

**UNITED STATES VICTIMS OF STATE  
SPONSORED TERRORISM FUND**



**SPECIAL MASTER'S  
REPORT REGARDING  
LUMP SUM CATCH-UP PAYMENTS TO  
9/11 VICTIMS, SPOUSES, AND  
DEPENDENTS**

**MAY 2023**

# UNITED STATES VICTIMS OF STATE SPONSORED TERRORISM FUND

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### 1. INTRODUCTION

The Justice for United States Victims of State Sponsored Terrorism Act<sup>1</sup> established the United States Victims of State Sponsored Terrorism Fund (the “Fund”) in 2015. Congress has amended the governing legislation several times, and it is codified at 34 U.S.C. § 20144 (the “Act”). Congress enacted the United States Victims of State Sponsored Terrorism Fund Clarification Act<sup>2</sup> in November 2019, amending the original legislation in significant ways that affected the administration of the Fund. The Clarification Act expanded eligibility to receive payments from the Fund, set new statutory deadlines for applications and authorizations for third-round payments, changed the payment calculation methodology, added relevant definitions, extended the life of the Fund, and increased the potential Fund deposit amounts from certain kinds of cases. It included a change that removed a statutory exclusion from payments that applied to 9/11 victims, spouses, and dependents in the Fund’s first two rounds of distributions. These claimants could receive payments beginning in the third round of distributions.

The Consolidated Appropriations Act, 2021, again amended the Fund’s governing legislation. It directed the Comptroller General of the United States to conduct an audit and publish in the Federal Register a notice of proposed lump sum catch-up payments to certain 9/11 victims, 9/11 spouses, and 9/11 dependents, and to provide a report on these payments.<sup>3</sup> The Comptroller General, Government Accountability Office (GAO) published its report in August 2021; however, Congress had not provided for funding for these payments. In 2022, the Fairness for 9/11 Families Act amended the Fund’s governing legislation for a third time and directed the Special Master to authorize lump sum catch-up payments in amounts equal to those calculated by GAO.<sup>4</sup> The Fairness for 9/11 Families Act also appropriated to the Fund the funds necessary to make these payments.

The Act, *id.* at (i), requires the Special Master to provide this report to Congress after authorizing the lump sum catch-up payments to eligible claimants. Claimants eligible for lump

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<sup>1</sup> Pub. L. No. 114-113, div. O, title IV, § 404 (Dec. 18, 2015).

<sup>2</sup> Pub. L. No. 116-69, div. B, title VII, § 1701(b)(1) (Nov. 21, 2019).

<sup>3</sup> Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, div. FF, § 1705, 134 Stat. 1182, 3293 (2020).

<sup>4</sup> Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, div. MM (Dec. 29, 2022).

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sum catch-up payments were already found eligible by the Fund and were not required to re-submit applications to be considered for the lump sum catch-up payments. GAO defined the eligible population and estimated lump sum catch-up payments for 9/11 victims, spouses, and dependents who applied for payments in the first, second, or third round of payments from the Fund and who did not receive payments from the Fund in rounds one or two.<sup>5</sup> The Fund's reports to Congress regarding its four previous rounds of distributions provide detailed information regarding the application process, application requirements, application review and adjudication, and payment conditions and limitations.<sup>6</sup> Accordingly, this report covers only the lump sum catch-up payments to 9/11 victims, spouses, and dependents.<sup>7,8</sup>

## **2. ANALYSIS OF LUMP SUM CATCH-UP PAYMENTS MADE TO ELIGIBLE 9/11-RELATED CLAIMANTS FROM THE FUND**

### **a. Number of Applications for Compensation Submitted, Approved, and Amount of Each Award**

Claimants eligible for lump sum catch-up payments were already found eligible by the Fund and were not required to re-submit applications to be considered for the lump sum catch-up payments. The August 2021 GAO report stated that 5,364 9/11 victims, spouses, and dependents were eligible to receive lump sum catch-up payments. After further review of the data, a total of 5,362 9/11-related claimants were eligible to receive lump sum catch-up payments.<sup>9</sup>

Pursuant to the Privacy Act Notice in the Fund's Application Form and its System of Records Notice,<sup>10</sup> the amount of each lump sum catch-up payment is provided in a separate addendum. The lump sum catch-up payment amounts for the 5,362 claimants ranged from approximately \$45,000 to \$1.1 million. As shown on the chart on the next page, most claimants

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<sup>5</sup> See U.S. Victims of State Sponsored Terrorism Fund: Estimated Lump Sum Catch-Up Payments, U.S. Government Accountability Office (Aug. 11, 2021). This report is publicly available on the GAO's website. See <https://www.gao.gov/assets/gao-21-105306.pdf>.

<sup>6</sup> These reports are available on the Fund's public website at <http://www.usvsst.com/news.php>.

<sup>7</sup> The Fairness for 9/11 Families Act also included provisions related to lump sum catch-up payments for other Fund claimants, see Act at (d)(4)(D); this report is limited to those for 9/11 victims, spouses, and dependents.

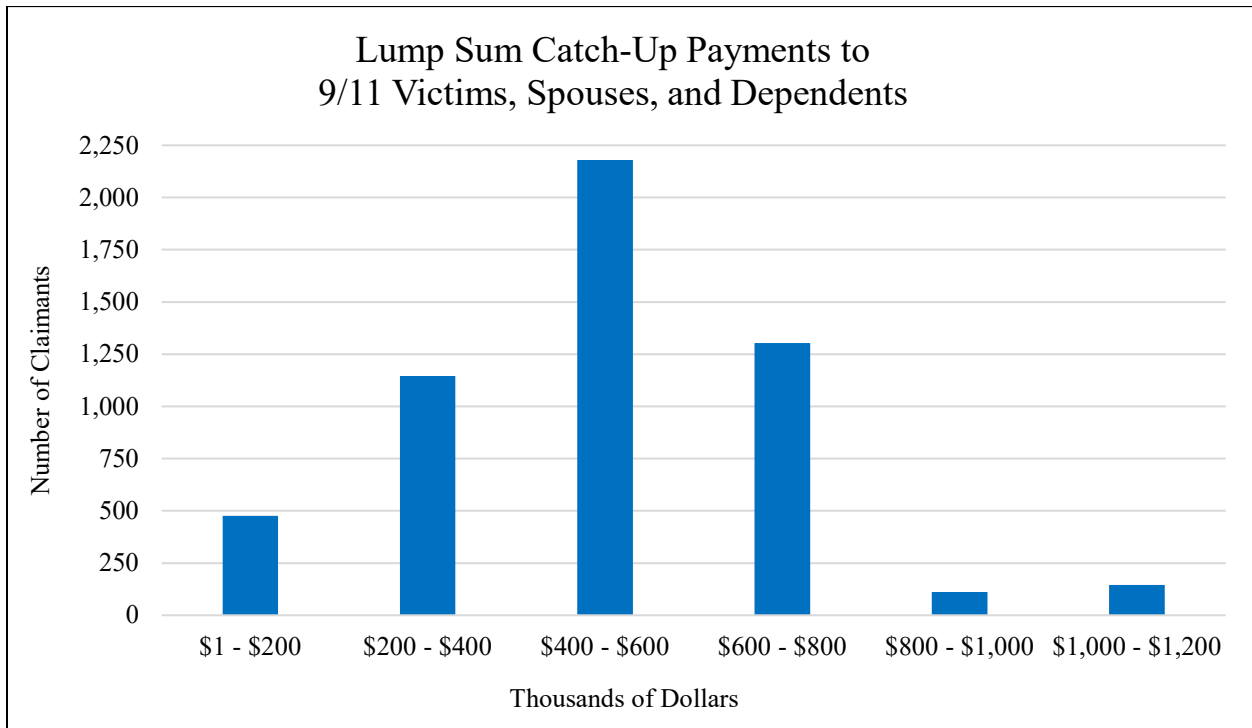
<sup>8</sup> This report provides data accurate as of the date of its submission. The Fund and claimants occasionally update claim information, so data in this report may differ from data provided in other reports.

<sup>9</sup> Three Fund claimants met the GAO criteria but were not included in the GAO calculations because they had been incorrectly categorized as 9/11 family members by the Fund. That did not affect their other payments from the Fund, but did affect the GAO's calculations of lump sum catch-up payments, reducing GAO's stated number of eligible claimants. GAO's methodology also overstated the number of eligible claimants. Each Fund claimant has only one claim before the Fund. Thus, an individual who received two separate judgments for compensatory awards (e.g., as the spouse of one victim and as the child of another victim) has only one claim before the Fund for both judgments. GAO counted five of these claimants separately in its report, inflating its total number of identified claimants. Accordingly, the actual total of 5,362 reflects the addition of the three subsequently identified claimants and the deduction of five "double-counted" claimants from the GAO report's total of 5,364.

<sup>10</sup> Department of Justice, Privacy Act of 1974; Systems of Records, 81 Fed. Reg. 45539, 45540 (July 14, 2016); modified by 82 Fed. Reg. 24151 (May 25, 2017); 84 Fed. Reg. 26901 (June 10, 2019).

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received lump sum catch-up payments between \$200,000 and 800,000. The average payment was approximately \$500,000.



### **b. Number of Applications Denied and Reasons for Denial**

Because the Fund had previously found them eligible, no claimants had to submit additional applications for the lump sum catch-up payments. As explained above, the August 2021 GAO report establishes which claimants are eligible for the lump sum catch-up payments to 9/11 victims, spouses, and dependents, and how they are calculated.

### **c. Number of Applications Pending for Which Compensatory Damages Have Not Been Paid in Full**

As explained above, this report addresses only lump sum catch-up payments. The appropriation to the Fund for the lump sum catch-up payments provides the full amount of these payments. However, none of the Fund claimants has received the full amount their compensatory damages from the Fund, and the provision of lump sum catch-up payments does not pay any claim in full. *See* previous reports to Congress, available on the Fund's public website at <http://www.usvsst.com/news.php>.

The Fund continues to issue lump sum catch-up payments to eligible claimants on a rolling basis. Those who did not receive lump sum catch-up payments to date include 78 Settling Judgment Creditors from *In Re 650 Fifth Avenue* who filed applications for conditional payment and were identified by GAO as claimants who were eligible for lump sum catch-up payments. As explained in the Fund's reports to Congress regarding other distributions,

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those claimants are allocated payment amounts, but the allocated amounts will be withheld until a final judgment is entered in that case.

**d. Total Amount of Compensatory Damages from Eligible Claims That Have  
Been Paid and Remain Unpaid**

To date, the Special Master has paid or allocated lump sum catch-up payments totaling \$2,654,659,390.69 to the 5,362 claimants eligible to receive them.<sup>11</sup> As explained above, this report addresses only lump sum catch-up payments. For information regarding all eligible Fund claimants' total compensatory damages amounts that have been paid and remain unpaid, please review the USVSST Fund's previous reports to Congress.

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<sup>11</sup> The amount paid or allocated for these lump sum catch-up payments exceeds the \$2,652,653,742 estimated in the August 2021 GAO report due to corrections to claimant information.