UNITED STATES VICTIMS OF STATE SPONSORED TERRORISM FUND

PAYMENT REPORT

DISTRIBUTIONS ONE THROUGH SIX
AND
LUMP SUM CATCH-UP PAYMENTS

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1. INTRODUCTION AND OVERVIEW OF THE FUND

Congress established the United States Victims of State Sponsored Terrorism Fund (Fund) in 2015.[1] The amended governing legislation is codified at 34 U.S.C. § 20144 (Act). The Fund provides compensation to eligible claimants who hold judgments against state sponsors of terrorism, were hostages held in the United States embassy in Iran from 1979 to 1981 and their spouses and children, or are the personal representative of such persons who are deceased.[2] In general, the Fund pays eligible claimants *pro rata*[3] based on the compensatory damage award in qualifying judgments.[4]

While no amount of money can make up for what victims of terrorism have lost, the Department and the Fund's Special Master share the goal of providing as much compensation as possible under the terms of the Act. This report details the over $10 billion in payments authorized to date for eligible Fund claimants, as well as the mounting number of claims and associated amounts outstanding and unpaid, given funding shortfalls.

In the establishing legislation, Congress set a timeline of December 2016 for the Fund to make its first distribution, and provided a one-time appropriation of $1.025 billion for it. The Special Master has authorized five more general distributions to all eligible claimants since then, doing so when the Fund had sufficient funds. Most recently, she authorized the sixth distribution by January 1, 2026, allocating $2.825 billion for the Fund's largest-ever distribution.

At the time of the initial distribution, the Fund had over 2,100 claims eligible to receive payments; for the sixth distribution, there were nearly 22,000 eligible claims—during its decade of existence, the number of Fund claims has already grown tenfold. In accordance with the

[1] Justice for United States Victims of State Sponsored Terrorism Act, Pub. L. No. 114-113, div. O, title IV, § 404 (Dec. 18, 2015).
[2] *See* Act § (c) (describing eligibility criteria).
[3] "Except as provided in subparagraph (B) and subject to the limitations described in clause (ii), the Special Master shall carry out paragraph (1), by … dividing the funds … on a pro rata basis, based on the amounts outstanding and unpaid on eligible claims…" Act § (d)(3)(A)(i)(II)-(III).
[4] *See also* Act § (c)(1)-(2).

statute, the Fund continues to accept applications and anticipates that future distributions will include more eligible claimants. Tragically, state sponsors of terrorism continue to engage in acts of terrorism, and victims of these and earlier terrorist attacks continue to file lawsuits that can result in judgments that render them eligible for the Fund.

As the number of eligible claims has ballooned, so have the associated unpaid claim amounts. After the first distribution, the claim amount outstanding was approximately $9.8 billion. As of the most recent, sixth distribution, the total amount outstanding was over $126 billion.[5] That includes over $120 billion linked to judgments against Iran, over $2 billion linked to judgments against Cuba, and over $1 billion each linked to judgments against Syria and North Korea.[6]

The Act sets forth the funding sources the Fund uses to issue payments to eligible claimants. Congress mandated three specific and limited appropriations across three distributions: one for the initial distribution and two more for lump sum catch-up payments to certain claimants. Otherwise, all funding comes from proceeds of federal enforcement actions. Given the limited funding available, the Fund has been able to pay just over $10 billion total in its decade of existence.

During the same period, the claim amounts outstanding and unpaid have ballooned to over $126 billion. The increasing claim numbers combined with limited funding have significant practical effects. For example, in the Fund's initial distribution, claimants generally received payments of 13.66 percent of their claim amounts. In subsequent distributions, claimants have generally received much lower percentages. In the most recent round, when the Fund had the largest-ever distribution amount, non-9/11-related claimants received 5.24 percent of their claim amounts, and 9/11-related claimants received 1.64 percent. Subsequent sections of this report provide more information on Fund payment operations and data.

Since its establishment, the Fund has paid approximately 13 percent of the overall non-9/11-related claimant pool's total capped compensatory damages and 7 percent of the larger 9/11-related claimant[7] pool's total capped compensatory damages.[8] It is understandable that claimants remain disappointed in the amount of compensation available to pay their eligible claims, while also anticipating further expansion of the claimant pool over time. Based on experience to date, it is unlikely that the Fund will be able to pay claimants' eligible claim amounts in full without significant additional sources of funding, in the hundreds of billions.

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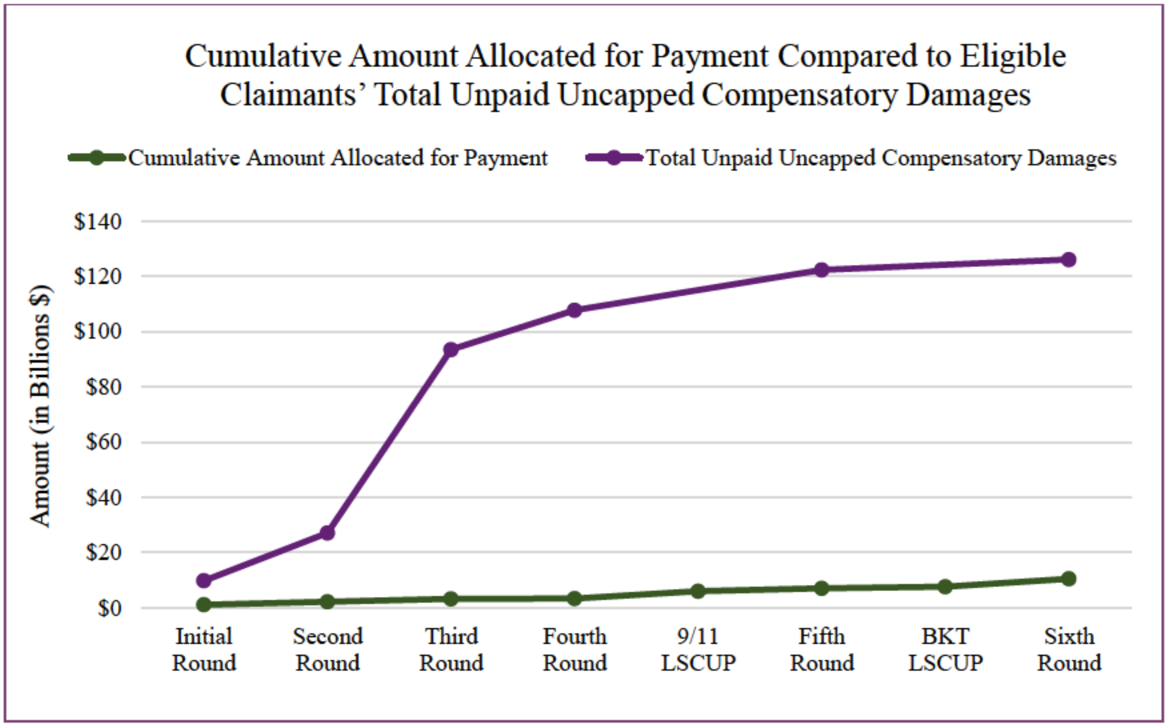
[5] The Act includes statutory caps on individual claims and on aggregated family claims. The effects of these provisions on individual claims can change over time as judgment amounts and Fund family member eligibility changes. As of the sixth distribution, the total capped amount outstanding was approximately $105 billion.
[6] Some claimants obtained judgments against more than one state sponsor of terrorism.
[7] Many 9/11-related victims may also be eligible to receive compensation from the September 11th Victim Compensation Fund (VCF). VCF claims and payments do not affect payments from the Fund. For example, the Fund does not offset VCF awards as part of payment calculations.
[8] Depending on the timing of claims filing, claimants in each pool may have received payments that are significantly higher or lower percentages.



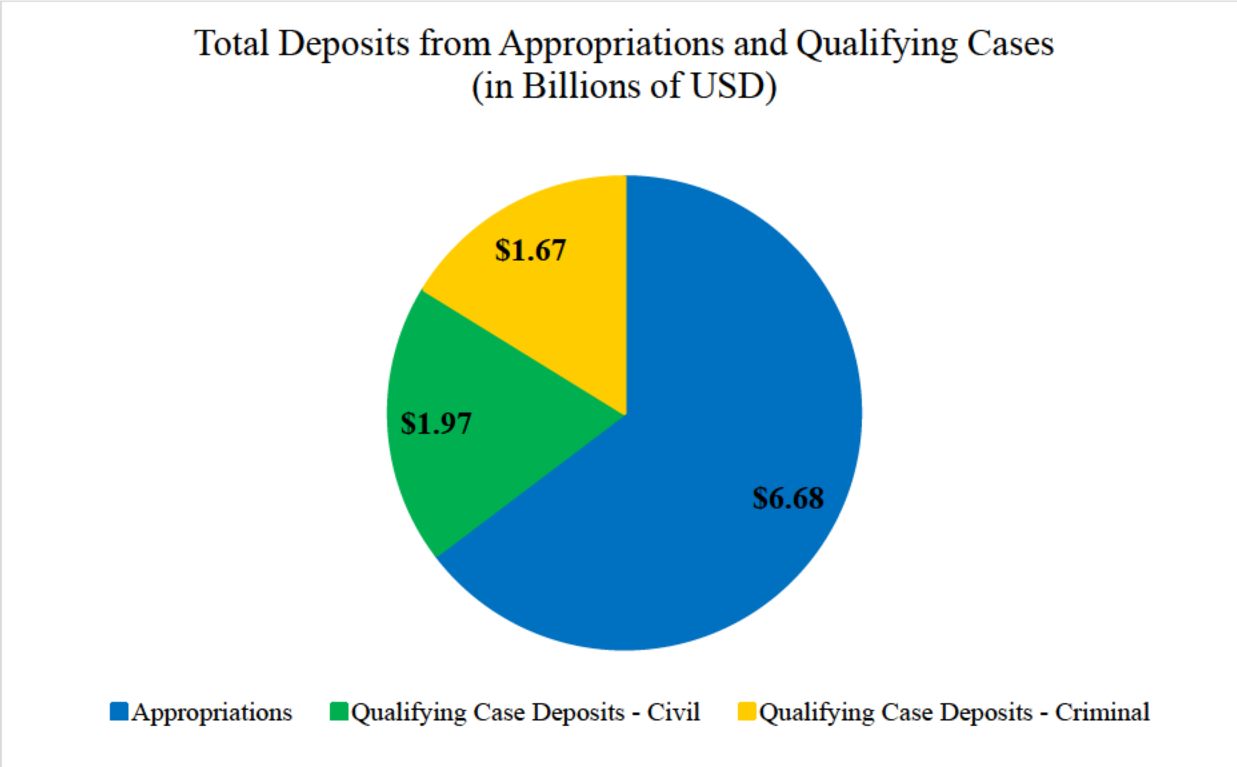
2. FUND PAYMENT OPERATIONS

The Act sets forth the requirements for all payments from the Fund. Congress has amended the statute several times to expand eligibility for payments, to direct calculation of Fund distributions to all eligible claimants, and to provide for lump sum catch-up payments to two subgroups of eligible claimants, among other changes.

Since enactment of November 2019 amendments, the Act requires the Fund to divide the total amount of funds available for a distribution in half, and to allocate one-half to non-9/11-related claimants and the other half to 9/11-related claimants. If the Fund has additional funding, eligible claimants may receive payments out of available funds in subsequent distribution rounds until all claims have been paid in full or the Fund terminates in 2039.

Since its establishment, the Fund has lacked any predictable, ongoing source of funding. The funding available has mostly come from three specific and limited Congressional appropriations, totaling approximately $6.5 billion: one for the initial distribution and two more for lump sum catch-up payments to certain claimants.[9] Other than the appropriations, all funding comes from proceeds of federal enforcement actions. Over its ten years of existence, the Fund has collected over $3 billion from civil and criminal enforcement actions connected to state sponsors of terrorism, and continues to collect qualifying amounts. Both appropriations and case collections have been unpredictable and have not kept pace with the increasing claim amounts.

[9] *See* Act §§ (e)(5), (d)(4)(C)(iv)(II), and (d)(4)(D)(iv).



To date, the Fund has issued six rounds of distributions to the entire pool of claimants eligible at the time of the distribution. The Fund has also distributed one-time lump sum catch-up payments to two subgroups of eligible claimants: 1) certain 9/11 victims, spouses, and dependents; and 2) certain victims of the 1983 Beirut barracks and 1996 Khobar Towers bombings.[10] The Act requires the Special Master to provide a report to Congress after each distribution.[11] These reports provide an overview of the Fund and sources of its funding, an explanation of the procedures for filing and processing of applications for compensation, and an analysis of the payments made to eligible claimants and the amount of outstanding eligible claims. The reports to Congress for all of the Fund's distributions are available on the Fund website.[12] The Fund also posts payment calculation explanations on its website for each distribution to the entire claimant pool.[13] The payment calculation explanations show how the Fund applies the Act to determine eligible claimants' award amounts.

This report contains aggregated Fund data[14] regarding payments to claimants eligible to receive payments. As always, the Fund and the Special Master keep the names and applications of all victims and applicants confidential in accordance with the governing laws and regulations.

[10] The Act required the Comptroller General (Government Accountability Office) to determine which eligible claimants would receive these payments and their payment amounts. Act §§ (d)(4)(C) and (D).
[11] Act § (i).
[12] *See* https://usvsst.com/Home/News.
[13] *See* https://usvsst.com/Home/Payments.
[14] This report provides data on the Fund's first through sixth distributions and lump sum catch-up payments accurate as of the date of its release. The Fund and claimants occasionally update claim information, so data in this report may differ from data provided in previous and future reports. In addition, data and figures in this report may reflect rounding.

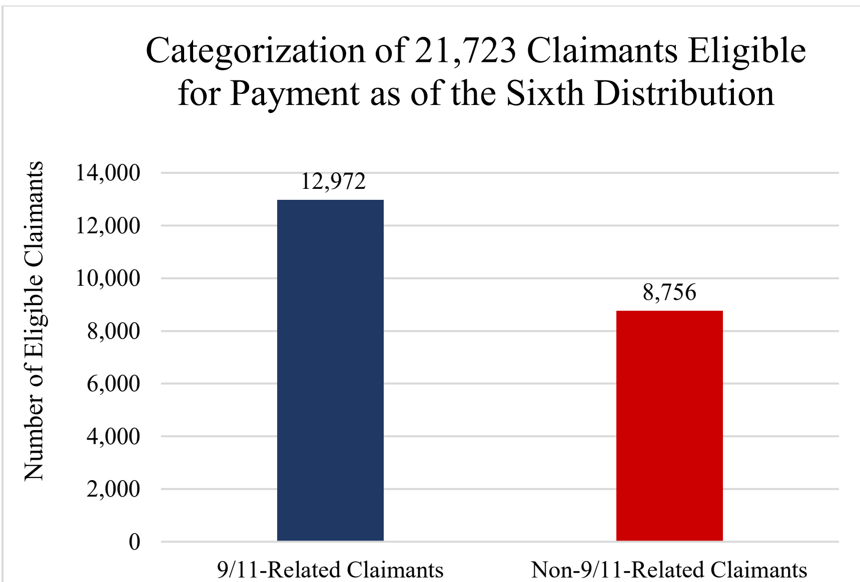
The Privacy Act Notice in the Application Form and the System of Records Notices[15] on the Fund's website provide further information.

3. FUND PAYMENT DATA

A. Background

The Fund receives new applications on a rolling basis. Once eligible, claimants may receive payments from the Fund in future distributions. Thus, a claimant who became eligible for payment from the Fund for the first time in the initial distribution generally continued to receive payments from the Fund in the second through sixth distributions. Eligible claimants do not need to resubmit an application to receive payments in future statutory distributions.

The Fund had 12,972 9/11-related and 8,756 non-9/11-related claimants eligible for payment as of the Fund's sixth distribution in 2026, for a total of 21,723 claimants eligible for payment as of the sixth distribution.[16,17]



The claimant pool has grown significantly over time, with new claimants added for each round of distribution. Claimants submitted the largest number of applications for the third distribution. After the initial distribution, most new claimants who became eligible for payment from the Fund were 9/11-related.

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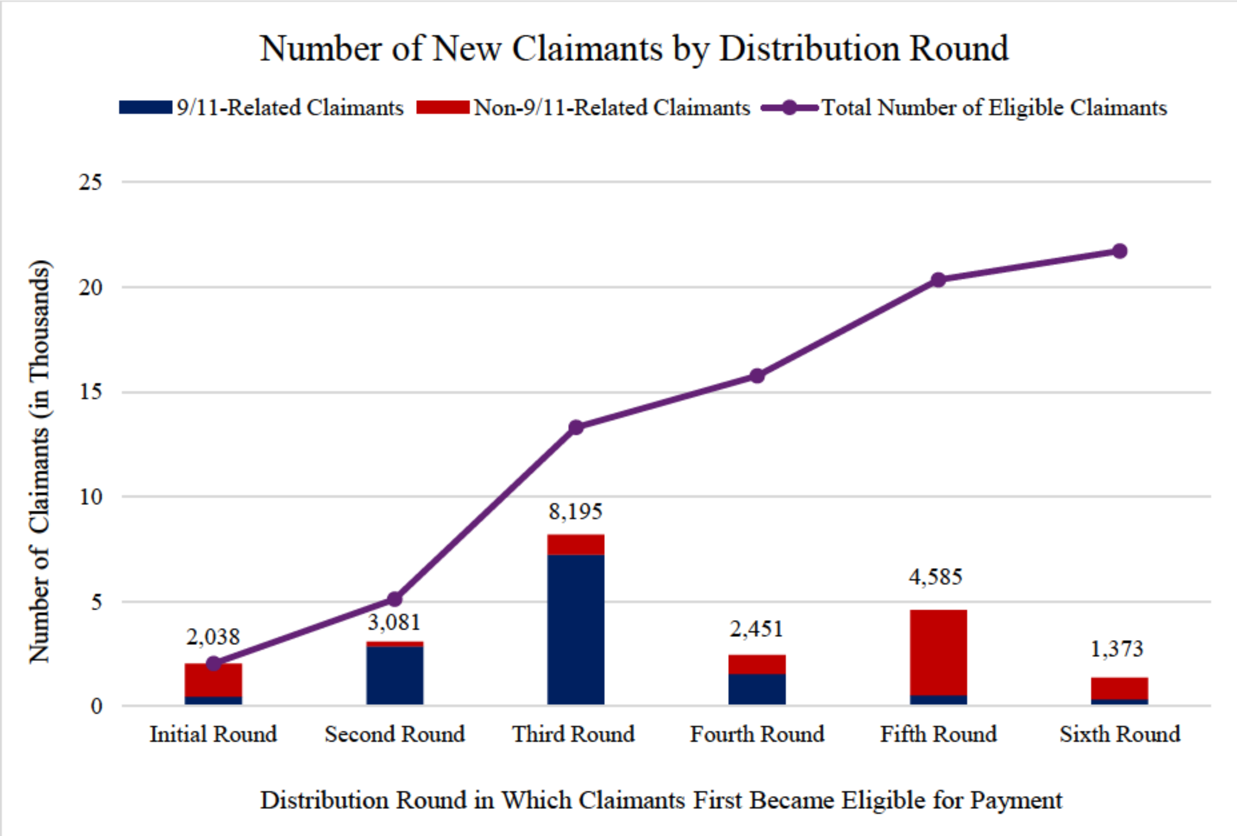
[15] *See* https://usvsst.com/Home/Notices.

[16] Not all claimants who are eligible for payment in a particular distribution received payment in that distribution. For example, claimants who have either (i) already received more than 30 percent of their total compensatory judgment amounts from other sources or (ii) received more than the maximum potential payment amount from other sources have not received awards from the Fund. However, these claimants remain eligible and could receive payments in a future distribution.

[17] Each claimant has only one claim before the Fund. Five claimants have separate judgments related to victims in 9/11 and victims in non-9/11 acts of international terrorism. These claims are counted once for the total number of eligible claims, but are included in both totals of the 9/11-related claims and non-9/11-related claims.



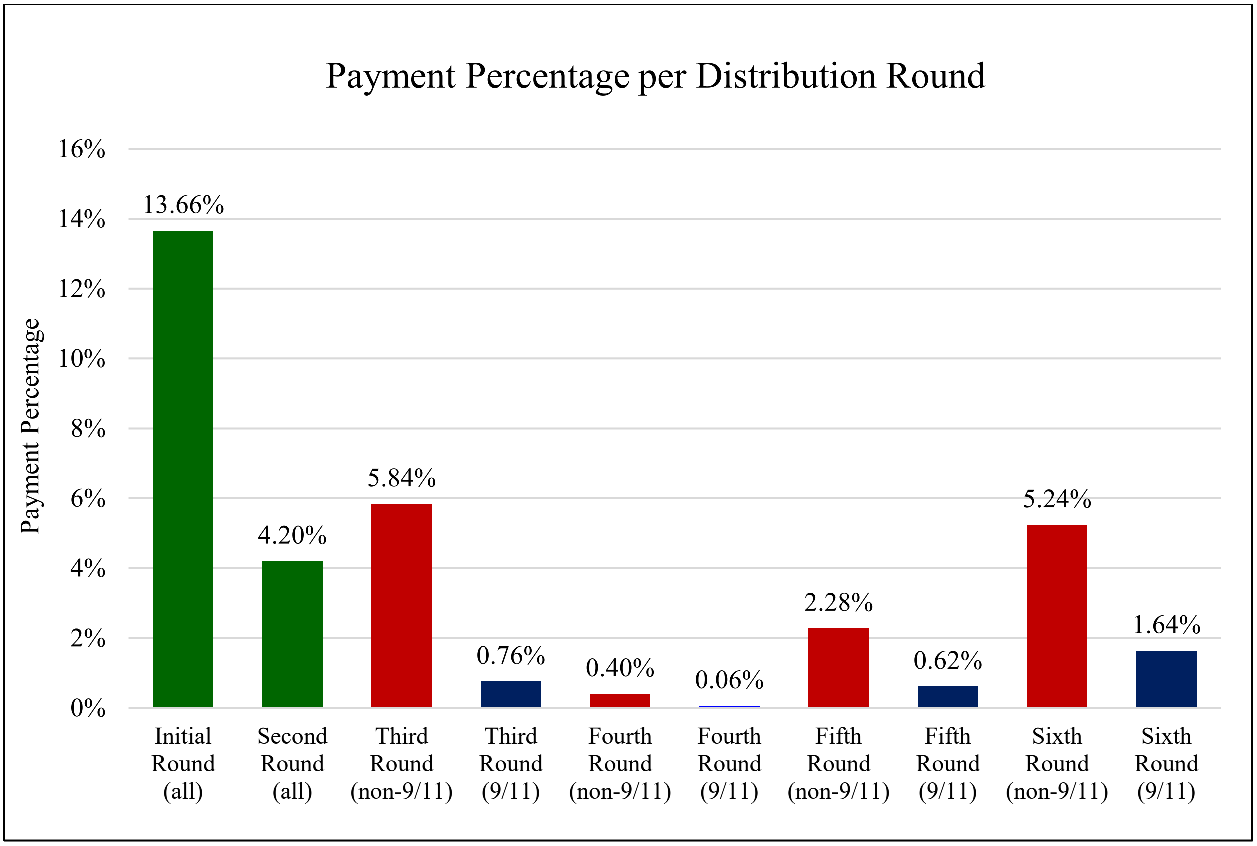
B. General Distribution Payment Percentages

Each of the rounds of general distributions had different payment percentages. Payments for each claimant are based on the amount of compensatory damages a court awarded to the claimant.[18] For each round of distribution, the Fund calculates a payment percentage, which is the amount of funds available to eligible claimants divided by their compensatory damages after accounting for statutory limitations on claims. For most claimants (who are not subject to these statutory limitations), the payment they receive is the payment percentage of their compensatory damage award (*e.g.,* if the court awarded a claimant $10 million in damages and the payment percentage was 10%, the claimant would receive $1 million).

In general, as the amounts available for distribution decreased and the number of eligible claimants increased, all claimants received correspondingly smaller payment percentages after the initial distribution. As required by the Act, beginning in the third distribution, the funds available for each distribution were split evenly between the non-9/11-related victims and the larger pool of 9/11-related victims. Thus, since the third round, there are different payment percentages for non-9/11-related victims and 9/11-related victims. The payment percentages for

[18] The Act established statutory award amounts for the Iran hostages and their spouses and children.

9/11-related victims have been lower, because the same amount of funding is allocated *pro rata* to a larger number of claims.



C. Lump Sum Catch-Up Payments

In addition to its general distributions, the Fund has issued two rounds of lump sum catch-up payments (LSCUPs).

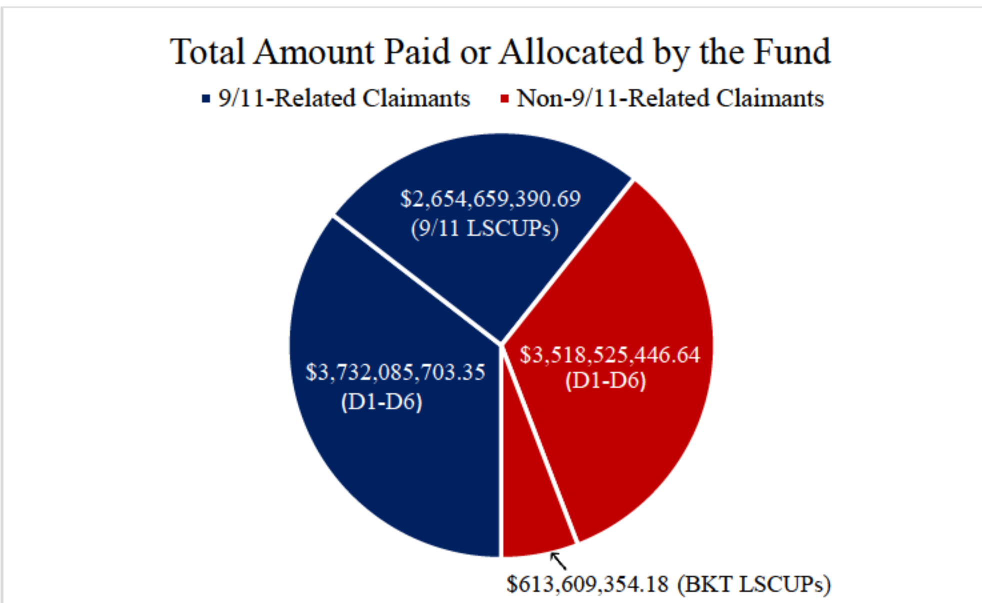
Subgroup of Eligible Claimants	Number of Eligible Claimants	Amount of LSCUPs
9/11 LSCUPs	5,362	$2,654,659,390.69
BKT LSCUPs (non-9/11)	2,081	$613,609,354.18
Total:	7,443	$3,268,268,744.87

In 2022, Congress amended the Act to require lump sum catch-up payments for certain 9/11-related victims, spouses, and dependents; and certain victims of the 1983 Beirut barracks and 1996 Khobar Towers bombings. Act § (d)(4)(C) and (D). The Comptroller General, Government Accountability Office (GAO) determined that more than 5,000 claimants who first became eligible for payment in the Fund's third distribution were eligible for 9/11-related lump sum catch-up payments (9/11 LSCUPs).[19] GAO determined that the claimants eligible for 9/11 LSCUPs should receive payments equal to 5.8573 percent of their compensatory damages.[20]

GAO separately determined that more than 2,000 claimants were eligible for Beirut and Khobar Towers bombing-related LSCUPs (BKT LSCUPs).[21] GAO determined that the claimants eligible for BKT LSCUPs should receive payments equal to 16.0353 percent of their compensatory damages, which GAO adjusted to account for amounts received from sources of compensation other than the Fund (if any). GAO also reduced eligible claimants' LSCUPs by Fund payments received (if any).[22] As a result, BKT LSCUPs ranged from approximately 5 to 16 percent of eligible claimants' compensatory damages amounts.

D. Total Amounts Paid

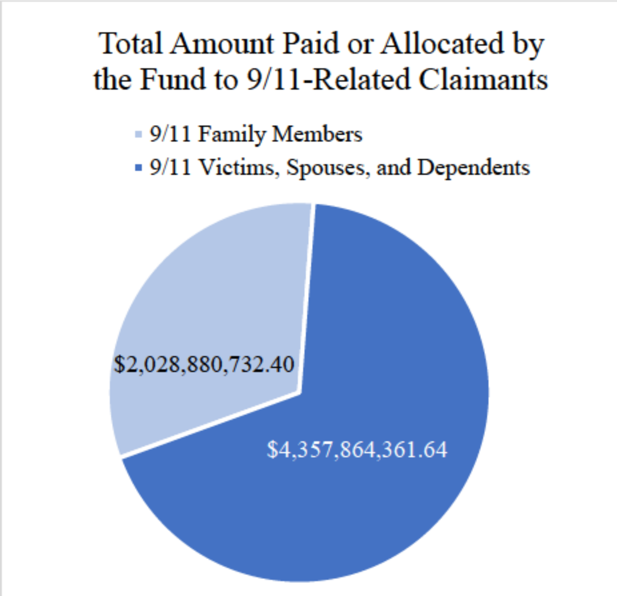
More than half of the $10.5 billion the Fund has allocated to eligible claimants has been allocated to 9/11-related claimants. The $2.6 billion in LSCUPs to certain 9/11-related victims, spouses, and dependents accounts for a significant portion of the over $6 billion paid to 9/11-related claimants. Non-9/11 claimants have received more than $4 billion, including BKT LSCUPs.

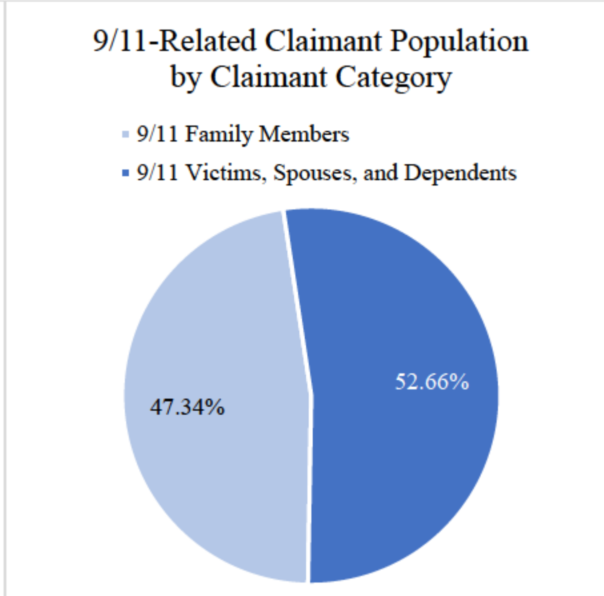


The next charts show 9/11-related claimant information only. The Act sets forth categories of these claimants. Act at § (j)(10-14). The charts illustrate that of the more than $6 billion paid or allocated by the Fund to 9/11-related claimants, nearly 70 percent has been

[19] No claimants who first became eligible after the third distribution could receive 9/11 LSCUPs. *See* Act § (d)(4)(C) and the GAO report to the Special Master for 9/11 LSCUPs.
[20] *See* GAO report to the Special Master for 9/11 LSCUPs.
[21] GAO determined that earlier-round claimants who re-applied to the Fund could receive BKT LSCUPs. *See* GAO report to the Special Master for BKT LSCUPs.
[22] GAO's BKT LSCUP calculation methodology diverged from the Fund's longstanding, publicly available calculation methodology. *See* GAO report to the Special Master for BKT LSCUPs.

paid to 9/11 victims, spouses, and dependents, who make up slightly more than half of the 9/11-related claimant population.

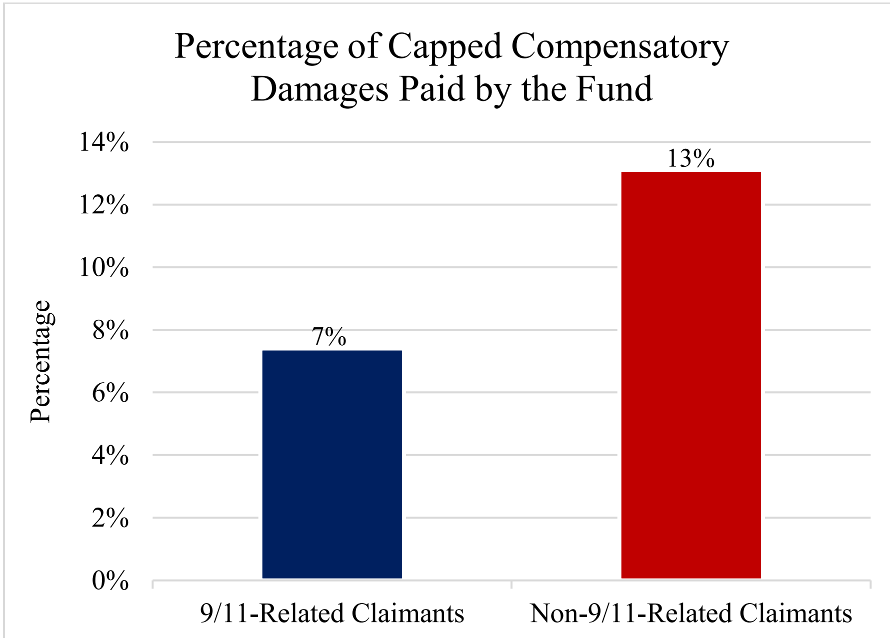




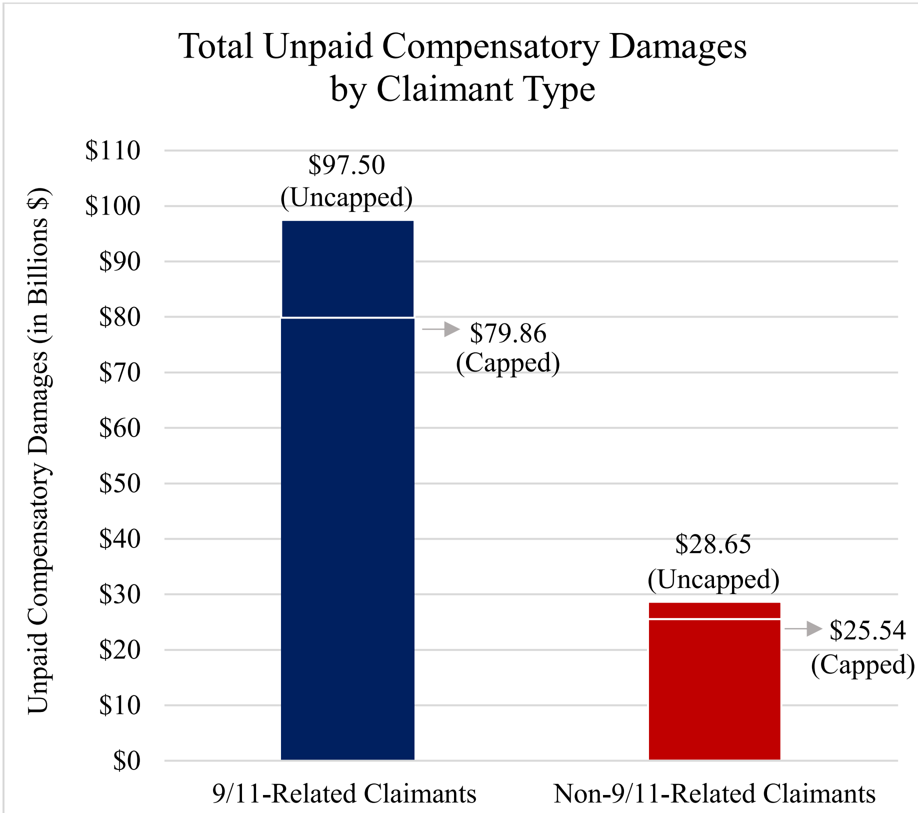
The next two charts show the percentage of compensatory damages paid by the Fund and the total unpaid compensatory damages of 9/11-related and non-9/11-related claimants. Capped compensatory damages are the claimants' eligible compensatory damages after the Fund applies the statutory $20 million individual cap and the applicable ($20 million or $35 million) family cap.[23] Uncapped compensatory damages are the total damages amounts listed in the claimants' judgments (or statutory award amounts for Iran hostages and their spouses and children).

[23] The Act sets these caps (*see* Act (d)(3)(A)); amendments distinguished 9/11-related and non-9/11-related victims family caps beginning in the third distribution.

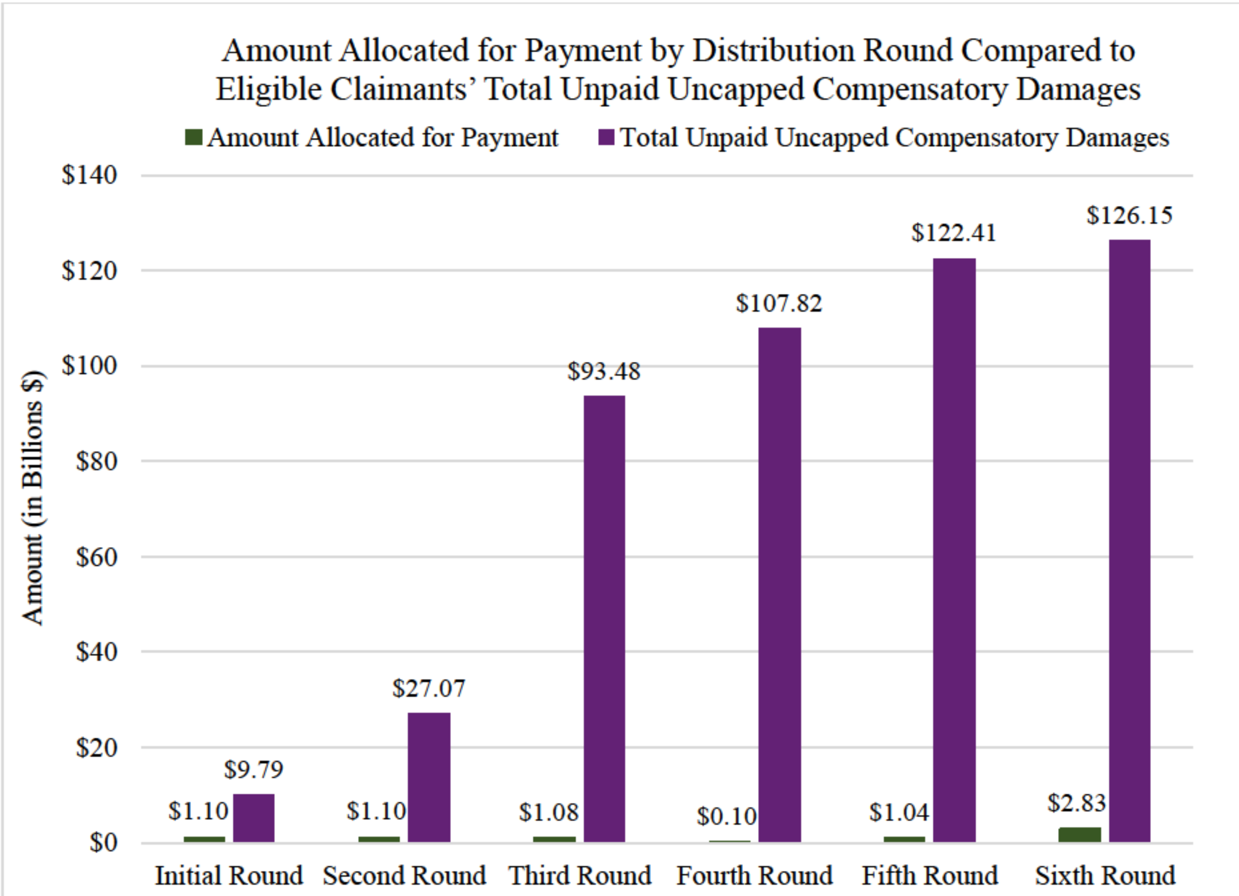
Overall, the Fund has paid approximately 13 percent of the non-9/11-related claimant pool's total capped compensatory damages and 7 percent of the larger 9/11-related claimant pool's total capped compensatory damages.

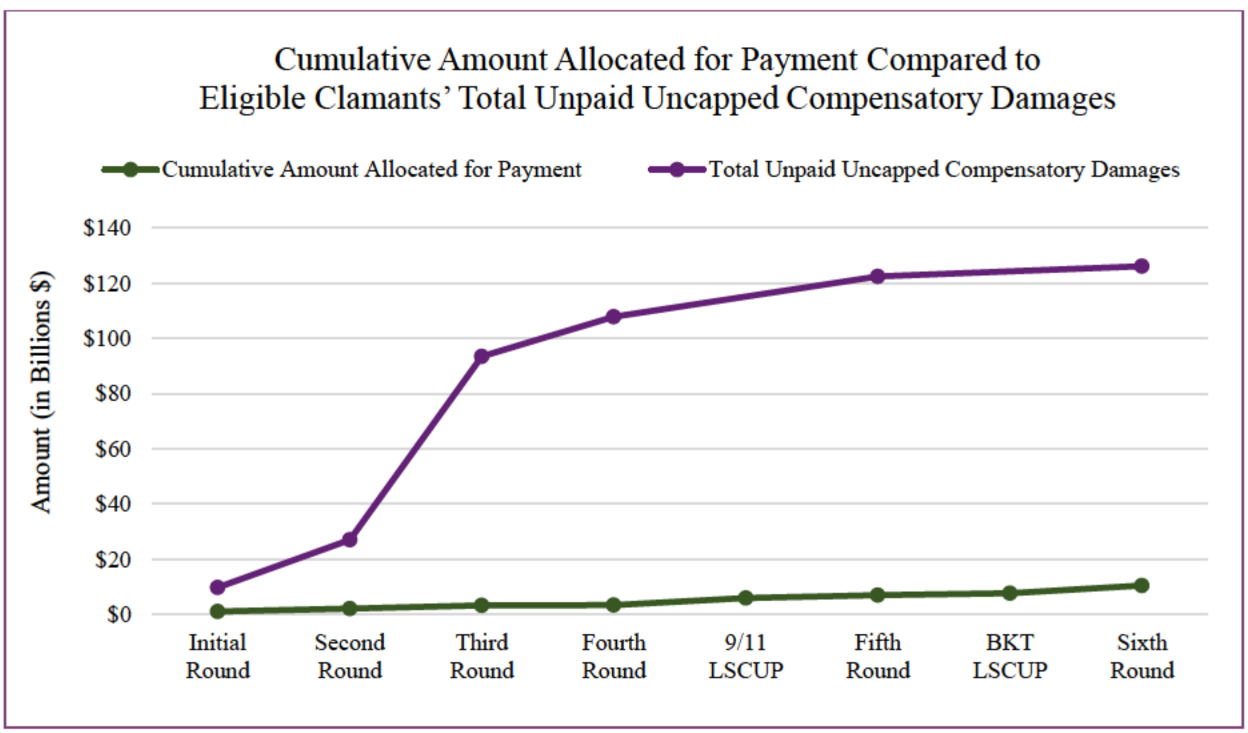


The next chart provides the amount of compensatory damages (or statutory award amounts for Iran hostages and their spouses and children) that remains unpaid on eligible claims. These claimants may receive future distributions as funds are available.



The next charts compare the amount allocated for payment in each of the Fund's six distributions with the amount of compensatory damages (or statutory award amounts for Iran hostages and their spouses and children) that remained unpaid on eligible claims after each distribution. While eligible claimants' total unpaid compensatory damages have increased over time, the funds available for each distribution have not kept pace.


Amount Allocated for Payment by Distribution Round Compared to Eligible Claimants' Total Unpaid Uncapped Compensatory Damages
Amount Allocated for Payment
Total Unpaid Uncapped Compensatory Damages
Amount (in Billions $)
$140
$120
$100
$80
$60
$40
$20
$0
$1.10
$9.79
$1.10
$27.07
$1.08
$93.48
$0.10
$107.82
$1.04
$122.41
$2.83
$126.15
Initial Round
Second Round
Third Round
Fourth Round
Fifth Round
Sixth Round


Cumulative Amount Allocated for Payment Compared to Eligible Clamants' Total Unpaid Uncapped Compensatory Damages
Cumulative Amount Allocated for Payment
Total Unpaid Uncapped Compensatory Damages
Amount (in Billions $)
$140
$120
$100
$80
$60
$40
$20
$0
Initial Round
Second Round
Third Round
Fourth Round
9/11 LSCUP
Fifth Round
BKT LSCUP
Sixth Round

E. Unpaid Statutory Awards for Iran Hostages

The next chart shows the total amount of statutory awards for the eligible claims of Iran hostages and their spouses and children, the combined total of payments made or allocated by the Fund, and the amount of statutory awards that remains unpaid on these claims.

Eligible Claimants	Total Statutory Awards	Payments Made or Allocated by the Fund	Total Unpaid Uncapped Statutory Awards
Iran Hostages	$295,970,000.00	$92,607,369.40	$203,362,630.60

F. Unpaid Compensatory Damages Based on Judgments Against Individual State Sponsors of Terrorism

The final chart shows the total amount of compensatory damages for eligible claims based on the state sponsor(s) of terrorism (SST) against which the claimants hold qualifying judgments, the combined total of payments made or allocated by the Fund and amounts received from sources of compensation other than the Fund, and the amount of compensatory damages that remains unpaid on the claims. Outstanding compensatory damages awarded in judgments entered against Iran account for an overwhelming majority of the total unpaid compensatory damages – approximately over $120 billion of the $126 billion total.

State Sponsor of Terrorism	Eligible Claimants' Total Uncapped Compensatory Damages	Payments Made or Allocated by the Fund Plus Amounts Received from Sources of Compensation Other than the Fund	Eligible Claimants' Total Unpaid Uncapped Compensatory Damages
Iran	$132,465,233,740.96	$11,708,480,678.59	$120,756,753,062.37
Cuba	$2,122,243,249.76	$76,698,091.43	$2,045,545,158.33
North Korea	$1,380,485,857.39	$145,338,142.53	$1,235,147,714.86
Syria	$1,171,537,063.27	$129,428,890.55	$1,042,108,172.72
Iran and Syria	$920,765,988.75	$54,785,705.03	$865,980,283.72
Totals	$138,060,265,900.13	$12,114,731,508.13	$125,945,534,392.00

Some eligible claims are based on qualifying judgments against both Iran and Syria. Information about those claims' compensatory damages is listed in a separate row. Courts may have originally entered judgments for other eligible claims against more than one SST, but later dismissed the judgment as to one SST or more. Information about those claims' compensatory damages is reflected in the totals for the remaining SST against which the claimant has a qualifying judgment.