

Holocaust Claims Processing Office

Annual Report to the Governor and Legislature

January 17, 2023



I. Operations

In 1997, the State of New York demanded accountability for financial losses suffered during the Holocaust and created the world's only government office to assist Holocaust victims and their heirs, regardless of their background and current residence, and to pursue restitution through a myriad of multinational restitution and compensation processes. To date, we have assisted individuals from 48 states, the District of Columbia, Guam, the Virgin Islands and 39 foreign countries.

The Holocaust Claims Processing Office ("HCPO") was established to provide institutional assistance to individuals seeking to recover assets lost due to Nazi persecution. Due to our efforts, banks, insurance companies, international organizations, museums, and art collectors — both in the United States and around the world — continue to look to New York to set the standard for issues regarding restitution claims for assets lost during the Holocaust era.

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 eases the burdens, removes roadblocks, and reduces costs often incurred by individuals pursuing claims independently. The HCPO is a unit within the New York State Department of Financial Services ("DFS") and sits within DFS's Consumer Protection and Financial Enforcement Division.

In response to the complex nature of restitution claims, the HCPO has developed a systematic method to handle its 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. Because claims received by the office can range from the fully documented to the purely anecdotal, the HCPO undertakes comprehensive claim-specific research in domestic and international archives and public and private repositories to obtain as much data as possible regarding the 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.

The HCPO then determines where to file the claim(s) by identifying the present-day company or claims process responsible for the lost asset in question, or in the case of a cultural asset, by identifying the current owner. The HCPO submits claim information to the appropriate companies, authorities, museums, or organizations and 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. Claimants may 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 and interpret decisions. In the event 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 necessary forms and following up with the claims entity to ensure payment. In the case of cultural property, the HCPO will facilitate the resolution of a claim between the current

owner and the claimant, resulting in either a compensation agreement or actual restitution of the item.

Statistics regarding the operations of the HCPO can be found online at New York's Open Data Portal¹ and are also available as part of the Consumer Protection and Financial Enforcement Division Annual Report.²

II. Accomplishments

Overwhelming Support for Bank Fee Waiver Program: As the result of collaboration between Superintendent Harris and New York State Legislators, bill A.9338/S.8318 was signed into law by Governor Hochul on August 10, 2022.³ This bill codified DFS's practice of publishing a list of New York State-chartered institutions that voluntarily waive wire transfer and processing fees associated with Holocaust reparation payments to ease financial burdens on elderly Holocaust survivors, victims and heirs who rely on these payments. This bill reaffirms New York's commitment to Holocaust survivors and their families. In addition to the bill, in 2022 DFS reached out to New York State-regulated institutions and successfully got more entities to participate in the Bank Fee Waiver Program. Waiving these fees has a meaningful impact on the people served by the New York financial community. The current list of financial institutions participating in this fee waiver program can be found on DFS's website⁴.

Successful Conclusion to Luxembourg Claims Process: Swift action by the HCPO assisted two elderly survivors to receive one-time payments from The Luxembourg Fund even after an extended deadline for the program had lapsed. The Luxembourg Fund, established in 2001 between the State of the Grand Duchy of Luxembourg and the Consistoire Israélite de Luxembourg and co-signed by the World Jewish Restitution Organization and Luxembourg Foundation for the Remembrance of the Shoah, distributed a total of 1,000,000 euros equally to approved applicants who filed timely claims. Among those who received compensation were a 93-year-old New York State resident and her 97-year-old sister due to the strong advocacy and assistance of the HCPO team. The sisters each received a lump sum payment of 11,494.25 euros.

The HCPO Continues to Lead as Subject Matter Experts in the Field of Looted Art: In 2022, DFS received a significant increase in requests for assistance from auction houses, museums, and libraries. As the art world continues to tackle issues surrounding the provenance of items in collections or brought to market, institutions are taking a more proactive approach to restitution when encountering an object with a questionable past. The HCPO's unique position as the only government agency in the world assisting Holocaust victims and their heirs and the office's known skill at locating heirs of Holocaust victims has made the HCPO a frequent expert resource for the art trade and institutions seeking help with locating potential claimants. Requests for such assistance come when an organization has identified an object lost as a result of Nazi persecution and there is a desire to reach a resolution with the heirs of the victim who lost possession, but the organization does not know the rightful claimants or how to reach them. The HCPO researches the fate of the collector and locates that individual's heirs. The office then helps to resolve the claim by facilitating a dialogue between the organization and the family. Frequently,

¹ <https://data.ny.gov/Government-Finance/Holocaust-Claims-Processing-Office-Statistics/ie3e-p84t>

² https://www.dfs.ny.gov/system/files/documents/2021/06/2020_cpfed_annual_report_20210315.pdf

³ <https://www.nysenate.gov/legislation/laws/BNK/18-B>

⁴ https://www.dfs.ny.gov/consumers/holocaust_claims/fee_waiver_program

these requests have resulted in additional art claims as the victims more often than not lost a number of objects during the Nazi period.

Bridging the Divide Between Claimants and the Insurance Industry: Although the majority of unpaid Holocaust-era insurance policies have been settled, potential claims remain. The insurance industry has committed to processing claims and adhering to the relaxed standards established under the International Commission for Holocaust Era Insurance Claims (“ICHEIC”) to ensure claimants can be fairly compensated. The HCPO assists families in navigating the complex nature of insurance claims by providing accurate historical data concerning insurance companies that operated in the various regions, determining present day successor companies and where to file a claim, walking claimants through present day valuation guidelines to understand offers, and taking the time to ensure there is a comprehensive understanding of the final decision issued by an insurance company.

Deadline Extended and New Compensation Programs on the Horizon: Earlier in 2022, the Enemy Property Claims Assessment Panel (“EPCAP” or the “Panel”) in the United Kingdom issued a public request for comments regarding the filing deadline for their program which assesses and pays claims for financial assets frozen in 1939 pursuant to the UK Trading with the Enemy Act. The comment period ran from January to March 2022. Based upon the responses received, the Panel extended the filing deadline to March 31, 2023. The Panel acknowledged that the COVID-19 pandemic delayed access to certain records needed to make a claim. Although the scheme is formally closing and the Panel is being disbanded, claims can still be filed with the UK government after the deadline has passed.

Former Soviet Bloc countries of Eastern Europe are also slowly taking steps to address the many injustices perpetrated against their Jewish communities during the Second World War and the Holocaust. In many instances, the efforts to recover stolen property in these countries is just beginning. Legislation recently proposed in Lithuania, for example, would provide more than \$37 million in compensation to Holocaust victims. In late 2022, Croatia agreed to research the provenance of government-owned works of art.

III. Expenditures

The HCPO is staffed by four professionals.⁵ The total cost of operating the HCPO during the 2021-22 fiscal year was \$989,361, including personal service, fringe and indirect costs, and non-personal service expenditures, as follows:

Total for Fiscal Year 2021-22	
Personal Service	596,361
Fringe/Indirect	391,111
Non-Personal Service	1,889
Total	989,361

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 2021–22, the fringe rate was 62.70%.

⁵ The HCPO began 2022 staffed by five professionals. One member of the HCPO team retired in early 2022 bringing the total staff to four.