Conference on Jewish Material Claims Against Germany

May 19, 2008

Response to Shamaim Hafakot Movie #2 “Reparations Morality”

The movie “Reparations Morality” is a totally one-sided sensationalist litany of attacks and criticism of the Claims Conference and of organizations and individuals that are part of the restitution process. It is riddled with inaccuracies and distortions. It is fueled by a small band of disgruntled parties who are motivated by self-interests.

The Claims Conference initially agreed to cooperate with and assist the filmmakers. It did so by providing extensive documentation and materials to the filmmakers (copies of which are available) and by arranging for lengthy interviews of four of the most senior Claims Conference staff – the Representative in Germany, the Director of the Successor Organization, the Director of the Israel office, and the founding Executive Vice President. Two of the four interviews were not included at all in the movie.

Despite the Claims Conference cooperation, the filmmakers engaged in a pattern of deception and accusation. The film’s reference to the Claims Conference “wrong doing, the corrupt and borderline illegal conduct of the organization” is a completely sensationalist charge with simply no facts behind it.

Clearly there was no intention from the very beginning by the filmmakers to present even a slightly balanced film about these complex issues.

The Foundation for the Benefit of Holocaust Victims in Israel, the main welfare organization for Nazi victims in the country, issued the following statement on May 1, 2008:

“The film, which is hostile in spirit towards the important activity of the Claims Conference, contains false facts and distortion of basic figures. It seems that on matters related to the Holocaust and its survivors and even on the eve of Holocaust Memorial Day, considerations of sensationalism and rating win out.”

Additionally, the Centre of Organizations of Holocaust Survivors in Israel issued a statement on April 29, 2008 condemning the film. Following is an excerpt:

“Board members who watched the movie believe that that it is biased, does not present a balanced view of the Claims Conference’s achievements that have benefited Holocaust survivors since its inception, and even presents such claims that may be considered libelous and could prove inflammatory to Antisemitism.”
Nonetheless, the Claims Conference is totally committed to providing full and complete information to the media and the public regarding its policies and activities and to responding to and explaining any criticism or complaints about its work. We invite all interested persons to let us know of any questions, comments or criticism.

We have prepared this document to answer some of the more extensive accusations presented by the filmmakers. We can certainly provide more detailed information or clarification on these or any other points.

We would point out that extensive information on the Claims Conference and many of these issues (including our audited financial statements and a listing of all institutional grants) are available on our website – www.claimscon.co.il.

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The filmmakers have four main themes. They think that by repeating them over and over again the audience will believe the movie, despite it being based on lies, falsehoods, half truths and innuendo. The four repeated themes:

1. The Claims Conference has over $1 billion, of Holocaust survivors’ money at its disposal but won’t use it to help survivors.
2. The Claims Conference hinders the distribution of funds to Holocaust survivors and victims’ heirs.
3. The Claims Conference should not fund Shoah education and documentation.
4. Claims Conference allocations are to organizations with which Board members are affiliated.

In addition, the film is also full of other inaccuracies. Each will be addressed individually. First, the main movie themes:

**MOVIE CLAIM #1. The Claims Conference has over $1 billion of Holocaust survivors’ money at its disposal but won’t use it to help survivors.**

This statement is not correct. The facts are in the financial statements of the Claims Conference which are audited by Ernst & Young (and available on the Claims Conference website).

As of December 31, 2006, the last date for which there is audited data, the available liquid funds for allocations was $318 million ($61 million for 2007 and $257 million for the years beyond) not $1 billion as claimed.

This has been verified by the independent auditing firm of Ernst & Young of New York. This was confirmed by CPA Yitzhak Forer, a leading auditing expert in Israel. Anyone who wishes to review the information further can read it in our Annual Report, on our website, www.claimscon.co.il.
As noted by Jewish Agency Treasurer Hagai Merom in the Jerusalem Post on April 18, "After we checked into it comprehensively, I can say the Claims Conference does not have a billion dollars sitting somewhere that they aren't distributing."

$318 million is a significant amount of money; the Board of the Claims Conference committed, in July 2007 to allocate approximately $367 million over the next three years. In summary, Mr. Meroz and Ms. Vilnai were wrong by about $700 million and neglected to mention that the Claims Conference Board has already committed to allocating those funds.

**MOVIE CLAIM #2. The Claims Conference hinders the distribution of funds to Holocaust survivors.**

This claim is nonsense. The relevant facts are deliberately omitted from the movie. For example, in 2007 alone, the Claims Conference distributed or allocated approximately $737 million to and for the benefit of Jewish victims of Nazism and their heirs, the largest amount handled by any Jewish organization worldwide. $387 million in payments was distributed to Jewish victims of Nazism or their heirs, $193 million was paid to heirs of property in the former East Germany and approximately $157 million was allocated for programs in 2007, primarily for vital social services to assist Nazi victims.

Since its establishment, the Claims Conference has negotiated the distribution of more than $60 billion in compensation for Jewish victims of Nazism.

The movie also claims that the Claims Conference has rejected more than 100,000 applicants to the Hardship Fund in order to keep more of the money. However, they do not mention that the Claims Conference has approved 318,000 applicants for payment, 74 percent. Applications are evaluated based solely on German government eligibility criteria. This program was created through five years of negotiations with West Germany. The German government only disburses funds for this program to the Claims Conference based on the number of eligible applicants – there is no way for funds to be left over for the Claims Conference to keep as the movie claims.

The allegation that the Claims Conference hinders payments to heirs of property is even more absurd. The Claims Conference has paid or set aside €627 million (approximately $1 billion) to pay heirs of original property owners – hardly the act of an organization trying to avoid paying heirs.

The movie shows the filmmakers, accompanied by an Israeli Holocaust survivor, bursting into a Claims Conference Executive Committee meeting in November 2006, a stunt done precisely to obtain sensationalist footage for the movie. The survivor is shown yelling to the participants in the meeting, “I don’t want you to wait until I die. You are waiting for me to die. Have mercy on us.” She is Mrs. G. of Tel Aviv. While the Claims Conference would normally not reveal her private
information, her repeated appearances have made it clear that she is willing to waive her confidentiality.

The filmmakers do not tell you that Mrs. G. has been receiving a pension from the Claims Conference for 13 years. In addition, she has received various one-time payments totaling tens of thousands of shekels. Moreover, the Claims Conference is pleased to note that it has funded social welfare services for Mrs. G. over the past several years, such as cash grants to pay for medical and other expenses and a free 24 hour medic alert button. In fact the Claims Conference is the only organization which has provided assistance to her.

This is not meant in any way to diminish the significance of any financial hardship that Ms. G may be experiencing. However, the filmmakers did not reveal in the movie that this particular survivor has received various payments from and services funded by the Claims Conference, choosing instead to create the false appearance that the Claims Conference is indifferent to survivors.

The movie also presents Ms. D., who is hospitalized. The filmmakers are protesting against the alleged fact that the Conference is investing in hospital beds and not transferring funds to survivors. Again the filmmakers refrain from informing the viewers that in 2006, before the filming of their first movie, Claims Conference’s volunteers located Ms. D, visited her home and helped her in filing applications for monthly pension from the Claims Conference -- a pension that Ms. D is receiving to this date.

**MOVIE CLAIM #3. The Claims Conference should not fund Shoah education and documentation.**

The Board of Directors has decided that the main part of the Successor Organization funds (proceeds from unclaimed recovered Jewish property in the former East Germany) should support social welfare projects for Holocaust survivors. However, it has also repeatedly voted for a policy to devote 20 percent of Claims Conference Successor Organization allocations (proceeds from the sale of restituted property in the former East Germany) to Holocaust education, documentation, and research. This comes to approximately 2.5 percent of the entire Claims Conference budget.

There are strong opinions on each side of this issue. As such and in light of the fact that these funds are Jewish public funds, in 2003, the Claims Conference issued an open call for all interested parties to submit letters expressing views on the funds use for research, education, and documentation of the Shoah. The letters were distributed to the Claims Conference Board members in advance of the Board’s discussion. In fact, the Claims Conference has published on its website numerous letters on this policy, which represented many different viewpoints, including from many Holocaust survivors. These letters are on the Claims Conference website, www.claimscon.org/?url=letters_board. This topic has been discussed openly and passionately at numerous meetings of the Board of Directors.
The Board, swayed by arguments made by survivors, overwhelmingly agreed that it has an obligation to use the assets of those who perished to make sure the world remembers how they lived, and how they died. Many of the board members supporting this policy are Holocaust survivors.

Indeed as recently as November 2, 2006, the Claims Conference received a public letter signed by among others Minister Rafi Eitan on behalf of the Government of Israel and Noach Flug, Chairman of the Centre of Organizations of Holocaust Survivors in Israel pressing the Claims Conference, among other things, to maintain “the allocation framework that currently is 20 percent for education, remembrance and commemoration.”

**MOVIE CLAIM #4. The CC allocations are improperly made to Board members’ organizations.**

The Claims Conference Ethical Guidelines and Practices follow the normal practice for non-profit organizations. They were approved by Ernst & Young, auditors of the Claims Conference. The Guidelines provide clear rules regarding disclosure of relevant affiliations and recusal from relevant decisions. Supervision of the Guidelines is carried out by the Legal Counsel.

The Claims Conference allocations program is operated according to strict ethical principles. Clear written rules and procedures for members of committees and the Board of Directors are in place, including the disqualification from participation in the debate and vote on any prospective allocation to organizations and institutions with which they are affiliated.

**DETAILED RESPONSES/EXPLANATIONS**

1. **CLAIMS CONFERENCE ASSETS**

The movie alleged that the Claims Conference $1 billion in liquid funds that are available to assist Holocaust survivors but are not being used to do so.

This statement is not correct. The facts are in the financial statements of the Claims Conference which are audited by Ernst & Young (and available on the Claims Conference website).

All figures below are as of December 31, 2006, the last date for which there is audited data. **All of these figures are included in the Claims Conference Financial Statements.**

1. The available liquid funds for allocations was **$318 million** ($61 million for 2007 and $257 million for the years beyond) not $1 billion or $1.5 billion as
claimed, and this has been verified by the Claims Conference CPAs, Ernst & Young of New York. This was confirmed by CPA Yitzhak Forer, a leading auditing expert in Israel.

2. As detailed below, the funds held by the Claims Conference include liabilities or reserves having been allocated beforehand, and are at different stages of being distributed, as follows:

a. $328 million are set aside for eligible heirs of the deceased who owned property in East Germany and whose rights have been asserted. The Goodwill fund is responsible for distributing these funds to these heirs. $192 million are already in advanced stages of being distributed and $136 million are still at the stages of asserting their rights to the property. (While the filmmakers try to portray the Claims Conference as preventing heirs of property owners from receiving proceeds, they neglect to mention that $328 million is set aside for just such heirs and that €378 million has already been paid to heirs.)

b. $313 million have mostly been allocated to assistance, welfare and support for victims of Nazi persecution, and the remainder to multi-annual research, education and commemoration programs. All of these funds have been allocated. They are transferred to the beneficiaries agencies in accordance with pre-determined schedules and after appropriate reporting has been received and based on clear procedures. Allocation of these funds consist a commitment on behalf of the Claims Conference to pay them, and it holds them as an obligation until then. In many cases the organizations have spent the funds and will receive reimbursement once the reports are provided.

c. $318 million have been allocated to the long term needs of Holocaust survivors, and they comprise the reserves to provide for their needs in upcoming years. $61 million from these funds were allocated for distribution in 2007, and $257 million have been allocated by the Claims Conference Board of Directors, for long term needs. The reason why the $257 million is not all allocated is because of the needs of survivors over the next few years. The chart, available on our website, prepared by the Brookdale Institute in Jerusalem, the respected social research institution, show these needs very clearly.

d. Furthermore the Claims Conference will allocate $313 million of Successor Organization funds in social welfare allocations through 2010.

e. $46 million is the estimated value of assets to be sold. These assets are in different stages of being sold.

**Jewish Agency for Israel**

The film refers to a report commissioned in 2007 by the head of the Jewish Agency that made certain assertions regarding Claims Conference finances. The Jewish Agency issued public statements last year to the effect that the Claims
Conference has $1 billion in liquid funds that are available to assist Holocaust survivors but are not being used to do so.

At its October 2007 meeting, the Allocations Committee of the Claims Conference recommended the approval by the Board of grants to the Jewish Agency for projects of Holocaust education, subject to further discussion. These discussions with the Jewish Agency concerned clarification of the damaging errors in the report about Claims Conference assets.

The proposed Jewish Agency grants that were under discussion were solely for educational projects and total $378,500. No social welfare grants were affected.

II. OVERSIGHT AND TRANSPARENCY

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.

There is extensive accountability in place at the Claims Conference:

- The Claims Conference is incorporated in New York State and is subject to the supervision of the office of the Attorney General of New York;

- Reviews are carried out by the German government (including the German Federal Audit Office);

- Other funding bodies (such as German Foundation “Remembrance, responsibility and the Future”) audit the Claims Conference;

- The Claims Conference has a General Controller who reviews the operations of the organization on an ongoing basis.

- Every year, the Claims Conference is subject to an audit by Ernst & Young, complying with U.S. law and GAAP – the accounting rules in the U.S. governing the preparation of financial statements.

Further, we are transparent:

The entire audited financial statements resulting from that audit are posted on the Claims Conference website at 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 December 31 of the preceding year.

A summary is also included in the Claims Conference annual report.
Also on the Claims Conference website are 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
- Information on the Independent Review Authority for individual survivors regarding compensation programs: www.claimscon.org/appeals

### III. CERTIFICATE OF INCORPORATION

The filmmakers present a survivor who claims that the Certificate of Incorporation was amended in 1994 to change from our intention to “use the money we are getting from German to help the survivors. Now all of a sudden, it is to help the Jewish people in general.”

False.

(1) In the early 1990’s, the Claims Conference was, for the first time, selling restituted property in the former East Germany. The 1994 change in the Certificate of Incorporation was necessary because of the tax exemption of the Claims Conference in Germany. The original Certificate of Incorporation allowed the Claims Conference to borrow money. The German tax laws prohibited charitable tax-exempt organizations from borrowing money. Paragraph 2b which stated, “to borrow money...” was deleted in the amended version.

(2) The amended Certificate states: “(v) by supporting and advancing projects pertaining to the research, documentation and commemoration of the persecution and destruction of Jewish life, cultural organizations and institutions by the Nazis.” Paragraph 4c. Nowhere does it relate to “help the Jewish people in general.”
general” as alleged – nor does the Claims Conference fund projects to “help the Jewish people in general.”

(3) The notion that the Claims Conference amended the Certificate of Incorporation in 1994 to allow funding of Shoah education projects is absurd. As an example, in 1954, the Claims Conference provided 50% of the cost to build the original building for Yad Vashem.

The filmmakers could have known that the survivor was wrong in his allegations had they asked the Claims Conference or done even minimal research.

IV. NEGOTIATIONS AND COMPENSATION

Since 1952, the Claims Conference has been negotiating to include as many Nazi victims as possible in compensation programs. Even now, the Claims Conference holds annual negotiating sessions with the German Ministry of Finance, pressing for expansions and liberalizations to existing programs. These ongoing negotiations have enabled tens of thousands of additional Holocaust survivors to receive payments.

After repeating the inaccurate figure of $1 billion available for distribution and referring to the alleged lack of oversight, the movie states that the Claims Conference has collected millions since 1952 and distributes them to organizations. Unfortunately, the film fails to mention the more than 25 major agreements reached between the Claims Conference and the German government and industry which have resulted in more than $60 billion being paid directly to survivors since 1952.

For example, in 1992 after extensive negotiations, the German government agreed to establish the Article 2 Fund, a program of monthly pension payments of €270 to certain Holocaust survivors. At the time, Germany agreed to pay 25,000 Holocaust survivors. Due to continuing Claims Conference negotiations, the number of survivors approved for payments from Article 2 and the related Central and Eastern European Fund has surpassed 99,000.

These Claims Conference pension programs have paid over $2.3 billion directly to Holocaust survivors.

In addition, the Claims Conference negotiated for, and paid directly to Holocaust survivors over $1.2 billion from the German slave labor foundation beginning in 2001.

The Claims Conference also continues to negotiate with Germany on other issues, such as the implementation of Social Security pensions for work in ghettos and funds for homecare for needy survivors.

Negotiations this year are in early June. Priorities for the Claims Conference will be:
• Funds for homecare for Nazi victims: Since 2004, the Claims Conference has negotiated €46 million from Germany to fund homecare for needy, elderly Jewish victims of Nazism around the world. This continues to be a crucial priority.

• Expanding the Article 2 and Central and Eastern European and Hardship Funds: We continue to fight to include additional survivors in these programs who do not currently qualify under German criteria.

• Expediting payments from the Ghetto Labor Compensation Fund: In September 2007, following negotiations with the Claims Conference, Germany created a fund that would pay €2,000 to each of an estimated 50,000 survivors who performed work without force in Nazi-era ghettos. We are pressing Germany to expedite payments from this fund.

V. HARDSHIP FUND

Ms. Vilnai reports that “in 1980, the Claims Conference received an additional DM 400 million for Nazi victims from the Soviet Union.” In truth, after five years of negotiations, the Claims Conference secured the commitment from the German government for DM 400 million for the creation of a new fund. Although the movie does not mention it, or the subsequent negotiations that have secured an additional DM 1.2 billion, this was a major achievement.

The movie also claims that the Claims Conference has rejected more than 100,000 applicants to the Hardship Fund in order to keep more of the money. However, they do not mention that the Claims Conference has approved 318,343 applicants for payment, 74 percent. Of those approvals, 181,721 were Nazi victims in Israel. Approximately $850 million has been paid.

Furthermore, the German government does not hand over money to the Claims Conference but rather provides funding only for those Nazi victims found eligible under German government criteria. The funds provided are calculated according to the number of eligible individuals. The German government’s Federal Audit Office supervises the implementation of the program.

Therefore, the movie’s accusation that the Claims Conference “rejects people to be able to keep the money” is outrageous and contradicts the decades of negotiations that the Claims Conference have pursued precisely in order to be able to pay additional Jewish victims of Nazism.

The movie’s statements are lies and will only ultimately result in damage to the Holocaust survivors and to the Claims Conference’s negotiations on their behalf.

Court Case
The Hardship Fund is administered by the Claims Conference according to German government guidelines announced on October 14, 1980.

Establishment of the Hardship Fund was a major achievement in view of the fact that filing deadlines for German compensation payments had been closed for more than a decade. Furthermore, most significantly, the criteria for eligibility under the Hardship Fund are far broader than those under German Law (BEG). The Claims Conference succeeded in including those who suffered Nazi persecution but fled to the Soviet Union.

The program was established as a temporary, short-term program that could have been cancelled at any time. Only because of the strong position taken by the Claims Conference in negotiations was the program extended.

The Hardship Fund stipulates that applicants must have suffered significant damage to health. The German government insisted that applicants could prove this by showing at least an 80% reduction in earning capacity, or a 50% reduction in earning capacity in consequence of persecution. Applicants who reached age 60 (if female) or 65 (if male) at the time of the application are presumed to have suffered an 80% reduction in earning capacity.

As a result, the applications of those who were not able to meet the above criteria had unfortunately to be denied.

The Claims Conference has, in discussions with the German Government, endeavored to reopen cases previously found ineligible where persons have now reached the relevant ages. This was rejected by the German Finance Ministry. A letter from the Finance Ministry dated September 8, 1997 stated the German government’s reason for imposing this policy. “This concept is directed at older applicants who were only first able to file applications after leaving their Eastern European home countries…It was in no way thought that individuals who did not suffer damage to health would become eligible for the payment solely because they grew into an eligible age group waiting for years for their applications to be processed.”

The Claims Conference’s main priority is to pay as many Nazi victims as possible. We will continue to fight to make the rules as liberal as possible. We welcome all assistance in our ongoing efforts to change the rules. We believe that these “growing in” cases should be included in the program and we have been and will continue to press the German Government vigorously for the reopening of these cases. The Claims Conference has raised this issue in high-level discussions with the German Ministry of Finance. Senior Israeli government officials and Knesset members have also raised the problem with the German government – all so far to no avail.

VI. LENGTH OF TIME TO PROCESS CASES
In the past, at times there were not sufficient funds to pay Hardship Fund cases, resulting in a lengthy wait time for processing of applications. However, this has not been the situation for a number of years. We at the Claims Conference acknowledge that this was formerly a serious problem. For this reason, we made the time to process applications a priority for our organization. We continue to try to accelerate the speed at which each case is processed. To that end, we are in the process of installing a new computerized system which monitors each step of the process. Subsequently, we are able to provide the following statistics.

From a total of 3,464 cases submitted to the Hardship Fund in Israel in 2007:

- 1,540 were approved and the average approval time was 106 days.
- 825, **determined to be ineligible according to German government criteria**, were rejected and the average processing time for those cases was 113 days.
- 761 cases are cases in which we are negotiating with the German government for inclusion within the program but in the meantime, we can not approve them and there is no more processing that can be done.
- There remain 338 cases (the remaining 10 percent) that are pending. In these cases, we are waiting for documents from applicants or archives, etc.

It should be noted that of these 338 cases from 2007, 244 were submitted in the last four months of 2007.

There are sometimes cases where, in order to satisfy German government documentation requirements, the Claims Conference must request additional information from various archives, which are located in some 30 countries. The response time from such archives varies, and is not within the control of the Claims Conference. However, the Claims Conference researches these archives in order to be able to pay as many survivors as possible.

The filmmakers show a scene at the International Tracing Service at Bad Arolsen. They make the point that this is the first time that an Israeli film crew has been afforded access to film from within the archive; however, they neglect to note that these archives are only recently open and that a major international effort was needed to open the archives – one in which the Claims Conference played an important role.

Further, the filmmakers neglected to mention that in connection with various compensation programs, the Claims Conference has worked closely with that archive (and hundreds of others around the world) to help document the persecution history of survivors to the satisfaction of the German authorities. It is through these efforts that the Claims Conference has paid over $3.5 billion directly to Holocaust survivors in the past decade.
VII. CLAIMS CONFERENCE ALLOCATIONS

Lists of all allocations made by the Claims Conference are on the website. The movie made no attempt to describe the allocations made by the Claims Conference or the vital needs of Holocaust survivors served by Claims Conference funds. Furthermore, the movie listed numerous allocations but did not refer at all to the $50 million that the Claims Conference allocates annually to provide homecare for more than 12,000 Nazi victims in Israel.

- The Claims Conference has been the primary body addressing the needs of elderly survivors in Israel.

- Since 1995, the Claims Conference has allocated in Israel $450 million for vital social services for Jewish victims of Nazism, enabling a revolution in how they are cared for.

- Claims Conference funding has vastly improved care for survivors in hospitals, nursing homes, and most of all in their own homes. In January 2008, 12,433 survivors received homecare funded by the Claims Conference, through the Foundation for the Benefit of Holocaust Victims in Israel.

- The Claims Conference contribution to the Foundation for the Benefit of Holocaust Victims in Israel has totaled, through 2007, more than $271 million. During that same period, the Government’s contribution was $16 million. In total, the Claims Conference has contributed 94.4% while the government has contributed 5.6%.

- Claims Conference allocations since 1995, working in conjunction with government ministries and other partners, has leveraged much additional funding and momentum, and enabled what amounts to a revolution in geriatric treatment in Israel.

- The funds have spurred a recognition and support network for the special needs of survivors, which did not exist before the Claims Conference took on this responsibility.

- With Claims Conference funding, dignified and attractive facilities have been built to care for survivors requiring special care.

  - Nursing units have been built on kibbutzim so residents do not have to leave their longtime homes and communities.
  - Mentally disturbed victims of the Shoah now have modern accommodations so they may live out their last days in dignity.
  - Hospital units have been renovated, reducing the number of patients per room to two or three, rather than the previous five to ten.
The movie cited one agency in Brooklyn, New York, Nachas Healthnet. In 2007, the agency conducted two “Women’s Days of Health” fairs on May 16 and November 21. A total of 513 women attended these fairs, of which 314 were Holocaust survivors (approximately 65 percent). Each fair cost between $18,000 and $20,000, of which the Claims Conference paid $9,900.

The movie also notes an allocation to Chevra Hatzalah, the largest Jewish volunteer ambulance service in the United States. Hatzalah determined a few years ago that 78 percent of the elderly people it serves in New York City are victims of Nazism. Hatzalah volunteers in Brooklyn are uniquely prepared to serve survivors through their language skills and special sensitivity training designed to alleviate survivors’ anxieties and fears during an emergency situation. Services are provided 24 hours a day, free of charge, and response time is between 2.5 and 4 minutes. Therefore the Claims Conference allocated funds for the purchase of emergency medical equipment.

Allocations are made to Pesach Tikvah in Brooklyn, an agency mentioned in the film, for vital services to survivors such as meals on wheels, homecare, health screenings, emergency assistance, and chore services.

**VIII. FORMER SOVIET UNION**

The filmmakers did not visit any one of 22 Regional Heseds that provide vital, life-saving services to Jewish victims of Nazism in the former Soviet Union (FSU). They could have used this as an opportunity to educate the Israeli public about the appalling living conditions of elderly Jewish victims of Nazism. The filmmakers chose to ignore their plight for the sake of sensationalist television. The Claims Conference does not ignore their plight and is committed to continuing to provide life-saving basic needs in the FSU.

An individual in the Former Soviet Union (Mr. K) was interviewed in the movie. It was said that he received no services from Hesed. This too is simply not correct. Food, medical and dental services were provided to him. The filmmakers made no attempt whatsoever to verify the serious allegation in the movie, which just like most of the other allegations, are simply not true.

Unfortunately, he is not eligible for a German pension because he does not meet the German criteria. Over the past eight years, the Claims Conference has succeeded in negotiating pensions for over 23,000 survivors in Eastern Europe and the FSU. We continue to negotiate with the German government to expand the eligibility criteria to include additional survivors such as Mr. K. However he is eligible for, and has received assistance from, Hesed (with funding from the Claims Conference).

Elderly Nazi victims residing in the former Soviet Union (“FSU”) are among the neediest Jews in the world, living in countries without structured public welfare
programs or adequate health care systems. Pensions for the elderly are below subsistence levels and very often are not paid on time. The ever-widening disparity between pensions and the cost of living leaves many Jewish Nazi victims in the FSU without the ability to obtain very basic supplies of food, medicine, and winter goods.

Many Jewish Nazi victims in the FSU live alone, and many of those are homebound, which in the cities means they are virtually trapped in small, dark apartments. Elderly Jews in rural areas are often without running water or adequate energy. They do not have access to basic medical aid or the ability to purchase enough food.

The plight of elderly Jews in the FSU has been a major priority of the Claims Conference since it began allocating Successor Organization funds in 1995. The Claims Conference allocates substantial funding to local Jewish Regional Welfare Centers in major cities for projects that aid needy, elderly Jewish victims of Nazi persecution. These welfare centers, known as “Heseds,” help these elderly Jews meet the most basic survival needs. A recent study by Brandeis University emphasizes the needs of Nazi victims in the FSU and is on the Claims Conference website at http://www.claimscon.org/forms/FSUNazi-victims.041708.pdf.

For more than a decade, these allocations have been a literal lifeline for elderly Jewish Nazi victims in the FSU, many of whom would otherwise have no assistance, no resources, and no hope for change in their old age.

The Claims Conference allocates funds to 22 Regional Welfare Communities and Hesed centers currently assisting 114,000 Jewish victims of Nazi persecution throughout the FSU, including remote areas where the need is often greatest. They provide:

- Hunger relief. For mobile elderly, hot meals in communal settings provide much-needed nutrition as well as company. In 2007, 723,314 meals on wheels were delivered to homebound Nazi victims, while 350,812 fresh food sets were given to those who can cook for themselves. Food packages provide staples to destitute Nazi victims, including special items for Jewish holidays.

- Medical assistance. In 2007, volunteer doctors provided medical consultations to 12,411 Nazi victims and Hesed pharmacies distributed medicines to 56,918. Medical equipment was loaned to 7,477 Nazi victims.

- Homecare was provided for a total of 4,036,989 hours in 2007, including assistance with washing, dressing, cooking, and housekeeping.

- Winter relief such as coal, wood, or gas; materials for sealing windows; warm blankets, coats, and clothes; and grants for electricity. This assistance in 2007 enabled 26,962 Nazi victims to maintain adequate heat through the bitter winter months.
• Services to Nazi victims living alone in small towns throughout the expanses of the FSU. The surrounding periphery communities are often served by “HesedMobiles” run out of small vans. Satellite centers of the main Heseds also help serve the Jewish population in remote regions. In addition to providing much-needed food and other assistance, these far-reaching operations also bring company and a connection to isolated elderly. For example, the Jewish Charitable Committee in Lvov, Ukraine provides services in 358 periphery towns and cities including Uzhgorod, Mukachevo, Ivano-Frankovsk and Chernovtsy.

Allocations are made directly to the Heseds, and all are listed on the Claims Conference website. The American Jewish Joint Distribution Committee (JDC) does not receive grants but its role is to help monitor the implementation of the grants to local agencies. The movie implies that the Claims Conference allocates funds in the FSU because its Executive Vice President, Gideon Taylor, formerly worked at the JDC; however, the Claims Conference was funding services in the FSU four years before Mr. Taylor joined the Claims Conference. Furthermore, allocations decisions are not made by Claims Conference staff, but recommendations made by the Allocations Committee, half of whom are Holocaust survivors, and decided by the Board of Directors.

In order to be eligible for Claims Conference-funded services, each recipient must complete an application form. On the form is a space for the applicant to describe his or her history of persecution by the Nazis. The Heseds operate with a computer management information system that tracks data on each individual recipient of Hesed services. The Claims Conference statistics come from a highly sophisticated, computer-driven system to determine the numbers of Nazi victims in the former Soviet Union.

For the purposes of allocations such as those given to the Heseds, the Claims Conference considers to be a “Nazi victim” (and therefore eligible for services) any Jew who lived under Nazi occupation or fled the Nazis for fear of being killed. Many Jews in the Soviet Union fled ahead of the mobile killing units known as Einsatzgruppen, which conducted mass murders of Jewish populations as they advanced.

IX. HOLOCAUST EDUCATION, DOCUMENTATION, AND RESEARCH

The Board of Directors has decided that the main part of the Successor Organization funds (proceeds from unclaimed recovered Jewish property in the former East Germany) should support social welfare projects for Holocaust survivors. However, it has also repeatedly voted for a policy to devote 20 percent of Claims Conference Successor Organization allocations (proceeds from the sale of restituted property in the former East Germany) to Holocaust education, documentation, and research. This comes to approximately 2.5 percent of the entire Claims Conference budget. The Board believes it has an obligation to use
the assets of those who perished to make sure the world remembers how they lived, and how they died. Many of the board members supporting this policy are Holocaust survivors.

There is a wide range of opinions on this issue. In 2003, the Claims Conference published on its website numerous letters on Claims Conference allocations policy, which represented many different viewpoints. These letters are on the Claims Conference website, www.claimscon.org/?url=letters_board. This topic has been discussed openly and passionately at numerous meetings of the Board of Directors.

Instead of addressing the different perspectives, the film makers criticized specific allocations -- allocations that all together totaled $1.5 million -- approximately 4.6 percent of the total amount the Claims Conference has allocated from the Successor Organization since 1995 to both social and education programs.

The specific examples also ignored the facts regarding these allocations.

The Claims Conference is a funder of major Shoah educational facilities such as Yad Vashem and Beit Lohamei Haghetaot. In addition, the Claims Conference has targeted strategic initiatives to encourage Shoah education and training in under-served populations. Among the target populations identified by the Claims Conference’s array of international experts, who serve in a pro bono capacity, are (i) the Haredi sector and (ii) Spanish-speaking populations.

The Claims Conference is proud to be a pioneer in developing Holocaust education programs for the Haredi community, a segment of Israeli society that is beginning to show increased interest in the topic. The Claims Conference believes it vital that this community is able to develop quality educational materials and teaching methods in order to transmit knowledge of the Shoah to future generations.

Interestingly, the filmmakers stand in direct opposition to the international panel of experts, criticizing the following:

- **Beit Yaacov**: Claims Conference support is in three categories - pre-service teacher training; in-service teacher training, including study days and summer programs; development of educational materials. All Claims Conference supported programs are exclusively on teaching the Shoah.

  In the movie, Mr. Meroz and Ms. Vilnai show up unannounced at Beit Yaacov and ask to attend a Shoah educators’ class. If they were really interested in learning about this project, they could have asked about the schedule of courses, which is below. Clearly, they are not interested in the importance of the class but sought only to obtain movie footage to negatively portray Claims Conference allocations.
Yearly courses academic year 2007/8

<table>
<thead>
<tr>
<th>Course</th>
<th>Time/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annihilation of European Jewry - survivor remnants</td>
<td>Mondays, 18:45</td>
</tr>
<tr>
<td>Lectures, films and study of sources</td>
<td></td>
</tr>
<tr>
<td>Annihilation of European Jewry - workshop</td>
<td>Mondays, 18:45</td>
</tr>
<tr>
<td>Guided prep. of curriculum materials, familiarizing students with</td>
<td></td>
</tr>
<tr>
<td>source materials, pictures, archival doc.;</td>
<td></td>
</tr>
<tr>
<td>School activities for remembrance days</td>
<td>Tues/Wed afternoons</td>
</tr>
<tr>
<td>Role of the school social activities coordinator preparing shoah</td>
<td></td>
</tr>
<tr>
<td>programs</td>
<td></td>
</tr>
<tr>
<td>From the &quot;Holocaust to Renaissance&quot;</td>
<td>Wednesday evenings</td>
</tr>
<tr>
<td>Didactic guidance for Teaching the Holocaust</td>
<td>Monday mornings and</td>
</tr>
<tr>
<td>Course for school principals and teachers</td>
<td>evenings</td>
</tr>
<tr>
<td>Study days, evening programs, educational visits</td>
<td></td>
</tr>
<tr>
<td>Shever Bat Ami - series of study days</td>
<td>Wednesday evenings</td>
</tr>
<tr>
<td>Continuation of study of communities that were destroyed, communities</td>
<td></td>
</tr>
<tr>
<td>that hadn't been studied previously</td>
<td></td>
</tr>
<tr>
<td>Rescue issues - study day</td>
<td>Feb. 27, 2008</td>
</tr>
<tr>
<td>Lectures about rescue issues, Survivor testimonies</td>
<td></td>
</tr>
<tr>
<td>Remember what Amalek did to you - study day</td>
<td>March 11, 2008</td>
</tr>
<tr>
<td>Lectures on Nazism as a present day effort to annihilate the Jewish</td>
<td></td>
</tr>
<tr>
<td>people</td>
<td></td>
</tr>
<tr>
<td>Last trapped communities, Hungarian &amp; Romanian Jewry - study day</td>
<td>Scheduled for May 21, 2008</td>
</tr>
<tr>
<td>Lectures and film on Transnistria, rescue efforts in Hungaria, Vishniz</td>
<td></td>
</tr>
<tr>
<td>Chasidut</td>
<td></td>
</tr>
<tr>
<td>The free world's reaction to the Holocaust, Yad Vashem - educational</td>
<td>Scheduled for July 7, 2008</td>
</tr>
<tr>
<td>visit</td>
<td></td>
</tr>
</tbody>
</table>

- **Computer Sciences for the Blind**: The Claims Conference grant is not to translate the Bible into Braille as was stated in the movie. An allocation was made to Computer Sciences for the Blind to produce a large print edition of the Bible. Approximately 1500 sets will be produced. The Claims Conference has made an agreement with the agency that 15 percent of those produced will be reserved for poor Nazi victims (approximately 225 sets) and will be offered at a reduced cost ($25). The Claims Conference will coordinate outreach efforts via our social service agencies who will generally know clients who cannot afford to pay for purchasing the set. The cost to the general public (needing large print material) will be approximately $75-$80.

- **Avnei Noam**: The Claims Conference has made two allocations to Avnei Noam, a not-for-profit organization founded in 1987 that has a unique focus on establishing educational programs and facilities for Haredi women and girls countrywide. It is the largest Haredi organization of its
kind in Israel. The Claims Conference has allocated funds to support Avnei Noam's program of a series of lectures on the Shoah and trips to Shoah institutions in Israel, and a new program to train educators to promote Shoah studies to second and third generation Haredi women and girls. The programs include series of lectures, trips to Shoah-related sites in Israel and Eastern Europe, designing educational programs for implementation in Haredi girls’ schools and youth movements, and encouraging work and study by students on Shoah-related topics.

Similarly, had Ms. Vilnai or Mr. Meroz tried to attend one of the lectures of Avnei Noam, they would have witnessed extremely serious and important educational programs.

<table>
<thead>
<tr>
<th>Lecture evenings</th>
<th>Date</th>
<th>Participants</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 8, 07</td>
<td>50</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Jan. 17, 07</td>
<td>100</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Jan. 22, 07</td>
<td>50</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Jan. 15, 07</td>
<td>45</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Feb. 15, 07</td>
<td>60</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Feb. 12, 07</td>
<td>50</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Feb. 12, 07</td>
<td>50</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Feb. 1, 07</td>
<td>50</td>
<td>Rehovot</td>
<td></td>
</tr>
<tr>
<td>Feb. 5, 07</td>
<td>50</td>
<td>Be’er Sheva</td>
<td></td>
</tr>
<tr>
<td>Feb. 19, 07</td>
<td>45</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>Feb. 28, 07</td>
<td>55</td>
<td>Rehovot</td>
<td></td>
</tr>
<tr>
<td>Feb. 17, 07</td>
<td>50</td>
<td>Moshav Meiron</td>
<td></td>
</tr>
<tr>
<td>Feb. 18, 07</td>
<td>80</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>April 27, 2007</td>
<td>80</td>
<td>Moshav Meiron</td>
<td></td>
</tr>
<tr>
<td>May 2, 2007</td>
<td>100</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>May 4, 2007</td>
<td>50</td>
<td>Hispin</td>
<td></td>
</tr>
<tr>
<td>May 12, 2007</td>
<td>50</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
<tr>
<td>May 15, 2007</td>
<td>70</td>
<td>Ashdod</td>
<td></td>
</tr>
<tr>
<td>June 25, 2007</td>
<td>40</td>
<td>Arad</td>
<td></td>
</tr>
<tr>
<td>June 28, 2007</td>
<td>40</td>
<td>*Bnei Brak</td>
<td></td>
</tr>
</tbody>
</table>

The lectures take place in different halls, sometimes simultaneously.

<table>
<thead>
<tr>
<th>Educational visits</th>
<th>Date</th>
<th>Participants</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 23, 2007</td>
<td>45</td>
<td>Jerusalem (Yad Vashem)</td>
<td></td>
</tr>
<tr>
<td>Feb. 5, 2007</td>
<td>60</td>
<td>Jerusalem (Yad Vashem)</td>
<td></td>
</tr>
<tr>
<td>Feb. 16, 2007</td>
<td>50</td>
<td>Lohamei Haghetaot</td>
<td></td>
</tr>
</tbody>
</table>

- **Ginzach Kidush Hashem**: This archive has many thousands of unique pictures and documents of Jewish life before and during the Shoah. The Claims Conference supports the cataloguing and scanning of the pictures and documentation of life destroyed by and during the Shoah period. This is “rescuing the evidence” of the Shoah before it disappears – an activity
done by numerous organizations including Yad Vashem. The Claims Conference also subsidizes the development of Shoah educational kits at the Ginzach.

- **Spanish Posters [Exhibition and Teachers’ Guide]:** An allocation was made to the Jewish Foundation for the Righteous to translate into Spanish its recently published *Poster Set on Rescue: Traits that Transcend*, a set of classroom posters on rescue of Jews during the Shoah. There is a need for quality Holocaust education materials in Spanish that address the theme of rescue. The posters were to be translated and 2,000 sets printed and distributed through venues such as Holocaust centers where there is a significant Hispanic student body; the Association of Holocaust Organizations Latin America initiative, an annual program in Houston for teachers from throughout South America on teaching the Holocaust; and Holocaust museums and centers in Latin America. There are eight posters in the set, each of which links two rescuers to a trait that is visible in their stories. Each rescuer’s photo and story appears underneath the definition of the trait. A teachers’ guide accompanies the posters and a set of handouts will be available to download on the JFR website.

**X. ALLOCATIONS PROCESS**

Claims Conference allocations are made with the input of a wide range of experts and after careful consideration of the needs of Jewish victims of Nazism in countries around the world. There are two professional advisory committees comprising experts in various areas of Claims Conference allocations, which thoroughly review many of the applications for grants. Half of the members of the Claims Conference Allocations Committee are Holocaust survivors.

Approximately 33% of all elderly in Israel are Nazi victims. As such, the Claims Conference realized that basic geriatric care is indeed a survivor issue. Over 15 years ago, the Claims Conference began planning with the Israeli government ministries responsible for geriatric care: Ministry of Health, Ministry of Social Welfare, and Ministry of Finance. The Claims Conference together with these ministries and Eshel (Association for Planning for the Elderly in Israel) sit together on the Inter-Institutional Committee and review proposals for the renovation and expansion of geriatric facilities. This type of national planning and monitoring of projects has developed old age homes, psycho-geriatric facilities, senior day centers, and geriatric and orthopedic wards in hospitals. The Claims Conference contribution never exceeds 50%, and rarely exceeds 25%. Further, ongoing maintenance of facilities is guaranteed by the government.

For those who have recently awoken to the plight of Holocaust victims in Israel, a review of the careful and thoughtful planning in which the Claims Conference has engaged and then acted upon for nearly two decades would be instructive. Without this work, the situation for Israeli survivors would be unimaginable.
Detailed guidelines govern the allocation of Claims Conference funds. These guidelines are on the Claims Conference website at www.claimscon.org/guidelines.

XI. SURVIVOR AND ISRAELI REPRESENTATION

50 percent of the members of both the Claims Conference Executive Committee and the Allocations Committee are Holocaust survivors. One-third of votes on the Board of Directors are exercised by survivors.

In addition, the movie asserts that the “Israeli vote” is equal to that of Argentina or South Africa. First, this misses the point of the strength of the Claims Conference negotiating position that it represents world Jewry – a strength that helps explain having secured over $60 billion for Holocaust survivors. Further, the filmmakers are simply wrong in their analysis. In fact, Israelis account for 30% of Board votes, 33% of Executive Committee votes and 38% of Allocations Committee votes.

XII. POLICY REGARDING CONFLICTS OF INTEREST

The Claims Conference Ethical Guidelines and Practices follow the normal practice for non-profit organizations. They were approved by Ernst & Young, auditors of the Claims Conference. The Guidelines provide clear rules regarding disclosure of relevant affiliations and recusal from relevant decisions. Supervision of the Guidelines is carried out by the Legal Counsel.

The Claims Conference allocations program is operated according to strict ethical principles. Clear written rules and procedures for members of committees and the Board of Directors are in place, including the disqualification from participation in the debate and vote on any prospective allocation to organizations and institutions with which they are affiliated.

The film cites allocations to organizations in different countries from which there are also Claims Conference board members. Just as the Claims Conference allocates funds to agencies in areas with large numbers of Nazi victims, so it has on its board members from areas with large numbers of Nazi victims. There is no conflict, for example, in having board members from Australia and allocating funds to agencies in Australia. Nor is there a conflict in having board members from Israel and allocating funds to agencies in Israel.

For example, the movie points out allocations to assist Nazi victims in Argentina. With Argentina and its Jewish community trying to recover from a catastrophic economic crisis, the Claims Conference is funding a program through the Tzedaka Foundation to provide health care, including a pharmacy program providing free or low-cost medications. There are arrangements with several doctors to provide free consultations, checkups, examinations, and minor procedures. In addition, the program provides homecare, food, payment of basic
utilities, counseling, legal assistance, counseling, and help in covering basic expenses. There are also social gatherings and weekly workshops for survivors.

The movie also cited a nursing home run by the Irgun Olej Merkaz Europa and stated that this organization receives allocations because its Chairman of the Presidium, Ambassador Reuven Merhav, is also the Chairman of the Executive of the Claims Conference.

This is false and a smear of Amb. Merhav, who serves on the Claims Conference as a volunteer with great dedication. It is important to remember that the funds allocated come from the sale of unclaimed property of Jews of East Germany, yet they are overwhelmingly used to assist Holocaust survivors worldwide. And unlike other many other restitution agreements, these specific proceeds, with the support of the organization of Jews originating in Germany, are used to assist Holocaust survivors in need wherever they may live.

It stands to reason, therefore, that the Claims Conference holds German Jewish housing institutions and organizations, such as Irgun Olej Mercaz Europa, (a largely German Jewish group) in special regard. Ambassador Merhav’s involvement with the Claims Conference began in 2006, while Claims Conference allocations to IOME began in 1982.

The Claims Conference allocates funds to Mercaz Europa’s nursing facilities across Israel -- in Haifa, Tel Aviv and Jerusalem. There is no entry fee at any of these nursing facilities. Over an 18-year period, the Claims Conference has allocated a total of $13.8 million for these facilities, which have housed hundreds of survivors. Further, over the past decade, the Claims Conference has allocated an additional $4.5 million to Mercaz Europa’s social welfare fund, which makes individual grants to poor Nazi victims.

The movie falsely implies that allocations are made to the Museum of Jewish Heritage – A Living Memorial to the Holocaust because one of its board members, Judah Gribetz, is the court’s Special Master for the Swiss Banks Settlement. The Claims Conference allocates funds to the museum for Holocaust education programs and documentation of Shoah-related material, as it does to numerous other institutions. Mr. Gribetz was appointed by Judge Edward R. Korman, United States District Court Eastern District of New York in an Order dated March 31, 1999. The Claims Conference had already given several grants to the Museum of Jewish Heritage by that date, beginning in 1997. Further, Mr. Gribetz is not connected to the Claims Conference – neither staff nor Board member and never has been.

**XIII. SUCCESSOR ORGANIZATION: PROPERTY RECOVERY**

In 1990, the new government of a reunified Germany passed legislation to restitute property that had been nationalized by the former East German
Communist regime. The Claims Conference negotiated intensely to include in this legislation the restitution of Jewish property that was either sold after 1933 under duress or confiscated by the Nazis.

As a result, original Jewish owners and heirs gained the right to file claims for property in the former East Germany. The German government imposed an application deadline, which, following pressure by the Claims Conference, was extended to December 31, 1992 for real estate claims, and June 30, 1993 for claims for movable property. This deadline was widely publicized by both the German government and the Claims Conference.

The Claims Conference also negotiated to become the legal successor to individual Jewish property and property of dissolved Jewish communities and organizations that went unclaimed. To do so, the Claims Conference had to file claims for these properties by the 1992 deadline.

Had the Claims Conference not taken this step, Jewish assets that remained unclaimed after the filing deadline would have remained with the owners at the time or reverted to the German government.

The amounts of property sales and compensation awards are audited every year and the amount included in the published financial statements. Our auditors are Ernst & Young.

Most properties are placed on open auction. There is an upset price (floor for bids) and then the actual price is determined by the market, specifically the highest bid. It is a very open process.

The auctions are carried out by Deutsche Grundstucks Auktionen (DGA), by far the largest auction house dealing with property in the former GDR.

In advance of the auctions, 40,000 announcements of the properties on auction are distributed by DGA. The DGA also carries out the auctions for the agencies of the Federal Government that are responsible for the sale of property in the former GDR – including Threuhad Liegenschaftsgesellschaft (which was the legal successor of state owned companies and their properties) and the Bundesvermogensamt today Bundesanstalt fur Immobilien (Bima) which is the central agency for all properties of the Federal Government.

Before any property is put up for auction, the Claims Conference German office makes a recommendation. For every property valued above €250,000, the approval of the Successor Organization Committee, a lay committee, is required. Details of each of these properties are sent to each SO Committee member for their approval. Without the Committee's approval, the property may not go to auction.
Total Successor Organization proceeds were approximately €1.5 billion as of December 31, 2006 - all of which has been audited by Ernst & Young.

The Control Committee of the Claims Conference receives reports directly from the General Controller.

(The filmmakers are shown going into a German property recovered by the Claims Conference with Dr. Philip Gleser, a property appraiser who carried out one appraisal in 1998 and one in 2003 for the Claims Conference. He has a small agency that is a competitor of the major ones with which the Claims Conference works.)

The Claims Conference recently announced, after discussion with the General Controller and the Successor Organization Committee, that it has no objection to making publicly available a list of individual properties in the former East Germany recovered and sold by the Successor Organization and the amount of the proceeds for each property. Since the commencement of these activities in 1993, the audited Financial Statements have contained audited figures for these amounts. The 2007 Financial Statements are being prepared and will be available by mid-July.

The list will provide further details regarding such income. It is currently being compiled and will also be finalized by mid-July.

**XIV. PROPERTY HEIRS -- GOODWILL FUND**

Although the Claims Conference became the successor to unclaimed Jewish properties under German law, it established the Goodwill Fund in order to enable former Jewish property owners and their heirs to file claims for properties even past the German deadline of 1992. December 31, 1998 was the deadline for application to the Goodwill Fund.

In 1998, in a major advertising campaign, the Claims Conference informed the general public that owners or heirs who had failed to meet the legal deadline for filing claims for Jewish assets in the former East Germany could participate in the Claims Conference Goodwill Fund.

In 2003, the Claims Conference published a list of former owners of Jewish assets in the former East Germany that it had either recovered or for which it had received a compensation payment under German restitution law covering East Germany, or for which it had filed claims that are not yet adjudicated. The decision to publish this list was made by the Board of Directors at its annual meeting.

The Claims Conference advertised in approximately 100 Jewish publications around the world announcing the publication of this list on its web site,
A deadline of March 31, 2004 was set for applications to the Goodwill Fund. There were 59,198 names on the list.

The Goodwill Fund was open for 10 years. If there was no deadline for Goodwill Fund applications, all allocations would have to be stopped.

In the year 2007, approximately €141 million was paid to heirs from the Goodwill Fund. The total of the Goodwill Fund reserve, amounts designated for Goodwill Fund and other uses, and payments made since the fund’s inception come to approximately €627.4 million as of December 31, 2006 – approximately 40 percent of all proceeds from the Successor Organization. (Thus approximately $1 billion has been paid to or set aside for payments to heirs)

All heirs were entitled to file under the 1990 German property legislation and most did so. The Goodwill Fund was set up to assist close relatives of the original owner who missed the deadline. The rules of eligibility under the Goodwill Fund were set up with the support of the survivor organizations in Israel and the U.S.

Individual Case 1

The crew presented Mr. Haller a specific Successor Organization case when meeting with him on January 10, 2008. (Had they been interested in facts rather than the sensationalist video clip, they would have sent him the information in advance as he requested. The filmmakers present the case to Mr. Haller as a Goodwill case, which is also incorrect.)

The case concerns a property that was originally owned jointly by two individuals in the 1930’s. 50 percent was owned by Mr. L. and 50 percent by Mr. T.

Under the German Property Restitution Law of 1990, the heirs of Mr. L filed a claim directly with the German authorities for their 50 percent share and received the appropriate payments from those authorities. As no heirs filed applications with the German authorities for Mr. T’s share, the Claims Conference filed a timely claim as the successor to the unclaimed property of Mr. T.

The heirs of Mr. L asserted that their family had previously purchased the share of Mr. T and therefore owned 100% of the property. The German court adjudicating the restitution claims regarding the property, after reviewing all the facts, issued a decision on May 10, 1993 stating that the ownership at the time of confiscation was 50% for each of the co-owners and the court did not accept that a valid sale had taken place by Mr. T.

Nonetheless, in view of the circumstances, a letter of October 30, 1996 was sent by the Claims Conference to the heirs of Mr. L offering to pay half of Mr. T’s share to the heirs of Mr. L despite the fact that the German court had ruled that they were not the owners of that share.
By letter of November 4, 1996, the heirs of Mr. L accepted this proposal in writing and on November 11, 1996 the funds were transferred to them based on this agreement. Despite the fact that under the German restitution law, they were not entitled to any payment whatsoever, the Claims Conference made this equitable agreement to share the proceeds with the heirs of Mr. L.

The heirs of Mr. L now seek the full share that belonged to Mr. T.

Individual Case 2

A second case in the movie described a claimant who said they did not receive a payment from the Goodwill Fund. We have checked the case and for one property the full 80% of net proceeds recovered to date was paid out to eight family members based upon the German court certificate of inheritance. The family members were represented by two lawyers at different stages. In any case, the full amount was paid in the proportion determined by the inheritance certificate. Regarding the other two properties, no proceeds have been received by the Claims Conference and therefore no payments have been to the Goodwill Fund applicants. Had the filmmakers inquired about the case we would have provided the above details.

XV. SALARIES AND ADMINISTRATION

The salaries of senior staff at the Claims Conference are set by a lay Personnel and Management Committee (including Holocaust survivors). As is customary in American non-profit organizations, the lay officers such as the Chairman, Chairman of the Executive, and Treasurer, as well as board members, do not receive salaries.

The Personnel and Management Committee reviews the responsibilities of each position as well as comparable salaries of major New York Jewish organizations. Claims Conference salaries are at, or below, the equivalent salaries of comparable Jewish organizations.

A significant part of the salaries are reimbursed from funders of the programs administered by the Claims Conference. Furthermore, in the movie, a claim is made that the Claims Conference has excessive operating expenses. In 2006, administration was 2.5 percent of the Claims Conference budget, one of the lowest percentages in the Jewish world.

The Claims Conference distributed approximately $737 million in 2007 to and for the benefit of Jewish victims of Nazism and their heirs, the largest amount handled by any Jewish organization worldwide. The executive vice president oversees a staff of more than 250 people worldwide. The international operations of the Claims Conference are tremendously complex and difficult, and cover negotiations with governments, legal issues, management of an extensive staff in many countries, as well as the recovery and sale of real estate and the
administration of compensation programs making hundreds of thousands of payments every year. Experienced and capable staff is essential to carrying out this work, which in 2007 benefited Jewish victims of Nazi persecution in 87 countries.

The movie refers to Claims Conference travel expenses. All staff and most lay leaders fly coach class. Approximately twelve elderly lay members of the board, all of whom are elderly and many with medical conditions, fly business class. The Claims Conference does not pay for any first-class tickets.

**XVI. EMPLOYEE SUSAN BERGER**

The film claims that the Claims Conference instructed people not to speak to the filmmakers. This is utter nonsense.

The filmmakers interviewed Susan Berger, a former Claims Conference employee, who claimed she was fired after finding allegedly secret lists of allocations and unanswered letters from Holocaust survivors. Both claims are completely false.

Berger claimed the Claims Conference has 10,000 unanswered letters from survivors. This is completely false – we do not know to what she refers.

Berger also claims that the Claims Conference makes up numbers of survivors. This is also completely false. All of the major demographic reports on which the Claims Conference bases its knowledge of numbers of survivors are available on our website at: www.claimscon.org/demographics.

As for finding the allegedly secret lists of allocations, Berger was employed with the Claims Conference from August 2000 – April 2001. The listing of Claims Conference allocations began in the 1996 Annual Report, showing allocations 1995-96 -- four years before Susan Berger came to the Claims Conference. 1995 was the first time that Successor Organization funds were allocated. The annual list of allocations is also available at the Claims Conference website at www.claimscon.co.il.

Berger states the Claims Conference lacks a system for monitoring implementation of grants. This is completely false. Virtually all Claims Conference grants work on a reimbursement basis. Funds are released to organizations after the receipt of reports on the spending. Furthermore, the Claims Conference requires audits to determine how funds are spent.

Berger was fired after nine months of employment at the Claims Conference. As a matter of policy, we do not disclose personnel matters. If she had grounds that the termination was unjustified, there are legal remedies for wrongful termination in the United States. She did not seek any of those relief measures.
XVII. OTHER RESTITUTION BODIES

The Claims Conference administers certain programs for other sources of Holocaust-era restitution funds. For example, the Claims Conference administers allocations for the International Commission on Holocaust Era Insurance Claims (ICHEIC) and for the United States District Court overseeing the Swiss Banks Settlement. Funding guidelines for these allocations are made by the funding bodies.

The Claims Conference has also provided technical assistance in administering compensation and restitution programs for these bodies, with all final decisions made by the respective bodies.

The filmmakers wrongly refer to a video conference meeting as between the Claims Conference in New York and Israeli representatives in which Minister Rafi Eitan participates. It was not a Claims Conference meeting but rather a separate amuta, the World Jewish Restitution Organization (WJRO). The topic was negotiations with Poland for property restitution and coordination between WJRO and the Israeli government. Totally falsely, the filmmakers present this as Minister Eitan’s attempt to coordinate with the Claims Conference. In fact, there was no discussion about the Claims Conference at all.

The State of Israel did not engage in restitution negotiations after 1952 and provided limited earmarked assistance to the Holocaust survivors in Israel as has been well documented over the past year.

It was the Claims Conference that negotiated $60 billion in direct payments to Holocaust survivors, which negotiated the right for owners and heirs to claim property in the former East Germany which recovered some €627 million for property owners, and which has allocated more than $250 million in homecare for Israeli Nazi victims.