



**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 17 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. Due to our efforts over the course of the past decade and a half, banks, insurance companies, museums and art collectors are sensitized to the issues regarding Holocaust-era assets and therefore continue to consider restitution claims from Holocaust victims and their heirs.

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 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.

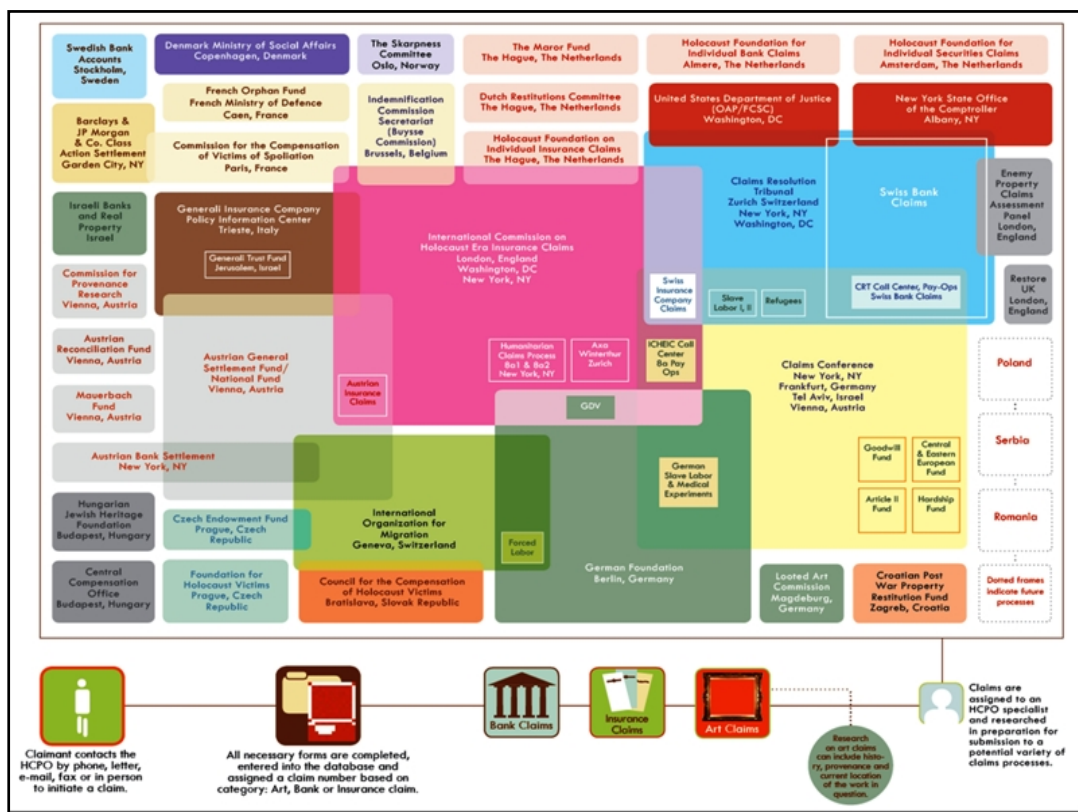
Second, the HCPO determines where to file the claim(s) by ascertaining which present-day company or claims process is responsible for the lost asset in question. Third, the HCPO submits claim information to the appropriate companies, authorities, museums, or organizations requesting that a complete and 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**

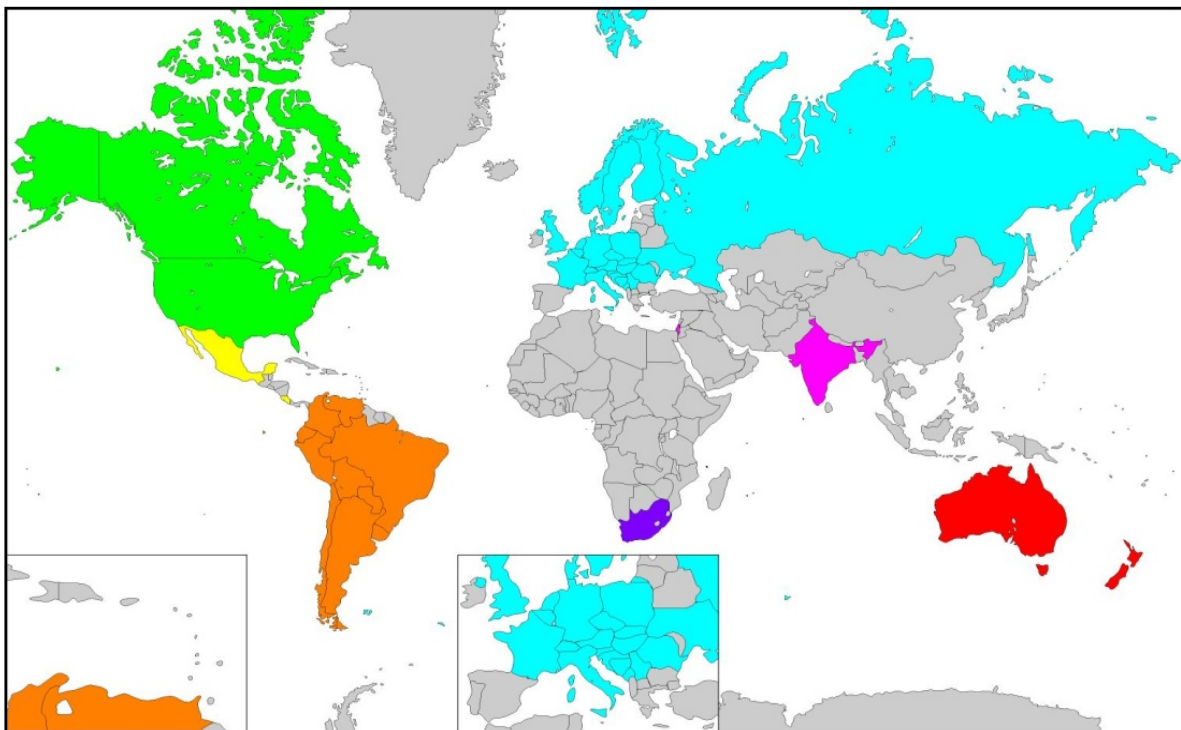


The HCPO anticipates that victims and heirs will continue to need its assistance, given current conditions and recent developments, namely: the claims processing entities in the Czech Republic, France, Germany, Israel, the Netherlands, and the United Kingdom are still accepting and handling claims; the recent agreement between the French and the United States governments by which the French will pay a \$60 million lump sum to the United States to compensate individuals and their heirs for wrongs suffered because of deportation from France during the Holocaust; insurance companies continue to review and process claims submitted directly to them; the announcement by the Kunstmuseum Bern that it would accept the bequest of the late Cornelius Gurlitt that includes the infamous collection of artworks acquired by Hildebrand Gurlitt. As a result, the time required for submitting and processing claims is determined by circumstances beyond the HCPO's control.

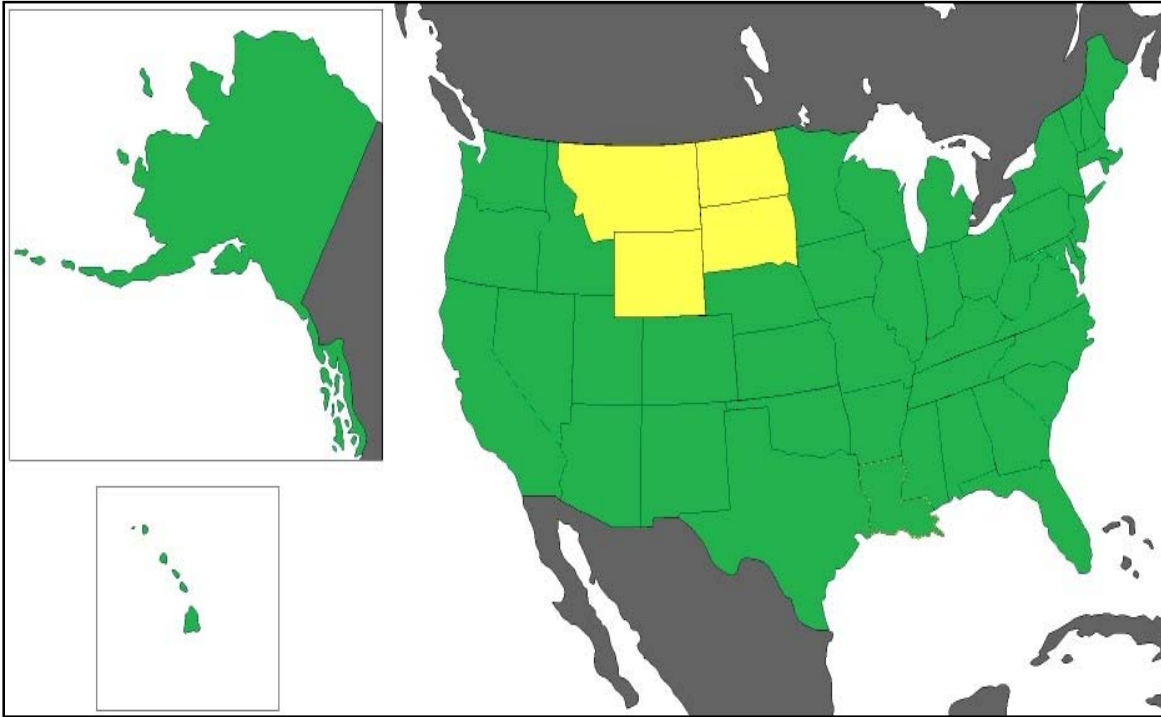
### **B. Claimant Demographics**

From its inception through December 31, 2014, the HCPO has responded to more than 14,000 inquiries and received claims from 5,083 individuals from 46 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 3 - Domestic Geographic Distribution of HCPO Claimants  
(Areas shaded green represent states where HCPO claimants reside.)**



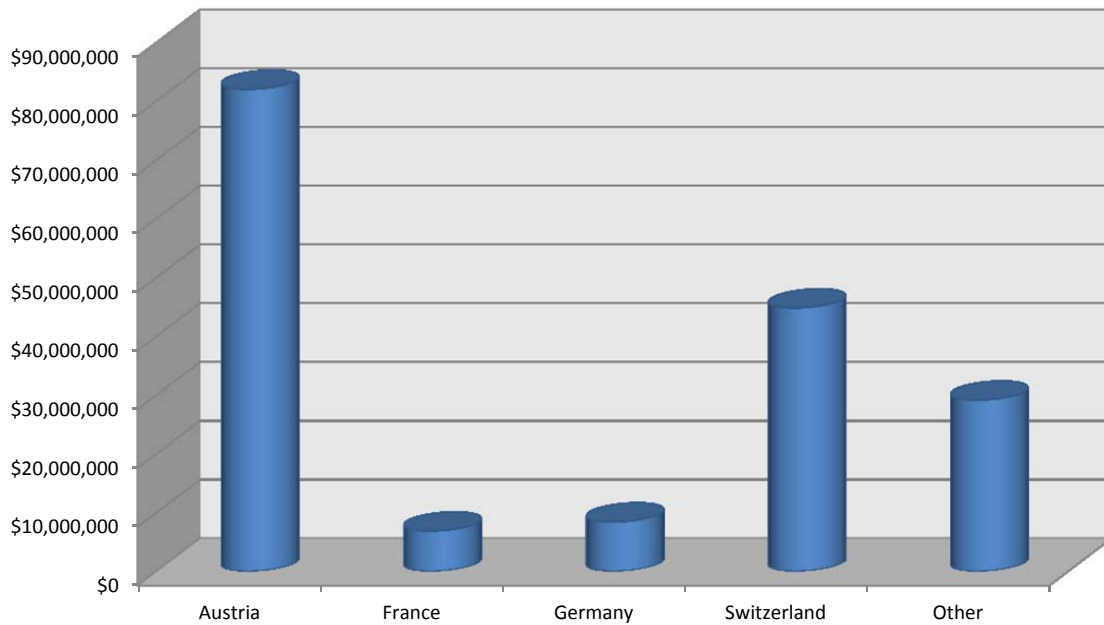
In total, the HCPO has successfully closed the cases of 2,130 individuals in which an offer was accepted, there was previous compensation or there was a final determination. The claims of 2,953 individuals remain open.

The combined total<sup>1</sup> of offers extended to HCPO claimants for bank, insurance, and other asset losses amounts to \$171,720,702, which represents an increase in offers of \$5,065,548 from the previous year. *See Figure 4.*

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<sup>1</sup> 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. The amount offered 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 amount offered. Sometimes victims do not consider the offer adequate and do not agree to settle. In other cases, the amount offered is the amount paid.

**Figure 4 - Total Offers Extended to HCPO Claimants to Date by Country<sup>2</sup>**



### **C. Bank Claims**

Of the claims filed with the HCPO to date, 2,419 individuals (from 42 states, the District of Columbia, and 38 countries) submitted claims for assets deposited in banks referencing 3,736 individual account-holders. The HCPO has closed the claims of 456 individuals; 1,963 individuals currently have open bank claims which have been submitted to a number of parallel claims processes.

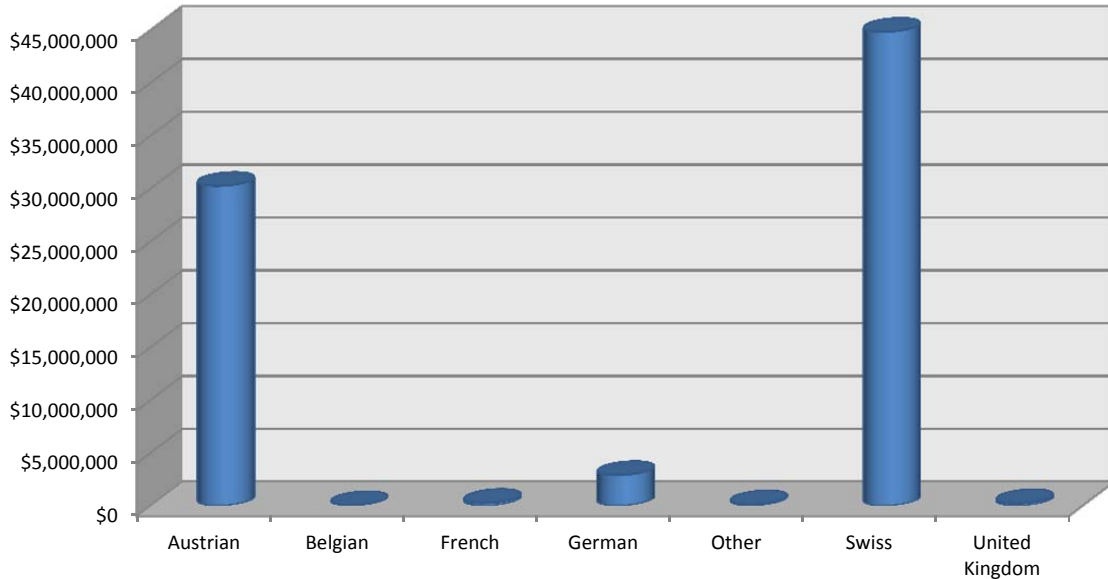
To date, offers extended to HCPO claimants seeking the return of bank assets total \$78,684,395<sup>3</sup>. See Figure 5.

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<sup>2</sup> 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.

<sup>3</sup> This sum includes two dormant Lithuanian Holocaust era bank accounts, previously held by Citigroup, transferred to Good Will Foundation in Lithuania.

**Figure 5 - Bank Claims**



**2014 Highlight:**

A New York State resident contacted the HCPO because her bank started to assess wire transfer fees to her mother’s account for payments she receives as a Holocaust survivor. In the US, several national as well as state-chartered institutions have implemented fee waivers for Holocaust survivor payments. While one branch of this individual’s bank applies a fee waiver, her specific branch did not. The bank is one of more than 250 state chartered banks that the DFS regulates. After reaching out to the bank, and explaining the purpose of the wire transfer and the practice of waiving fees associated with Holocaust survivor payments, they agreed to waive all fees and refund all of the previous assessments charged to her account. In response, the family expressed their gratitude for our assistance stating that our letter “worked-a miracle in Brooklyn.”

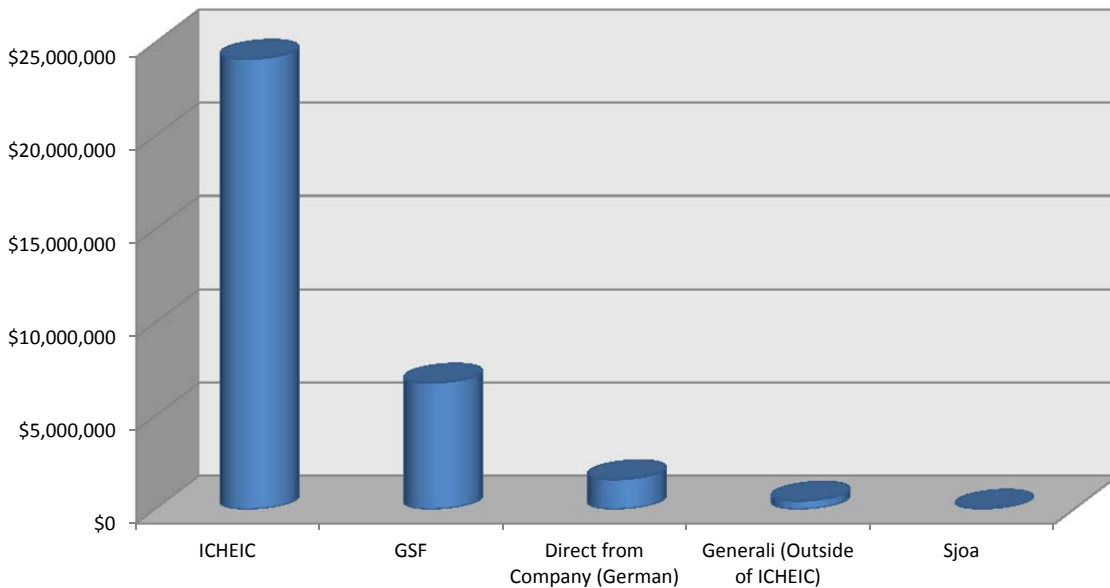


### D. Insurance Claims

Of the claims filed to date, 2,422 individuals (from 44 states, the District of Columbia, and 26 countries) submitted insurance claims referencing 3,694 individual policyholders. The HCPO has closed the insurance claims of 777 individuals; 1,645 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 \$32,973,733, which represents an increase in offers of \$535,954 from the previous year. See Figure 6.

**Figure 6 - Insurance Claims**



#### **2014 Highlight:**

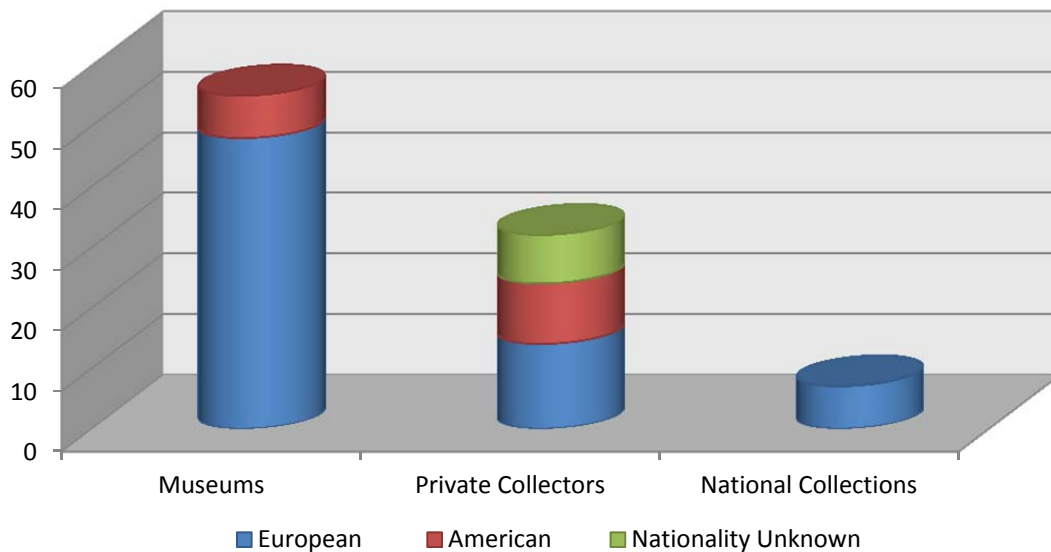
The HCPO continues to ensure that insurance companies honor their commitment to assess claims for unpaid Holocaust era insurance policies and follow internationally recognized rules and guidelines, such as “relaxed standards of proof” and when also agreed upon the valuation guidelines established under the International Commission on Holocaust Era Insurance Claims (ICHEIC). As part of this effort the HCPO reviews compensation offers to verify that the offer amount reflects the current day value of these insurance policies. For example, after fruitful discussions with an insurance company concerning their application of the interest rates applied to their offers the company agreed to calculate their awards using the Treasury bond rate rather than the LIBOR rate. This resulted in three claimants receiving an upward adjustment of their offers for six insurance policies.

## 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 166 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; 138 individuals currently have open art claims. To date, 94 cultural objects have been restituted to HCPO claimants. This represents an increase in 15 objects from the previous year. *See Figure 7.*

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



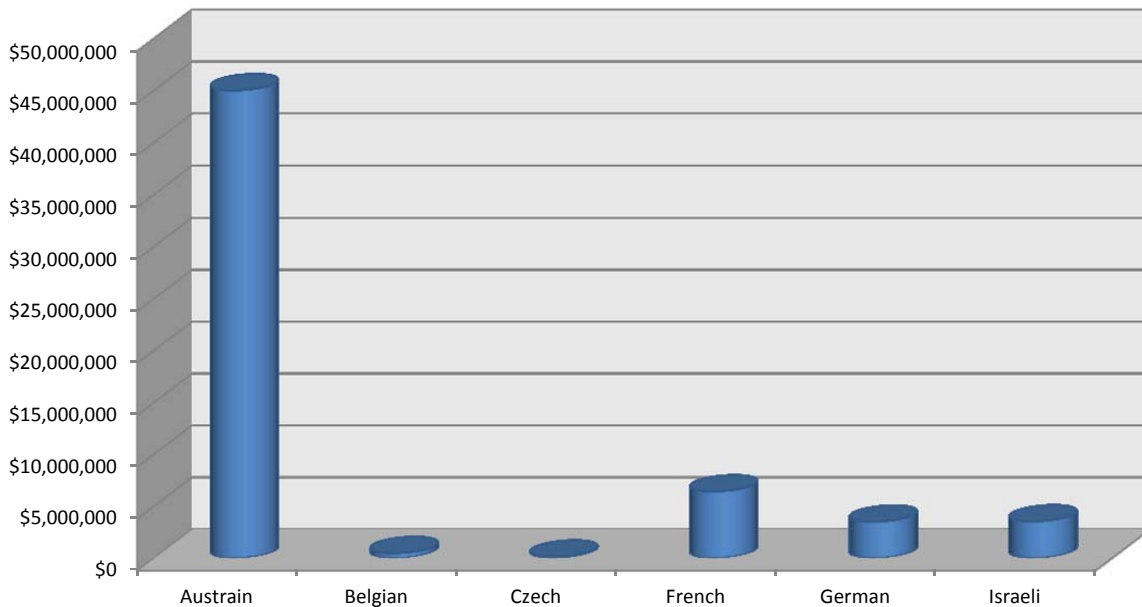
### 2014 Highlight:

The Heirs of Dr. Michael Berolzheimer filed a claim with the HCPO in 2011 for art works Dr. Berolzheimer was forced to sell at the Münchener Kunstversteigerungshaus Adolf Weinmüller on November 30 – December 1/2, 1938 and March 9/10, 1939. This year, the HCPO, which has already resolved claims for 24 works on paper on behalf of the heirs, settled an additional 11 claims for works from the Berolzheimer collection, including settlements with two U.S. entities.

## 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 5,083 individuals who filed claims with the HCPO, 729 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 \$60,062,574, this represents an increase in offers of \$4,529,594 from the previous year. See Figure 8.

**Figure 8 - Other Compensation Claims**



### **2014 Highlight:**

In 2009 the Company for Restitution of Holocaust Victims Assets (“Hashava”), a company that was formed as a result of the Israeli Parliament’s investigation into prewar asset owned by Holocaust victims and still in the possession of Israeli entities and which is charged with restituting such assets, requested that the HCPO assist an heir located in South America, with whom they could not communicate given language barriers, with filing a claim for properties in Israel. The HCPO reached out to the South American claimant and has assisted the claimant and other heirs located in the United States with this restitution claim. This year Hashava determined that the heirs in question are entitled to the property and have issued a decision to restitute the asset. This restitution offer is the largest extended by Hashava to date and is worth over 13 million New Israeli Shekels (the equivalent of over \$3.5 million).

**III. Holocaust Claims Processing Office Annual Expenditures for Calendar Year 2014**

The HCPO has a full time staff of six. The total cost of operating the HCPO during the 2014 calendar year was \$645,269, including personal service, fringe and indirect costs, and non-personal service expenditures, as follows:

**Total for Calendar Year 2014**

Personal Service	450,455
Fringe/Indirect	194,364
Non-Personal Service	450
<b>Total</b>	<b>645,269</b>

**NOTES:**

Funding: Full costs for HCPO are 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 actual payments made. In SFY 2013–14, the fringe rate was 58.59%. In SFY 2014–15, the rate increased to 59.67%.

IV.