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DECISION



Allen

**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548**

20137

FILE: B-201150

DATE: December 1, 1981

MATTER OF: Reconsideration of Claims to Proceeds of American Club, Inc. Award

DIGEST: On reconsideration we conclude that proceeds of a Foreign Claims Settlement Commission award can be made to three claimants whose claims were denied in B-201150, May 13, 1981, since they were supported only by uncorroborated statements. Statement of former American Club President that he is reasonably certain the three claimants were debenture holders together with supporting affidavit submitted for each claimant is sufficient to corroborate their assertions about entitlement to part of the award.

This responds to the Treasury Department's request for reconsideration of the part of B-201150, May 13, 1981, which denied the claims of Ms. Isabelle Alcone and Messrs. George Shluger and Yao-Ting Liu to a share of a Foreign Claims Settlement Commission award to the American Club, Inc. Treasury asks whether payments may be made to the three named persons on the basis of additional affidavits presented with its reconsideration request. For the reasons given below, we find that awards may be made to Ms. Alcone, and Messrs. Shluger and Liu in amounts proportionate to their claimed debenture holdings.

(a) Ms. Alcone

As support for her claim in B-201150, May 13, 1981, Ms. Alcone presented an affidavit which stated that at the end of 1939 or beginning of 1940, her father bought American Club debentures worth CN\$55,000 (CN=Chinese taels) which he transferred to her since she was an American citizen. Ms. Alcone also stated she was Chairman of the China Claims Committee, and, at a Foreign Claims Settlement Commission hearing on another case, testified she owned the American Club debentures.

Ms. Alcone now submits an affidavit of Mr. E. Xenidies. Mr. Xenidies states he was a friend of Mr. and Mrs. Alcone for 25 years (Mr. Alcone is deceased); and that approximately 20 years ago they showed him documents including bonds from the Shanghai American Club which he thinks had a value between \$50,000 and \$75,000.

(b) Mr. Shluger

As support for his original claim, Mr. Shluger stated in October 1980 that approximately 25 years prior he bought American Club bonds

valued at CN\$60,000 which he misplaced in his travels. Mr. Shluger now presents a supporting affidavit from Ms. Alcone. The affidavit states that in the past Ms. Alcone occasionally saw Mr. Shluger socially; that while visiting at his home some 18 years before, he showed her his American Club bonds totaling CN\$60,000 or \$65,000; and that she provided his name to the Treasury Department as one of the American Club debenture holders.

(c) Mr. Yao-Ting Liu

As support for his original claim, Mr. Liu submitted a letter in which he claimed ownership of \$5,000 worth of American Club debentures that he asserts were stolen by People's Republic mail censors when he mailed them from Shanghai to Hong Kong for safe-keeping sometime in 1956. Subsequent to our decision in B-201150, above, Mr. Liu submitted affidavits of his two adult children as additional proof of his claim. Both affidavits state that Mr. Liu was the holder of \$5,000 worth of American Club debentures which were lost sometime around 1955 after being forwarded to Hong Kong.

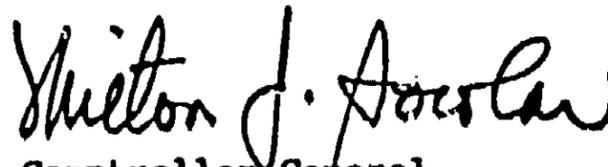
To corroborate the additional information described above, we communicated with Mr. Norwood F. Allman, former President and member of the Board of Directors of the American Club, and both trustee on all the American Club debentures submitted to Treasury and for the Club before the Foreign Claims Settlement Commission. Mr. Allman informed us that he was involved in the Club's management from the time it was formed; that he served on all of its committees at one time or another; that most of the Club members were debenture holders; and that the Club Committee responsible for handling reservations for entertainment of Club guests routinely would identify debenture holders. Although Mr. Allman cannot positively say Ms. Alcone and Messrs. Shluger and Liu were debenture holders, he is reasonably certain they were because he remembers their frequent attendance at Club social affairs.

In B-201150, above, we found that uncorroborated statements or affidavits of claimants were not sufficient to support claims. At the same time, we recognized the difficulty in providing supporting evidence in China Claims Program cases, and consistent with the proof requirements formulated by the Foreign Claims Settlement Commission, stated that when primary or best evidence was unobtainable, we would consider secondary evidence or other pertinent data.

Although the affidavits supporting the claims of Ms. Alcone and Messrs. Shluger and Liu are not particularly probative, when taken together with Mr. Allman's reasonable certainty that the three claimants were debenture holders, we think sufficient corroboration exists for Treasury to make awards in amounts proportionate to their claimed debenture holdings. As was the case with the claims approved in our May 13, 1981, decision, Ms. Alcone, and Messrs. Shluger and Liu should

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be required, as a condition of payment, to sign an agreement providing that they and their heirs will reimburse and hold the United States harmless should a lost debenture be presented and paid.

for 
Comptroller General
of the United States