

The Governments of the United States and Albania concluded an agreement for en bloc settlement of claims of United States nationals against Albania on March 10, 1995. *Agreement Between the Government of the United States and the Government of the Republic of Albania on the Settlement of Certain Outstanding Claims*, March 10, 1995 (entered into force April 18, 1995) ("Settlement Agreement"). Claims covered by the Settlement Agreement are

the claims of United States nationals (including natural and juridical persons) against Albania arising from any nationalization, expropriation, intervention, or other taking of, or measures affecting, property of nationals of the United States prior to the date of this agreement[.]

Settlement Agreement, Article 1(a).

The claimant KOSTADEDDO has submitted documentation reflecting that his father, Vangjel Kosta Marko Dedo, had owned a one-half interest in a piece of real property in the city of Korca, Albania, consisting of a café, two shops and a warehouse standing on a parcel of land with an area of 333.25 square meters or approximately 3,587 square feet. The documentation indicates that claimant's father had originally purchased the entire property in 1932 for a price of 50,000 gold francs, which was then equivalent to \$10,000, but that he subsequently sold a one-half interest in it to a relative, Marko Kosta Marko Dedo for 500 "gold

napoleons" --the equivalent of \$3,280 -- in 1936. Other documentation reflects that Vangjel Marko Dedo became a United States citizen by naturalization on May 4, 1928, and that he later died in Albania on February 12, 1968, leaving his widow, Athina Dedo, and the claimant and the claimant's brother Stavri and sister Eleni as the heirs of his estate. Claimant has submitted a copy of his United States passport, issued in Albania in 1992, reflecting that he was born in Albania on Personally Identifiable Information Redacted under 5 U.S.C. §552(b)(6), and that he is recognized as a United States citizen by birth, based on the United States citizenship of his father. He also has submitted a copy of a telephone bill showing that he was residing in the United States as of April 18, 1995, as required for eligibility under the Agreed Minute to the Settlement Agreement. The record further indicates that claimant's brother and sister also acquired United States citizenship at birth, but neither his sister nor the heirs of his brother (who is said to have died in Boston in 1995), have submitted a claim to the Commission. Lastly, the record indicates that claimant's mother, who apparently lived her entire life in Albania and never acquired United States citizenship, died in Albania on August 23, 1991.

Based on the documentation and other evidence submitted, the Commission finds that, following the death of his father on February 12, 1968,

claimant KOSTA DEDO and his mother, brother, and sister were together the owners of a one-half interest in a coffee shop, two stores and a warehouse and 333.25 square meters of surrounding and underlying land in the city of Korca. Thus, each of them held a one-eighth interest in the property. The Commission further finds that this property interest, as well as the other one-half interest in the property, was expropriated by the Albanian Communist regime on June 19, 1968, for the purpose of construction of the "Iliria" hotel, which still stands on the site today. Accordingly, claimant is entitled to an award for his one-eighth share in the resulting property loss.

Turning to the question of the value of claimant's one-eighth interest at the time of loss, it was noted previously that claimant's father is documented as having sold one-half of his originally purchased ownership interest in the coffee shop, stores, warehouse and land for 500 gold napoleons (the equivalent of \$3,280.00) in 1936, after having purchased the interest for 50,000 gold francs (the equivalent of \$10,000.00) in 1932. Claimant asserts that in 1939 his father refused an offer of 3,700 gold napoleons to purchase his one-half interest in the property, which would have been equivalent to \$24,272.00. In addition, he asserts that in 1967 his father refused an offer of 2,000,000 *lek* for one of the

stores, which, at the exchange rate then in effect, would have been equivalent to approximately \$28,570.00. Based on this figure, he contends that his father's one-half interest in the entire property had a value of 8,000,000 lek, or approximately \$114,285.00. As a purported basis for comparison, he asserts that the current price for a 70-square-meter (700-square-foot), one-bedroom apartment in Tirana, Albania's capital, is 30,000,000 lek, which would be equivalent to approximately \$214,285.00, or about \$3,060.00 per square meter (\$306 per square foot). However, he has submitted no documentation or other evidence to support any of these assertions, and the Commission's research indicates that his figures are seriously exaggerated.

According to documentation from another expropriation case in Korca, dating from 1962, the Albanian authorities assessed the house which was the subject of that case at a value of 95,715 lek, or about \$1,367.00. While the Commission recognizes that it is impossible to tell whether that property was comparable to the one here in issue, and also recognizes that governmental assessments often are significantly below actual market value, the magnitude of the difference between this figure and those asserted by the claimant appears to confirm the exaggerated nature of the latter. Further, the Commission has

ascertained that, contrary to claimant's assertion, current prices for apartments in Tirana range from about \$350 to \$700 per square meter (\$35 to \$70 per square foot), or about one-tenth to one-fifth of claimant's figure.

Based upon the entire record, the Commission finds that the coffee shop, stores, warehouse and land in question had a total value of \$30,000.00 at the time of expropriation. For his one-eighth interest therein, claimant is accordingly entitled to an award of \$3,750.00, dating from June 19, 1968.

Claimant apparently believes that he is also entitled to compensation for the one-third share in his mother's claim for her one-eighth interest in the property that he inherited upon her death in 1992. As noted, however, there is nothing in the record to suggest that his mother ever acquired United States citizenship.

The ICSA mandates that the Commission decide claims in accordance with, *inter alia*, "[t]he applicable principles of international law." ICSA section 4(a)(2), 22 U.S.C. 1623(a)(2). It is a well-established principle of international law, which this Commission has applied without exception, that a claim may be found compensable only if the property which is the subject of the claim was owned by a national of the United States when the property was expropriated or

otherwise taken. *See, e.g., Claim of EUGENIA D. STUPNIKOV Against Yugoslavia*, Claim No. Y-2-0071, Decision No. Y-2-0003 (1967); *Claim of ILONA CZIKE Against Hungary*, Claim No. HUNG-2-0784, Decision No. HUNG-2-191 (1976); *Claim of JOSEPH REISS Against the German Democratic Republic*, Claim No. G-2853, Decision No. G-2499 (1981); *Claim of TRANG KIM Against Vietnam*, Claim No. V-0014, Decision No. V-0001 (1982). This principle has also been recognized by the courts of the United States. *See, e.g., Haas v. Humphrey*, 246 F.2d 682 (D.C. Cir. 1957), *cert. denied* 355 U.S. 854 (1957).

The Commission finds that, at the time the claimant's mother's share in the property in question was taken by the Albanian government, it was not owned by a national of the United States. Accordingly, while the Commission sympathizes with the claimant for the loss of his mother's share in the property, it must conclude that his claim for her share in the property is not compensable under the terms of the Settlement Agreement. Therefore, the claim for that share must be and is hereby denied.

In accordance with applicable principles of international law and its decisions in previous claims programs, the Commission further concludes that

the claimant is entitled to interest as part of his award, amounting to 6 percent simple interest per annum from the date of loss to the effective date of the Settlement Agreement. Accordingly, claimant is also entitled to an interest award of 161 percent of his principal award, or \$6,037.50.

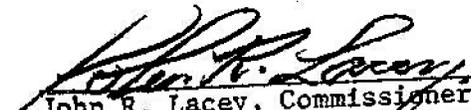
Under the terms of the U.S.-Albania settlement agreement, the United States Government has agreed to advise the Albanian authorities of the issuance of the Commission's awards so as to prevent any double recovery. A copy of this decision will therefore be forwarded to the Albanian government in due course.

The Commission therefore makes the following award, which will be certified to the Secretary of the Treasury for payment in accordance with sections 5, 7, and 8 of Title I of the ICOSA (22 U.S.C. §§1624, 1626, and 1627).

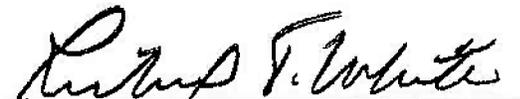
AWARD

Claimant, KOSTA DEDO, is entitled to an award in the principal amount of Three Thousand Seven Hundred Fifty Dollars (\$3,750.00), plus interest from June 19, 1968, to April 18, 1995, in the amount of Six Thousand Thirty-Seven Dollars and Fifty Cents (\$6,037.50), for a total award of Nine Thousand Seven Hundred Eighty-Seven Dollars and Fifty Cents (\$9,787.50).

Dated at Washington, DC and entered as the Proposed Decision of the Commission.


John R. Lacey, Commissioner

APR 03 2000


Richard T. White, Commissioner

This decision was entered as the Commission's
Final Decision on MAY 16 2000

NOTICE: Pursuant to the Regulations of the Commission, any objections must be filed within 15 days after service or receipt of notice of this Proposed Decision. Absent objection, this decision will be entered as the Final Decision of the Commission upon the expiration of 30 days after such service or receipt of notice, unless the Commission otherwise orders. FCSC Regulations, 45 C.F.R. 531.5 (e) and (g) (1999).