

Two Court Rulings Advance Efforts of Rothwell Figg Pro Bono Client Chabad to Recover Holy Books and Materials Stolen by the Soviet Union and Nazis

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On December 3, 2021, the U.S. Court of Appeals for the D.C. Circuit issued two important rulings that advance the efforts of Chabad to recover from the Russian Federation the holy books and other materials that were stolen from Chabad by the Soviet Union and the Nazis and that the Russian Federation has refused to return despite multiple court orders directing it to do so.

Chabad is a religious origination founded in 1775 in the Russian town of Lubavitch. Over the following century and a half, Chabad compiled a library of sacred texts, referred to as the “Library.” Chabad also collected and preserved manuscripts, organizational records, and other religious and historical materials, referred to as the “Archive.” The Library and the Archive are referred to collectively as the “Schneerson Collection.”

In the early 1920’s during the Bolshevik Revolution, the Soviet government condemned Chabad’s religious and secular leader (the Rebbe) to death for teaching Judaism. He and his followers escaped from Russia, but were forced to leave parts of the Library behind. The Soviet government confiscated the Library. When Chabad relocated to Poland, some members of Chabad, including the then-Rebbe, escaped the slaughter that followed the Nazi and Soviet invasion of Poland in 1939, and were able to relocate to America. However, Chabad was forced to leave the Archive behind. The Nazis seized the Archive when they occupied Poland and stored it in a castle in Silesia. The Soviet army took position of the Archive as war booty when it occupied Germany at the end of WWII and brought the stolen Archive to Moscow, where they have been illegally keeping them until this day.

For decades, Chabad has sought the return of its sacred heritage from the Soviet Union, and its successor, the Russian Federation. Despite court rulings in Chabad’s favor and multiple promises by the Russian Government to return the Schneerson Collection to its rightful owner in the United States, Russia has failed to return the

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Schneerson Collection to Chabad.

In 2004, Chabad filed a lawsuit against the Russian Federation seeking return of the Schneerson Collection. It was successful in those efforts and Judge Royce Lamberth of the U.S. District Court for the District of Columbia ordered the Russian Federation to return the Schneerson Collection. The Russian Federation refused to do so and the court ultimately issued sanctions against the Russian Federation (which now total \$150 million) as a result of the Russian Federation's refusal to return the Schneerson Collection.

In an effort to identify Russian Federation assets that can be used to satisfy the Court's judgment against the Russian Federation, Chabad sought discovery from VEB (a Russian instrumentality that functions as a bank) and Tenam (a uranium company that is indirectly owned by the Russian Federation). Both those entities challenged Chabad's efforts to seek discovery and Tenam also challenged the validity of the underlying judgment against the Russian Federation.

The U.S. Court of Appeals for the D.C. Circuit rejected both VEB's and Tenam's appeals and affirmed the 2020 ruling of the U.S. District Court for the District of Columbia (Judge Royce Lamberth), upholding the validity of Chabad's earlier judgment against the Russian Federation.

Robert Parker and Steven Lieberman of Rothwell, Figg, Ernst & Manbeck, PC, briefed and argued the appeals on behalf of Chabad, with support from their colleagues Jennifer Nock, Richard Waterman, Jr., and Anjali Jenna (AJ) Teigen. Steven commented on the DC Circuit decisions: "This is a tremendous victory for Chabad and for the Jewish people. Coming in the Fifth day of Hanukkah, this decision allows Chabad to move forward in its century long efforts to retrieve its sacred heritage and is a significant step forward in the process of allowing Chabad to recover those texts. We are grateful to the U.S. District Court for the District of Columbia and the U.S. Court of Appeals for the D.C. Circuit for its rulings, which bring Chabad, and all the victims and survivors of Soviet and Nazi persecution, one step closer to the recovery of these holy documents."