

## Candidly Speaking: Claims Conference self-aggrandizement (Jerusalem Post)

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The management of the Conference on Material Claims against Germany (Claims Conference) is ecstatic after having successfully forced two Israeli journalists to publicly apologize and praise them.

In 2008, Israeli TV aired a program titled Moral Reparations – The Struggle Continues, which bitterly condemned the management of the Claims Conference for refusing to prioritize financial disbursements to ameliorate the desperate plight of aging Holocaust survivors unable to live out their remaining years in dignity.

The program was partly based on a report commissioned by the Jewish Agency from forensic accountant Yehuda Barlev, but never released after the Claims Conference stated that it would review its allotments toward the Agency.

The Claims Conference sued the show's producers Orly Vilnai and Guy Meroz for libel, alleging that the program was "anti-Semitic" and presented "a cruel and distorted calumny."

In order to intimidate future potential critics, they demanded the exorbitant amount of NIS 4 million in damages. Ultimately, presumably at the behest of the insurance company reluctant to remain engaged in lengthy and costly court proceedings, a settlement was negotiated for a much smaller amount – NIS 150,000 – which it was agreed would be donated to a Holocaust survivor fund chosen by the journalists.

In addition, the Claims Conference obtained a written apology praising them for "acting tirelessly on behalf of the Jewish people" and its "unprecedented contribution to assisting Holocaust survivors."

However, while acknowledging that "in the course of our struggle to correct what we saw as a historical and inhuman injustice... we failed to present the whole picture," there was no acknowledgement by the journalists of any specific factual error in their film.

Moreover, as part of the settlement, Vilnai and Meroz insisted on including a sentence stating that "the frustrating gap between the desire to help Holocaust survivors which is shared by the entire Jewish people, and the actual condition of Holocaust survivors requires criticism – on occasion harsh if deserved – directed at those who set policy in this area, as well as of those who implement it, since this is a sacred task."

The Claims Conference management is now exploiting this settlement as a means of diverting attention from the legitimate criticisms and increasing anger directed against them over recent years. Chairman Julius Berman forwarded memoranda to the media and Jewish organizations, exulting over the outcome, even praising by name the senior officers conducting the costly legal campaign which had been in process for years. He did not disclose how much money the Claims Conference diverted from Holocaust funds towards this lawsuit.

In order to attempt to balance the equation, I would challenge Mr. Berman and his Chief Executive Officer to respond to the following issues which continue to concern Jews throughout the world.

**1.** In view of the pitiful state of the diminishing number of ailing survivors, many of whom continue to be denied a dignified life in their remaining years and cannot even afford to pay for basic food, fuel and medical expenses:

a) Has there been an independent review of the existing allocations provided toward major charitable causes like hospitals and Israeli infrastructure which do not directly benefit survivors? Has consideration been given to prioritizing funds from these projects toward survivors?

b) Will the Claims Conference consider temporarily freezing allocations to all nonsurvivor related funds in order to at least partially improve the catastrophic living conditions of these hapless people?

**2.** In February 2010, it was revealed that there had been a massive theft of funds specifically earmarked by the German government for Holocaust survivors. The Claims Conference initially specified that the amount stolen was \$350,000. But later it was reported that the theft was in excess of the staggering sum of \$50 million.

Last November Der Spiegel stated the sum had reached \$57 million! It was subsequently disclosed that six corrupt Claims Conference officials, including senior employees working out of their own New York head office, had been looting these funds for over 15 years – under the very noses of the highly paid senior executives. Repeated warnings that a single part-time internal comptroller was absurdly insufficient for an organization handling billions of dollars were ignored until it was too late.

Nobody can dispute that it was the responsibility of the Claims Conference management to oversee the allocation of these funds. Yet as of today, not a single person has accepted accountability. The CEO even had the gall to insist that everything was in order because there was no deviation from standard procedures. The management adamantly refused to authorize an independent forensic audit in order to evaluate what took place, ensure that no theft had occurred in other areas and that appropriate precautions had been imposed to avoid a repetition.

The issue was raised at the last Claims Conference annual meeting and, after the chairman praised the manner in which his officers had dealt with the issue, the board responded by enthusiastically carrying a bizarre motion of confidence in their management.

It is inconceivable that any normal private or public institution would refuse to accept accountability and fail to demand resignations or at least censure of management after such a massive fraud has been perpetrated on their watch.

The public is entitled to demand that the management reveal the precise quantity of funds stolen and advise as to whether there is any intention of introducing a genuinely independent forensic audit to review the entire organization.

Or has the question of accountability for failure to implement oversight over these funds now been permanently shelved?

**3.** The Board of Deputies of British Jews commissioned an independent review (the Gruder Report) following complaints from Holocaust victims that the Claims Conference lacked “transparency and accountability” and had behaved unethically in the sale of Jewish German properties.

The report was highly critical of the Claims Conference’s moral conduct, suggesting that reprehensible efforts had been implemented to prevent heirs from recovering property stolen from their families. The matter was raised at the last annual board meeting – and dismissed by the chairman, who treated the request to review the situation with utter contempt. Is this the last word on this matter?

4. Is it acceptable for the largest charitable institution in the Jewish world, which has been responsible for the disbursement of over \$80 billion of restitution funds, to continue to be headed by the same elected officers for over a decade, notwithstanding complaints that the chairman has inordinate powers and runs the organization like a personal fiefdom?

5. The board, which meets annually and whose directors have great difficulty comprehending the complexity of the allocation of funds, has rarely, if ever, rejected a recommendation from the allocations committee and effectively serves as a rubber stamp for the management.

This situation is exacerbated by potential conflicts of interest of directors whose organizations receive funding from the Claims Conference. Is it not now imperative to set up an independent committee to review the entire procedure of allocations in order to ascertain what can be done to ameliorate the tragic plight of the survivors – the greatest scandal of our time in the Jewish world? The concerns related to above have been frequently raised previously. Yet the Claims Conference management has arrogantly opted to deflect any criticism by demonizing anyone challenging their policies. What is needed is not self-aggrandizement, but genuine soul searching and, even at this late hour, fulfilling the obligation to consider drastic initiatives to overcome the scandalous suffering of elderly Holocaust survivors living in penury.

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