



Department of Financial Services

Holocaust Claims Processing Office Annual Report to the Governor and Legislature

January 15, 2018
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I. Introduction

The year 2017 marked the 20th anniversary of the creation of the Holocaust Claims Processing Office (“HCPO”). On June 25, 1997, the HCPO was established and tasked with expediting the process by which Holocaust victims and their heirs could make claims for assets lost as a result of Nazi persecution. The HCPO was officially opened on September 15, 1997, and operates as a unit of the Department of Financial Services (DFS).

For the past 20 years the State of New York has helped individuals of any background obtain a measure of just resolution for the theft of property during the reign of the Nazi regime. Due to our efforts, banks, insurance companies, international organizations, museums and art collectors, and countries around the world are sensitized to the issues regarding Holocaust-era assets and therefore continue to consider restitution claims from Holocaust victims and their heirs.

The HCPO was established 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 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 entity 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

Summary of Operations

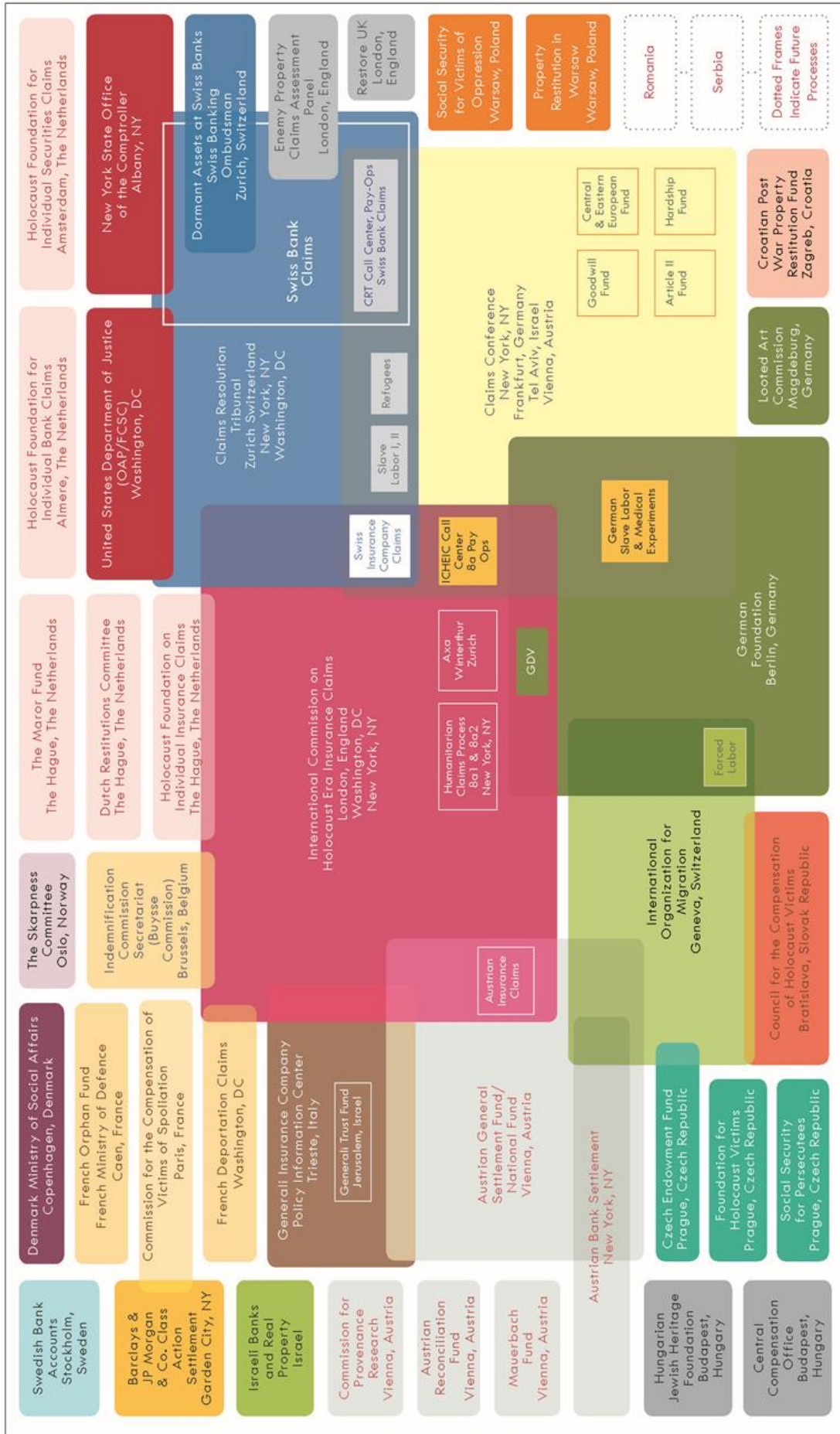
In response to the complex nature of restitution claims, the HCPO has developed a systematic method to handle cases. First, individual claims are assigned to members of the HCPO staff who assist in securing the necessary genealogical and historical documentation to ensure viability of the claim. As claims 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 conducts general historical research to corroborate and contextualize the information the office shares with claimants, claims processing organizations, companies, institutions and governmental authorities.

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, requests that a complete and thorough search be made for the specified asset and, when applicable, that 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. In cases

involving artwork, this also entails the HCPO working with the current possessors to clarify the work's ownership history. 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 those guidelines in order to interpret decisions. 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. Alternatively, 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. In resolving claims for artwork, the HCPO liaises between the current possessor and claimant to formulate a resolution acceptable to all parties.

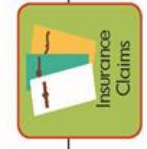
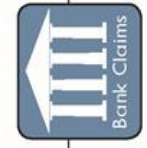
The HCPO continues to work directly with almost all the organizations and processes effectuating Holocaust-related restitution and compensation. *See Figure 1.*



Claimant contacts the HCPO by phone, letter, e-mail, fax or in person to initiate a claim.



All necessary forms are completed, entered into the database and assigned a claim number based on category: Art, Bank or Insurance claim.



Claims are assigned to an HCPO specialist and researched in preparation for submission to a potential variety of claims processes.

art claims research can include history, provenance and current location of the work in question.

The HCPO anticipates that victims and heirs will continue to need its assistance for years to come in light of current conditions and recent developments, namely:

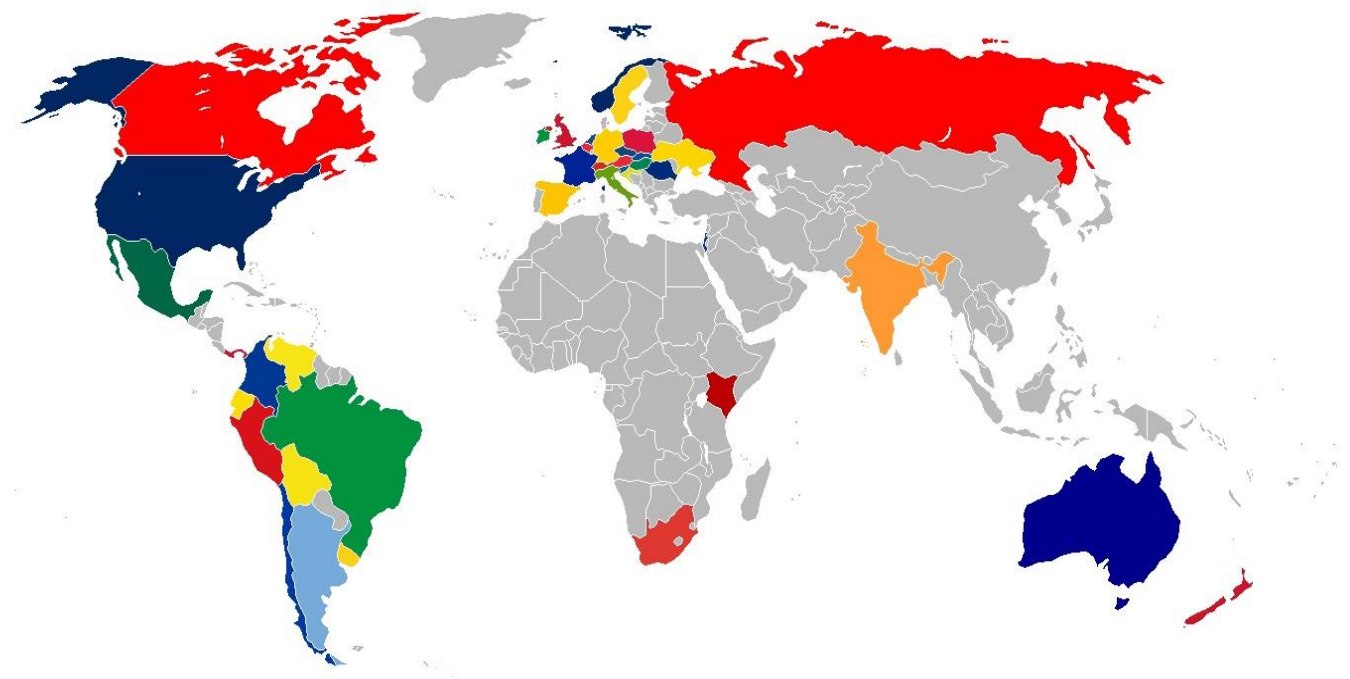
- The claims processing entities in the Czech Republic, France, Germany, Israel, Poland, the Netherlands, and the United Kingdom are still accepting and handling claims;
- In accordance with a treaty between France and the United States, the United States government continues to process claims for wrongs suffered because of deportation from France during the Holocaust;
- Insurance companies continue to review and process claims submitted directly to them; and
- The Polish government passed legislation in 2014 that enables Polish Holocaust victims who reside outside of Poland to receive pension payments.

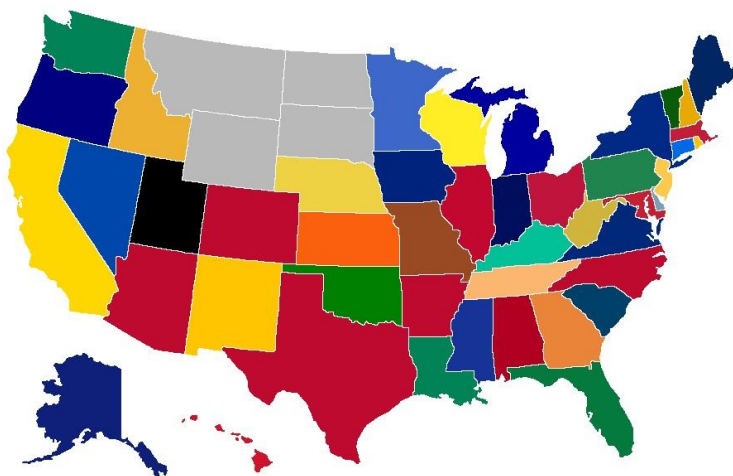
As a result, the time required for submitting and processing claims is determined by circumstances beyond the HCPO's control.

Claimant Demographics

In 2017, HCPO received claims from 55 individuals. From its inception through December 31, 2017, the HCPO has received claims from 5,773 individuals from 46 states, the District of Columbia, and 40 countries. *See Figures 2 and 3.*

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





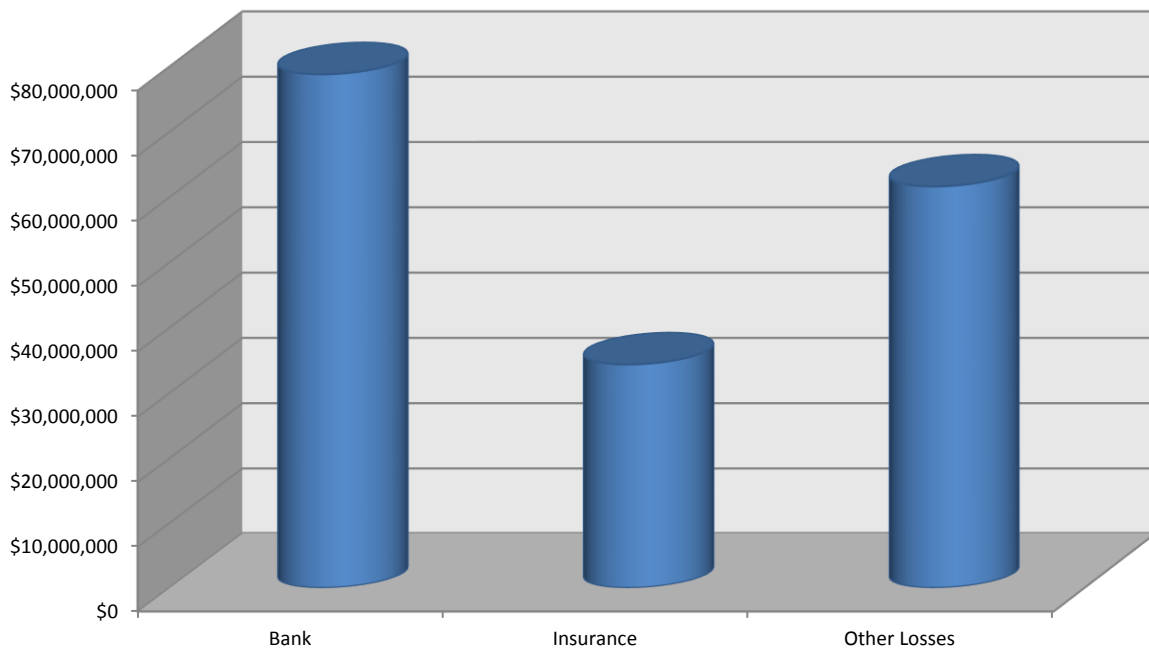
In 2017, HCPO successfully resolved 586 claims of 73 individuals in which an offer was presented, or the asset deemed non-compensable.¹ In 2017, claimants received \$2,001,593 in offers.

In total, the HCPO has successfully resolved 15,455 claims of 5,252 individuals in which an offer was presented, or the asset was deemed non-compensable. To date, the HCPO has secured 9,161 offers; their combined total² for bank, insurance, and other losses amounts to \$176,929,962. See Figure 4.

¹ In addition to assisting claimants in obtaining offers of compensation, the HCPO has helped thousands of Holocaust victims and their heirs obtain resolution of their claims by: demonstrating that the assets sought had been previously compensated via a postwar restitution or compensation proceeding that was active from the 1950s through the 1970s or, in some cases, through a present-day claims process; showing that the claimed asset has otherwise been handled appropriately (*i.e.*, in accordance with the original owners' wishes); or confirming that the asset was not lost as a result of Nazi persecution.

² Processes offer victims or heirs monetary compensation calculated on the value of the lost assets, however, the total amount of funds available to a claims agency may be limited and may not allow for full payment of loss. Thus, the actual payment may be substantially less than the value of the lost asset. The full value noted in a decision is important as it recognizes the actual loss and guides in determining the amount of payment when full payment is not possible. Therefore, the HCPO reports the full value. Sometimes victims do not consider the offer adequate and do not agree to settle. In other cases, the percentage of the full value that is offered is the amount paid.

Figure 4 - Total Offers Extended to HCPO Claimants to Date by Claim Type

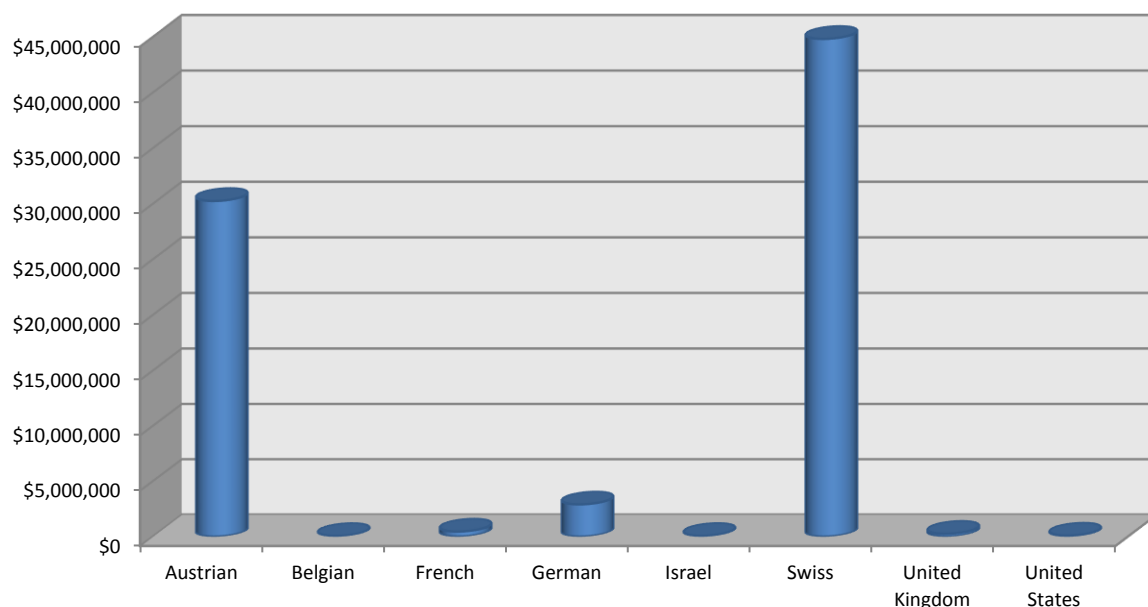


Bank Claims

In 2017, six individuals submitted claims for assets deposited in banks relating to 15 original account-holders. In 2017, HCPO claimants received \$16,240 in offers.

Of the claims filed with the HCPO to date, 2,519 individuals (from 42 states, the District of Columbia, and 37 countries) submitted claims for assets deposited in banks relating to 3,890 original account-holders. The HCPO has secured the settlement or resolution of 6,535 claims where the offer was presented, or the asset was deemed non-compensable. To date, the total offers extended to HCPO claimants seeking the return of bank assets total \$78,865,007. See *Figure 5*.

Figure 5 - Bank Claims



2017 Highlight:

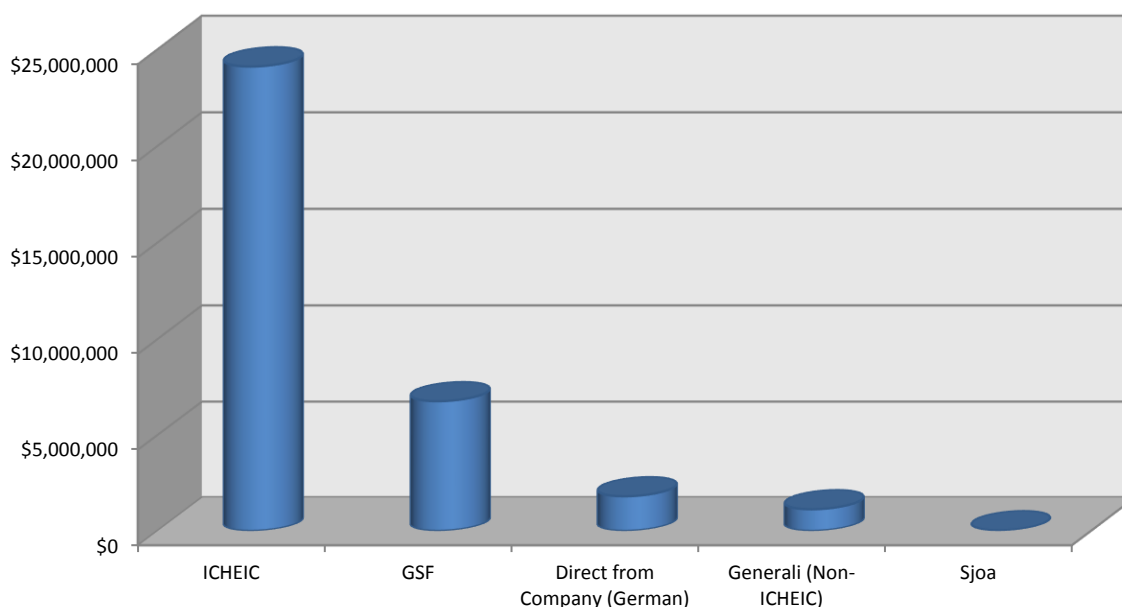
In 2006, the Knesset – the national legislature of Israel -- enacted the Israeli Holocaust Victims Assets Law and the following year established the Company for Location and Restitution of Holocaust Victims' Assets ("Hashava"). The primary purpose of Hashava was to collect bonds, banks deposits, and real property that were acquired by European Jews who perished during the Holocaust and return the assets or their fair value to Holocaust survivors or their rightful heirs. To meet this goal, Hashava was empowered to undertake steps to locate the legal heirs to the assets. Since its establishment in the summer of 2007, Hashava has approved 2,811 applications for restitution, totaling approximately \$205 million in disbursements. An additional \$285 million were liquidated after Hashava determined heirs could not be found, and the proceeds were given to needy Holocaust survivors or spent on Holocaust commemoration and education. Hashava ceased its research and heir searching operations on December 31, 2017. However, the process is open-ended and heirs will still be able to file claims for assets. As of January 1, 2018, claims are being handled by a small staff working within the Israeli Ministry of Justice.

Insurance Claims

In 2017, five individuals submitted insurance claims relating to six original policyholders. By year-end, HCPO claimants received \$277,190 in offers.

To date, 2,457 individuals (from 43 states, the District of Columbia, and 26 countries) have submitted insurance claims relating to 3,724 individual policyholders. The HCPO continues to receive inquiries and claims for unpaid insurance policies. When possible, the HCPO submits such claims directly to successor companies for consideration. The HCPO has secured the settlement or resolution of 6,155 claims where the offer was presented, or the asset was deemed non-compensable. The offers extended to HCPO claimants seeking the proceeds of insurance policies total \$34,685,590. *See Figure 6.*

Figure 6 - Insurance Claims



2017 Highlight:

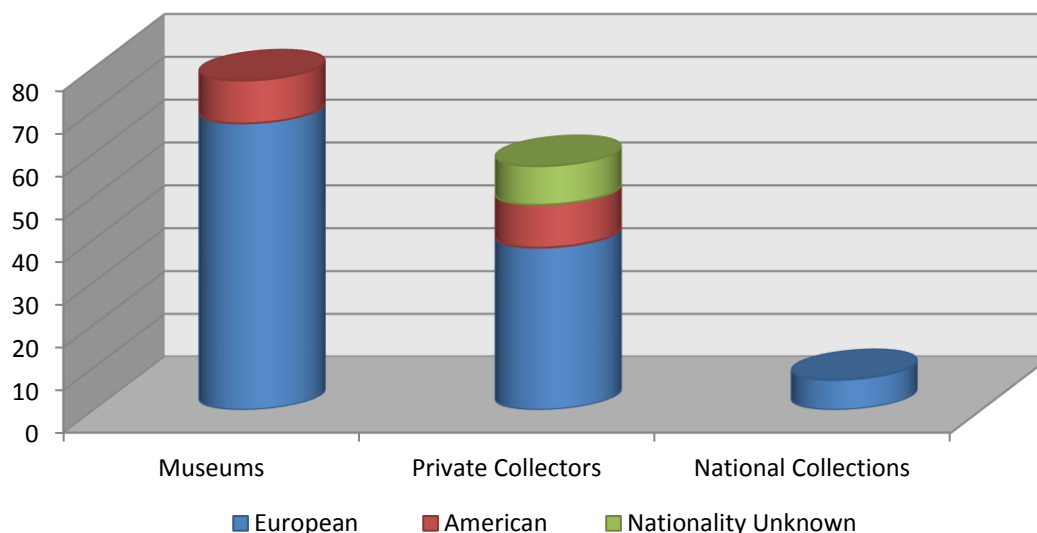
In 1869, Ludwig Loewe established a company that produced sewing machines. Within three years he created a separate company to produce armaments. Loewe's armaments enterprise was famous for its controlling interest in German arms manufacturer Waffenfabrik Mauser and for employing Georg Luger, the inventor of the Luger pistol. After Ludwig Loewe's death, his brother, Isidor Loewe, took over running the company, the name of which was changed to Gesellschaft für Elektrische Unternehmungen Ludwig Loewe & Co. A.G. By the 1930's, the company, which had three main products – electricity, machinery and armaments, was worth hundreds of millions of Reichsmark. Isidor's sons, Erich and Egon, as well as his son-in-law, Oscar Oliven, all had prominent positions on the board of the company and had decisive roles in the company's management. The Loewe family were directly impacted by Nazi anti-Semitic policies as all were considered Jewish; the company was *Aryanized* and the Loewes were forced to resign. Erich Loewe eventually emigrated and settled in California. In 2016, the HCPO assisted the heirs of Erich Loewe with the submission of an insurance claim through the German Insurance Association, resulting in a policy match and a compensation offer. As the initial offer was well below the standards set by the International Commission on Holocaust Era Insurance Claims ("ICHEIC"), the HCPO repeatedly petitioned the insurance company to adhere to ICHEIC guidelines, which it ultimately did.

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, musical instruments and composition, and Judaica. Unlike claims for financial assets, claims for Holocaust-era looted art do not lend themselves to centralized settlements. Instead, given the individualized nature of these cases, they require working with a variety of entities and must be resolved on an object-by-object basis.

In 2017, the HCPO coordinated settlements for 10 works of art. To date, the HCPO has accepted 174 art claims (from 19 states, the District of Columbia, and 14 countries) referencing thousands of items in sufficient detail to permit additional research and has facilitated restitution settlements involving 141 cultural objects from 33 different collections. *See Figure 7.*

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



2017 Highlight:

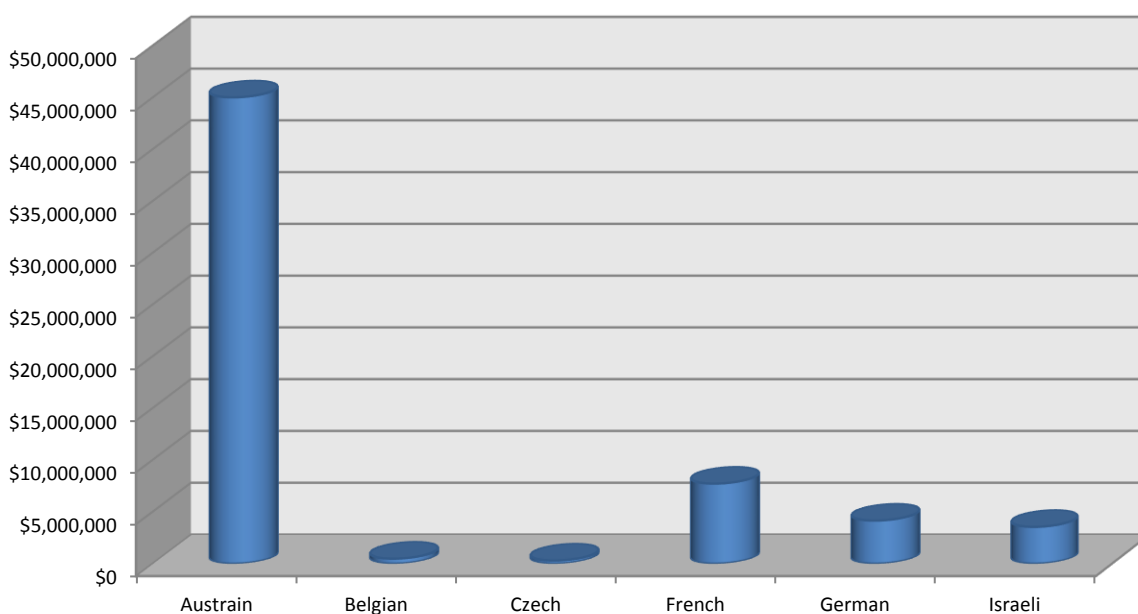
The Central and Regional Library of Berlin as well as the Bavarian State Library are examining their collections for Nazi-looted assets, and both institutions have intensified their efforts to identify such objects and restitute them when possible. Recently the Bavarian State Library asked for the HCPO's assistance with identifying and locating heirs; we located the heirs to two items, and claims are currently in process. In the case of the Central and Regional Library of Berlin, during the course of its review, researchers discovered a book plate belonging to Georg Mecklenburg, who was born in 1869 in Königsberg, owned a paint and varnish concern, and was a patron of the arts and head of the Jewish Community in Chemnitz. The HCPO discovered the book plate on Lostart.de and reached out to the library. As a result, the *ex libris* was returned to the Mecklenburg family in early 2017.

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. In addition, new programs have recently been established that offer compensation for the atrocities that individuals suffered as victims of Nazi persecution. Of the HCPO's claimants, 623 of them (from 35 states and 14 countries) have submitted claims for compensation under material asset, real property loss or other schemes.

In 2017, 40 individuals submitted material loss claims relating to 182 asset holders. In total, HCPO claimants received \$1,708,163 in offers in 2017. To date, the HCPO has secured the settlement or resolution of 2,765 claims where the offer was presented, or the asset was deemed non-compensable. The total offers extended to HCPO claimants seeking other losses total \$63,379,365. *See Figure 8.*

Figure 8 - Other Compensation Claims



2017 Highlight:

Ignatz Friedman, his wife, and their daughter lived in Germany and tried to emigrate after the rise of the Nazi Party. Initially only Ignatz obtained a visa, and he arrived in New York in 1937. Unable to secure visas for his wife and daughter, the family arranged to meet in Belgium. Ignatz's wife and daughter were finally able to secure visas to the United States via Italy but Ignatz remained in Belgium. Ignatz eventually fled to France where he lived in hiding. His wife and daughter worked tirelessly to enable Ignatz to return to the United States. In 1942, the U.S. Department of State reversed its initial decision denying Ignatz a visa, but, unfortunately, the news arrived too late. Ignatz had been arrested and detained, and in 1943 he was deported to the Sobibor Nazi extermination camp where he perished. There currently is no deadline to submit a claim for material losses to the Commission for the Compensation of Victims of Spoliation Resulting from the Anti-Semitic Legislation in Force During the Occupation (CIVS) of the Republic of France; therefore, the HCPO filed a claim and secured compensation for the heirs of Ignatz Friedman for material losses he suffered in France.

III. Annual Expenditures for Calendar Year 2016

The Holocaust Claims Processing Office has a staff of six. The total cost of operating the HCPO during the 2017 calendar year was \$823,942, including personal service, fringe and indirect costs, and non-personal service expenditures, as follows:

Total for Calendar Year 2017	
Personal Service	\$509,760
Fringe/Indirect	\$313,317
Non-Personal Service	\$865
Total	\$823,942

NOTES:

Funding: Full costs for the HCPO are borne by the Department of Financial Services.

Fringe/Indirect: Fringe and indirect costs are presented based on the actual payments made. In SFY 2016–17, the fringe rate was 61.39%.