

Organ Traders Evade Taxes

[translated from *Yediot Aharonot*¹]

Senior management of a company providing Israelis with organs from Chinese prisoners arrested

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Suspicion: Medikt managers evaded 30 million Shekels²—senior officials in Kupat Holim [Israeli medicare company] to be investigated—affair exposed following an investigative report by *Yediot Aharonot*.

Senior officials in Kupat Holim Klalit and insurance company Dikla are expected to be investigated regarding their involvement in the big tax evasion of middleman Itzhak Yaron of Medikt company, which mediated transplants of Chinese prisoners' organs to Israelis. Yaron and Medikt manager Ilan Perri were arrested in recent days on charges of evading taxes on 30 million Shekels paid by Israelis for the organs.

This affair was exposed nine months ago in an investigative report by the *Musaf Leshabat (Weekend Magazine)* of *Yediot Aharonot*. Yaron said in an undercover³ interview that the organs are harvested from people who oppose the regime, those sentenced to death and from prisoners of the Falun Gong sect, which is being persecuted in China. The investigative report also exposed that Kupat Holim Klalit cooperated with him in sending Israelis for transplants in China, disregarding an explicit instruction from the general manager of the [Israeli] Ministry of Health.

The Tax Authority's investigation, which was initiated because of the report, revealed that for a kidney transplant Israelis paid USD\$71,000, and for a heart transplant USD\$170,000. The National Unit for Field Intelligence and Investigations of the [Tax] Authority, headed by Dr. Haim Gabai, discovered that Medikt employees, among them a lawyer whose name has been banned from publishing, issued—according to suspicion—fictitious invoices that were provided to Kupat Holim Klalit and Dikla. According to the suspicion, the cost of transplants was substantially lower than the amount written on the invoices, and the employees pocketed the difference.

Early this week the investigation went public: the homes and offices of company representatives were searched, and material relating them to the suspicions attributed to them was confiscated. Yaron, 62, his assistant Peleg Matan, 32, and the lawyer, whose name was banned from publication, were arrested, and the court ordered to extend their arrest for 3 days. Yesterday Perri, 59, was also arrested.

In a hearing at the Magistrates' Court in Tel-Aviv the representative of the Income Tax Authority, Shahar Damati, claimed that these are serious offenses. Perri's defense attorneys, Tamir Kalderon and Liron Landa, claimed at the hearing that he acted properly. Judge Mordechai Peled ruled that there is reasonable suspicion against the suspect and extended his arrest for five days.

- 1.) *Yediot Aharonot* is the largest newspaper in Israel
- 2.) Israeli currency. USD\$1=4.5 Shekels
- 3.) i.e. he wasn't aware that he was being taped by the reporter