

Expelled Nazis paid millions in Social Security

AP

By **DAVID RISING, RANDY HERSCHAFT and RICHARD LARDNER** October 19, 2014 9:17 PM

OSIJEK, Croatia (AP) — Former Auschwitz guard Jakob Denzinger lived the American dream.

His plastics company in the Rust Belt town of Akron, Ohio, thrived. By the late 1980s, he had acquired the trappings of success: a Cadillac DeVille and a Lincoln Town Car, a lakefront home, investments in oil and real estate.

Then the Nazi hunters showed up.

In 1989, as the U.S. government prepared to strip him of his citizenship, Denzinger packed a pair of suitcases and fled to Germany. Denzinger later settled in this pleasant town on the Drava River, where he lives comfortably, courtesy of U.S. taxpayers. He collects a Social Security payment of about \$1,500 each month, nearly twice the take-home pay of an average Croatian worker.

Denzinger, 90, is among dozens of suspected Nazi war criminals and SS guards who collected millions of dollars in Social Security payments after being forced out of the United States, an Associated Press investigation found.

The payments flowed through a legal loophole that has given the U.S. Justice Department leverage to persuade Nazi suspects to leave. If they agreed to go, or simply fled before deportation, they could keep their Social Security, according to interviews and internal government records.

Like Denzinger, many lied about their Nazi pasts to get into the U.S. following World War II, and eventually became American citizens.

Among those who benefited:

—armed SS troops who guarded the Nazi network of camps where millions of Jews perished.



This July 28, 2014, photo shows Jakob Denzinger's portrait on the tombstone of his empty grave i ...

—an SS guard who took part in the brutal liquidation of the Warsaw ghetto in Nazi-occupied Poland that killed as many as 13,000 Jews.

—a Nazi collaborator who engineered the arrest and execution of thousands of Jews in Poland.

—a German rocket scientist accused of using slave labor to build the V-2 rocket that pummeled London. He later won NASA's highest honor for helping to put a man on the moon.

The AP's findings are the result of more than two years of interviews, research and analysis of records obtained through the Freedom of Information Act and other sources.

The Justice Department denied using Social Security payments as a tool for removing Nazi suspects. But records show the U.S. State Department and the Social Security Administration voiced grave concerns over the methods used by the Justice Department's Nazi-hunting unit, the Office of Special Investigations.

State officials derogatorily called the practice "Nazi dumping" and claimed the OSI was bargaining with suspects so they would leave voluntarily.

Since 1979, the AP analysis found, at least 38 of 66 suspects removed from the United States kept their Social Security benefits.

Legislation that would have closed the Social Security loophole failed 15 years ago, partly due to opposition from the OSI. Since then, according to the AP's analysis, at least 10 Nazi suspects kept their benefits after leaving. The Social Security Administration confirmed payments to seven who are deceased. One living suspect was confirmed through an AP interview. Two others met the conditions to keep their benefits.



In this July 28, 2014, photo, Jakob Denzinger looks from his apartment window in Osijek, eastern Cro ...

Of the 66 suspects, at least four are alive, living in Europe on U.S. Social Security.

In newly uncovered Social Security Administration records, the AP found that by March 1999, 28 suspected Nazi criminals had collected \$1.5 million in Social Security payments after their removal from the U.S.

Since then, the AP estimates the amount paid out has reached into the millions. That estimate is based on the number of suspects who qualified and the three decades that have passed since the first former Nazis, Arthur Rudolph and John Avdzej, signed agreements that required them to leave the country but ensured their benefits would continue.

Long-living beneficiaries can collect hundreds of thousands of dollars in payments.

A single male who earned an average wage of \$44,800 a year and turned 65 in 1990, the year after Denzinger did, would receive nearly \$15,000 annually in Social Security benefits,

according to the Urban Institute, a nonprofit public policy group in Washington. That's \$375,000 over 25 years. The amounts are adjusted for inflation.

The Social Security Administration refused the AP's request for the total number of Nazi suspects who received benefits and the dollar amounts of those payments.

Spokesman William "BJ" Jarrett said the agency does not track data specific to Nazi cases. A further barrier, Jarrett said, is that there is no exception in U.S. privacy law that "allows us to disclose information because the individual is a Nazi war criminal or an accused Nazi war criminal."

The agency also declined to make the acting commissioner, Carolyn Colvin, or another senior agency official available for an interview.



This July 28, 2014, photo shows Jakob Denzinger's portrait on the tombstone of his empty grave in Ce ...

The Justice Department declined the AP's request for an official to speak on the record. Spokesman Peter Carr said in an emailed statement that Social Security payments never were used as an incentive or as a threat to persuade Nazi suspects to depart voluntarily.

"The matter of Social Security benefits eligibility was raised by defense counsel, not by the department, and the department neither used retirement benefits as an inducement to leave the country and renounce citizenship nor threatened that failure to depart and renounce would jeopardize continued receipt of benefits," Carr said.

The department opposed the legislation in 1999, Carr acknowledged, because it would have undermined the OSI's mandate to remove Nazi criminals as expeditiously as possible to countries that would prosecute them.

Speed was a key factor.

Survivors of the Holocaust who made the United States their home after the war had been forced to share it with their former Nazi tormentors. That had to change, and fast, the OSI's proponents said. If suspects were to stand trial, they needed to be found and ousted while they were alive. The OSI and its backers didn't want death to cheat justice.

Yet only 10 suspects were ever prosecuted after being expelled, according to the department's own figures.

At his home in Osijek, Denzinger would not discuss his situation. "I don't want to say anything," he told the AP in German as he rested on his walker in the hallway of his apartment.

But Denzinger's son, who lives in the U.S., confirmed his father receives Social Security payments and said he deserved them. "This isn't coming out of other people's pockets," Thomas Denzinger said. "He paid into the system." Plus his father is paying 30 percent in taxes. "They should be taking out nothing," he said.



FILE - This Jan. 27, 2012, file photo shows the words 'Arbeit Macht Frei' (Work Sets You Fre ...

Another former Nazi camp guard, longtime Montana resident Martin Hartmann, lives in Berlin and also is collecting Social Security, according to a person with knowledge of

Hartmann's finances who requested anonymity because the person did not want to be associated with Hartmann's Nazi history. Hartmann, 95, left the U.S. in 2007, just before a federal judge issued an order to revoke his citizenship.

The loophole also means new suspects, including former SS unit commander Michael Karkoc, whom the AP located last year in Minnesota, could retain benefits even if removed to another country.

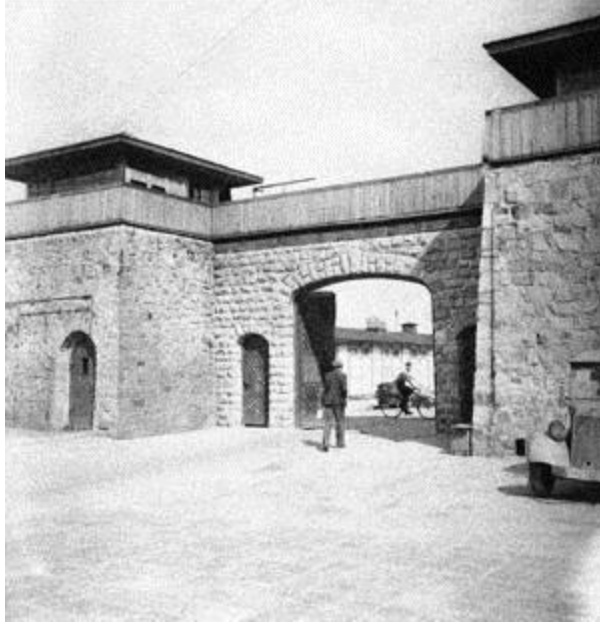
German prosecutors opened an investigation after the AP uncovered documentation showing Karkoc, 95, ordered his unit to raze a Polish village during the war. Dozens of women and children were killed in the attack.

The American public did not become fully aware until the mid-1970s that thousands of Nazi persecutors had immigrated to the U.S. after World War II, with estimates ranging as high as 10,000. They were shocked to learn their former enemies could be living next door.

Congressional pressure led to the creation of the OSI in 1979 and it had a single purpose: track down and expel Nazis who played a role in the persecution of civilians.

But because their crimes were committed outside the U.S. and almost always against non-Americans, Nazi suspects could not be tried in U.S. courts.

The only other option available was to prove they lied to immigration authorities about what they did during the war, to strip them of their citizenships through a lengthy legal process, and then to attempt either deportation or extradition.



FILE - This July 1945 file photo shows the main gate at Mauthausen concentration camp, near Linz, Au ...

But almost no countries were willing to accept them through deportation, and few pressed charges that would have forced extradition.

So the Justice Department devised a strategy to overcome these difficulties, including encouraging them to leave voluntarily, which meant they would avoid the messy process of deportation but keep their retirement benefits.

The OSI regularly trumpeted its successes, and boasted in 2006 that its work had led to more Nazi expulsions from the U.S. in the previous 25 years than all other countries in the world combined.

"We really did want people to give up and go," said a senior Justice Department official, who defended the practice as a way of avoiding deportation proceedings that could last as long as 10 years.

"The goal is still to remove these people as quickly as possible, and the fact that as soon as we move to the deportation stage they run the risk of losing their benefit(s) is still an encouragement to leave," said the official, who spoke on condition of anonymity because he was not authorized to speak publicly about the department's thinking on the matter.

The OSI even went so far as to encourage several suspects to use U.S. passports for legal travel to allied countries, such as Germany or Austria. Once there, they would renounce

their U.S. citizenships and still be able to collect Social Security benefits. This practice became known as "Nazi dumping" within diplomatic circles and stoked outrage at the State Department and in capitals in Europe.

The path for the OSI's approach opened when Congress passed legislation making "participation in Nazi persecution" grounds for deportation. But the Social Security Act was not changed to make such crimes also grounds for the termination of benefits.

An internal memo drafted in 1984 by State Department officials discussed how deals were made behind the scenes. To get suspects to renounce citizenship, the OSI would delay legal action and "refrain from seeking in any way to limit the subject's receipt of U.S. Social Security benefits," the memo said.



File- In this Jan. 27, 2012, file photo, a couple walks past the slogan 'Arbeit Macht Frei' ...

The criticism triggered a bitter back-and-forth between the two agencies, with each accusing the other of being un-American. Decades later, the acrimony lingers.

"It was not upfront, it was not transparent, it was not a legitimate process," said James Hergen, a former State Department legal adviser who once described the OSI's approach as a "cynical publicity ploy." "This was not the way America should behave. We should not be dumping our refuse, for lack of a better word, on friendly states."

Neal Sher, who was OSI's director from 1983 to 1994, said the State Department put a higher priority on diplomatic niceties than holding former members of Adolf Hitler's war machine accountable.

"State always wraps itself in the flag. Unfortunately, it's not the American flag," said Sher, recalling a complaint voiced by a former colleague.

One of the first instances of "Nazi-dumping" involved Rudolph, a celebrated rocket scientist, and set off a diplomatic firestorm.

Rudolph was brought to the U.S. after the war because of his technical brilliance. NASA awarded him a Distinguished Service Medal for achievements that included his central role in the Apollo project that put a man on the moon. Decades later he was accused of "working thousands of slave laborers to death" in the Nazi factory that built the V-2 rocket, and he faced the loss of his citizenship and deportation.

Rudolph and Avdzej, another Nazi war crimes suspect, became the first to voluntarily leave the United States under the OSI's "renunciation program." When they arrived in Germany in 1984 and forfeited their U.S. citizenships, a furious West German government filed a formal protest.

Amid State Department objections, the OSI came up with a "new scheme," said an internal memo, obtained by the AP, to then-Secretary of State George Shultz. The difficulty in finding cooperative countries, according to the May 1987 memo written by senior State Department officials, "has led OSI to resort to bargains with Nazi persecutors which permit their voluntary departure from the U.S."



FILE - In this undated file photo, a machine gun is seen over the parade ground at the Sachsenhausen ...

Another diplomatic uproar ensued when Austrian authorities learned about a deal with Martin Bartesch, a former SS guard at the Mauthausen concentration camp in Austria. Prisoners were forced to work at Mauthausen as slave laborers. At least 95,000 died from gunfire, gassings or starvation.

Unlike most guards against whom little incriminating evidence survived, captured Nazi records used by American prosecutors showed that Bartesch shot and killed a French Jew at the camp in 1943. Bartesch's family denied he had done anything wrong at Mauthausen.

In 1987, Bartesch landed, unannounced, at the airport in Vienna. Two days later, under the terms of the deal, his U.S. citizenship was revoked.

The Romanian-born Bartesch, who had immigrated to the U.S. in 1955, was suddenly stateless — and Austria's problem. The fallout forced U.S. Attorney General Edwin Meese to apologize to the Austrian interior minister and assure him Austria would not be blindsided again.

Bartesch received Social Security benefits in Austria until he died in 1989.

The State Department continued to protest the arrangement, but to no avail.

"Everybody knew there was no profit in opposing it. It was professional suicide," remembered Hergen. "Why would the White House want to be tagged with stopping the deportation of these Nazi monsters? You were the devil if you opposed it."

The year before Bartesch died, Congress amended U.S. law so that individuals deported for aiding in the Nazi persecution also would lose their Social Security benefits. But if a Nazi suspect left before a final deportation order was issued, the benefits could continue.



FILE - This undated file photo shows the main gate of the Auschwitz death camp complex in occupied-P ...

The Clinton administration in 1997 began internal discussions over whether to terminate benefits to Nazi suspects when they were stripped of their citizenship, which is called denaturalization, instead of when they were deported. That would have lowered the threshold for terminating a suspect's benefits.

The acting commissioner of the Social Security Administration at the time, John Callahan, initiated the debate. "Social Security benefits cannot, and should not, be used as a bargaining tool," Callahan wrote in an April 1997 memo to Clinton's domestic policy chief.

Callahan did not respond to the AP's requests for comment.

Elena Kagan, then a top deputy in the domestic policy office and now a U.S. Supreme Court justice, seemed unmoved by Callahan's plea. "This is a pretty snotty letter," Kagan jotted in the margin of the memo.

The Justice Department supported the proposal, albeit tepidly, the records show.

But working behind the scenes, a pair of influential Jewish groups succeeded in getting the White House to back down. The World Jewish Congress and the American Gathering of Holocaust Survivors threatened to publicly accuse the administration of being soft on Nazi prosecutions if it went forward.

Sher, the former OSI chief, boosted the hand the Jewish groups were playing. After a stint with the powerful American Israel Public Affairs Committee, he was now representing the American Gathering of Holocaust Survivors.



FILE - This undated file photo shows Martin Bartesch in a photo belonging to his daughter Ann Bresne ...

The groups argued closing the loophole would result in greater leniency for Nazi suspects. Federal judges hearing the denaturalization cases, they said, would not see perpetrators of the Holocaust before them, but feeble old men who were on the verge of not only losing their citizenships, but their Social Security too. That would undercut the primary goal of getting suspects out of the U.S. and to countries willing to prosecute them.

Inside the Clinton White House, senior aides found this logic hard to grasp. But it was a fight they did not want.

The arguments for preserving the loophole do "not sound fully compelling, EXCEPT that it is impossible to ignore who is raising the concern," a White House staffer wrote in a memo to Kagan. The groups promised to "protest vociferously," it added. The proposal was shelved.

Two years later, in 1999, U.S. Rep. Bob Franks, a Republican from New Jersey, introduced legislation to cut off benefits for any Nazi persecutor who left the country voluntarily, whether they were U.S. citizens or not.

This time, the Justice Department's stance was unequivocal. The bill, it said, would undercut the OSI's mission.

Sher defended the department's stance. Six years to 10 years in litigation costs could be saved if suspects left voluntarily, he said. During that time, they would continue to receive retirement benefits as well as Medicare, Sher said.

Not all Jewish groups favored keeping the loophole.

Rabbi Marvin Hier, who still heads the Simon Wiesenthal Center he founded in 1977, wanted it shut. There was "no will" in Europe to prosecute Nazi suspects, he said, and the benefits they collected allowed them to live in relative comfort.



FILE - This 1943 file photo shows Nazi officers talking with citizens of the Warsaw ghetto in Poland ...

"Someone receiving an American pension could live very well in Europe or wherever they settled," Hier said. "We, in effect, were rewarding them. It didn't make any sense."

Despite attracting nearly 50 co-sponsors, the Franks bill failed to pass after running into opposition similar to what the Clinton White House faced. Franks died in 2010.

U.S. Rep. Carolyn Maloney of New York, a senior Democrat on the House Oversight and Government Reform Committee, said in an AP interview she plans to introduce legislation to close the loophole.

"It's absolutely outrageous that Nazi war criminals are continuing to receive Social Security benefits when they have been outlawed from our country for many, many, many years," said Maloney, a co-sponsor of the Franks legislation.

Many of the former Nazis who came to the U.S. after World War II blended in just as Hartmann and Denzinger did. They worked, raised their families, paid their taxes. They said little about what they did during the war.

American immigration law barred entry to members of Hitler's Nazi party, the fanatical SS units, and anyone else tied to a group considered hostile to the U.S. The rules were amended in the early 1950s. The list of banned organizations was dropped and the focus shifted to keeping out individuals who "personally advocated or assisted in the persecution of any person or group of persons because of race, religion or national origin."

The SS units responsible for guarding the Nazi death and concentration camps were called Totenkopf, or Death's Head, and their troops wore a silver skull-and-crossbones on their uniform collars. They were still generally refused entry after the change. But other SS members designated primarily for combat roles were more likely to be let in.



This undated handout provided by the Justice Department shows Arthur Rudolph, one of hundreds of sci ...

Many got around the restrictions by simply lying about their service in the SS, only to be found decades later by OSI. Others such as Rudolph, whose skills as a rocket scientist trumped what officials knew about his background, were intentionally allowed in.

In addition to Denzinger and Hartmann, Peter Mueller, 90, a former guard at the Natzweiler camp in France, lives in a nursing home in Worms, Germany. Wasyl Lytwyn, 93, who served in the SS Trawniki unit that took part in the destruction of the Jewish ghetto in Warsaw, is believed to be living in Ukraine.

Lytwyn's 1995 settlement agreement stipulates that his Social Security benefits would not be affected by leaving. Mueller would have been eligible for benefits based on the circumstances of his departure, but the Social Security Administration would neither confirm nor deny whether he was receiving payments.

Hartmann, the former Nazi SS guard living in Berlin, volunteered for the SS in 1943 and was assigned to the Death's Head unit guarding Sachsenhausen, a concentration camp on the outskirts of the Nazi capital.

Prisoners at Sachsenhausen were forced into slave labor, tortured and subjected to horrific medical experiments that included sterilizations, castrations and injecting infectious material into a prisoner's body, according to the U.S. Holocaust Memorial Museum. An estimated 30,000 prisoners died of starvation, disease, exhaustion or were murdered.

After the war, Hartmann, his wife and son first settled in Mankato, Minnesota. The family then moved to Helena, Montana, where he worked at the local newspaper, The Independent Record, as a typesetter. He was granted U.S. citizenship in 1961.

When the news broke about Hartmann in 2007, Nathan Gasch, an Auschwitz survivor and Hartmann's neighbor in a quiet Arizona retirement community called Leisure World, told reporters of an unnerving visit to Hartmann's home. There, on the wall, was a picture of Hartmann dressed in an SS uniform and wearing a Nazi cap. Gasch did not notify the authorities. "I just let it go," said Gasch, who died last year.

Hartmann secured his departure deal in 2007 after reaching an agreement with the OSI in which he acknowledged lying about his Nazi past when he immigrated to the United States in 1955. As part of a settlement reached in U.S. District Court in Washington, the Romanian-born Hartmann agreed to leave the U.S. at his own expense.

The court's ruling was based on information provided by the OSI. But the AP uncovered documents through a FOIA request to the National Archives that showed Hartmann did tell American authorities, when he was applying to immigrate, about his service in the SS and as a camp guard at Sachsenhausen.

Carr, the Justice Department spokesman, did not specify in an email Wednesday whether the documents were turned over to Hartmann. He said Hartmann admitted making misrepresentations about being at Sachsenhausen. Even if he hadn't, Carr wrote, his citizenship still would be revoked because of the SS connection.

Denzinger was born in Cebin, Yugoslavia (now Croatia), a town outside Osijek with a large population of ethnic Germans. In 1942, at age 18, he began serving in one of the Death's Head battalions.

His first posting was to Mauthausen, where he trained to be an armed camp guard. He was subsequently stationed in several other camps, including Sachsenhausen and the Auschwitz death camp complex in occupied-Poland where the Holocaust Museum estimates nearly a million Jews were killed.

On his immigration visa and, later, his application for U.S. citizenship, Denzinger omitted any references to the SS or death camps, writing only that he served in the German army.

His citizenship was revoked by a federal judge in November 1989, a few months after he fled.

Thomas Denzinger said his father did not want to put his family through a long and public legal proceeding.

"He's made a new life for himself over there," he said. "But he's angry. He claims he was drafted into the army and he did as he was told. You do as you are told or they line you up against a wall and shoot you. You don't have any choice."

Croatian authorities this year opened an investigation of Denzinger's World War II service. They would not comment on the inquiry while it is ongoing.

In Osijek, a town of baroque spires and cobblestone squares, Denzinger occupies the entire second floor of his riverfront building, and has a live-in helper to attend to his needs.

He spends tranquil days gazing out at the marina from his spacious apartment, and has a routine of riverside strolls and turkey cutlets and Cokes at his favorite Italian restaurant, where he's known as a generous tipper.

And the former Auschwitz guard has meticulously choreographed another departure.

His gravestone — including a photograph of himself wearing a suit and tie — is already in place in Cepin's Catholic Cemetery about 10 kilometers (6 miles) from his apartment.

The black marble slab is polished to a high gloss in the third row of the cemetery, not far from the chapel. It is engraved with an epitaph from his "loved ones": "Proud that we had you; happy that we were with you; eternally sad that we lost you."

Herschaft reported from New York and Lardner from Washington.
