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REPORT TO THE CONGRESS



BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

U.S. Assistance Provided For Resettling Soviet Refugees

Departments of State and Justice

The U.S. has spent \$155 million on programs to resettle Soviet refugees. If far-reaching, ongoing resettlement and absorption programs continue to be authorized, the Congress may want to provide more specific criteria for the use of grant funds.



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


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To the President of the Senate and the
Speaker of the House of Representatives

Assistance to refugees has been an established part of American foreign policy. This report describes how U.S. funds have been used to aid the resettlement of refugees from the Soviet Union. To assist in efforts to evaluate the administration of the program, the Congress may want to provide more specific criteria on the types of activities it would like to support in the future and decide whether fund expenditures should be generally related to the number of refugees.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of State; and the Attorney General.


Comptroller General
of the United States

D I G E S T

In 1972 the Congress initiated a program to provide assistance for resettling Soviet refugees. The distribution of the \$155 million the U.S. spent to help resettle Soviet refugees was

--\$121 million to resettle refugees in Israel,

--\$24 million to resettle them in other countries, and

--\$10 million to transport them.

Since 1971, 131,000 persons emigrated from the Soviet Union: 106,000 to Israel and 25,000 to other countries--most to the U.S.

--From a peak of 36,000 in 1973, emigration dropped to about 15,500 in each of the last 2 years. (See p. 3.)

--Through 1973 most emigrants went to Israel; now less than half are going to Israel. (See p. 3.)

--About 7,000 who initially went to Israel have since left to resettle in other countries. (See p. 33.)

RESETTLEMENT IN ISRAEL

U.S. funds are used in a program to resettle refugees and to absorb them into society. The program, run for many years by the Jewish Agency for Israel, includes care and maintenance en route and after arrival.

No specific definition or criteria spell out what resettlement is nor has the level of U.S. funding been related to the number of refugees. With the lack of specific criteria, it is difficult to evaluate the

administration of the program. In Israel absorption and resettlement include a broad range of services made necessary, according to the United Israel Appeal, by a culturally and economically diverse immigrant population. (See p. 6.) About 43 percent of the U.S. funds were used to expand Israel's facilities to receive and resettle immigrants. Expansion includes the construction of absorption centers, permanent housing, and medical facilities. (See p. 11.) In addition, the assistance was used for training or retraining, university scholarships, and rental payments.

Permanent housing for immigrants is the largest resettlement expenditure for both Israel and the Jewish Agency for Israel. U.S. funds were used to build 1,355 apartments. In late 1975 the Israeli Government and the Jewish Agency had over 3,500 apartments available for permanent housing--though not necessarily where refugees wanted to live. At the same time, the Jewish Agency was leasing several thousand apartments for use as temporary housing, because of a "shortage of permanent housing." (See pp. 20 to 22.)

To assist in efforts to evaluate the administration of the program, the Congress may want to provide more specific criteria on the types of programs it would like to support in the future and decide whether expenditures should be generally related to the number of refugees and fund unusual requirements for such things as infrastructure separately. (See p. 28.)

RESETTLEMENT IN THE UNITED STATES

About 19,400 Soviet refugees entered the U.S. for resettlement under various authorities of the Immigration and Nationality Act. (See pp. 29 and 45.)

The State Department used international voluntary agencies and their local cooperating agencies or sponsors to resettle the Soviet refugees in the U.S. While the refugees waited in Europe for resettlement, the voluntary agencies provided them food, clothing, temporary shelter, resettlement documentation, and language training. The voluntary agencies were given \$300 for each refugee resettled in the United States, to cover expenses for providing reception and placement services. (See pp. 30 and 36 to 40.)

The voluntary agencies generally did not refer Soviet refugees for public assistance, although they did not hesitate to use Medicaid for medical care. Why? One reason cited by the voluntary agencies was that refugees who applied for permanent resident status might be prevented from getting that status if they were on welfare. (See pp. 40 to 45.) A sample of 558 families resettled in the New York City area showed that 126 had received Medicaid assistance and 14 had received supplemental security income, New York home relief, or a combination of these two.

REFUGEES LEAVING ISRAEL

Nearly 4,000 of the 7,000 Soviet immigrants who left Israel to resettle in other countries received U.S. assistance while awaiting further resettlement. The State Department said that in 1976 it limited assistance to resettlement documentation and transportation. (See pp. 34 to 36.)

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ABBREVIATIONS

AID	Agency for International Development
GAO	General Accounting Office
HIAS	Hebrew Immigrant Aid Society
INS	Immigration and Naturalization Service
JAI	Jewish Agency for Israel
UIA	United Israel Appeal

CHAPTER 1

INTRODUCTION

Refugee assistance is an established part of American foreign policy because of basic compassion for the oppressed and unfortunate and the belief that displaced persons are a potentially explosive force in relations among nations. The assistance also shows firm support for the concept of freedom of movement and emigration. For the most part, since the late 1930s, the U.S. assistance has been designed to insure that refugees have basic necessities, such as food, clothing, and medical assistance while awaiting resettlement and to assist in permanent resettlement by providing resettlement documentation, language training, and transportation.

LEGISLATIVE AUTHORITY

Following the increased emigration from the Soviet Union to Israel in the early 1970s, the Congress initiated legislation, subsequently enacted into law, to help with the cost of resettling these refugees in Israel. This authority, contained in section 101(b) of the Foreign Relations Authorization Act of 1972, July 13, 1972 (Public Law 92-352), states that:

"The Secretary of State is authorized to furnish, on terms and conditions he considers appropriate assistance to Israel or another suitable country, including assistance for the resettlement in Israel or such country of Jewish or other similar refugees from the Union of Soviet Socialist Republics. * * *"

Section 501(c) of the Foreign Relations Authorization Act, Fiscal Year 1976, November 29, 1975 (Public Law 94-141), authorized the Secretary of State to provide similar assistance to refugees from Communist countries in Eastern Europe.

The funds provided under this special program were used until fiscal year 1977 to provide assistance to Soviet refugees going to Israel and also to those wanting to resettle in other countries. The Foreign Relations Authorization Act, Fiscal Year 1977 (Public Law 94-350, July 12, 1976), which authorized \$20 million in fiscal year 1977 for resettling Soviet refugees, stated that none of the funds could be used to resettle Soviet refugees in any country other than Israel. In early 1977 the State Department submitted budget requests to the Congress for funds to assist those refugees not going to Israel.

Prior to enactment of this specific authority in 1972, limited assistance, in the form of en route care and maintenance and transportation, was provided to Soviet refugees under the Migration and Refugee Assistance Act of 1962, amended June 28, 1962 (Public Law 87-510), this being the President's basic authority for providing assistance to refugees.

From 1972 through 1976, the U.S. Government provided \$155.2 million under these two authorities to assist in resettling Soviet refugees, as shown below.

<u>Purpose</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Total</u>	<u>Percent</u>	
	(000 omitted)							
Resettlement in Israel	\$ -	\$44,000	\$30,500	\$34,115	\$12,000	\$120,615	77.7	
Resettlement outside								
Israel	1,045	1,175	5,195	8,300	8,300	24,015	15.5	
Transportation	1,450	5,390	2,500	1,000	-	10,340	6.7	
Administration	10	25	100	85	-	220	.1	
Total	<u>\$2,505</u>	<u>\$50,590</u>	<u>\$38,295</u>	<u>\$43,000</u>	<u>\$20,300</u>	<u>a/\$155,190</u>	<u>100.0</u>	

a/Includes \$141.5 million provided under authority of the Foreign Relations Authorization Act of 1972 and \$13.7 million provided under authority of the Migration and Refugee Assistance Act of 1962.

RECENT SOVIET EMIGRATION

The rate of Soviet emigration changed dramatically from the 1960s to the early 1970s. Only a small number of persons were permitted to emigrate through 1970 when 1,000 emigrated from the Soviet Union to Israel. During 1971, there was a relaxation of Soviet emigration restrictions with particular reference to Jews wanting to go to Israel. By April, emigration from the Soviet Union to Israel exceeded 1,000 monthly and totaled more than 8,000 for the year.

As shown below, Soviet emigration continued to increase in 1972 and 1973 when it reached a high of 36,235. Since then it dropped to a monthly average of 1,300 in 1975 and 1976.

Calendar year	Refugees from Russia	Refugees moved to Israel	Percent	Refugees resettled in other countries (note a)	Percent
1971	8,704	8,392	96.4	312	3.6
1972	32,406	31,606	97.5	800	2.5
1973	36,235	33,280	91.8	2,955	8.2
1974	22,084	16,846	76.3	5,238	23.7
1975	15,590	8,395	53.9	7,195	46.1
1976	<u>15,761</u>	<u>7,238</u>	45.9	<u>8,523</u>	54.1
Total	<u>130,780</u>	<u>105,757</u>	80.9	<u>25,023</u>	19.1

a/Excludes ex-Soviets returning from Israel.

As shown in the table, since the relaxation of Soviet emigration, nearly 106,000 Soviet emigrants have been moved to Israel for resettlement and another 25,000 have requested to resettle in other countries. Until 1974 over 90 percent of the emigrants were going to Israel. Since then the percentage of emigrants seeking to resettle in Israel has steadily declined to only 46 percent wishing to resettle in Israel in 1976. This decline is partly attributable to the security and economic hardship experienced in Israel following the October 1973 Middle East War.

PROGRAM ADMINISTRATION

The State Department administers the program for assisting with the resettlement of Soviet refugees through its Coordinator for Human Rights and Humanitarian Affairs (Refugee and Migration Affairs) and the Humanitarian Affairs Section of the U.S. Mission in Geneva. Except for transportation funds which are provided to the Intergovernmental Committee for European Migration, the funds for assisting with the resettlement in Israel are provided to the United Israel Appeal (UIA) under grant agreements. The grant agreements, which set forth the program categories to which the funds are to be applied, are negotiated with UIA by the Refugee and Migration Affairs office.

UIA uses the funds to reimburse the Jewish Agency for Israel (JAI) for expenditures associated with implementing the

grant programs. JAI is UIA's operating agent in all matters concerned with aiding and assisting Jewish persons to immigrate to Israel and with their absorption, rehabilitation, and resettlement.

Before 1976 the primary involvement of the Humanitarian Affairs Section in Geneva with the resettlement assistance in Israel was to periodically disburse the grant funds to UIA and annually audit the grant expenditures. This role was expanded when, prior to the execution of the 1976 grant, the State Department asked its representative in Geneva to review UIA's program proposals, after which an onsite assessment in Israel was made. According to State, the representative's recommendations were considered in finalizing the 1976 grant.

Soviet refugees wishing to resettle in other countries are assisted under the U.S. Refugee Program administered in Europe and the Near East by the Humanitarian Affairs Section in Geneva. The Refugee Program is designed to facilitate the reestablishment in the free world of refugees and defectors from Communist-dominated countries. The assistance includes initial reception, emergency aid, care and maintenance (including food, clothing, lodging, medical and dental care, and toilet articles), counseling, visa documentation, and language training. The Humanitarian Affairs Section operates the Refugee Program through contracts with several international voluntary agencies including the Hebrew Immigrant Aid Society (HIAS), International Rescue Committee, and Tolstoy Foundation, which assist the refugees while they await resettlement in other countries.

The U.S. Embassy in Israel characterized its role as one of casual participation in which it was aware of what was going on through contact with UIA personnel and as the U.S. representative in protocol matters.

CHAPTER 2

RESETTLEMENT OF SOVIET REFUGEES IN ISRAEL

Through 1976 the United States had provided over \$110.6 million in grants to the United Israel Appeal for assisting with the resettlement of Soviet refugees in Israel and about \$10.3 million in grants to the Intergovernmental Committee for European Migration to pay for transporting the refugees to Israel and other countries.

The grant funds for resettlement in Israel were used in a far-reaching, ongoing resettlement and absorption program, operated for many years by the Jewish Agency for Israel. The program includes care and maintenance of refugees while en route and after arriving in Israel; training or retraining; university scholarships; rental payments; and construction/ acquisition of absorption centers, permanent housing, and medical clinics. The grant funds for each program area generally represented only part of the total funding for the particular area.

Israel's immigration and absorption program has also benefited, at least indirectly, from such other U.S. programs as guaranties of loans made by private U.S. investors for financing the construction and private ownership of housing.

ROLE OF THE JEWISH AGENCY FOR ISRAEL

JAI was founded in 1929 and is responsible for (1) "ingathering of the exiles" as reflected in its immigration and absorption activities, and (2) helping to improve the quality of life and to close the social gap in Israel as reflected in its education, housing, welfare, and health activities. For fiscal years 1976 and 1977, JAI allocated about 42 percent of its budgets for programs relating to new immigrants expected to arrive during the budget year. About 58 percent of the budgets were for programs relating to closing the social gap between the majority of the people and those immigrants who arrived in earlier years.

JAI is responsible for mobilizing the financial and material resources necessary to carry out these functions. As shown in table 1, UIA in the United States is the principal source of funds for JAI and for its absorption and resettlement program, having provided about \$978 million from 1973 through 1976. UIA is a voluntary, tax-exempt agency incorporated in the United States and, like contributions to all other non-profit, tax-exempt organizations, private contributions to it may, depending on each contributor's tax status, be deductible for Federal income tax purposes.

JAI spent or allocated \$1,872 million to carry out its functions from 1973 to early 1976. For this period, the U.S. resettlement grant totaled about 5 percent of JAI's receipts, including contributions and borrowings. Total receipts from the U.S. resettlement grant and from funding provided by UIA totaled over 58 percent of JAI's total receipts.

JAI's immigration and absorption functions have been designed through the years to overcome the problems associated with mass immigration, such as differing language and cultural backgrounds (cultural shock), housing, education and job skill retraining, and health services and facilities. Overcoming these problems is a costly process and, for JAI, includes providing for:

- Transportation of immigrants and their belongings.
- Initial care of immigrants and financial assistance in the form of loans or grants for basic household furnishings, subsistence, and clothing.
- Construction of hostels and absorption centers.
- Temporary living arrangements in absorption centers and hostels to give immigrants basic Hebrew language training and to familiarize them with social and cultural conditions in Israel.
- Scholarships for secondary and agricultural schools and institutions of higher learning.
- Immigrant housing, including permanent housing, rental of temporary housing, and payment of rental subsidies.

Generally the immigrant's needs and financial status determined the nature and amount of assistance provided by JAI and whether it was in the form of loans or grants.

Table 1

Summary of JAI Receipts and Expenditures

	Fiscal year (note a)		Total	Percent	Fiscal year 1977 (estimate)
	1973	1974			
Receipts (note b):					
Balance from previous years	\$ -	\$ 5,218	\$ 77,053	\$ 27,631	\$ -
United Israel Appeal	220,537	401,110	188,892	167,976	978,511
U.S. resettlement grant	5,216	27,442	45,102	27,790	105,352
Other (note c)	175,272	220,121	20,739	190,991	785,093
Total	\$400,993	\$653,891	\$512,786	\$414,388	\$1,872,156
(000 omitted)					
Expenditures:					
Immigration and absorption	\$ 45,911	\$ 77,415	\$ 82,273	\$ 70,575	\$ 276,174
Social welfare service	30,004	38,055	63,429	40,305	171,793
Health services	30,944	9,397	14,000	8,920	63,261
Education	32,831	44,231	52,563	49,624	179,249
Higher education	72,219	103,805	68,538	71,507	316,169
Absorption in agricultural settlements	30,422	43,965	55,946	60,059	190,392
Youth care and training	14,971	22,739	31,074	31,132	99,916
Immigrant housing	100,588	182,490	58,583	29,070	370,731
General services and administration	2,928	3,520	5,176	4,096	15,720
Debt service	25,652	41,410	40,741	37,272	145,075
Miscellaneous	9,305	9,812	12,732	11,846	43,695
Total	\$395,775	\$576,839	\$485,155	\$414,406	\$1,872,175
Carry forward for future expenditure and reserve	-	5,218	27,631	-	8,000
Total	\$400,993	\$653,892	\$512,786	\$414,406	\$502,000

a/Fiscal year is April 1 to March 31.

b/Net of debt repayment.

c/Includes Karen Hayesod fund contributions, borrowings, and miscellaneous receipts.

d/Grant funds were retroactive to November 1972.

ROLE OF THE GOVERNMENT OF ISRAEL

The Government of Israel's Ministry of Immigrant Absorption works with other government ministries and JAI, primarily in a coordinating role, to achieve Israel's immigration objectives. The Ministry is involved in overall policy and planning areas, such as population dispersal, immigrant housing needs, and labor and welfare.

The Government of Israel, by creating jobs and constructing housing and such related infrastructure as factories, highways, and water facilities contributes to immigrant resettlement and absorption. Information on direct government expenditures for these programs was not readily available, but the Israeli Government estimated that \$83 million is spent to create jobs and the related infrastructure for every 10,000 immigrants. (See table 2.)

New immigrants to Israel are also granted income tax concessions and exemption from customs duties, purchase taxes, and import licenses on personal, household, and business items. Generally these privileges and the services provided by JAI are available to immigrants for 3 years from the date they arrive in Israel.

RESETTLEMENT COSTS

In October 1975, JAI estimated that it cost about \$68,000 to absorb and resettle an average Soviet refugee family of 3.4 persons. The estimated cost included such areas of the absorption process as providing permanent housing, creating jobs, building and maintaining absorption centers, and overcoming cultural shock. Because of the enormity and complexity of the costs, it was not practical to identify and verify total costs. However, JAI provided a breakdown of the estimated \$200 million cost to resettle 10,000 immigrants as shown in table 2.

Table 2

Estimated Cost to Resettle 10,000 Immigrants

	JAI		Israeli Government		Private sector	
	Total Cost	Percent	Cost	Percent	Cost	Percent
	(000 omitted)		(000 omitted)		(000 omitted)	
1. Transportation of refugees and personal effects	\$ 9,000	100	\$ -	-	\$ -	-
2. Initial care and absorption	6,000	100	-	-	-	-
3. Housing and community infrastructure	87,000	20	69,600	80	-	-
4. Creation of jobs and related infrastructure and training	83,000	5	41,500	50	37,350	45
5. Health	5,500	10	4,400	80	550	10
6. Education and higher learning	6,800	30	4,556	67	204	3
7. Welfare	2,700	100	-	-	-	-
Total	\$200,000	20.9	\$120,056	60.0	\$38,104	19.1

Funds spent by the Israeli Government and the private sectors for housing and related community infrastructure, training, and job creation also provide long-term benefits for the Israeli economy. Total government and private sector costs for job creation and housing comprise about \$148 million or nearly 75 percent of the estimated cost for resettling 10,000 immigrants.

STATUS OF RESETTLEMENT

As of December 31, 1976, the Soviet refugees were in various stages of absorption in Israel. There is no precise definition of what constitutes "fully settled" in the Israeli absorption process; therefore, the status is presented in terms of the following activities and programs from information provided by UIA.

Housing

About 4,000 persons were in absorption centers and another 1,000 were in hostels for the elderly. An additional 6,000 were in subsidized rental apartments awaiting permanent housing.

Employment

About 3,000 persons were in various stages of retraining, including 225 highly skilled scientists. In addition, 450 academics and professionals in Israel for more than 3 months were unemployed, and approximately 500 applications were pending for small business loans.

Social services

JAI was providing individual social services to about 4,500 refugee families, and another 15,000 were receiving old-age benefits and medical insurance.

Students

The Israeli Student's Authority was providing scholarships and assistance to approximately 2,500 university and postsecondary school students. About 3,900 high school students were also provided tuition scholarships since the 10th to 12th grades in Israel are not free, and 300 7th to 9th grade students were in other youth training institutions.

U.S. RESETTLEMENT GRANTS

The United States provided limited assistance to refugees before the 1972 special program was established to assist the Government of Israel to resettle the increased immigration from the Soviet Union. This earlier assistance included transportation of refugees to countries of resettlement (provided through the Intergovernmental Committee for European Migration) and temporary maintenance, such as shelter, care, and counseling, provided under the U.S. Refugee Program.

Under the special program, the U.S. resettlement grants have been applied to JAI for Israel's ongoing immigration and absorption program in three broad categories as follows:

<u>Category</u>	<u>Amount</u>	<u>Percent</u>
	(thousands)	
Expansion of Israel's infrastructure for receiving and resettling immigrants (permanent housing, absorption centers, medical facilities)	\$ 52,053.8	43.2
Assistance and services to in- dividual refugees	66,111.8	54.8
Care and maintenance en route	<u>2,449.4</u>	<u>2.0</u>
Total	<u>\$120,615.0</u>	<u>100.0</u>

As shown in table 3, the \$120.6 million of grant funds was applied to 14 program areas. (App. I describes these program areas.)

Table 3

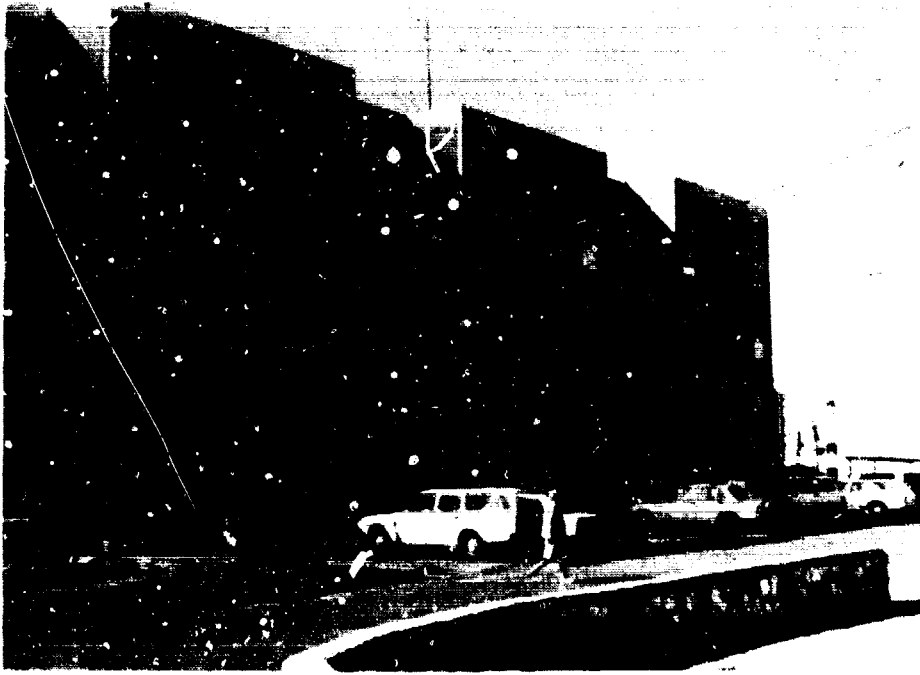
Program Allocations of U.S. Resettlement Grants

Category	Grant 4/6/73	Supplemental agreements				Reallocations	Grant 3/10/76	Total	Percent
		No. 1 6/21/73	No. 2 4/3/74	No. 3 2/3/75	No. 4 6/5/75				
1. Care and maintenance en route	\$ 1,200	\$ -	\$ 120	\$ 480	\$ -790.6	\$ 240	\$ 2,449.4	2.0	
2. Transit center renovation	500	-	-	-	-313.8	-	186.2	.1	
3. Construction/acqui- sition of absorp- tion centers and hostels	4,000	4,000	900	3,500	670.7	-	16,570.7	13.7	
4. Construction/acqui- sition of medical facilities	2,000	4,000	-	-	-	-	6,000.0	5.0	
5. Acquisition of per- manent housing	15,700	10,000	400	6,750	-5,042.1	-	28,057.9	23.3	
6. Apartment rentals	-	4,000	2,650	2,350	1,177.8	1,350	11,527.8	9.6	
7. University scholar- ships	1,100	500	-	1,800	1,440.0	775	6,615.0	5.5	
8. Training and mainte- nance for artisans and technicians	2,250	400	1,230	770	478.3	1,850	7,978.3	6.6	
9. Medical and para- medical service	-	1,000	-	-	-	-	1,000.0	.8	
10. Maintenance at absorption centers and hostels	4,250	2,900	3,450	4,865	3,863.8	4,500	28,078.8	23.3	
11. Absorption of aca- demicians	-	2,500	550	1,450	-1,179.1	1,735	6,855.9	5.7	
12. Construction and maintenance of youth institutions	-	1,200	700	1,050	-305.0	550	3,195.0	2.6	
13. Assistance to aged refugees	-	-	-	650	-	1,000	1,650.0	1.4	
14. Residence for aged refugees	-	-	-	450	-	-	450.0	.4	
Total	\$31,000	\$13,000	\$10,000	\$24,115	-	\$12,000	\$120,615.0	100.0	
		\$30,500	\$10,000	\$24,115	-	-	-	-	

Selection of grant programs

When some congressional interest was expressed in early 1972 in providing resettlement assistance, the State Department knew the assistance would at least consist of such traditional refugee assistance as in-transit food and shelter, transportation loans, and the immediate costs associated with resettlement in Israel. Contributions for all but the latter category were already being provided through State's regular refugee program as previously mentioned. State told us that its basic position was not to fund salary or any other costs associated with administration or overhead and that the services or items funded would have to be identifiable. Aside from this, we found little documentation which clearly sets forth the rationale and process behind the selection of program areas to be supported and the funding level of each.

The State Department asked UIA for program or project ideas for which the U.S. funds could be used. At the time, UIA was already assisting with the resettlement of the Soviet refugees through its contributions to the JAI budget. UIA said it looked first at JAI's budget line items it was supporting for fiscal year 1973 and selected what it considered to be the three priority project areas. These were (1) direct aid for moving the people from Russia to Israel; (2) intangibles or services, such as education, retraining, and health care; and (3) capital projects, including absorption centers, hostels, and housing.



**REHOVOT: ABSORPTION CENTER, U.S. GRANT FUNDS
(COMPLETED MAY 1974)**



ASHKELON: IMMIGRANT HOUSING, U.S. GRANT FUNDS

Following discussion between State Department and UIA officials, the \$31 million available for the initial grant agreement was allocated to categories 1 to 5, 7, 8, and 10 shown in table 3. As funds became available under subsequent grant agreements, the programs and projects were extended to such areas as rental payments, medical services, absorption of academicians, assistance to aged refugees and the acquisition of medical clinics.

Impact of grants

The grants amounted to only about 5.6 percent of JAI's receipts but, from a financial viewpoint, contributed substantially toward resettlement of the Soviet refugees. As shown in table 4, JAI expenditures for grant-related program items totaled about \$370.3 million for the 4 years ending March 1976, and the U.S. grants of \$108.6 million covered about 29.3 percent of JAI expenditures. The largest program area for both JAI and the U.S. grants was the acquisition of permanent housing, for which the U.S. share was 13.7 percent. However, for the other areas of mutual program funding, the U.S. grant share varied between 10 and 76 percent. In two cases the grant provided all of the funding.

Table 4
U.S. and JAI Expenditures for
Grant-Related Program Items
April 1972 to March 1976

<u>Category</u>	<u>Total JAI expenditures</u>	<u>U.S. grant allocation (note a)</u>	<u>Percent of JAI total</u>
	——(000 omitted)——		
1. Care and maintenance en route	\$ 7,001	\$ 2,209	31.6
2. Transit center renovation	480	186	38.8
3. Construction/acquisition of absorption centers and hostels	21,699	16,571	76.4
4. Construction/acquisition of medical facilities	6,000	6,000	100.0
5. Acquisition of permanent housing	205,514	28,058	13.7
6. Apartment rentals	14,241	10,178	71.5
7. University scholarships	14,385	5,840	40.6
8. Training and maintenance for artisans and technicians	23,316	6,128	26.3
9. Medical and paramedical service	(b)	1,000	-
10. Maintenance at absorption centers and hostels	37,238	23,579	63.3
11. Absorption of academicians	10,435	5,121	49.1
12. Construction and maintenance of youth institutions	25,535	2,645	10.4
13. Assistance to aged refugees	2,896	650	22.4
14. Residence for aged refugees	1,515	450	29.7
Total	<u>\$370,255</u>	<u>\$108,615</u>	29.3

a/Excludes Mar. 10, 1976, grant and amendments thereto to maintain comparability of amounts.

b/Item does not appear in JAI budget.

It should also be noted, as shown below, that JAI immigration and absorption expenditures for grant-related program areas totaled about 19.8 percent of the total expenditures for the 4 years.

<u>Fiscal year</u>	<u>Total JAI expenditures</u>	<u>JAI expenditures for grant-related programs</u>	<u>Percent</u>
(millions)			
1973	\$ 395.8	\$ 17.9	4.5
1974	576.8	163.8	28.4
1975	485.2	118.4	24.4
1976	<u>415.0</u>	<u>70.1</u>	16.9
Total	<u>\$1,872.8</u>	<u>\$370.2</u>	19.8

Although the U.S. grants were small in comparison to overall JAI receipts and expenditures, they represented nearly 30 percent of the program areas to which they were directed. In the opinion of U.S. Embassy and JAI officials in Israel, the grants also provided other significant benefits to Israel, such as

- providing additional foreign exchange,
- indicating congressional moral support, and
- freeing Agency funds for additional program items for Soviet refugees and other immigrants.

COMPLIANCE WITH TERMS OF RESETTLEMENT GRANTS

Although we did not review in depth the financial transactions related to the grants, we physically inspected grant projects and looked at the effectiveness of controls used to insure that grant funds were directed toward the Soviet refugees. This included spot checks of some JAI expenditure records submitted to UIA for payment, discussions with JAI's independent public accounting firm concerning their review process, and looking at the audit report of UIA's certified public accountant. The Humanitarian Affairs Section of the U.S. Mission in Geneva annually performed limited financial audits of grant expenditures, and we reviewed their reports.

JAI prepared periodic reports on program costs chargeable to the grants. Before the reports were submitted to UIA for

payment, JAI's independent public accounting firm reviewed the reports and supporting documentation and certified that the charges were correct.

In May 1975, UIA's certified public accounting firm issued the first report of its examination of grant expenditures to determine whether the terms and conditions of the grants were being complied with. The period examined was from inception (April 6, 1973) to June 30, 1974, although, where appropriate to enhance disclosure, actions occurring after that date were also discussed. According to the report, the examination included (1) an audit of the books and supporting documents; (2) a review of the resettlement grant agreement and supplements 1 and 2 thereto; (3) examination of correspondence between the State Department and UIA, including documents amending or clarifying the terms of the grant; and (4) examination of other material, including correspondence between UIA and JAI. The accounting firm also talked with JAI's public accounting firm and examined its audit procedures for the various grant programs.

The audit report noted that some of the required documents covering such matters as lease agreements for land, engineering contracts, land registration, disposition of rents collected from refugees, and the basis for some expenditure adjustments had not always been filed at UIA's New York office. However, it appeared that the accounting firm was able to generally satisfy itself regarding the appropriateness of payments under the grant programs and, where necessary, sought additional supporting documentation for payments and compliance with terms of the grant. UIA told us it has acted to correct the deficiencies noted in the auditor's report and that, in its opinion, the deficiencies were properly and promptly corrected or clarified. UIA has also requested that its accountant conduct another comprehensive audit.

Consequently, it appears that the terms of the grants were generally met and that controls were adequate to insure that only appropriate costs were being paid from grant funds.

Our inspection of grant programs indicated that grant funds were used for the same type of absorption and resettlement assistance as that given to other immigrants, which was based on their needs. We saw no evidence to indicate that the grant was used to provide increased or better assistance to Soviet refugees than to other immigrants from oppressed areas. However, JAI acknowledges that present-day immigrants to Israel receive more assistance than immigrants received 10 to 20 years ago due, in part, to the increased levels of funding and

to an increasingly sophisticated approach to absorption. This resulted from realizing that earlier assistance efforts were inadequate and that successful absorption means prevention of dependency and poverty cycles.

USES OF U.S. ASSISTANCE

The statutory authority for providing this assistance stated that it was to be used for helping with resettlement in Israel or other suitable countries. (See ch. 1.) The authorizing legislation did not define what resettlement would include, but the report 1/ of the House Committee on Foreign Affairs (now the Committee on International Relations), which accompanied the legislation, mentioned the categories of housing, clothing, food, medical care, education, and training. There is no specific statutory criteria or formal definition of what constitutes resettlement; thus, it is difficult to evaluate the administration of this program.

UIA said that resettlement should be defined in terms of the practices of the beneficiary, in this case JAI since it was intended to support existing efforts. As a result, the grant programs were matched to JAI's existing programs. On the basis of past experience in dealing with a culturally and economically diverse immigrant population, JAI conducts a comprehensive and sophisticated absorption and resettlement effort in Israel--an overall effort of assistance and services designed to attract immigrants, ease their absorption process, and encourage them to remain. UIA said JAI's ultimate objective is to make the individual self-sufficient as quickly as possible. The services and privileges provided by the Israeli Government and JAI are generally provided for up to 3 years after the immigrant arrives.

To illustrate the scope of the resettlement program, we note that JAI has provided funds, including grant funds, for university scholarships, absorption of academicians, and support for youth educational institutions. In addition, funds have been used to construct medical facilities, homes for the aged, and dormitories for young immigrants and to financially assist the aged.

1/H. Rep. No. 92-1047, 92d Cong., 2d Sess. 6 (1972).

Through the authorization and appropriation process, the committees have become aware of these uses of the grant funds. For example, the reports of both the House and the Senate Committees on Appropriations, in connection with the congressional consideration of the Foreign Assistance and Related Programs Appropriation Act of 1975, recognized and approved the use of the grant funds for these purposes.

The Senate Appropriations Committee, however, questioned whether, with changing circumstances, there was still sufficient reason to continue providing Soviet refugees with such extensive resettlement assistance and suggested that all refugee assistance programs be consolidated to obtain greater uniformity in refugee treatment. Although the committee suggested that funding for the program be reduced to \$25 million, the Congress appropriated the full \$40 million authorized for this program in 1975.

We have described in appendix I the grant programs undertaken with U.S. assistance to help resettle the Soviet refugees. These descriptions show that Israel has undertaken a broad program of assistance to refugees, whether or not they came from the Soviet Union. Both the grantee and the State Department, with support from the legislative histories of various authorization and appropriation acts, have used the subject grant funds in a widely diverse manner to help defray some of the costs incurred on behalf of Soviet refugees by the overall resettlement program.

Since inception of the program for resettling Soviet refugees, about \$55.2 million has been used for constructing permanent housing and absorption centers and for apartment rentals. (See table 3.)

Housing and rental payments

It is a matter of Israeli Government national policy to disperse its population by attracting it to particular parts of Israel. The effort includes attracting immigrants to new development areas within Israel. According to JAI, the new development areas offer excellent opportunities for new immigrants, but most of them prefer to live in the more developed areas.

BEST DOCUMENT AVAILABLE

As table 4 shows, permanent housing for immigrants represents the largest single expenditure for both JAI and the resettlement grant. JAI funds apartments in 14 locations in Israel, while the Israeli Government provides the housing in all other areas. A total of \$28.1 million of grant funds was used to construct 1,355 apartments.

JAI had 742 vacant permanent housing apartments (which had 131 candidates for occupancy) as of September 30, 1975; and the Israeli Government had 2,850 such apartments vacant as of October 30, 1975. Therefore, at the time of our review, over 3,500 apartments were available to immigrants awaiting permanent housing, although many of the vacant apartments were located in outlying areas, such as development towns. However, many immigrants prefer to live in the more developed areas; and, according to UIA, 42 percent of the recent Soviet immigrants have settled in the central coastal areas around Tel Aviv.



ASHDOD: IMMIGRANT HOUSING, U.S. GRANT FUNDS

Because of a severe shortage of permanent housing brought about by the increased Soviet immigration, JAI initiated a program to rent apartments in private apartment houses as temporary housing. It had 5,837 temporary apartments leased as of October 30, 1975; 3,771 occupied by Soviet refugees; and 848, or 14.5 percent, vacant. According to UIA, rental contracts for about 500 of these vacant apartments would not be renewed and the rest were in outlying areas.

JAI has stated that, overall, housing for new immigrants is no longer the critical problem it had been following the increased emigration from the Soviet Union. One factor cited was the decreased rate of immigration. Nevertheless, JAI said that special problems in the housing area required attention, including suitable housing for aged and single persons and for those in rented apartments. JAI also believed that a substantial responsibility remained to insure that housing would be available in sufficient quantity to meet increased rates of immigration.

Grant funds have been used to acquire apartments in northern and southern Israel. UIA has said that apartments are needed in the more populated central region because job and educational opportunities do not exist in the developing areas. To meet this need and to move Soviet refugees out of rental apartments, UIA said it planned to purchase 1,000 apartments in 1976 and in 1977. It has estimated that apartments in the central areas will cost more, partly because the land is more expensive. It should be noted, however, that 90 percent of the land in Israel is owned by the Israeli Government and that UIA leased the buildings and land for grant-financed housing for a 49-year period. The lease value was based only on building costs.

To assist in meeting the cost for these apartments, UIA proposed that grant funds be allocated to this program area during 1976 and 1977. Because of reduced funding for fiscal year 1976, according to the State Department, it allocated no funds in the 1976 UIA resettlement grant for construction projects although the grant continued to authorize such use.

UIA, in commenting on a draft of this report, said there is some coordination between JAI and the Government of Israel in making use of all available living units. It said, however, that the Agency's objective to settle immigrants in the developing areas is not always practical, and the immigrants must be permitted to settle in the major communities for such reasons as family unity and employment. UIA said that as permanent housing becomes available, JAI reduces its reliance on leased apartments.

Absorption centers

A total of \$16.6 million of the resettlement grant funds was allocated for the construction of six absorption centers. Four of them were completed as of December 31, 1976, and the others are scheduled for completion by mid-1977. As a result of reduced immigration in 1975, JAI reduced its use of hotels and similar facilities as temporary absorption centers. In addition, most centers are now being built as apartments so they can be used as permanent housing if immigration continues to decrease.

UIA said there is a need for constructing additional absorption centers. However, UIA said it did not request additional grant funding for 1976 and 1977 due to limited available funds and more urgent needs in other program areas.



SOURCE: UNITED ISRAEL APPEAL PHOTO

**KIRYAT YAM: ABSORPTION CENTER, U.S. GRANT FUNDS
(COMPLETED DECEMBER 1976)**

RELATIONSHIP OF REFUGEE FLOW TO FUND APPORTIONMENT

We noted that, during consideration of the authorization for this program in 1972, a question was raised as to whether the funds authorized should be apportioned in relation to the number of refugees. There was no further discussion of this matter, and the final legislation did not contain any restriction as to the use of the funds. And, as shown in other sections of this report, the nature of the grant program--a large amount of the funds having been used for infrastructure--disrupts a direct relationship between grant expenditures and refugee flow.

OTHER U.S. PARTICIPATION IN ISRAEL'S ABSORPTION PROGRAM

Through guaranties on housing investments and excess property grants, the U.S. Government has, in other ways, directly or indirectly helped Israel's overall absorption and resettlement program.

Housing investment guaranties

The Agency for International Development (AID) provided \$100 million in loan guaranties from 1972 to 1976 for private U.S. financing of mortgages for low-cost housing in Israel. This privately financed housing was directed toward new immigrants, young couples, minorities, agricultural settlements and development areas, and slum clearance. In addition, the guaranty program also helped the Israeli Government by generating foreign exchange through loans extended by U.S. lenders.

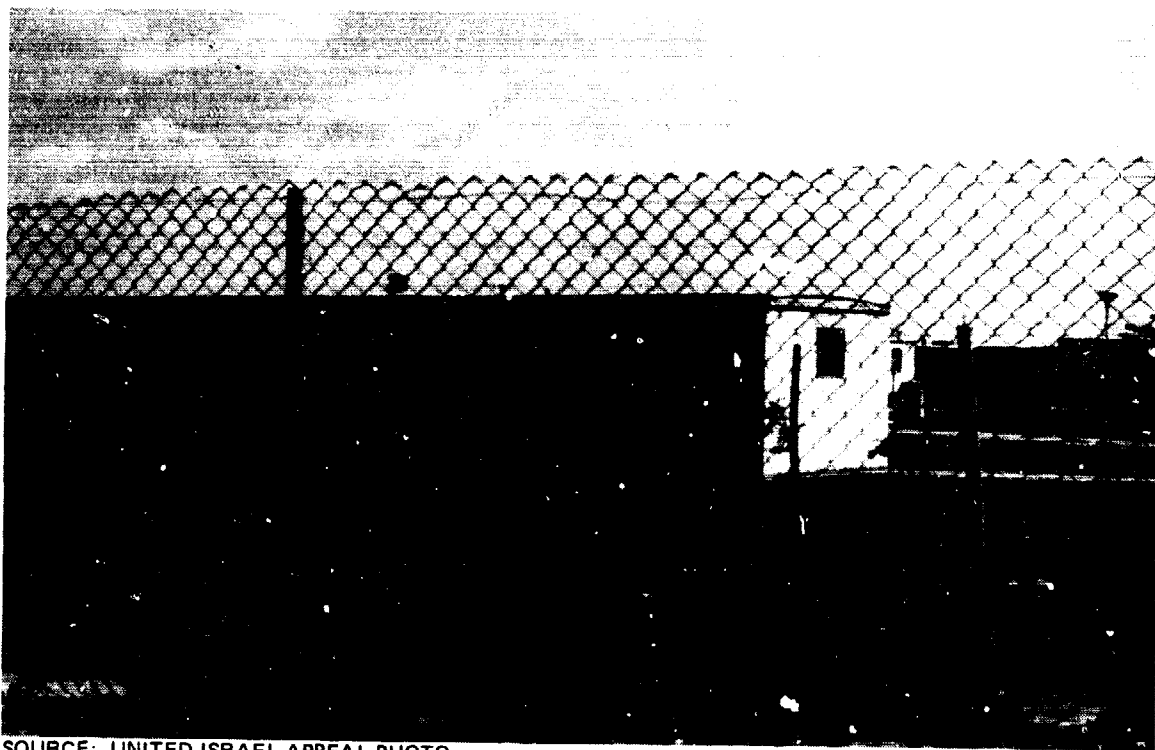
AID estimated that about \$43 million, or 43 percent of the value of individual mortgages, went to new immigrants. Information was not available concerning the groups or types of immigrants for which mortgage guaranties were used nor the extent to which Soviet refugees may have participated in the program. AID housing program officials told us, however, that downpayments in Israel can run 40 to 50 percent of the purchase price, which tends to make it difficult for many to purchase a house.

The International Development and Food Assistance Act of 1975 (Public Law 94-161, Dec. 20, 1975) authorized the U.S. Government to issue an additional \$50 million in housing investment guaranties to Israel, thereby bringing the program total to \$150 million.

Excess property grants

The State Department and AID entered into agreements with UIA which authorized UIA to obtain U.S. excess property for use in the Israeli public sector for relief, rehabilitation, and development. Under the agreements, UIA was charged for transportation and rehabilitation costs for the excess property.

From 1972 through 1975, UIA acquired excess property having an original acquisition cost of \$4.2 million for which it incurred costs of about \$550,000. UIA costs do not include the nearly \$980,000 of grant funds spent for refurbishment, repair parts, and transportation associated with obtaining 125 excess mobile homes for use in absorption centers. Other property acquired included cargo trucks and trailers, generators, steel pipe, and folding beds.



SOURCE: UNITED ISRAEL APPEAL PHOTO

OR AKIVA: MOBILE HOME PARK, U.S. EXCESS PROPERTY GRANT

REPAYMENT OF ASSISTANCE BY IMMIGRANTS

Immigrants arriving in Israel are provided with various benefits and services, based on their needs, to facilitate their transition and absorption into Israeli society and to encourage them to stay. Some of the assistance to immigrants from countries of distress is in the form of no-interest loans, repayable over several years, to cover such services as

- air transportation to Israel;
- transportation, storage, and delivery of baggage to residences in Israel;
- pocket money upon arrival;
- financial aid for the transition period; and
- rent for initial stays in absorption centers.

JAI believes the immigrants should make repayments, based on their abilities, for some of this assistance since it is good citizenship. Also, the repayments can be used to assist other immigrants. Information was not available as to how much JAI had loaned or collected; however, collections appeared to be small, since its budget for fiscal year 1977 estimated collections of \$600,000.

Until December 31, 1975, JAI did not enforce collection of loans to Soviet refugees for air transportation and initial stays at absorption centers. On January 1, 1976, JAI implemented a new repayment policy for all immigrants whereby all loans for transportation to Israel and initial absorption will be converted to grants if the recipients remain in Israel for 5 years. This new policy was applied retroactively from November 1, 1972, to all promissory notes JAI was holding on January 1, 1976.

The effect of this policy was to conform JAI's handling of loan repayments applicable to all new immigrants. The practical result is that Soviet refugees moving from Israel within 5 years after their arrival will be asked to repay loans for their transportation and initial absorption.

JAI repayment of transportation costs

Transportation of Soviet refugees to Israel and other countries of resettlement was arranged by the Intergovernmental

Committee for European Migration. The U.S. Government provided about \$10.3 million as of December 31, 1976, to finance the transportation cost. (See table on p. 2.) In line with U.S. Government policy that any ongoing refugee movements which it assists be carried out on a loan basis, the refugees signed promissory notes for the transportation costs.

For those refugees moving to Israel, JAI agreed in 1972 with the Intergovernmental Committee for European Migration to make partial repayment of the loans at the same rate as collections made by other voluntary agencies, less the amounts retained by them as collection fees. Under this arrangement, JAI repays about 47 percent of each loan. For calendar years 1975 and 1976 it was scheduled to repay nearly \$1.3 million and \$716,000, respectively, to the Intergovernmental Committee.

CONCLUSIONS

Although U.S. resettlement grants were a small part of total JAI funds, they contributed significantly toward resettling Soviet refugees in Israel and were used in an ongoing absorption and resettlement program there. The authorizing legislation did not define what resettlement would include, but in Israel resettlement comprised a comprehensive and sophisticated program designed to facilitate the transition of immigrants into Israeli society, encourage them to remain, and prevent them from socially and economically lagging behind the general Israeli population. The grant funds were used in a widely diverse manner to help defray some of the costs incurred on behalf of Soviet refugees resettling in Israel.

The terms of the grants seem to have been generally complied with, but, in noting the number of vacant apartments which JAI had in Israel, we asked whether the United States should continue funding rental payments and construction of apartments. (See agency comments on p. 68.)

We also noted that, in considering the initial authorization for this program in 1972, a question was raised as to whether the funds authorized should be apportioned in relation to the flow of refugees. There was no further discussion of this matter, however; and the final legislation did not contain any restriction as to the use of the funds.

AGENCY COMMENTS

In commenting on a draft of this report, the State Department said its Geneva representative would visit Israel to assess UIA's 1977 program proposals and that each program proposal will be thoroughly analyzed before future funds are allocated. State also said that every reasonable effort would be made to utilize available apartment space before granting additional funds for rental payments.

MATTERS FOR CONSIDERATION BY THE CONGRESS

In view of the broad interpretation and application given to resettlement in Israel and after reviewing the items in more detail as set forth in appendix I, the Congress may want to establish more specific criteria for the use of grant funds. This would help clarify which types of activities the Congress would like to support in the future and help in future efforts to evaluate the administration of this program. The Congress may also want to relate fund expenditures generally to the flow of refugees and fund unusual requirements for such things as infrastructure separately.

CHAPTER 3

RESETTLEMENT OF SOVIET REFUGEES

OUTSIDE ISRAEL

The U.S. Government provided about \$24 million from 1972 through 1976 for assisting Soviet refugees who did not wish to resettle in Israel. Assistance was also provided to Soviet refugees who initially went to Israel but subsequently left to seek resettlement elsewhere. During this same period, the U.S. Government also provided \$10.3 million to the Intergovernmental Committee for European Migration to fund the transportation of the Soviet refugees to Israel and other countries.

From 1971 through December 1976, 25,023 of the refugees leaving Russia chose not to resettle in Israel. (See p. 3.) In addition, about 7,000 Soviet refugees left Israel and sought to resettle in other countries. Thus, a total of about 32,000 ultimately chose resettlement in other countries. In our review we did not precisely account for the disposition of all these refugees. However, as shown below, 23,075 had actually moved to other countries as of December 31, 1976. Of this amount, 19,411 were resettled in the United States.

<u>Country/region</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Total</u> <u>(note a)</u>	<u>Percent</u>
United States	199	527	1,540	4,098	6,016	7,031	19,411	84.1
Canada	12	6	132	491	948	741	2,330	10.1
Australia	-	1	7	41	261	339	649	2.8
Western Europe	-	21	34	104	199	102	460	2.0
Others (note b)	6	4	24	54	103	34	225	1.0
Total	<u>217</u>	<u>559</u>	<u>1,737</u>	<u>4,788</u>	<u>7,527</u>	<u>8,247</u>	<u>23,075</u>	<u>100.0</u>

a/Includes ex-Soviets returning from Israel.

b/Includes Latin America, Sweden, and other areas.

BEST DOCUMENT AVAILABLE

Our review work at resettlement agencies in New York City and Chicago indicated that voluntary agency resettlement assistance was adequate.

TYPE OF ASSISTANCE PROVIDED

To provide assistance to Soviet refugees while they awaited asylum and resettlement in other countries, the State Department contracted with such international voluntary agencies as the

- Hebrew Immigrant Aid Society,
- American Joint Distribution Committee,
- World Council of Churches/Church World Service,
- International Rescue Committee,
- Tolstoy Foundation, and
- International Catholic Migration Commission.

The U.S. Government funds provided to these agencies covered

- care and maintenance to meet such minimum living needs as food, clothing, temporary shelter, transportation, and medical care;
- resettlement documentation, including counseling, visa and medical examination fees, and other costs necessary for application and issuance of the documentation;
- language training; and
- salaries and other costs incurred by the voluntary agencies to provide the above assistance.

This assistance was the same type as that provided to other refugees from Communist Eastern European countries under the regular U.S. Refugee Program (known prior to 1963 as the U.S. Escapee Program). The Soviet refugees were placed in hotels, apartments, or other suitable housing, however, rather than in government-sponsored refugee camps in Europe (as was generally the case with other refugees) while awaiting resettlement in countries of their choice. According to government and voluntary agency officials, this practice is followed because the Soviet refugees were considered by the host countries to be in transit and they had not asked for asylum.

The voluntary agencies were also given a \$300 per person reception and placement grant for Soviet refugees they assisted in resettling in the United States. The payment was to help with costs incurred in providing assistance services associated with resettlement. (See p.39 .)

CATEGORIES OF REFUGEES ASSISTED

From 1971 through December 1976, 25,023 Soviet refugees who did not complete immigration to Israel, including the 19,411 who entered the United States, could be classified into three general categories.

1. Those who asked to be resettled in another country and thus "broke off" their trip in Vienna.
2. Those who left the Soviet Union with exit visas for the United States but completed their processing in a third country.
3. Ex-Soviet refugees who immigrated initially to Israel but left to resettle in another country.

Breakoffs in Vienna

The Soviet Union allowed its people who were immigrating to Israel to exit only through Vienna where they were met by representatives of JAI. Those who did not desire to go to Israel were referred by JAI to one of the voluntary agencies, most often HIAS, for further assistance. Except for those few refugees who sought to resettle in Western Europe, the refugees remained in Vienna only a few days before being transported to Rome to await resettlement processing to other countries.

As shown in the table on page 3, the percentage of refugees requesting to immigrate to countries other than Israel was relatively small before the October 1973 war but increased to about 46 percent in 1975 and 54 percent in 1976. JAI said the primary reasons for this increase were the security situation in Israel, family reunions in a third country, and mixed marriages in which one spouse was not Jewish. The Agency also recognized that, for many persons wanting to leave Russia, an exit visa for Israel was their means of escape.

The U.S. Immigration and Naturalization Service (INS) office in Rome conducted a 6-week survey in late 1975 to determine why Soviet refugees applying for admission to the

United States did not want to complete immigration to Israel. The reasons given by 160 applicants follow.

<u>Reasons</u>	<u>Number of applicants</u>
Had relatives in the United States	62
Had always wanted to go to the United States	51
Knew about U.S. refugee assistance in Rome	27
Professional opportunities	14
Non-Jewish family members	5
Heard that Soviet Jews were not well received in Israel	1
	<u>160</u>

Third country program

In November 1971 the State Department and INS implemented a program generally referred to as the third country program. Under this program, an applicant eligible for a U.S. immigrant visa who also holds a Soviet exit visa for the United States is moved to a third country, generally Italy, if the visa cannot be issued before the exit visa expires. The Soviet emigrant receives U.S.-funded assistance from voluntary agencies in the third country while awaiting processing of the immigrant visa to be completed. These persons, unlike Soviet refugees exiting Russia on the basis of immigrating to Israel, hold Soviet passports and are not required to renounce Soviet citizenship.

While in Russia, the Soviet applicants applied for immigration to the United States on the basis of having relatives there. In the early stages of the program it was found that, when the applicants were awaiting further processing in a third country, in only a few cases was the relative relationship not close enough to permit issuance of immigrant visas on that basis. After 1974, however, the situation changed, and it was generally found that the relatives were not close enough to permit issuance of visas on the basis of relationship. As a result, these persons were authorized conditional entry to the United States under section 203(a)(7) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1153(a)(7) or were paroled into the United States under authority of the Attorney General.

Although detailed statistical data was not available, Soviet refugees under the third country program totaled 3,886 from 1974 through 1976. Immigration Service officials in Rome estimated that only about 5 percent of the people leaving

the Soviet Union under this program were granted immigrant visas and that the other 95 percent were granted conditional entry status. The INS officials also told us that since 1972 only two or three cases had been denied entry to the United States.

Ex-Soviets leaving Israel

The Israeli Ministry of Immigrant Absorption estimated that 7,000 Soviet immigrants had left Israel permanently since 1971, many of whom had arrived in Israel during 1972 and 1973 when there was little opportunity to break off in Vienna. Exact figures could not be obtained because of the difficulty in determining who had left permanently and who planned to return.

A study made in early 1975 for JAI showed that Soviet refugees left Israel because of the

- possibility of obtaining suitable employment elsewhere,
- concern for their children's future,
- attitude of Israeli Government officials,
- housing conditions,
- cultural life, and
- economic situation.

Additional reasons were also given by refugees during a 6-week sample taken for us by INS offices in Rome and Frankfurt.

<u>Reason for leaving</u>	<u>Number of refugees</u>
One or more non-Jewish family members (mixed marriages)	148
Close family ties in the United States	60
Unable to secure employment	25
Always wanted to go to the United States	25
Felt forced to go to Israel	10
Language barriers	6
	<u>274</u>

STATE AND INS TREATMENT OF REFUGEES LEAVING ISRAEL

The length of time refugees stayed in Israel before leaving varied and depended on such factors as family situation, expectations, and repayment of certain debt obligations. Upon leaving Israel they made their own way to such places as Rome, Munich, Brussels, Paris, and Vienna, where many of them sought assistance from voluntary agencies. From 1974 through December 1976, 3,853 of the refugees who left received U.S.-funded assistance from voluntary agencies while waiting to be resettled in other countries. Resettlement grants were also provided for those who were resettled in the United States.

Immigration and Naturalization Service

As discussed on page 45, one method in which Soviets leaving Israel have been admitted to the United States was through the use of conditional entry under section 203(a) (7) of the Immigration and Nationality Act, as amended. INS told us that such persons were screened for eligibility for conditional entry to the United States on the basis of a January 6, 1975, decision by the INS General Counsel.

The General Counsel decision said that in the absence of an overt act signifying acceptance of Israeli nationality, its involuntary acquisition neither precluded a Soviet Jew from conditional entry eligibility nor constituted evidence in itself of firm resettlement. It further stated that admission to Israel as an immigrant upon the individual's application created a presumption of firm resettlement, that such presumption was rebuttable, and that conditional entry applicants claiming they could prove they were not firmly resettled should have the opportunity to present their evidence. INS officials in Europe said these cases were difficult because of the problems in trying to determine the circumstances of the cases and the attention INS rulings attract.

State Department

The State Department informed the voluntary agencies on September 30, 1974, that to reduce costs it was discontinuing refugees program eligibility to Soviet refugees traveling on Israeli passports and departing Israel after October 1, 1974. (Such passports indicated that the refugee had been in Israel at least 1 year or more.) Exceptions were to be made for family reunion cases and for individuals able to present convincing evidence that they qualified as refugees.

These guidelines were further clarified and tightened in October 1975, when State informed the voluntary agencies that as of October 15 all refugees who had resided in Israel less than 1 year would be eligible for U.S. refugee assistance and their departure within 1 year would be considered as prima facie evidence that they did not intend to resettle in Israel. Family reunion cases remained an exception to the 1-year criteria, provided that at least one family member had already been declared eligible for U.S. assistance and was waiting for final resettlement and that the family reunion take place before final resettlement of the already eligible member.

Refugees not meeting the above criteria had to provide convincing evidence that they were not firmly resettled in Israel or that they did not intend to resettle there. We noted that the guidelines did not define what would constitute the necessary convincing evidence, which factors would be considered in determining whether the refugee had been firmly resettled, or how officials at the U.S. Mission in Geneva should go about satisfying themselves concerning appropriateness of the evidence submitted.

According to the State Department, State and INS used the same criteria to determine resettlement although INS had the opportunity to interview each applicant while State had to rely on the statements of the refugee or the voluntary agency. State did say, however, that it accepted without question anyone who left Israel within 1 year, while INS considered whether the person was resettled even within the first year.

From October 1, 1975, to February 13, 1976, the INS office in Rome rejected 51 cases that State had accepted for refugee assistance. INS told us that it sends copies of its denials to State's Humanitarian Affairs Section in Geneva. We found no evidence, however, to indicate that State was acting on this information.

Agency Comments

In a draft of this report, we said that the State Department was continuing to provide assistance to Soviet refugees returning from Israel whose cases for entry into the United States as refugees were rejected by INS. We questioned whether such individuals continued to be eligible for U.S. refugee assistance.

The State Department commented that regardless of INS's decisions in these cases, the individuals seemed determined not to return to Israel and that they considered themselves

to be refugees in need. State believes an accumulation of these persons in an asylum area could clog the processing pipeline and possibly cause the host country to tighten its asylum policy. Therefore, State said, it is continuing limited assistance in the form of resettlement documentation and transportation to those Soviet refugees from Israel who are securing permanent resettlement opportunities. It said that all such cases are carefully reviewed on a case-by-case basis before eligibility decisions are made.

RESETTLEMENT IN THE UNITED STATES

Five international voluntary agencies had resettled 18,912 Soviet refugees in the United States from 1972 through September 1976. As shown below, HIAS handled 15,122 or 80 percent of the total, including about 3,049 from Israel who, following their arrival in the United States, were transferred to HIAS from the other voluntary agencies for resettlement.

<u>Agency</u>	<u>Number of refugees</u>	<u>Percent</u>
HIAS	15,122	80.0
World Council of Churches/Church World Service	2,949	15.5
Tolstoy Foundation	621	3.3
International Rescue Committee	200	1.1
International Catholic Migration Committee	<u>20</u>	<u>.1</u>
Total	<u>18,912</u>	<u>100.0</u>

Although data showing the geographic area of Soviet refugee resettlement within the United States was not available, HIAS has reported that from 1974 through September 30, 1976, nearly 44 percent of the Soviet refugees which it assisted were resettled in the New York City area. About 20 percent of the HIAS-assisted refugees were resettled among the Los Angeles, Philadelphia, Chicago, and Detroit areas.

To obtain information on resettlement policies and practices in the United States, we talked with HIAS, the Church World Service, the Tolstoy Foundation, the International Rescue Committee, and HIAS's local resettlement agencies in the New York and Chicago areas--the New York Association for New Americans and the Jewish Family and Community Service in Chicago.

Hebrew Immigration Aid Society

According to HIAS, it is recognized by Jewish communities in the United States and the rest of the world as the sole agency responsible for the immigration of Jewish refugees and migrants to all countries other than Israel. With regard to assisting Soviet refugees immigrating to the United States, HIAS's functions include (1) locating relatives and obtaining the necessary documentation and certifications; (2) assisting with processing through the U.S. Immigration and Naturalization Service, both overseas and upon arrival in the United States; and (3) providing legal counseling on immigration matters.

HIAS also assisted in locating suitable resettlement communities and arranging the transportation of the refugees and their baggage to those areas, but did not perform the actual resettlement of the refugees. For this it used local cooperating resettlement agencies, such as the New York Association for New Americans in the New York City metropolitan area and the Jewish Family and Community Service in the Chicago area. These local agencies provided

- limited financial assistance for such items as rent, food, clothing, and other basic needs;
- casework counseling to aid with adjustment and family relationships;
- funds for English instruction, although both agencies prefer to use public school facilities; and
- vocational and educational services, including evaluation of vocational skills, job and educational counseling, and job placement.

Both agencies also used the facilities of other organizations to assist the refugees. The New York Association used city university facilities, training centers funded by the Federal Government, New York State employment offices, senior citizen centers, and municipal hospitals. The Jewish Family Service, except for using public schools for English instruction, preferred to use various Jewish private organizations, such as the Jewish Vocational Service, Council for Jewish Elderly, and Jewish community centers.

Church World Service

The primary functions of the Church World Service in assisting Soviet refugees in the United States included obtaining

sponsors (individuals, groups, or congregations) for refugees, assisting with the immigration processing, and providing direct financial assistance for a limited number of refugees.

The Church World Service did not undertake the actual resettlement of the refugees. A sponsor who indicated willingness to accept a refugee for resettlement was expected to provide specific types of assistance until the refugee became a self-sufficient member of the new community. This included

- initial shelter, food, clothing, pocket money, and ordinary medical costs;
- assistance in finding permanent employment and school enrollment for children; and
- other assistance to help the refugee learn and adjust to a new culture and American laws.

The Church World Service told us that, under its sponsorship arrangement, it neither administered nor reviewed the resettlement efforts of the local sponsor.

International Rescue Committee and Tolstoy Foundation

Both the Rescue Committee and Tolstoy Foundation assisted in processing Soviet refugees for entry into the United States and resettling them on arrival. The resettlement assistance included

- financial assistance for such items as food, clothing, rent, household furnishings, and other basic needs;
- counseling and vocational guidance; and
- emergency medical funds.

The Tolstoy Foundation also conducted its own English training classes and operated homes for the aged.

Both agencies followed a policy of using public facilities whenever available, including public schools, city universities, and training and State employment centers. The Rescue Committee also used the services of municipal hospitals and the American Council for Emigres in the Professions.

RECEPTION AND PLACEMENT ASSISTANCE

Traditionally, U.S. assistance to refugees leaving Communist Eastern European countries was provided only while they waited in non-Communist European countries for asylum and immigration to a third country. In April 1974, the State Department agreed to provide \$300 to the voluntary agencies for each Soviet refugee they resettled in the United States after January 1, 1974. State told us that it is considering discontinuing the placement grants for 1977.

The contracts stated that the funds were for agency expenses in providing reception and placement services. Services covered included inland transportation of the refugees and their baggage from the point of entry to their final destination, landing fees, documentation, employment permit fees, temporary lodging and welfare services, orientation, training counseling, medical and health services, and other reception and placement assistance required to resettle the refugees.

From January 1 to August 31, 1974, HIAS turned over \$641,000 from the reception and placement grants to its local cooperating agencies resettling the Soviet refugees. Since that time, it has not passed the funds to the local resettling agencies.

In 1974, HIAS asked the National United Jewish Appeal and the Council of Jewish Federations and Welfare Funds for additional funds to meet the costs of its increased Soviet refugee caseload. HIAS and its funding organizations agreed that, rather than giving HIAS additional funds, it would retain the reception and placement funds. The funding organizations, in turn, agreed to increase their funding of the local resettling agencies. HIAS, therefore, retained about \$3.1 million of the reception and placement funds through September 1976 to help cover the costs of its U.S. operations.

HIAS estimated that, based on its U.S. operating costs and the number of persons assisted, its average cost per person assisted was \$334 in 1974 and about \$315 in 1975 and 1976. As shown below, the reception and placement grant funds covered about 85 percent of HIAS's U.S. operating costs in 1975 and 1976.

	<u>U.S. operating costs</u>	<u>Reception and placement grants</u>	<u>Percent</u>
1974	<u>\$1,299,028</u>	<u>\$360,600</u>	27.8
1975	\$1,723,080	\$1,455,900	84.5
1976 (note a)	<u>1,558,027</u>	<u>1,326,600</u>	85.1
Total 1975 and 1976	<u>\$3,281,107</u>	<u>\$2,782,500</u>	84.8

a/Through September 30, 1976.

HIAS's U.S. operating expenses from 1974 to September 30, 1976, can be categorized as follows.

<u>Description</u>	<u>Percent</u>
Reception and resettlement (including transportation of persons and baggage, temporary lodging and meals, and cash and medical assistance)	40.7
Personnel (including salaries and benefits)	43.7
General office and other (including rent, utilities, telephone, stationery, and postage)	<u>15.6</u>
Total	<u>100.0</u>

RECEIPT OF PUBLIC ASSISTANCE
BY SOVIET REFUGEES

On November 1, 1968, the U.N. Protocol Relating to the Status of Refugees and the accompanying Convention Relating to the Status of Refugees came into force with respect to the United States. Regarding public relief, article 23 of the Convention Stated:

"The Contracting States shall accord to refugees lawfully staying in their territory the same treatment with respect to public relief and assistance as is accorded to their nationals."

Soviet refugees generally entered the United States under one of two authorities contained in the Immigration and Nationality Act, as amended.

--Section 203(a)(7), authorizing conditional entry to refugees from specific geographic areas.

--Section 212(d)(5), authorizing the Attorney General to parole aliens into the United States temporarily.

The State Department has noted that persons who come within the purview of article 23 and enter the United States under the above authorities are entitled, if otherwise eligible, to

"* * * 'public relief and assistance' under all welfare programs which are administered wholly by the Federal Government or in combination with the States."

This position was based, at least in part, on Public Law 92-603, October 30, 1972, which amended the Social Security Act and established the supplemental security income program for the aged, blind, and disabled. Section 1614(a)(1)(B) of this act stated, in part:

"An alien * * * permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203 (a)(7) or section 212 (d)(5) of the Immigration and Nationality Act)."

Other Federal programs under which persons entering the United States, either conditionally or under parole authority, could be eligible to receive assistance included aid to families with dependent children, Medicaid, food stamps, and rental supplements.

New York and Illinois have adopted this Federal policy and also state that aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law are eligible for State-funded assistance.

Most voluntary agencies expressed policies of restraint in using public assistance programs although, because of the financial burden, problem and hardship cases were referred

for such assistance, particularly Medicaid. Reasons for this were the agencies' moral obligations to keep the refugees from becoming public charges and their understanding that receipt of public assistance would delay and otherwise jeopardize a refugee's application for permanent residence status. As noted below, we did find instances in which refugees had received some form of public assistance and cases in which permanent residence status was denied to refugees receiving public assistance.

New York Association for
New Americans

The New York Association said it did not refer refugees with prospects for self-sufficiency for welfare or other types of public assistance because it felt a moral obligation to help them and that it was aware that refugees receiving public assistance would not be granted permanent residence status. However, because of limited funds, it had no alternative but to refer refugees for Medicaid and supplemental security income if they were unable to secure jobs. Information on the association's referrals for public assistance was not readily available from its records, although it believed such referrals were small.

To determine the extent to which Soviet refugees in New York City may have received public assistance, we compared the names of 558 refugee family heads processed through HIAS during 1974 and resettled by the association to records of the Department of Social Services, New York City. We found that 140 had received some form of public assistance as shown below.

<u>Program</u>	<u>Families</u>	<u>Percent</u>
Medicaid	126	22.6
Supplemental security income	6	1.1
Welfare and supplemental security income	5	.9
Welfare (New York home relief)	<u>3</u>	<u>.5</u>
Total	<u>140</u>	<u>25.1</u>

Jewish Family and Community
Services

This organization said that it would maintain Soviet refugees able to work for about 1 year before referring them for public assistance. However, because of lack of funds, it waited

only about 3 months before referring those eligible for supplemental security income. It also followed a regular practice of referring them for Medicaid and food stamps whenever they were eligible and the assistance was necessary.

The organization estimated that 14 of the 486 Soviet refugees processed through June 30, 1975, were receiving supplemental security income and 4 were receiving Illinois general assistance. No statistical data was available regarding Medicaid and food stamps.

International Rescue Committee

The Rescue Committee told us that its policy was not to refer anyone for public assistance for at least a year following arrival in the United States, because it believed it had a moral obligation to support the refugees and did not want to jeopardize their applications for immigrant visas. It said that when a refugee is hospitalized, it refers the refugee to Medicaid. Officials could recall only two instances of Soviet refugees receiving public assistance.

Tolstoy Foundation

The Tolstoy Foundation told us it did not refer any refugees for public assistance, including supplemental security income and food stamps, because it felt morally obligated to support the refugees and because it did not want receipt of public assistance to be a future obstacle to obtaining permanent residence status. It acknowledged that some of the refugees had obtained Medicaid through their own efforts and that it was investigating the use of rent supplements.

We checked the names of 72 Soviet refugee heads of families resettled by the Tolstoy Foundation to the records of New York City's Department of Social Services and found that none were listed as having received supplemental security income, Medicaid, or New York welfare payments.

Effect of public assistance on immigration status

INS denies a request for permanent resident status of a person present in the United States under conditional entry or parole authority if the person is receiving public assistance at the time of the request. This position was based on section 212(a)(15) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1182(a)(15) which states:

"Except as otherwise provided in this Act, the following classes of aliens shall be ineligible to receive visas and shall be excluded from admission into the United States:

* * * * *

"Aliens who, in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission, are likely at any time to become public charges * * *."

As previously noted, this is one reason the resettlement and voluntary agencies followed a general policy of restraint in recommending Soviet refugees for public assistance.

INS District Office, New York

Section 203(g) and (h) of the Immigration and Nationality Act provides that a conditional entrant whose conditional entry has not been terminated and who has been in the United States for at least 2 years shall be reexamined and, if found admissible, shall be accorded permanent resident status as of the date of arrival.

The New York district office maintained records for conditional entry aliens and at the end of 2 years notified them to appear for an examination of their status. If the refugee or any family member was receiving public assistance at the time of examination, the refugee's status would not be changed from conditional entry to permanent resident. The refugee would be told to return for reexamination when the welfare assistance stopped. Officials at the district office said receipt of Medicaid or food stamps at the time of examination for adjustment of status would not prevent the granting of permanent resident status.

In October 1975 district office records showed that six Soviet refugees under conditional entry to the United States had been denied permanent resident status because four were receiving supplemental security income payments and two were receiving aid for dependent children.

HIAS maintained records on refugees who entered the United States under parole authority and informed them when to request adjustment to permanent resident status. However, if the refugee was receiving public assistance at that time, HIAS would not submit the application for status as a per-

manent residence. HIAS followed this practice because it understood that INS would not grant a change of status if the person was receiving public assistance.

The district office said that refugees under parole authority who receive public assistance and apply for permanent resident status will have their entire welfare history reviewed, including reasons why the assistance was necessary. Generally, a family receiving Medicaid or food stamps would be granted permanent resident status.

ENTRY OF SOVIET REFUGEES INTO THE UNITED STATES

In recent years, the State Department and the Immigration and Naturalization Service have followed various procedures to permit the entry of eligible Soviet refugees into the United States, including use of conditional entry, nonpreference visas, and the Attorney General's parole authority. Each of these methods, together with the applicable legislative authorization contained in the Immigration and Nationality Act, as amended, is discussed below in relation to Soviet refugees.

Conditional entry

Section 203(a)(7) of the act states:

"Conditional entries shall next be made available by the Attorney General, * * * in a number not to exceed 6 per centum [10,200] of the number specified in section 201(a)(ii) to aliens who satisfy an Immigration and Naturalization Service officer at an examination in any non-Communist or non-Communist-dominated country, (A) that (i) because of persecution or fear of persecution on account of race, religion, or political opinion they have fled * * * from any Communist or Communist-dominated country or area, * * * and (ii) are unable or unwilling to return to such country or area on account of race, religion, or political opinion, and (iii) are not nationals of the countries or areas in which their application for conditional entry is made * * *."

This is the basic statutory authority under which persons are permitted to enter the United States as refugees. It was used for the three categories of Soviet refugees discussed earlier in this chapter.

In discussing with INS officials the eligibility of ex-Soviets returning from Israel for conditional entry to the United States, we were told that such persons were screened for eligibility on the basis of a January 6, 1975, decision by the INS General Counsel. This decision concluded that admission to Israel as an immigrant upon the individual's application created a presumption of firm resettlement. However, the presumption was rebuttable and, therefore, conditional entry applicants who claimed they could prove they were not firmly resettled should be given the opportunity to present their evidence.

Parole authority

This authority is contained in section 212(d)(5) of the act which states:

"The Attorney General may in his discretion parole into the United States temporarily under such conditions as he may prescribe for emergent reasons or for reasons deemed strictly in the public interest any alien applying for admission to the United States, but such parole of such alien shall not be regarded as an admission of the alien * * *."

From February 1972 to May 1974, about 2,925 Soviet refugees were authorized to enter the United States under parole authority. Until mid-1973 most of the Soviets authorized to enter the United States under parole authority had left the Soviet Union under the State Department's third country program.

The Attorney General announced on July 30, 1973, that parole authority would be used to benefit about 800 Soviet refugees waiting in Rome for immigrant visas to the United States. This authority covered both refugees who did not proceed from Vienna to Israel (breakoffs) and those who reached Israel and subsequently left for Rome. No statistical breakdown between these two groups was available. The parole program also encompassed Soviet refugees who reached Rome between July 30, 1973, and May 15, 1974, when the program ended. After this date Soviet refugees were processed for conditional entry.

In late 1976 a backlog of Soviet refugees seeking immigration to the United States again developed in Rome. On January 13, 1977, a parole program was established for 4,000 Soviet refugees who had been in Rome before January 1, 1977. The parole authority applied only to those refugees who left the Soviet Union with exit permits for Israel but broke off

in Vienna and to those who left with exit visas for the United States. INS said that conditional entry applicants from Israel did not qualify under this program.

Nonpreference

This class of visa is authorized under section 203(a)(8) of the act, which states:

"Visas authorized in any fiscal year, less those required for issuance to the classes specified in paragraphs (1) through (6) and less the number of conditional entries and visas made available pursuant to paragraph (7), shall be made available to other qualified immigrants strictly in the chronological order in which they qualify. * * * No immigrant visa shall be issued to a nonpreference immigrant under this paragraph * * * until the consular officer is in receipt of a determination made by the Secretary of Labor pursuant to the provisions of section 212(a)(14)."

Section 212(a)(14) provides for excluding certain aliens from admission into the United States unless the Secretary of Labor determines and certifies that (1) there are insufficient workers in the United States able and willing to perform the labor for which the alien is seeking entry and (2) the employment of such alien will not adversely affect U.S. workers similarly employed.

On May 5, 1975, the State Department and INS announced procedures for processing dependent family members of conditional entrants as nonpreference immigrants. They acknowledged that problems had arisen because the demand for conditional entry by qualified aliens exceeded the available conditional entry numbers.

Use of nonpreference visas permitted the conditional entry processing of the refugee spouse for whom employment was assured and processing under nonpreference status of the other spouse and the children. This process was possible since neither the conditional entry spouse, as a nondependent alien, nor the other spouse and children required labor certifications.

CONCLUSIONS

We found that the local Jewish cooperating agencies and the voluntary agencies involved in resettling Soviet refugees

generally provided similar assistance and services and that their normal practice was to use public facilities and services of other organizations whenever they were available. Our review indicated that the assistance was adequate.

The resettling agencies followed a general policy of restraint in referring refugees for public assistance, although Medicaid was frequently used to cover medical expenses. One reason for this restraint was because receipt of public assistance could jeopardize a refugee's permanent residence status.

CHAPTER 4

SCOPE OF REVIEW

Our review of the operation and administration of the Soviet refugee program covered resettlement processes in Israel and the United States, care and maintenance en route, and the immigration process for refugees coming to the United States. We examined (1) refugee resettlement in the New York and Chicago areas, (2) application of funds to the ongoing immigration and absorption programs of the Jewish Agency for Israel and the Government of Israel, and (3) financial records and documents as appropriate.

We talked with officials of the

--Department of State;

--United Israel Appeal;

--Jewish Agency for Israel;

--Government of Israel;

--U.S. Embassy in Israel;

--U.S. Mission to International Organizations in Geneva;

--Immigration and Naturalization Service in Austria, Italy, Germany, and New York City;

--Inter-Governmental Committee for European Migration; and

--other international voluntary agencies assisting in the resettlement process.

We also visited refugee camps in Austria and Germany, the transit center in Vienna, and several resettlement projects in Israel.

RESETTLEMENT PROGRAMS TO WHICHU.S. GRANT FUNDS WERE APPLIED 1/.EN ROUTE CARE AND MAINTENANCE--\$2,449,440

Soviet refugees leaving Russia to immigrate to Israel are transported to Vienna, Austria, by train or airplane. Those choosing to continue to Israel are taken to a transit center outside Vienna. The center can accommodate about 500 persons and is operated by the Austrian Red Cross for the Jewish Agency for Israel which has leased the facility from the Red Cross. JAI does the administrative work in connection with the receipt, processing, and transportation of the refugees to Israel.

The refugees spend 1 to 3 days at the transit center undergoing initial processing for Israel, including information on what to expect in their new life in Israel, necessary medical attention, and arrangements for shipping their baggage. The U.S. grant provides \$40 per person (regardless of length of stay) for care and maintenance costs at the transit center.

We visited the center in late 1975 and found it to be austere but neat and clean. At the time of our visit, few people were in the center. Security precautions by the Austrian Government were tight; armed guards protected the entrance to the center and were posted at various points along the perimeter walls.

RENOVATION OF VIENNA TRANSIT CENTER--\$186,177

Originally, the Soviet refugees were processed through the Schoenau transit facility near Vienna. As the number of Soviet refugees increased, JAI started to enlarge and renovate the facility. It planned to improve the heating and electrical systems and construct a dining hall, kitchen, and additional rooms; but, in December 1973, JAI was compelled to close Schoenau. The original grant allocated \$500,000 to this program, provided the grantee contributed at least an equal amount. At the time the facility was closed, \$186,177 of grant funds and \$480,063 of JAI funds had been spent for this program. Unused grant funds were reallocated to other program areas.

1/Total cost shown for each program area is as of Dec. 31, 1976.

CONSTRUCTION/ACQUISITION OF ABSORPTION
CENTERS/HOSTELS--\$16,570,706

Absorption centers are designed to temporarily meet the basic needs of new immigrants who must learn the Hebrew language before they can be employed. According to JAI such temporary accommodation also provides time to find permanent employment and housing. In addition to intensive language training, various social, cultural, and religious activities are conducted at the centers. In January 1976, JAI was operating 18 regular absorption centers and 49 hostels. During the peak periods of Soviet refugee immigration, it also used hotels as temporary absorption centers.

Prior to 1972 both JAI and the Israeli Government built absorption centers; since then, only JAI has continued to build the centers. In discussing its absorption center construction policies, JAI said that from 1972 to 1974 the need to use absorption centers as initial temporary housing proved to be greater than expected, primarily because (1) immigrants from the Soviet Union needed a longer time for initial absorption and (2) there was a lag in completing permanent housing for immigrants.

U.S. grant funds were applied to the construction and partial furnishing of six absorption centers. The status of each center at December 31, 1976, was as follows. (See map for locations.)

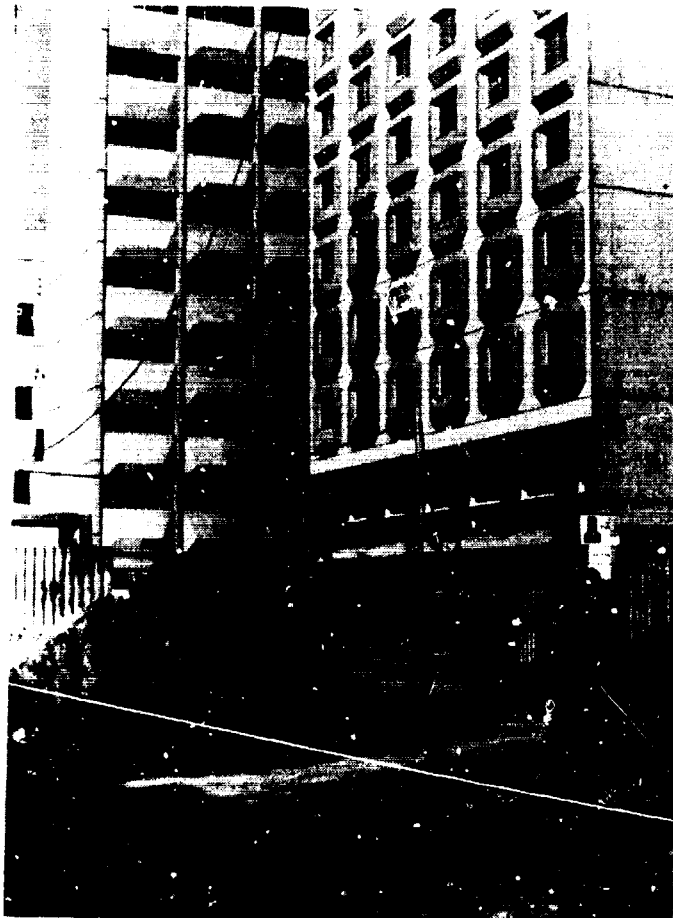
<u>Location</u>	<u>Cost</u>	<u>Percent of construction completed</u>	<u>Construction start date</u>	<u>Actual/ estimated completion date</u>
Rehovot	\$ 1,483,541	100	Aug. 1972	May 1974
Holon	2,525,853	100	May 1973	Nov. 1975
Kiryat Yam	3,398,044	100	Feb. 1974	Dec. 1976
Kfar Saba	3,034,522	100	Feb. 1974	Dec. 1976
Ra'anana	4,340,598	82	June 1974	July/Aug. 1977
Tiberias	<u>1,788,148</u>	90	June 1974	Mar./Apr. 1977
Total	<u>\$16,570,706</u>			

Rehovot is a family-type absorption center of four 5-story buildings containing 96 apartments, each having 2 bedrooms, a living room, kitchen, and bath. Ground floor communal areas contain classrooms, offices, clubrooms, and a synagogue.

At the time of our visit in November 1975, only three of the four apartment buildings were in use. Soviet refugee

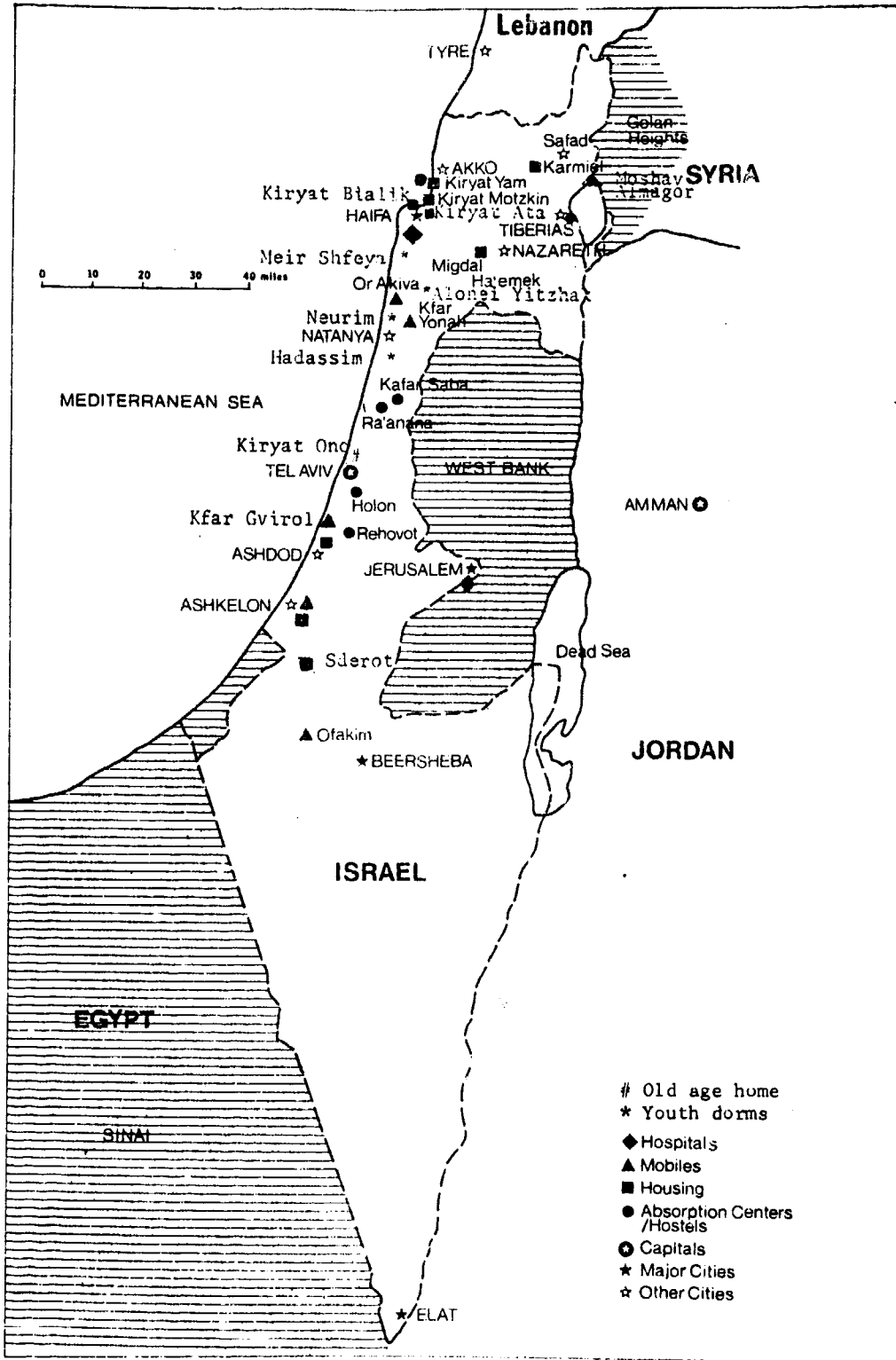
families were in 24 of the 66 apartments occupied. UIA officials told us the fourth building was not open at that time because of the decrease in immigration. But, as temporary centers were closed, new immigrants would be sent to Rehobot to make use of this building. As of December 31, 1976, UIA reported that 80 families (323 persons) were residing at the Rehovot center.

Holon, a nine-story building designed for single-person occupancy, contains 192 one-room apartments and a communal area containing offices, classrooms, a clubroom, and a synagogue. UIA reported that as of December 31, 1976, 176 immigrants were living at the center.



**KIRYAT SHARETT-HOLON: ABSORPTION CENTER, U.S. GRANT FUNDS
(COMPLETED NOVEMBER 1975)**

LOCATIONS OF GRANT-FUNDED CAPITAL PROJECTS



SOURCE: UNITED ISRAEL APPEAL

Kiryat Yam consists of three nine-story buildings housing 120 one- two- and three-room apartments and communal areas. Although completed, UIA reported the center was not occupied as of December 31, 1976.

Kfar Saba, a single building, contains a four-story residential wing with 140 one-room apartments designed for two people and a two-story communal wing containing offices, classrooms, a dining hall and kitchen, auditorium, teachers' room and library. UIA reported that 77 individuals occupied this center as of December 31, 1976.

Ra'anana will have four residential buildings and one central building. The four- and five-story residential buildings will contain 144 one-, two-, and three-room apartments. The central building will include a dining hall, offices, classrooms, teachers' room, and adult and student clubrooms.

Tiberias, when completed, will consist of four residential buildings containing 128 apartments and a public or communal building.



MEYASSERET ZIYON: ABSORPTION CENTER, NON-U.S. GRANT FUNDS

CONSTRUCTION/ACQUISITION OF HOSPITAL
WING AND MEDICAL CLINICS--\$6,000,000

Hospital wing of Rambam Hospital (\$2,000,000)

The U.S. grant of April 6, 1973, allocated \$2 million for new hospital facilities to meet the medical requirements of refugees. The facilities were to be constructed and equipped in accordance with the most modern standards applied under similar circumstances in Israel. The facilities were originally to consist of a hospital wing; however, on August 21, 1973, the State Department approved the application of the funds to acquire a long-term lease on a floor of the Rambam Hospital in Haifa. No grant funds were applied to the cost of equipment located on the leased floor. The leased floor includes 63 hospital beds plus laboratories and doctors' rooms for three medical wards.

1. Nephrology ward with a hemodialysis institute equipped with artificial dialyzers and monitoring and liquid supply equipment and laboratories for chemical blood tests and advanced research.
2. Intensive care ward with special heart-monitoring devices, resuscitation and artificial respiration equipment, and an urgent examination laboratory.
3. Multiple injuries ward to be directed toward absorbing accident cases. At the time of our visit in late 1975, this ward was not operating. In September 1976 UIA reported this section was being used by the hospital's ear, nose, and throat department while its facilities in the old hospital were being renovated.

Medical clinic in Jerusalem (\$4,000,000)

Supplement 2 of April 3, 1974, to the original grant provided \$4 million for the acquisition or construction of a new outpatient clinic at Shaare Zedek Medical Center in Jerusalem. The clinic would provide medical services to refugees and other persons living in the area and was to be constructed and equipped in accordance with the most modern standards applied under similar circumstances in Israel.

The Shaare Zedek Medical Center is a \$50 million medical complex scheduled for completion by May 1978. On April 29, 1974, the State Department authorized the \$4 million to be used to subsidize the construction costs of two of the three buildings comprising the outpatient clinic. No separate con-

struction contract was awarded for the complex's outpatient buildings, but UIA estimated the total cost of the outpatient clinic would be about \$7.5 million.

ACQUISITION OF APARTMENTS AND
MOBILE HOMES--\$28,057,941

The Israeli Ministry of Housing has the primary responsibility for planning and constructing permanent housing for immigrants. It contracts for the construction, and a government company called Amidar, Inc., assumes responsibility for administering and maintaining the completed housing. The apartments are provided to new immigrants under what the Ministry of Immigrant Absorption describes as easy rental conditions that are in accordance with the apartment size and location. Significant reductions on rental fees are provided for 3 years for housing located in development areas.

JAI purchases apartments in 14 development towns from the Ministry of Housing, and JAI's property management company, Amigour, manages and maintains them. JAI owned 33,750 apartments as of April 1, 1975, and had sold another 18,770 since 1972.

JAI used resettlement grant funds to purchase 1,355 apartments in 9 of its 14 designated geographic areas. No grant funds were used for furniture or for infrastructure associated with housing development. As shown below, nearly 90 percent of the grant-funded apartments turned over to JAI were occupied as of December 31, 1976.

<u>Location (note a)</u>	<u>Units available</u>	<u>Units occupied</u>	<u>Percent occupied</u>
Kiryat Yam	240	233	97.1
Ashdod	240	182	75.8
Carmiel	212	194	91.5
Migdal Ha'amek	199	196	98.5
Kiryat Motzkin	164	161	98.2
Ashkelon	96	83	85.5
Kiryat Bialik	80	73	91.3
Sderot	80	35	43.8
Kiryat Ata	<u>44</u>	<u>42</u>	95.5
Total	<u>1,355</u>	<u>1,199</u>	88.5

a/See map for geographic locations.



ASHDOD: IMMIGRANT HOUSING, U.S. GRANT FUNDS

In November 1975 we visited five of these development towns and found the grant-funded units in good condition and similar to other immigrant housing. UIA records showed that, as of September 30, 1975, over 80 percent of the apartments had been occupied by Soviet refugees.

In October 1975 the State Department gave final approval for the sale of grant-funded apartments to the immigrant occupants. According to JAI the sales procedures are similar to those followed in selling non-grant-funded housing except that principal and interest will be turned back to UIA to fund additional housing. Under terms of the sale, the purchasing tenant is generally required to pay 25 or 30 percent of the sales price in cash depending on the location of the apartment, and receives a 25-year loan for the balance.

Initially, the purchase price was not to be established at less than the acquisition cost, but in March 1976 the State Department deleted this requirement.



ASHDOD : IMMIGRANT HOUSING, NON-U.S. GRANT

Mobile homes

In October 1973 the State Department agreed to provide 125 mobile homes at no cost to UIA under an excess property grant. At that time the influx of Soviet immigrants was causing a housing shortage and the mobile homes were to be used in their resettlement. The original acquisition cost of the mobile homes was \$572,216. The grant terms provided for UIA to accept the homes at the port of embarkation and to pay

for refurbishment, shipment preparation, port handling, transportation, and spare parts. The cost, adjusted for insurance claims, for these services was \$1,151,648, of which \$978,893 was paid from U.S. resettlement grant funds.

Following their delivery in November 1973, the mobile homes were taken to various mobile home parks and used as temporary absorption centers rather than permanent housing as called for under terms of the excess property grant. In response to a State Department audit inquiry on this matter, UIA said that when the mobile homes arrived in Israel, the need for absorption centers was more pressing than that for permanent housing. Also, UIA said that a State Department official orally agreed to this arrangement, although it was never formalized in writing.

In preparing the mobile homes for occupancy, JAI encountered a shortage of skilled labor familiar with this type of installation and incompatible electrical systems. UIA told us that immigrants did not like mobile homes because they are not "bomb proof."

In November 1975 we visited three mobile parks containing 94 of the U.S. trailers and found them to be clean, well constructed, and seemingly adequate to support their occupants. Given the uncertainty surrounding Soviet immigration and the fact that, from our observations of permanent housing provided to immigrants, the mobile homes fall short of being equivalent housing, it would seem that the mobile homes were being used in an acceptable manner.

RENTAL OF APARTMENTS--\$11,527,763

Because of a severe shortage of permanent housing brought about by the increased Soviet immigration, and subsequently the 1973 Yom Kippur war, JAI started leasing apartments in February 1973 to meet the temporary housing needs of new immigrants. Temporary housing provided from U.S. resettlement funds was to be furnished at minimal cost or free to the refugees. Immigrants occupying the temporary apartments paid only a monthly fee for maintenance and fuel costs. The Israeli Government assisted this program by allowing a tax benefit to landlords who rented apartments to immigrants.

At one time JAI had approximately 9,000 apartments under lease, but by October 31, 1975, the number had been reduced to 5,837 of which 4,989, or 85.5 percent, were occupied. At the same time, 3,771 Soviet refugee families were occupying temporary apartments funded under the U.S. resettlement grant.

UIA estimated that during 1974 and 1975 grant funds were applied to the rental of about 5,000 apartments and said that such payments did not cover all apartments rented for the Soviet refugees.

UNIVERSITY SCHOLARSHIPS--\$6,615,000

JAI has an ongoing program of providing financial assistance for higher education to new immigrants who qualify academically. The assistance is available for 3 years and may include tuition, books, housing, and subsistence. The Israel Student Authority, a commission composed of Israeli Government and JAI officials, reviews and rules on all applications for university scholarships and sets assistance levels to be provided. The same standards are applied to all new immigrants regardless of their origin, although Soviet refugees, since they constitute the highest percentage of new immigrants in recent years, have also received a higher percentage of JAI scholarship assistance. Grant funds provided 6,150 scholarships to Soviet refugees for the academic years 1973 through 1975.

TRAINING AND MAINTENANCE FOR
ARTISANS AND TECHNICIANS--\$7,978,259

Many Soviet refugee artisans, technicians, and mechanics go directly into employment situations after arriving in Israel and receive part-time language and vocational training. Others participate in full-time training and retraining programs designed to familiarize them with Israeli standards and procedures and, simultaneously, to increase their skills. The program also trains individuals in new professions or occupations for which job opportunities exist in Israel. The determination as to the type of training an individual receives is based not only on Israel's needs and the area of resettlement but also on the individual's abilities and desires. The training can last from 1 month to 2 years and includes medical, educational, and accounting courses.

Assistance to participants included course tuition, housing and subsistence allowances, travel expenses, tools necessary for the job, and professional literature. Tuition payments are made directly to the institutions providing the education and training. Housing and subsistence payments are based on economic need and rental costs and are made directly to the participants.

Another aspect of this assistance program is the payment of supplementary wages for advance employment. JAI and various employers enter into agreements in which the employer provides the Soviet refugee with a job (usually for 1 year) and necessary

training and pays the refugee the standard union rate. Since the employee, as a trainee, produces less than a fully qualified employee, JAI agrees to reimburse the employer an agreed portion of the refugee's wage. UIA estimated that about 80 percent of the refugees employed in this manner remain on the job after the agreement period ends.

MEDICAL AND PARAMEDICAL SERVICES--\$1,000,000

Funds under this program were provided through UIA to the Hadassah Medical Organization for the training and employment of Soviet refugee doctors, nurses, and paramedical technicians at its clinics or other medical facilities. These funds were used to cover expenses for refugee salaries and Hadassah training costs from January 1974 through June 1975. In addition, \$250,000 was used to purchase and install 25 dental chair units for retraining Soviet refugee dentists in the use of modern equipment and techniques. The UIA estimated the average monthly salary costs for the 103 Soviet refugees trained under the program at \$833 for the 24 doctors, \$642 for the 20 engineers/technicians, and \$566 for the 59 nurses.

MAINTENANCE COSTS AT ABSORPTION
CENTERS AND HOSTELS--\$28,078,823

Funds under this program have been used for the care and maintenance of Soviet refugees while living temporarily in absorption centers and hostels. The costs reimbursed under this program are, in effect, the operational costs for the various facilities and include board, building maintenance and utilities, fixture replacement, and facility personnel costs. Monthly payments to JAI were made on the basis of the average number of Soviet refugee occupants during the month and the average monthly cost per occupant. During 1975 there was an average of 3,000 Soviets residing in the absorption facilities each month.

Grant funds totaling \$28,078,823 were used to reimburse JAI for expenses of \$8,250,000 in 1973, \$7,463,823 in 1974, \$7,865,000 in 1975, and \$4,500,000 in 1976. Expenditures for this program have generally run considerably higher than originally projected. Even though Soviet immigration to Israel dropped significantly after 1973, the expenditures under this program did not decrease correspondingly. Three major factors, according to UIA, contributed to the need for additional funding.

1. Time refugees spent in absorption centers lengthened as permanent housing became increasingly unavailable to meet the needs of the larger numbers of immigrants.

2. Soviet refugees required longer periods in the absorption facilities than immigrants from other countries in order to complete minimum language and vocational training.
3. The Israeli economy was in an inflationary spiral.

To meet funding needs for 1974, \$1.1 million was reallocated to this program in July and December 1974. In addition, \$3.5 million under supplement 3 of February 3, 1975, was used to reimburse JAI for expenses incurred during 1974. As shown below, reallocations totaling \$3 million were made in December 1975 and January 1976 to reimburse JAI for expenses incurred in 1975.

Grant agreement, 4/4/73	\$ 4,250,000
Reallocation, 6/26/73	- 250,000
Supplement 1, 6/27/73	4,250,000
Supplement 2, 4/3/74	2,900,000
Reallocation, 7/25/74	313,823
Reallocation, 12/31/74	800,000
Supplement 3, 2/3/75 (note a)	3,450,000
Supplement 4, 6/5/75	4,050,000
Amendment to 4, 6/25/75	815,000
Reallocation, 12/3/75	2,500,000
Reallocation, 1/31/76 (note b)	500,000
Grant agreement, 3/10/76	3,000,000
Amendment 1, 6/25/76	<u>1,500,000</u>
 Total	 <u><u>\$28,078,823</u></u>

a/Used to reimburse JAI for expenses incurred during the last 6 months of 1974.

b/Used for expenses incurred during the final quarter of 1975.

During our visit to Israel in late 1975, we noted that JAI and UIA had undertaken the following measures designed to reduce costs at absorption facilities.

- Reducing the use of hotels and pensiones as absorption centers.
- Consolidating staff support and office space in areas having more than one absorption facility.
- Building most new absorption centers to include kitchens in each apartment, thereby eliminating the need for central kitchens and dining areas and the associated staff support.

ABSORPTION OF ACADEMICIANS--\$6,855,891

Israel has encountered problems in using the skills of highly educated Soviet refugees until they learn the Hebrew language and adapt to Israeli society and its requirements for their specialties. Persons in this situation have included engineers, physicists, biologists, chemists, mathematicians, economists, anthropologists, agronomists, and metallurgists.

Grant supplement 1 initially authorized \$1.8 million for this program. An additional \$2.5 million was added under supplement 2, thereby raising the total allocation to \$4.3 million. By June 30, 1974, however, UIA had not disbursed any funds under this program. On September 23, 1974, it requested the State Department to reallocate \$2.5 million to similar programs--university scholarships and maintenance and training of artisans and technicians--where expenses already exceeded allocations. UIA attributed the slow implementation under this program primarily to delays in establishing research standards in the various disciplines.

On April 1, 1974 (nearly 9 months after supplement 1 was approved), UIA informed the State Department that it intended to use the initial \$1.8 million for:

- Employment of scientists in basic research, through universities in Israel which are equipped to conduct this research.
- Grants to refugees to enable them to establish themselves professionally.
- Grants to various existing Israeli enterprises to encourage the employment of professional refugees.
- Grants to groups in the arts to enable the formation of artistic entities to provide employment for musicians, writers, and other artists.

Supplement 2 and subsequent supplements narrowed the above scope and stated the funds were for employment of refugees with advanced levels of education in the physical and material sciences and liberal arts.

YOUTH IMMIGRATION INSTITUTIONS--
CONSTRUCTION AND MAINTENANCE--\$3,195,000

The youth immigration work of JAI is concerned with the educational absorption of youths in the 12- to 18-year age group who

- were brought to Israel without their parents,
- are children of new immigrants,
- are from families in deprived economic and social situations, and
- need special programs which coordinate the efforts of various organizations dealing with youth.

This program provides the opportunity for Soviet high school aged children to continue their education immediately after arriving in Israel. The education is provided in their native language until they become proficient in Hebrew.

U.S. grant funds of \$1.2 million were first provided for this program in grant supplement 2. The supplement provided that about \$700,000 would be used to construct two new youth immigration residential facilities, with the balance to be used for care, maintenance, and education of Soviet youths at residential youth institutions. An additional \$1.75 million was provided in grant supplements 3 and 4 for care and maintenance purposes.

A total of \$789,000 was spent to construct dormitories at four youth immigration facilities.

Alonei Yitzhak Educational Institution
(\$195,000)

This institution is a 2-story dormitory with a total area of 700 square meters to house 56 resident students in 14 four-bed rooms, with an apartment for the counselor. The scheduled completion date was April 1977.

Hadassim--WIZO Youth Village (\$240,000)

The village is an 800-square-meter dormitory, which can house 45 students in 15 three-bed rooms, and has an instructor's apartment, which was completed in late 1976.

Hadassah Neurim Rural Center for
Vocational Education (\$150,000)

This is a dormitory of 795 square meters able to house 56 students in 14 four-bed rooms and containing an instructor's apartment. The building was completed in August 1975 and housed 52 students as of September 30, 1976.

Meir Shfeyah Youth Village
Agricultural School (\$204,000)

This is a dormitory of 900 square meters with 10 four-bed rooms for 40 students and an instructor's apartment, which was also completed in late 1976. Grant funds were used to provide 90 percent of the total purchase price for each dormitory.

ASSISTANCE TO NEEDY, AGED, OR
HANDICAPPED REFUGEES--\$1,650,000

Grant supplement 4, June 5, 1975, provided funds for cash subsidies to aged refugees as a full or supplemental means of support. Funds for this program were not disbursed to JAI until March 1976.

In describing its initial proposal for this program, JAI said that financial assistance was intended to cover grants to elderly and physically handicapped persons, to enable them to buy necessary medical equipment and to start small private businesses, and to socially deprived persons for living expenses until they become eligible for national insurance. Also included would be deprived cases requiring continued aid in addition to their national insurance payment.

On March 8, 1976, the program was redefined to state that funds

"* * * shall be employed by the grantee for cash subsidies to needy, aged, or handicapped refugees, and payments on their behalf, to the extent necessary to provide full or supplemental means of support."

Following this redefinition, JAI was reimbursed for expenses incurred from January 1975.

RESIDENCE FOR AGED REFUGEES--\$450,000

Because appropriate apartments are not readily available for elderly immigrants and because of problems encountered in finding them gainful employment, JAI, according to UIA, maintains about 20 institutions to temporarily accommodate elderly immigrants.

This program was initially authorized in June 1975 in grant supplement 4 for the construction of 89 additional units in an existing residence for the aged in Kiryat Ono. UIA delayed disbursing the funds for nearly a year because JAI could not obtain title to the land on which it planned to build the additional facilities. Construction was 70 percent complete as of December 31, 1976, with completion scheduled for October 1977.



DEPARTMENT OF STATE

Washington, D.C. 20520

December 1, 1976

Mr. J. K. Fasick
Director
International Division
U.S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Fasick:

I am replying to your letter of September 29, 1976, which forwarded copies of the draft report: "U.S. Assistance Provided for Resettling Soviet Refugees."

The enclosed comments were prepared by Deputy Coordinator for Human Rights and Humanitarian Affairs.

We appreciate having had the opportunity to review and comment on the draft report. If I may be of further assistance, I trust you will let me know.

Sincerely,

A handwritten signature in cursive script that reads "Williamson".

Daniel L. Williamson
Deputy Assistant Secretary
for Budget and Finance

Enclosure: As stated

GAO DRAFT REPORT: U.S. ASSISTANCE PROVIDED FOR
RESETTLING SOVIET REFUGEES

Page 47: The Department's criteria for accepting Soviet emigrants into the TCP program are broader than those outlined in the report. We accept any emigrant who (a) has obtained a Soviet exit visa; (b) cannot immediately qualify for a U.S. immigrant visa; (c) has VOLAG support; and (d) is not ineligible under some Category I Grounds of Ineligibility under the Immigration and Nationality Act.

[See GAO note 1, p. 70.]

RECOMMENDATIONS -- Page 40:

"We recognize that because of reduced funding levels for fiscal year 1976 little if any grant funds will be available for infrastructure construction. We recommend, however, that before additional funds are provided for rental payments and construction of absorption centers and permanent housing, the Secretary of State take steps to:

- have the need for U.S. funds adequately evaluated and insure that reasonable efforts are made to fully use available apartments, and

[See GAO note 1, p. 70.]

COMMENT:

Prior to the execution of the 1976 grant, the program proposals received from UIA were reviewed by our representative in the U.S. Mission, Geneva after which an on site assessment in Israel was carried out. On the basis of our representative's recommendations, no funds were provided in the 1976 grant for construction of absorption centers or permanent housing.

Our Geneva representative will again visit Israel in late 1976 to access on the ground UIA's program proposals for 1977 and make appropriate recommendations. Every reasonable effort will be made to utilize available apartment space before funds are granted for rental payments.

[See GAO note 1, p. 70.]

As was done for the 1976 program, a thorough analysis of each program proposal will be made in Israel by our representative before future funds are allocated.

CONCLUSION AND RECOMMENDATION -- Page 52:

[See GAO note 1, p. 70.]

COMMENT:

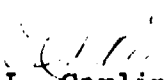
Regardless of INS' decisions in these cases, the individuals in question seem determined not to return to Israel and consider themselves to be refugees in need. While not losing sight of the fact that these cases have already received from the USG a generous measure of assistance in connection with their resettlement and absorption in Israel, we are nonetheless concerned that an accumulation of returnees in an asylum area such as Italy could tend to clog the processing pipeline and possibly cause the host government (Italy) to tighten its asylum policy. We therefore continue to grant limited USRP assistance (resettlement documentation

and transportation) to those cases securing permanent resettlement opportunities. In any event, all such cases are carefully reviewed on a case-by-case basis by our Mission, Geneva before eligibility decisions are taken.

RECOMMENDATION -- Page 69:

[See GAO note 1.]

D/HA is considering the discontinuation of Reception and Placement grants to the Volags for ex-USSR refugees effective January 1, 1977.


James L. Carlin
Deputy Coordinator for Human Rights
and Humanitarian Affairs (ORM)

- GAO notes:
1. Deleted comments pertain to matters omitted from or revised in the final report.
 2. Page references in this appendix may not correspond to page numbers in the final report.



UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C. 20530

JAN 21 1977

Address Reply to the
Division Indicated
and Refer to Initials and Number

Mr. Victor L. Lowe
Director
General Government Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Lowe:

This letter is in response to your request for comments on the draft report entitled "U.S. Assistance Provided for Resettling Soviet Refugees."

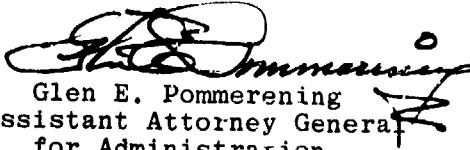
The resettling of Soviet refugees is a subject of great interest and concern to the Immigration and Naturalization Service. Studies and reports such as the one presented by GAO help to provide the detailed information and careful analysis needed to evaluate current policies and procedures.

Although we have no major substantive disagreements with the report, there are several corrections and minor points which require clarification and revision. We believe the incorporation of these points into the final report will result in a more lucid and accurate document. The underlined portions of sentences relate to suggested changes or additions.

[GAO note: Suggested technical changes were incorporated into the final report.]

We appreciate the opportunity given us to comment on the draft report. Should you have any further questions, please feel free to contact us.

Sincerely,


Glen E. Pommerening
Assistant Attorney General
for Administration

United Israel Appeal, Inc.
515 Park Avenue
New York, N.Y. 10022
(212) 688-0800
Cable Address: ISFUND

UNITED ISRAEL APPEAL

November 19, 1976

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Maurice M. Boukstein

Mr. E. Dutcher
General Accounting Office
Department of State
Room 1588
2201 C Street, N.W.
Washington D.C. 20520

Dear Mr. Dutcher:

Thank you for the opportunity to review and comment on the GAU draft report on "U.S. Assistance Provided for Resettling Soviet Refugees." In our judgment the report was well-written and fairly presents a description of the administration of the Refugee Resettlement Grant by United Israel Appeal, Inc. and its operating agents. We have taken the opportunity afforded us to submit our views with respect to several issues discussed in the report, for your consideration.

Respectfully submitted,


Irving Kessler
Executive Vice-Chairman

HG:kc
cc: J. Wilson

THE MAJOR BENEFICIARY OF THE NATIONWIDE UNITED JEWISH APPEAL

BEST DOCUMENT AVAILABLE

November 18, 1976

UNITED ISRAEL APPEAL

RESPONSE TO DRAFT OF REPORT TO
CONGRESS BY THE COMPTROLLER GENERAL
ON U.S. ASSISTANCE FOR RESETTLING SOVIET REFUGEES

Grant Programs/Definition of Resettlement

The audit report raises questions regarding the lack of definition of resettlement in the legislation authorizing the Grant:

- (1) Do the programs go beyond resettlement and enter areas of social welfare, including the improvement of the quality of life?
- (2) Should Grant funds be used for the construction of medical facilities, homes for the aged, and dormitories for young immigrants?

It is our feeling that "resettlement" should be defined in terms of the practices of the beneficiary, as the assistance was clearly intended to support existing efforts, rather than to create new programs. The design of the Grant programs was based on the Jewish Agency for Israel's existing programs to aid in the immigration and absorption of refugees - programs developed as a result of its experiences over the last 50 years. The Agency's activities include a broad range of services made necessary by a culturally and economically diverse immigrant population.

The ultimate objective of the Jewish Agency's resettlement program is to make an individual self-sufficient within the Israeli society as quickly as possible.

[See GAO note 1, p. 70.]

.../Another

Response to GAO Report
November 18, 1976
Page two

UNITED ISRAEL APPEAL

[See GAO note 1, p. 70.]

In some countries, including the United States, resettlement services and facilities are provided by a variety of existing governmental or philanthropic agencies. This is not the case in Israel, where such programs for immigrants are primarily funded by the Agency. The Agency has been responsible over the years for developing such basic facilities as housing, schools, community centers, and even entire communities, to accommodate new immigrants.

The UIA, in analyzing the funding of medical costs for Russian refugees, had considered two possible approaches: reimbursement of payments made for medical services rendered, or the providing of facilities at which the refugees would receive medical treatment at no further expenditure of Grant funds. In view of the burdensome administrative procedure that would be required with the reimbursement method, it was decided to adopt the second choice. The hospitals were selected because of their location in major population centers where large numbers of Russian immigrants would receive medical treatment, and for their medical training programs in which Russians were enrolled.

An underlying administrative concern has been that Grant funds would not cause any imbalance in the overall refugee resettlement program by creating a special class of immigrants whose benefits would be more or less than that provided for refugees from any other country of oppression. And, in fact, the funds provided by the Grant did not lead to any expansion of benefits for Russian immigrants. The influx of Russian immigrants did cause certain changes in existing programs in order to meet the particular needs of this group of immigrants. As a specific example, the large numbers of professional and skilled immigrants necessitated further development of retraining programs (Programs VII, Maintenance and Training for Artisans and Technicians, and X, Absorption of Academicians). While Israel has had to absorb similarly skilled refugees in the past, the amount of Russian refugees involved created a need for the enhancement of these programs.

.../Reallocation

Response to GAO Report
November 18, 1976
Page three

UNITED ISRAELI APPEAL

[See GAO note 1, p. 70.]

Availability of Housing Units

Rental of apartments by the Jewish Agency to accommodate immigrants is essential if one fully understands the difficulties faced in providing housing for new immigrants. The Agency is primarily responsible for providing living accommodations in 14 development towns in Israel. The joint decision of the Agency and the Government of Israel to clearly identify separate geographic areas of responsibilities overcame a major administrative overlap that had existed when both maintained housing for immigrants throughout the country.

While the objective of the Agency is to settle immigrants in developing areas, this is not always practical. Family unity, place of employment or educational institution, or specialized factors (e.g.,

.../medical

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November 18, 1976
Page four

UNITED ISRAELI APPEAL

medical needs) must be taken into consideration. At times, this means that immigrants must be permitted to settle in the central region of the country where the major communities exist. In the absence of commercial rentals, as they exist in the United States, it became necessary for the Agency to lease apartments on behalf of the new immigrants.

There is some coordination between the Jewish Agency and the Government of Israel in making use of all available living units, however, sometimes these units may not meet the needs (size, location) of the families living in rental apartments. Notwithstanding, the units acquired with Grant funds (which are in development towns) are 90% occupied.

Use of rental apartments is, in most instances, a temporary accommodation. As of October 30, 1975, approximately 10% of the entire Russian immigrant population occupied rental apartments. The Agency has been reducing its reliance on leased apartments as suitable permanent housing becomes available.

Relation of Numbers of Refugees to Funding

In its recommendations, the audit report suggests that certain steps be taken to relate future U.S. Government funding to the numbers of refugees arriving in Israel. This recommendation took into consideration that the initial Grant funding included provision for capital projects to support the vastly expanded resettlement programs caused by the large flow of refugees. These capital projects, amounting to nearly 50% of the funds available, included construction of living units, absorption centers, dormitories, homes for the aged, and medical facilities.

In its request for funding of the 1976 Grant agreement the UIA recognized that the need for ongoing programs was of greater urgency than that of capital programs. As a result the number of programs was reduced from fourteen to eight, by excluding the capital item programs.

There are further factors which help explain the lack of correlation between the numbers of refugees and the amount of funding made available:

(1) The first U.S. Grant Agreement followed the initial exodus from Russia by nearly one year, and authorized reimbursements of certain

.../expenditures

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November 18, 1976
Page five

UNITED ARAB REPUBLIC

expenditures retroactive to November 1, 1972. This assistance was designed to help meet the accumulated demand for the essential resettlement needs of those immigrants who had already arrived in Israel before funding was made available.

(2) The amount of support partially reflected the pervasive inflation in Israel following the Yom Kippur War. While the number of immigrants decreased, the funding remained substantially constant as a result of the increase in costs.

(3) The nature of the resettlement programs does not permit the direct correlation between numbers of refugees and dollar amounts provided. The amount of assistance required for each refugee depends upon his or her individual needs. While maintenance at absorption centers (Program IX) can be related to a number of immigrants arriving in Israel, even here the correlation is not complete because all immigrants do not need to live in absorption centers for equal periods of time, and some do not stay in absorption centers at all. Among the other factors influencing the amounts of funding are: (a) the age of children, which has a direct relationship on the number of years of youth care and scholarship assistance required, and (b) professions, which affect the type and period of training and retraining.

PRINCIPAL OFFICIALS RESPONSIBLE FOR ADMINISTERING
ACTIVITIES DISCUSSED IN THIS REPORT

Tenure of office
From To

DEPARTMENT OF STATE

SECRETARY OF STATE:

Cyrus R. Vance	Jan. 1977	Present
Henry A. Kissinger	Sept. 1973	Jan. 1977
William P. Rogers	Jan. 1969	Sept. 1973

COORDINATOR FOR HUMANITARIAN AFFAIRS:

James M. Wilson	Apr. 1975	Present
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SPECIAL ASSISTANT TO THE SECRETARY
FOR REFUGEE AND MIGRATION AFFAIRS:

Frank L. Kellogg	Jan. 1971	Apr. 1975
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DEPARTMENT OF JUSTICE

ATTORNEY GENERAL:

Griffin B. Bell	Jan. 1977	Present
Edward H. Levi	Feb. 1975	Jan. 1977
William B. Saxbe	Jan. 1974	Feb. 1975
Robert H. Bork (acting)	Oct. 1973	Jan. 1974
Elliot L. Richardson	May 1973	Oct. 1973
Richard G. Kleindienst	Mar. 1972	May 1973

COMMISSIONER, IMMIGRATION AND
NATURALIZATION SERVICE:

Leonard F. Chapman, Jr.	Nov. 1973	Present
James F. Greene (acting)	Apr. 1973	Nov. 1973
Raymond F. Farrell	Jan. 1962	Apr. 1973