



**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 16 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 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.

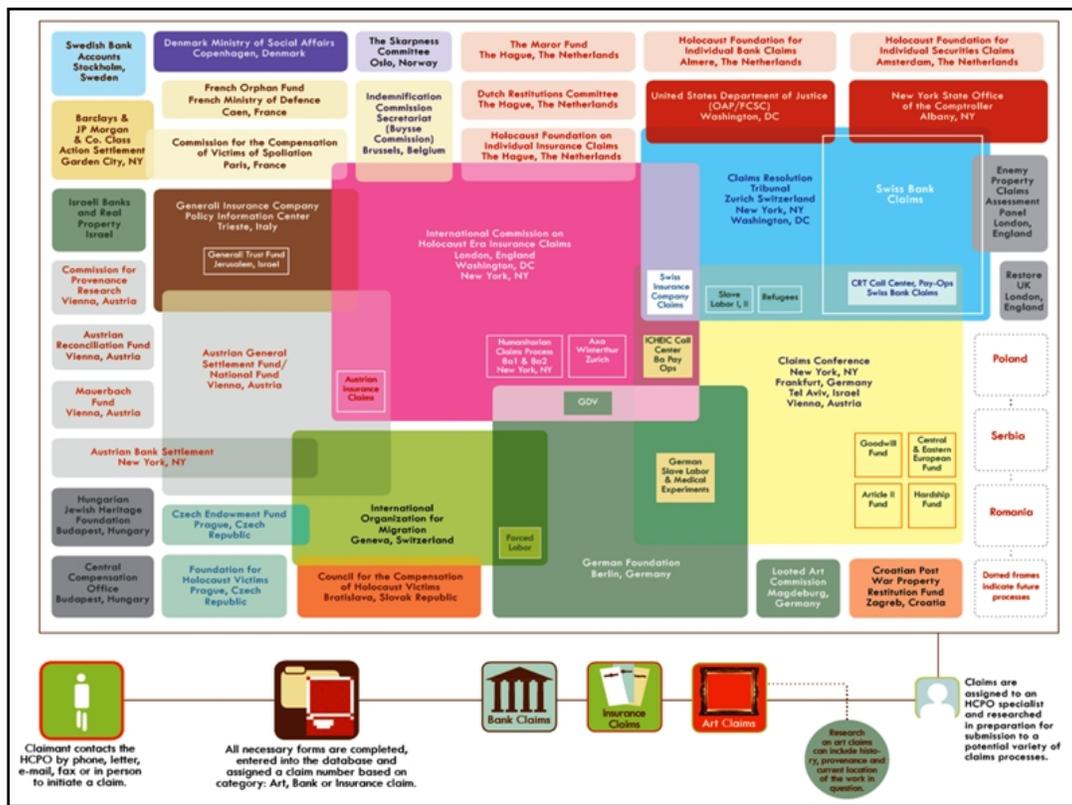
Second, the HCPO determines where to file the claim(s) by ascertaining which present-day company or claims process is responsible for the lost asset in question. Third, the HCPO submits claim information to the appropriate companies, authorities, museums, or organizations requesting that a complete and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

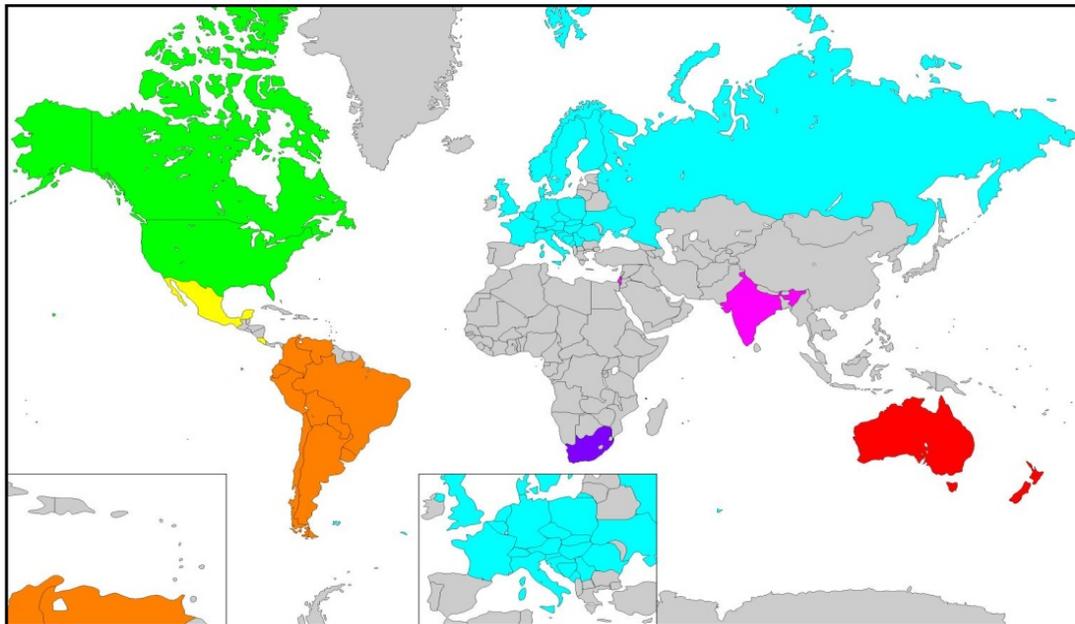


The HCPO anticipates that victims and heirs will continue to need its assistance, given current conditions and recent developments, namely: the claims processing entities in the Czech Republic, France, Germany, Israel, the Netherlands, and the United Kingdom are still accepting and handling claims; the HCPO recently entered into a cooperative agreement with the Commission for Compensation of Victims of Spoliation Resulting from the Anti-Semitic Legislation in Force during the Occupation (CIVS) to search for heirs entitled to reserved portions of awards issued by CIVS; insurance companies continue to review and process claims submitted directly to them; and the recent discovery of nearly 1,500 works of art in Germany which may have been looted during the Nazi era and allegedly in the possession of Hildebrand Gurlitt's¹ son. As a result, the time required for submitting and processing claims is determined by circumstances beyond the HCPO's control.

B. Claimant Demographics

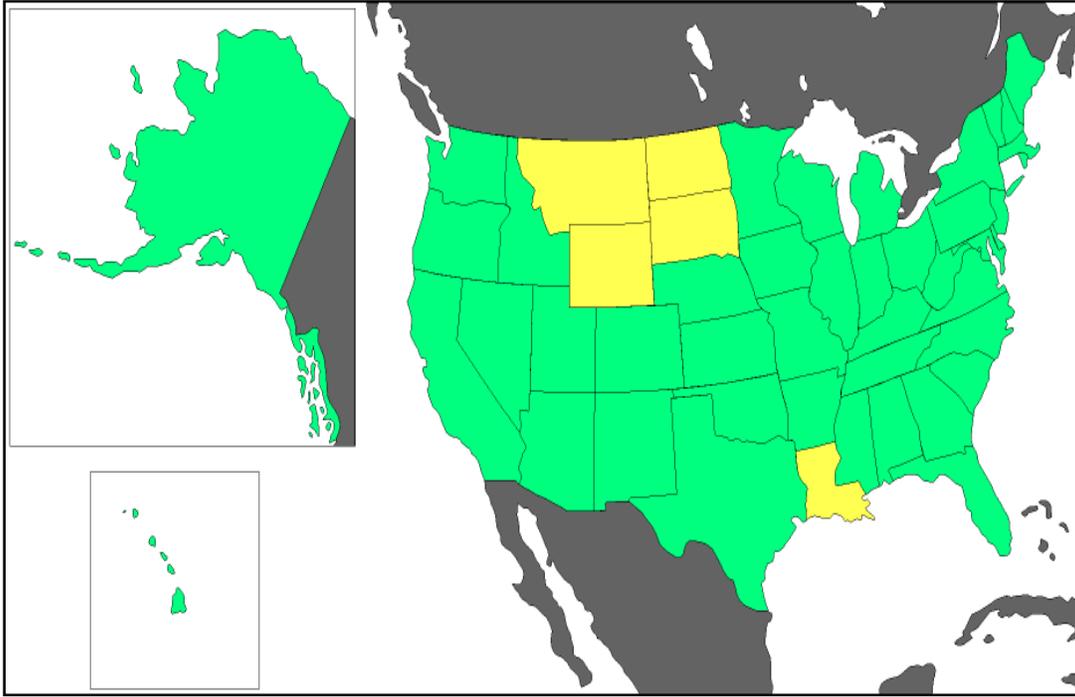
From its inception through December 2013, the HCPO has responded to more than 13,000 inquiries and received claims from 5,008 individuals from 45 states, the District of Columbia, and 39 countries. *See* Figures 2 and 3.

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



¹ Hildebrand Gurlitt (1895-1956), a trained art historian, was the director of a museum in Zwickau, Saxony from 1925-1930. He then headed to the Hamburger Kunstverein, but in 1933 was branded “Jüdisch versippt” (his paternal grandmother was Jewish) and was dismissed. It was at that point that he began working as an art dealer. Because of his considerable contacts among Modern art collectors, his “non-Aryan” background was disregarded, and he became one of the privileged art dealers appointed in 1937 to sell the confiscated art abroad. Later, he was also involved in purchases for the planned “Führer Museum” in Linz, Adolf Hitler’s Austrian “retirement home”, having been named “chief buyer” for the Paris market, and for the Reich Chancellery.

Figure 3 - Domestic Geographic Distribution of HCPO Claimants
(Areas shaded green represent states where HCPO claimants reside.)

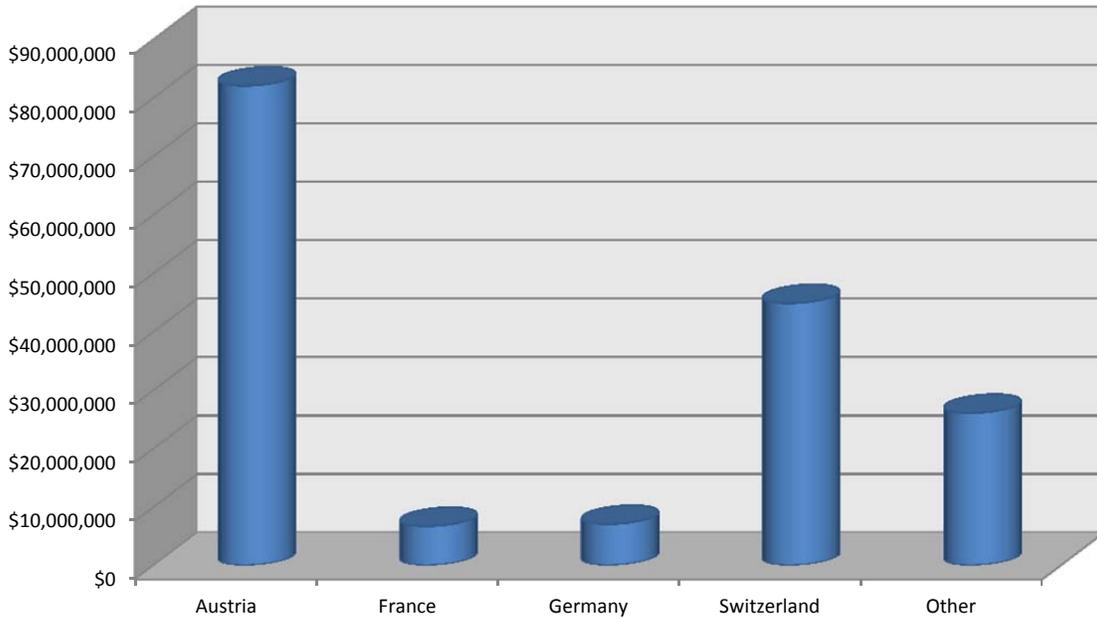


In total, the HCPO has successfully closed the cases of 2,127 individuals in which an offer was accepted, there was previous compensation or there was a final determination. The claims of 2,881 individuals remain open.

The combined total² of offers extended to HCPO claimants for bank, insurance, and other asset losses amounts to \$166,655,154, this represents an increase in offers of \$3,331,785 from the previous year. See Figure 4.

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. 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 Claims to Date by Country³



C. Bank Claims

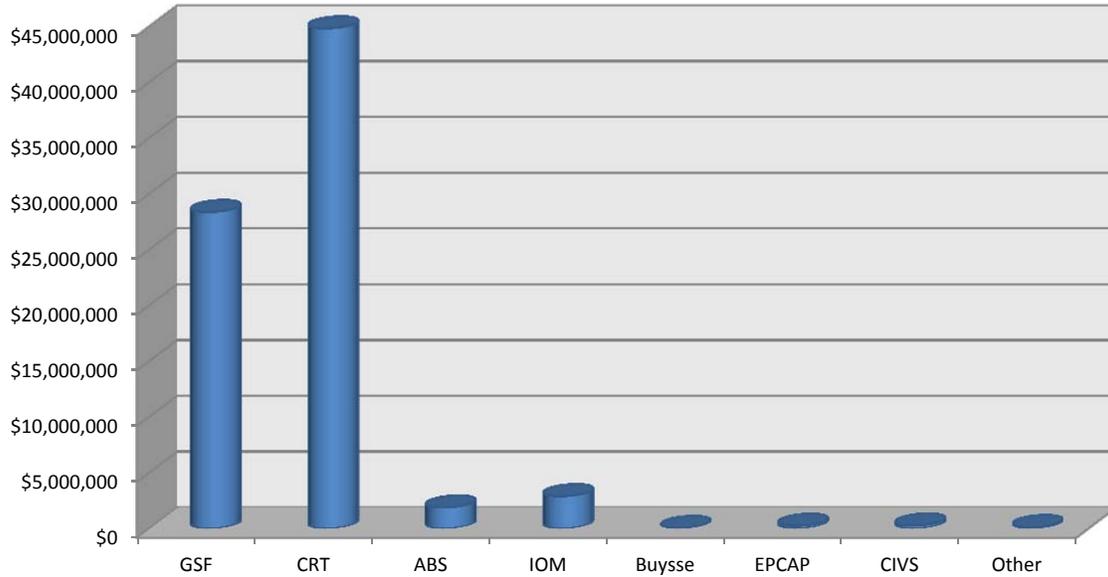
Of the claims filed with the HCPO to date, 2,416 individuals (from 42 states, the District of Columbia, and 38 countries) submitted claims for assets deposited in banks referencing 3,734 individual account-holders. The HCPO has closed the claims of 455 individuals; 1,961 individuals currently have open 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 \$78,684,395⁴, this represents an increase in offers of \$57,973 from the previous year. *See Figure 5.*

³ 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.

⁴ 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



2013 Highlight:

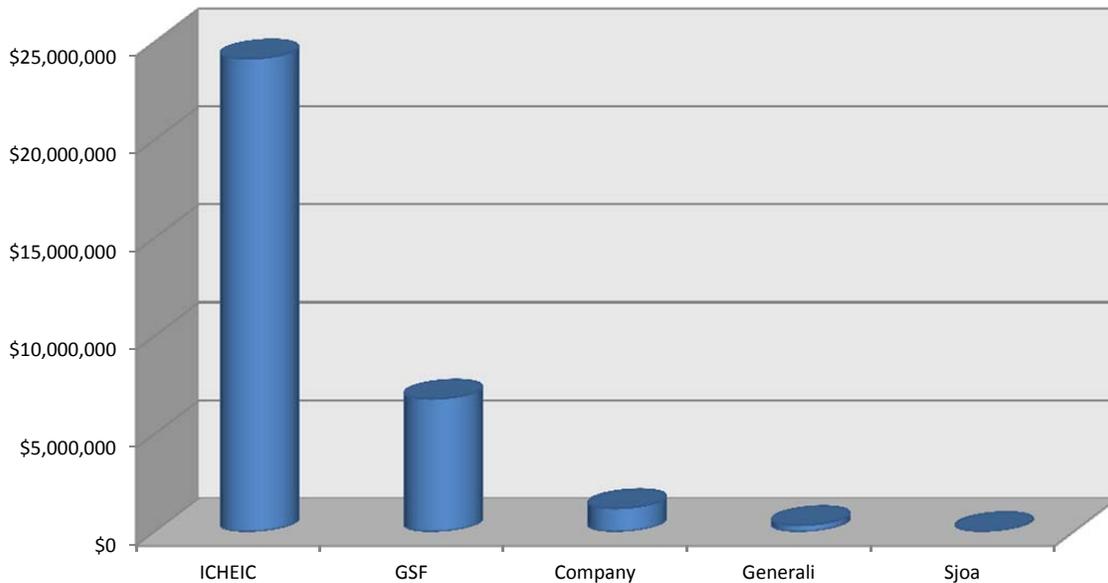
HCPO continues to serve as a resource for international claims processes and claimants alike. For example, The Company for Location and Restitution of Holocaust Victims Assets Ltd. (“Hashava”) contacted the HCPO to assist the heirs of two dormant bank accounts held in an Israeli bank. The HCPO was able to obtain a number of key documents, including a South African Death Notice, necessary to obtain the Succession Orders from Israel which established the claimants were the heirs to their uncle and grandmother. This resulted in a payment of almost \$44,000.

D. Insurance Claims

Furthermore, 2,392 individuals (from 42 states, the District of Columbia, and 26 countries) submitted insurance claims referencing 3,654 individual policyholders. The HCPO has closed the insurance claims of 1,643 individuals; 749 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 \$32,437,779, this represents an increase in offers of \$546,346 from the previous year. *See* Figure 6.

Figure 6 - Insurance Claims



2013 Highlight:

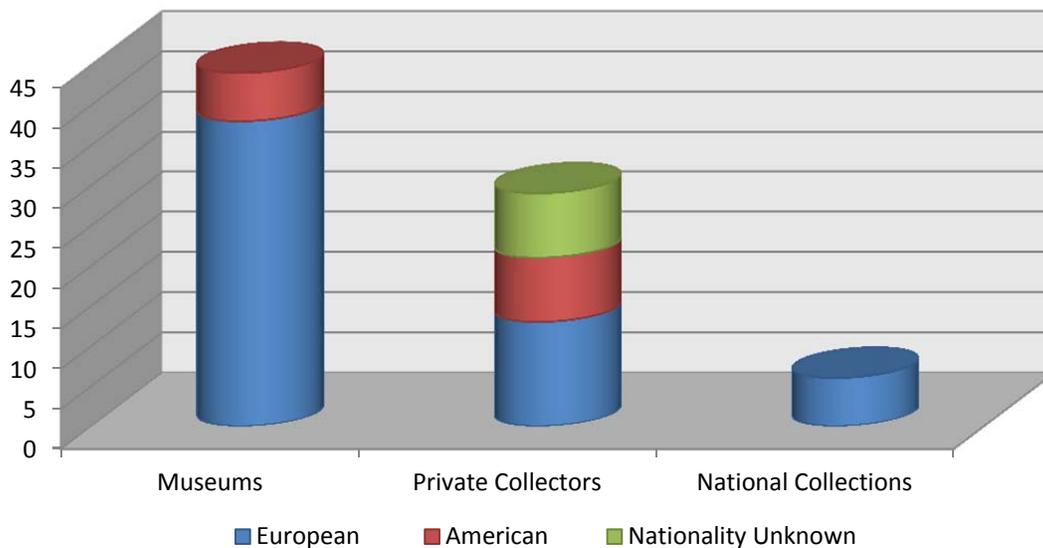
The HCPO continues to ensure that insurance companies honor their commitment to follow internationally recognized rules and guidelines, such as the succession guidelines established under the International Commission on Holocaust Era Insurance Claims (ICHEIC). For example, an individual contacted the HCPO after his insurance claim was denied because the insurance company indicated the claimants' relationship to the policyholder fell outside of the succession guidelines and therefore was not eligible for payment. Through the advocacy of the HCPO, the company reversed its decision and issued the requisite payment of over \$30,000.

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 163 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; 135 individuals currently have open art claims. To date, 79 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



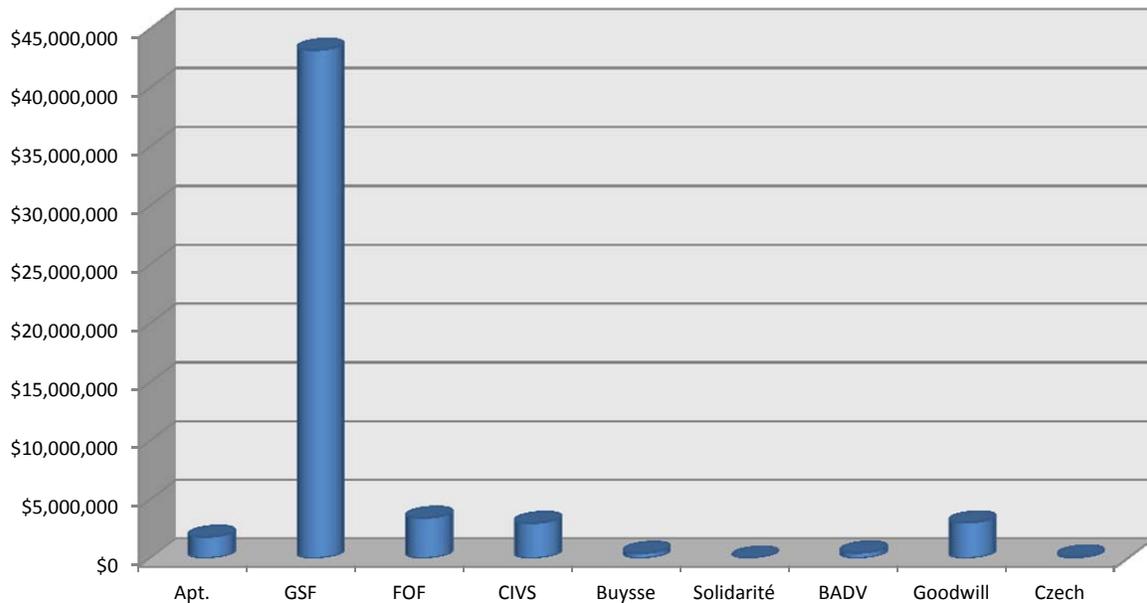
2013 Highlight:

The Heirs of Liesbeth Dorothea Meyerowitz, widow of the industrialist Hermann Meyerowitz, filed a claim with the HCPO in April 2011 for art works she was forced to sell at Rudolph Lepke's Kunst-Auktionen-Haus, Berlin on February 12-13, 1937. This year the HCPO reached a settlement with the Stiftung Stadtmuseum Berlin for the restitution of Anna Dorothea Therbusch's painting *Self-portrait with Family in a Garden*.

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 5,008 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 \$55,532,980, this represents an increase in offers of \$2,727,466 from the previous year. See Figure 8.

Figure 8 - Other Compensation Claims



2013 Highlight:

In the course of reviewing a decision for material losses issued by the Commission for the Compensation of Victims of Spoliation Resulting from the Anti-Semitic Legislation in Force during the Occupation, the HCPO filed an appeal on the basis of new information and that the decision was inconsistent with prior rulings. Based on the evidence obtained by the HCPO, a new hearing was held which resulted in the claimant receiving an additional \$24,000.

III. Holocaust Claims Processing Office Annual Expenditures for Calendar Year 2013

The HCPO has a full time staff of six. The total cost of operating the HCPO during the 2013 calendar year was \$599,180, including personal service, fringe and indirect costs, and non-personal service expenditures, as follows:

	FY 12-13 Jan-Mar	FY 13-14 Apr-Dec	Total Calendar Year
Personal Service	\$91,984	\$327,845	\$419,829
Fringe/Indirect	\$57,883	\$120,759	\$178,642
Non-Personal Service	\$57	\$651	\$708
Total	\$149,924	\$449,255	\$599,179

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 actual payments made. In SFY 2012–13, the fringe rate was 54.37%. In SFY 2013–14, the rate increased to 58.59%.