

The Claims Conference: Perception and Reality

Julius Berman

The Claims Conference is approaching its annual meeting in July, during which the board of directors explores the search for additional restitution assets to alleviate the physical and emotional problems of aging Holocaust survivors. The board also determines policies concerning the allocation and distribution of available funds, among other items.

Recently, the Claims Conference has been subject to some criticism in the media, most of it based upon myths that persist about this organization despite all evidence to the contrary. The topic of Holocaust restitution and the distribution of compensation funds is an understandably emotional issue, but that does not excuse statements about the Claims Conference that are simply wrong and that can be easily disproved by a look at the facts.

The Claims Conference goes to extraordinary lengths to be open and transparent, more so than virtually any other major Jewish organization. We take our fiduciary and moral responsibility seriously. Accountability and oversight are central to who we are and what we do.

The Claims Conference posts on its Web site every year, the full financial statements resulting from its yearly audit by Ernst & Young, www.claimscon.org/audit. Accompanying the financial statements are summary charts, www.claimscon.org/financials, of Claims Conference revenue, expenses, and liabilities and net assets as of Dec. 31 of the preceding year. As soon as the independent auditors sign off on the financial statements for 2006, they, too, will be posted on our Web site.

Also on the Claims Conference Web site you will find the following:

- A complete list of allocations made by the Claims Conference: www.claimscon.org/grants
- A description of the allocations process: www.claimscon.org/allocations-process
- The guidelines for allocations: www.claimscon.org/guidelines
- Data on needs and demographics regarding Jewish victims of Nazi persecution, including reports regarding current and projected needs of Nazi victims, a significant basis for allocations decisions: www.claimscon.org/demographics
- An overview of the Successor Organization, which recovers unclaimed property in the former East Germany: www.claimscon.org/successor
- A description of the Successor Organization process: www.claimscon.org/successor-process
- A report on current assets and pending claims: www.claimscon.org/successor-assets
- A chart showing revenue 1993-2005: www.claimscon.org/successor-revenue

Information on the Independent Review Authority for individual survivors regarding compensation programs:

www.claimscon.org/appeals

This is just some of the information available to the public concerning the Claims Conference. There is plenty more to be found on the Web site.

All kinds of numbers have appeared in the media regarding the assets of the Claims Conference. The following is the reality. As detailed in the 2005 financial statements, the Claims Conference had \$900 million in total assets at the end of the year. This amount falls into two categories, funds that are committed for specific payments and those that are not, all of which is detailed in the audit:

A. Funds with commitment: \$587 million

- \$253 million for payments to identified heirs of property in the former East Germany that the Claims Conference has recovered under German law.
- \$47 million in reserve generally for specific heirs of property in the former East Germany who are in the process of producing documentation and/or may be eligible for such payments.
- \$238 million in grants payable, which are funds already allocated to programs for survivors but not yet disbursed by the Claims Conference to the agency that is implementing the program.
- \$20 million designated for contractual obligations: funds exclusively for distribution to designated survivors and heirs (which was done in 2006).
- \$29 million is designated as "other," which are 2005 accrued expenses that were paid in 2006.

B. Funds Not Yet Committed: \$313 million

- Of this \$313 million, \$38 million was designated for allocations to be made in 2006.
- The remaining \$275 million is set aside for the long-term needs of Nazi victims as they age.

Additionally, East German properties that the Claims Conference has recovered but not yet sold are described in the financial statements. While we have estimated a value of \$50 million for these properties, we recognize that they are the remainder of the properties we have put up for sale and, as expected, will be the most difficult to sell. The number of pending claims is available on our Web site.

The Claims Conference allocates approximately \$100 million of Successor Organization funds every year. Demographic studies (available on the Claims Conference Web site) show that there will be extensive needs on the part of survivors over the next 10 to 15 years. As survivors who are currently around age 75 get older, their needs will become greater. Yet the sources of restitution funding that are supporting current Claims Conference allocations for social services will not last nearly that long.

Those who know the Claims Conference know what we have accomplished and, more importantly, our devotion to what still needs to be done. The time is short and work monumental. Read our Web site to see what we do and why. Together, let's help those who suffered so much while we can.

Julius Berman is chairman of the Conference on Material Claims Against Germany.

