

# Calendar No. 358

72D CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 339

LAURA E. DE ARMOUN

FEBRUARY 24 (calendar day, FEBRUARY 26), 1932.— Ordered to be printed

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

## REPORT

[To accompany S. 1881]

The Committee on Finance, to whom was referred the bill (S. 1881) authorizing the payment of war-risk insurance to Laura E. De Armoun, having considered the same, report it back to the Senate and recommend that the bill do not pass.

The report of the Administrator of Veterans' Affairs is as follows (no facts having been submitted by the claimant):

VETERANS' ADMINISTRATION,  
Washington, January 19, 1932.

HON. REED SMOOT,  
Chairman Committee on Finance, United States Senate,  
Washington, D. C.

MY DEAR SENATOR SMOOT: Receipt is acknowledged of your letter of December 29, 1931, with which you forwarded for report a copy of S. 1881, Seventy-second Congress, a bill authorizing the payment of war-risk insurance to Laura E. De Armoun.

The bill proposes to authorize the Administrator of Veterans' Affairs to pay to Laura E. De Armoun, the designated beneficiary under the policy of war-risk insurance issued to Frederick G. De Armoun, XC-490497, the amount of such policy less the unpaid premiums with interest at 5 per cent compounded annually, in the same manner as if such policy had been in full force and effect on the date of the death of said Frederick G. De Armoun.

The records of the Veterans' Administration show that Frederick G. De Armoun enlisted in the military service on January 7, 1918, with the following defects noted: Slight knock-knees; deviated septum, right; flat foot, first degree (feet carefully tested, no evidence of weakness); hammer toes; ears, right tympanic membrane contracted, left tympanic membrane contracted; lower left sixth tooth missing; misconduct disease in 1912; slight alopecia, not thought to disqualify, and was honorably discharged April 18, 1919, with no defects noted. While in the service he was treated as follows: From March 5-6, 1918, for a disease of misconduct origin, and from February 20 to February 22, 1919, for scabies.

While in the service on January 8, 1918, the veteran applied for and was granted war-risk term insurance in the amount of \$10,000 designating as beneficiary thereof, his mother, Laura E. De Armoun. This insurance lapsed on account of nonpayment of premium due May 1, 1919.

On August 25, 1920, Mr. De Armoun executed an application for disability compensation alleging a disability of "rheumatism and loss of memory; am troubled with severe headaches." On an examination conducted by the Veterans' Bureau August 28, 1920, he was found to be suffering from a disability diagnosed as

"probably beginning general paralysis." This disability was rated as temporary partial 10 per cent from August 28, 1920, but the evidence on file was insufficient to show that it was service connected. On review of the file made December 20, 1920, it was held that the disability was connected with service and compensation at the rate of \$10 per month from August 28, 1920, was awarded to the veteran for himself and dependent parents.

On February 23, 1921, the claimant's disability was rated as temporary partial 5 per cent from date of discharge to August 28, 1920; temporary partial 10 per cent from August 28, 1920, to September 28, 1920; temporary total from September 28, 1920, to October 19, 1920, and temporary partial 10 per cent from October 19, 1920. In accordance with this rating, compensation was increased to \$100 per month to cover the period during which he was rated as temporary total.

On examinations conducted October 3, 1922, and June 7, 1923, Mr. De Armoun was found to be suffering from cerebrospinal syphilis. Upon receipt of the report of examination conducted June 7, 1923, which confirmed the previous diagnosis of cerebrospinal syphilis the complete file was reviewed by the bureau and it was held that the disability was of misconduct origin and therefore not compensable under the law. An appeal was taken from this decision in which it was contended that he was entitled to compensation under the first proviso of section 200 of the World War veterans' act, as amended, which provides that no person suffering from paralysis, paresis, or blindness shall be denied compensation because of wilful misconduct.

The complete file was forwarded to the Central Board of Appeals, Area E, San Francisco Calif., for a review and decision on the appeal. After a careful consideration of all the evidence on file, the Central Board of Appeals, on September 14, 1925, rendered a decision holding:

"The evidence in this file shows that according to claimant's own admission to the officials of the Veterans' Bureau that he acquired his disease of syphilis eight years before he enlisted in the United States Army; that such disease was dormant during military service and did not manifest itself or become recurrent during that time. Under the decisions of the Comptroller General, cases of this character are presumed to be due to misconduct, and by clear and convincing evidence are shown not to be incident to military service. The claimant is not entitled to compensation under any provisions of the World War veterans' act for his disability as diagnosed. He is, however, entitled to hospitalization in a Veterans' Bureau hospital whenever space is available for that purpose."

The appeal was accordingly denied.

The veteran died on October 16, 1925, the cause of death being shown on the death certificate as "general paralysis of the insane." In final rating made April 20, 1926, it was held that the disability from which the veteran was suffering and which caused his death was not service connected, accordingly no compensation benefits are payable under existing legislation. The disability was, however, rated as permanent and total for insurance purposes only, from October 3, 1924, to date of death.

No insurance benefits are payable in this case since the insurance was in a state of lapse on the date from which the disability has been rated as permanent and total and the insurance is not revivable under the liberal provisions of section 305 of the World War veterans' act, as amended.

The Veterans' Administration has received notice that suit has been filed by the beneficiary and administrator of the estate of this veteran against the United States in the District Court for the Southern District of California, alleging liability of the Government for the proceeds of this insurance policy, claiming that the veteran was permanently and totally disabled from the date of discharge from service. It seems probable that the committee may wish to defer further consideration of this bill pending action by the court on this suit.

It is believed that the committee will be able to determine from the above report the merits of the bill and the propriety of its passage. I wish to suggest, however, that it does not appear from the facts of record that this claim presents any greater merit than many others in which conditions are similar.

It is, as you know, against the policy of the Veterans' Administration to recommend special legislation except where administrative error or legal technicality has worked detriment or disadvantage to the person in whose favor legislation is sought.

A copy of this letter is inclosed for your use.

Very truly yours,

FRANK T. HINES, *Administrator.*