



August 6, 2015/21 Av 5775

Dear Friends:

Following the recent annual meeting several weeks ago of the Board of Directors of the Conference on Jewish Material Claims Against Germany (“Claims Conference”), I would like to update you on our activities and accomplishments over the past year that benefit Holocaust survivors.

It is important that you, as survivor and community leaders, know the truth. Tens of thousands of additional survivors are receiving direct Holocaust-related payments and homecare, among other assistance, due to the Claims Conference’s continuing negotiations with Germany, as well as the processing of Holocaust-related compensation claims and related distribution of payments. Motivated by the knowledge that there remains much work to be done, in recent years, we have concluded new agreements with the German government and have been distributing funds as quickly as possible.

During its two-day annual meeting, the Board reviewed and discussed the expansions in and establishment of various Claims Conference programs. Overall, in 2014, the Claims Conference distributed nearly 18% more in direct compensation payments to Jewish victims of Nazi persecution than in 2013, and almost 33% more than in 2012.¹ Further, the Claims Conference allocated 20 percent more in social welfare allocations in 2015 than in 2014.

DIRECT COMPENSATION PROGRAMS

In total, the amount of compensation the Claims Conference distributed in 2014 directly to individual Holocaust survivors – through the Hardship Fund, Article 2 Fund and Central and Eastern European Fund – was greater than in 2013 and that amount, in turn, was greater than what was distributed in 2012. Specifically, the Claims Conference paid nearly €87 million more to Holocaust victims in 2014 (when it distributed a total of over €350 million) than two years earlier (when it distributed over €264 million).² While I focus here on the increase by year, it is also important to note that, over the past three years, the Claims Conference has distributed a total of over €913 million directly to survivors worldwide.

¹ Compensation figures are from the Financial Statements, available at <http://www.claimscon.org/about/financials/>. 2014 Financial Statements were approved at the July 2015 Board meeting and will be publicly available in a few weeks.

² Since compensation payments are made in many different countries and currencies, for comparison purposes, all payments are shown in euros.

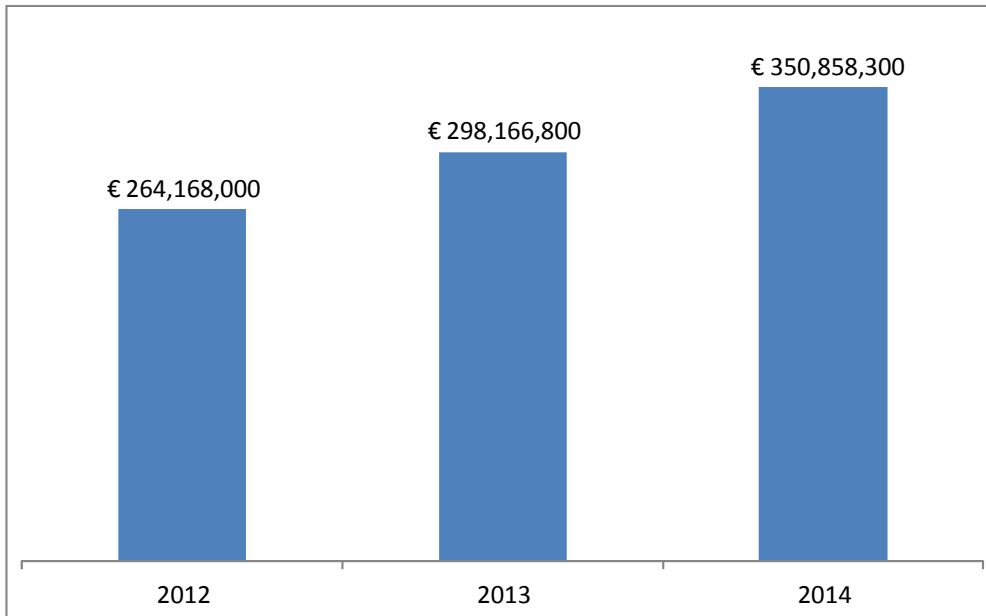


Figure 1: Total Claims Conference Compensation Payments in 2012, 2013, and 2014 (in euros)

The specific increases in each of the individual compensation programs break down as follows:

Hardship Fund is a one-time €2,556.56 payment per person, generally designed for Jews who fled the Nazis or were subject to restricted liberty. In 2014, the Hardship Fund paid out more than double the compensation (over €95 million) it paid out in 2012 (that is, over €44 million).

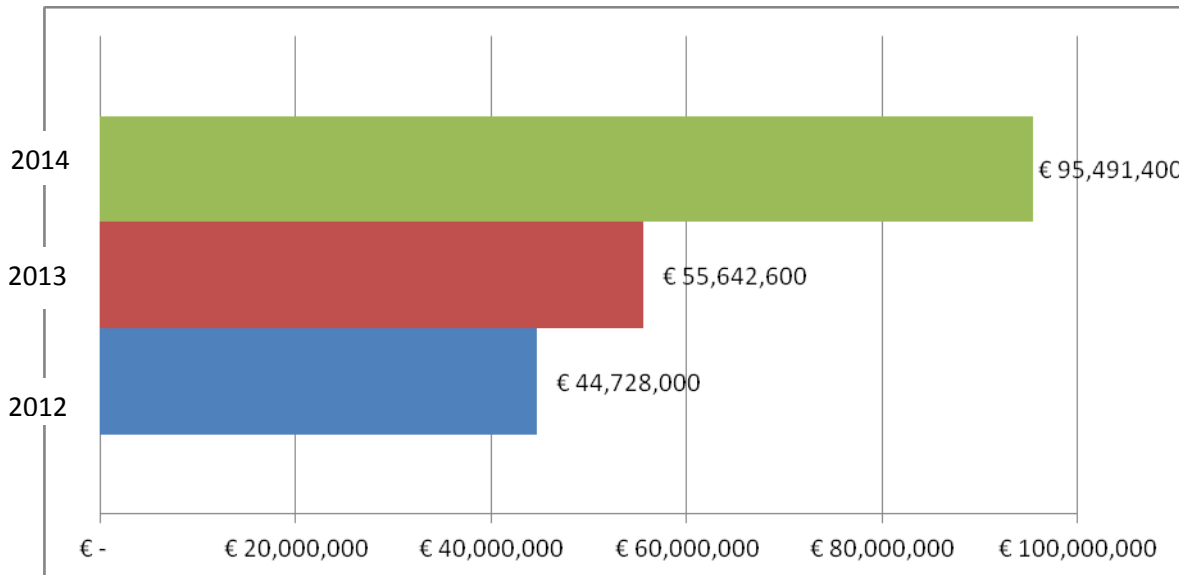


Figure 2: Total Claims Conference Payments under the Hardship Fund, 2012, 2013, and 2014 (in euros).

Such increases in payments resulted from Claims Conference success in expanding the program, through agreements with the German government, to include the following additional Jewish Holocaust victims: those currently living in the former Soviet Union (“FSU”); those whose liberty was restricted in Morocco; those who survived the Leningrad Siege; and those who were within 100 km to the east of the Russian front and fled eastward in the Soviet Union ahead of advancing Nazi troops. Among the requirements of the Hardship Fund is that recipients cannot have received any previous German government indemnification. Thus, these payments constitute the first Holocaust-related payment these victims received. Years of negotiations with Germany ultimately led to agreements enabling such payments, more than 30 years after the Hardship Fund was established.

Article 2 Fund is a monthly pension of €320, paid in quarterly installments. It is intended for Jews who were in concentration camps, ghettos for at least three months, or lived in hiding, illegality or under false identity for six months in Nazi-occupied territory or 12 months in Axis countries.

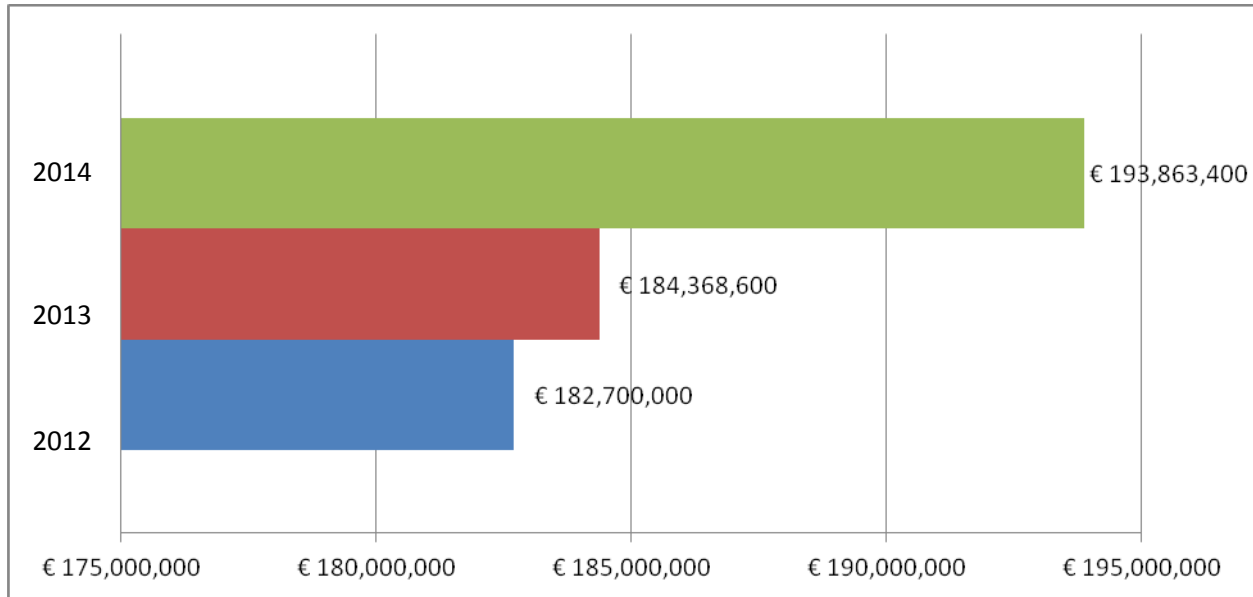


Figure 3: Total Claims Conference Payments under the Article 2 Fund, 2012, 2013, and 2014 (in euros)

Central and Eastern European Fund (CEEF) is a monthly pension of €320, paid in quarterly installments. It is intended for Jews, currently living in countries of Eastern Europe and the FSU, who were in concentration camps, ghettos for at least three months, or lived in hiding, illegality or under false identity for six months in Nazi-occupied territory or 12 months in Axis countries.



Figure 4: Total Claims Conference Payments under the CEEF, 2012, 2013, and 2014 (in euros)

Child Survivor Fund: In addition to the compensation paid directly to survivors through the existing individual compensation programs – the Hardship Fund, Article 2 Fund and CEEF – in 2015, the Claims Conference established the Child Survivor Fund, for survivors who lost their youth to terror or atrocity and were often separated from parents they never saw again. The fund makes one-time €2,500 payments to Jewish survivors born January 1, 1928 or later, who were in a concentration camp or ghetto, or lived at least six months in hiding, illegality or under false identity. Initial payments, made in 2015 to 21,600 survivors worldwide, totaled €54 million. We estimate that approximately an additional 50,000 survivors will receive this payment over the coming 18 months.

SOCIAL WELFARE AID

The total amount the Claims Conference has allocated for social welfare services to survivors also has increased, year after year. Such funds support homecare, food, medical care, emergency assistance, and many other vital services for Holocaust victims in 47 countries. The Claims Conference currently funds social welfare services for over 130,000 Nazi victims. Further, thousands of additional elderly, frail Shoah victims will receive homecare for the first time this year, due to negotiations that increased German government welfare funding by 45 percent in 2015 over the 2014 level.

The following chart reflects the total amounts of Claims Conference allocations³ – from all sources – over the past four years:

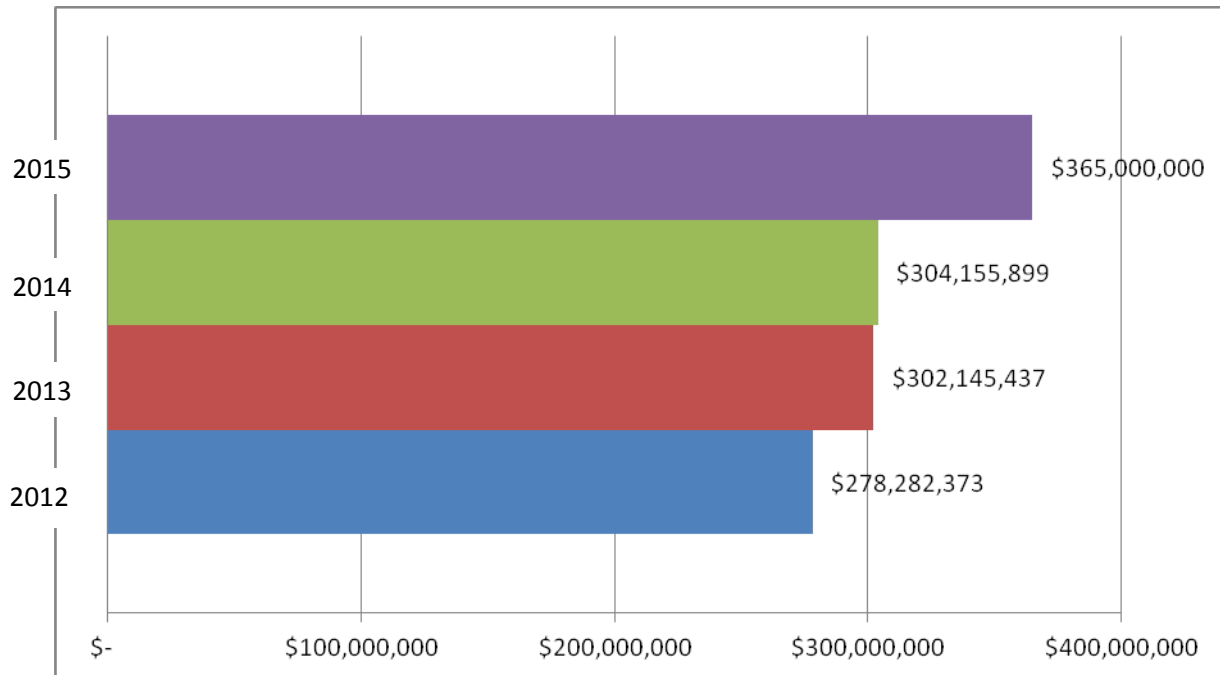


Figure 5: Total Claims Conference Allocations for Welfare Programs 2012 - 2015 (in USD)

In total, the amount allocated for welfare programs from 2012-2014 is almost \$1.25 billion.

In sum, payments from every compensation program the Claims Conference administers increased, as did the funding for welfare programs (homecare, food, medicine, socialization, transportation, etc.)

In addition, the Claims Conference established the new Child Survivor Fund in 2015. These achievements resulted from sustained, unrelenting efforts over the years, which will continue.

At the same time, we also are painfully aware of how much more needs to be done, including: there are survivors who have received one-time payments, but deserve pensions; there are survivors who have

³ Details of these allocations can be found in the Claims Conference Worldbook available at <http://forms.claimscon.org/worldbook13.pdf>.



not received one-time payments; we are pressing to raise pension amounts; and, perhaps most importantly, we are demanding to increase the homecare hours even further.

LATE APPLICANTS FUND

During its annual meeting, the Board also reviewed and discussed the €50 million Late Applicants Fund (“LAF”), which the Board established in 2012. The LAF makes payments to eligible heirs of formerly Jewish-owned assets located in the former East Germany recovered by the Claims Conference in its capacity as Successor Organization (“SO”) to unclaimed assets. Owners of such assets and/or their heirs had a previous opportunity to apply to recover and/or to receive related compensation from the German government during 1990 -1992 for real property (or by June 30, 1993 for movable property). If former owners or heirs did not apply during the German government filing period, they are precluded by German law from receiving restitution from the German government.

Subsequently, the Claims Conference established a discretionary fund – the Goodwill Fund – to provide compensation to certain heirs that missed the final deadline established by the German government for applications to recover or to receive related compensation for assets located in the former East Germany. The Claims Conference published a list of asset owners, advertised the Goodwill Fund several times in 100 newspapers around the world, and established a final application deadline, after several extensions, in 2004. Through December 31, 2014, the Claims Conference has paid a total of over €698 million to original owners and heirs under the Goodwill Fund, of which €27 million was paid in 2014.

In 2012, the Board voted to establish a final discretionary fund (that is, the LAF) to allow even those who had missed the German government deadline (by 20 years), as well as the various Goodwill Fund deadlines, to apply to recover assets that had been located in the former East Germany or receive related compensation. Again, the Claims Conference published lists of asset owners and placed ads in numerous papers worldwide to provide notification regarding the LAF.

Following a full discussion of circumstances related to the LAF, the Board voted that payments to eligible claimants would not be less than 33 percent of the net value of the asset to which the claimant is entitled. The decision has two important aspects.

First, it establishes a minimum payment – eligible applicants will be paid at least 33 percent of their share of the asset’s value – even if the total amount of all eligible claims exceeds €50 million. Many will clearly be troubled by this decision, as it may very well decrease the amount of funds available for welfare assistance for survivors in the greatest need. Funds from the SO – from sales of recovered property or related compensation for such property – that are used primarily to support social welfare assistance to Holocaust victims around the world are also the source of compensation for eligible LAF applicants. Nonetheless, the Board concluded that the payment floor of 33 percent was important.



Second, payments can now proceed without waiting for all LAF applications to be finalized. Until the recent Board decision, those determined to be eligible could receive a partial advance payment but, under the revised system, eligible claimants will now be able to obtain the full LAF payment as soon as they submit the required paperwork.

FUTURE CHALLENGES

At its recent annual meeting, the Board was reminded of the declining SO income. Further, while the Claims Conference has designated and set aside SO funds for social welfare assistance at the current rate for another two years – and additional SO income over that period will be forthcoming – it is important to realize that the German government is committed to completing the processing of all of our SO claims by the end of 2018. Thus, SO income will cease in 2018. That will have a huge impact, since the Claims Conference funds social welfare programs, as well as Shoah education programs, from SO funds.

Recognizing that SO income would continue to diminish and, ultimately, end, during the past decade or so the Claims Conference has negotiated with the German government for additional funds for welfare assistance for survivors to supplement the SO income. Today, the funds obtained through such negotiations exceed the SO funding and that will certainly continue to be the case in the coming years.

Finally, I include a [link to a video](#) (click on the word video) presented at our annual Board meeting about survivors who rely on the homecare and other aid the Claims Conference funds, day-in and day-out, to more than 130,000 Holocaust victims, one person at a time, in 47 countries.

If you have questions, please feel free to email us at questions@claimscon.org

Be well,

Julius Berman
President