

RELIEVING DISBURSING AND CERTIFYING OFFICERS OF VETERANS' ADMINISTRATION FROM LIABILITY FOR PAYMENT WHERE RECOVERY OF PAYMENT IS WAIVED UNDER EXISTING LAWS

MAY 26 (legislative day, MAY 19), 1939.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 2454]

The Committee on Finance, to whom was referred the bill (S. 2454) to relieve disbursing officers and certifying officers of the Veterans' Administration from liability for payment where recovery of such payment is waived under existing laws administered by the Veterans' Administration, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the proposed legislation is fully explained in the attached letter addressed to the President of the Senate by the Administrator of Veterans' Affairs. The bill is approved and recommended by the Veterans' Administration and the committee is informed that the Bureau of the Budget has no objection to the presentation by the Veterans' Administration of this proposed legislation to Congress.

VETERANS' ADMINISTRATION,
Washington, May 6, 1939.

The PRESIDENT OF THE SENATE,
The Capitol, Washington, D. C.

SIR: There is transmitted herewith the draft of a bill to relieve disbursing officers and certifying officers of the Veterans' Administration from liability for payment where recovery of such payment is waived under existing laws administered by the Veterans' Administration, with the request that it be referred to the appropriate committee of the United States Senate, in order that it may be introduced and pressed for passage at an early date. Information has been received from the Director, Bureau of the Budget, April 29, 1939, that there would be no objection by that office to the presentation to Congress of the proposed bill as enclosed.

Briefly, the purpose of the bill is to afford the same relief to certifying officers of the Veterans' Administration which was formerly afforded to disbursing officers of the Veterans' Administration under the provisions of section 28 of the World War Veterans' Act, as amended (38 U. S. C. 453).

BELIEVING DISBURSING OFFICERS OF LIABILITY

Section 28 of the World War Veterans' Act provides:

"There shall be no recovery of payments from any person who, in the judgment of the director, is without fault on his part and where, in the judgment of the director, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. No disbursing officer shall be held liable for any amount paid by him to any person where the recovery of such amount is waived under this section.

"When under the provisions of this section the recovery of a payment made from the United States Government life insurance fund is waived, the United States Government life insurance fund shall be reimbursed for the amount involved from the current appropriation for military and naval insurance.

"This section, as amended, shall be deemed to be in effect as of June 7, 1924."

The provision of law above set forth was specifically saved from repeal by section 7 of Public, No. 2, Seventy-third Congress. Executive Order No. 6166, promulgated by the President on June 10, 1933, pursuant to the act of March 3, 1933 (47 Stat. 1517), as amended by the act of March 20, 1933 (48 Stat. 16), which established a centralized disbursing system in the Treasury Department, provided, among other things, as follows:

"The Division of Disbursement shall disburse moneys only upon the certification of persons by law duly authorized to incur obligations upon behalf of the United States. The function of accountability for improper certification shall be transferred to such persons, and no disbursing officer shall be held accountable therefor."

The Comptroller General held under date of October 31, 1935, A-58695, that the Executive order of June 10, 1933, imposed a new and larger liability on certifying officers for unlawful payments for which they were responsible, distinct from and in addition to that imposed upon disbursing officers and referred to his decision of December 29, 1933 (13 C. G. 326, 328), in which he held that a relief statute may be applied only to the person or classes of persons specifically included within its terms and that section 28 of the World War Veterans' Act, 1924, as amended, was not available for relief of certifying officers.

It appears obvious that the relief granted to disbursing officers under section 28 of the World War Veterans' Act, 1924, as amended, was founded upon the proposition that it would be unjust and improper to hold a disbursing officer liable for an amount paid by him to any person where the recovery of such amount had been waived because such waiver would destroy the disbursing officer's right to subrogation. The disbursing officers' former accountability for improper certification has been transferred to the certifying officers of the Veterans' Administration but apparently through inadvertence the relief provided for disbursing officers of the Veterans' Administration by section 28 of the World War Veterans' Act, 1924, was not extended to certifying officers of the Veterans' Administration. The bill, if enacted, will grant to certifying officers of the Veterans' Administration the same relief formerly provided for disbursing officers of the Veterans' Administration.

It is my firm belief that equity demands prompt relief for these certifying officers who have and are rendering faithful and efficient service to the Government.

Respectfully,

FRANK T. HINES, *Administrator.*

