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**THE AMERICAN JEWISH JOINT
DISTRIBUTION COMMITTEE**

In Re Holocaust Victim Assets Litigation

“Looted Assets” Class

**REPORT ON THE FIRST EIGHTEEN MONTHS OF
WELFARE PROGRAMS IN THE FORMER SOVIET
UNION**

(June 28, 2001-December 31, 2002)

SUBMITTED TO

CHIEF JUDGE EDWARD R. KORMAN

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

July 31, 2003

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INTRODUCTION

The network of 177 Hesed welfare centers in the former Soviet Union (FSU) developed by the American Jewish Joint Distribution Committee (JDC) serve a quarter million destitute elderly Jews, among them 135,000 impoverished "double victims" of Nazism and Communism. Swiss Banks Settlement funds help provide critical services for some of these Jewish victims of Nazi persecution.

Given the large number of Nazi victims in the FSU and the magnitude of problems described below and in this report, it is the opinion of JDC that these are the poorest and neediest Jews and victims of the Holocaust in the world. For over forty years, from the end of Holocaust until the fall of the Iron Curtain, they:

- lived under repressive regimes
- worked and lived in poor conditions
- had virtually no access to quality health care services
- received no reparations or compensation
- were cut off from Judaism and Jewish communal services

After the fall of the Soviet Union, these Jewish Nazi victims continue to suffer due to:

- very low pensions, especially in comparison to high inflation
- a collapse of Soviet-era structures resulting in food shortages, the lack of decent health care and social services, and poor housing conditions

- almost no institutional care facilities for the elderly
- a very limited nascent Jewish community without its own resources to provide charitable services.

The Conference on Jewish Material Claims Against Germany ("Claims Conference") is the largest partner of JDC in providing welfare services to Nazi victims in the FSU. JDC and its other partners, including local Jewish federations in the US and Canada, the Harry and Jeanette Weinberg Foundation, and World Jewish Relief in the UK make available the balance of funding for Hesed centers to serve those Nazi victims not benefiting from Swiss Banks Settlement and Claims Conference funds, and to also serve other poor elderly Jews who are not Nazi victims and therefore do not benefit from restitution funds.

JDC is pleased to submit this report to the Court documenting the welfare services provided to a portion of the 135,000 Jewish victims of Nazi persecution in the FSU from "looted assets" class funding of the Swiss Banks Settlement. These funds have enabled FSU Jewish welfare centers to accomplish a tremendous service to this neglected population. The JDC thanks the Court, Hon. Edward R. Korman, as well as Special Master Judah Gribetz and Deputy Special Master Shari Reig for their vital support of this life-saving humanitarian aid.

BACKGROUND

The Court has charged JDC with the management and administration of funds for Jewish victims of Nazi persecution in the FSU under the "looted assets" class of the Swiss Banks Settlement. On November 22, 2000 the Court adopted the *Special Master's Proposed Plan of Allocation and Distribution of Settlement Proceeds* ("Distribution Plan"), under which funds are to "be allocated wholly to the network of social service programs known as the 'Heseds', created by JDC in 1992..."¹

This report covers the period between June 28, 2001 and December 31, 2002 and reports on the implementation of the JDC's February 28, 2001 *Proposal for the First Year of Operations*, its April 4, 2001 budget plan for \$7.5 million as submitted to and approved by the Court through orders of April 13, 2001 and June 28, 2001, and the Court's September 25, 2002 order, which provided an additional \$3,375,000 for welfare services in the FSU. These funds have been used for vital services for Nazi victims according to the allocation and budget section in the *JDC Proposal for the First Year of Operations*, approved by the Court on April 13, 2001.

For almost 60 years, the JDC has been the central agency providing relief to Jewish victims of Nazi persecution in Central and Eastern Europe and the FSU. As an indigenous Jewish voluntary sector develops in the area, the JDC has undertaken and implemented its more recent programs in consultation with local communities and with the aid of the Claims Conference.

¹ Distribution Plan, p. 122.

Over the past decade, all of the former socialist countries have seen a significant erosion of their respective social safety nets. However, as the Soviet successor states have transitioned into market economies, the levels of need and magnitude of destitution of Nazi victims have been the greatest. Not only have old age pensions not kept up with the cost of living, but also rampant corruption in the Soviet successor states has led to an erosion of their tax bases. The result has been a depletion of government revenues, and more often than not, old age pensions arrive late.²

The local Jewish communities of the FSU operate 177 welfare centers (generally known as "Hesed" centers) with support from the JDC in partnership with the Claims Conference.³ The "looted assets" class funds for the Hesed centers have allowed some of the approximately 135,000 destitute and elderly Jewish "double victims" of Nazism and Communism in the FSU to live their lives with a modicum of better health and greater dignity.⁴

² U.S. Social Security Administration [SSA], Office of Policy, "Social Security Programs Throughout the World, 1999" available at <http://www.ssa.gov/policy/docs/progdesc/ssptw/1999/> and "Social Security Programs Throughout the World: Europe, 2002" available at <http://www.ssa.gov/policy/docs/progdesc/ssptw/2002/europe/>.

³ These programs are described in great detail in pages 122-130 of the Distribution Plan.

⁴ As described in the Distribution Plan (p. 128), JDC has developed a comprehensive management information system (MIS) that records all Hesed client data. As part of the client intake process, each new recipient of Hesed welfare services must provide data about his or her economic condition as well as his or her family, housing and health situation. Clients are also asked about their status during World War II so as to be able to determine which clients were victims of the Nazis and eligible for funding from the Swiss Banks Settlement and other restitution sources. The Hesed intake questionnaire was included as Exhibit 6 of the Distribution Plan and an updated version of this questionnaire is included in this report in Appendix I. In 2001, all existing Hesed clients were resurveyed regarding their situation during World War II. A copy of this resurvey instrument is included as Appendix II.

As indicated below, the Hesed programs served 134,296 destitute Jewish Nazi victims over the eighteen month period funded by the Court. In the *Proposal for the First Year of Operations* submitted to the Court in February 2001 JDC indicated that the Hesed programs were then serving 119,100 Nazi victims. Swiss Banks Settlement funds have enabled the Hesed programs to provide services for some of the additional 15,000 needy Nazi victim clients who have come to the program for assistance in the past two years. Court funds have also helped meet the shortfall created by the previously scheduled termination of the International Nazi Persecutee Relief Fund (NPRF) and the resulting expiration of non-recurring United States and Dutch NPRF grants for the Hesed programs.⁵ Had the Court's funds not been available the Hesed programs would have had to cut back on services to their current Nazi victim clients.

The Hesed centers' services include hunger relief programs, homecare, winter relief and medical services. As described in the February 28, 2001 and April 4, 2001 JDC submissions to the Court, "looted assets" class funds have been used for the General Welfare Program (providing food packages, hot meals, homecare and winter relief), Medical Services, and the SOS Special Needs and Emergency Cases Program, all of which are described in greater detail below. In the FSU, on average, from the "looted assets" class funds 67% was allocated for General Welfare Programs, 17% was allocated for the Medical Assistance Program, and 16% was allocated for the SOS Emergency Aid Program. From the General Welfare allocation, on average, 79% went for hunger relief

⁵ As discussed in the Distribution Plan, page 129, the Nazi Persecutee Relief Fund was created as a result of the London Conference on Nazi Gold in December 1997. Seventeen nations contributed a total of \$58 million to the Fund.

programs (food packages and hot meals), 16% was spent on homecare, and 5% was spent on winter relief.

The program of services is "bare-bones." Simply stated, Nazi victims in the FSU receive fewer welfare services than provided to their "double victim" counterparts in Central and Eastern Europe or to Nazi victims in other parts of the world.

The chart on page 9 indicates the Court-funded welfare services provided to Jewish victims of Nazi persecution in the FSU from the Swiss Banks Settlement. As the chart indicates, "looted assets" class funds have imparted some relief, but they accounted for about a quarter of services to the FSU's Nazi victims in 2001 and 2002. For example, in the reporting period, the FSU Hased network provided welfare services to a total of 134,296 destitute Jewish Nazi victims. While virtually all of them received food packages, "looted assets" funds only covered food packages for 40,352 Nazi victims, or 30 % of the total. (See further details below and in the chart on page 9.)

The JDC's FSU Hased programs are relatively inexpensive when compared to similar programs in other transitioning economies. For example, it costs on average \$20 for each JDC food package provided in Romania to a Jewish Nazi victim, while a food package in the FSU costs on average \$7. This difference is due largely to the fact that the Romanian Jewish community provides a more extensive range of foodstuffs in the package. Due to budget limitations in the FSU, a more modest food package is all that can be provided (see details below in the "Hunger Relief Programs" section).

(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

PROGRAMMATIC STATISTICAL CHART
First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

Location	Total Jewish Nazi Victim Clients	Food Packages Provided from Settlement Funds	# of Nazi Victims Receiving Food Packages from Settlement Funds	Meals on Wheels or Hot Canteen Meals Provided from Settlement Funds	# of Nazi Victims Receiving Meals from Settlement Funds	Homecare Hours Provided from Settlement Funds	# of Nazi Victims Receiving Homecare Service from Settlement Funds	Winter Relief Kits Provided from Settlement Funds	# of Nazi Victims Receiving Winter Relief Kits from Settlement Funds	# of Nazi Victims Receiving Medical Services from Settlement Funds	SOS Grants from Settlement Funds
Kiev and Western Ukraine	20,597	62,763	4,981	337,955	799	177,961	476	556	556	3,545	9,232
Khartkov, Ukraine	8,074	26,241	2,083	141,297	334	74,404	199	233	233	1,484	5,361
Odessa, Ukraine	12,348	32,140	2,551	173,060	409	91,130	244	285	285	1,814	4,771
Dnepropetrovsk, Ukraine	15,064	45,232	3,590	243,559	576	128,254	343	401	401	2,555	25,511
St. Petersburg, Russia	16,100	32,140	3,968	173,060	444	91,130	389	285	285	1,813	89
Minsk, Belarus	12,060	30,679	3,099	165,193	414	86,988	214	272	272	1,731	2,106
Kishinev, Moldova	2,325	10,187	596	54,853	114	28,884	60	90	90	573	5,714
Volga, Russia	11,274	26,240	3,239	141,291	362	74,401	318	233	233	1,484	1,716
Moscow, Russia	18,097	43,825	5,410	235,981	605	124,263	531	388	388	2,472	3,085
Urals, Russia	5,300	28,051	3,463	151,046	387	79,538	340	249	249	659	747
Siberia, Russia	1,772	18,124	1,648	97,592	250	51,390	220	161	161	169	703
Northern Caucasus	4,521	17,306	2,137	93,186	250	49,070	134	153	153	169	298
Georgia	181	589	43	3,170	9	1,669	14	5	5	16	167
Azerbaijan	189	3,202	178	23,399	63	12,321	101	39	39	82	6
Central Asia	2,462	17,785	988	102,604	276	54,029	442	169	169	247	490
Baltic States	3,572	19,271	2,379	103,767	266	54,642	234	171	171	312	363
Totals	134,296	413,774	40,352	2,241,010	5,558	1,180,076	4,258	3,688	3,688	19,118	60,359

PROGRAMMATIC REPORT

The chart on page 9 details Hesed program services for Jewish Nazi victims provided with Court funds from June 28, 2001 through December 31, 2002.

There were 177 Hesed programs located in 13 countries⁶ that provided aid and services to Jewish Nazi victims (listed in Appendix III). Together, they provided services in over 2,700 localities, across eleven time zones, in 15 countries⁷ ranging from Hesed centers in major cities and large towns to direct services to individuals living alone in rural areas.

In Ukraine, for example, 57 Hesed welfare centers provided services to 56,443 Nazi victims, representing 42 % of all FSU Nazi victim clients. For this reason, Ukraine will be referred to periodically throughout this report as an example of how "looted assets" class allocations have worked in practice. Hesed clients live in 1,407 different cities, towns and villages throughout Ukraine. Of the Nazi victim clients, 52 % are in major urban centers such as Kiev, Odessa, Kharkov and Dnepropetrovsk and 48 % are in smaller cities and rural towns ("shtetls").

Hesed programs in Ukraine, which was under Nazi occupation, received 43 % of Swiss Banks Settlement funds under the "looted assets" class.

⁶ Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Ukraine, Uzbekistan

⁷ Hesed welfare services are provided in Tadjikistan, and Turkmenistan even though no welfare center is located there.

The collapse of the Soviet Union has had more impact on the elderly than any other age group in post-communist society. According to data from the JDC Hesed MIS system, the average pension of an elderly Jewish Hesed client in Russia is \$60 per month. In the other Soviet successor states, average pensions are even lower. The pensions of Hesed clients in Ukraine average \$25 per person per month. Moldova and Georgia, where Hesed client pensions average \$19 and \$7 per person per month, respectively—when paid—continue to be the poorest Soviet successor states. Moreover, throughout the FSU pensioners in remote areas receive smaller pensions than their urban counterparts. More than half (52%) of all elderly Jews find it difficult to live from one pension payment to the next, and 16 % have to sell belongings in order to live. The JDC has found that only one in five elderly Jews report that their pensions are sufficient.⁸

The case of Klavdia K. in Kiev, Ukraine illustrates this point. Klavdia was born in Kiev in 1928. When World War II began, she, her mother and her youngest sister were evacuated to the northern Caucasus town of Kluhori, which was subsequently occupied by the Nazis. Her mother was killed in a bombing raid and she and her sister spent six months in the ghetto. After the liberation of the town by the Soviets they returned to Kiev in 1946. Klavdia married in 1970 and supported her disabled husband by working in a paper factory and bookbinding workshop. As a pensioner, she now receives \$28 per month.⁹

While all older adults in the Soviet successor states have suffered, the JDC has documented that the elderly Jewish population, and most notably Jewish victims of Nazi persecution, has encountered hardships disproportionately greater than those facing the non-Jewish elderly population. They not only share with other pensioners limited financial resources

⁸ JDC (2002). *Yearbook 2002. JDC in the Former Soviet Union*. (New York: American Jewish Joint Distribution Committee), p. 47.

⁹ Full case profiles of the clients cited in the text appear in Appendix VII and were translated from material provided by Hesed centers.

but also have seen their family lives and other social networks deteriorate. Simply stated, the cumulative effects of the Nazi occupation and Stalin's purges have been greater on the Jewish population. Many fled to more remote areas of the country, such as Siberia, leaving behind their assets, in order to escape Nazism and, later, blatant Soviet anti-Semitism.

The JDC has found that 42.5 % of Jewish Nazi victims have no children. Klavdia K., for example, never had any children because of her husband's disability. Moreover, 65 % of those with children do not live in the same city or country. Taken together, more than half of the FSU's Jewish Nazi victims either have no children, no other close relatives living nearby or no living relatives at all. Most are women, owing to the premature deaths of many of their husbands either during the Second World War or from war injuries, along with greater life expectancy in general for women. Some Jewish women have never married. For example, Riva K. of Kiev was sent to a ghetto in 1941 when she was four-years-old. She worked as an engineer in the construction bureau of a plant. Now retired, with no other surviving family members, she has a monthly pension of \$32.

JDC field workers have found that approximately three-quarters of elderly Jews face varying degrees of need. Half of the elderly live alone, 11 % are homebound and 2 % are bedridden.¹⁰ A vast majority of (87%) reported having very few or no friends and half reported feeling lonely on a regular basis. Many have not been outside their apartments in years: Nearly three-fifths of older Jews live above the first floor in buildings without elevators, and they are unable to negotiate the stairs. Others have restricted mobility because the state social service

¹⁰ JDC (2000). *Snapshots 2000. JDC Activities in the Former Soviet Union*. (New York: American Jewish Joint Distribution Committee), p. 41.

system has failed to provide them with wheelchairs and walkers that would increase their independence, or with such basic necessities as bedpans that might restore their dignity.

In simplest terms, the combination of the magnitude of poverty experienced by the elderly Jewish population in general, with the large number of Nazi victims who are suffering, makes the Jewish Nazi victims in the FSU the most underserved in the world.

GENERAL WELFARE PROGRAMS

The JDC provides general welfare programs to help alleviate some portion of this suffering. There are three components to the general welfare programs: hunger relief programs, homecare and winter relief. Details concerning each follow.

I. HUNGER RELIEF PROGRAMS

In order to address the nutritional needs of elderly Jews and ease their living costs, the JDC has initiated hunger relief programs comprising food packages and hot prepared meals in congregate or domestic (meals-on-wheels) settings. As indicated in the audited financial report (see tables in Appendix V), \$7,375,475 of Court funds were used for General Welfare Programs in the FSU for the period June 28, 2001—December 31, 2002. A total of \$5,826,626 of Court funds was spent on Hunger Relief programs during the reporting period. They represent 79 % of the total General Welfare spending and 55 % of all “looted assets” class funds spent by the Hesed programs. This is a recognition that the relief of starvation and hunger is the core life sustaining program that Hesed programs must provide and remains the service needed by the most Nazi victims in the FSU.

A. Food Packages

“Looted assets” class funds provide for monthly or quarterly food packages as well as special food packages prepared four times per year for holidays. There are 134,296 Nazi victims served by the Hesed program. With “looted assets” class funds, the Hesed programs distributed 413,774 packages containing basic foodstuffs to 40,352 of these needy Jewish Nazi victims from June 28, 2001—December 31, 2002 (page 9).

A Hebrew University of Jerusalem nutritionist has made recommendations regarding the contents of the food packages, which have been developed and adjusted according to the availability of and request for local products. These packages contain non-perishable basic staples, including flour, pasta, rice, other grains, beans, sugar, oil and a protein source such as canned fish.

Food packages supplement the meager diets of the elderly Nazi victim population. When combined with other items that the elderly can obtain, they will stave off hunger and most effects of malnutrition.

In Russia, for example, according to data released by the State Statistics Committee at the end of 2002, the cost of the minimum set of foodstuffs in Russia during the third quarter of the year amounted to almost a full two-thirds of the average pension.¹¹

Hesed food packages are provided an average of eight times a year. While some clients get monthly food packages, due to budgetary constraints, others receive them only quarterly and some clients get food packages only before Passover and Rosh Hashanah.

Moisey Z. L. is typical of those who have received food packages. He was born in 1928 in Kolyshki, a small shtetl in Belarus, where his family lived under German occupation until 1942. He was separated from his parents during the war but was fortunate enough to be reunited with them afterwards. He worked in an Ekaterinburg factory until he retired in 1988. Today, Moisey is a widower. He suffers from diabetes and has a meager pension of about \$54 per month, with which he must pay for utilities, costly medicines and food. However, instead of being lonely, ill and hungry, he is surrounded by a caring Jewish community, where the Hesed provides him with a monthly food package and medicines.

One example of the vital – but limited – reach of the Swiss Banks Settlement funds is exemplified by the food program in Ukraine. As previously noted, 42% of all Nazi victims served by the Hesed program live in Ukraine. A total of 56,443 Nazi victims in Ukraine received food packages during this period. However, Swiss Banks Settlement funds covered the cost of the food packages for only 13,205 Nazi victims in Ukraine (representing 23% of the total Ukrainian Nazi victim clientele).

B. Meal Programs

The Hesed network provides two hot meal programs: congregate meals and meals-on-wheels. These meal programs are far more desirable than the mere provision of food packages every few months, as they provide Nazi victims with daily nutrition as well as the collateral benefit of socialization with others. With Settlement funds, the Hesed programs served 2,241,010 hot meals (congregate and meals-on-wheels) to 5,558 needy Jewish Nazi victims from June 28, 2001—December 31, 2002 (page 9). These funds provided meals to just 4% of the Nazi victims in the FSU served by the Hesed programs.

¹¹ 39 Million Russians Living in Poverty, Anton Mikhailov, gazeta.ru, November 11, 2002.

Due to limited funding meals are provided only once a day, on average of four times per week, and most clients who receive a hot meal are ineligible to receive monthly food packages as well.

1. Congregate Meals

There are communal dining rooms in the Hesed centers that serve congregate meals approximately four times per week.

Where there is no local Hesed building, Hesed clients eat at a local cafeteria during a special daily time that is rented specifically for their use. For most Hesed clients, this is the only hot meal they will receive during the course of a week, and their only source of protein. In many cases, these meals prevent malnutrition and starvation. A typical meal includes salad, chicken, fish or soy, a vegetable, pasta or cooked grain, and a baked dessert or fruit.

Hesed dining rooms have assumed other roles in addition to the provision of hot meals. In many areas, they also serve as the foci for communal and cultural events, including birthdays, lectures on Jewish traditions and holidays, and concerts. Hence, congregate meals meet not only people's nutritional needs, but also their emotional and social needs. They provide the lonely and isolated elderly with a social environment.

2. Meals-On-Wheels

Meals-on-wheels are ready-to-eat, cooked meals delivered to the homebound who are unable to prepare food for themselves. Many of the meals-on-wheels recipients have not gone outside in years. Hesed centers use reusable containers to package and deliver the meals. Some also use a special method of deep freeze cooking that keeps food sterile and fresh. In these

cases, the Hesed delivers several meals to the client's home at one time so they can last over the course of a week. Under this program, the Hesed employee or volunteer provides the client with his or her main contact with the outside world.

Rosa Z. is an 89-year-old bedridden widow who lives in Kiev. She and her husband fled Kiev in 1941 after the Nazi invasion, but were captured and sent to Kiev's Darnitsa concentration camp. Rosa escaped and was hidden by her husband's relatives but was captured again after local inhabitants informed on her. She was then sent to Oster prison and escaped again, this time hiding in the village of Bulohov. After the war, Rosa and her husband were homeless, as their apartment had been destroyed. Rosa currently lives on a monthly pension of \$30. She depends on the Hesed for assistance, including meals-on-wheels, monthly food packages, homecare, medications and winter relief.

The Hesed centers rely as much as possible on volunteers to prepare, serve and deliver food packages, congregate meals and meals-on-wheels. Many of the more than 14,000 volunteers throughout the FSU are themselves needy Nazi victims. Others are involved with the Jewish community or are Jewish university students. (These volunteers are involved with the full range of Hesed services, not just meals-on wheels.)

II. HEMOCARE

As discussed above, approximately one in ten Jewish Nazi victims in the FSU is homebound. A JDC study found that 40 % of the FSU's Jewish elderly need assistance with at least one activity of daily living (ADL)¹² and one instrumental activity of daily living (IADL). Nazi victims need personal care assistance with at least one routine ADL, defined as eating, bathing, dressing, walking, getting in or out of a bed or chair, using the toilet, and going outside. They also require housekeeping assistance with at least one IADL, defined as preparing meals,

¹² JDC (2002), p. 76.

managing medications, shopping, light housework, using the phone and getting to places outside of walking distance.

The Court-funded Hesed programs provided homecare to 4,258 Nazi victims, just 3% of the 134,296 the total FSU Nazi victims (see page 9). In Ukraine, for example, Court-funded homecare was provided to just 1,262 Jewish Nazi victims, representing only 2 % of the clientele in that country.

The Hesed centers develop an individual homecare plan that takes into account a client's personal circumstances, needs and preferences. Paid caregivers or volunteer members of the community provide personal care and housekeeping assistance for those who cannot perform these tasks for themselves.

In addition to providing ADL and IADL assistance, Hesed volunteers and professionals also perform minor household repairs and install prophylactic, or non-slip aids, such as handrails in bathrooms and toilets, to help prevent accidents at home. They also repair hearing aids and eyeglasses.

In more extreme cases, homecare involves pumping water from a nearby well and bringing it to the house in a pail, tending to gardens—perhaps a client's only source of vegetables—and chopping wood for heating and cooking. Services are rendered up to four times per week. Simply stated, all homecare clients benefit from the warmth and companionship of a home visitor, combating the numbing isolation, loneliness and depression that often confront the thousands whom history has left utterly alone.

Soviet successor state social welfare services, if they provide homecare at all, do not offer ADL assistance. State-funded IADL assistance is limited to occasional home delivery of groceries and prescriptions. Furthermore, government homecare services have been

retrenched: Russia has eliminated its constant attendant supplement to the old age pension,¹³ and only four Soviet successor states currently provide pensioners with constant attendant or caregiver allowances.

In Belarus, pensioners age 80 and over and disabled pensioners are entitled to a constant attendance supplement. Estonia offers a short-term caregiver allowance, but the state provides no assistance for long-term care. Kyrgyzstan's social security system includes a constant attendance supplement for the disabled equal to half of the monthly minimum pension. Finally, there is a constant attendance supplement for Moldavian pensioners age 80 and over that consists of approximately two-thirds of the minimum monthly pension.¹⁴

However, since none of these old age pensions have kept pace with the cost of living, these supplements do little to offset need. There is also a large gap between the services which are mandated by law and those which the state actually provides. In the FSU, state "entitlement" does not match reality for the elderly.

The institutional care situation is even more perilous. There is virtually no proper institutional care, whether in the form of nursing homes or assisted living facilities, in any of the Soviet successor states. Where it does exist, the poor conditions would likely dehumanize an elderly Jewish population that has already suffered more than its share of trauma and hardship over a lifetime.

On average, four Hesus-provided homecare hours per week are spent with each of the 4,258 Nazi victims the "looted assets" class allocation served, which is the difference

¹³ SSA, *op. cit.* The 1999 report mentions the Russian supplement; it is omitted from the 2002 report.

¹⁴ SSA, *op. cit.*

between having a measure of dignity and being soiled, dirty, malnourished or starving, dying in isolated, bereft and forgotten circumstances. Court funds have enabled the Hesed programs to end the abandonment of a portion of a population whose voices were stilled for decades by the Nazi occupation and Soviet rule.

III. WINTER RELIEF

The Hesed programs provide special winter relief to those clients most in need so they can cope with the FSU's legendary harsh winter conditions. Court funds provided 3,688 winter relief kits during the reporting period to Nazi victims (each eligible client received one kit per winter; see page 9). In Ukraine for example, these Court-funded kits went to 1,475 Nazi victims, representing only 2 % of the clientele.

It is not uncommon for an elderly Jewish Nazi victim to live in sub-standard housing with no heat or hot water for most of the winter. There are no government subsidies for heating in any FSU successor state, and sufficient heating can cost \$50 for a season—double the average monthly pension.

Winter relief packages are distributed once per winter. They may comprise heating and cooking fuel, including coal, wood and gas, as well as blankets, coats, sweaters and boots. This one "kit" has to last throughout a long harsh winter and, due to budgetary limitations, is only available to alleviate freezing conditions for the most needy of this very poor Nazi victim population. This is a service unique among the dozens of countries where JDC provides welfare services and shows the extreme conditions and needs in the FSU.

MEDICAL SERVICES

As indicated in the audited financial report (see tables in Appendix V), \$1,835,357 of Court funds was used for medical programs in the FSU for the period June 28, 2001—December 31, 2002. Medical services were provided to 19,118 Nazi victim clients.¹⁵ Each client assisted by Court funds received medicine and most also received medical consultations. In Ukraine, for example, medical services were provided to 9,389 Jewish Nazi victims, covering only 17 % of the needy Nazi victim clients there.

The erosion of the tax base and deteriorating economies of the Soviet successor states have prevented individual governments from providing their citizens with comprehensive health care, which has emerged as the primary social welfare problem.

The basics of medical care, such as adequate and regular supply of medications and surgical equipment and postgraduate training for doctors and nurses, are often nonexistent. State medical services have deteriorated dramatically since the collapse of the Soviet Union and they lack the funds to continue providing free health care, making it very difficult for the impoverished elderly to get appointments. Public clinics do not have diagnostic equipment and prescription drugs are either unavailable at state-run clinics or too prohibitive in cost for pensioners.

As a consequence, the health and welfare of the FSU Jewish elderly Nazi victim population remains at great risk, and virtually all health indicators in the FSU show evidence of continuing decline.

¹⁵ While each Hased keeps detailed records on medicine provided, there are differing methods of recording the frequency of distribution. Therefore, overall FSU medical data is recorded by number of clients served.

State-run hospitals are in crisis as well. They are antiquated, ill equipped and inefficient. Lack of basic supplies is common to the point that patients must bring their own, including medicine, bedding and food in order to receive care. Patients also endure a multitude of incidental costs, such as jackets for doctors or special food for themselves. The individual patient now bears the costs for previously government subsidized services, including treatment for many problems endemic among the elderly: cataract removal, treatment for hip fractures, dental treatments, surgeries and Alzheimer's Disease.

Hesed medical services include subsidies for prescription medicines and free medical consultations. They supplement existing state medical services, provide access to prohibitively expensive medications and diagnostic tests, and provide medical training to Hesed and community practitioners.

I. SUBSIDIES FOR PRESCRIPTION MEDICINES

Costs for prescription drugs frequently exceed pension allowances several-fold. The Hesed center subsidizes these costs by either making an arrangement with a local pharmacy to provide needed medications to its clients or obtaining *pro bono* pharmacist services at a Hesed dispensary.

Tanya and Yakov D. of Illischevsk, Ukraine are both 74-years-old. They met in the Obodovka concentration camp near Odessa and escaped together. They were hidden until the end of the war. Tanya worked as a nurse's assistant and Yakov was a shoemaker. They have live in a government-issued, third floor, one-room apartment for the past 40 years. The apartment is rent free, but the D. family must pay for utilities, which can cost over \$50 a season. Their income consists of Yakov's monthly pension of \$16, Tanya's of \$18 and an extra \$6 a month they receive for being ghetto survivors.

Before Tanya was hospitalized for high blood pressure, diabetes, heart disease and a rare form of backbone disease, she had not left her apartment for over five

years. A Hesed volunteer helps with household tasks and helps her husband with grocery shopping. They also receive monthly food packages. The volunteer has also ordered Tanya a hearing aid. Hesed also provides Yakov and Tanya with the prescription drugs they need and medical consultations, as well as warm blankets and sweaters in the winter. "Before Hesed all of our pension was spent on medicines. Now our pension is spent on food and utilities."

The lack of basic medicines is a leading cause of death amongst the Jewish elderly in the FSU, and the situation is even more serious in remote regions due to sporadic distribution and scant supply of medicines to provincial clinics.

Victor M., a 74-year-old, who is one of 200 Jews living on the island of Sakhalin, off the far eastern coast of Russian's mainland, benefits from the Court funded program. A survivor of Dachau and Naustaum concentration camps, he became a career officer in the Soviet navy. However, by the time he retired in 1990, his savings were virtually wiped out by rampant inflation and he had no other financial resources besides his monthly pension of \$35, of which \$27 a month was spent on medications for his heart condition. JDC fieldworkers from the Hesed center in Khabarovsk, 500 miles away, went to Sakhalin and contacted Victor. He currently receives food packages, prescription drugs and fuel.

Hence, "looted assets" class funding has enabled JDC to significantly increase its ability to respond to unmet needs for basic medication. It allows Hesed centers to purchase manufactured drugs, and provide clients with familiar medications. Given the prescription drug costs in the FSU, this service is highly significant.

II. MEDICAL CONSULTATIONS

The Hesed centers also provide medical consultations to Nazi victims. A physician examines ambulatory Nazi victims at the local center. Jewish Healthcare International

(JHI)¹⁶ has trained Hesed physicians, most often local Jewish doctors volunteering their time, to be aware of the particular medical problems of Jewish Nazi victims. Hesed physicians also receive the most up-to-date epidemiological information for the FSU from the *JDC Medical Newsletter*. In addition, Hesed-affiliated doctors and nurses visit the homebound, which have proven to be lifesaving to Nazi victims who cannot afford home visits.

Together, these medical services are essential for individuals who might otherwise not have their health problems diagnosed or treated.

SOS SPECIAL NEEDS AND EMERGENCY CASES PROGRAM

In 1999, JDC established the SOS Special Needs and Emergency Cases Program with private donations. At first, it was open to all members of the Jewish community, regardless of age or pension status. However, the need was so great that the program became a casualty of its own success. Were it not for Court funds, the program would no longer exist. It has been redesigned so that only Hesed clients who meet "looted assets" class criteria can receive SOS assistance.¹⁷

The charts in Appendix IV shows the 60,359 SOS Special Needs and Emergency Cases Program grants provided in 2001 and 2002 by region, type of service and number of services provided. As indicated in the audited financial report, \$1,291,676 of Court funds were

¹⁶ JHI is a partnership of JDC and the Atlanta Jewish Federation, the United Jewish Federation of Greater Pittsburgh, the Greensboro Jewish Federation and the United Jewish Federation of Tidewater that brings volunteer physicians from the U.S. and Israel to the FSU. See www.jewishhealthcareinternational.org for further details.

¹⁷ There is a very limited SOS program, made possible by private grants to JDC, for Hesed clients who are not Nazi victims and therefore not eligible for "looted assets" class funding.

used for SOS services in the FSU for the period June 28, 2001—December 31, 2002.¹⁸

Individual clients may have receive more than one Court funded SOS service if needed.¹⁹

The Court funded SOS program has brought direct relief to thousands of Jewish Nazi victims across the FSU. It enables the Hesed centers to help those whose personal needs are too expensive for the regular program budget. By answering the most pressing needs of destitute survivors, the program has extended and improved the lives of thousands.

Since the start of the SOS program in 1999, each Hesed established an Emergency Aid Committee to review SOS applications against specific criteria in order to determine eligibility for the funds. The average SOS grant is \$50.

The range of SOS goods and services includes:

1. Health services, including drugs, hearing aids and glasses, emergency dental care, hospitalization costs such as surgery, adult diapers, bedding, test-strips, medical tests and transportation, laundering of soiled clothes, as well as prostheses and the purchase of rehabilitative equipment and rehabilitative courses of treatment.
2. Food and utilities, including emergency food supplies and payment of utility debts.
3. Extra winter relief such as the purchase of heating fuels (wood, coal and gas) and heating appliances, clothing, boots, blankets.
4. Home repairs for houses and apartments, including roof repairs and other building materials.

¹⁸ An additional \$423,444 of the sum allocated for SOS remained unspent as of December 31, 2002. This was due to the need to first establish the SOS program in Heseds in some regions of the FSU which did not have this service prior to the availability of Court funds and the restructuring of the SOS program to serve only Nazi Victim clients. Many Hesed SOS committees also reported being hesitant to quickly spend all their SOS funds due to concerns about future SOS funding. These issues have now been resolved and the First Year SOS unspent funds have already been spent in 2003.

¹⁹ From July-December 2001 there were 38,582 SOS grants made, including over 30,000 grants for medication. Due to a lack of adequate funding in 2001 for the medication programs described earlier in the report, many Hesed programs used SOS grants to provide pharmaceuticals.

5. Purchase and repair of household goods and electrical appliances, including stoves, refrigerators, furniture, and telephones.
6. Other humanitarian aid, including, for example, the purchase of pots and pans, sinks, and toilets; dentures; bedpans; adaptation of bathrooms for the elderly; special medical equipment; provision of water jugs to enable a Nazi victim to bring water from a well to her home and outhouse; the purchase of a cow to provide milk for a client in a remote rural area; connection of a gas pipeline to heat a home; and, payment of rent to prevent eviction.

INVOLVEMENT OF LOCAL JEWISH COMMUNITIES

JDC has worked closely over the past years with the Heseds to ensure that programs and budgets recommended are consistent with local needs. As described in the Distribution Plan, each Hesed has a board that is representative of the local Jewish community. It normally includes representatives from Holocaust survivor organizations, religious leaders and prominent Jewish community leaders.

In March 2001, representatives of Heseds participated in two days of meetings with the JDC and the Claims Conference to discuss and review the Distribution Plan requirements and the First Year budget, which were submitted to the Court on April 4, 2001.

In August 2001, the JDC sent letters to each Hesed indicating funding for the First Year.²⁰ In March 2002 senior officials of the JDC and the Claims Conference met in Vilnius, Lithuania with the chairs of the Baltic Jewish communities and welfare service directors from Estonia, Latvia and Lithuania.

²⁰ Copies are on file with the Court.

The JDC also held discussions with the leadership of the Interregional Association of Hasadim of Russia, "Idud Hasadim," and the Coordinative Council "Hesed-Ukraine," the two major umbrella organizations of Hesed directors and lay leaders. Appendix VI contains letters from both organizations concerning their consideration and endorsement of the JDC's budget and plan submission to the Court.

AUDIT REPORT

The international accounting firm of Ernst & Young has prepared the accompanying audited financial report regarding the spending of \$10,502,508 in "looted assets" class funds from the Swiss Banks Settlement for Hesed welfare programs for Jewish Nazi victims in the FSU from June 28, 2001 through December 31, 2002. The financial tables are also included in Appendix V.²¹

²¹ While the total allocation from the Court was \$10,875,000, as indicated in footnote 18 above, a small portion of the SOS program allocation was unspent as of December 31, 2002. This sum has already been spent by the Hesed programs in 2003. There were also other minor unspent funds in certain regions, as well as small overexpenditures by some Hesed programs in expectation of future Court funding in accordance with the Distribution Plan.

APPENDIX I

Hesed Client Intake Form

Residential status:

- 1 No relatives
- 2 Living alone
- 3 Family with no relatives
- 4 Family living alone
- 5 Living with a family

Type of housing:

- 1 Separate apartment
- 2 Communal apartment
- 3 Private house
- 4 Privatized separate apt
- 5 Privatized communal apt
- 10 Old-age home
- 11 Boarding school
- 12 Dormitory
- 13 Clinic
- 14 Social

Number of rooms: _____

- Heating:**
- 1 Central
 - 2 Gas
 - 3 Coal
 - 4 Wood
 - 5 Electric
 - 6 Kerosene

Condition of the apartment:

- 1 Good
- 2 Acceptable
- 3 Neglected

**Number of persons registered
as residents at the client's apartment** _____

**In whose name was the
apartment privatized:** _____

Privatization documents verified:

- Education:**
- 1 Below secondary
 - 2 Secondary
 - 3 Secondary special
 - 4 Below higher
 - 5 Higher
 - 10 Elementary

Profession (prior to retirement) _____

Health:

Disability: Degree of disability: 1, 2, 3 Disability documents verified?

- Cause of disability:**
- 1 Health
 - 2 WWII veteran
 - 3 Labor veteran
 - 4 Childhood
 - 5 Army invalid
- Diabetes:** Does the client use insulin?

Hearing: 1 Normal Does the client use a hearing aid?

- 2 Impaired
- 3 Deaf

Vision: 1 Normal Can the client read: Can the client watch TV:

- 2 Impaired

3 Blind

Does he use glasses: Left lens No. _____ Right lens No. _____

****Ailments:** (Place a tick where documents for the ailment have been verified)

- | | | |
|-----------------------------------|--|------------------------|
| 24 Adenoma of the prostate | 25 Allergy | 39 Arrhythmia |
| 5 Asthma | 27 Blood disorders | 40 Parkinson's disease |
| 43 Hemorrhoids
disorder | 28 Gynecological | 20 Hypertension |
| 45 Hypothyrea (thyroid gland) | 17 Glaucoma | 9 Deafness |
| 4 Diabetes
(constipation) | 44 Dyskinesia | 15 DZP???? |
| 19????, liver | 37 Lung disease | 30 Healthy |
| 7 Vision
cardiac insufficiency | 38 Angina pectoris, 12 Cerebral thrombosis | |
| 34 Myocardial infarction | 33 Cataract | 26 Skin disease |
| 29 Nephrology | 1 General disease | 3 Oncological |
| 2 Motoric disorder | 42 Pancreatitis | 13 Hip fracture |
| 11 Psycho-neurological | 18 Wound | 5 Cardiovascular |
| 35 Sclerosis | 23 Blindness | 31 Vascular disease |
| 16 Stomatitis
(thyroid gland) | 48 Thyrotoxicosis | 22 Trauma |
| 36 Thrombophlebitis | 21 Tuberculosis | 10 Urinary disorder |
| 41 Cholecystitis
disorder | 32 Endocrinological | 8 Epilepsy |
| 14 Ulcer | | |

Comments: _____

(additional diagnoses)

(Mobility, social interaction, sleep)

Need of home delivery of food parcels:

Degree of mobility:

- 1 Mobile
- 2 Limited mobility
- 3 Bed-ridden

Mobility at home:

- 1 Full mobility
- 2 With difficulty
- 3 With the help of chair
- 4 With the help of walking stick
- 5 With the help of walker
- 6 With the help of crutches
- 7 On wheelchair
- 8 With the help of handles, rails

Bed-ridden? Below, mark the client's capacity and place a tick next to the chosen answer, where the given activity requires outside help.

If bed-ridden

**** Personal hygiene:**

**** Feeding options:**

- 1 Sits up
- 2 Turns over
- 3 Lowers the legs
- 4 Uses bed-pan
- 5 Able to take the food

- 1 Washing
- 2 Brushing teeth/dentures
- 3 Bathing

- 1 Shopping for food
- 2 Cooking
- 3 Heating up food
- 4 Eating process

- House cleaning:**
- 1 Daily
 - 2 Weekly
 - 3 General

- Laundry:**
- 1 Minor
 - 2 Major
 - 3 In laundromat

- ** Client's social interaction:**
- 1 Visitors
 - 2 Telephone calls
 - 3 Visits to others
 - 4 Visits to club
 - 5 Visits to warm home
 - 6 Visits to synagogue

- Leisure:**
- 1 Reading
 - 2 TV
 - 3 Radio
 - 4 Handicrafts

Help from other sources (choose appropriate code):

"Relationship" 1 Parents 2 Spouse 3 Son/daughter 4 Brother/sister 5 Other 6 Other 7 Grandparent
code relatives non-relatives

Organization aid provider (code)	Name of (code)	Relationship (code)	Telephone (cost)	Type of aid (code)	Details	Amount	Frequency
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Codes for type of aid:

- 1 Shopping for food
- 2 Cooking
- 3 Bathing
- 4 Financial
- 5 House cleaning
- 6 Laundry
- 7 Food aid
- 8 Buying medicines
- 9 Buying heating material
- 10 Monthly parcels
- 11 Diabetic parcels
- 12 Client
- 13 Employee

Codes for frequency:

- 1 Daily
- 2 Twice a week
- 3 Once a week
- 4 Twice a month
- 5 Once a month
- 6 One-time
- 7 Occasional
- 8 None

- 14 Volunteer
- 15 Meals

Personal financial status

Type of pension (code)	Type of pension	Amount
_____	_____	_____
_____	_____	_____

Pension codes: 1-old age, 2-disability, 3-WWII veteran, 4-for dependents, 5-social, 6-partial; 7-for work in a harmful environment, 8-Afghanistan war veteran, 9-family of a war casualty, 10-mother of more than 5 children, 11-mother of a disabled child, 12-other, 13-pension for disability caused at the Chernobyl nuclear power station; 14-pension for disability caused by the Chernobyl disaster; 15-military pension.

Size of pension _____ for (date of document verification) _____ Pension documents verified?

Amount of house rent after discount

including utilities _____ Rent documents verified? Is the client employed?

Amount of salary _____ Salary documents verified?

Heating costs _____ Cost of medicines _____

Second World War

Place of residence
at the start of the war

Regional center of the place of residence:

Was the place of residence in 1941 occupied?

Took part in military action:

Involvement in WWII (rank):

The form was completed by (last name) _____ Signature _____

****Involvement in WWII:** (from the list, chose at least one item;

all relevant items must be marked)

1 Concentration camp inmate

2 Labor camp inmate

3 Ghetto inmate

4 Lived in occupied territory

5 Lived in evacuation

6 The place of residence in 1941 was occupied

APPENDIX II

2001 Hersed Client Resurvey Questionnaire

The American Jewish Joint Distribution Committee, Inc.
TELEPHONE INTERVIEW QUESTIONNAIRE

MIS File Number

Hello,

I am calling you from the Hesed. My name is _____. Currently we are checking and updating data regarding Hesed clients. Accordingly, we would like to ask you a few questions about your life during World War II.

1. WERE YOU IN A NAZI CONCENTRATION CAMP?

yes

no

2. WERE YOU IN A NAZI LABOR CAMP?

yes

no

3. WERE YOU IN A GHETTO?

yes

no

4. DID YOU LIVE IN A PLACE DURING THE TIME IT WAS UNDER OCCUPATION BY THE NAZIS OR THEIR ALLIES?

yes

no

5. WERE YOU IN AN EVACUATION?

yes

no

6. DID THE NAZIS OR THEIR ALLIES OCCUPY AT ANY TIME DURING THE WAR THE PLACE WHERE YOU LIVED AT THE TIME THE WAR BEGAN?

yes

no

7. WHERE DID YOU LIVE AT THE TIME THE WAR BEGAN?

Specific location

8. DID YOU SERVE IN THE SOVIET ARMY DURING THE WAR?

yes

no

9. DID YOU LIVE IN LENINGRAD DURING THE SIEGE - AS A CIVILIAN NOT AS A SOLDIER?

yes

no

You have answered all the questions. Thank you very much.

APPENDIX III

List of FSU Hased Welfare Programs

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
1	a) Hesed Avraham	<i>St. Petersburg</i>	Russia
	b) "Tikva" Welfare Fund (Production Center)	<i>St. Petersburg</i>	Russia
	c) Central Warehouse	<i>St. Petersburg</i>	Russia
2	Hesed Agamim	<i>Petrozavodsk</i>	Russia
3	Community CultUrals Center "Shalom"	<i>Vologda</i>	Russia
4	Hesed Akhim	<i>Arkhangelsk</i>	Russia
5	Hesed Itzchak	<i>Pskov</i>	Russia
6	Hesed Magen	<i>Velikie Luki</i>	Russia
7	Hesed Yakov	<i>Veliki Novgorod</i>	Russia
8	Zabota-Siyanie (Zohar) Hesed	<i>Murmansk</i>	Russia
9	ENKA community	<i>Syktyvkar</i>	Russia
10	Hesed Menachem	<i>Moscow</i>	Russia
11	Hesed Chama	<i>Moscow</i>	Russia
12	Hesed Avraham	<i>Moscow</i>	Russia
13	Yad Ezra	<i>Moscow</i>	Russia

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
14	Ethel Fund	<i>Moscow</i>	Russia
15	Religious Community "Shamir"	<i>Moscow</i>	Russia
16	Gineini	<i>Reutov</i>	Russia
17	Jewish Religious Community	<i>Saltykovka</i>	Russia
18	Community	<i>Malakhovka</i>	Russia
19	Hesed Sara	<i>Nijni-Novgorod</i>	Central Russia Volga
20	Hesed Rachel	<i>Yaroslavl</i>	Central Russia Volga
21	Welfare org. "Atikva"	<i>Penza</i>	Central Russia Volga
22	Hesed Ester	<i>Samara</i>	Central Russia Volga
23	Hasdei Yerushalaim	<i>Saratov</i>	Central Russia Volga
24	Hesed Tikva	<i>Bryansk</i>	Central Russia Volga
25	Hesed Zion	<i>Kostroma</i>	Central Russia Volga
26	Inform. and CultUrals Center "Jewish Home"	<i>Kursk</i>	Central Russia Volga
27	Welfare org. "Nash Dom"	<i>Tambov</i>	Central Russia Volga
28	Hesed Neshama	<i>Tula</i>	Central Russia Volga
29	Hesed Akiva	<i>Smolensk</i>	Central Russia Volga
30	Hesed Moshe	<i>Kazan</i>	Central Russia Volga
31	Hesed Nehama	<i>Voronezh</i>	Central Russia Volga
32	Hesed Lev	<i>Vladimir</i>	Central Russia Volga
33	Hesed Zabota	<i>Tver</i>	Central Russia Volga

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
34	Hesed Makor	<i>Yoshkar-Ola</i>	Central Russia Volga
35	Hesed Iona	<i>Lipetsk</i>	Central Russia Volga
36	Community Cheritable Center "Nesher"	<i>Oryol</i>	Central Russia Volga
37	Hesed Tshuva	<i>Ryazan</i>	Central Russia Volga
38	CultUrals and Educational Org. "Shalom"	<i>Ulyanovsk</i>	Central Russia Volga
39	National Jewish Autonomy	<i>Cheboksary</i>	Central Russia Volga
40	Hesed Atikva (Nadezhda)	<i>Kirov</i>	Central Russia Volga
41	Hesed Menorah	<i>Yekaterinburg</i>	Russia Urals
42	Hesed Nehama	<i>Chelyabinsk</i>	Russia Urals
43	Hesed Aviv	<i>Orenburg</i>	Russia Urals
44	Hesed Kochav	<i>Perm</i>	Russia Urals
45	Hesed Ariel	<i>Izhevsk</i>	Russia Urals
46	Hesed Gedalia	<i>Orsk</i>	Russia Urals
47	Hesed Alef	<i>Nijni Tagil</i>	Russia Urals
48	Hesed Ezra	<i>Magnitogorsk</i>	Russia Urals
49	Hesed Daniel	<i>Tyumen</i>	Russia
50	Hesed Lea	<i>Ufa</i>	Russia
51	Hesed Ester	<i>Krasnoyarsk</i>	Russia Siberia
52	Hesed Israel	<i>Khabarovsk</i>	Russia Siberia
53	Hesed Tikva	<i>Novosibirsk</i>	Russia Siberia

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
54	Hesed Ha-Yad	<i>Irkutsk</i>	Russia Siberia
55	Hesed Rachel	<i>Omsk</i>	Russia Siberia
56	Hesed Sara	<i>Vladivostok</i>	Russia Siberia
57	Jewish Religious Community Freid	<i>Birobijan</i>	Russia Siberia
58	Hesed Shalom Ber...	<i>Rostov-on-Don</i>	Russia Northern Caucasus
59	Hesed Tagan Shofar (branch of Rostov Hesed)	<i>Taganrog</i>	Russia Northern Caucasus
60	Hesed Yahad	<i>Sochi</i>	Russia Northern Caucasus
61	Welfare Org. Thiya	<i>Astrakhan</i>	Russia Northern Caucasus
62	Hesed (branch of Rostov Hesed)	<i>Novorosijsk</i>	Russia Northern Caucasus
63	Hesed Bencion	<i>Pyatigorsk</i>	Russia Northern Caucasus
64	Hesed Tikva	<i>Krasnodar</i>	Russia Northern Caucasus
65	Hesed Imid	<i>Nalchik</i>	Russia Northern Caucasus
66	Jewish Ruplic CultUrals Organization "Shlomo"	<i>Vladikavkaz</i>	Russia Northern Caucasus
67	Hesed (branch of Rostov Hesed)	<i>Novocherkassk</i>	Russia Northern Caucasus
68	Hesed Menachem	<i>Dnepropetrovsk</i>	Eastern Ukraine
69	Hesed Rachel	<i>Pavlograd</i>	Eastern Ukraine
70	Hesed Zelda	<i>Zheltye Vody</i>	Eastern Ukraine
71	Hesed Tsdaka	<i>Donetsk</i>	Eastern Ukraine
72	Hesed Moriah	<i>Kramatorsk</i>	Eastern Ukraine
73	Hesed Mikol Aneshama	<i>Mariupol</i>	Eastern Ukraine

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
74	Hesed Velvele	<i>Melitopol</i>	Eastern Ukraine
75	Hesed Golda	<i>Konstantinovka</i>	Eastern Ukraine
76	Hesed Shofar	<i>Gorlovka</i>	Eastern Ukraine
77	Hesed Iosif	<i>Slavyansk</i>	Eastern Ukraine
78	Hesed Zicharon	<i>Artyomovsk</i>	Eastern Ukraine
79	Hesed Hana	<i>Krivoi Rog</i>	Eastern Ukraine
80	Hesed Michael	<i>Zaporozhye</i>	Eastern Ukraine
81	Maayan Hesed	<i>Dnepro-dzerzhynsk</i>	Eastern Ukraine
82	Hesed Haim	<i>Kremenchug</i>	Eastern Ukraine
83	Ner HaHesed	<i>Lugansk</i>	Eastern Ukraine
84	Hesed Eliyahu	<i>Nikopol</i>	Eastern Ukraine
85	Hesed Debora	<i>Berdiansk</i>	Eastern Ukraine
86	Hesed Or	<i>Novomoskovsk</i>	Eastern Ukraine
87	Shaare Tikva	<i>Kharkov</i>	Eastern Ukraine
88	Cherity group, the branch of Sumy Hesed	<i>Gluhov</i>	Eastern Ukraine
89	Hesed Nefesh	<i>Poltava</i>	Eastern Ukraine
90	Hesed Chaim	<i>Sumy</i>	Eastern Ukraine
91	Hesed Sholom	<i>Shostka</i>	Eastern Ukraine

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
92	Hesed Ester	<i>Konotop</i>	Eastern Ukraine
93	Hesed Shahar	<i>Mirgorod</i>	Eastern Ukraine
94	Hesed Shofar	<i>Lubny</i>	Eastern Ukraine
95	Hesed Avot-Azriel	<i>Kiev</i>	Central Ukraine
96	Hesed Sade-Lavan, the branch of Hesed Avot	<i>Belaya Tserkov</i>	Central Ukraine
97	Hesed Shlomo	<i>Zhitomir</i>	Central Ukraine
98	Hesed Itskhak, the branch of Hesed Shlomo	<i>Berdichev</i>	Central Ukraine
99	Hesed Emuna	<i>Vinnitza</i>	Central Ukraine
100	Hesed Ester	<i>Chernigov</i>	Central Ukraine
101	Hesed Dorot	<i>Cherkassy</i>	Central Ukraine
102	Hesed Nakhman, the branch of Hesed Dorot	<i>Uman</i>	Central Ukraine
103	Hesed Arieh	<i>Lvov</i>	Western Ukraine
104	Hesed Gur Arieh, the branch of Hesed Arieh	<i>Drogobych</i>	Western Ukraine
105	Hesed Shushana	<i>Chernovtsy</i>	Western Ukraine
106	Hesed Besht	<i>Khmelnitskiy</i>	Western Ukraine
107	Hesed Fridlander, the branch of Hesed Besht	<i>Ternopol</i>	Western Ukraine

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
108	Hesed Shpira	<i>Uzhgorod</i>	Western Ukraine
109	Hesed Osher	<i>Rovno</i>	Western Ukraine
110	Hesed Gotlib, the branch of Hesed Osher	<i>Lutsk</i>	Western Ukraine
111	Hesed Leib	<i>Ivano-Frankovsk</i>	Western Ukraine
112	Gmilus Hesed	<i>Odessa</i>	Southern Ukraine
113	Hesed Shlomo	<i>Kirovograd</i>	Southern Ukraine
114	Hesed Shahar	<i>Sevastopol</i>	Southern Ukraine
115	Hesed Menachem	<i>Nikolaev</i>	Southern Ukraine
116	Charity Department, Iudaic Religious Community "Khabad"	<i>Kherson</i>	Southern Ukraine
117	Hesed Shimon	<i>Simferopol</i>	Southern Ukraine
118	Charity Department, Regional Cult. & Enlightenment Jewish Community	<i>Feodosia</i>	Southern Ukraine
119	Hesed Shalom	<i>Evpatoria</i>	Southern Ukraine
120	Jewish organization "Menora"	<i>Ismail</i>	Southern Ukraine

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
121	Charity Department, Jewish Community "Gesher"	<i>Kerch</i>	Southern Ukraine
122	Charity Department, Jewish Community	<i>Yalta</i>	Southern Ukraine
123	Jewish CultUrals Society "Mitsva", the branch of Kirovograd Hesed	<i>Svetlovodsk</i>	Southern Ukraine
124	Jewish Community, Association of Ghetto and Concentration Camp Survivors, the branch of Odessa Hesed	<i>Balta</i>	Southern Ukraine
125	Hesed Yehuda	<i>Kishinev</i>	Moldova
126	Hesed Yaakov	<i>Beltsy</i>	Moldova
127	Hesed Rachel	<i>Rybnitsa</i>	Moldova
128	Hesed Chana	<i>Tiraspol</i>	Moldova
129	Hesed Yosef	<i>Bendery</i>	Moldova
130	Hesed Rachamim	<i>Minsk</i>	Belarus
131	Hesed Baruch	<i>Mogilev</i>	Belarus
132	Hesed Batya	<i>Gomel</i>	Belarus
133	Hesed David	<i>Vitebsk</i>	Belarus
134	Hesed Nachum	<i>Grodno</i>	Belarus
135	Hesed Efraim	<i>Polozk</i>	Belarus
136	Hesed Emuna	<i>Borisov</i>	Belarus
137	Hesed Shmuel	<i>Bobruisk</i>	Belarus
138	Hesed David	<i>Brest</i>	Belarus

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
139	Hesed Ezra	<i>Baranovichi</i>	Belarus
140	Jewish CultUrals Club "Ami"	<i>Rechitsa</i>	Belarus
141	Hesed	<i>Lida</i>	Belarus
142	Hesed Aron	<i>Pinsk</i>	Belarus
143	Welfare center "Rachamim"	<i>Svetlogorsk</i>	Belarus
144	Judaic Religious Community "Beit-Israel"	<i>Kalinkovichi</i>	Belarus
145	Hesed Emanuil	<i>Mozyr</i>	Belarus
146	Hesed Shalom	<i>Orsha</i>	Belarus
147	Jewish culture club	<i>Slutsk</i>	Belarus
148	Hesed Polina	<i>Almaaty</i>	Kazakhstan
149	Hesed Shimon	<i>Shymkent</i>	Kazakhstan
150	Hesed	<i>Astana</i>	Kazakhstan
151	Hesed Miriam	<i>Karaganda</i>	Kazakhstan
152	Hesed Sara	<i>Aktobe</i>	Kazakhstan
153	Hesed Rachel	<i>Pavlodar</i>	Kazakhstan
154	Hesed Efraim	<i>Petropavlovsk</i>	Kazakhstan
155	Hesed	<i>Taraz</i>	Kazakhstan
156	Hesed	<i>Uralssk</i>	Kazakhstan
157	Hesed Faina	<i>Ust-Kamenogorsk</i>	Kazakhstan

Hesed Centers/Jewish Welfare Programs in the FSU

7/1/2003 (note: Shaded lines indicate the main center in the region/country)

#	Name of Hesed/Welfare Program	City	Region
158	Hesed Natan	<i>Kokshetau</i>	Kazakhstan
159	Hesed	<i>Kostanau</i>	Kazakhstan
160	Hesed Tikva	<i>Bishkek</i>	Kirgistan
161	Hesed Eliyahu	<i>Tbilisi</i>	Georgia
162	Hesed Abuli	<i>Kutaisi</i>	Georgia
163	Hesed Shalom	<i>Gori</i>	Georgia
164	Hesed Moshe	<i>Oni</i>	Georgia
165	Hesed Tzvi	<i>Batumi</i>	Georgia
166	Hesed Aviv	<i>Rustavi</i>	Georgia
167	Hesed Gershon	<i>Baku</i>	Azerbaijan
168	Branch of Hesed Gershon in Sumgait	<i>Sumgait</i>	Azerbaijan
169	Branch of Hesed Gershon in Gandja	<i>Gandja</i>	Azerbaijan
170	Branch of Hesed Gershon in Oguz	<i>Oguz</i>	Azerbaijan
171	Branch of Hesed Gershon in Privolnoe	<i>Privolnoe, Jalilobad distr.</i>	Azerbaijan
172	Hesed Gorskiy Dom	<i>Makhachkala</i>	Dagestan - Russia
173	Orot Hesed	<i>Yerevan</i>	Armenia
174	Hesed Yeoshua	<i>Tashkent</i>	Uzbekistan
175	Jewish Community Welfare Program	<i>Tallinn</i>	Estonia
176	WIZO/Rahamim Welfare Program/Jewish Community	<i>Riga</i>	Latvia
177	Jewish Community Welfare Program	<i>Vilnius</i>	Lithuania

APPENDIX IV

SOS Report

SOS Grants Provided in the FSU from July-December 2001 to Jewish Nazi Victims from Swiss Banks Settlement Funds

Region	Personal hygiene items	Home repairs	Hospitalization	Medications	Medical services	Beddings	Clothes	Shoes	Electrical appliances & furniture	Electrical repairs	Funerals	Hearing aids	Transportation to medical treatment	Payment for public utilities	Food packages	Medical equipment	Home care	Glasses	Winter relief	Other humanitarian aid	Total
Kiev and West Ukraine	2	98	54	773	224	14	6	3	109	4	58	2	1	22						325	1,695
Kharkov, Ukraine		24	32	492	99		2	676	46	9	3			1		104				1,488	2,976
Odessa, Ukraine	15	49	20	3,926	34	7	20	3	9					20				1		2	4,106
Dnepropetrovsk, Ukraine	84	186	12	19,124	310	82	112	145	278	37	9	23		5	29			1,362	12	141	21,951
St. Petersburg, Russia			2	5	4															2	13
Minsk, Belarus		2	4	561	14						1	2								584	1,168
Kishinev, Moldova			11	5,371	3						2									4	5,391
Volga, Russia		1	5	30	2							3	1							7	49
Moscow, Russia		10	11	279	20		5		55	7	8	7	3	5				2			412
Urals, Russia	1	5	2	53	8		3	1	1		1	2							9	7	93
Siberia, Russia		1	1	351	7	2			6		1	4	1	1					9	13	397
Northern Caucasus		8	2	10	13	6	5		3	1	8	3		2	36	5		1	1	4	108
Georgia	139				2						1			1						2	145
Azerbaijan																					0
Central Asia	20	11			1				3									4		39	78
Baltic States																					
Total	261	395	156	30,975	741	111	153	828	510	58	92	46	6	37	85	5	104	1,370	31	2,618	38,582

.... Other humanitarian aid includes, for example, the purchase of pots and pans, sinks, and toilets; dentures; bedpans; adaptation of bathrooms for the elderly; special medical equipment; provision of water jugs to enable a Nazi victim to bring water from a well to her home and outhouse; the purchase of a cow to provide milk for a client in a remote rural area; connection of a gas pipeline to heat a home; and, payment of rent to prevent eviction.

SOS Grants Provided in the FSU in 2002 to Jewish Nazi Victims from Swiss Banks Settlement Funds																					
Region	Personal hygiene items	Home repairs	Hospitalization	Medications	Medical services	Beddings	Clothes	Shoes	Electrical appliances & furniture	Electrical repairs	Funerals	Hearing aids	Transportation to medical treatment	Payment for public utilities	Food packages	Medical equipment	Home care	Glasses	Winter relief	Other humanitarian aid ...	Total
Kiev and West Ukraine		152	180	969	373	11		1	74	17	55	17	1	13	5,576		1	82	1	14	7,537
Kharkov, Ukraine	1	56	55	1,029	376	2	160	560	58	47	13			6			6			16	2,385
Odessa, Ukraine		61	83	300	132		1		33	9	5	6		4	6		4	6	11	4	665
Dniepropetrovsk, Ukraine		313	9	810	459	399	295	295	380	53	22	36	3	87	4	1		363	5	26	3,560
St. Petersburg, Russia		1	12	28	17		1		3		3	2		3				4		2	76
Minsk, Belarus	130	11	33	257	184		4	15	5	5		9		1			7		11	271	938
Kishinev, Moldova		2	53	151	4				4		3			84					19	3	323
Volga, Russia	14	8	7	353	88			1	3			10	1		970	4	140		3	65	1,667
Moscow, Russia	39	6	8	252	48		4	1	107	8	13	10		6	2,145			3		23	2,673
Urals, Russia	1	23	5	346	56	21	11	39	16	5	1	6		1	11		8	3		101	654
Siberia, Russia		11	1	61	26	54	14	22	91	1		9	1		1			6		8	306
Northern Caucasus		21	5	49	21		4		1	1	8	5	1	6	9			53		6	190
Georgia				13	9																22
Azerbaijan		1			4									1							6
Central Asia		22	1	51	62	3	9	14	6	8	4	8						154	66	4	412
Baltic States	5	28	1	95	42	3	1	4	86	1	4	3	2	55	1	13	0	9	3	7	363
Total	190	716	453	4,764	1,901	493	500	941	877	155	131	121	9	267	8,723	18	166	683	119	550	21,777

.... Other humanitarian aid includes, for example, the purchase of pots and pans, sinks, and toilets; dentures; bedpans; adaptation of bathrooms for the elderly; special medical equipment; provision of water jugs to enable a Nazi victim to bring water from a well to her home and outhouse; the purchase of a cow to provide milk for a client in a remote rural area; connection of a gas pipeline to heat a home; and, payment of rent to prevent eviction.

APPENDIX V

Financial Report

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION
(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT
First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>Location</u>	<u>All Programs</u>				
	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	1,218,376	548,269	1,766,645	(1,760,088)	6,557
Kharkov, Ukraine	509,625	229,331	738,956	(738,942)	14
Odessa, Ukraine	623,700	280,665	904,365	(792,060)	112,305
Dniepropetrovsk, Ukraine	878,175	395,179	1,273,354	(1,258,345)	15,009
St. Petersburg, Russia	623,700	280,665	904,365	(758,296)	146,069
Minsk, Belarus	595,350	267,908	863,258	(795,597)	67,661
Kishinev, Moldova	198,449	89,302	287,751	(256,827)	30,924
Volga, Russia	509,625	229,331	738,956	(723,641)	15,315
Moscow, Russia	850,501	382,725	1,233,226	(1,233,066)	160
Urals, Russia	426,800	192,060	618,860	(607,157)	11,703
Siberia, Russia	242,500	109,125	351,625	(351,585)	40
Northern Caucasus	232,500	104,625	337,125	(334,722)	2,403
Georgia	10,001	4,500	14,501	(12,212)	2,289
Azerbaijan	63,751	28,688	92,439	(85,378)	7,061
Central Asia	264,375	118,969	383,344	(375,512)	7,832
Baltic States	252,572	113,657	366,229	(419,080)	(52,851)
Totals	<u>7,500,000</u>	<u>3,375,000</u>	<u>10,875,000</u>	<u>(10,502,508)</u>	372,492
Interest received on unspent escrow funds					<u>143,979</u>
Total first full year allocation unspent balance					<u>516,471</u>

See accompanying notes to the financial report, along with the report of the independent auditors.

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION
(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT

First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>Location</u>	<u>General Welfare Program</u>				
	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	767,074	345,183	1,112,257	(1,112,257)	-
Kharkov, Ukraine	320,708	144,319	465,027	(465,027)	-
Odessa, Ukraine	392,802	176,761	569,563	(569,563)	-
Dnepropetrovsk, Ukraine	552,818	248,768	801,586	(801,586)	-
St. Petersburg, Russia	392,802	176,761	569,563	(569,563)	-
Minsk, Belarus	374,947	168,726	543,673	(543,673)	-
Kishinev, Moldova	124,982	56,242	181,224	(180,528)	696
Volga, Russia	320,708	144,319	465,027	(465,008)	19
Moscow, Russia	535,639	241,038	776,677	(776,646)	31
Urals, Russia	342,837	154,277	497,114	(497,114)	-
Siberia, Russia	221,509	99,679	321,188	(321,188)	-
Northern Caucasus	211,509	95,179	306,688	(306,688)	-
Georgia	7,901	3,555	11,456	(10,432)	1,024
Azerbaijan	53,255	23,965	77,220	(77,009)	211
Central Asia	232,889	104,800	337,689	(337,683)	6
Baltic States	193,263	86,968	280,231	(341,510)	(61,279)
Totals	5,045,643	2,270,539	7,316,182	(7,375,475)	(59,293)

See accompanying notes to the financial report, along with the report of the independent auditors.

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION
(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT

First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>Location</u>	<u>Medical Assistance Program</u>				
	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	234,677	105,605	340,282	(340,282)	-
Kharkov, Ukraine	98,237	44,207	142,444	(142,439)	5
Odessa, Ukraine	120,067	54,030	174,097	(174,097)	-
Dniepropetrovsk, Ukraine	169,186	76,134	245,320	(245,320)	-
St. Petersburg, Russia	120,067	54,030	174,097	(174,089)	8
Minsk, Belarus	114,610	51,575	166,185	(166,185)	-
Kishinev, Moldova	38,203	17,191	55,394	(55,043)	351
Volga, Russia	98,237	44,207	142,444	(142,444)	-
Moscow, Russia	163,728	73,678	237,406	(237,309)	97
Urals, Russia	43,661	19,647	63,308	(63,300)	8
Siberia, Russia	10,915	4,912	15,827	(15,827)	-
Northern Caucasus	10,915	4,912	15,827	(15,827)	-
Georgia	1,092	491	1,583	(1,579)	4
Azerbaijan	5,458	2,456	7,914	(7,914)	-
Central Asia	16,373	7,368	23,741	(23,741)	-
Baltic States	26,090	11,740	37,830	(29,961)	7,869
Totals	1,271,516	572,182	1,843,698	(1,835,357)	8,341

See accompanying notes to the financial report, along with the report of the independent auditors.

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION
(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT

First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>SOS Emergency Aid Program</u>					
<u>Location</u>	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	216,625	97,481	314,106	(307,549)	6,557
Kharkov, Ukraine	90,680	40,806	131,486	(131,476)	10
Odessa, Ukraine	110,831	49,874	160,705	(48,400)	112,305
Dniepropetrovsk, Ukraine	156,171	70,277	226,448	(211,439)	15,009
St. Petersburg, Russia	110,831	49,874	160,705	(14,644)	146,061
Minsk, Belarus	105,793	47,607	153,400	(85,739)	67,661
Kishinev, Moldova	35,264	15,869	51,133	(21,256)	29,877
Volga, Russia	90,680	40,806	131,486	(116,189)	15,297
Moscow, Russia	151,134	68,010	219,144	(219,111)	33
Urals, Russia	40,302	18,136	58,438	(46,743)	11,695
Siberia, Russia	10,076	4,534	14,610	(14,570)	40
Northern Caucasus	10,076	4,534	14,610	(12,207)	2,403
Georgia	1,008	454	1,462	(201)	1,261
Azerbaijan	5,038	2,267	7,305	(455)	6,850
Central Asia	15,113	6,801	21,914	(14,088)	7,826
Baltic States	33,219	14,949	48,168	(47,609)	559
Totals	1,182,841	532,279	1,715,120	(1,291,676)	423,444

See accompanying notes to the financial report, along with the report of the independent auditors.

APPENDIX VI

Letters from Hesed Umbrella Organizations

TRANSLATION FROM RUSSIAN

June 5, 2002

Special Master Judah Gribetz
In Re Holocaust Victim Assets Litigation

Dear Special Master Gribetz:

We are writing to inform you that we have consulted with the American Jewish Joint Distribution Committee representatives in our region on the Swiss Bank budget for the coming fiscal year.

We understand that the budget will be based on 100% on the number of victims of Nazi persecution per region. In addition, we understand that the regional budgets will be broken down into three areas: General Welfare; SOS; and Medical Programs; again according to the percentages of Nazi Victims in the region.

We understand and accept this methodology.

The members of our organization are appreciative that the Court has chosen to continue funding the vital programs provided by Hosed for another year.

Sincerely,

NOTE: There are two different signed letters with the same text (above)

- 1) Signed by Leonid Kolton, Executive Director, and Vitalii Leizerman, Chairman of the Board, Inter-Regional Association of Hasadim of Russia "Idud Hasadim"
- 2) Signed by Victor Danovitch, Chairman of the Board, Coordinative Council "Hesed-Ukraine"



Межрегиональная Ассоциация "Идуд Хасадим"

Член Союза Благотворительных Организаций России и СНГ

Член Европейского Совета Еврейских Общин - дин

194044, Санкт-Петербург, Б.Сампсониевский пр.45
idud@hesed.spb.ru тел./факс (812) 327-25-05, E-mail:
www.hesed.ru

25.06.02

Судье Эдварду Корману
Судебному поверенному
Special Master Иуде Грибцу

По вопросу возмещения ущерба
жертвам фашизма

Уважаемые господа Корман и Грибец,

Следующим мы информируем Вас о том, что проконсультировались с представителями Джойнта в нашем регионе по вопросу бюджета Швейцарских фондов на предстоящий финансовый год.

Мы понимаем, что бюджет на 100 % будет основан на количестве пострадавших от фашизма в каждом регионе. В дополнение к этому, мы понимаем, что региональные бюджеты будут разбиты на три группы - общий бюджет благотворительности, СОС, медицинские программы - с учетом процента пострадавших от фашизма в регионе.

Мы понимаем и одобряем подобную практику.

Члены нашей организации высоко ценят поддержку, оказываемую Судом, в виде предоставления сети наших благотворительных служб возможности оказывать помощь тысячам нуждающихся евреев пострадавших от фашизма. Мы надеемся, что Вы продолжите финансирование жизненно важных программ Хэседов также и в следующем году.

С уважением,

Исполнительный директор «Идуд Хасадим»

Леонид Колтон

Председатель попечительского совета
«Идуд Хасадим»

Виталий Лейзерман

КООРДИНАЦІЙНА РАДА
«ХЕСЕД-УКРАЇНА»

COORDINATIVE COUNCIL
«HESED-UKRAINE»

пр.К.Маркса, 88-а,
м.Дніпропетровськ, 49000, Україна
Тел / факс: (0562) 34-08-63



К.Marks av., 88a,
Dnepropetrovsk, 49000, Ukraine
Tel / fax: (0562) 34-08-63

25.06.02

Судье Эдварду Корману
Судебному поверенному
Special Master Иуде Грибецу

По вопросу возмещения ущерба
жертвам фашизма

Уважаемые господа Корман и Грибец,

Следующим мы информируем Вас о том, что проконсультировались с представителями Джойнта в нашем регионе по вопросу бюджета Швейцарских фондов на предстоящий финансовый год.

Мы понимаем, что бюджет на 100 % будет основан на количестве пострадавших от фашизма в каждом регионе. В дополнение к этому, мы понимаем, что региональные бюджеты будут разбиты на три группы — общий бюджет благотворительности, СОС, медицинские программы — с учетом процента пострадавших от фашизма в регионе.

Мы понимаем и одобряем подобную практику.

Члены нашей организации высоко ценят поддержку, оказываемую Судом, в виде предоставления сети наших благотворительных служб возможности оказывать помощь тысячам нуждающихся евреев пострадавших от фашизма. Мы надеемся, что Вы продолжите финансирование жизненно важных программ Хэсэдов также и в следующем году.

С уважением,

Председатель Координационного Совета
«Хэсэд - Украина»

A handwritten signature in black ink, appearing to read 'В.Данович'.

профессор Виктор Данович

APPENDIX VII

Client Case Stories

Klavdia K. Kiev

Klavdia was born on November 20, 1928 in Kiev.

When World War II began Klavdia, her mother, and her youngest sister were evacuated to Northern Caucasus, town Kluhori. Her mother was killed during the bombardment.

Klavdia and her sister were in the Ghetto for 6 months until the liberation of the town by the Soviet Army in 1943. After that the girls were sent to the orphanage in Cherkesk.

In 1945 Klavdia took part in renovation of chemical plant in Donbass, Ukraine.

In 1946 Klavdia and her sister returned to Kiev. Their apartment was occupied and they had to stay with their aunt.

In 1970 Klavdia got married. Her husband is an invalid of the 2nd degree. He has problems with his back and leg. Klavdia didn't have any children because of her husband's disease.

Klavdia says: "Life was difficult, now both of us – my husband and myself are very sick. I don't remember any bright moments in my life I always had to work hard."

She worked at the paper factory and bookbinding workshop.

Now Klavdia is a pensioner. Her monthly pension is \$28.

She is a member of the Jewish Survivors of Ghetto & Concentration Camps Organization.

She does not receive German Pension.

Hesed assistance:

- Monthly food packages
- Medications
- Winter relief

Riva K.
Kiev

Riva was born on March 12, 1937 in Chernevtsy village of Vinnitsa Province.

Since July 1941 she was in Ghetto with her mother and grandmother. The Ghetto was located in the same village. In spite of the punitive actions she survived. In March of 1944 the village of Chernevtsy was liberated by Soviet Army troops.

She worked at Construction bureau of plant named after Antonov. She was an engineer.

Her monthly pension now is \$32. She is lonely.

She is a member of the Jewish Survivors of Ghetto & Concentration Camps Organization.

She does not receive German Pension.

Hesed assistance:

- Monthly food packages
- Medications
- Winter relief

Moisey Z.L.
Ekaterinburg

Moisey was born in 1928 in a small shtetl named Kolyshki, in Belarus, where his family lived under German occupation until 1942. During raids they hid in woods. When Nazis burned down their house, the family hid in an underground hut until late autumn. During a winter too cold to endure their underground shelter, kindly Russian neighbors gave them shelter until the spring. In 1942 partisans freed the shtetl and evacuated all the Jews. They fled the fighting in trains, which were bombed. During one of the bombings, Moisey was separated from his parents, and he was unable to find them. He later joined a mobile hospital, eventually reaching the town of Yaroslavl where he stayed until the end of the war. After the war, Moisey found his parents. He later served in the Russian army and moved to Ekaterinburg, where he worked in a factory until he retired in 1988.

The cold, fear and separation of Moisey's youth were appeased by the good fortune of kind neighbors and reunited family. Today, Moisey is a widower, suffers from diabetes, and has a meager pension of 1700 rubles (\$54) per month, with which he must pay for utilities, costly medicines and food. But the remainder of a life of loneliness, illness and hunger is countered by more good fortune: he is surrounded by a caring Jewish community, where the Hesed provides him with a monthly food package and medicines.

**Rosa Z.
Kiev**

Rosa was born on December 25, 1914. She lived in Kiev before World War II.

On September 19, 1941 she left Kiev together with her husband. In the village of Borshchi they were surrounded by Nazis and captured afterwards. The couple was taken to Darnitsa concentration camp in Kiev. She managed to escape from the Concentration Camp. She walked to Semipolki village. She was hidden by her husband's relatives not far from this village. But local inhabitants reported about her to the Nazi administration and she was captured again. She was sent to the prison in town of Oster. She managed to escape again.

She was hidden in the village of Bulohov in Chernigov Province until 1943 by the Dorosh-Bulavik family and the Tatyana Boiko family.

After the war Rosa and her husband had no place to live. Their apartment had been burnt.

During all their life the family was very poor. Rosa says that there were no bright moments in her life.

Now Rosa is bedridden. Her monthly pension is \$30. She was refused for a German pension.

She is a member of the Jewish Survivors of Ghetto & Concentration Camps Organization.

Hesed assistance:

- Monthly food packages
- Medications
- Winter relief
- Homecare
- Meals on Wheels

TANYA AND YAKOV D.
Both are 74 years old
Illichevsk, Ukraine

During World War II Yakov Dinovitzery lived in the occupied territory of Vinitzkaya. He and his family were captured and taken to the Obodovka concentration camp near Odessa. He was held prisoner for six months. His parents perished in the camp. Yakov was left all alone to survive by himself.

During World War II Tanya Dinovitzery was living in the occupied territory of Savran when she was taken prisoner and brought to the Obodovka concentration camp.

Yakov met his wife Tanya in the concentration camp. Late one night they escaped together by cutting through the wired fence around the encampment. At first they traveled around aimlessly. Until the end of the war different non-Jewish families from Chigelnik hid them secretly in their homes and basements.

After the war Tanya worked as a nurse's assistant and Yakov as a shoemaker. Because they both had low-level jobs they did not feel the pressures of job discrimination for being Jewish.

Forty years ago the government issued apartments to ghetto survivors. Yakov and Tanya received a one-room apartment in Illichevsk, Ukraine. The apartment is located on the third floor and has running water, electricity, and a toilet. They do not pay rent but must pay for utilities which can cost over \$50 a season.

Yakov's monthly pension is \$16 and Tanya's is \$18. Both receive an extra \$3 a month as ghetto survivors.

"We're going to cook boiled potatoes for Passover this year. Gefilta fish costs \$4. That is almost one-quarter of my entire pension. We can't afford to buy fish or meat for the holidays."

Tanya suffers from high blood pressure, diabetes, heart disease, and has a rare form of backbone disease. She said, "I have just come home from spending two months in the hospital for my diabetes. It was a relief for me to know that Hesed was there for me."

"Before I was in the hospital I hadn't left my apartment for over five years. My shortness of breath and poor circulation prevents me from being able to walk down the flights of steps. We once lived on the fifth floor but moved down two floors. I thought I could walk down fewer steps but I'm still not able to."

Tanya also is partially deaf. She said, "My Hesed volunteer has ordered me a hearing aide. I can't wait to hear again."

Tanya's husband Yakov suffers from high blood pressure, heart disease and chronic asthma. It is difficult for him to travel to town and carry back their groceries. He said, "It's not easy to buy food on our meager pension. Then, after I buy something, I have the problem of getting it home."

"Both my two sons live fifty miles away in Odessa. They can hardly make a living for their own families. They're not able to travel here and help us."

Hesed provides Yakov and Tanya with medicines and medical consultations. Asthma inhalers and high blood pressure medicines are delivered once a month.

The government supplies Tanya with her insulin and diabetes medicines.

Hesed brings them warm blankets and sweaters in the winter. Food packages are delivered once a month.

"Before Hesed all of our pension was spent on medicines. Now our pension is spent on food and utilities."

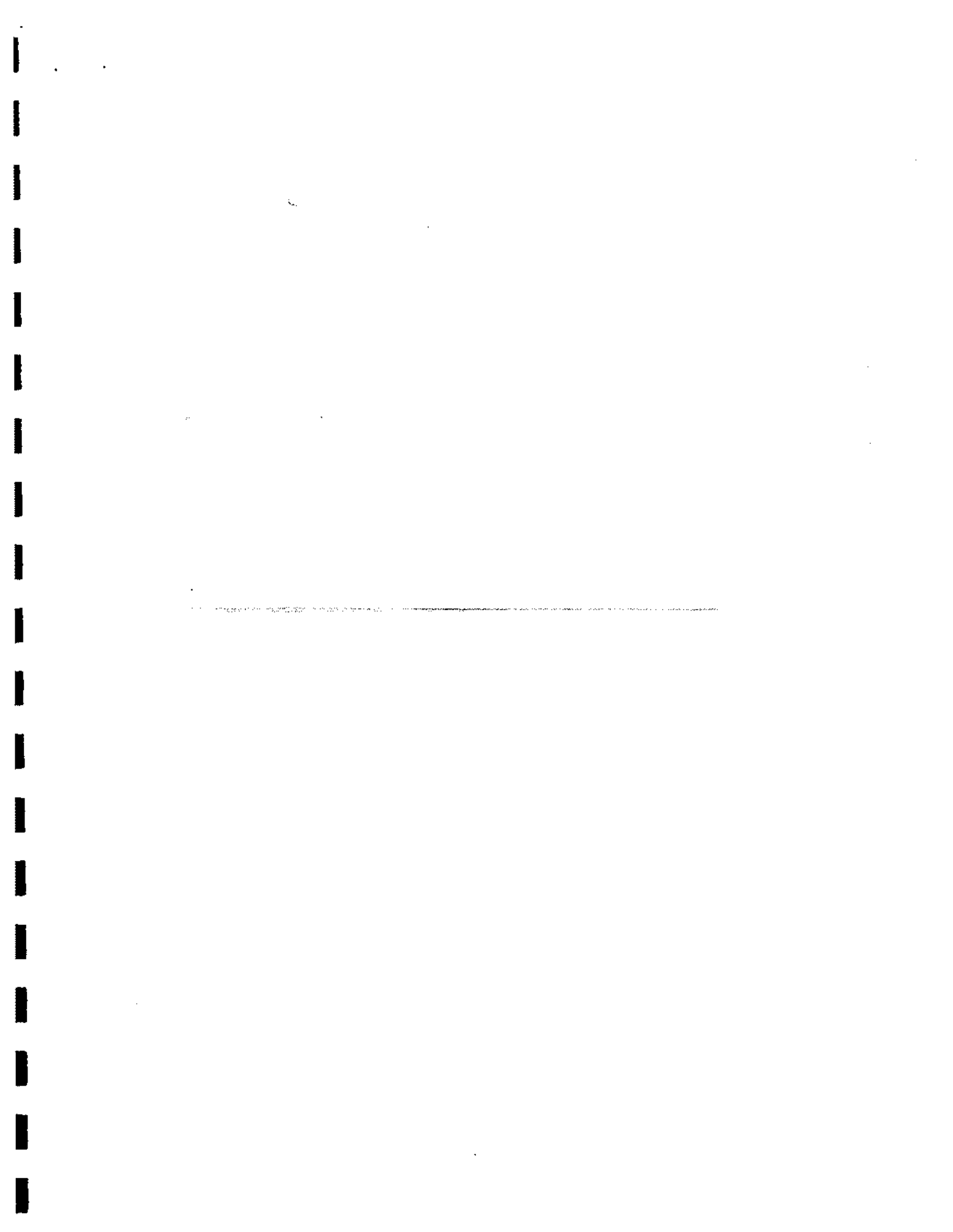
Victor M.
Sakhalin Island, Russia

Seventy-four year old Victor, one of 200 Jews who lives off the far eastern coast of Russian's mainland on the island of Sakhalin, is a survivor in every sense of the term. He was born in the village of Pokarovsk, near Lugansk, in Ukraine. Aged eleven at the outbreak of World War II, he and his family hid from the Nazis, but were betrayed by non-Jewish neighbors. Victor was separated from his parents and taken to the Dachau concentration camp where he was made to clean out the crematoria. From there, he was taken to the Naustaum concentration camp along with 500 other boys. Half-starved, they were forced to donate blood once every two weeks. Victor was one of only 30 boys who survived.

When the war ended, sixteen year-old Victor returned to Ukraine to see what had befallen his family. Homeless and penniless, he learned that not one of his family members had survived the war.

To earn a living, he joined the Russian navy, rose steadily through the ranks and became a career officer. In 1990, at the age of 61, Victor retired in Sakhalinsk, a region he knew well from his naval service. At that time, his savings were virtually wiped out by the rampant inflation that occurred as the Soviet Union was dissolving. Today, his monthly pension amounts to 900 rubles, worth approximately \$35. A few years ago, he suffered a heart attack and was forced to start spending some 700 rubles a month on medications.

JDC fieldworkers recently traveled to Sakhalinsk and made contact with Victor, visiting him in his small, dilapidated apartment. Today, he receives food packages, medications and fuel from the Khabarovsk Welfare Center, located 500 miles away. This essential assistance helps to sustain him and now, after decades of isolation, he is again included on the map of Jewish life.



The American Jewish Joint Distribution Committee, Inc.

Holocaust Victim Assets Litigation Allocation
(United States District Court for the Eastern District of New York,
Case No. CV.96-4849)

The American Jewish Joint Distribution Committee, Inc.

Holocaust Victim Assets Litigation Allocation
(United States District Court for the Eastern District of New York,
Case No. CV 96-4849)

Audited Financial Report
First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

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Report of Independent Auditors

The American Jewish Joint Distribution Committee, Inc.,
The Conference on Jewish Material Claims Against Germany, Inc.,
and both
The Honorable Edward R. Korman, and
Special Master Judah Gribetz
on behalf of the United States District Court for the Eastern District of New York:

We have audited the accompanying special purpose financial report of the American Jewish Joint Distribution Committee, Inc. ("AJJDC") relating to expenditures made under the first year allocation of the "looted assets" classification of the Holocaust Victim Assets Litigation (United States District Court for the Eastern District of New York, Case No. CV 96-4849) for the period June 28, 2001 through to December 31, 2002. The underlying expenditures were incurred by non-for-profit organizations affiliated with AJJDC in the former Soviet Union. The accompanying special purpose financial report is the responsibility of the management of AJJDC. Our responsibility is to express an opinion on this special purpose financial report based on our audit.

Except as is explained in the fourth paragraph of this audit report, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial report is free of material misstatement. An audit of a special purpose financial report includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose financial report. An audit of a special purpose financial report also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special purpose financial report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose financial report has been prepared based upon actual expenditures (cash basis of accounting) specifically for the purpose of complying with certain related conditions of both the *September 2000 Special Master's Proposed Plan of Allocation and Distribution of Settlement Proceeds (Distribution Plan)* approved by the Court on November 22, 2000 and the *AJJDC's Proposal for the First Year of Operations dated February 28, 2001 (supplemented on April 4, 2001)* approved by the Court on April 13, 2001 and June 28, 2001 in connection with the Holocaust Victim Assets Litigation.

AJJDC through the aforementioned non-for-profit organizations ("Heseds") maintains records, which indicate the demographics of the welfare recipients ("clients") to which Heseds serve. Those records are the basis for the classification of any client as "Jewish" in origin, as a "Nazi Victim", and or other relevant demographic traits. These records are accumulated based on the self-reporting of the clients as is the practice internationally. It is not possible for us to extend our auditing procedures so as to ascertain the underlying validity of such self-reported demographics, which are internally reviewed by AJJDC's staff so as to determine consistency with the AJJDC staff's knowledge of the demographics of Nazi Victims in the former Soviet Union.

In our opinion, except for the effects of any adjustments as might have been determined to be necessary to either correct or disclose the effect of any errors in the classification of the Hesed clients had we been able to satisfy ourselves as to underlying validity of the self-reported information referred to in the preceding paragraph, the accompanying special purpose financial report of AJJDC for the period June 28, 2001 through to December 31, 2002 presents fairly, in all material respects, the information set forth therein on the basis of accounting described in the accompanying notes.

This audit report is intended solely for the information and use of AJJDC, the Conference on Jewish Material Claims Against Germany, Inc., and the United States District Court for the Eastern District of New York (specifically in regard to the aforementioned Holocaust Victim Assets Litigation). This audit report should not be used by any parties who are not knowledgeable of the audit and reporting scope as set forth herein, and have not accepted the sufficiency of that audit and reporting scope for their purposes.

Ernst + Young Ukraine

June 30, 2003



THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION

(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT

First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>Location</u>	<u>All Programs</u>				
	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	1,218,376	548,269	1,766,645	(1,760,088)	6,557
Kharkov, Ukraine	509,625	229,331	738,956	(738,942)	14
Odessa, Ukraine	623,700	280,665	904,365	(792,060)	112,305
Dniepropetrovsk, Ukraine	878,175	395,179	1,273,354	(1,258,345)	15,009
St. Petersburg, Russia	623,700	280,665	904,365	(758,296)	146,069
Minsk, Belarus	595,350	267,908	863,258	(795,597)	67,661
Kishinev, Moldova	198,449	89,302	287,751	(256,827)	30,924
Volga, Russia	509,625	229,331	738,956	(723,641)	15,315
Moscow, Russia	850,501	382,725	1,233,226	(1,233,066)	160
Urals, Russia	426,800	192,060	618,860	(607,157)	11,703
Siberia, Russia	242,500	109,125	351,625	(351,585)	40
Northern Caucasus	232,500	104,625	337,125	(334,722)	2,403
Georgia	10,001	4,500	14,501	(12,212)	2,289
Azerbaijan	63,751	28,688	92,439	(85,378)	7,061
Central Asia	264,375	118,969	383,344	(375,512)	7,832
Baltic States	252,572	113,657	366,229	(419,680)	(52,851)
Totals	<u>7,500,000</u>	<u>3,375,000</u>	<u>10,875,000</u>	<u>(10,502,508)</u>	<u>372,492</u>
Interest received on unspent escrow funds					<u>143,975</u>
Total first full year allocation unspent balance					<u>516,471</u>

See accompanying notes to the financial report, along with the report of the independent auditors.

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION
(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT

First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>Location</u>	<u>General Welfare Program</u>				
	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	767,074	345,183	1,112,257	(1,112,257)	-
Kharkov, Ukraine	320,708	144,319	465,027	(465,027)	-
Odessa, Ukraine	392,802	176,761	569,563	(569,563)	-
Dniepropetrovsk, Ukraine	552,818	248,768	801,586	(801,586)	-
St. Petersburg, Russia	392,802	176,761	569,563	(569,563)	-
Minsk, Belarus	374,947	168,726	543,673	(543,673)	-
Kishinev, Moldova	124,982	56,242	181,224	(180,528)	696
Volga, Russia	320,708	144,319	465,027	(465,008)	19
Moscow, Russia	535,639	241,036	776,677	(776,646)	31
Urals, Russia	342,837	154,277	497,114	(497,114)	-
Siberia, Russia	221,509	99,679	321,188	(321,188)	-
Northern Caucasus	211,509	95,179	306,688	(306,688)	-
Georgia	7,901	3,555	11,456	(10,432)	1,024
Azerbaijan	53,255	23,965	77,220	(77,009)	211
Central Asia	232,889	104,800	337,689	(337,683)	6
Baltic States	193,253	66,965	260,218	(341,510)	(61,292)
Totals	5,045,643	2,270,539	7,316,182	(7,375,475)	(59,293)

See accompanying notes to the financial report, along with the report of the independent auditors.

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION
(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT

First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>Location</u>	<u>Medical Assistance Program</u>				
	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	234,677	105,605	340,282	(340,282)	-
Kharkov, Ukraine	98,237	44,207	142,444	(142,439)	5
Odessa, Ukraine	120,067	54,030	174,097	(174,097)	-
Dnepropetrovsk, Ukraine	169,186	76,134	245,320	(245,320)	-
St.-Petersburg, Russia	120,067	54,030	174,097	(174,089)	8
Minsk, Belarus	114,610	51,575	166,185	(166,185)	-
Kishinev, Moldova	38,203	17,191	55,394	(55,043)	351
Volga, Russia	98,237	44,207	142,444	(142,444)	-
Moscow, Russia	163,728	73,678	237,406	(237,309)	97
Urals, Russia	43,661	19,647	63,308	(63,300)	8
Siberia, Russia	10,915	4,912	15,827	(15,827)	-
Northern Caucasus	10,915	4,912	15,827	(15,827)	-
Georgia	1,092	491	1,583	(1,579)	4
Azerbaijan	5,458	2,456	7,914	(7,914)	-
Central Asia	16,373	7,368	23,741	(23,741)	-
Baltic States	26,090	11,740	37,830	(29,961)	7,869
Totals	1,271,516	572,182	1,843,698	(1,835,357)	8,341

See accompanying notes to the financial report, along with the report of the independent auditors.

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

HOLOCAUST VICTIM ASSETS LITIGATION ALLOCATION

(United States District Court for the Eastern District of New York, Case No. CV 96-4849)

FINANCIAL REPORT

First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

(amounts are stated in United States Dollars)

<u>SOS Emergency Aid Program</u>					
<u>Location</u>	<u>Initial Allocation</u>	<u>Additional Distribution</u>	<u>Total Budget</u>	<u>Spent</u>	<u>Unspent/ (Overspent)</u>
Kiev and Western Ukraine	216,625	97,481	314,106	(307,549)	6,557
Kharkov, Ukraine	90,680	40,806	131,486	(131,476)	10
Odessa, Ukraine	110,831	49,874	160,705	(48,400)	112,305
Dnepropetrovsk, Ukraine	156,171	70,277	226,448	(211,439)	15,009
St. Petersburg, Russia	110,831	49,874	160,705	(14,644)	146,061
Minsk, Belarus	105,793	47,607	153,400	(85,739)	67,661
Kishinev, Moldova	35,264	15,869	51,133	(21,256)	29,877
Volga, Russia	90,680	40,806	131,486	(116,189)	15,297
Moscow, Russia	151,134	68,010	219,144	(219,111)	33
Urals, Russia	40,302	18,136	58,438	(46,743)	11,695
Siberia, Russia	10,076	4,534	14,610	(14,570)	40
Northern Caucasus	10,076	4,534	14,610	(12,207)	2,403
Georgia	1,008	454	1,462	(201)	1,261
Azerbaijan	5,038	2,267	7,305	(455)	6,850
Central Asia	15,113	6,801	21,914	(14,088)	7,826
Baltic States	33,219	14,949	48,168	(47,609)	559
Totals	1,182,841	532,279	1,715,120	(1,291,676)	423,444

See accompanying notes to the financial report, along with the report of the independent auditors.

The American Jewish Joint Distribution Committee, Inc.

Holocaust Victim Assets Litigation Allocation
(United States District Court for the Eastern District of New York,
Case No. CV 96-4849)

Notes to Audited Financial Report
First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

1. Description of Allocation and Related Conditions

Through Orders dated April 13, 2001 and June 28, 2001, the Honorable Edward R. Korman, on behalf of the United States District Court for the Eastern District of New York, approved a detailed humanitarian assistance proposal of the American Jewish Joint Distribution Committee, Inc. ("AJJDC") under the "looted assets" class of the Holocaust Victim Assets Litigation (Case No. CV 96-4849). This was the implementation of the distribution plan approved by the Court on November 22, 2000.

The allocation was based on AJJDC's proposal dated February 28, 2001 (and supplemented on April 4, 2001), whereby a total of USD 7,500,000 was allocated to AJJDC for the expenditure by non-for-profit organizations ("Heseds") affiliated with AJJDC in the former Soviet Union. The funds were to be used, over a one year period, for a "General Welfare Program", "Medical Assistance Program", and "SOS Emergency Aid Program". Funds received under the Holocaust Victim Assets Litigation allocation have been used to supplement those already obtained by AJJDC from other sources.

Through the Order dated September 25, 2002, AJJDC was allocated an additional USD 3,375,000, representing a 45% supplement to the USD 7,500,000 allocation, to be distributed proportionally in accordance with the AJJDC's proposal approved by Orders dated April 13, 2001 and June 28, 2001.

Service delivery under the General Welfare and Medical Assistance programs is focused to provide assistance to Jewish Nazi Victims who have currently been identified and are being served through Hesed programs. These Hesed programs also provide welfare services to other impoverished elderly Jewish people.

The funds provided under the SOS Emergency Aid Program of the Holocaust Victims Assets Litigation allocation have been designated "solely for the use of Jewish victims of Nazi persecution" in the former Soviet Union. The beneficiaries under the SOS Emergency Aid Program are separately identified and monitored to ensure compliance with this condition.

The American Jewish Joint Distribution Committee, Inc.

Holocaust Victim Assets Litigation Allocation
(United States District Court for the Eastern District of New York,
Case No. CV 96-4849)

Notes to Audited Financial Report
First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

2. Significant Accounting Policies

A summary of significant accounting policies followed during the preparation of the accompanying special purpose financial report are presented below:

Basis of Presentation

The accompanying special purpose financial report has been prepared by AJJDC specifically for the purpose of complying with the reporting conditions of both the *September 2000 Special Master's Proposed Plan of Allocation and Distribution of Settlement Proceeds* approved by the Court on November 22, 2000 and the *American Jewish Joint Distribution Committee's Proposal for the First Year of Operations dated February 28, 2001 (as supplemented on April 4, 2001)* approved by the Court on April 13, 2001 and June 28, 2001 in connection with the Holocaust Victim Assets Litigation. The accompanying special purpose financial report was prepared based upon actual expenditures (cash basis of accounting) applied for the purposes for which the funds were allocated. Since International Financial Reporting Standards do not specifically prescribe accounting standards for not-for-profit organizations and related projects, management has elected to prepare the financial report based upon actual expenditures (cash basis of accounting).

The scope of the accompanying special purpose financial report, and the related audit, is as presented herein which is different than that of financial statements prepared in accordance with United States of America Government Accounting Standards, or an audit performed in accordance with United States of America Office of Management and Budget Circular No. 133 (a "yellow book" audit).

Interest Income

The USD 7,500,000 allocation was deposited into an escrow account by AJJDC upon receipt. According to the Court Order dated May 30, 2003, the USD 143,979 interest earned on unspent funds is to be allocated by AJJDC for provision of Hesed welfare and medical services in the Caucasus Region of Russia.

The American Jewish Joint Distribution Committee, Inc.

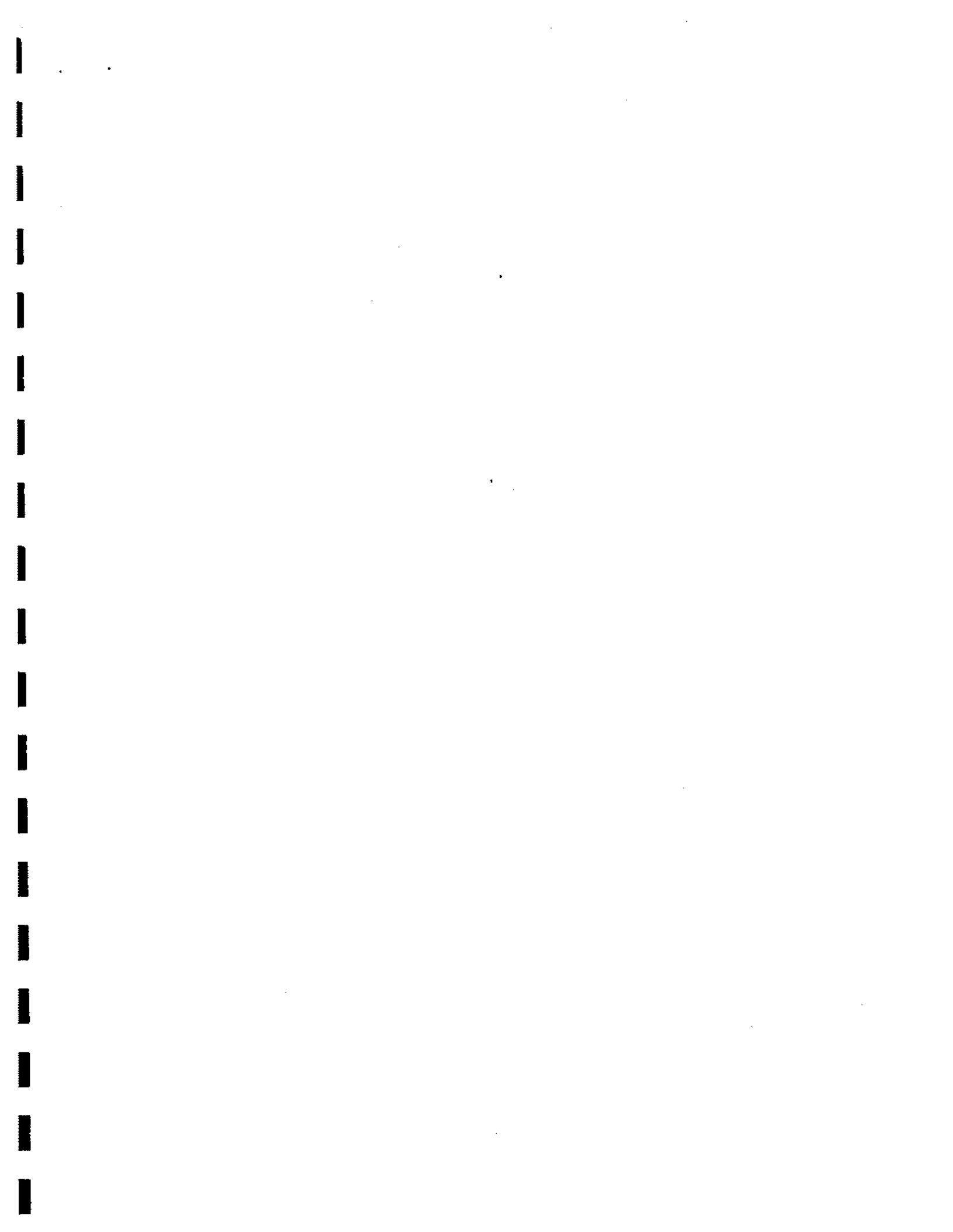
Holocaust Victims Asset Litigation Allocation
(United States District Court for the Eastern District of New York,
Case No. CV 96-4849)

Notes to Audited Financial Report
First Year Allocation (Including Additional Distribution)
For the Period June 28, 2001 through to December 31, 2002

2. Significant Accounting Policies (continued)

Foreign Currencies

The reporting currency for the purpose of this special purpose financial report is the United States Dollar ("US dollar"), the underlying currency of the allocation. Local entities, by law, are required to conduct business using the local currencies. Accordingly, transactions and balances included in the accompanying special purpose financial report that were not already measured in US dollar have been re-measured into US dollar using the exchange rate in effect on the date of funds conversion. Any exchange gains and losses arising from re-measurement are credited or charged to the expenditure category for which the related expenditure has been made. However, a policy has been established whereby grant funds are transferred to the Heseds on an "as needed" basis so as to avoid accumulating material amounts of cash in local currency and thereby minimizing exposure to foreign currency fluctuations.



**THE AMERICAN JEWISH JOINT
DISTRIBUTION COMMITTEE**

In Re Holocaust Victim Assets Litigation

“Looted Assets Class”

***REQUEST FOR SECOND PERIOD FUNDING
FOR WELFARE PROGRAMS
IN THE FORMER SOVIET UNION
FOR JANUARY 1, 2003 TO DECEMBER 31, 2003***

SUBMITTED TO

CHIEF JUDGE EDWARD R. KORMAN

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

September 17, 2003

INTRODUCTION

The network of 177 Hesed welfare centers in the former Soviet Union (FSU) developed by the American Jewish Joint Distribution Committee (JDC) serves a quarter million destitute elderly Jews, among them 135,000 impoverished "double victims" of Nazism and Communism. Swiss Banks Settlement funds help provide critical services for some of these Jewish victims of Nazi persecution.

On July 31, 2003 JDC submitted to the Court a *Report on the First Eighteen Months of Welfare Programs in the Former Soviet Union* ("July 2003 JDC Report"). In the submission herein, JDC is requesting continued Court funding for calendar year 2003 for the vital life-sustaining services of the Hesed programs. This request is in accordance with the ten-year schedule of allocations set forth in the *Special Master's Proposed Plan of Allocation and Distribution of Settlement Proceeds* ("Distribution Plan"), adopted by the Court on November 22, 2000, as well as the requirement that JDC submit periodic reports and budgets to the Court as a condition to receiving "looted assets class" funds.

FUNDING REQUEST

The Distribution Plan allocated "looted assets class" funds worldwide based on a ten-year schedule. On June 28, 2001 the Court approved the initial funding grant following the JDC's submission of its February 28, 2001 request for first period funding, as supplemented by its April 4, 2001 submission, and also following the resolution of certain legal proceedings impacting distribution of the Settlement Fund.

While "looted assets class" funding began in the middle of 2001, the Hesed programs in the FSU have for the past decade operated on a calendar year basis. Therefore it has proven cumbersome to the Heseds to maintain record keeping for "looted assets class" fiscal years that overlap calendar years.

In order to bring funding for the FSU to a calendar year system, in consultation with the Special Master, the JDC has operated its "looted assets class" programs in accordance with the following table, which takes into account the funds allocated to the Hesed program under the Distribution Plan. The following amounts were scheduled for the FSU through December 31, 2003:

June 28, 2001 to June 30, 2002	\$7,500,000
July 1, 2002 to June 30, 2003	\$7,500,000
July 1, 2003 to December 31, 2003	\$3,375,000
TOTAL	\$18,750,000

The Court's order of September 25, 2002 subsequently increased these amounts by 45%, equaling \$8,437,500. Therefore the amount scheduled for the FSU from June 28, 2001 to December 31, 2003, under the terms of the original Distribution Plan as supplemented by the Court's September 25, 2002 order, totals \$27,187,500.

To date, based on the Court's orders of June 28, 2001 and September 25, 2002, a total of \$10,875,000 actually has been disbursed to JDC for distribution to the Hesed centers for welfare programs in the FSU. This amount was spent through December 31, 2002, as described in the July 31, 2003 JDC Report and accompanying Ernst & Young audit filed with the Court.

JDC now requests the Court's transfer of \$16,312,500 for welfare services in the FSU to be spent from January 1, 2003 to December 31, 2003, the amount provided under the Distribution Plan as supplemented by the 45% increase ordered by the Court on September 25, 2002. This sum represents the remaining amount scheduled for the FSU program through the end of calendar year 2003 under the terms of the Distribution Plan, but not yet transferred to the JDC and instead held in escrow as part of the Settlement Fund, pending submission and the Court's approval of this JDC "Request for Second Period Funding for Welfare Programs in the Former Soviet Union for the Period January 1, 2003 through December 31, 2003."¹

Although this plan is being submitted after the start of 2003, there has been no interruption in Hesed services for needy Jewish Nazi victims as these services have been covered to date this year by funds advanced by the JDC.

As described herein as well as in the February 28, 2001 and April 4, 2001 JDC submissions to the Court, and the July 2003 JDC Report, "looted assets class" funds will be used for the General Welfare Program (providing food packages, hot meals, homecare and winter

¹ Under the Distribution Plan "audited financial reports for the specific programs must be provided to the Court annually." Based on the approval by the Court on April 13, 2001 of JDC's submitted Proposal for the First Year of Operations, JDC appointed the accounting firm of Ernst & Young to perform this audit function for the programs in the Former Soviet Union. On July 31, 2003 JDC submitted to the Court an Audited Financial Report prepared by Ernst & Young for the First Year Allocation (Including Additional Distribution) for the Period June 28, 2001 through December 31, 2002. JDC requests reimbursement for invoices received from Ernst & Young totaling \$128,000 for the cost of these audits performed in the FSU. This represents \$54,000 each for audits performed in 2002 and 2003, solely regarding the specific expenditures in the FSU in the previous year under funds from the "looted assets class" of the Settlement.

In addition, in accordance with the Distribution Plan (p. 137), JDC may request an amount not to exceed 2% of program funding to be used for monitoring and oversight of welfare programs in the FSU. To date JDC has not requested any such funds for the monitoring and oversight functions we have performed for the Court. We therefore request reimbursement of \$217,500 for oversight and monitoring expenses for the period from June 28, 2001 to December 31, 2002, to be shared by JDC and the Conference on Jewish Material Claims Against Germany ("Claims Conference"). In connection with the Court's approval of the 2003 budget request herein, we also request reimbursement of \$326,250 for monitoring and oversight expenses in the FSU for calendar year 2003.

relief), Medical Services, and the SOS Special Needs and Emergency Cases Program, all of which are discussed in greater detail below.

The chart attached in Appendix I includes the number of Nazi Victims per region and a request for funding of various programs in those regions. A list of all Hesed programs eligible for funding is also attached in Appendix II.

The funding for each region has been allocated based solely on its per capita share of Nazi victims in the FSU. There has been an almost 13% growth in Nazi victim clients in the Hesed programs since the proposal submitted by JDC in February 2001. This is attributable to several factors: as Nazi victims age and have greater health and welfare needs more come forward to request Hesed service; the availability of Court funds has enabled the expansion of Hesed services in several regions and has drawn in clients who previously had been unaware of the Hesed services or out of their reach; and a resurvey of all Hesed clients was conducted and some clients are now classified as Nazi victims based on disclosure of their circumstances during the Holocaust.

BACKGROUND

As has been described at length in the July 2003 JDC Report, given the large number of Nazi victims in the FSU and the magnitude of problems they face, it is the opinion of JDC that these are the poorest and neediest Jews and victims of the Holocaust in the world. For over forty years, from the end of Holocaust until the fall of the Iron Curtain, they:

- lived under repressive regimes
- worked and lived in poor conditions
- had virtually no access to quality health care services
- received no reparations or compensation
- were cut off from Judaism and Jewish communal services.

After the fall of the Soviet Union, these Jewish Nazi victims continue to suffer due to:

- very low pensions, especially in comparison to high inflation
- a collapse of Soviet-era structures resulting in food shortages, the lack of decent health care and social services, and poor housing conditions
- almost no institutional care facilities for the elderly
- a very limited nascent Jewish community without its own resources to provide charitable services.

The Claims Conference is the largest partner of JDC in providing welfare services to Nazi victims in the FSU. JDC and its other partners, including local Jewish federations in the US and Canada, the Harry and Jeanette Weinberg Foundation, and World Jewish Relief in the UK make available the balance of funding for Hesed centers to serve those Nazi victims not

benefiting from Swiss Banks Settlement and Claims Conference funds, and to also serve other poor elderly Jews who are not Nazi victims and therefore do not benefit from restitution funds.

The Court has charged JDC with the management and administration of funds for Jewish victims of Nazi persecution in the FSU under the "looted assets class" of the Swiss Banks Settlement. On November 22, 2000 the Court adopted the Distribution Plan, under which funds are to "be allocated wholly to the network of social service programs known as the 'Heseds', created by JDC in 1992..."²

As described in detail in the Distribution Plan and the July 2003 JDC Report, for almost 60 years, the JDC has been the central agency providing relief to Jewish victims of Nazi persecution in Central and Eastern Europe and the FSU. As an indigenous Jewish voluntary sector develops in the area, the JDC has undertaken and implemented its more recent programs in consultation with local communities and with the aid of the Claims Conference.

The local Jewish communities of the FSU operate 177 welfare centers (generally known as "Hesed" centers) with support from the JDC in partnership with the Claims Conference.³ The "looted assets class" funds for the Hesed centers have allowed some of the approximately 135,000 destitute and elderly Jewish "double victims" of Nazism and Communism in the FSU to live their lives with a modicum of better health and greater dignity.⁴

As indicated in the July 2003 JDC Report, the Hesed programs served 134,296 destitute Jewish Nazi victims over the first eighteen month period funded by the Court (June 28, 2001 to December 31, 2002). In the *Proposal for the First Year of Operations* submitted to the Court in February 2001 JDC indicated that the Hesed programs were then serving 119,100 Nazi victims. Swiss Banks Settlement funds thus have enabled the Hesed programs to provide services for some of the additional 15,000 needy Nazi victim clients who have come to the program for assistance in the past two years. Court funds have also helped meet the shortfall created by the previously scheduled termination of the International Nazi Persecutee Relief Fund (NPRF) and the resulting expiration of non-recurring United States and Dutch NPRF grants for

² Distribution Plan, p. 122.

³ These programs are described in great detail in pages 122-130 of the Distribution Plan.

⁴ As described in the Distribution Plan (p. 128), JDC has developed a comprehensive management information system (MIS) that records all Hesed client data. As part of the client intake process, each new recipient of Hesed welfare services must provide data about his or her economic condition as well as his or her family, housing and health situation. Clients are also asked about their status during World War II so as to be able to determine which clients were victims of the Nazis and eligible for funding from the Swiss Banks Settlement and other restitution sources. The Hesed intake questionnaire was included as Exhibit 6 of the Distribution Plan and an updated version of this questionnaire was included in the July 2003 JDC Report in Appendix I, on file with the Court. In 2001, all existing Hesed clients were resurveyed regarding their situation during World War II. A copy of this resurvey instrument was included as Appendix II in the July 2003 JDC Report.

the Hesed programs. Had the Court's funds not been available the Hesed programs would have had to cut back on services to their current Nazi victim clients.

The Hesed centers' services include hunger relief programs, homecare, winter relief and medical services. As noted above, "looted assets class" funds are used for the General Welfare Program (providing food packages, hot meals, homecare and winter relief), Medical Services, and the SOS Special Needs and Emergency Cases Program, all of which are described in greater detail below.

The program of services is "bare-bones." Simply stated, Nazi victims in the FSU receive fewer welfare services than provided to their "double victim" counterparts in Central and Eastern Europe or to Nazi victims in other parts of the world.

As indicated in the July 2003 JDC Report, "looted assets class" funds have imparted some relief, but they nevertheless accounted for only approximately one quarter of services to the FSU's Nazi victims in 2001 and 2002. For example, in the reporting period, the FSU Hesed network provided welfare services to a total of 134,296 destitute Jewish Nazi victims. While virtually all of them received food packages, "looted assets" funds only covered food packages for 40,352 Nazi victims, or 30 % of the total.

The FSU Hesed programs are relatively inexpensive when compared to similar programs in other transitioning economies. For example, it costs on average \$20 for each JDC food package provided in Romania to a Jewish Nazi victim, while a food package in the FSU costs on average \$7. This difference is due largely to the fact that the Romanian Jewish community provides a more extensive range of foodstuffs in the package. Due to budget limitations in the FSU, a more modest food package is all that can be provided (see details below in the "Hunger Relief Programs" section).

PROGRAM PROPOSAL

There are 177 Hesed programs located in 13 countries⁵ that provide aid and services to Jewish Nazi victims (listed in Appendix II). Together, they provide services in over 2,700 localities, across eleven time zones, in 15 countries⁶ ranging from Hesed centers in major cities and large towns to direct services to individuals living alone in rural areas.

While all older adults in the Soviet successor states have suffered, the JDC has documented that the elderly Jewish population, and most notably Jewish victims of Nazi

⁵ Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Ukraine, and Uzbekistan.

⁶ Hesed welfare services are provided in Tadjikistan and Turkmenistan even though no welfare center is located there.

persecution, has encountered hardships disproportionately greater than those facing the non-Jewish elderly population. These conditions are discussed in detail on pages 11-13 of the July 2003 JDC Report.

In simplest terms, the combination of the magnitude of poverty experienced by the elderly Jewish population in general, with the large number of Nazi victims who are suffering, makes the Jewish Nazi victims in the FSU the most underserved in the world.

GENERAL WELFARE PROGRAMS

The JDC provides general welfare programs to help alleviate some portion of this suffering. There are three components to the general welfare programs: hunger relief programs, homecare and winter relief. Details concerning each follow.⁷

I. HUNGER RELIEF PROGRAMS

In order to address the nutritional needs of elderly Jews and ease their living costs, the JDC has initiated hunger relief programs comprising food packages and hot prepared meals in congregate or domestic (meals-on-wheels) settings.

A. Food Packages

“Looted assets class” funds provide for monthly or quarterly food packages as well as special food packages prepared four times per year for holidays. A Hebrew University of Jerusalem nutritionist has made recommendations regarding the contents of the food packages, which have been developed and adjusted according to the availability of and request for local products. These packages contain non-perishable basic staples, including flour, pasta, rice, other grains, beans, sugar, oil and a protein source such as canned fish.

Food packages supplement the meager diets of the elderly Nazi victim population. When combined with other items that the elderly can obtain, they will stave off hunger and most effects of malnutrition.

In Russia, for example, according to data released by the State Statistics Committee at the end of 2002, the cost of the minimum set of foodstuffs in Russia during the third quarter of the year amounted to almost a full two-thirds of the average pension.⁸ Hased food packages are provided an average of eight times a year. While some clients get monthly food packages, due to budgetary constraints, others receive them only quarterly and some clients get food packages only before Passover and Rosh Hashanah.

⁷ Much of the material in this section was also discussed, in some greater detail, in the July 2003 JDC Report. For the Court's convenience it is repeated below as well.

⁸ 39 Million Russians Living in Poverty, Anton Mikhailov, gazeta.ru, November 11, 2002.

B. Meal Programs

The Hesed network provides two hot meal programs: congregate meals and meals-on-wheels. These meal programs are far more desirable than the mere provision of food packages every few months, as they provide Nazi victims with daily nutrition as well as the collateral benefit of socialization with others.

Due to limited funding meals are provided only once a day, on average of four times per week, and most clients who receive a hot meal are ineligible to receive monthly food packages as well.

1. Congregate Meals

There are communal dining rooms in the Hesed centers that serve congregate meals approximately four times per week. Where there is no local Hesed building, Hesed clients eat at a local cafeteria during a special daily time that is rented specifically for their use. For most Hesed clients, this is the only hot meal they will receive during the course of a week, and their only source of protein. In many cases, these meals prevent malnutrition and starvation. A typical meal includes salad, chicken, fish or soy, a vegetable, pasta or cooked grain, and a baked dessert or fruit.

Hesed dining-rooms have assumed other roles in addition to the provision of hot meals. In many areas, they also serve as the foci for communal and cultural events, including birthdays, lectures on Jewish traditions and holidays, and concerts. Hence, congregate meals meet not only people's nutritional needs, but also their emotional and social needs. They provide the lonely and isolated elderly with a social environment.

2. Meals-On-Wheels

Meals-on-wheels are ready-to-eat, cooked meals delivered to the homebound who are unable to prepare food for themselves. Many of the meals-on-wheels recipients have not gone outside in years. Hesed centers use reusable containers to package and deliver the meals. Some also use a special method of deep freeze cooking that keeps food sterile and fresh. In these cases, the Hesed delivers several meals to the client's home at one time so they can last over the course of a week. Under this program, the Hesed employee or volunteer provides the client with his or her main contact with the outside world.

The Hesed centers rely as much as possible on volunteers to prepare, serve and deliver food packages, congregate meals and meals-on-wheels. Many of the more than 14,000 volunteers throughout the FSU are themselves needy Nazi victims. Others are involved with the Jewish community or are Jewish university students. (These volunteers are involved with the full range of Hesed services, not just meals-on wheels.)

II. HEMOCARE

As discussed above and in the July 2003 JDC Report, approximately one in ten Jewish Nazi victims in the FSU is homebound. A JDC study found that 40 % of the FSU's Jewish elderly need assistance with at least one activity of daily living (ADL) and one instrumental activity of daily living (IADL). Nazi victims need personal care assistance with at least one routine ADL, defined as eating, bathing, dressing, walking, getting in or out of a bed or chair, using the toilet, and going outside. They also require housekeeping assistance with at least one IADL, defined as preparing meals, managing medications, shopping, light housework, using the phone and getting to places outside of walking distance.

The Hesed centers develop an individual homecare plan that takes into account a client's personal circumstances, needs and preferences. Paid caregivers or volunteer members of the community provide personal care and housekeeping assistance for those who cannot perform these tasks for themselves.

In addition to providing ADL and IADL assistance, Hesed volunteers and professionals also perform minor household repairs and install prophylactic, or non-slip aids, such as handrails in bathrooms and toilets, to help prevent accidents at home. They also repair hearing aids and eyeglasses.

In more extreme cases, homecare involves pumping water from a nearby well and bringing it to the house in a pail, tending to gardens—perhaps a client's only source of vegetables—and chopping wood for heating and cooking. Services are rendered up to four times per week. Simply stated, all homecare clients benefit from the warmth and companionship of a home visitor, combating the numbing isolation, loneliness and depression that often confront the thousands whom history has left utterly alone.

Soviet successor state social welfare services, if they provide homecare at all, do not offer ADL assistance. State-funded IADL assistance is limited to occasional home delivery of groceries and prescriptions. As described in detail in the July 2003 JDC Report, government homecare services have been retrenched. There is also a large gap between the services which are mandated by law and those which the state actually provides. In the FSU, state "entitlement" does not match reality for the elderly.

The institutional care situation is even more perilous. There is virtually no proper institutional care, whether in the form of nursing homes or assisted living facilities, in any of the Soviet successor states. Where it does exist, the poor conditions would likely dehumanize an elderly Jewish population that has already suffered more than its share of trauma and hardship over a lifetime.

On average, four Hesed-provided homecare hours per week are spent with each of the Nazi victims the "looted assets class" allocation serves, which is the difference between having a measure of dignity and being soiled, dirty, malnourished or starving, dying in isolated, bereft and forgotten circumstances. Court funds have enabled the Hesed programs to end the

abandonment of a portion of a population whose voices were stilled for decades by the Nazi occupation and Soviet rule.

III. WINTER RELIEF

The Hased programs provide special winter relief to those clients most in need so they can cope with the FSU's legendary harsh winter conditions. It is not uncommon for an elderly Jewish Nazi victim to live in sub-standard housing with no heat or hot water for most of the winter. There are no government subsidies for heating in any FSU successor state, and sufficient heating can cost \$50 for a season—double the average monthly pension.

Winter relief packages are distributed once per winter. They may comprise heating and cooking fuel, including coal, wood and gas, as well as blankets, coats, sweaters and boots. This one "kit" has to last throughout a long harsh winter and, due to budgetary limitations, is only available to alleviate freezing conditions for the most needy of this very poor Nazi victim population. This is a service unique among the dozens of countries where JDC provides welfare services and shows the extreme conditions and needs in the FSU.

MEDICAL SERVICES

Hased medical services include subsidies for prescription medicines and free medical consultations. They supplement existing state medical services, provide access to prohibitively expensive medications and diagnostic tests, and provide medical training to Hased and community practitioners.

As discussed in the July 2003 JDC Report, the erosion of the tax base and deteriorating economies of the Soviet successor states have prevented individual governments from providing their citizens with comprehensive health care, which has emerged as the primary social welfare problem.

The basics of medical care, such as adequate and regular supply of medications and surgical equipment and postgraduate training for doctors and nurses, are often nonexistent. State medical services have deteriorated dramatically since the collapse of the Soviet Union and they lack the funds to continue providing free health care, making it very difficult for the impoverished elderly to get appointments. Public clinics do not have diagnostic equipment and prescription drugs are either unavailable at state-run clinics or too prohibitive in cost for pensioners.

As a consequence, the health and welfare of the FSU Jewish elderly Nazi victim population remains at great risk, and virtually all health indicators in the FSU show evidence of continuing decline.

State-run hospitals are in crisis as well. They are antiquated, ill equipped and inefficient. Lack of basic supplies is common to the point that patients must bring their own, including medicine, bedding and food in order to receive care. Patients also endure a multitude

of incidental costs, such as jackets for doctors or special food for themselves. The individual patient now bears the costs for previously government subsidized services, including treatment for many problems endemic among the elderly: cataract removal, treatment for hip fractures, dental treatments, surgeries and Alzheimer's Disease.

I. SUBSIDIES FOR PRESCRIPTION MEDICINES

Costs for prescription drugs frequently exceed pension allowances several-fold. The Hesed center subsidizes these costs by either making an arrangement with a local pharmacy to provide needed medications to its clients or obtaining *pro bono* pharmacist services at a Hesed dispensary.

The lack of basic medicines is a leading cause of death amongst the Jewish elderly in the FSU, and the situation is even more serious in remote regions due to sporadic distribution and scant supply of medicines to provincial clinics.

Hence, "looted assets class" funding has enabled JDC to significantly increase its ability to respond to unmet needs for basic medication. It allows Hesed centers to purchase manufactured drugs, and provide clients with familiar medications. Given the prescription drug costs in the FSU, this service is highly significant.

II. MEDICAL CONSULTATIONS

The Hesed centers also provide medical consultations to Nazi victims. A physician examines ambulatory Nazi victims at the local center. Jewish Healthcare International (JHI) has trained Hesed physicians, most often local Jewish doctors volunteering their time, to be aware of the particular medical problems of Jewish Nazi victims. Hesed physicians also receive the most up-to-date epidemiological information for the FSU from the *JDC Medical Newsletter*. In addition, Hesed-affiliated doctors and nurses visit the homebound, which has proven to be lifesaving to Nazi victims who cannot afford home visits.

Together, these medical services are essential for individuals who might otherwise not have their health problems diagnosed or treated.

SOS SPECIAL NEEDS AND EMERGENCY CASES PROGRAM

In 1999, JDC established the SOS Special Needs and Emergency Cases Program with private donations. At first, it was open to all members of the Jewish community, regardless of age or pension status. However, the need was so great that the program became a casualty of its own success. Were it not for Court funds, the program would no longer exist. It has been

redesigned so that only Hased clients who meet "looted assets class" criteria can receive SOS assistance.⁹

The Court-funded SOS program has brought direct relief to thousands of Jewish Nazi victims across the FSU. It enables the Hased centers to help those whose personal needs are too expensive for the regular program budget. By answering the most pressing needs of destitute survivors, the program has extended and improved the lives of thousands.

Since the start of the SOS program in 1999, each Hased established an Emergency Aid Committee to review SOS applications against specific criteria in order to determine eligibility for the funds. The average SOS grant is \$50.

The range of SOS goods and services includes:

1. Health services, including drugs, hearing aids and glasses, emergency dental care, hospitalization costs such as surgery, adult diapers, bedding, test-strips, medical tests and transportation, laundering of soiled clothes, as well as prostheses and the purchase of rehabilitative equipment and rehabilitative courses of treatment.
2. Food and utilities, including emergency food supplies and payment of utility debts.
3. Extra winter relief such as the purchase of heating fuels (wood, coal and gas) and heating appliances, clothing, boots, blankets.
4. Home repairs for houses and apartments, including roof repairs and other building materials.
5. Purchase and repair of household goods and electrical appliances, including stoves, refrigerators, furniture, and telephones.
6. Other humanitarian aid, including, for example, the purchase of pots and pans, sinks, and toilets; dentures; bedpans; adaptation of bathrooms for the elderly; special medical equipment; provision of water jugs to enable a Nazi victim to bring water from a well to her home and outhouse; the purchase of a cow to provide milk for a client in a remote rural area; connection of a gas pipeline to heat a home; and, payment of rent to prevent eviction.

⁹ There is a very limited SOS program, made possible by private grants to JDC, for Hased clients who are not Nazi victims and therefore not eligible for "looted assets class" funding.

CONCLUSION

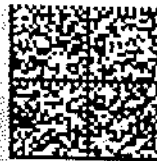
For the reasons set forth above, JDC respectfully submits this proposal to the Court and requests that it be approved for calendar year 2003. This will enable the Hesed programs in the FSU to continue to provide vital and life-sustaining welfare services to the poorest Jewish victims of Nazi persecution in the world.

APPENDIX I

**SWISS BANKS SETTLEMENT "LOOTED ASSETS CLASS"
JDC PROPOSED 2003 FSU BUDGET FOR HESED WELFARE SERVICES**

	Total Jewish Nazi Victim Clients	General Welfare	Medical Program	SOS	Total Budget	% of Total FSU Jewish Nazi Victims Clients
Kiev & West Ukraine	20,957 \$	1,736,299 \$	565,207 \$	244,528 \$	2,546,034 \$	15.6%
Kharkov, Ukraine	8,074 \$	639,868 \$	239,822 \$	101,208 \$	980,898 \$	6.0%
Odessa	12,348 \$	978,860 \$	376,000 \$	145,280 \$	1,500,140 \$	9.2%
Dnepropetrovsk, Ukraine	15,064 \$	1,258,125 \$	395,403 \$	176,574 \$	1,830,102 \$	11.2%
St. Petersburg, Russia	16,100 \$	1,329,358 \$	438,749 \$	187,857 \$	1,955,964 \$	12.0%
Minsk, Belarus	12,060 \$	1,006,040 \$	316,394 \$	142,717 \$	1,465,151 \$	9.0%
Kishinev, Moldova	2,325 \$	194,337 \$	60,996 \$	27,128 \$	282,461 \$	1.7%
Volga, Russia	11,274 \$	924,223 \$	313,892 \$	131,546 \$	1,369,661 \$	8.4%
Moscow, Russia	18,097 \$	1,512,696 \$	474,737 \$	211,144 \$	2,198,577 \$	13.5%
Urals, Russia	5,300 \$	429,308 \$	139,045 \$	75,536 \$	643,889 \$	3.9%
Siberia, Russia	1,772 \$	143,143 \$	51,459 \$	20,676 \$	215,278 \$	1.3%
Northern Caucasus	4,521 \$	366,166 \$	115,742 \$	67,341 \$	549,249 \$	3.4%
Georgia	181 \$	15,129 \$	4,748 \$	2,112 \$	21,989 \$	0.1%
Azerbaijan	189 \$	12,700 \$	5,421 \$	1,925 \$	20,046 \$	0.1%
Central Asia	2,462 \$	192,962 \$	72,916 \$	33,227 \$	299,105 \$	1.8%
Baltic States	3,572 \$	282,072 \$	86,790 \$	65,094 \$	433,956 \$	2.7%
Total Allocation	134,296 \$	11,021,286 \$	3,657,321 \$	1,633,893 \$	16,312,500 \$	100.0%

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