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## SWISS BANKS HOLOCAUST



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LEGAL SERVICES

Special Master Judah Gribetz  
Holocaust Victim Assets Litigation  
P.O. Box 8300  
San Francisco, CA 94128-8300

December 14, 2003

Dear Mr. Gribetz:

The Blue Card is the one and only organization in the United States that has been dedicated exclusively to serving needy Holocaust victims/survivors since 1939. We are requesting the privilege and responsibility of distributing \$10,000,000, from the Holocaust Victim Assets Litigation Fund, to needy Holocaust survivors, including child survivors and those of advanced age.

The Blue Card provides cash grants to needy survivors across the United States for essential expenses such as rent subsidies, medical and mental health care, dental care, prescription drugs, housing issues, end of life care, as well as one-time emergencies. Originally established to help those fleeing Nazi oppression, the scope of the Blue Card's mission was expanded to include all Jewish survivors after World War II. Grants are provided on a monthly basis, based upon each survivor's income and expenses. We do not provide funds for any services that are covered by any other sources, whether public or private, and we do not require affiliation with any branch of Judaism.

Today we support almost a thousand survivors, disbursing over half a million dollars in 2003. Yet there is much more help these survivors need, and many more are on our waiting list. Our grants are limited only by the amount of funds we are able to raise. The Blue Card also serves as a disbursing agent for the Claims Conference Holocaust Survivor Emergency Assistance Program to survivors across the United States.

As we already have the procedures and mechanisms in place, the Blue Card would be the ideal agency to distribute funds

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Your contributions  
are tax deductible

from the unclaimed Swiss bank funds settlement. We have a low overhead and employ a small staff of caring, compassionate and efficient people.

The average income of the single survivors we serve is only \$11,777, placing them well below the poverty level. Those who still have spouses also live in dire financial straits. Since most survivors are clustered in metropolitan areas, particularly around New York, they face high prices for basic necessities.

The United States is a bad place for poor people to live. It lacks the social safety net of Western Europe and Canada, but has outgrown the family and community spirit still present in many poorer nations. Most of the Blue Card's clients have patched together support from government benefits and Jewish charities as well as they can, but still come up short.

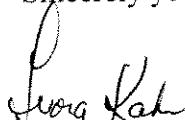
The Blue Card is there to provide monthly checks to cover rent, medications, psychotherapy, and other ongoing needs, and to step in with a quick infusion of cash during crises. No other Jewish charitable organization provides ongoing monthly support to this population.


A grant from the Holocaust Victim Assets Litigation fund would make it possible for us to meet more of the needs of our current clients, take on many new clients, and be there to support most clients for the remainder of their lives.

We hope that you will decide to support our work. If you need any additional information, please call Sandra Wiesel at 212-239-2251.

Thank you for giving us the opportunity to apply for this grant.

Sincerely yours,

  
Leora Kahn  
President

  
Michael D. Lissner  
Chairman, Board of Directors

## Proposal to the Special Master for Funding for The Blue Card, Inc.

The Blue Card is requesting a one-time grant of \$10,000,000 from the Swiss Bank Litigation Settlement Fund, to expand and maintain our financial assistance to needy Nazi survivors as they age. The Blue Card is the only agency in the United States devoted exclusively to serving Nazi survivors that limits the survivors we serve to those who are Jewish and have demonstrated financial need. Aid is provided in the form of a check sent directly to the needy with a minimum of red tape.

Among nations, the United States has the third largest share of survivors—15%, after Israel (36%) and the former Soviet Union (23%). Of the estimated 127,000 survivors in the United States, about 17,000 are poor. Within the nation, the state of New York has 42% of survivors, as many as are found in the next 6 states put together. Jewish Nazi victims are mostly clustered in a few states, and in a few cities within each state.

The Blue Card serves survivors nationwide. In communities without access to Claims Conference Emergency Funds, we act as the distributing agent. Jewish organizations in every state know they can refer Nazi victims to us, as do the federal, state, and local government (see APPENDIX 1).

In addition to the Claims Conference, we receive financial support from the Jewish community across the United States, ranging from large grants from foundations, to small collections from Jewish schoolchildren. Sometimes, our beneficiaries themselves make a \$10 contribution to support their fellow survivors.

About 70% of Blue Card beneficiaries live in the New York City metropolitan area. This is not merely because our office is located in Manhattan. The New York City metropolitan area is home to more than one-third of all poor Jewish households in the United States.<sup>1</sup> This is partly due to immigration: over 250,000 Jewish immigrants arrived in the United States from the former Soviet Union during the 1990's, and many settled in New York City.<sup>2</sup> Like earlier

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<sup>1</sup> Demography population tables by Sergio Della Pergola, "World Jewish Population 2002," *American Jewish Year Book 2002*, New York, 2002; and "Vulnerable Populations: Income," in *Jewish Community Survey 2000*, Ukeles Associates, 2000.

<sup>2</sup> Hebrew Immigrant Aid Society, the main agency assisting Jewish migration from the FSU to the United States.

immigrants, those who succeeded financially often moved on to other parts of the country, while those who remained poor stayed where they started out.

There are some entitlements available to survivors: welfare, SSI, Medicaid, and food stamps. There are reparations from Germany and emergency funds from the Claims Conference. Yet for Blue Card recipients, all these sources of income still leave many living hand to mouth. Our survivors' yearly income averages less than \$12,000.

**CASE STUDY:  
*Hidden Child, born in Lvov, Poland, 1942***

Sara Baron (not her real name) describes her own experience:

*"Since my mother was in hiding from the Germans and unable to care for me, she asked some non-Jewish neighbors to help me. Throughout the war, various people took me in, some of whom neglected my care and even abused me. I was unable to talk until I was five years old, when I was reunited with my mother after the war."*

Although Sara worked full-time for many years, she has become totally disabled by severe depression and numerous physical ailments. When she was no longer able to work, the Blue Card stepped in to supplement her only income, social security disability payments, most of which go towards her housing expenses.

Sara was not deemed eligible for Nazi reparations. **The Blue Card pays for life-saving psychotherapy for this woman, who is sometimes suicidal. She has been receiving grants from the Blue Card, on and off, since 1988.**

Throughout this proposal, more detailed information is given for the New York City area than for the rest of the United States, even though the Blue Card serves the entire nation. This is partly because New York City has one of every three low-income Jewish Holocaust survivors in the United States. It is also the area whose Jewish community—the

largest in the nation and second largest in the world--has done the most research on its own demographics and needs.

**INFORMATION REQUESTED BY THE SPECIAL MASTER:**

**1. Number and location of Nazi victims for the proposed target group: *Jewish survivors in the United States:***

Estimates of victims in Israel, the Former Soviet Union, Europe (including nation-by-nation), the United States (including state-by-state); Australia; South America and elsewhere; and source materials upon which the data is based, including any expert opinion(s) relied upon.

**2. Number and location of needy Nazi victims for the proposed target group: *Jewish survivors in the United States:***

Estimates of victims in Israel, the Former Soviet Union, Europe (including nation-by-nation), the United States (including state-by-state); Australia; South America and elsewhere; and source materials upon which the data is based, including any expert opinion(s) relied upon.

**SEE APPENDIX 2 FOR THE DISTRIBUTION OF ALL JEWISH PEOPLE,  
THOSE WHO ARE NAZI SURVIVORS, AND THOSE SURVIVORS WHO ARE POOR  
AMONG CONTINENTS, NATIONS, AND STATES WITHIN THE U.S.A.**

**INFORMATION REQUESTED BY THE SPECIAL MASTER:**

**3. Assessment of survivor needs:**

Analysis of specific requirements (e.g., medication, food, nursing care), taking into account different social safety nets available by geographic location and availability of other sources of assistance; survivor longevity estimates by geographic location; absolute and relative poverty levels by geographic location, specifying, among other data, national statistics, United Nations and comparable non-governmental organization information.

The table below summarizes the relative needs in different parts of the world as estimated by the Conference On Jewish Material Claims Against Germany.<sup>3</sup> It shows that while the United States is a wealthy nation, it fails to meet serious needs of the low-income elderly, with policies that vary from state to state.

**RELATIVE NEEDS OF SURVIVORS IN DIFFERENT REGIONS**

<b>Nation</b>	<b>Summary Of Needs</b>
FSU	Large Numbers of survivors in need; major needs
Israel	Large Numbers of survivors in need; specific needs
USA	Small Numbers of survivors in serious need; variable by state
Europe	Moderate Numbers of survivors in need; variable needs
Rest of the World	Small Numbers of survivors in need: smaller needs

<sup>3</sup> "Exhibit 5. Summary of Implications of Needs for Planning," in *A Plan for Allocating Successor Organization Resources: Report of the Planning Committee*, Conference On Jewish Material Claims Against Germany, 2000.

## ***SOCIAL SAFETY NET:***

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Compared to the former Soviet Union, the United States has a substantial social safety net. Compared to that of Western Europe or Israel, the U.S. safety net is full of holes. Like social services around the world, those in the United States are strained by public policies that limit government spending, while the aging population (and its needs) is rapidly expanding. In many areas, the costs of housing, medical care, prescription drugs, and medical equipment are rising faster than income or other expenses.

Survivors served by the Blue Card have medical, psychological, social, and physical needs greater than those of even the average Holocaust survivor. The Blue Card serves survivors with low incomes and/or high expenses: these criteria select a disproportionate share of those individuals whose horrific experiences caused physical disabilities or emotional fragility that limit their ability to earn money, accumulate savings, or manage their finances. They frequently need special equipment, supplies and services not covered by Medicare or Medicaid. Many live alone, and lack the support of families.

## ***SPECIFIC REQUIREMENTS OF SURVIVORS***

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Holocaust survivors deserve more than living at a level of bare subsistence. They deserve being able to make use of psychotherapy to deal with their never-ending nightmares. They deserve the right to remain in their homes and communities, and not become displaced persons again. They deserve relief from worry over unpaid bills, from choosing between medicine and food.

Unlike welfare, we don't have a limit on how long we will continue to make grants. There are survivors whom we have been helping for 20 or 30 years. We help them pay their rent, pay for repairs to an old house and fix their broken-down cars so they can get to the doctor. Our assistance to this group of people is more vital than ever.

**CASE STUDY:**

***Slave Laborer, born in Gleiwitz, Germany, 1926***

Gustave Strauss (not his real name) survived Slave Labor Camps in Hungary. He worked in a mine and repaired bombed-out rail tracks. "I was young and strong and they worked me to the last drop," he says.

Gustave ended up in Buchenwald, which was liberated in 1945. He came to the U.S in 1949, and served in the U.S. Army during the Korean War. Mr. Strauss worked as a dental technician for 40 years, until his eyesight deteriorated to the point where he could no longer do precision work, and he was laid off. He then worked as a messenger for a law firm. Neither employer provides him with a pension.

Although he receives some veteran's medical benefits, Gustave and his wife pay hundreds of dollars out of pocket every month for prescription drugs. (He is a colon cancer survivor.) They are not eligible for Medicaid.

They now live on modest Social Security and food stamps and juggle major expenses by putting them on credit cards and paying out over years.

**The Blue Card provides this couple with monthly grants toward Mr. Strauss's medical expenses.**



## 1. HEALTH CARE:

Our older survivors, many of whom endured several concentration camps or slave labor camps, suffer illnesses today directly attributable to their starvation and lack of medical care during the Holocaust. The extreme physical deprivation of that time has left them with a long list of disabilities, as well as mounting medical and dental bills. The Blue Card picks up where public insurance, private insurance, government entitlements and other forms of charity leave off, paying for treatment, medication, equipment, and services that survivors would otherwise have to do without.

Many of the survivors we help are former "hidden children" who were sheltered in convents, churches, schools, or concealed behind walls, under floorboards, in storage shacks and attics. Sometimes, they were unable to walk for months after liberation. Many have spinal problems and leg disorders to this day. We also assist men and women who were experimented on by Dr. Joseph Mengele. These people endured experimental injections and surgery without anesthesia and are now suffering from unusual medical conditions.

In the United States, health care for the elderly is provided by a patchwork composed of Medicare, Medicaid, private insurance, and charity. **Medicare** is the only piece of this patchwork that is the same in every state. It requires small monthly premiums for all but the most critical medical needs (emergency and hospital care). Even with the premiums, it leaves out several major medical needs: dental care, home care, and long-term nursing home care are the most obvious. Many immigrants don't qualify for Medicare. At this time, the cost of prescription drugs is still a huge problem for some elderly survivors.

**Medicaid** varies from state to state. New York has one of the most generous Medicaid packages, but not all low-income people are poor enough to qualify for it, and it can be difficult to negotiate the red tape involved in getting and staying enrolled in the program, and making sure it pays for services used. Private charities, particularly those from the Jewish community, provide some services for those clients they can serve, but their resources are limited.

- In New York City, the Medicaid Home Attendant program in 1998 provided a median number of 28 hours per week. For individuals living alone, this can be insufficient to keep them safe and relatively healthy.<sup>4</sup>
- Many Nazi victims, especially those who were children during the war, suffered wartime malnutrition that has severely damaged their teeth. Publicly-funded dental care is very limited: for example, it may pay for root canal therapy, but not for routine fillings.
- As a result of lack of coverage or inadequate benefits, one-fifth of all New York seniors, and one-third of seniors without drug coverage reported that they skipped doses of medication or did not fill a prescription because of cost concerns. The Blue Card helps those elderly survivors who do not qualify for Medicaid to pay for private insurance.
- Elderly New Yorkers pay an average of \$ 2,430 out-of-pocket each year for medical care.<sup>6</sup>
- Mental health services covered by most insurance plans are limited to about one visit every two weeks. For Nazi victims living with severe psychological damage, it is also important that they see a trusted therapist consistently, yet many insurance plans have an ever-changing panel of providers.

## 2. HOUSING:

Homeowners' costs are continuing to rise everywhere in the United States. In many areas, the cost of rental housing has begun to decline, but in New York City, rents are continuing to rise dramatically. As of 2002, the median rent for apartments in New York City was \$708 a month, while the SSI benefit was \$639 a month.<sup>7</sup> Due to the complexities of local rent regulation, this means that tenants who change apartments see their rents double or

<sup>4</sup> "Economic Vulnerability: Jews at Risk," *The Greater Philadelphia Jewish Population Study 1996-97*, Ukeles Associates, 1997.

<sup>5</sup> "Summary of the Annual Plan for April 1, 2004 to March 31, 2005," New York City Department for the Aging, submitted for the Older Americans Act and New York State Community Services for the Elderly, September, 2003.

<sup>6</sup> Testimony by Bobbie Sacks of the Council Services for Centers for Seniors, before the Committee for the Aging of the New York City Council, December 30, 2002.

<sup>7</sup> "SSI Monthly Benefits Levels Compared to Poverty Level, 2003," Brookdale Center for the Aging of Hunter College, Samuel Sadin Institute on Law, 2003.

triple. As a result, many elderly tenants are stranded in apartments that are unsuitable for a number of reasons:

- They are in walk-up buildings, which are permitted to have 6 stories before they require an elevator.
- They are in neighborhoods which are no longer safe for the elderly.
- Essential services, like drugstores and supermarkets, are too far away.
- Tenants are unable to move around within the apartment or use its facilities because of disabilities, and no handicapped adaptations are made.
- Landlords fail to make repairs, resulting in lack of heat and hot water, leaky ceilings, and other hazards.

Nursing homes are dreaded by most elderly people. For Holocaust survivors, they are even more frightening: many who survived concentration camps and work camps have terrible associations with white lab coats, restraints and locked doors, antiseptic smells, and the sounds of other people in pain. The connection is still worse for those who were subjects in the experiments by Nazi doctors.<sup>9</sup>

There are currently 217,000 elderly New Yorkers on waiting lists for Section 202 apartments, federally subsidized housing for the low-income elderly. There are a total of 17,025 Section 202 housing units in the City.<sup>10</sup> New York is not one of the 37 states in which Medicaid will pay for a senior's rent and housekeeping services.<sup>11</sup>

### **3. SERVICES FOR SURVIVORS WITH DISABILITIES:**

The need for home-based services, beyond medical care, is rapidly rising. Nearly 240,000 elderly New Yorkers have disabilities that hinder them from going outside their homes. It is estimated that over 21 percent of the elderly in New York State age 65 and above have a self-reported vision impairment. Hearing loss affects between 30 percent and 85 percent of those over 65 years of age in New York, depending on the definition used. [SEE APPENDIX 3 FOR MORE DETAIL ON DISABILITIES AMONG ELDERLY NEW YORKERS.]

<sup>8</sup> "SSI Monthly Benefits Levels Compared to Poverty Level, 2003," Brookdale Center for the Aging of Hunter College, Samuel Sadin Institute on Law, 2003.

<sup>9</sup> "Holocaust Survivors with Alzheimer's Can Relive Old Horrors," by Tom McCann, *Chicago Tribune* Feb. 04, 2003.

<sup>10</sup> New York City Department for the Aging, op. cit.

Although "Assisted living" residences have been springing up around the country to meet the needs of elderly people with disabilities, most of them are too expensive for low-income survivors.

#### **4. THE COMPANY OF OTHERS**

For many elderly Jewish people, the isolation that often accompanies old age is compounded by the social isolation that they feel living among people who do not share their background. Many Holocaust survivors are alone because their families were killed years ago, and they have not been functional enough to create new families.

Of the 56,000 Jewish seniors 75 and older who are living alone in the New York City area, 25,000 (44%) do not have an adult child living in the area.<sup>12</sup> Of all elderly who live alone, 67% are widows or widowers.<sup>13</sup> The remainder probably do not have children. For those served by the Blue Card, we substitute for their families as well.

**SEE APPENDIX 3 FOR MORE DETAIL ON ELDERLY JEWISH NEW YORKERS LIVING ALONE.**

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<sup>11</sup> Testimony of Bobbie Sackman, op. cit.

<sup>12</sup> Metropolitan Council on Jewish Poverty, website at [www.metcouncil.org](http://www.metcouncil.org)

<sup>13</sup> New York City Department for the Aging, op. cit.

***CASE STUDY: Mengele's "Kinder Barrack,"  
born in Bucharest, Romania, 1929***

Billy Lazarowitz (not his real name) remembers how it started:

"When I was 11 or 12, the Germans put our family on one train after another until I became separated from my parents. Soon I was sent to Josef Mengele's Block 18 'Kinder Barrack' at Auschwitz, where some of the infamous experiments on twins took place. Because I spoke French, I was, for some reason, put to work learning tile laying, and I was spared. After a week I was sent to Birkenau.

"In May of 1945, I remember one day there was a big snow and a Russian came on horseback and took me away. I ended up in the Rothschild Hospital in Vienna with a group of kids. When I was well I went back to Romania to look for my parents but everything was destroyed.

Billy married in a DP camp, and immigrated with his wife to Israel, where he fought in three wars. In 1972, he came to the United States. After working as an international machine salesman, Billy is alone again and disabled. He receives meager Social Security and food stamps.

**The Blue Card, which has been Billy's only family since 1993, provides monthly support and pays for dental care beyond his reach.**

## **SURVIVOR LONGEVITY ESTIMATES**

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As of 2000, about 38% of Jewish seniors aged 55 and up in the U.S. were under the age of 65. This is probably an overestimate of American Jewish survivors aged 55-65, since among survivors in the world as a whole only 25% are in this age group. This group is significant, because it includes the youngest Nazi survivors, who would have been at least 55 in 2000. They are the ones who will need help for the longest period of time. The Claims

Conference Allocation Plan bases its projection of survivor longevity on the life expectancies for white Americans, which is close to that of Israelis before the influx of immigrants from the FSU.

### AGE DISTRIBUTION OF U.S. JEWS AND WORLD SURVIVORS

Age	World survivors	US Jews 55+	2000
Under 65	25%	38%	48,797
65 to 74	40%	32%	40,310
75 to 84	26%	23%	29,702
85 +	9%	7%	8,486
<b>Total</b>	100%	100%	127,296

To estimate the number of Jewish Nazi victims worldwide in future years, we applied the projection by the Claims Conference regarding this population's annual decline to the world population. The projection predicts a decline of 4.5% **each year** in the years from 2000-2004; 5.5% between 2005 and 2009, and 7% in the years between 2010 and 2014. To estimate the number of Jewish Nazi victims who would be in the United States and in New York City in future years, we multiplied the world number by their respective current shares of world survivors. To estimate the number of poor survivors in New York City, we multiplied the estimated number of survivors by the percentage who are currently poor.

### PROJECTED NUMBER AND POVERTY OF SURVIVORS TO 2015

	WORLD	USA	New York State		
			All incomes	Poor <sup>14</sup>	Near-poor <sup>15</sup>
<b>2000</b>	832,000	127,000	53,340	7,148	8,801
<b>2005</b>	653,986	99,827	41,927	5,618	6,918
<b>2010</b>	485,041	74,039	31,096	4,167	5,131
<b>2015</b>	337,438	51,508	21,633	2,899	3,569

The chart above indicates that there are currently almost 16,000 poor and near-poor survivors in New York State alone, and nearly 6,500 of them will still be with us in the year 2015. We can expect there to be another 16,000 or so in the rest of the United States in 2015, for a total of 25,000 poor and near-poor survivors. They will at that time have even

<sup>14</sup> "Poor" is defined as below the Federal poverty level for the given year.

greater needs than they do today, because they will be older, and have more medical and home assistance needs. Statistics show that social supports drop off sharply with age: for example, by age 75, more than half of Jewish New Yorkers are living alone.

A grant from the Swiss Bank Litigation Settlement would enable us to expand our client base and meet more of their needs. By spreading out the requested grant of \$10,000,000 over multiple years, we could increase our spending in the first year, and then continue to meet the needs of all our clients as long as we were needed. As we do now, when a client no longer needed our help, we would use the freed-up funds for another client. As the table on page 16 shows, with annual interest income from each year's remaining balance of only 2%, we could continue serving clients through 2015.

After experiencing the deep damage of betrayal in their younger years, Nazi survivors need support that is consistent and trustworthy. The Blue Card does not take on new clients and later cut off their monthly checks because our investment income is down. Once we establish a relationship with a survivor, they can count on our help for as long as they need it. It is our mission to make sure we fulfill this commitment.

#### **ABSOLUTE AND RELATIVE POVERTY:**

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In the U.S Jewish community, about 1 out of 8 households lives below the Federal poverty line. In New York City, 1 in 5 Jewish household lives in poverty. The federal poverty level is the same for all 48 mainland states, so in an expensive place like New York, it is even less adequate. For example, the median rent for an apartment in New York City is \$708, while the maximum monthly benefit under SSI is only \$639.

The Blue Card determines "need" by a combination of income and expenses, using the same income criteria as the Claims Conference: for individuals, a maximum income of

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<sup>15</sup> "Near-poor" is about twice the Federal poverty level.

\$17,920 per year, and for couples, a maximum of \$24,240. This is about double the federal poverty level. Most clients' income is well below these levels, with the average for a single survivor being \$11,777; a few have higher income, with extraordinarily high expenses. The two largest needs for elderly survivors for financial assistance from the Blue Card are for non-subsidized housing and health care.

**SEE APPENDIX 3 FOR DETAILS ON POVERTY AMONG JEWISH NAZI SURVIVORS  
IN THE NEW YORK CITY AREA AND THE U.S. AS A WHOLE**

***INFORMATION REQUESTED BY THE SPECIAL MASTER:***

**4. Recommendation for specific types of assistance:**

Estimated number of recipients, length of program, estimated costs (using percentages rather than specific dollar amounts where necessary).

The Blue Card proposes to continue its three basic services, with increases in the amounts to individual clients and a greater number of clients served.

**1. Monthly checks:** These are determined by the gap between the survivor's income and monthly expenses. For some clients, the amounts are small--\$30 to \$50 for Telephone Emergency Response System services. For others, the amount may be high: several hundred dollars for rent or ongoing prescriptions.



**2. Holiday checks:** People in poor households are less likely to join Jewish organizations and participate in communal activities than people in other households. For example, synagogue membership is 32% among U.S. adults in poor homes and 47% among other adults. In order to help Holocaust survivors participate in religious and social activities around the Jewish holidays, the Blue Card provides clients with 3 holiday checks per year totaling \$500. We propose to increase that amount to \$1,000, and to double the number of recipients.

**3. One-time emergency checks:** Whether or not they receive monthly or holiday checks from the Blue Card, Jewish Holocaust survivors are eligible for emergency assistance if they meet criteria of need. Unlike other organizations, we do not set a limit on the amount of emergency assistance we will provide. For example, a person facing eviction for months of back rent could need thousands of dollars to avoid becoming homeless. The Blue Card is also much quicker than government agencies, and even most charitable organizations, in evaluating requests and issuing checks in situations where time is short.

At present we are serving almost 1,000 individuals. Recipients of monthly checks in some cases may also receive emergency checks, when necessary. The table below shows our plan for expanding the number of recipients and the amount each receives with the proposed funding of \$1,000,000 per year, for a total of \$10 million.

**PLAN FOR SPENDING SWISS BANK LITIGATION FUNDS**

	Number of Recipients		Average \$ per check		Total annual spending	
	Current	Proposed	Current	Proposed	Current	Proposed
Monthly Checks	180	250	\$ 154	\$ 310	\$ 333,468	\$ 930,000
Holiday Checks	143	282	\$ 150	\$333	\$ 63,921	\$ 321,678
Emergency Checks	28	50	\$ 1,276	\$ 2,500	\$ 35,728	\$ 125,000
			<b>TOTAL for all Checks</b>		<b>\$ 433,117</b>	<b>\$1,376,678</b>

*Note: Figures for "Proposed" amounts include the current amounts plus the additional recipients and dollars that would be funded by the Swiss Bank Litigation Funds.*

Of the \$1,000,000 spent each year, only 2% would need to be spent on new expenses, largely for an additional staff person, who would be qualified to increase outreach to survivors who may not yet be clients of agencies with whom we work. The budget would be as shown below:

**PROPOSED ANNUAL BUDGET FOR FUNDS REQUESTED FROM THE SWISS BANK ASSETS PROCEEDS**

<b>PROGRAM SERVICES</b>	<b>98%</b>
Grants to individual clients	\$ 947,383
Direct counseling of clients	\$ 15,000
Technical assistance to other organizations serving clients	\$ 5,000
Processing checks for clients	\$ 2,000
Outreach & education	\$ 9,000
Subtotal	\$ 978,383
<b>ADMINISTRATION</b>	<b>2%</b>
Salaries/Fringe (for time not spent on service delivery above)	\$ 16,500
Rent	\$ 4,000
Phone	\$ 1,117
Subtotal	\$ 21,617
<b>TOTAL</b>	<b>\$ 1,000,000</b>

Our mission includes supporting survivors during their entire lifetimes, so it is crucial that we ensure sufficient funds in the future, when the increased need for home care and other expensive services grows with the age of the survivor population. The table below shows that the requested funds would last until 2015 even in a worst-case scenario in which average annual interest was only 2%. If higher interest rates are available on the unspent portion of the grant, it will last longer.

**LENGTH OF TIME \$10 MILLION WILL LAST IF \$1,000,000 IS SPENT EACH YEAR STARTING IN 2005, WITH REMAINDER INVESTED**

Interest rate earned	# of Years	Last Year
2%	11	2015
5%	13	2017
8%	17	2021

**INFORMATION REQUESTED BY THE SPECIAL MASTER:**

**5. Recommended distribution agency: *The Blue Card***

Description of prior experience with humanitarian aid distribution in general and programs serving Nazi victims in particular; estimated administrative expenses (using percentages where necessary); attach latest financial and/or other programmatic reports for recommended agency.

The Blue Card was founded nearly 70 years ago by refugees from Nazi tyranny. We have been helping Jewish Holocaust survivors in the United States of America since 1939. The organization helps those survivors across the nation who still suffer from the aftereffects of Nazi persecution, are sick or emotionally unstable, have been unable to achieve economic independence, or have lost it through sickness or old age. In many cases, the Holocaust has deprived them of a supporting family. The Blue Card operates in a manner that preserves the survivor's dignity and avoids bureaucratic red tape.

The Blue Card's activities do not duplicate those of other Jewish welfare agencies. It is the only organization in the United States that:

- provides **direct** cash payments on an **ongoing monthly** basis
- to Jewish Holocaust survivors (of **any denomination**)
- who demonstrate **financial need**, as documented by social workers
- in **any part of the United States**

Since its inception, the Blue Card has given over \$12 million in grants to individuals. Survivors do not apply directly to us, but must be referred by other agencies. Two of these are Selfhelp Community Services, based in New York City and Nassau County; and Jewish Family Services, which has offices in every major U.S. city. These organizations rely on us to fill the gap in ongoing financial support that often remains when they have done all they can

for their clients. We partner with them to avoid wasteful duplication of activities: they determine which survivors are eligible for our assistance, and what precisely are their needs. The Blue Card has the systems and financial controls in place to reliably and efficiently distribute funds to an ever-changing list of recipients.

**CASE STUDY:**  
***Auschwitz Survivor, born in Hungary, 1926***

Mrs. Mendlowitz (not her real name) is a double amputee whose medical problems date back to her years without shoes in Auschwitz. After the war, she had unsuccessful treatment in Sweden, Hungary and Israel. Doctors were unable to halt the spread of gangrene; both her legs were amputated above the knee.

Ms. Mendlowitz worked for 17 years at Macy's, and now receives a modest pension from them. She also receives a small quarterly payment from the Claims Conference for Holocaust Survivors. Her 86-year-old husband, also a Hungarian survivor, does not receive restitution and has only Social Security payments. They are spending the little they have managed to save, and expect it to last for only a few more years.

Following a stroke, Mrs. Mendlowitz has become a wheelchair user. Despite her independent spirit and motivation, she increasingly depends on her frail husband for assistance. It is getting harder for him to take her outdoors, but they cannot afford to hire someone to help. Mrs. Mendlowitz has a power wheelchair paid for by Medicare, but her apartment is not set up to allow its use. Instead, she relies on an aging manual chair, which is getting harder to maneuver.

**The Blue Card provides monthly grants for her prescription medications, and serves as the disbursing agent for the Claims Conference Holocaust Emergency Assistance Program when circumstances demand special help.**

The Blue Card picks up where other agencies leave off, providing help such as monthly assistance, when needed; funds for one-time emergencies; and grants at the Jewish holidays.

Most of our beneficiaries qualify for some government benefits, such as food stamps, Social Security retirement and/or disability payments, Medicaid, and Medicare. However, these essential supports do not always cover rising costs such as rent and medicine, and they leave no room for additional necessities like transportation, over-the-counter medications, hearing aids, toiletries, winter clothing, repairs, laundry, and any small extras that can make life more secure and pleasant.

#### DISTRIBUTION OF BLUE CARD GRANTS TO SURVIVORS IN 2003

CATEGORY	PERCENT
Claims Conference Emergency Assistance	30%
Rental Assistance	24%
Medical/Dental/Mental health	15%
Jewish Holidays	15%
Prescription Drugs	7%
Emergency Assistance	5%
Food	3%
Telephone Emergency Response Systems	1%
TOTAL	100%

At present, Blue Card is supporting almost a thousand individuals, disbursing almost half a million dollars in 2003. Each recipient needs more help than we can give, while more survivors remain on a waiting list until funds become available.

Since many of Blue Card's individual donors are survivors or former refugees themselves, The Blue Card continues the European-Jewish values of mutual assistance. Support has an impact on recipients that goes beyond money. Some clients tell us that The Blue Card is playing the role of a family they have lost, or that we gave them back the dignity of financial independence.

The Blue Card expects its work to be completed no more than 25 years in the future. Today, however, our responsibilities are increasing rather than diminishing. Over the years, our target population has expanded as Jews from other European nations who were also affected by the Nazis have moved to the U.S. The last decade, in particular, has seen many Jews who fled eastward after the war, leave Poland, Hungary, and Russia for the U.S. Depending on when they came, they may be unable to receive any government assistance, such as Supplementary Social Insurance (SSI) or Medicare, despite their elderly status.

The Blue Card has a staff of two paid employees, assisted by volunteers who do clerical work, make telephone calls, and speak to groups about our activities. Over 4,000 individuals make financial contributions, and administrative costs are entirely covered by legacies to the organization.

**DISTRIBUTION OF 2003 EXPENSES [1]** *(preliminary estimate)*

<b>PERCENT TO DIRECT SERVICES</b>	<b>84%</b>
<b>Total to Direct Services</b>	<b>\$ 629,468</b>
Grants to individual clients	\$ 540,000
Other services	\$ 89,468
<b>PERCENT TO ADMINISTRATION</b>	<b>16%</b>
<b>Total to Administration</b>	<b>\$ 124,286</b>
Salaries & fringe benefits [2]	\$ 40,900
Rent	\$ 22,000
All other	\$ 61,386
<b>Total Spending</b>	<b>\$ 753,754</b>

[1] Additional revenue of \$184,172 will be placed in an endowment fund.

[2] For time not spent on direct services

NOTE: The Blue Card serves a small number of second-generation victims, the children of survivors. The expenses above include grants to those individuals, although any funds granted in response to this proposal would be restricted to use for actual Holocaust survivors, not their children.

**SEE ATTACHED AUDITED FINANCIAL REPORT FOR 2002.**

**INFORMATION REQUESTED BY THE SPECIAL MASTER:**

**6. Names, addresses and affiliations of all persons and organizations**

Associated with or endorsing the proposal.

**Sandra Wiesel, Executive Director**, has been actively involved in Jewish communal life for most of her career. The daughter of a rabbi, she worked her way up from being the rabbi's personal assistant to executive director at various synagogues. From 1990 to 2000 she served as the Director of the Hebrew Free Burial Association where she developed new services, guiding the organization from being a little-known charity to becoming a household name in the metropolitan New York Jewish community. In 2000 Mrs. Wiesel became the Executive Director of the Blue Card where she has introduced fundraising programs, upgraded computer technology, and expanded public education regarding of the true plight of aging Holocaust survivors. Mrs. Wiesel has a Bachelors Degree in Psychology from Stern College, Yeshiva University.

## BOARD AND OFFICERS

Name	Title	Address & Affiliation
<b>Leora Kahn</b>	<b>President</b>	Photo editor, Workman Publishing 708 Broadway, NYC, NY 10003
<b>Michael D. Lissner</b>	<b>Chairman of the Board</b>	Elder law specialist, Lissner & Lissner 250 W. 57 St. Ste. 615, NYC NY 10107
<b>Zeva D. Oelbaum</b>	<b>First Vice President</b>	Zeva Oelbaum Photo 140 W. 22 St., 9th Flr., NYC NY 10011
<b>Frank Harris</b>	<b>Vice President</b>	Survivor c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
<b>Margit Ulrich</b>	<b>Vice President</b>	Survivor c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
<b>Corey Sclar</b>	<b>Treasurer</b>	Investment analyst 189 W. 89 Street #7R, NYC, NY 10024
<b>Martin Schwarzschild</b>	<b>Assistant Treasurer</b>	Survivor 1068 Berkshire Drive, Deerfield Beach, Florida
<b>Erica Teutsch</b>	<b>Secretary</b>	Survivor, Elder specialist Goddard Riverside Community Center 593 Columbus Ave., NYC, NY 10024
<b>Steven E. Bing</b>	<b>Assistant Secretary</b>	Survivor, second generation, Attorney, Steven E. Bing, Esq., 144 E. 44 St., 6 <sup>th</sup> Flr., NYC, NY 10017
Jonathan Alter	Director	Senior Editor, Newsweek 251 W. 57 St., NYC, NY 10019
Gina Angelone	Director	Film producer, SA KWA Pictures 109 Ridge Road, Hartsdale, NY 10530
Stephen A. Daniel	Director	Grant Writer c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Carl Dubovy, MD	Director	Survivor c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Susan M. Erda	Director	Attorney 144 E. 44 St., 6 <sup>th</sup> Flr., NYC, NY 10017
Henry A. Froehlich	Director	Survivor c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Frank A. Harris	Director	Survivor, former client c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Fran Kaufman	Director	Marketing, Rosenberg & Kaufman Fine Art 115 Wooster St., NYC, NY 10012
Helen Kober	Director	Survivor, former Executive Director c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Rabbi Steven C. Kushner	Director	Rabbi, Temple Ter Tamid 936 Broad Street, Bloomfield, NJ 07703
Max Liebmann	Director	Survivor, American Gathering 122 W. 30 St., NYC, NY 10001
Lini Lipton	Director	Survivor c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Morris Sasson, DDS	Director	Survivor, second generation c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Elizabeth Shamir	Director	Investment broker 1322 Wentz Drive, Fort Washington, PA 19034
Sy Stricker	Director	Survivor c/o Blue Card, 171 Madison Avenue, NYC, NY 10016
Lewin Weyl	Director	Survivor, second generation c/o Blue Card, 171 Madison Avenue, NYC, NY 10016



**APPENDIX 1: Letter from Sally Richardson, Director of the Medicaid Bureau of the United States Department of Health and Human Services, referring an elderly survivor to the Blue Card for assistance.**



FQA-422

MAY 23 1994

6325 Security Boulevard  
Baltimore, MD 21207

[REDACTED]  
[REDACTED]  
[REDACTED]

Dear Ms. [REDACTED]

President and Mrs. Clinton asked us to thank you for your letter regarding medical assistance. Although the President and First Lady would like to answer each letter personally, the demands of their office make this impossible. Your letter was referred to us because we have the responsibility for the administration of the Medicare and Federal portion of the Medicaid program.

We are sorry to learn of the problems you are having and can understand your need of medical assistance. Although agencies of the Federal Government sponsor a variety of programs to improve the living conditions of people who are having difficulties, the public welfare departments in each State are directly responsible for services and payments to needy people. For more information, you may want to contact the Department of Public Social Services at 12860 Crossroads Pkwy., South, City of Industry 91746. The telephone number is 908-8383.

A member of my staff contacted Ms. Florence Smeraldi at an organization called "Blue Card." "Blue Card" is a financial assistance association that provides financial aid to Jewish people who immigrated to the United States from Central Europe because of Nazi persecution. The address and telephone number are 2121 Broadway, New York, NY 10023, (212) 873-7400.

You may also be interested to know that there is a Pharmaceutical Manufacturers Indigent Patient Program that will provide free medication to indigent patients, with certain stipulations. A physician's referral is needed and an individual cannot be eligible for medical assistance. Enclosed is a list which includes the pharmaceutical manufacturers who participate in the program and the medications available.

Sincerely yours,

Sally K. Richardson  
Director  
Medicaid Bureau

Enclosure

cc:

Ms. Florence Smeraldi

**APPENDIX 2: Number and location of Nazi victims, and of needy Nazi victims, in the world and in the United States.**

**WORLD DISTRIBUTION OF JEWISH NAZI VICTIMS AND POVERTY AMONG THEM**

	Jewish population [1]		Jewish Nazi Survivors [2]		Jewish Nazi Survivors Who Are Poor [3]		
		% of world total	Nazi Survivors	% of world total	Number	% of Nation's Jews	% of World total
<b>WORLD</b>	<b>18,767,100</b>	<b>100.0%</b>	<b>832,000</b>	<b>100%</b>	<b>251,000</b>	<b>30%</b>	<b>100%</b>
<b>AMERICA</b>	<b>11,994,300</b>	<b>63.9%</b>					
North	6,064,000	32.3%					
USA	5,515,000	29.4%	127,000	15%	17,000	13%	7%
Canada			20,000	2%			
South	362,700	1.9%					
Central	52,600	0.3%					
<b>EUROPE</b>	<b>1,580,800</b>	<b>8.4%</b>					
Western Europe	1,051,800		96,000	12%	19,000	20%	8%
European Union	1,032,100	5.5%					
France			50,000	6%			
Other West	19,700	0.1%					
Former [4] Soviet Union	434,000	2.3%	194,000	23%	119,000	61%	47%
Other East/Balkans	95,000	0.5%	46,000	6%	21,000	46%	8%
<b>ASIA</b>	<b>5,000,500</b>	<b>26.6%</b>					
Former [4] Soviet Union	28,000	0.1%					
Israel	4,952,200	26.4%	326,000	39%	65,000	20%	26%
Other	20,300	0.1%					
<b>Africa</b>	<b>88,300</b>	<b>0.5%</b>					
North	7,500	0.0%					
South	80,800	0.4%					
<b>Oceania</b>	<b>103,200</b>	<b>0.5%</b>					
Australia			20,000	2.4%			

[1] Source: "Demography Population Tables," by Sergio Della Pergola, *World Jewish Population 2002*, American Jewish Year Book, 102, New York, 2002.

[2], [3] Source: *A Plan for Allocating Successor Organization Resources: Report of the Planning Committee, Conference On Jewish Material Claims Against Germany, June 28, 2000.*

[4] Asian states are included in the estimate of Nazi survivors.

**APPENDIX 2: Number and location of Nazi victims, and of  
needy Nazi victims, in the world and in the United States.  
[CONTINUED]**

**DISTRIBUTION OF NAZI VICTIMS IN THE USA AND POVERTY AMONG THEM [1]**

State	Percent in Meed Registry	Number [2]	Poor	Near-poor
New York	42%	53,340	7,148	8,801
California	15%	19,050	2,553	3,143
Florida	8%	10,160	1,361	1,676
New Jersey	7%	8,890	1,191	1,467
Illinois	5%	6,350	851	1,048
Pennsylvania	4%	5,080	681	838
Ohio	3%	3,810	511	629
Maryland	3%	3,810	511	629
Massachusetts	2%	2,540	340	419
Michigan	2%	2,540	340	419
Connecticut	1%	1,270	170	210
Texas	1%	1,270	170	210
Other States	7%	8,890	1,191	1,467
<b>TOTAL in U.S.A.</b>	<b>100%</b>	<b>127,000</b>	<b>17,018</b>	<b>20,955</b>

[1] Source: Meed Registry

[2] Source: Meed percentage applied to population estimate from the "Demography Population Tables," by Sergio Della Pergola, *World Jewish Population 2002*, American Jewish Year Book, 102, New York, 2002.

**APPENDIX 3: NEEDS OF JEWISH SURVIVORS SERVED BY THE BLUE CARD**

**ELDERLY NEW YORK CITY RESIDENTS WITH DISABILITIES <sup>16</sup>**  
 (excludes residents of institutions, such as nursing homes)

Type of disability	Number over 65	Percent
Any type	874,396	100 %
Sensory	121,160	14 %
Physical	274,727	31 %
Mental	125,174	14 %
Self-care	115,025	13%
Go-outside-home	238,310	27%

**AGE DISTRIBUTION OF JEWISH SENIORS AND NUMBER LIVING ALONE<sup>17</sup>**

Age	Total in New York Area	Number living alone	% living alone
65-74	79,000	27,000	34%
75-84	74,000	37,000	50%
85+	27,000	19,000	71%
<b>Total</b>	<b>180,000</b>	<b>83,000</b>	<b>46%</b>

The table below shows the relative size of the low-income portion of the Jewish community in New York City itself, the nearest suburbs, both areas together, and the United States as a whole. For the purpose of this study, poverty was defined as the Federal poverty level at the time, which was an annual income of \$8,350 for a single person in 2000.

**ABSOLUTE & RELATIVE POVERTY IN NYC VS. THE USA**

New York Area	# Jewish people	# who are poor <sup>18</sup>		% who are poor
		Households	People	Households
New York City	455,000	96,000	226,000	21%
Suburbs <sup>19</sup>	180,000	7,000	18,000	4%
8-County Area	635,000	103,000	244,000	16%
United States	5,515,000	n.a.	738,228	13%

<sup>16</sup> 2000 Census of Population and Housing - Summary File 3 New York State Data Center Disability Profile

<sup>17</sup> "Vulnerable Populations: Isolated Older Adults," *Vulnerable Populations & Human Services*, Jewish Community Services, Ukeles Associates, 2000.

<sup>18</sup> "Vulnerable Populations: Income," op. cit.

<sup>19</sup> The suburbs included in this survey were Westchester, Nassau, and Suffolk counties.

**The Blue Card Inc.**  
**2003 Budget & Prior Year Comparison**

	Actual 2001	Actual 2002	Forecast 2003
<b>Revenues, Gains (Loss), and Other Support</b>			
Contributions	194,927	217,056	215,000
Legacies	182,073	352,937	200,000
Grants	26,436	83,996	50,000
Grants-Emergency Assistance-Claims Conference	25,025	60,046	80,000
Grants-Holidays-Jewish Philanthropic Fund of 1933	25,000	25,000	25,000
Righteous Persons Foundation	-	25,000	20,000
Investment Income	6,801	7,603	5,000
Net Unrealized Gains/(Losses) on Investments	(2,504)	118	
Insurance Claim	-	105	
<b>TOTAL</b>	<b>457,758</b>	<b>771,861</b>	<b>595,000</b>
<b>Functional Expenses</b>			
Program Services, Management, & General	590,878	566,930	595,118
Fundraising	44,009	49,072	36,000
<b>TOTAL</b>	<b>634,887</b>	<b>616,002</b>	<b>631,118</b>
<b>Change in Net Assets</b>	<b>(177,129)</b>	<b>155,859</b>	<b>(36,118)</b>
Net Assets at the Beginning of the Year	553,617	376,488	532,347
<b>Net Assets at the End of the Year</b>	<b>376,488</b>	<b>532,347</b>	<b>496,229</b>

<b>Functional Expenses Detail</b>	Actual 2001	Actual 2002	Forecast 2003
<b>Program Services, Management, &amp; General</b>			
Salary	90,011	69,530	83,000
Payroll taxes and fringe benefits	22,871	32,296	30,000
Professional Fees	2,710	2,875	4,000
Computer Supplies	1,134	580	1,250
Depreciation	3,612	3,862	-
Insurance	4,128	4,993	5,000
Office Expenses	4,662	8,132	6,000
Postage	6,141	5,948	6,000
Equipment Rental	1,542	2,034	1,668
Printing & Artwork	2,595	1,673	1,500
Rent	20,908	21,396	22,000
Miscellaneous	1,329	1,191	1,500
Telephone	2,652	2,666	2,700
Outreach & Education	1,011	230	500
Grants to Clients	425,572	409,524	430,000
Subtotal	590,878	566,930	595,118
<b>Fundraising</b>			
Salary, Payroll Taxes & Fringe	12,542	11,314	-
Events	1,889	2,984	3,000
List Rental	5,467	6,168	5,000
Printing & Artwork	18,452	18,656	18,000
Postage	4,955	8,519	10,000
Videos	199	-	-
Other	505	1,431	-
Subtotal	44,009	49,072	36,000
<b>TOTAL</b>	<b>634,887</b>	<b>616,002</b>	<b>631,118</b>

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THE BLUE CARD, INC.

FINANCIAL STATEMENT

DECEMBER 31, 2002

-ooo0ooo-

**GORSKY & FINDER**  
CERTIFIED PUBLIC ACCOUNTANTS

# GORSKY & FINDER

CERTIFIED PUBLIC ACCOUNTANTS

NEW JERSEY

NEW YORK

SEYMOUR FINDER, C.P.A. (N.J. & N.Y.)

SAMUEL C. GORSKY, C.P.A. (N.J. & N.Y.)

HELEN K. CINO, C.P.A. (N.J. & N.Y.)

185 ENGLE STREET  
ENGLEWOOD, N. J. 07631

(201) 569-9595-6

FAX (201) 569-2314

## Independent Auditor's Report

To the Officers and Trustees of  
The Blue Card, Inc.

We have audited the accompanying statement of financial position of The Blue Card, Inc. as of December 31, 2002, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material aspects, the financial position of The Blue Card, Inc. as of December 31, 2002, and its changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

March 19, 2003  
Englewood, N. J.





THE BLUE CARD, INC.  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2002

Assets:	
Cash & cash equivalents	\$393,032
Grants and contracts receivable	44,692
Prepaid expenses	1,123
Investments	119,056
Furniture and equipment (net of accumulated depreciation)	6,382
Security deposit	3,297
	-----
Total assets	\$567,582 =====
Liabilities and net assets:	
Accounts Payable and accrued expenses	\$2,470
Deferred compensation payable	32,761
	-----
Total liabilities	35,231 -----
Net assets:	
Unrestricted (includes \$100,000 board designated operating reserve)	532,351
Temporarily restricted	0
	-----
Total net assets	532,351 -----
Total liabilities and net assets	\$567,582 =====

THE ACCOMPANYING LETTER IS AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

THE BLUE CARD, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Revenues, gains(loss) and other support:</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Contributions	\$217,056		\$217,056
Legacies	352,937		352,937
Grants	83,996		83,996
Grants-emergency assistance - Claims Conference		\$60,046	60,046
Grants-holidays - Jewish Philanthropic Fund of 1933		25,000	25,000
Grants - Righteous Persons Foundation		25,000	25,000
Net assets released from restrictions:			
Satisfaction of purpose	110,046	(110,046)	0
Investment income	7,603		7,603
Insurance Claim	105		105
Net unrealized gains & realized loss on investments	118		118
	-----	-----	-----
<u>Total</u>	771,861	0	771,861
	-----	-----	-----
<u>Functional expenses:</u>			
Program services	518,219		518,219
Management and general	48,711		48,711
Fundraising	49,072		49,072
	-----	-----	-----
<u>Total</u>	616,002	0	616,002
	-----	-----	-----
Change in net assets	155,859		155,859
Net assets at the beginning of the year	376,492		376,492
	-----	-----	-----
Net assets at the end of the year	\$532,351	\$0	\$532,351
	=====	=====	=====

THE ACCOMPANYING LETTER IS AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

THE BLUE CARD, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

---

Change in net assets	\$155,859
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,862
Increase in grants and contributions receivables	(43,617)
Decrease in prepaid expenses	4,028
Decrease in investments	1,021
Decrease in accounts payable and accrued expenses	(1,123)
Decrease in deferred compensation payable	(31,495)
	<hr/>
Net cash and cash equivalents used by operating activities	88,535
Cash and cash equivalents at beginning of the year	304,497
	<hr/>
Cash and cash equivalents at the end of the year	\$393,032
	=====

THE ACCOMPANYING LETTER IS AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

THE BLUE CARD, INC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The Blue Card, Inc. is a not-for-profit organization whose mission is to provide assistance to needy Holocaust Survivors and their families. Funding for operations of The Blue Card, Inc. is derived from contributions from individuals, legacies, other not-for-profit organizations and income from idle funds. The Blue Card, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization as described in Code Section 509(a)(1) and 170(b)(1)(A)(vi).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCRUAL BASIS

The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to focus the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions as required by the new accounting standards for Not-for-Profit Organizations.

ADOPTION OF NEW ACCOUNTING STANDARDS

The Blue Card, Inc. adopted the provisions of Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS 116), Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations" (SFAS 117), and Statement of Financial Standards No. 124 "Accounting for Certain Investments Held by Not-for Profit Organizations" (SFAS 124). SFAS 116 established broad standards for reporting contributions in financial statements issued by not-for-profit organizations and requires these financial statements to focus on the entity as a whole. Amounts related to an organization's financial position and contributions are to be reported in three classes of net assets-permanently restricted, temporarily restricted and unrestricted. SFAS 124 establishes standard of accounting that requires not-for-profit organizations to report equity securities (with readily determinable fair value) and all debt securities at fair value with gains and losses included in the statement of activities.

Under SFAS 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted  
Temporarily restricted  
Permanently restricted

CONTRIBUTIONS

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

THE ACCOMPANYING LETTER IS AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

THE BLUE CARD, INC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

CASH AND CASH EQUIVALENTS

All highly liquid investments purchased with maturities of three months or less are considered cash equivalents.

CASH CONCENTRATION

The Organization has invested its excess cash in certificates of deposits which are insured by the Federal Depository Insurance Coverage (FDIC) up to \$100,000.

FURNITURE AND EQUIPMENT

Furniture and equipment are stated at cost if purchased or at fair market value when donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and equipment	3 to 7 years	\$15,914
Less accumulated depreciation		(9,532)
		-----
		\$6,382
		=====

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND EQUIVALENTS

Cash and Cash Equivalents are comprised of the following:

Checking Account	\$26,042
Money Market	11,992
Money Market - J.P. Morgan	32,761
Money Market - C. Schwab	322,237
	-----
	\$393,032
	=====

NOTE 3 - INVESTMENTS

Investments at December 31, 2002 consisted of the following:

Certificates of Deposit (with original due dates of more than ninety days)	\$102,667
Investments (at fair market value) - C. Schwab	16,389
	-----
	\$119,056
	=====

THE ACCOMPANYING LETTER IS AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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THE BLUE CARD, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 4 - DEFERRED COMPENSATION

The Blue Card, Inc., prior to January 2001, did not maintain an approved Internal Revenue Service retirement plan. In lieu of a retirement plan, they maintain a deferred compensation arrangement for their prior employees. In addition to the amount contributed, each employee is entitled to the investment income earned on their account.

Beginning in the year 2001, The Blue Card, Inc. initiated a non-contributory 403B retirement plan for their current employees. The establishment of the 403B plan finalized the organization's responsibility under the deferred compensation arrangement.

NOTE 5 - NET UNREALIZED AND REALIZED GAINS ON INVESTMENTS

For the year ended December 31, 2002, the investments sustained a net gain.

Net unrealized and realized gains on investments	\$118 =====
--	----------------

NOTE 6 - COMMITMENTS

In December 1998, The Blue Card, Inc. signed a five-year lease agreement for office space. As of December 31, 2002 the minimum annual lease payments are as follows:

2003	\$17,500 =====
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THE BLUE CARD, INC.  
 SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 7 - FUNCTIONAL EXPENSES

Expenses are allocated on a functional basis between the program expenses, management and general expenses and fundraising. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses are common to several functions are allocated by management.

	<u>PROGRAM</u> <u>EXPENSES</u>	MANAGEMENT & <u>GENERAL</u> <u>EXPENSES</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salary	\$50,216	\$19,314	\$7,725	\$77,255
Payroll taxes and fringe benefits	23,325	8,971	3,589	35,885
Professional Fees	0	2,875	0	2,875
Computer supplies	435	145	0	580
Depreciation	0	3,862	0	3,862
Insurance	3,745	1,248	0	4,993
Office Expenses	5,873	2,259	903	9,035
Postage	4,461	1,487	0	5,948
Equipment rental	1,526	508	0	2,034
Printing & artwork	837	836	0	1,673
Rent	16,047	5,349	0	21,396
Miscellaneous	0	1,191	528	1,719
Telephone	2,000	666	0	2,666
Outreach & Education	230	0	0	230
Fundraising				
Events	0	0	2,984	2,984
List Rental	0	0	6,168	6,168
Mailing & Artwork	0	0	18,656	18,656
Postage	0	0	8,519	8,519
	-----	-----	-----	-----
Total	108,695	48,711	49,072	206,478
Grants to clients	409,524	0	0	409,524
	-----	-----	-----	-----
Total expenses	\$518,219	\$48,711	\$49,072	\$616,002
	=====	=====	=====	=====

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THE BLUE CARD, INC.  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 8 - GRANTS TO CLIENTS

Grants were made by The Blue Card, Inc. during the year ended December 31, 2002 to designated individuals as follows:

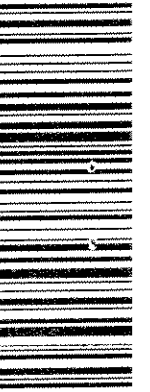
	<u>DOLLAR AMOUNT</u>
Emergency Assistance	\$38,512
Medical/Dental/Mental Health	100,782
Food	19,575
Prescription Drugs	39,300
Rent Assistance	99,682
Multiple-handicapped Adult Care	6,000
Claims Conference Emergency Assistance	49,171
Telephone Emergency Response Systems	4,232
Jewish Holidays	52,270
	-----
Total	\$409,524 =====

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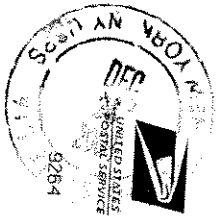
The Blue Card, Inc.  
171 Madison Ave. #1405  
New York, NY 10016



7003 2260 0007 3615 8655

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