



**Holocaust Claims Processing Office
Annual Report to the Governor and Legislature**

January 15, 2017
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I. Introduction

Since 1997 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 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 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 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

The work of the HCPO gained recognition in 2016, with HCPO staffers receiving two significant awards for their work on behalf of Holocaust victims and their heirs. On June 14, 2016, the HCPO received the Outstanding Citizens Award from the Anne Frank Center for Mutual Respect, founded by Otto Frank, father of Anne Frank, to help “build a world based on equal rights and mutual respect.” The honor was presented during the center’s Spirit of Anne Frank Awards, which honor students, educators and citizens whose humanitarian efforts fight discrimination and inspire more inclusion.

On October 16, 2016, the HCPO received the Neil D. Levin Award, an honor presented annually by the Superintendent of Financial Services to a group or individual in recognition of “outstanding achievement, dedication, and overall excellence in service to the Department or to the people of New York.” The award is named for the former Superintendent of the Insurance and Banking Departments in the 1990s, Neil Levin, who died in the September 11 terrorist attacks on the World Trade Center. Mr. Levin was instrumental in the creation of the HCPO.

The HCPO staff members were selected for these awards for exemplifying the mission of the organization in their tireless work in seeking the just and orderly return of assets to their original owners. In fulfilling this mission, the office calls on the expertise of its multi-talented, multi-lingual staffers.

Summary of Operations

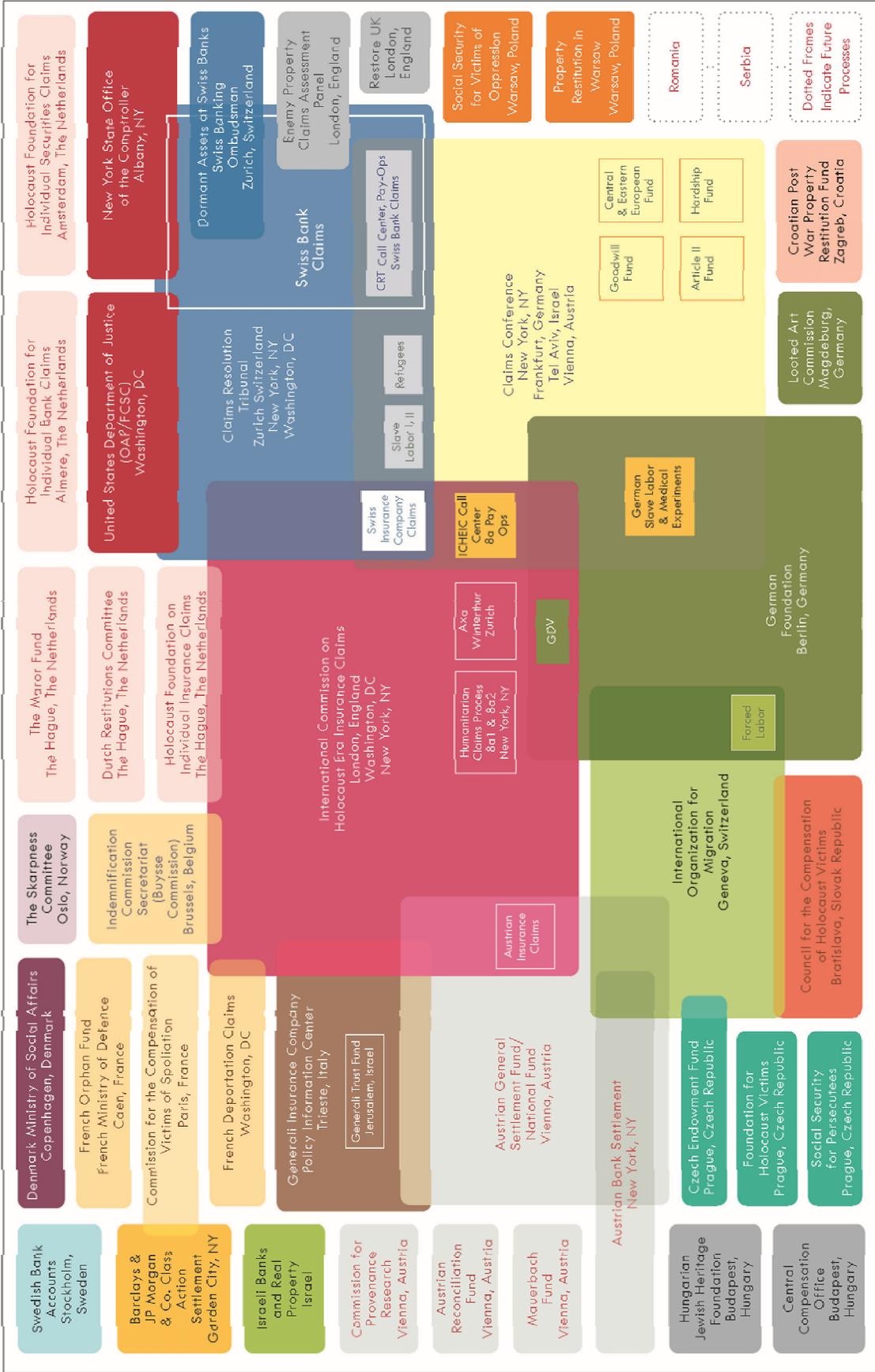
In response to the complex nature of restitution claims, the HCPO has developed a systematic method to handle cases. First, individual claims are assigned to members of the HCPO staff who assist in securing the necessary genealogical and historical documentation to ensure viability of the claim. As claims 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 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 and processes effectuating Holocaust-related restitution and compensation. *See Figure 1.*

Figure 1 - Compensation Organizations and the HCPO



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.

Bank Claims

Insurance Claims

Art Claims

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

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

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; 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 has passed legislation that now 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.

In 2016, the HCPO submitted its first case to the *German Advisory Commission on the return of cultural property seized as a result of Nazi persecution, especially Jewish property* ("Advisory Commission"). The HCPO represented the heirs of Felix Hildesheimer, from whom an 18th Century violin by Giuseppe Guarneri was thought to have been confiscated by the Nazis or lost as a result of a forced sale. This was also the HCPO's, as well as the Advisory Commission's, first case involving a musical instrument. The Advisory Commission decided in favor of the HCPO's claimants and recommended that the Nuremberg Foundation compensate the Hildesheimer heirs.

Claimant Demographics

In 2016, HCPO received claims from 34 individuals. From its inception through December 31, 2016, the HCPO has received claims from 5,718 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.)

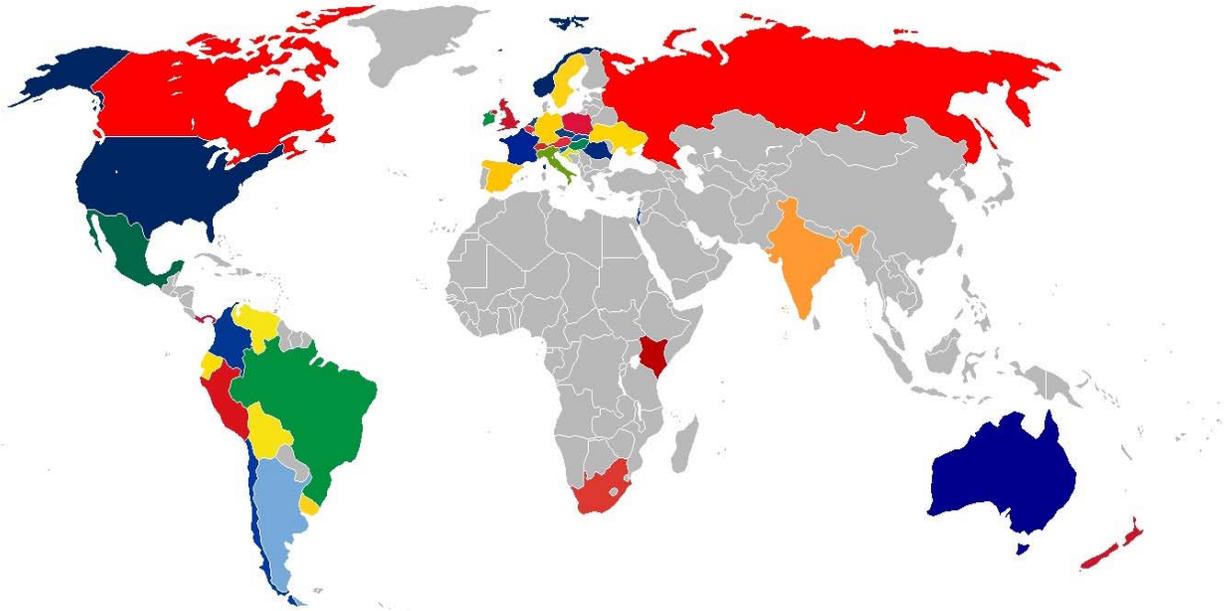
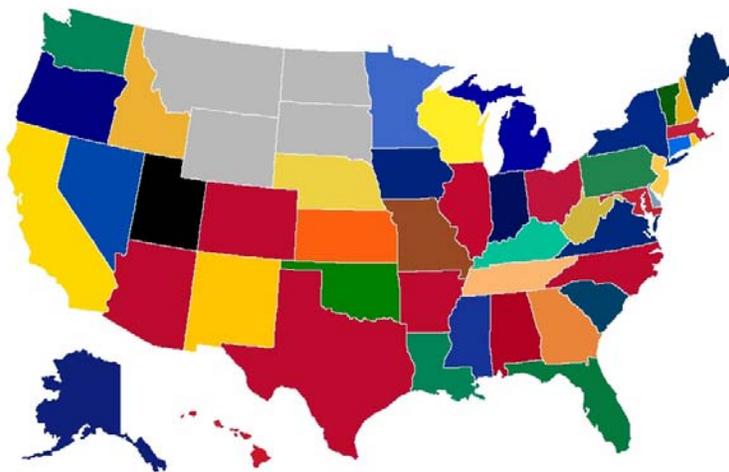


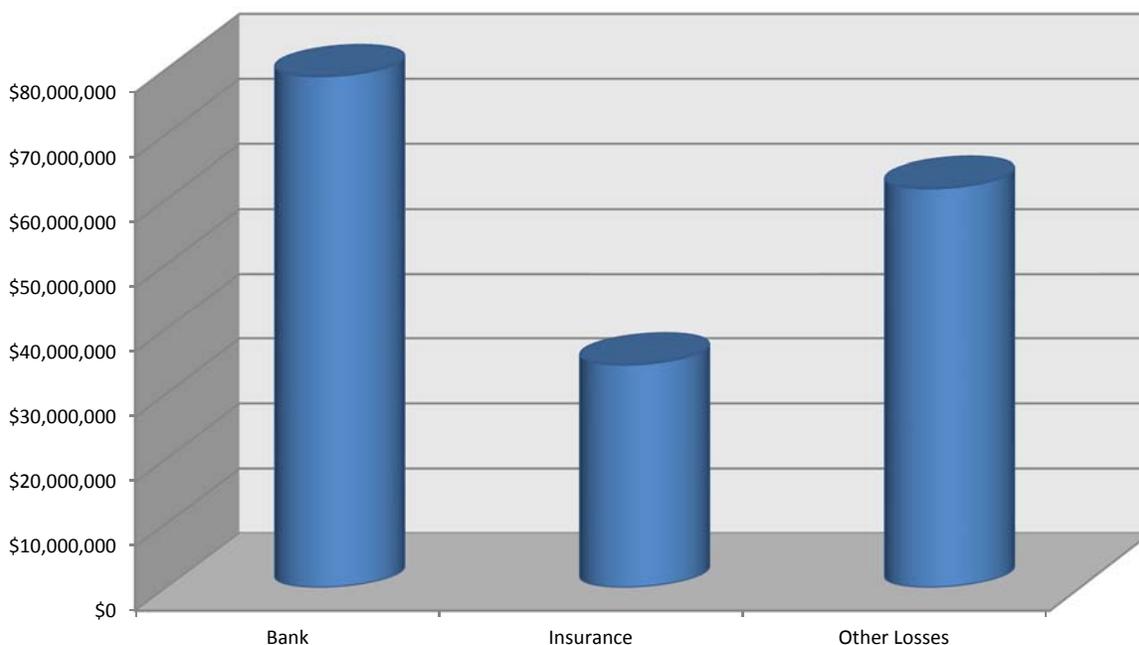
Figure 3 - Domestic Geographic Distribution of HCPO Claimants
(Areas appearing in color represent states where HCPO claimants reside.)



In 2016, HCPO has successfully resolved 2,338 claims of 49 individuals in which an offer was presented, or the asset deemed non-compensable.¹ In 2016, claimants received \$1,476,618 in offers.

In total, the HCPO has successfully resolved 14,869 claims of 5,179 individuals in which an offer was presented, or the asset was deemed non-compensable. To date, the HCPO has secured 8,363 offers; their combined total² for bank, insurance, and other losses amounts to \$174,928,396. See Figure 4.

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



¹ In addition to assisting in obtaining offers of compensation, the HCPO has assisted 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.

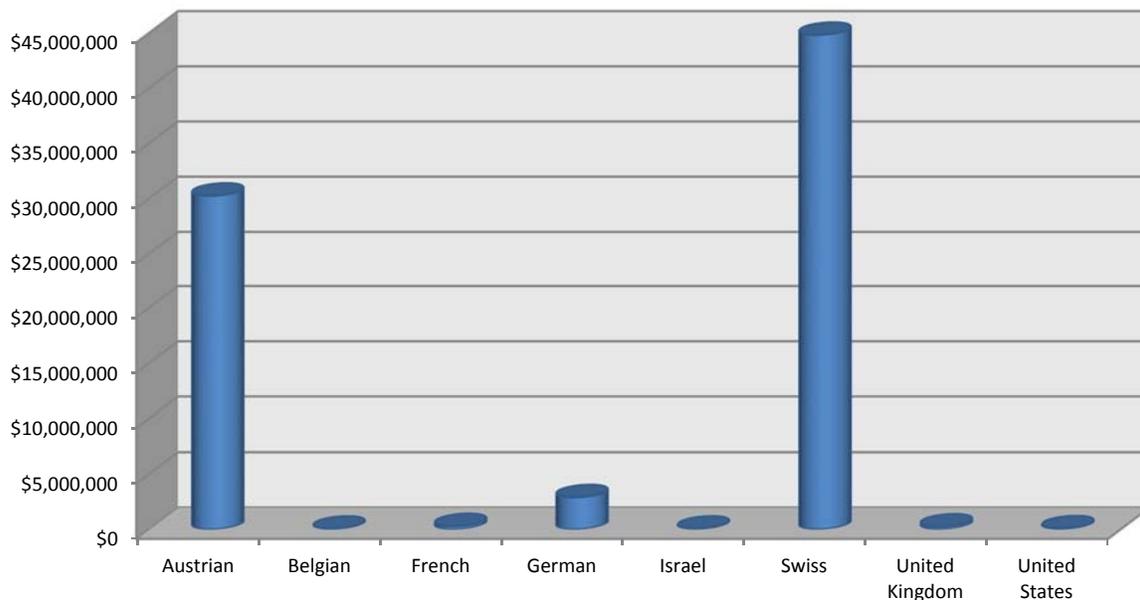
² Processes offer victims or heirs monetary compensation calculated on the value of the lost assets. However, the total amount of funds available to a claims agency may be limited and may not allow for full payment of loss. Thus, the actual payment may be substantially less than the lost asset's value. 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.

Bank Claims

In 2016, six individuals submitted claims for assets deposited in banks referencing four individual account-holders. In 2016, HCPO claimants received \$145,450 in offers.

Of the claims filed with the HCPO to date, 2,513 individuals (from 42 states, the District of Columbia, and 38 countries) submitted claims for assets deposited in banks referencing 3,875 individual account-holders. The HCPO has secured the settlement or resolution of 5,988 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 \$78,848,767. See Figure 5.

Figure 5 - Bank Claims



2016 Highlight:

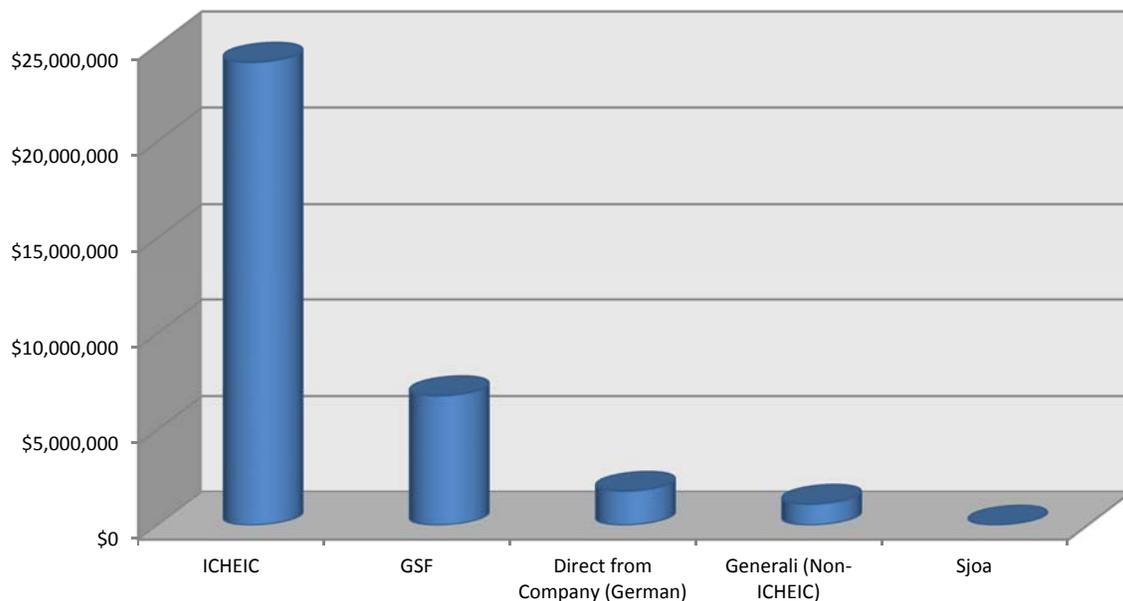
The HCPO continues to work with existing international claims processes that offer compensation for dormant or seized bank assets, including the Commission for the Compensation of Victims of Spoliation Resulting from the Anti-Semitic Legislation in Force During the Occupation (CIVS) of the Republic of France. Through these efforts the HCPO was able to assist the heirs of Charles and Jacques Biederer recover the proceeds of two French bank accounts lost as a result of Nazi persecution. Charles and Jacques Biederer were born in Moraska Ostrava, Czechoslovakia and immigrated to France in the early 20th Century. They resided in Paris and ran two photography studios well-known in the 1930s for producing high-quality images. Both Charles and Jacques were detained at Pithiviers Camp and from there were deported to Auschwitz in 1942 where they perished. In 1943, their businesses were liquidated.

Insurance Claims

In 2016, 10 individuals submitted insurance claims referencing 20 individual policyholders. By year-end, HCPO claimants received \$803,322 in offers.

To date, 2,452 individuals (from 43 states, the District of Columbia, and 27 countries) have submitted insurance claims referencing 3,718 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 6,146 claims where the offer was presented, or the asset was deemed non-compensable. The total offers extended to HCPO claimants seeking the proceeds of insurance policies total \$34,408,400. See Figure 6.

Figure 6 - Insurance Claims



2016 Highlight:

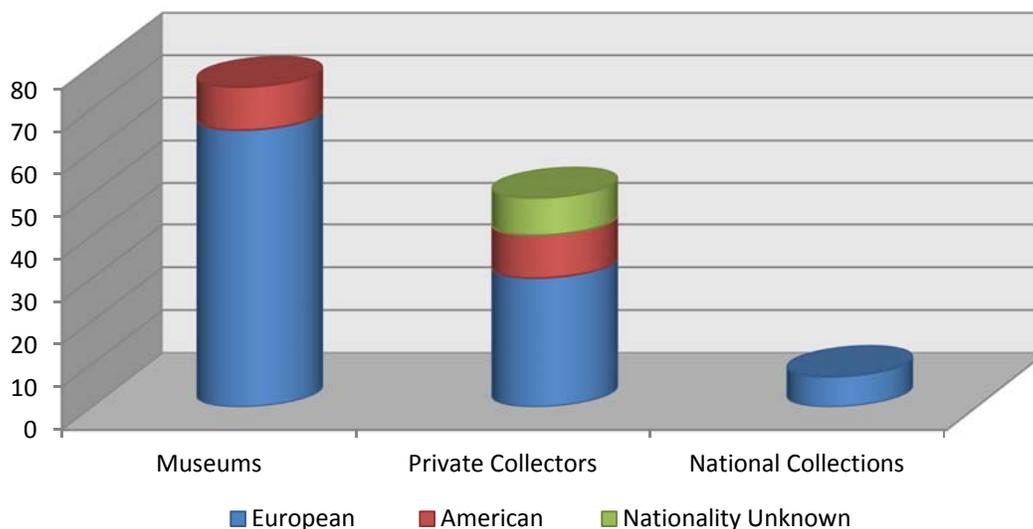
Max Hože, born in 1888 in Brno, was the son of Dr. jur. Cornelius Hože and Cecilia Hože née Löw-Beer. Cornelius Hože was a lawyer and co-owner of the cement works in nearby Maloměřice and brought Max on as co-owner and partner. In October 1939, not long after the Nazi occupation of Czechoslovakia, the Gestapo confiscated the Hože family homes. Within three months, the Hože cement company was put under the control of a Nazi trustee and the assets of the company and shareholders were confiscated. By 1941 the company was fully Aryanized. A year later, the Hože family was transported to Theresienstadt, where Max's mother perished. Max and his wife were sent to Lublin and Majdanek where they perished. Among his many assets, Max Hože had a valuable life insurance policy. Working together with attorneys representing the family, the HCPO was able to assist with securing payment for that policy, valued today at over half a million dollars.

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 2016, the HCPO coordinated settlements for 16 works of art. To date, the HCPO has accepted 170 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 130 cultural objects from 33 different collections. See Figure 7.

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



2016 Highlight:

The HCPO successfully concluded its first submission to the Advisory Commission, which was also the office's first claim for a musical instrument. In late 2013, the Franz Hofmann and Sophie Hagemann Foundation recognized that the provenance of a violin in its possession, made in 1705 by Giuseppe Guarneri, had a troublesome gap spanning from 1938 to 1974. The violin's owner in 1938 was Felix Hildesheimer, a Jewish purveyor of musical instruments from Speyer, Germany, who committed suicide in 1939 after suffering years of Nazi persecution. In 2014, the HCPO opened a dialogue with the Foundation on behalf of Hildesheimer's heirs for the restitution of the violin. Upon reaching an impasse in our discussion with the Foundation of Hildesheimer's loss of the instrument as a result of Nazi persecution, the Foundation and the HCPO agreed to submit the claim to the Advisory Commission. In applying the Washington Conference Principles, the Advisory Commission concurred with the HCPO's position and proposed that the Foundation provide a monetary settlement to the Hildesheimer heirs.

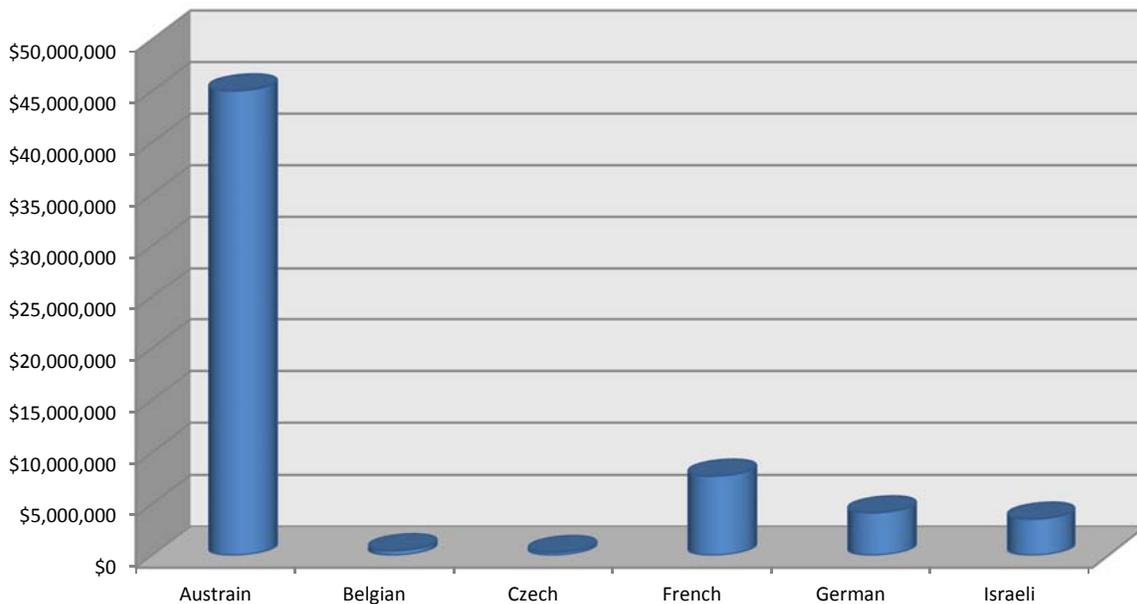
Material Losses and Other Claims

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

In 2016, 17 individuals submitted material loss claims referencing 32 asset holders. In total, HCPO claimants received \$527,846 in offers in 2016.

To date, the HCPO has secured the settlement or resolution of 2,735 claims where the offer was presented, or the asset was deemed non-compensable. The total offers extended to HCPO claimants seeking other losses total \$61,671,202; See Figure 8.

Figure 8 - Other Compensation Claims



2016 Highlight:

Over the last two years, the Republic of Poland has enacted several key pieces of legislation that affect Polish victims of Nazi persecution currently residing outside of Poland. "Victims of Oppression," individuals who suffered political, ethnic, and racial persecution during the reign of the Nazi regime between 1939 and 1945, are now eligible to apply for a monthly pension in the amount of approximately PLN 403 (\$96). The HCPO has assisted a number of claimants with the process and several have already begun to receive their pension payments.

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 2016 calendar year was \$761,890, including personal service, fringe and indirect costs, and non-personal service expenditures, as follows:

Total for Calendar Year 2016	
Personal Service	\$480,452
Fringe/Indirect	\$279,155
Non-Personal Service	\$2,283
Total	\$761,890

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 2015–16, the fringe rate was 58.41%.