
PROVIDING FOR THE ESCHEAT TO THE UNITED STATES OF CERTAIN AMOUNTS

JULY 22 (calendar day, AUG. 5), 1937.—Ordered to be printed

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

R E P O R T

[To accompany H. R. 7741]

The Committee on Finance, to whom was referred the bill (H. R. 7741) to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts, having had the same under consideration, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this amendment to the Adjusted Compensation Payment Act, 1936, as amended, is to clarify that act with respect to the escheat of payments to veterans under the act, and to effect thereby a substantial saving to the United States.

Under the Adjusted Compensation Payment Act, 1936, the amount found to be due on an adjusted-service certificate is certified to the Secretary of the Treasury by the Administrator of Veterans' Affairs, and is paid to the veteran or his estate by the issuance of bonds of denominations of \$50 and a check for the odd amount under \$50. The bonds are redeemable at the option of the veteran or his estate.

Under the present provisions of the act it appears that if a veteran dies intestate without heirs at law or next of kin, the amounts available to his estate under the act may possibly escheat to the State of his residence. It is the purpose of this proposed amendment to provide expressly that such escheats shall be made to the United States. Under the amendment, if the personal property of the deceased veteran would escheat to the State under State law, any payments of the character described in section 4 of the Adjusted Compensation Payment Act which are available to such estate will escheat to the United States.

It is estimated, upon the basis of experience, that there will be more than 30,000 cases where veterans die holding unredeemed bonds and that of this number 1 percent, or over 300 cases, will be subject to escheat. Since the average amount paid veterans under the Ad-

justed Compensation Payment Act approximates \$500, it is possible that over \$150,000 will escheat to the United States under the proposed amendment, which, in the absence of the amendment, would escheat to the States.

The enactment of this express provision for escheat to the United States is similar to that contained in analogous legislation enacted by Congress granting benefits to veterans. Thus, express provision was made for an escheat to the United States of insurance, pensions, and other benefit payments in the amendment of August 12, 1935, to the World War Veterans Act, 1924 (U. S. C., title 38, sec. 450 (3)); of insurance, compensation, maintenance, and support allowances in the amendment of July 2, 1926 (U. S. C., title 38, sec. 451); and of insurance payments in the amendment of June 2, 1926 (U. S. C., title 38, sec. 512).

The bill is strongly recommended by the Secretary of the Treasury and is in accord with the program of the President.

