

UNITED STATES VICTIMS OF STATE SPONSORED TERRORISM FUND



PAYMENT REPORT

DISTRIBUTIONS ONE THROUGH FOUR
AND
9/11-RELATED LUMP SUM CATCH-UP PAYMENTS

MARCH 2024

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1. INTRODUCTION AND OVERVIEW OF THE FUND

The Justice for United States Victims of State Sponsored Terrorism Act¹ established the United States Victims of State Sponsored Terrorism Fund (the “Fund”) in 2015. The amended governing legislation is codified at 34 U.S.C. § 20144 (the 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 Since 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. As the Fund is replenished, 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.

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

² More specifically, the Fund may compensate United States persons who (1) hold a final judgment issued by a United States district court awarding the applicant compensatory damages arising from acts of international terrorism for which a foreign state sponsor of terrorism was found not immune from the jurisdiction of the courts of the United States under the Foreign Sovereign Immunities Act (“FSIA”); (2) were taken and held hostage from the United States embassy in Tehran, Iran, during the period beginning November 4, 1979, and ending January 20, 1981, or are spouses and children of these hostages, if identified as a member of the proposed class in case number 1:00-CV-03110 (EGS) of the United States District Court for the District of Columbia; (3) were taken and held hostage from the United States Embassy in Tehran, Iran, during the period beginning November 4, 1979, and ending January 20, 1981, and who did not have an eligible claim before November 21, 2019; or (4) are the personal representative of a deceased individual in either of those two categories. *Id.* at (c).

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).

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To date, the Fund has issued four rounds of distributions to the entire pool of claimants eligible at the time of the distribution, and also has paid lump sum catch-up payments to a subset of eligible claimants who are 9/11 victims, spouses, and dependents.⁵ The Act requires the Special Master to provide a report to Congress after each round of payments.⁶ 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 Special Master's Reports for all of the Fund's distributions are available on the Fund website (www.usvsst.com). The Fund also posts payment calculation explanations on its website for each distribution. These explanations show how the Fund applies the Act to determine eligible claimants' award amounts.

This report contains aggregated Fund data⁷ 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. Please review the Privacy Act Notice in the Application Form and the System of Records Notices on the Fund's website for further information.

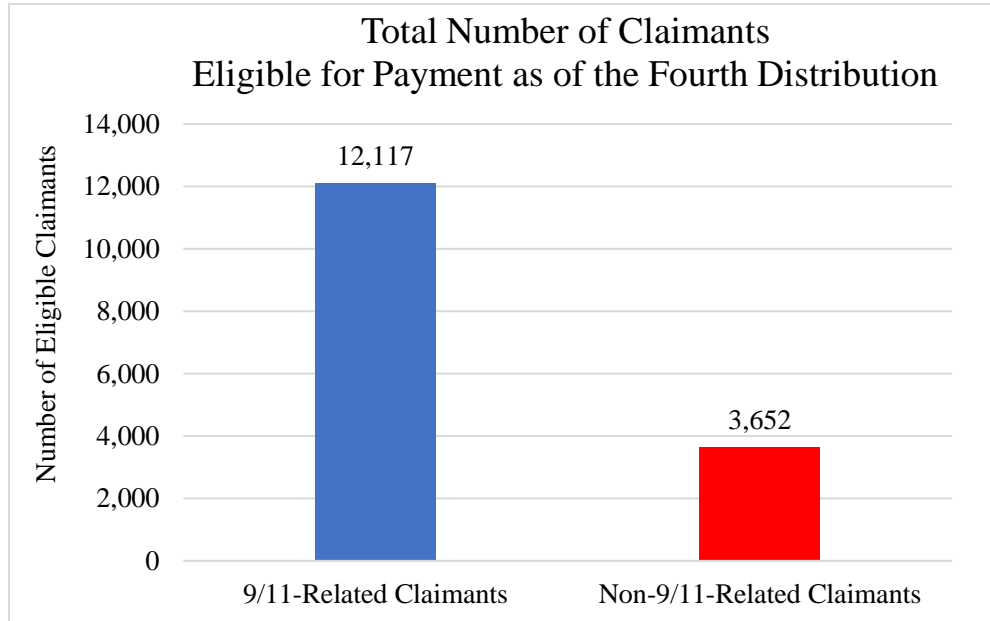
⁵ The Act required the Comptroller General (Government Accountability Office) to determine which eligible claimants would receive these payments. Act § (d)(4)(C).

⁶ Act § (i).

⁷ 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 previous and future reports. In addition, data and figures in this report may be subject to rounding.

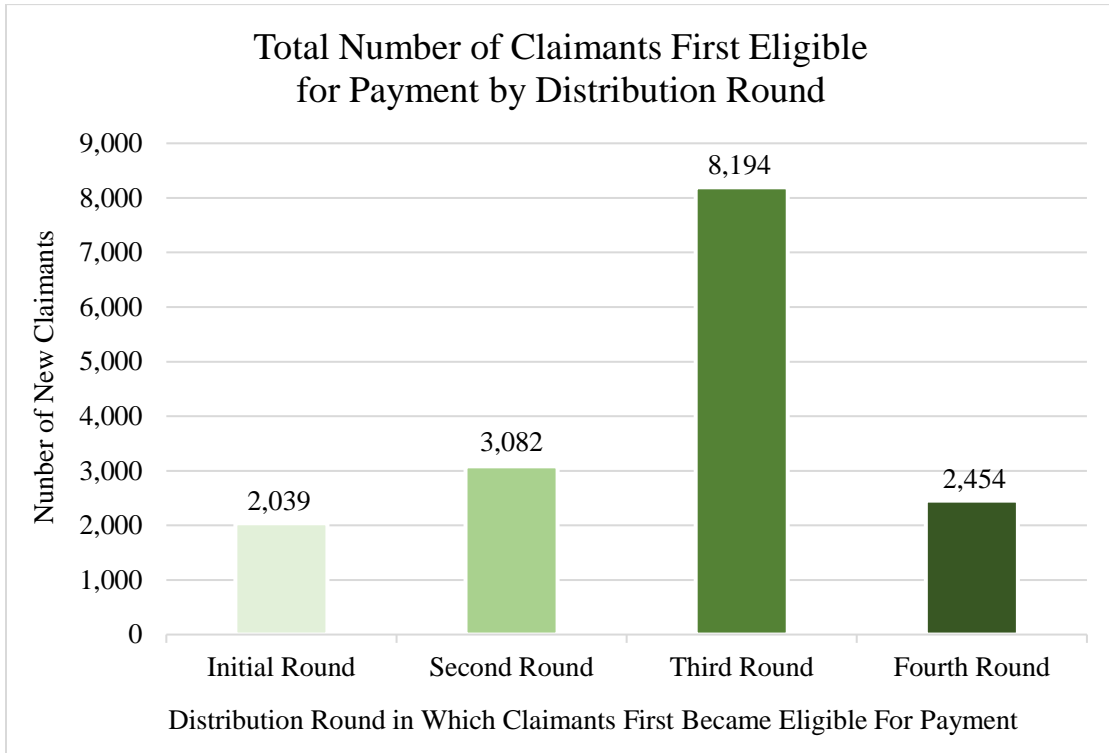
2. FUND PAYMENT DATA

The Fund had 12,117 9/11-related and 3,652 non-9/11-related claimants eligible for payment as of the Fund’s fourth distribution in 2023, for a total of 15,769 claimants eligible for payment as of the fourth distribution.⁸

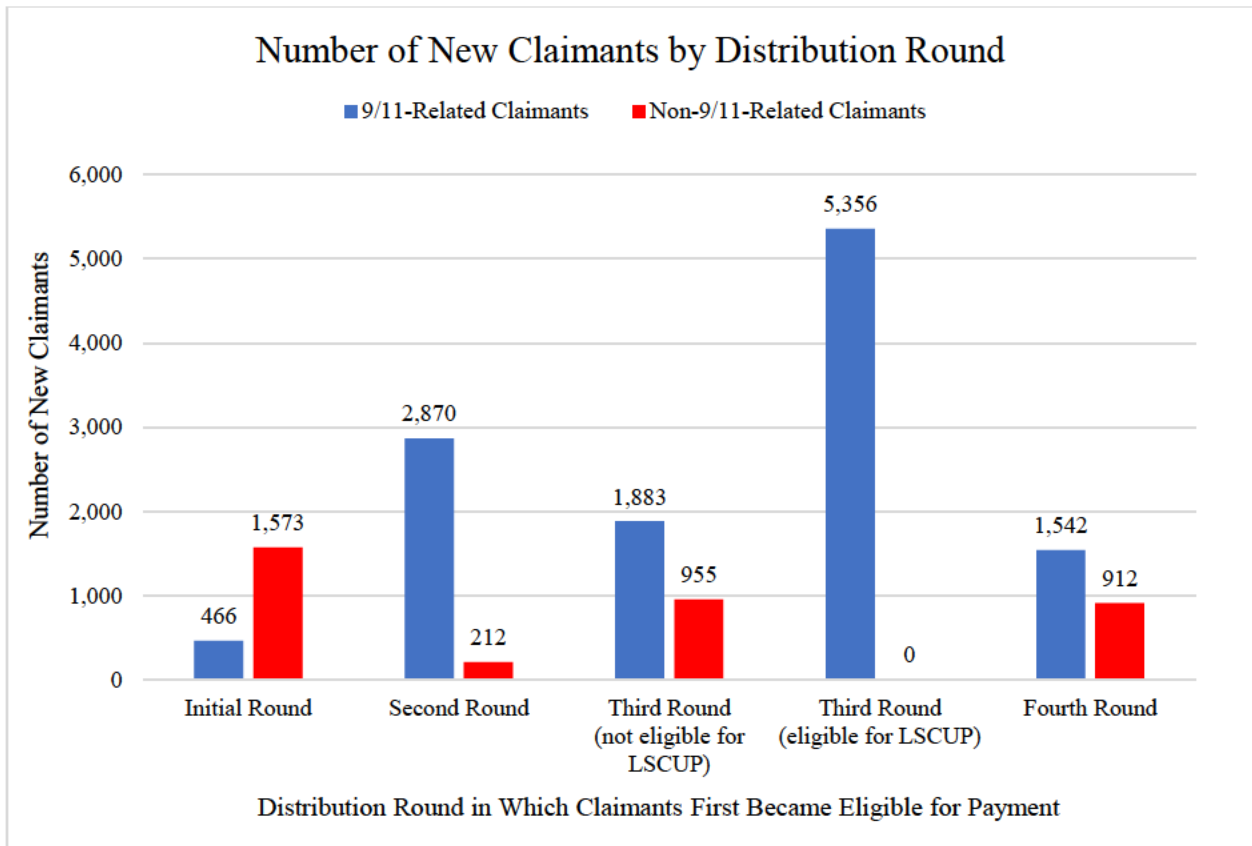


⁸ Not all claimants who are eligible for payment in a particular distribution received payment in that distribution. For example, claimants who have either (i) already received more than 30 percent of their total compensatory judgment amounts from other sources, or (ii) received more than the maximum potential payment amount from other sources have not received awards from the Fund. However, these claimants remain eligible and could receive payment in a future distribution.

The Fund receives new applications on a rolling basis. 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.



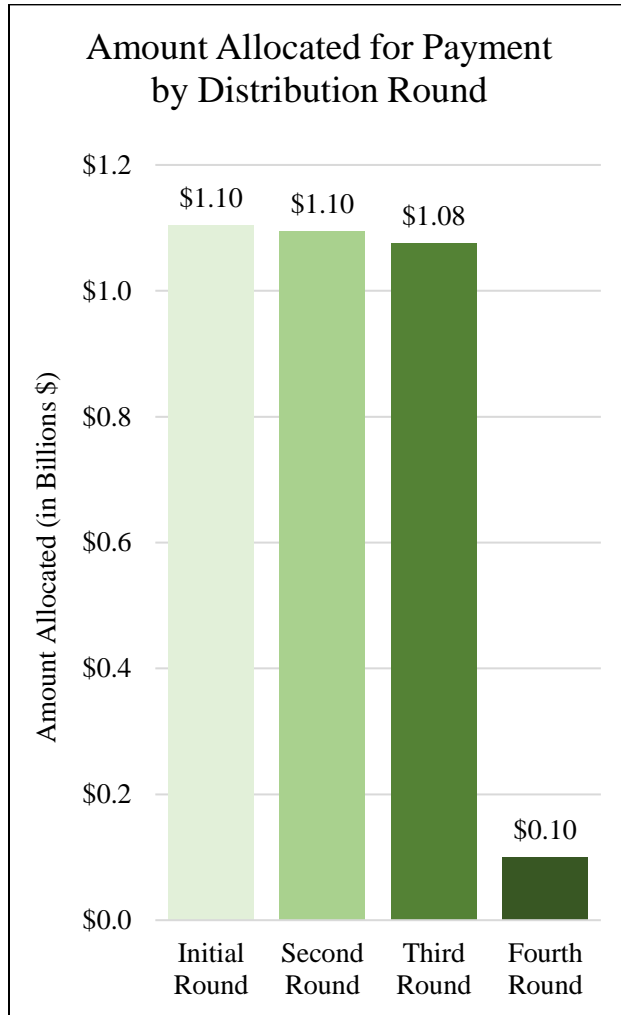
In 2022, Congress revised the Act to require lump sum catch-up payments for certain 9/11-related victims, spouses, and dependents. Act at (d)(4)(C). GAO determined that more than 60% of the 8,194 claimants who first became eligible for payment in the Fund’s third distribution were eligible for lump sum catch-up payments (LSCUPs). To show the difference between third-distribution claimants who were eligible for LSCUPs and those who were not, some charts in this report separate the two groups.⁹ After the initial distribution, most new claimants who became eligible for payment from the Fund were 9/11-related.



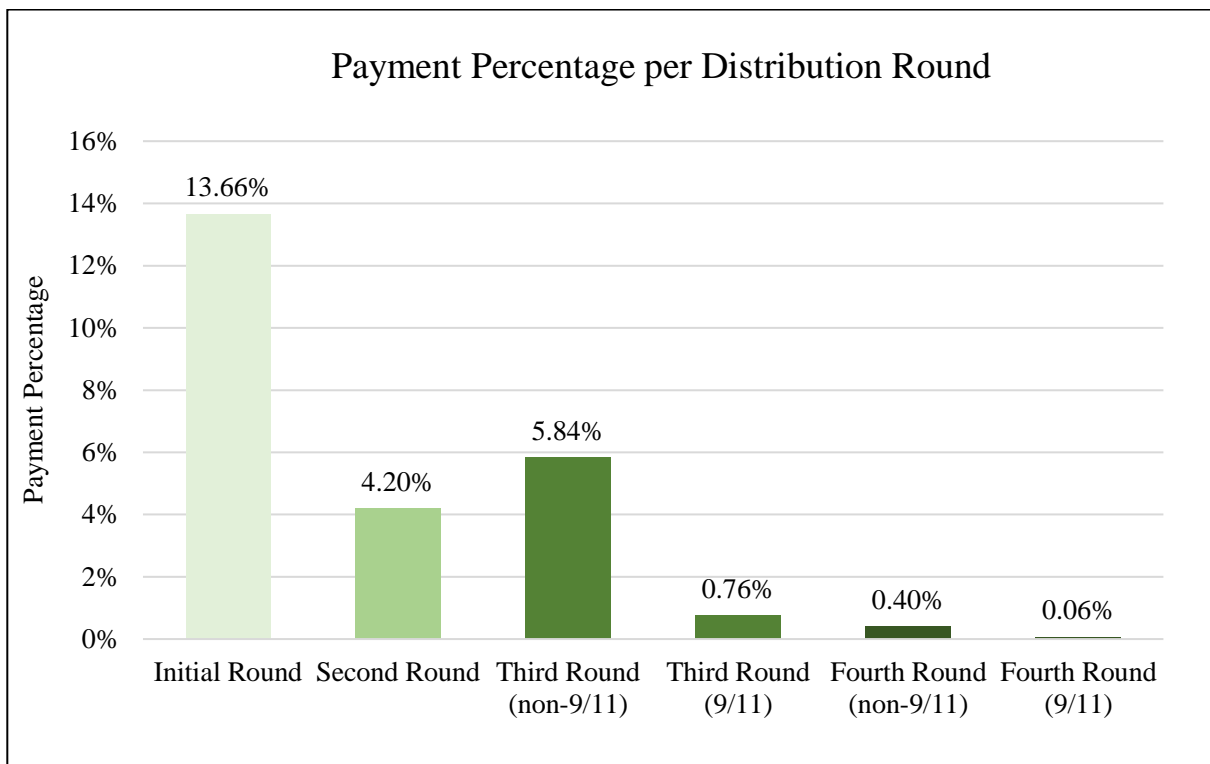
⁹ The number of LSCUP-eligible claimants differs from that reported in the May 2023 Congressional Report because some claimants were eligible payment from the Fund for the first time in a different distribution round. Each Fund claimant has only one claim before the Fund. Thus, an individual who received two separate judgments for compensatory awards (e.g., as the sibling of one victim and as the spouse of another victim) has only one claim before the Fund for both judgments and is included in claim counts only once.

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While the pool of eligible claimants has grown over time, the funds available for each distribution has not kept pace.



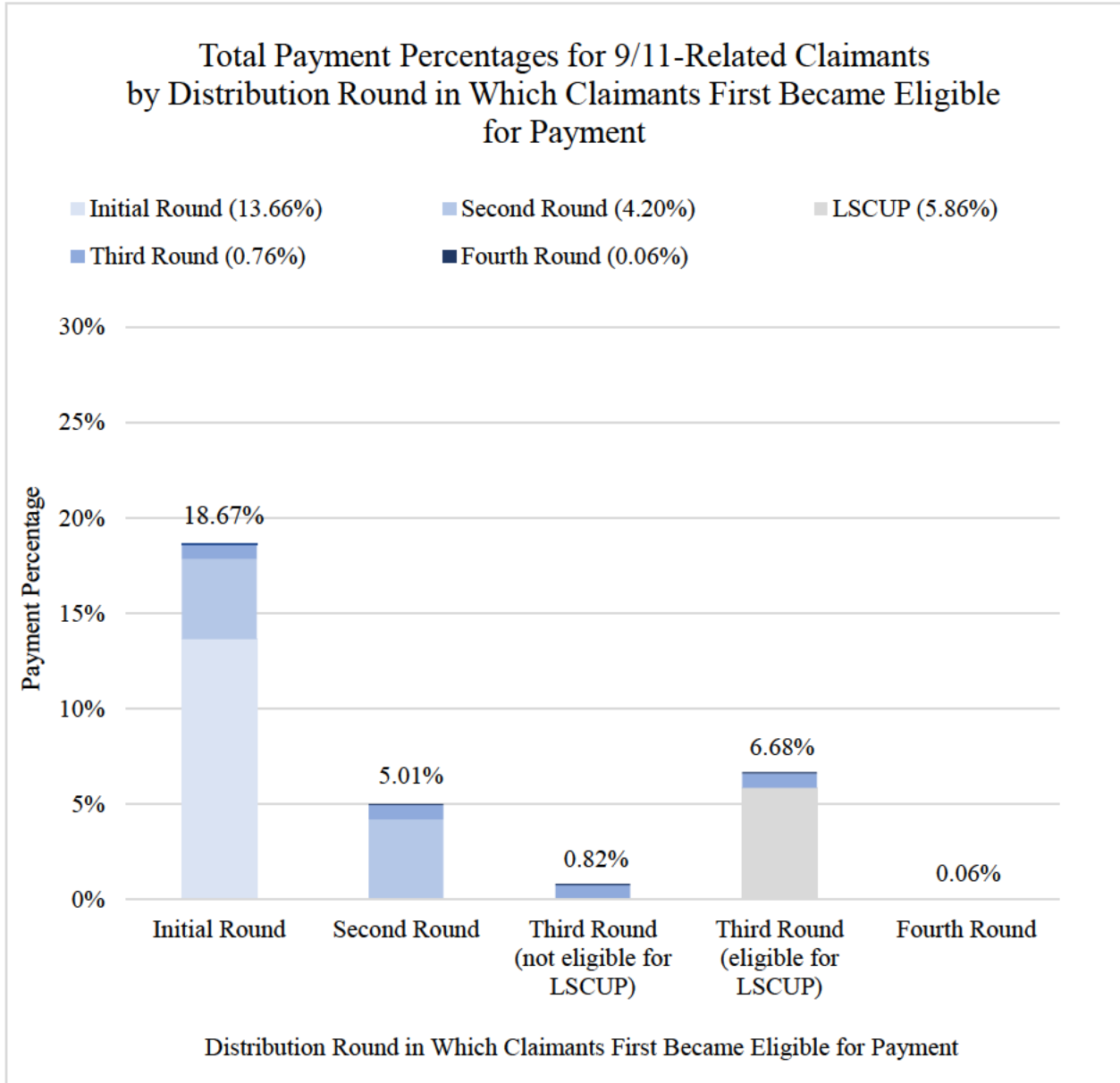
As required by the Act, beginning in the third distribution, the funds available for distribution were split evenly between non-9/11-related victims and the much larger pool of 9/11-related victims. Payments for each claimant are based on the amount of compensatory damages a court awarded to the claimant. 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 were 10%, the claimant would receive \$1 million). As the amounts available for distribution decreased and the number of eligible claimants increased, claimants generally received smaller payment percentages per distribution round.



Eligible claimants may continue to 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, third, and fourth distributions. Eligible claimants do not need to resubmit an application to receive funds in future statutory distributions or, if applicable, lump sum catch-up payments.

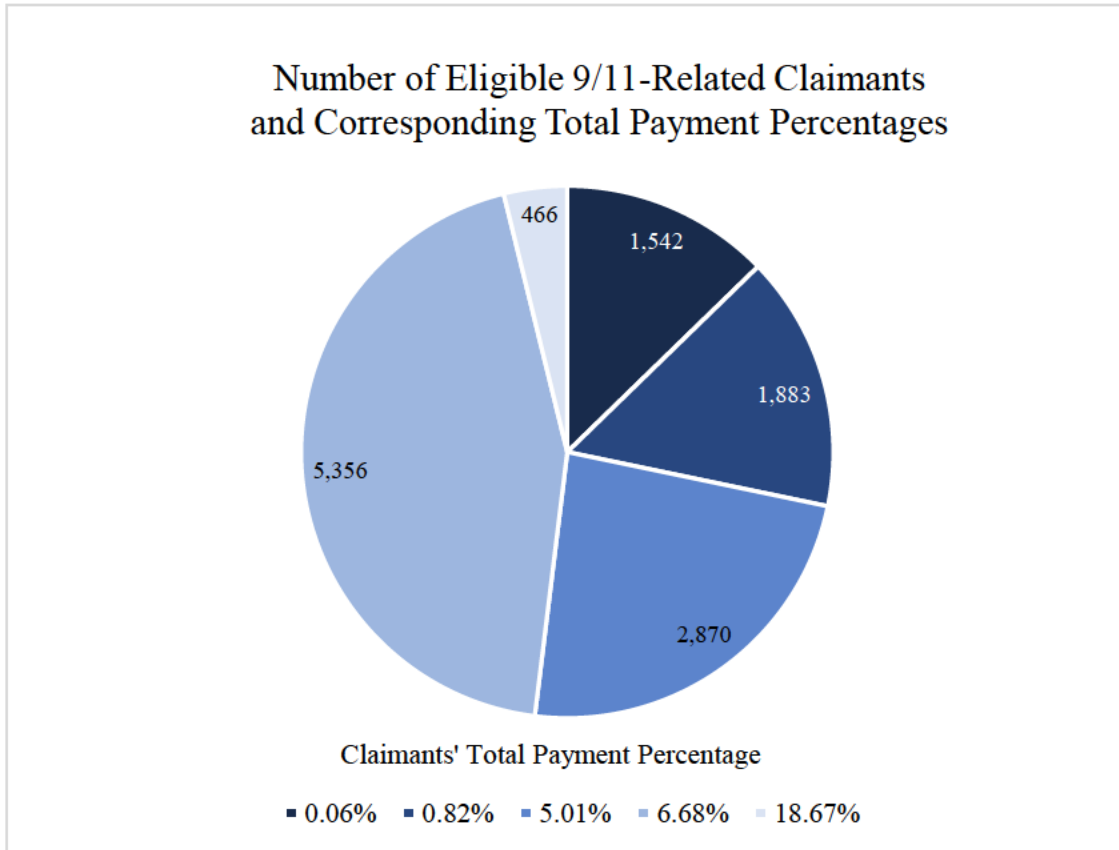
The total percentage paid on each claimant’s claim varies depending on when the claimant first became eligible for payment from the Fund. Each of the rounds of general distributions had different payment percentages. Depending on when they became eligible for general distributions and whether they were eligible for LSCUPs, the 12,117 eligible 9/11-related

claimants fall into one of five groups of total payment percentages. For example, 9/11-related claimants who first became eligible for payment in the initial distribution have now received four rounds of payments in general distributions and no LSCUPs. In total, these claimants’ payment percentage is 18.67%. Those who became eligible for the first time in the third round, and were also eligible for LSCUPs, have received 6.68%.



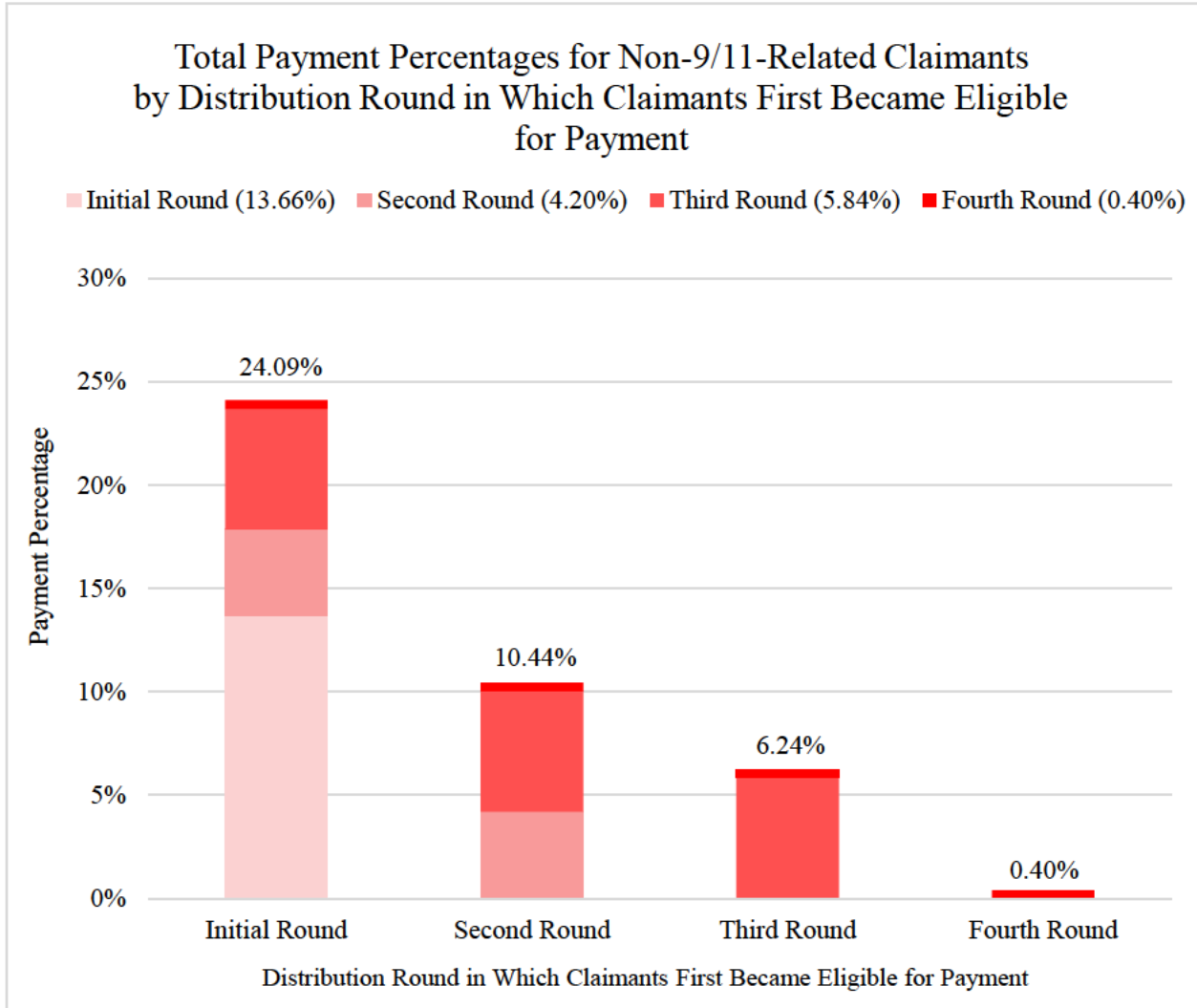
As shown in the following chart, few 9/11-related claimants have received the highest total payment percentage of 18.67%. Nearly half of all 9/11-related eligible claimants became eligible for payment for the first time in the third distribution and also were eligible for LSCUPs. These claimants have received a total payment percentage of 6.68%. Around a quarter of

9/11-related claimants have received total payment percentages of less than 1%. These claimants first became eligible in the third or fourth round, and were not eligible for LSCUPs.¹⁰

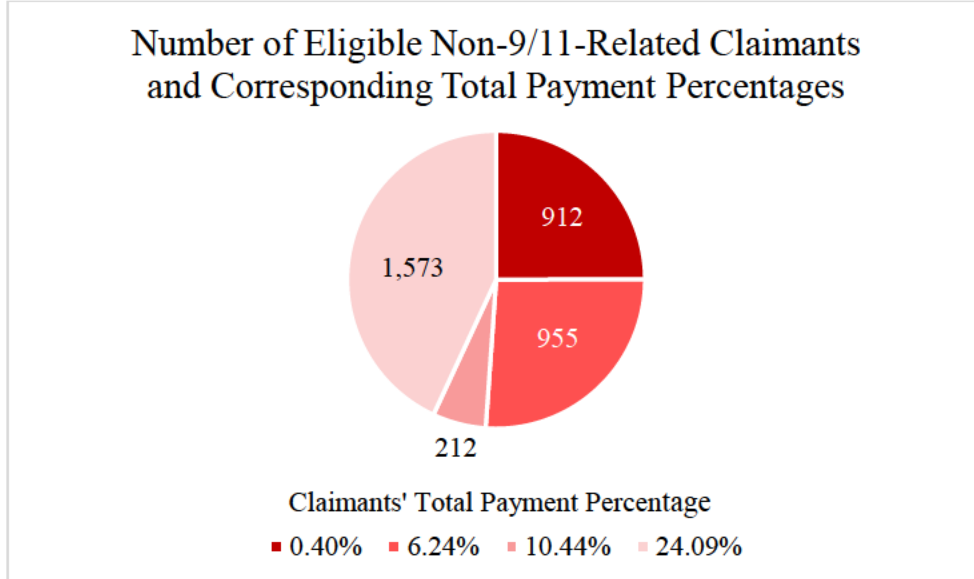


¹⁰ No claimants who first became eligible after the third distribution could receive LSCUPs. See Act at (d)(4)(C) and the GAO report to the Special Master for 9/11 LSCUPs.

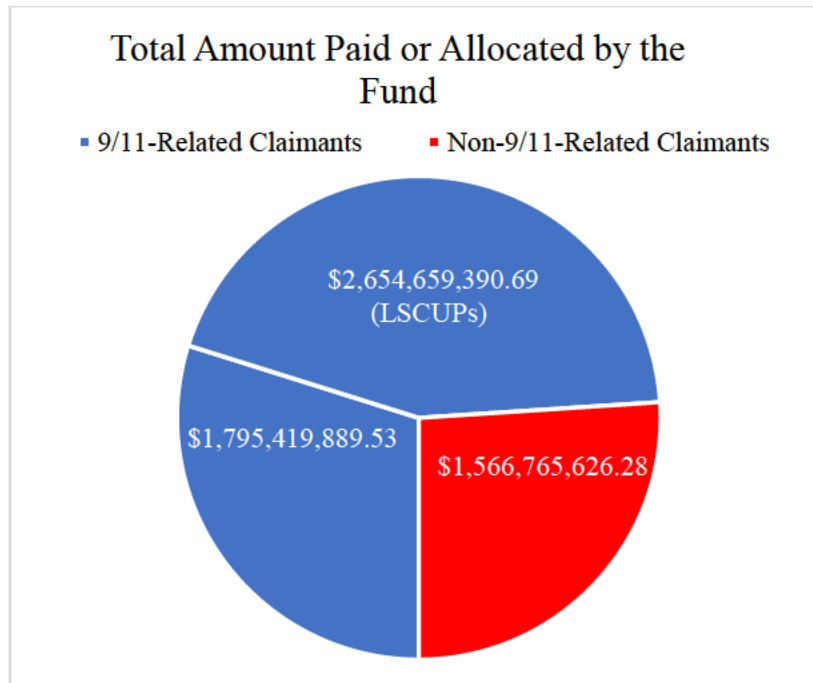
The 3,652 eligible non-9/11-related claimants received any of four different total payment percentages, depending on the distribution round in which they first became eligible. For example, non-9/11-related claimants who first became eligible for payment in the initial distribution have now received four rounds of payments. These claimants' total payment percentage is 24.09%



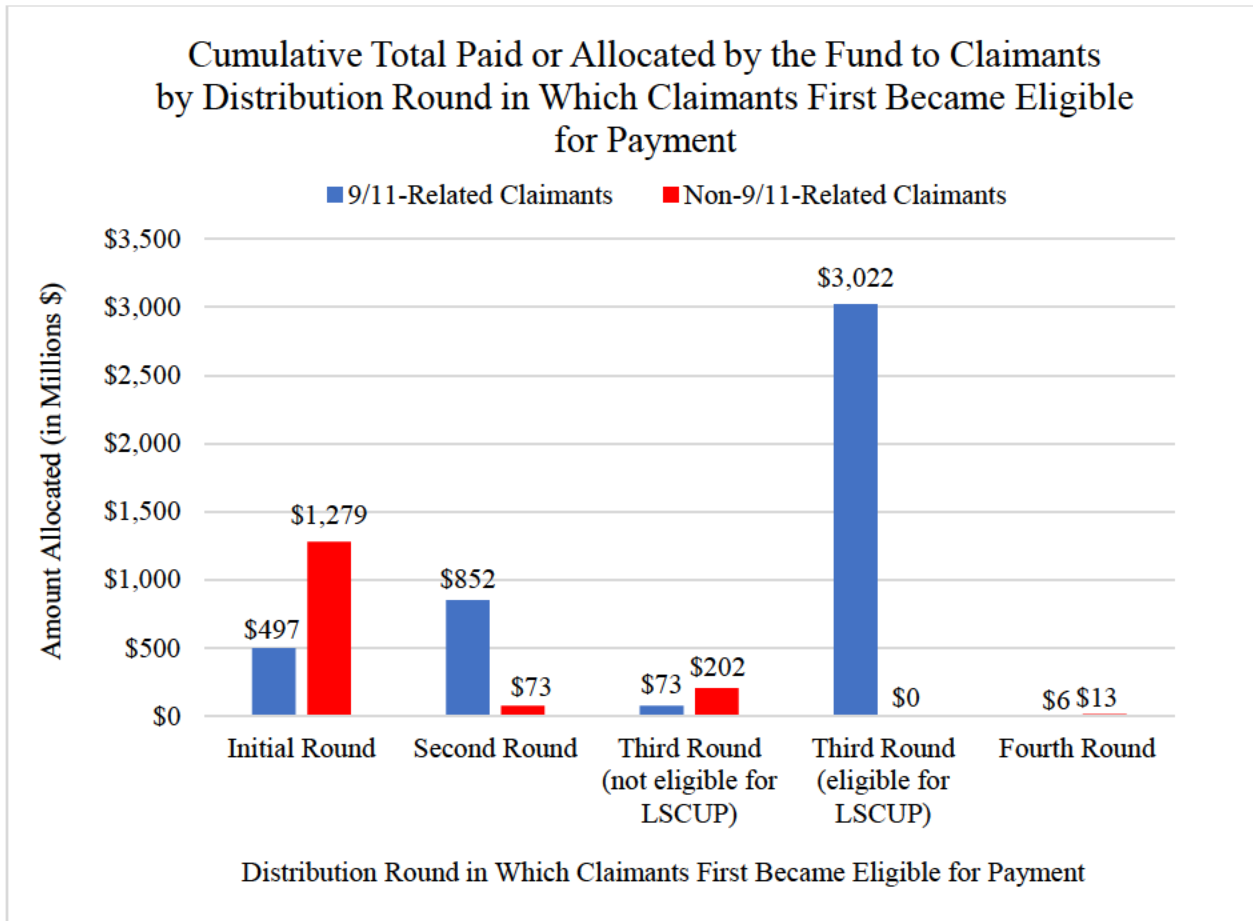
As shown in the following chart, fewer than half of the 3,652 non-9/11-related claimants first became eligible in the initial distribution and have received a total payment percentage of 24.09%. Most non-9/11-related claimants have received significantly smaller total payment percentages.



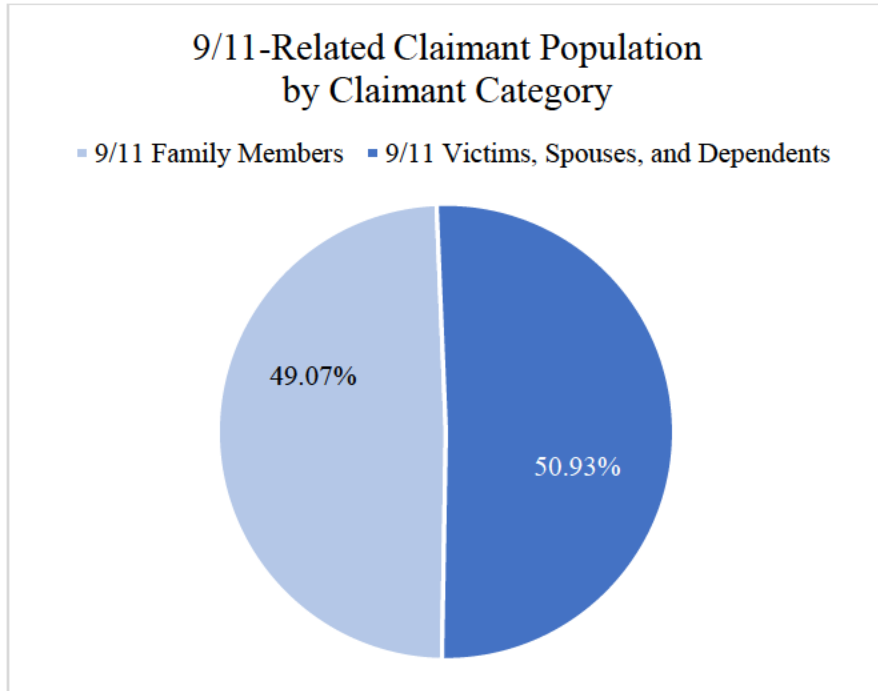
A total of \$4.4 billion, nearly two-thirds of the more than \$6 billion the Fund has allocated to eligible claimants, is allocated to 9/11-related claimants. The \$2.6 billion in LSCUPs to certain 9/11-related victims, spouses, and dependents account for a significant portion of the more than \$4.4 billion paid to 9/11-related claimants.



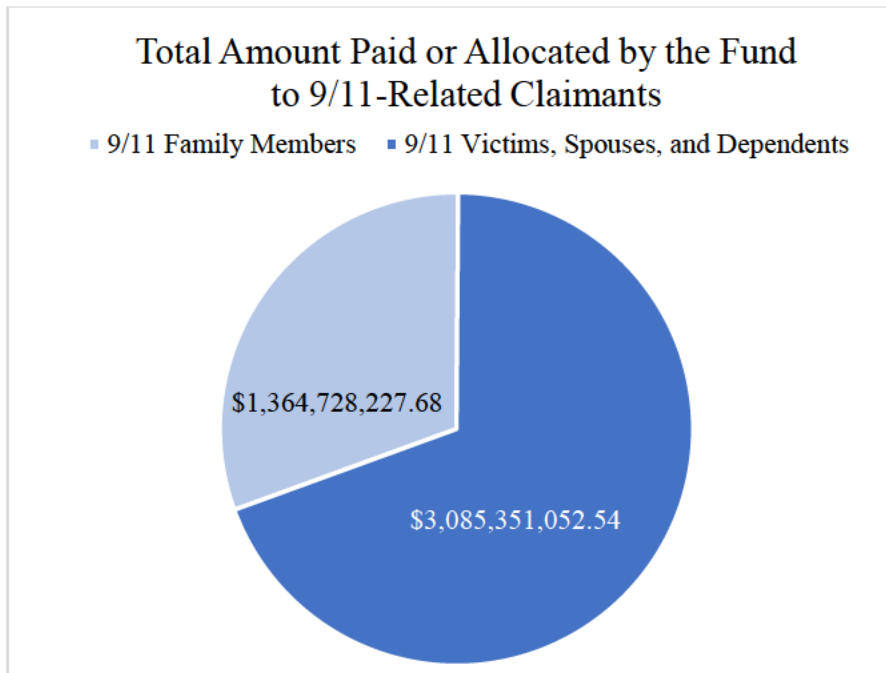
The chart below shows the total amount paid to claimants who became eligible for payment for the first time in each of the Fund’s four distribution rounds. For example, the amount reported for non-9/11-related claimants who first became eligible for payment in the Fund’s initial distribution includes their initial, second, third, and fourth-round payments. The third distribution round is broken out into two groups: claimants who were eligible for payment for the first time in the third distribution but were not eligible for the LSCUPs issued to certain 9/11-related victims, spouses, and dependents. The second group are claimants who were eligible for payment for the first time in the third distribution *and* who were eligible for the 9/11-related LSCUPs.



The next two charts show 9/11-related claimant information only. The Act sets forth categories of these claimants. Act at (j)(10-14). The first chart shows that 9/11 victims, spouses, and dependents make up slightly more than half of the 9/11-related claimant population.

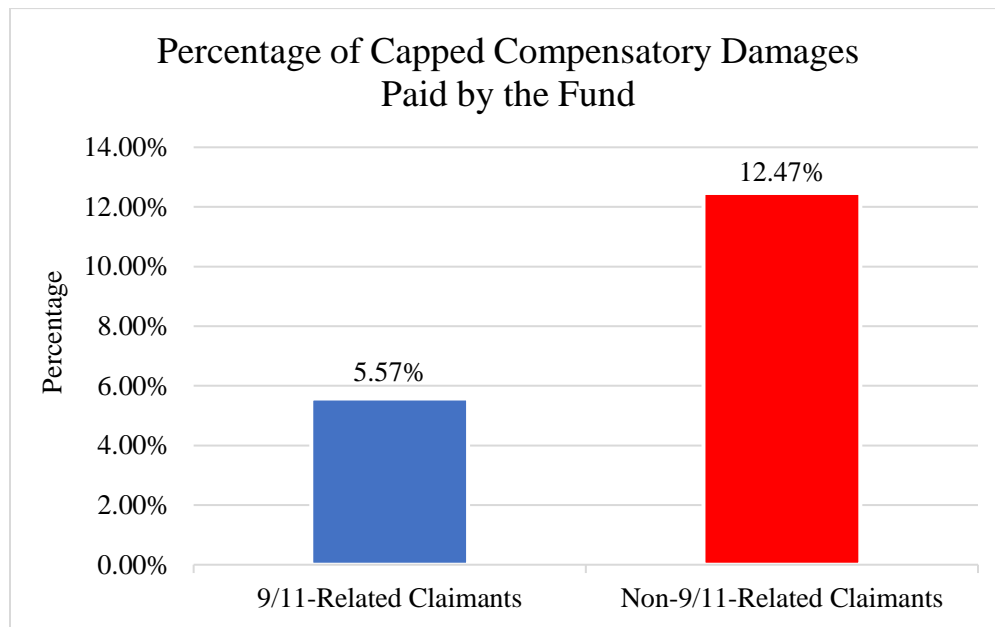


Of the more than \$4.4 billion paid or allocated by the Fund to 9/11-related claimants, nearly three-quarters has been paid to 9/11 victims, spouses, and dependents.



The final two charts show the percentage of capped 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.¹¹ 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).

Overall, the Fund has paid 12.47% of the non-9/11-related claimant pool's total capped compensatory damages and 5.57% of the significantly larger 9/11-related claimant pool's total capped compensatory damages.



¹¹ 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.

This 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.

