



**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**

January 15, 2016

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Table of Contents

I. Introduction	2
II. Overview of Operations and Accomplishments	
A. Summary of Operations	2
B. Demographics	4
C. Bank Claims	7
D. Insurance Claims	8
E. Art Claims	9
F. Claims for Other Losses	10
III. Holocaust Claims Processing Office Expenses for Fiscal Year 2014-2015	11

I. Introduction

Since 1997 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 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 Holocaust Claims Processing Office (“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 is a unit of the Financial Frauds & Consumer Protection Division within the Department of Financial Services (“the Department”).

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.

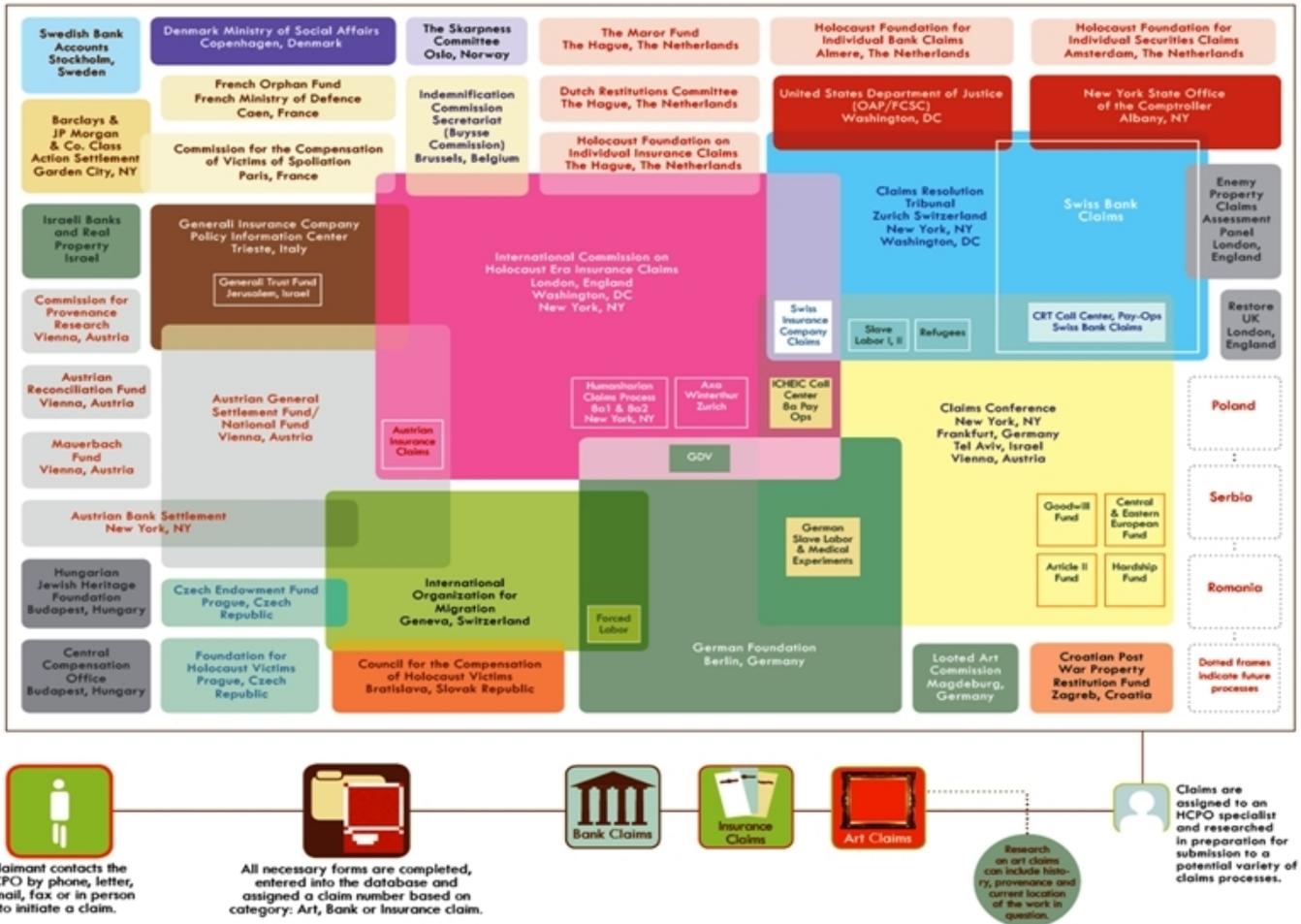
Second, the HCPO determines where to file the claim(s) by ascertaining which present-day company or claims process is responsible for the lost asset in question. Third, the HCPO submits claim information to the appropriate companies, authorities, museums, or organizations requesting that a complete and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

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

Figure 1 - Compensation Organizations and the HCPO

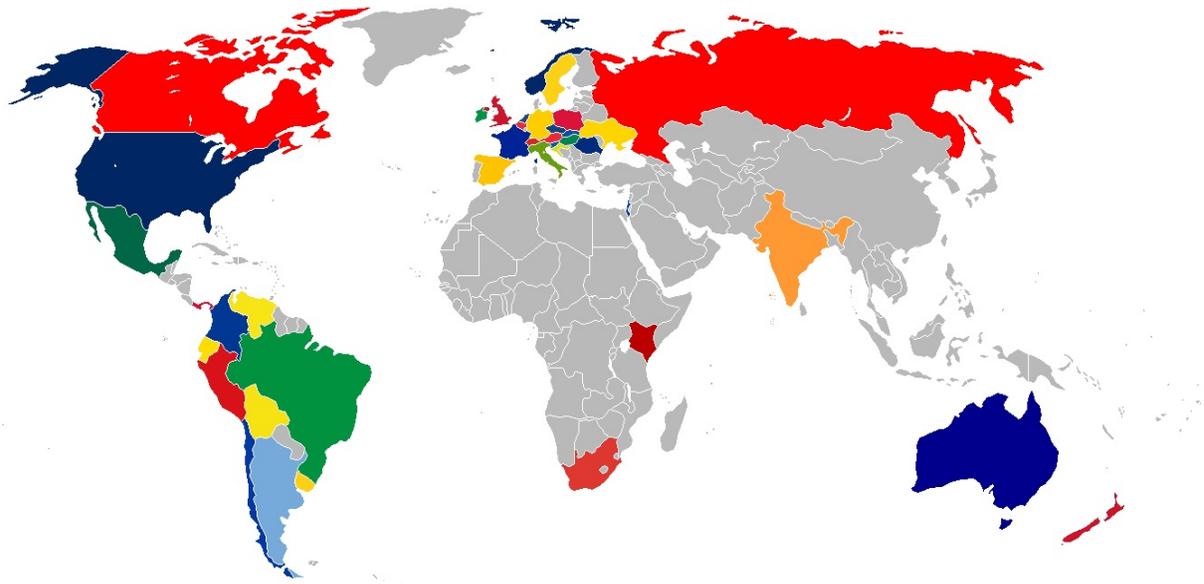


The HCPO anticipates that victims and heirs will continue to need its assistance, given current conditions and recent developments, namely: the claims processing entities in the Czech Republic, France, Germany, Israel, Poland, the Netherlands, and the United Kingdom are still accepting and handling claims; the agreement between the French and the United States governments under which the French paid 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; and Swiss banks through the Swiss Banking Ombudsman's office have published the names of more than 2,600 individuals whose bank accounts in Switzerland have lain dormant for more than 60 years. As a result, the time required for submitting and processing claims is determined by circumstances beyond the HCPO's control.

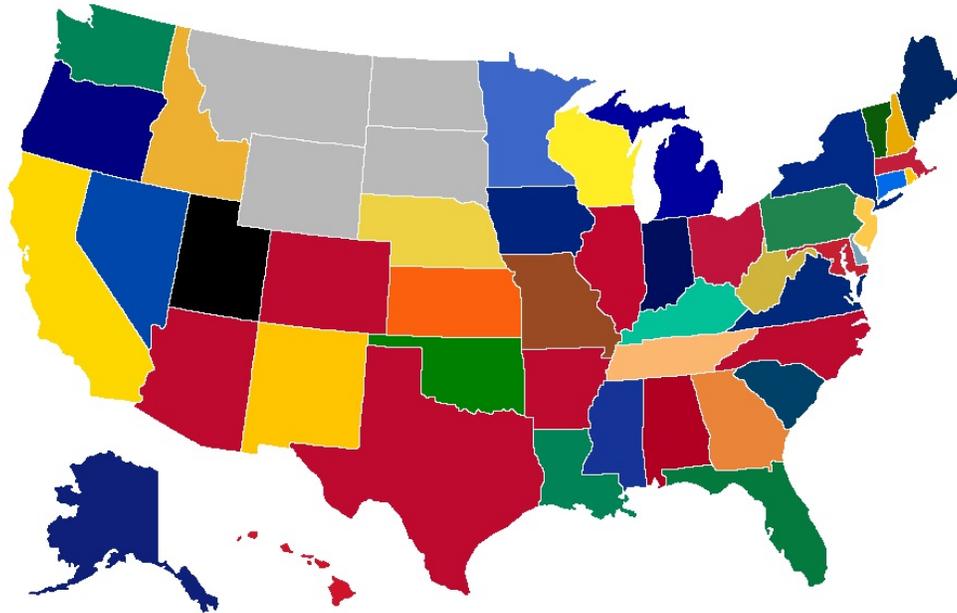
B. Claimant Demographics

From its inception through December 31, 2015, the HCPO has responded to more than 14,000 inquiries and received claims from 5,684 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.)**



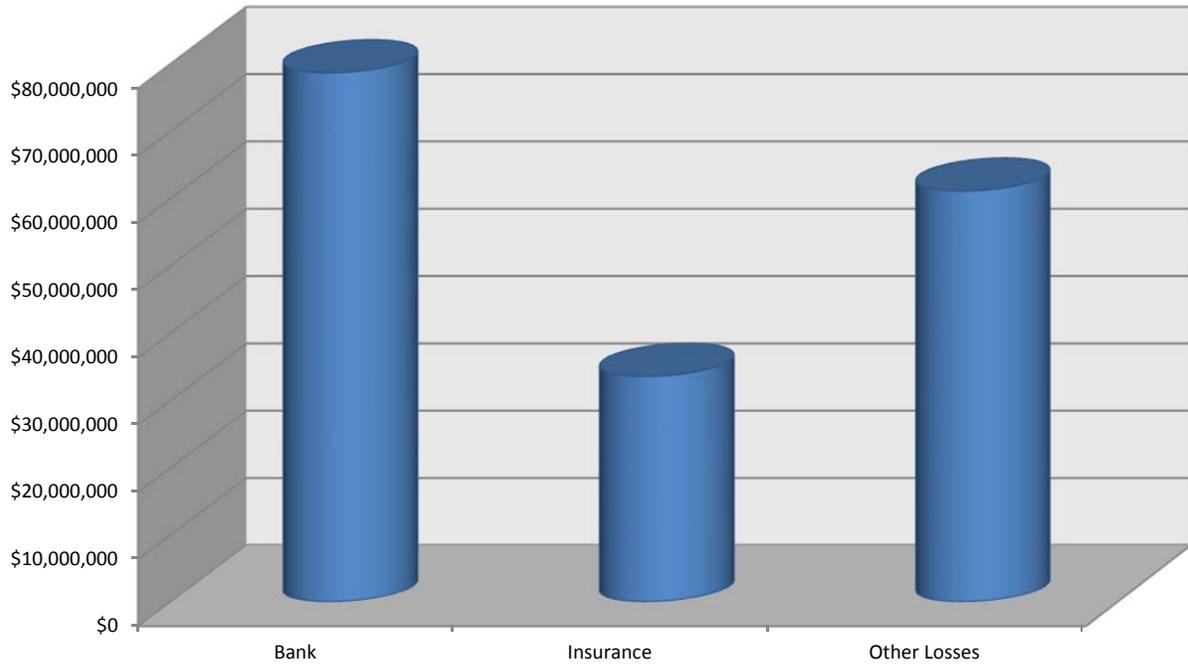
**Figure 3 - Domestic Geographic Distribution of HCPO Claimants
(Areas appearing in color represent states where HCPO claimants reside.)**



In total, the HCPO has successfully resolved 12,531 claims of 5,130 individuals in which an offer was accepted, there was previous compensation or there was a final determination. To date, the HCPO has secured 8,318 offers and their combined total¹ for bank, insurance, and other losses amounts to \$173,551,122, which represents an increase in offers of \$1,830,420 from the previous year. *See Figure 4.*

¹ The restitution 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 Claim Type

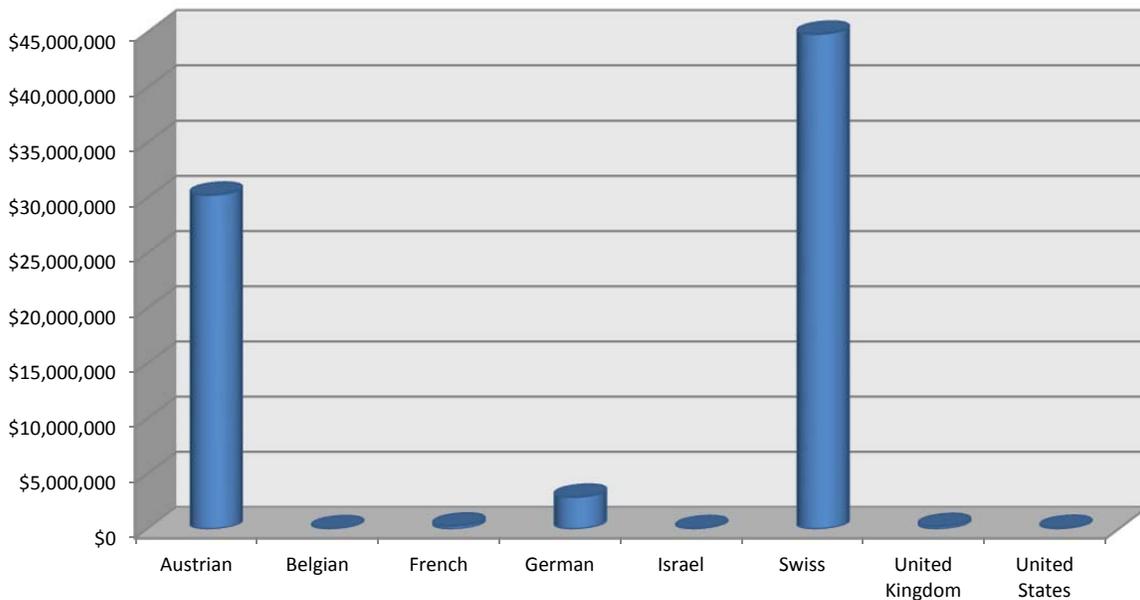


C. Bank Claims

Of the claims filed with the HCPO to date, 2,507 individuals (from 42 states, the District of Columbia, and 38 countries) submitted claims for assets deposited in banks referencing 3,868 individual account-holders.

To date, the HCPO has secured the settlement of 5,082 claims where the offer was accepted, there was previous compensation or there was a final determination. The total offers extended to HCPO claimants seeking the return of bank assets total \$78,703,317. This represents an increase in offers of \$18,922 from the previous year. *See Figure 5.*

Figure 5 - Bank Claims



2015 Highlight:

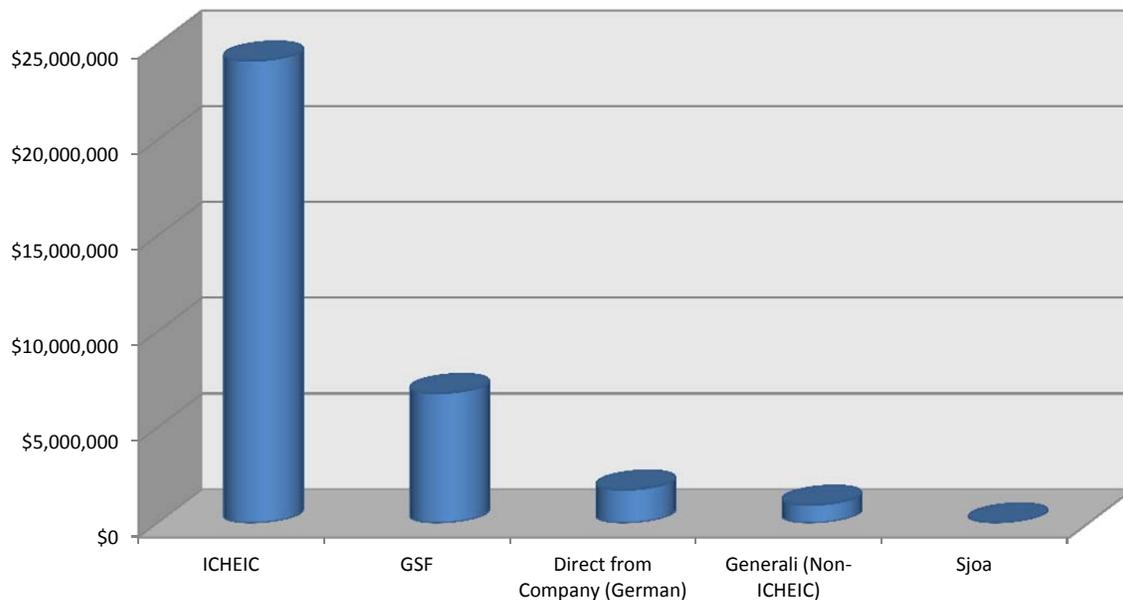
In 1935, Lena Finkelstein, a US citizen and resident of New York City passed away and bequeathed her estate to her siblings who were resident in Austria, Germany, and Poland. Due to the complexities with distributing the estate to heirs abroad -- Nazi persecutorial measures in place in Germany in 1935, rising anti-Semitism in Central and Eastern Europe, and ultimately the start of the Second World War -- Finkelstein's heirs never received their bequests and the proceeds of the estate escheated to the State of New York. Two of Finkelstein's siblings ultimately perished in the Holocaust as victims of Nazi persecution. After the war Finkelstein's surviving family attempted to recover the monies owed them under the terms of Finkelstein's will, however, they were unsuccessful. The heirs of Lena Finkelstein then sought the assistance of the HCPO. After undertaking considerable genealogical and archival research and working closely with the Office of the New York State Comptroller's Office of Unclaimed Funds, the HCPO was able to secure the repayment of the escheated assets to the family 80 years after Finkelstein's death.

D. Insurance Claims

Furthermore, 2,441 individuals (from 43 states, the District of Columbia, and 27 countries) submitted insurance claims referencing 3,696 individual policyholders. The HCPO continues to receive inquiries and claims for unpaid insurance policies that are submitted directly to successor companies, when possible, for consideration.

To date, the HCPO has secured the settlement of 5,325 claims where the offer was accepted, there was previous compensation or there was a final determination. The total offers extended to HCPO claimants seeking the proceeds of insurance policies total \$33,605,078, representing an increase in offers of \$631,345 from the previous year. *See* Figure 6.

Figure 6 - Insurance Claims



2015 Highlight:

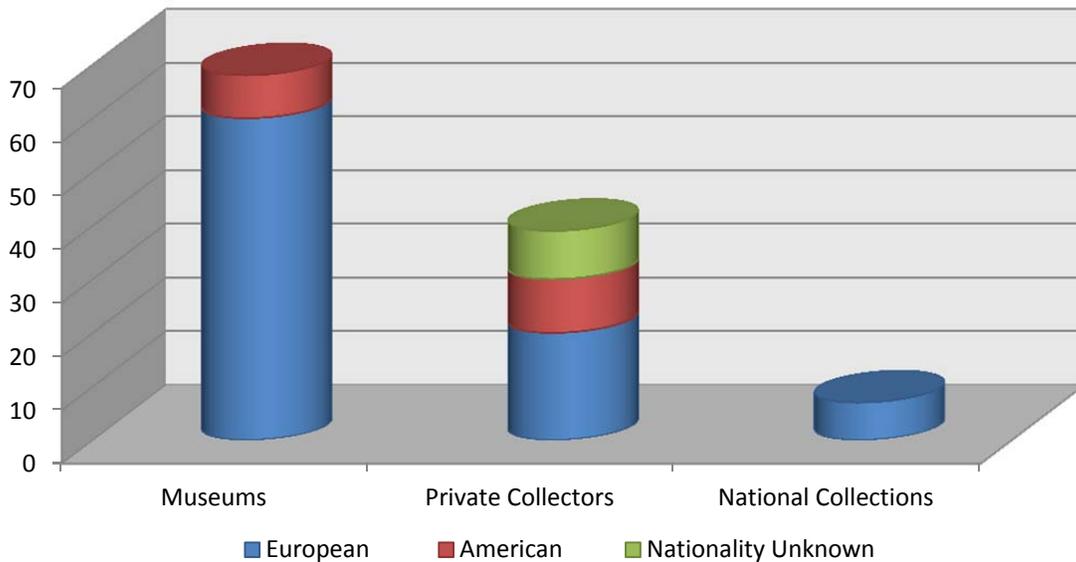
Former members of the International Commission on Holocaust Era Insurance Claims (ICHEIC) continue to honor their commitment to assess claims for unpaid Holocaust era insurance policies and follow internationally recognized rules and guidelines. In response to research requests made directly by claimants, insurance companies referred individuals to the HCPO for guidance noting that our office is an “organization that specializes in helping Holocaust survivors.” The HCPO serves as a resource for claimants and insurance companies alike to ensure the swift handling of claims.

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 168 art claims (from 19 states, the District of Columbia, and 14 countries) referencing thousands of items in sufficient detail to permit additional research. To date, the HCPO has facilitated restitution settlements involving 114 cultural objects from 31 different collections. This represents an increase in 20 objects from the previous year. See Figure 7.

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



2015 Highlight:

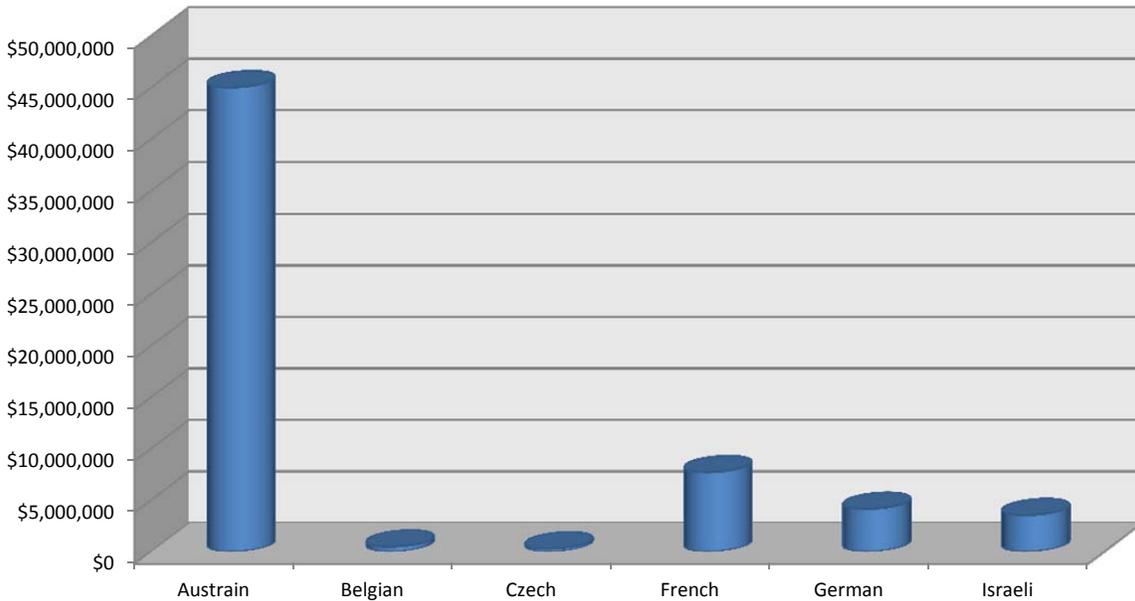
In May 2015, at a return ceremony marking the HCPO's assistance with the recovery of a 17th Century painting that had been looted from the collection of a prominent German art historian, the HCPO launched a new virtual gallery and database of artwork that has been reported to the HCPO as lost as a result of Nazi persecution between 1933 and 1945. The virtual gallery, entitled, *The Art of Recovery*, features historical information about Nazi looting and postwar restitution efforts; provides biographical information on collectors; and highlights artworks recovered with the assistance of the HCPO. The database of artwork reported as looted aids in disseminating details of stolen art and promotes returning those pieces to their rightful owners.

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. 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, 568 of them (from 36 states and 15 countries) have submitted claims for compensation under material asset, real property loss or other schemes.

To date, the HCPO has secured the settlement of 2,009 claims where the offer was accepted, there was previous compensation or there was a final determination. The total offers extended to HCPO claimants seeking other losses total \$61,242,727. This represents an increase in offers of \$1,180,153 from the previous year. See Figure 8.

Figure 8 - Other Compensation Claims



2015 Highlight:

On November 1, 2015, an agreement between the governments of the United States and the Republic of France that established a fund of \$60 million to provide compensation for Holocaust victims who were deported from France to a destination outside of France and who were not entitled to make claims under the French government's existing programs. The HCPO immediately began working closely with the US Department of State, administrator of the fund, to assist with the submission of claims, as well as to provide subject matter expertise on matters related to claims processing.

III. Holocaust Claims Processing Office Annual Expenditures for Fiscal Year 2014-2015

The HCPO has a staff of six. The total cost of operating the HCPO during the 2014-2015 fiscal year was \$715,517, including personal service, fringe and indirect costs, and non-personal service expenditures, as follows:

	Total for Fiscal Year 2014-2015 (As of December 31, 2015)
Personal Service	447,772
Fringe/Indirect	266,891
Non-Personal Service	854
Total	715,517

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 State Fiscal Year 2014–15, the fringe rate was 59.67%.