to this letter, stipulates that the Council is granting Levi use of the land “...to assist in protecting areas [designated as] state land **and the capture and protection of the surrounding areas**...” As all of the land in question is in the occupied Palestinian territory, the contract essentially authorizes



Levi to undertake the forced displacement of local Palestinian communities there. In recent years, grazing and herding farms like the one established by Levi have “become Israel’s most significant mechanism for dispossessing Palestinian communities,” [according to](#) Israeli settlement watchdog, Kerem Navot.

A second contract, obtained by DAWN and attached to this letter, shows that the World Zionist Organization’s Settlements Division was a party to the contract between Zvi Bar Yosef (a sanctioned individual), the Neve Tsuf settler municipality, and the settlement construction conglomerate Halamish, to establish Zvi’s Farm, another sanctioned entity.

Israel Bonds is violating Section 3 of the [Executive Order](#), which stipulates that:

- (a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order.

Because funds raised from sale of Israel Bonds in 2023 have funded the general budget of the State of Israel which has or will transfer such funds to Levi and his outpost at Meitarim Farm, as well as Moshe’s Farm, Israel Bonds is violating the Executive Order. Israel Bonds cannot affirm or demonstrate that the funds it has raised from U.S. citizens and U.S. based pension funds are not being used to fund sanctioned individuals and entities.

DAWN calls on the State Department and Treasury Department to suspend the activities of the Development Corporation of Israel/Israel Bonds in the United States, namely the sale of Israeli government-issued bonds, and to issue an alert to institutional and individual investors that this action has been taken as a means of ensuring compliance with U.S. law.

Thank you for your time and consideration. We remain available to answer any questions or provide additional information.

Sincerely,

Sarah Leah Whitson
Executive Director
DAWN

Michael Omer-Man
Director of Research, Israel-Palestine
DAWN