

[CHAPTER 509.]

AN ACT

To amend the Interstate Commerce Act, as amended.

August 12, 1935.

[S. 1633.]

[Public, No. 261.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 3 of the Interstate Commerce Act, as amended, is hereby amended to read as follows:

Interstate Commerce Act, amendment. Vol. 24, p. 380; U. S. C., p. 2215.

“(1) It shall be unlawful for any common carrier subject to the provisions of this Act to make, give, or cause any undue or unreasonable preference or advantage to any particular person, company, firm, corporation, association, locality, port, port district, gateway, transit point, or any particular description of traffic, in any respect whatsoever or to subject any particular person, company, firm, corporation, association, locality, port, port district, gateway, transit point, or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.”

Undue preference or prejudice prohibited.

Ports, port districts, etc.

Approved, August 12, 1935.

[CHAPTER 510.]

AN ACT

To safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay and insurance, and for other purposes.

August 12, 1935.

[H. R. 3979.]

[Public, No. 262.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the World War Veterans' Act, 1924, as amended (U. S. C., Supp. VII, title 38, sec. 450), is hereby amended to read as follows:

World War Veterans' Act, 1924, amendment. Vol. 44, p. 791; U. S. C., p. 1664.

“SEC. 21. (1) Where any payment of compensation, adjusted compensation, pension, emergency officers' retirement pay, or insurance under any Act administered by the Veterans' Administration is to be made to a minor, other than a person in the military or naval forces of the United States, or to a person mentally incompetent, or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian, curator, or conservator by the laws of the State of residence of claimant, or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where in the opinion of the Administrator any guardian, curator, conservator, or other person is acting as fiduciary in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the wards, the Administrator is hereby authorized to refuse to make future payments in such cases as he may deem proper: *Provided further*, That prior to receipt of notice by the Veterans' Administration that any such person is under such other legal disability adjudged by some court of competent jurisdiction, payment may be made to such person direct: *Provided further*, That where no guardian, curator, or conservator of the person under a legal disability has been appointed under the laws of the State of residence of the claimant, the Administrator shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

Payments to persons under legal disability. *Post*, p. 1101.

Provisos. Authority to refuse to make payments.

Direct payments to claimant.

Determination of person legally vested with care of claimant.

“(2) Whenever it appears that any guardian, curator, conservator, or other person, in the opinion of the Administrator, is not properly executing or has not properly executed the duties of his trust or has collected or paid, or is attempting to collect or pay, fees, commissions, or allowances that are inequitable or in excess of those allowed

Misappropriation of funds by fiduciary. Vol. 45, p. 964.

Presentation to appointing court.

Provisos.
Suspension of payments on refusal to render account.

Appearance of Administrator as interested party.

Fiduciaries; appointment; costs of investigating.

Payments to legal custodians.
Vol. 46, p. 993.

Disbursement of funds.

Balance remaining unpaid.

Provisos.
Payments to personal representatives.

Escheats.

by law for the duties performed or expenses incurred, or has failed to make such payments as may be necessary for the benefit of the ward or the dependents of the ward, then and in that event the Administrator is hereby empowered by his duly authorized attorney to appear in the court which has appointed such fiduciary, or in any court having original, concurrent, or appellate jurisdiction over said cause, and make proper presentation of such matters: *Provided*, That the Administrator, in his discretion, may suspend payments to any such guardian, curator, conservator, or other person who shall neglect or refuse, after reasonable notice, to render an account to the Administrator from time to time showing the application of such payments for the benefit of such incompetent or minor beneficiary, or who shall neglect or refuse to administer the estate according to law: *Provided further*, That the Administrator is hereby authorized and empowered to appear or intervene by his duly authorized attorney in any court as an interested party in any litigation instituted by himself or otherwise, directly affecting money paid to such fiduciary under this section.

"Authority is hereby granted for the payment of any court or other expenses incident to any investigation or court proceeding for the appointment of any guardian, curator, conservator, or other person legally vested with the care of the claimant or his estate or the removal of such fiduciary and appointment of another, and of expenses in connection with the administration of such estates by such fiduciaries, or in connection with any other court proceeding hereby authorized, when such payment is authorized by the Administrator.

"(3) All or any part of the compensation, pension, emergency officers' retirement pay, or insurance the payment of which is suspended or withheld under this section may, in the discretion of the Administrator, be paid temporarily to the person having custody and control of the incompetent or minor beneficiary to be used solely for the benefit of such beneficiary, or in the case of an incompetent veteran, may be apportioned to the dependent or dependents, if any, of such veteran. Any part not so paid and any funds of a mentally incompetent or insane veteran not paid to the chief officer of the institution in which such veteran is an inmate nor apportioned to his dependent or dependents may be ordered held in the Treasury to the credit of such beneficiary. All funds so held shall be disbursed under the order and in the discretion of the Administrator for the benefit of such beneficiary or his dependents. Any balance remaining in such fund to the credit of any beneficiary may be paid to him if he recovers and is found competent, or, if a minor, attains majority, or otherwise to his guardian, curator, or conservator, or, in the event of his death, to his personal representative, except as otherwise provided by law: *Provided*, That payment will not be made to his personal representative if, under the law of the State of his last legal residence, his estate would escheat to the State: *Provided further*, That any funds in the hands of a guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, derived from compensation, automatic or term insurance, emergency officers' retirement pay, or pension, payable under said Acts, which under the law of the State wherein the beneficiary had his last legal residence would escheat to the State, shall escheat to the United States and shall be returned by such guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, or by the personal representative of

the deceased beneficiary, less legal expenses of any administration necessary to determine that an escheat is in order, to the Veterans' Administration, and shall be deposited to the credit of the current appropriations provided for payment of compensation, insurance, or pension."

SEC. 2. Whoever, being a guardian, curator, conservator, committee, or person legally vested with the responsibility or care of a claimant or his estate, or any other person having charge and custody in a fiduciary capacity of money paid under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, the Emergency Officers' Retirement Act, as amended, the World War Adjusted Compensation Act, as amended, the pension laws in effect prior to March 20, 1933, Public Law Numbered 2, Seventy-third Congress, as amended, Public Law Numbered 484, Seventy-third Congress, or under any Act or Acts amendatory of such Acts, for the benefit of any minor, incompetent, or other beneficiary, shall lend, borrow, pledge, hypothecate, use, or exchange for other funds or property, except as authorized by law, or embezzle or in any manner misappropriate any such money or property derived therefrom in whole or in part and coming into his control in any manner whatever in the execution of his trust, or under color of his office or service as such fiduciary, shall be fined not exceeding \$2,000 or imprisoned for a term not exceeding five years, or both. Any willful neglect or refusal to make and file proper accountings or reports concerning such money or property as required by law, shall be taken to be sufficient evidence, prima facie, of such embezzlement or misappropriation. Section 505 of the World War Veterans' Act, 1924, section 16 of Public Law Numbered 2, Seventy-third Congress, and section 4783 of the Revised Statutes are hereby repealed; but any offense committed before the enactment of this Act may be prosecuted and punishment may be inflicted in accordance with the terms of said sections notwithstanding the repeal of said sections.

SEC. 3. Payments of benefits due or to become due shall not be assignable, and such payments made to, or on account of, a beneficiary under any of the laws relating to veterans shall be exempt from taxation, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. Such provisions shall not attach to claims of the United States arising under such laws nor shall the exemption herein contained as to taxation extend to any property purchased in part or wholly out of such payments. Section 4747 of the Revised Statutes and section 22 of the World War Veterans' Act, 1924, are hereby repealed, and all other Acts inconsistent herewith are hereby modified accordingly. The provisions of this section shall not be construed to prohibit the assignment by any person, to whom converted insurance shall be payable under title III of the World War Veterans' Act, 1924, of his interest in such insurance to any other member of the permitted class of beneficiaries.

SEC. 4. If any provision, sentence, or clause of this Act or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 5. That this Act shall take effect and be in force from and after its passage, but the provisions hereof shall apply to payments made heretofore under any of the Acts mentioned herein.

Approved, August 12, 1935.

Misappropriation of funds by fiduciary, etc.; penalty.

Refusal to file accountings.

Repeals.
Vol. 43, p. 1312; Vol. 48, p. 11.

R. S., sec. 4783, p. 929; U. S. C., p. 1631.
Prosecutions.

Assignment of payments prohibited; exemptions.

Repeals.
R. S., sec. 4747, p. 924; U. S. C., p. 1627.
Vol. 43, p. 613; U. S. C., p. 1665.
Assignment of converted insurance.

Separability of provisions.

Effective date.