



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
HOLOCAUST CLAIMS PROCESSING
REPORT**

As Required by Section 37-a of the Banking Law

**Report to the Governor
and the Legislature**

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I. Introduction

For more than 15 years the State of New York has helped individuals of all backgrounds obtain a measure of just resolution for the theft of property during the reign of the Nazi regime. Though banks, insurance companies, museums and art collectors are now more willing to consider restitution claims from Holocaust victims and their heirs, the processes for filing such claims can be difficult to navigate.

The Holocaust Claims Processing Office (“HCPO”) was established in 1997 to provide institutional assistance to individuals seeking to recover assets lost due to Nazi persecution. Claimants pay no fee for the HCPO’s services, nor does the HCPO take a percentage of the value of the assets recovered. The HCPO is a unit of the Financial Frauds & Consumer Protection Division within the Department of Financial Services (“the Department”).

The mission of the HCPO is threefold:

- recover assets deposited in banks;
- recover proceeds of unpaid insurance policies; and,
- recover art lost, looted, or sold under duress between 1933 and 1945.

The HCPO has been able to ease the burdens, roadblocks, and costs often incurred when individuals pursue claims on their own. The HCPO remains the only government agency in the world that aids Holocaust victims and their heirs with a variety of multinational restitution and compensation processes.

II. Overview of Operations and Accomplishments

A. Summary of Operations

In response to the complex nature of restitution claims, the HCPO has developed a systematic method to handle cases. First, individual claims are assigned to members of the HCPO staff who assist in securing the necessary genealogical and historical documentation to ensure viability of the claim. As claims received by the office range from the partially or even fully documented to the purely anecdotal, the HCPO undertakes claimant-specific research in domestic and international archives as well as public and private repositories to obtain as much data as possible regarding lost assets. The HCPO also carries out general historical research to corroborate and contextualize the information the office shares with claimants, claims processing organizations, and companies.

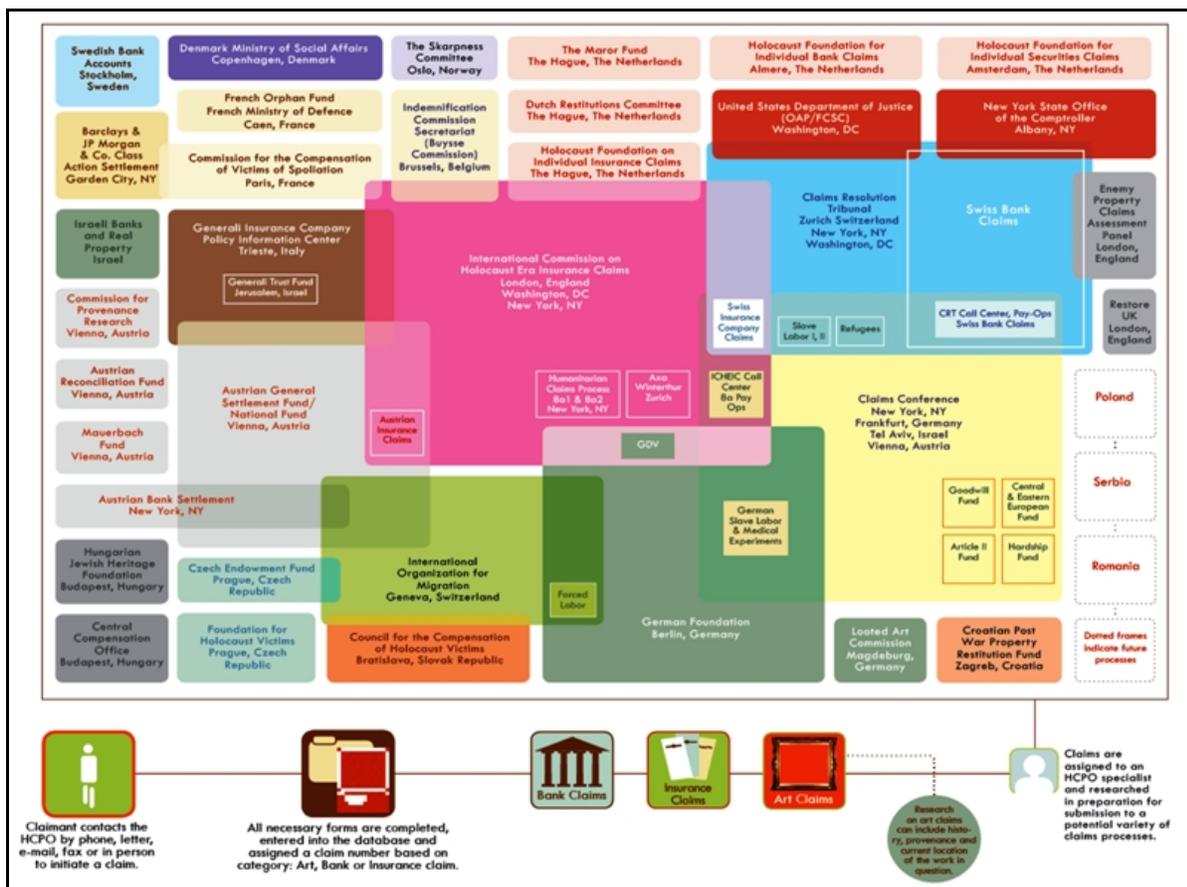
Second, the HCPO determines where to file the claim(s) by ascertaining which present-day company or claims process is responsible for the lost asset in question. Third, the HCPO submits claim information to the appropriate companies, authorities, museums, or organizations requesting that a complete and thorough search be made for the specified asset and that, when applicable, the lost property be restituted to claimants. To ensure rigorous review of these requests, the HCPO maintains frequent contact with entities to which it submits claims.

Claimants contact the HCPO with questions at any time knowing that they have a committed advocate that will be responsive to their concerns.

Finally, the HCPO reviews the decision rendered on the claim to ensure that it adheres to published processing guidelines and helps claimants understand these guidelines in order to interpret decisions. In the event that a claimant wishes to appeal a decision, the HCPO guides claimants through the appeals process and performs additional research when possible. Alternatively, when claimants receive positive decisions that include monetary awards, the HCPO facilitates payment by explaining the various forms and by following up with the claims entity to confirm payment.

Since 1997, the HCPO has worked directly with almost all the organizations and processes effectuating Holocaust-related restitution and compensation. See Figure 1.

Figure 1 - Compensation Organizations and the HCPO



The HCPO anticipates that victims and heirs will continue to need its assistance, given current conditions and recent developments, namely: the claims processing entities in France, Israel, the Netherlands, and the United Kingdom are still accepting and handling claims; members of Congress continue to express an interest in adopting legislation to address unresolved claims for Holocaust-era assets; insurance companies continue to review and process claims submitted directly to them; and the Federal Government publicly endorses the HCPO as a alternative means to resolve claims of Holocaust-era looted art. As a result, the time required for submitting and processing claims is determined by circumstances beyond the HCPO's control.

B. Claimant Demographics

From its inception through December 2012, the HCPO has responded to more than 13,000 inquiries and received claims from 4,912 individuals from 45 states, the District of Columbia, and 39 countries. *See* Figures 2 and 3.

**Figure 2 – International Geographic Distribution of HCPO Claimants
(Areas appearing in color represent countries where HCPO claimants reside.)**

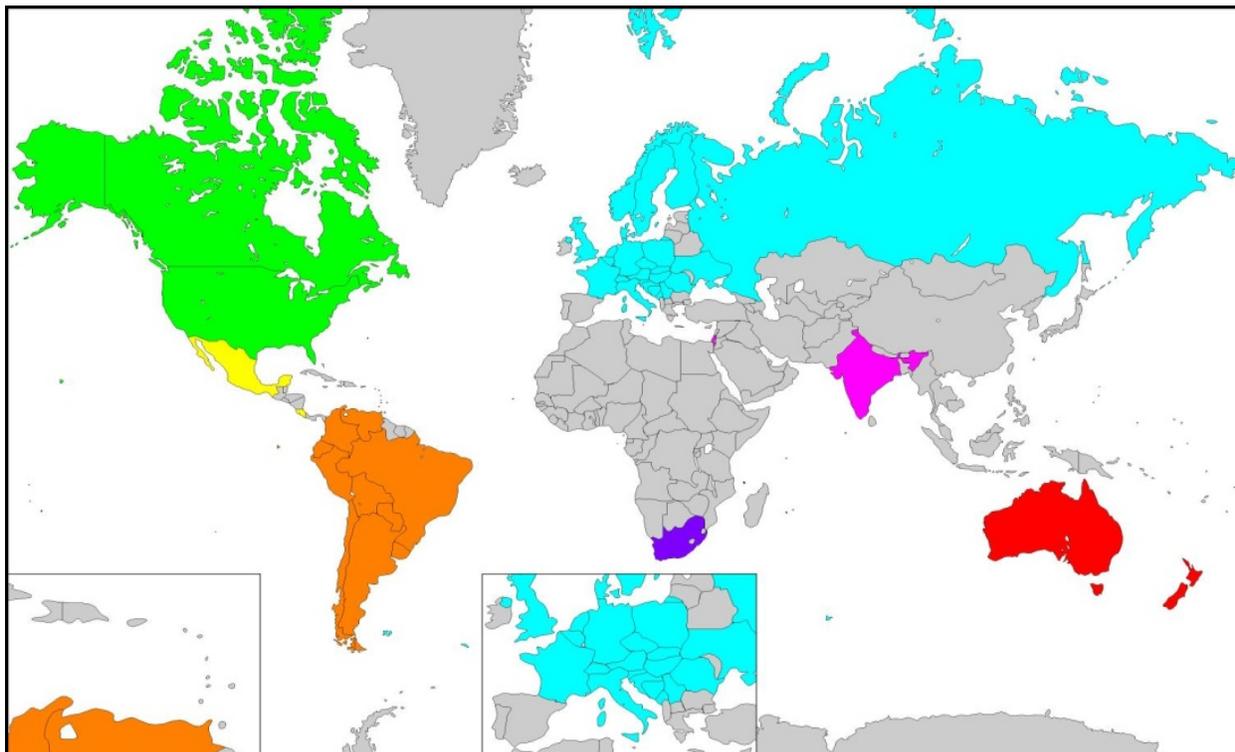
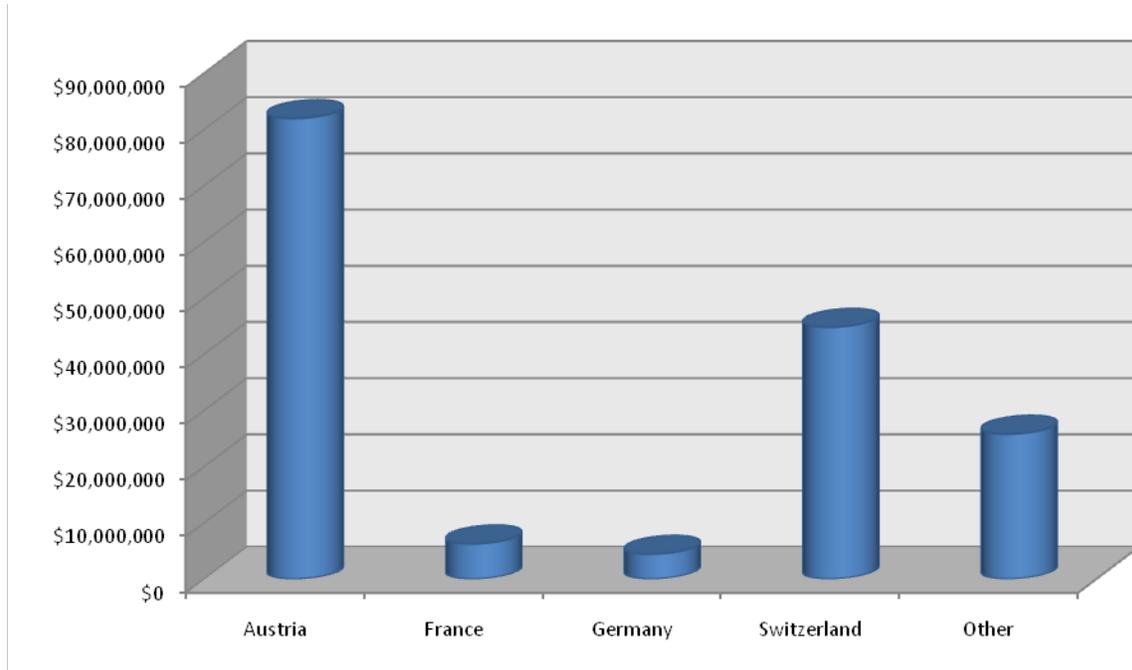


Figure 4 - Total Offers Extended to HCPO Claims to Date by Country²



C. Bank Claims

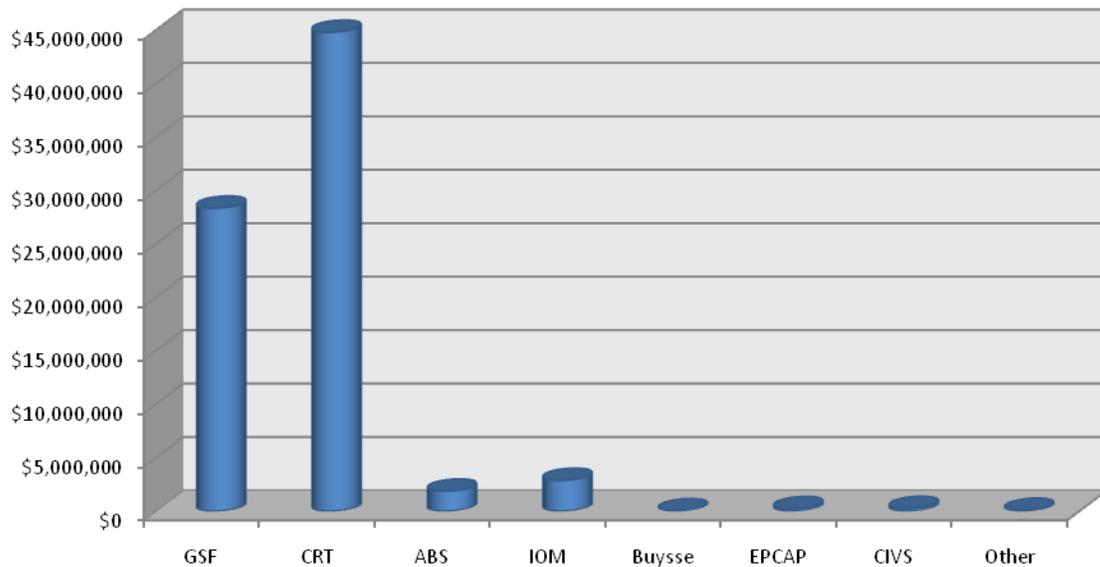
Of the claims filed with the HCPO to date, 2,407 individuals (from 42 states, the District of Columbia, and 38 countries) submitted claims for assets deposited in banks referencing 3,726 individual account-holders. The HCPO has closed the claims of 455 individuals; 1,952 individuals currently have open bank claims which have been submitted to a number of parallel claims processes.

To date, offers extended to HCPO claimants seeking the return of bank assets total \$78,626,422³, this represents an increase in offers of \$3,877,567 from the previous year. *See Figure 5.*

² Other includes: Belgium, the Czech Republic, Israel, The Netherlands, The United Kingdom, and the United States, and international claims processes where the funds did not come from anyone country.

³ This sum includes two dormant Lithuanian Holocaust era bank accounts, previously held by Citigroup, transferred to The Foundation for the Lithuanian Jewish Heritage.

Figure 5 - Bank Claims



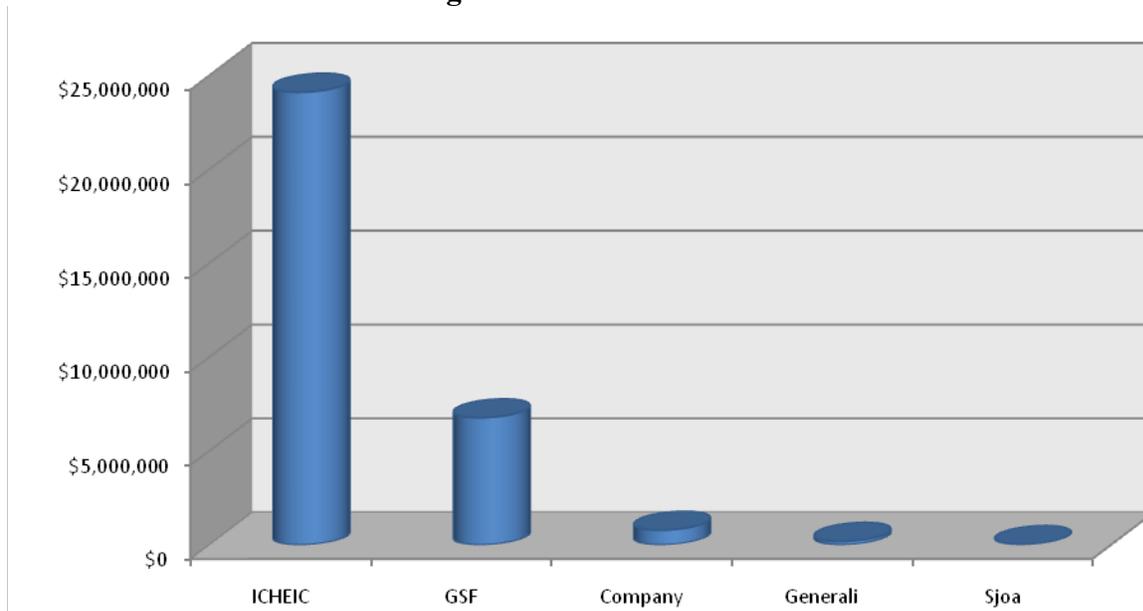
2012 Highlight: In the course of reviewing claims that received an additional payment from the Claims Resolution Tribunal (“CRT”) as part of the Presumptive Value payment adjustment order, the HCPO discovered an account that had been accidentally omitted by the CRT due to an administrative oversight. The HCPO immediately brought this case to the attention of the CRT. Without delay, the CRT reviewed the case, acknowledged the discrepancy and took corrective action. An amended award was issued and the claimants received an additional payment of nearly \$81,000.

D. Insurance Claims

Furthermore, 2,344 individuals (from 42 states, the District of Columbia, and 26 countries) submitted insurance claims referencing 3,563 individual policy-holders. The HCPO has closed the insurance claims of 1,641 individuals; 703 individuals currently have open insurance claims most of which are under review for closure. Claims for unpaid insurance policies have been submitted into a number of parallel claims processes for consideration.

To date, offers extended to HCPO claimants seeking the proceeds of insurance policies total \$31,891,433, this represents an increase in offers of \$218,642 from the previous year. *See Figure 6.*

Figure 6 - Insurance Claims



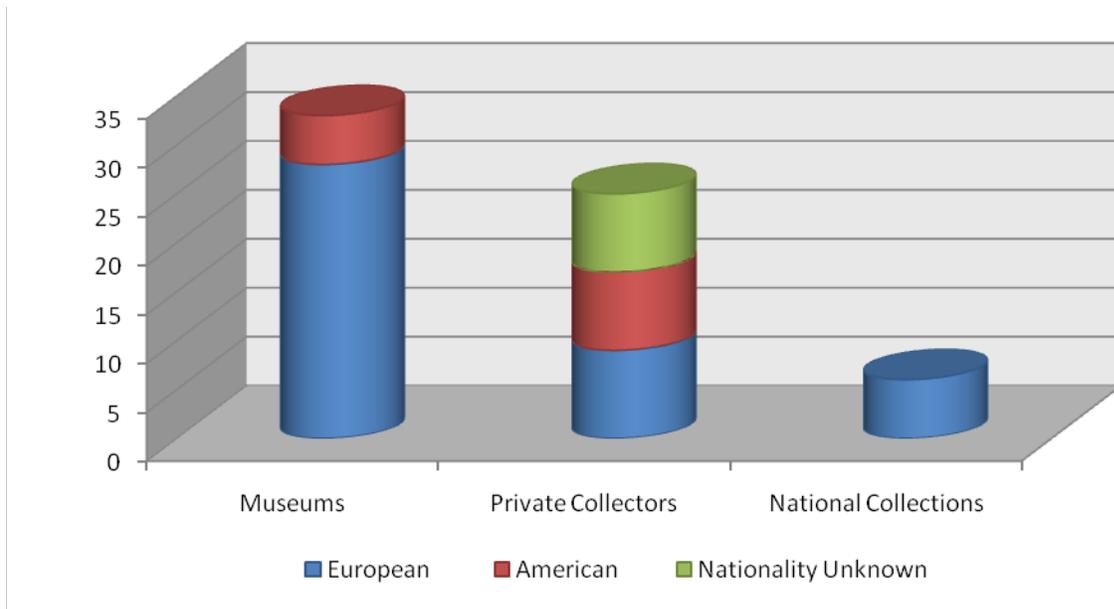
2012 Highlight: HCPO research efforts continue to grow as new resources become available and in the wake of multilateral cooperation agreements between the US and other national archives. However, data protection laws generally require consent from the survivor or heir to conduct the necessary research. For example, Victoria Lebensversicherung AG contacted the HCPO to assist with research concerning prewar policies owned by a Brooklyn resident's father. With the assistance of the HCPO, three insurance policies that belonged to the individual's parent and which had never been the subject of post-war compensation proceedings were located. It was determined through additional research that the policies had probably been cancelled in the year 1938. The HCPO worked with the company to ensure the heir received the requisite payment of over \$130,000.

E. Art Claims

From 1933 to 1945 the Nazi regime carried out the greatest spoliation of works of art in history. Nazi plundering, which ranged from outright seizure to sales made under duress, was not limited to museum quality pieces but included works by lesser-known artists, decorative arts, and Judaica. Unlike claims for financial assets, claims for Holocaust-era looted art do not lend themselves to wholesale, centralized settlements. Instead, given the individualized nature of these cases, they require working with a variety of entities and must be resolved on a painting-by-painting or object-by-object basis.

The HCPO has accepted 162 art claims (from 19 states, the District of Columbia, and 13 countries) referencing thousands of items, approximately 8,000 of these in sufficient detail to permit additional research. The office has closed the claims of 28 individuals, 129 individuals currently have open art claims. To date, 64 cultural objects have been restituted to HCPO claimants, this represents an increase in 8 objects from the previous year. *See Figure 7.*

Figure 7 - Location of Object at Time of Present-day Discovery

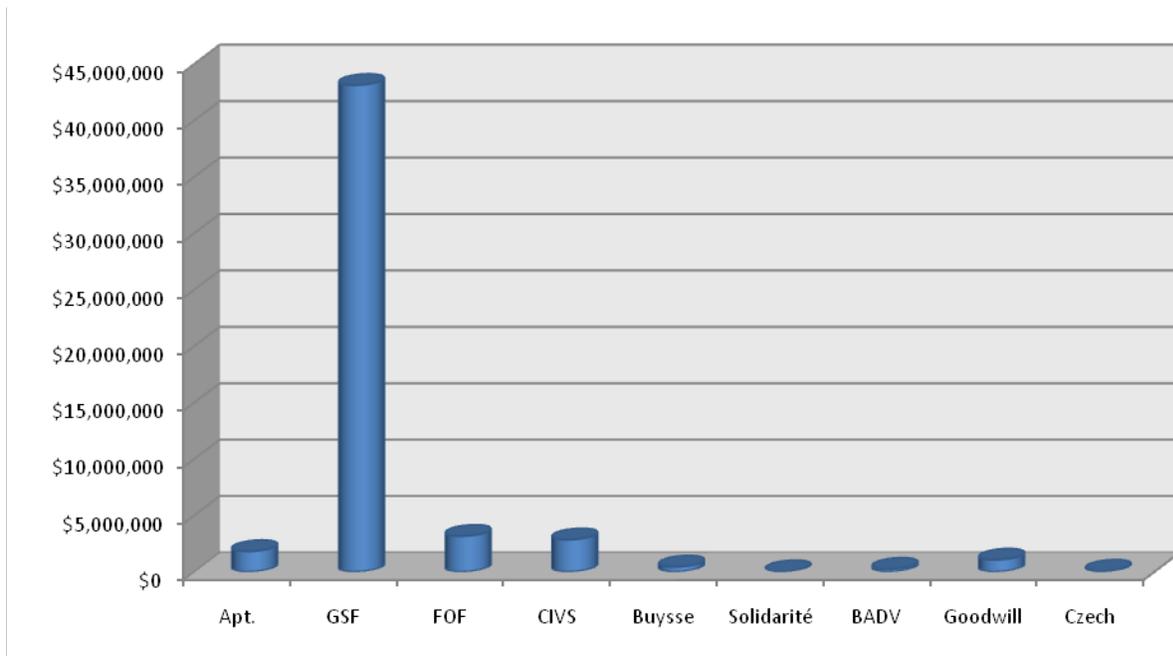


2012 Highlight: The Heirs of Dr. Michael Berolzheimer, a lawyer and art collector from Fürth, Bavaria, filed claim with the HCPO in April 2011 for Dr. Berolzheimer's art collection which was forcibly sold by Nazi authorities through the Münchener Kunstversteigerungshaus Adolf Weinmüller on November 1- December 2, 1938 and March 10, 1939. This year the HCPO successfully recovered Hendrick Potuyl's red chalk drawing *Two farmers at an inn* and reached a settlement with the École nationale supérieure des Beaux-Arts, Paris for the restitution of Nicolas Bertin's *Apollo and the Cumean Sybille*, red chalk.

F. Material Losses and Other Claims

Several compensation agencies administering programs covering bank account and/or insurance policy losses also assess claims for material and/or other losses resulting from Nazi persecution. Of the 4,809 individuals who filed claims with the HCPO, 615 of them were found eligible for compensation under material asset, real property loss or other schemes. To date, offers extended to HCPO claimants seeking other material losses total \$52,805,514, this represents an increase in offers of \$934,790 from the previous year. See Figure 8.

Figure 8 - Other Compensation Claims



2012 Highlight: During the course of researching various claims with Czechoslovak connections, an HCPO Claims Specialist discovered a new (and relatively unknown) program offering compensation to Czech victims of World War II. Upon learning of this compensation opportunity the HCPO reached out to all claimants of Czech origin and assisted those eligible individuals with the process. With the assistance of the HCPO, several claimants have received payment totaling more than \$70,000.

III. Holocaust Claims Processing Office Annual Expenditures for Calendar Year 2012

The HCPO has a full time staff of six. The total cost of operating the HCPO during the 2012 calendar year was \$651,188, including personal service, fringe and indirect costs, and non-personal service expenditures, as follows:

	FY 11-12	FY 12-13	Total
	Jan-Mar	Apr-Dec	Calendar Year
Personal Service	\$108,433	\$315,682	\$424,115
Fringe/Indirect	\$55,258	\$171,636	\$226,894
Non-Personal Service	\$60	\$119	\$179
Total	\$163,751	\$487,437	\$651,188

NOTES:

Funding: Full costs for HCPO are now borne by the Department of Financial Services and are split with 60% of charges going to the Insurance Division and 40% going to the Banking Division.

Fringe/Indirect: Fringe and Indirect costs are presented based on the total as calculated from Personal Service costs multiplied by the fringe rate. In SFY 2011–12, the fringe rate was 50.96%. In SFY 2012–13, the rate increased to 54.37%.

Changes Driving Expenditure Increase: Personal Service — Most employees received a performance advance in April or October of 2012. A staff member increased from 50% to 60% effective February 2012. Fringe and Indirect — The fringe rate on Personal Service increased by 3.41% in April of 2012.