

Administration in a greater amount than when added to the retired or retainer pay received from the Army, Navy, or Marine Corps shall equal 75 per centum of the pay the former emergency officer was entitled to receive (except pay under the Act of May 18, 1920) when discharged from his commissioned service as a World War emergency officer. (Jan. 26, 1933, c. 22, 47 Stat. 776.)

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PART I.—DEFINITIONS

Section 591. Citation. This chapter may be cited as the "World War Adjusted Compensation Act." (May 19, 1924, c. 157, § 1, 43 Stat. 121.)

§ 592. Definitions. As used in this chapter—

(a) The term "veteran" includes any individual, a member of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918; but does not include (1) any individual at any time during such period or thereafter separated from such forces under other than honorable conditions, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any alien at any time during such period or thereafter discharged from the military or naval forces on account of his alienage;

(b) The term "oversea service" means service on shore in Europe or Asia, exclusive of China, Japan, and the Philippine Islands; and service afloat, not on receiving ships; including in either case the period from the date of embarkation for such service to the date of disembarkation on return from such service, both dates inclusive;

(c) The term "home service" means all service not oversea service;

(d) The term "adjusted service credit" means the amount of the credit computed under the provisions of Part II; and

(e) The term "person" includes a partnership, corporation, or association as well as an individual. (May 19, 1924, c. 157, § 2, 43 Stat. 121.)

PART II.—ADJUSTED-SERVICE CREDIT

§ 601. Computation of amount; maximum. The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service, in excess of sixty days, in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: \$1.25 for each day of oversea service, and \$1 for each day of home service; but the amount of the credit of a veteran who performed no oversea service shall not exceed \$500, and the amount of the credit of a veteran who performed any oversea service shall not exceed \$625. (May 19, 1924, c. 157, § 201, 43 Stat. 122.)

§ 602. Persons to whom allowances shall not be made. In computing the adjusted service credit no allowance shall be made to—

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer;

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet or cadet engineer of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian Scout—in each case for the period of service as such:

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service;

(f) Any member of the Public Health Service—for any period during which he was not detailed for duty with the Army or the Navy;

(g) Any individual granted a farm or industrial furlough—for the period of such furlough;

(h) Any individual detailed for work on roads or other construction or repair work—for the period during which his pay was equalized to conform to the compensation paid to civilian employees in the same or like employment, pursuant to the provisions of section 47 of Title 23; or

(i) Any individual who was discharged or otherwise released from the draft—for the period of service terminating with such discharge or release. (May 19, 1924, c. 157, § 202, 43 Stat. 122.)

§ 603. Allowance to commissioned or warrant officer performing home service not with troops; manner of computing credit to veteran; part oversea and part home service; computation of excluded sixty-day period; computation of service of members of National Guard or National Guard Reserve. (a) The periods referred to in subdivision (e) of section 602 of this title may be included in the case of any individual if and to the extent that the Secretary of War and the Secretary of the Navy jointly find that such service subjected such individual to exceptional hazard. A full statement of all action under this subdivision shall be included in the reports of the Secretary of War and the Secretary of the Navy required by section 617 of this title.

(b) In computing the credit to any veteran under this title effect shall be given to all subdivisions of section 602 of this title which are applicable.

(c) If part of the service is oversea service and part is home service, the home service shall first be used in computing the sixty days' period referred to in section 601 of this title.

(d) For the purpose of computing the sixty days' period referred to in section 601 of this title, any period of service after April 5, 1917, and before July 1, 1919, in the military or naval forces in any capacity may be included, notwithstanding allowance of credit for such period, or a part thereof, is prohibited under the provisions of section 602 of this title, except that the periods referred to in subdivisions (b), (c), and (d) of that section shall not be included.

(e) For the purposes of section 601 of this title, in the case of members of the National Guard or of the National Guard Reserve called into service by the proclamation of the President dated July 3, 1917, the time of service between the date of call into the service as specified in such proclamation and August 5, 1917, both dates inclusive, shall be deemed to be active service in the military or naval forces of the United States. (May 19, 1924, c. 157, § 203, 43 Stat. 123.)

PART III.—GENERAL PROVISIONS

§ 611. Adjusted-service pay; adjusted-service certificate. Each veteran shall be entitled:

(1) To receive "adjusted-service pay" as provided in Part IV of this chapter if the amount of his adjusted-service credit is \$50 or less;

(2) To receive an "adjusted-service certificate" as provided in Part V of this chapter if the amount of his adjusted-service credit is more than \$50. (May 19, 1924, c. 157, § 301, 43 Stat. 123.)

§ 612. Application for benefits; time for making; by whom made; death of veteran after application is made; regulations as to. (a) A veteran may receive the benefits to which he is entitled by application claiming the benefits of this chapter, filed with the Secretary of War, if he is serving in, or his last service was with, the military forces; or filed with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.

(b) Such application shall be made and filed on or before January 2, 1935, (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than the representative authorized by any such regulation, or not filed on or before January 2, 1935, shall be held void. If the veteran dies after the application is made and before it is filed it may be filed by any person: *Provided, however*, That if the veteran died between May 19, 1924, and July 1, 1924, without making the application, leaving a widow surviving him, the application may be made by the widow and shall be valid with the same force and effect in every respect as if the application had been made by the veteran.

(c) If the veteran dies after the application is made, it shall be valid if the Secretary of War or the Secretary of the Navy, as the case may be, finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefits of this chapter on behalf of the veteran, and is filed on or before January 2, 1935, whether or not the veteran is alive at the time it is filed. If the veteran dies and payments are made to his dependents under Part VI of this chapter, and thereafter a valid application is filed under this section, then if the adjusted-service credit of the veteran is more than \$50, payment shall be made in accordance with Part V of this chapter, less any amounts already paid under Part VI of this chapter.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section. (May 19, 1924, c. 157, § 302, 43 Stat. 123; July 3, 1926, c. 751, § 1, 44 Stat. 826; May 29, 1928, c. 860, § 1, 45 Stat. 947; June 5, 1930, c. 398, § 1, 46 Stat. 496.)

§ 613. Transmittal of application to Administrator of Veterans' Affairs; certificate accompanying. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Administrator of Veterans' Affairs (hereinafter in this chapter referred to as the Administrator) the application and a certificate setting forth—

- (1) That a valid application has been received;
- (2) That the applicant is a veteran;
- (3) His name and address;
- (4) The date and place of his birth; and
- (5) The amount of his adjusted-service credit.

(b) Upon receipt of such certificate the Administrator shall proceed to extend to the veteran the benefits provided for in Part IV or V of this chapter. (May 19, 1924, c. 157, § 303, 43 Stat. 124; July 3, 1926, c. 751, § 2, 44 Stat. 827; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 613a. Same; application lacking proved signature of veteran; validity of adjusted-service certificate. If, prior to June 5, 1930, the Secretary of War or the Secretary of the Navy, as the case may be, have made certification under section 613 of this title on an application bearing the identified fingerprints but lacking the proved signature of a veteran now deceased, such application and certification shall be held and considered to have been legally made, and any adjusted-service certificate issued to the veteran upon such

certification shall be held to have been validly issued and shall be valid. (June 5, 1930, c. 398, § 5, 46 Stat. 497.)

§ 614. **Publication of digest of and information relating to law.** (a) The Administrator shall, as soon as practicable after May 19, 1924, prepare and publish a pamphlet or pamphlets containing a digest and explanation of the provisions of this chapter; and shall from time to time thereafter prepare and publish such additional or supplementary information as may be found necessary.

(b) The publications provided for in subdivision (a) shall be distributed in such manner as the Administrator may determine to be most effective to inform veterans and their dependents of their rights under this chapter. (May 19, 1924, c. 157, § 304, 43 Stat. 124; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 615. **Ascertainment of veterans; review of findings by General Accounting Office.** The Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 592 of this title, and, as to each veteran, the number of days of oversea service and of home service, as defined in section 592 of this title, for which he is entitled to receive adjusted-service credit, and their findings shall not be subject to review by the General Accounting Office, and payments made by disbursing officers of the Veterans' Administration made in accordance with such findings shall be passed to their credit. (May 19, 1924, c. 157, § 305, 43 Stat. 124; July 3, 1930, c. 863, § 1, 46 Stat. 1016.)

§ 616. **Persons who may make regulations.** Any officer charged with any function under the provisions of this chapter shall make such regulations, not inconsistent with the provisions of this chapter, as may be necessary to the efficient administration of such function. (May 19, 1924, c. 157, § 306, 43 Stat. 124.)

§ 617. **Administrative reports to Congress.** [Repealed.]

This section (Act May 19, 1924, c. 157, § 307, 43 Stat. 124) was repealed by Act May 29, 1928, c. 901, § 1 (40, 59), 45 Stat. 989, 990.

§ 618. **Benefits exempt from seizure under process and taxation; no deductions for indebtedness to United States.** No sum payable under this chapter to a veteran or his dependents, or to his estate, or to any beneficiary named under Part V of this chapter, no adjusted-service certificate, and no proceeds of any loan made on such certificate shall be subject to attachment, levy, or seizure under any legal or equitable process, or to national or State taxation, and no deductions on account of any indebtedness of the veteran to the United States shall be made from the adjusted-service credit or from any amounts due under this chapter. (May 19, 1924, c. 157, § 308, 43 Stat. 125; July 3, 1926, c. 751, § 3 (a), 44 Stat. 827.)

§ 618a. **Definitions; "original credit" and "new credit" defined.** As used in sections 618b to 618d the term "original credit" means the amount of the adjusted-service credit computed under this chapter, before its amendment by Act of July 3, 1926, 44 Statutes 826, less amounts deducted on account of any indebtedness of the veteran to the United States; and the term "new credit" means the amount of the adjusted-service credit computed under this chapter as amended by Act of July 3, 1926, 44 Statutes 826, without such deduction. (July 3, 1926, c. 751, § 3 (b), 44 Stat. 827.)

§ 618b. **Benefits extended to excess of new credit over original credit when veteran alive.** If the veteran was alive on July 3, 1926, and the benefits of this chapter, before its amendment by Act July 3, 1926, 44 Statutes 826, have been extended to him, then any excess of the new credit over the original credit shall be considered as if it were a separate adjusted-service credit and the benefits of this chapter shall be extended in respect thereof according to the terms of this chapter as amended by Act July 3, 1926, 44 Statutes 826. (July 3, 1926, c. 751, § 3 (c), 44 Stat. 827.)

§ 618c. **Payment of remainder of original credit and excess of new credit over original credit where veteran died before making application.** If the veteran died before July 3, 1926, and before making application under section 612 of this title, then if any part of the original credit has been paid to the dependents of the veteran, any remaining part shall be paid as provided in Part VI of this chapter, as amended by Act July 3, 1926, 44 Statutes 628, and any excess of the new credit over the original credit shall be paid in cash in a lump sum to the dependents as provided in said Part VI of this chapter, as amended by Act July 3, 1926, 44 Statutes 628. (July 3, 1926, c. 751, § 3 (d), 44 Stat. 827.)

§ 618d. **Method of payment where veteran died after making application.** If the veteran died before July 3, 1926, having made application, then—

(1) If the original credit was not over \$50 and the new credit is not over \$50 payment shall be made as provided in section 618c of this title.

(2) If the original credit was not over \$50 and the new credit is over \$50 then the face value of an adjusted-service certificate computed on the basis of the new credit shall be paid to the beneficiary named, or, if the beneficiary died before the veteran and no new beneficiary was named or if no beneficiary was named in the application, then to the estate of the veteran. If in any such case any payments have already been made to the veteran or his dependents, the amount of such payments shall be deducted from the face value of the adjusted-service certificate.

(3) If the original credit was over \$50 then the face value of an adjusted-service certificate computed on the basis of the excess of the new credit over the original credit shall be paid as provided in paragraph (2) of this section. (July 3, 1926, c. 751, § 3 (e), 44 Stat. 827.)

§ 618e. **Payment without administration of decedent's estate.** Wherever under this chapter it is provided that payment shall be made by the Administrator of Veterans' Affairs to the estate of any decedent, such payment, if not over \$500, may, under regulations prescribed by the Administrator, be made to the persons found by him to be entitled thereto, without the necessity of compliance with the requirements of law in respect of the administration of such estate. (July 3, 1926, c. 751, § 3 (f), 44 Stat. 828; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 619. **Unlawful fees for services rendered; punishment.** Any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran, his dependents or other beneficiary under this chapter, in obtaining any of the benefits, privileges, or loans to which he is entitled under the provisions of this chapter, shall, upon conviction thereof, be subject to a fine of not more than \$500, or imprisonment for not more than one year, or both. (May 19, 1924, c. 157, § 309, 43 Stat. 125; July 3, 1926, c. 751, § 4 (a), 44 Stat. 828.)

§ 620. **Finality of decisions.** The decisions of the Secretary of War, the Secretary of the Navy, and the Administrator on all matters within their respective jurisdictions under the provisions of this chapter (except the duties vested in them by Part VII of this chapter) shall be final and conclusive. (May 19, 1924, c. 157, § 310; July 3, 1926, c. 751, § 4 (b), 44 Stat. 828; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 621. **Loss of application after filing; presumptions; new application.** Where the records of the War Department or the Navy Department show that an application, disclosing an intention to claim the benefits of any provision of this chapter, has been filed on or before January 2, 1935, and the application can not be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed. In such case the Secretary of War or the Secretary of the Navy, as the case may be, shall not be required to transmit to the Administrator the application (as provided in sections 613 and 665 of this title) unless a

new application is filed, in which case the new application shall be considered to have been filed on the date of filing of the lost application. (May 19, 1924, c. 157, § 311; May 29, 1928, c. 860, § 4, 45 Stat. 948; June 5, 1930, c. 398, § 1, 46 Stat. 496; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 622. Seven years absence of individual from family; presumption of death; right of dependents to adjusted-service credit; subsequent evidence that veteran is still alive. (a) If satisfactory evidence is produced establishing the fact of the continued and unexplained absence of any individual from his home and family for a period of seven years, during which period no intelligence of his existence has been received, the death of such individual as of the date of the expiration of such period shall, for the purposes of this chapter, be considered as sufficiently proved.

(b) If in the case of any such individual who is a veteran it appears that his application was not made and filed prior to the beginning of such seven-year period, or that although entitled to receive adjusted-service pay he did not receive it prior to the beginning of such seven-year period, then (if such seven-year period began on or before January 2, 1935) his dependents who have made and filed application before the expiration of one year after the date of the expiration of such seven-year period or on or before January 2, 1935, whichever is the later date, shall be entitled to receive the amount of his adjusted-service credit in accordance with the provisions of Part VI of this chapter.

(c) For the purposes of subdivision (b) of this section—

(1) The widow shall be considered to be dependent within the meaning of section 662, if she was dependent at the beginning of such seven-year period or at any time thereafter and before the expiration of such period. The widow shall be presumed to have been dependent at the beginning of such seven-year period upon a showing of the marital cohabitation.

(2) A child shall be considered incapable of self-support, within the meaning of section 662, if incapable of self-support by reason of mental or physical defect at the beginning of such seven-year period or at any time thereafter and before the expiration of such period.

(3) The mother or father shall be considered to be dependent, within the meaning of section 662, if dependent at the beginning of such seven-year period or at any time thereafter and before the expiration of such period. If at the expiration of such seven-year period the mother is unmarried or over sixty years of age, or the father is over sixty years of age, such mother or father, respectively, shall be presumed to be dependent.

(d) In the case of a veteran, if it appears that he is still living, payments to dependents in respect of his death shall cease, and, if he has filed a valid application under the provisions of section 612, any payments already made shall be deducted from the face value of his adjusted-service certificate, or from the amount of his adjusted-service credit if such credit is not more than \$50. In the case of a dependent, if it appears that such dependent is still living, payments to dependents later in preference under this chapter shall cease, and, if such dependent has filed a valid application under the provisions of section 664, the remainder of the payments shall be made in accordance with the provisions of Part VI of this chapter. (May 19, 1924, c. 157, § 312; May 29, 1928, c. 860, § 4, 45 Stat. 948; June 5, 1930, c. 398, § 3, 46 Stat. 496.)

§ 623. Payments to minors. Where any payment under this chapter 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 legally constituted guardian, curator, or conservator of the person entitled to payment, or to the person found by the Administrator to be otherwise legally vested with the care of the person entitled to

payment or of his estate. Prior to the receipt of notice by the Veterans' Administration that any such person entitled to payment is under such legal disability, payment may be made to such person direct. (May 19, 1924, c. 157, § 313; May 29, 1928, c. 860, § 4, 45 Stat. 949; July 3, 1930, c. 863, §§ 1, 2, 46 Stat. 1016.)

PART IV.—ADJUSTED-SERVICE PAY

§ 631. To whom payable. There shall be paid to each veteran by the Administrator (as soon as practicable after receipt of an application in accordance with the provisions of section 612 of this title), in addition to any other amounts due such veteran in pursuance of law, the amount of his adjusted-service credit, if, and only if, such credit is not more than \$50. (May 19, 1924, c. 157, § 401, 43 Stat. 125; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 632. Assignment; to whom payable. No right to adjusted-service pay under the provisions of Part IV of this chapter shall be assignable or serve as security for any loan. Any assignment or loan made in violation of the provisions of this section shall be held void. Except as provided in Part VI, the Administrator shall not pay the amount of adjusted-service pay to any person other than the veteran or such representative of the veteran as he shall by regulation prescribe. (May 19, 1924, c. 157, § 402, 43 Stat. 125; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

PART V.—ADJUSTED-SERVICE CERTIFICATES

§ 641. Issuance; amounts; time when certificates become operative; naming and changing beneficiaries; to whom and when payable. The Administrator upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 613 of this title, is directed to issue without cost to the veteran designated therein a nonparticipating adjusted-service certificate (hereinafter in this title referred to as a "certificate") of a face value equal to the amount in dollars of twenty-year endowment insurance that the amount of his adjusted-service credit increased by 25 per centum would purchase, at his age on his birthday nearest the date of the certificate, if applied as a net single premium, calculated in accordance with accepted actuarial principles and based upon the American Experience Table of Mortality and interest at 4 per centum per annum, compounded annually. The certificate shall be dated, and all rights conferred under the provisions of this chapter shall take effect, as of the 1st day of the month in which the application is filed, but in no case before January 1, 1925. The veteran shall name the beneficiary of the certificate and may from time to time, with the approval of the Administrator, change such beneficiary. The amount of the face value of the certificate (except as provided in subdivisions (c), (d), (e), and (f) of section 642 of this title shall be payable out of the fund created by section 645 of this title (1) to the veteran twenty years after the date of the certificate, or (2) upon the death of the veteran prior to the expiration of such twenty-year period, to the beneficiary named; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, the amount of the face value of the certificate shall be paid to the estate of the veteran. If the veteran died after making application under section 612 of this title, but before January 1, 1925, then the amount of the face value of the certificate shall be paid in the same manner as if his death had occurred after January 1, 1925. (May 19, 1924, c. 157, § 501, 43 Stat. 125; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 642. Loans on adjusted-service certificates; when and by whom made; amounts; interest; sale, discount, or rediscount of notes secured by certificates; payment of loans; redemption of certificates by Administrator of Veterans' Affairs; redemption by veteran; death of veteran before or after maturity of loan;

loan basis of certificates; payments on loans by Administrator to banks; fees by bank officers in making loans. (a) A loan may be made to a veteran upon his adjusted-service certificate only in accordance with the provisions of this section.

(b) Any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia (hereinafter in this section called "bank"), is authorized to loan to any veteran upon his promissory note secured by his adjusted-service certificate (with or without the consent of the beneficiary thereof) any amount not in excess of the loan basis (as defined in subdivision (g) of this section) of the certificate. The rate of interest charged upon the loan by the bank shall not exceed, by more than 2 per centum per annum, the rate charged at the date of the loan for the discount of ninety-day commercial paper under sections 342 to 352 of Title 12 by the Federal reserve bank for the Federal reserve district in which the bank is located. Any bank holding a note for a loan under this section secured by a certificate (whether the bank originally making the loan or a bank to which the note and certificate have been transferred) may sell the note to, or discount or rediscount it with, any bank authorized to make a loan to a veteran under this section and transfer the certificate to such bank. Upon the indorsement of any bank, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, and subject to regulations to be prescribed by the Federal Reserve Board, any such note secured by a certificate and held by a bank shall be eligible for discount or rediscount by the Federal reserve bank for the Federal reserve district in which the bank is located. Such note shall be eligible for discount or rediscount whether or not the bank offering the note for discount or rediscount is a member of the Federal Reserve System and whether or not it acquired the note in the first instance from the veteran or acquired it by transfer upon the indorsement of any other bank. Such note shall not be eligible for discount or rediscount unless it has at the time of discount or rediscount a maturity not in excess of nine months exclusive of days of grace. The rate of interest charged by the Federal reserve bank shall be the same as that charged by it for the discount or rediscount of ninety-day notes drawn for commercial purposes. The Federal Reserve Board is authorized to permit, or on the affirmative vote of at least five members of the Federal Reserve Board to require, a Federal reserve bank to rediscount, for any other Federal reserve bank, notes secured by a certificate. The rate of interest for such rediscounts shall be fixed by the Federal Reserve Board. In case the note is sold, discounted, or rediscounted the bank making the transfer shall promptly notify the veteran by mail at his last known post-office address.

(c) If the veteran does not pay the principal and interest of the loan upon its maturity, the bank holding the note and certificate may, at any time after maturity of the loan but not before the expiration of six months after the loan was made, present them to the Administrator of Veterans' Affairs. The Administrator may, in his discretion, accept the certificate and note, cancel the note (but not the certificate), and pay the bank, in full satisfaction of its claim, the amount of the unpaid principal due it, and the unpaid interest accrued, at the rate fixed in the note, up to the date of the check issued to the bank. The Administrator shall restore to the veteran, at any time prior to its maturity, any certificate so accepted, upon receipt from him of an amount equal to the sum of (1) the amount paid by the United States to the bank in cancellation of his note, plus (2) interest on such amount from the time of such payment to the date of such receipt, at 3½ per centum per annum, compounded annually.

(d) If the veteran fails to redeem his certificate from the Administrator of Veterans' Affairs before its maturity, or before the death of the veteran, the Administrator shall deduct from the face value of the certificate (as determined in section 641 of this title) an amount equal to the sum of (1) the amount paid by the

United States to the bank on account of the note of the veteran, plus (2) interest on such amount from the time of such payment to the date of maturity of the certificate or of the death of the veteran, at the rate of 3½ per centum per annum, compounded annually, and shall pay the remainder in accordance with the provisions of section 641.

(e) If the veteran dies before the maturity of the loan, the amount of the unpaid principal and the unpaid interest accrued up to the date of his death shall be immediately due and payable. In such case, or if the veteran dies on the day the loan matures or within six months thereafter the bank holding the note and certificate shall, upon notice of the death, present them to the Administrator of Veterans' Affairs, who shall thereupon cancel the note (but not the certificate) and pay to the bank, in full satisfaction of its claim, the amount of the unpaid principal and unpaid interest, at the rate fixed in the note, accrued up to the date of the check issued to the bank; except that if, prior to the payment, the bank is notified of the death by the Administrator and fails to present the certificate and note to the Administrator within fifteen days after the notice, such interest shall be only up to the fifteenth day after such notice. The Administrator shall deduct the amount so paid from the face value (as determined under section 641 of this title) of the certificate and pay the remainder in accordance with the provisions of said section 641 of this title.

(f) If the veteran has not died before the maturity of the certificate, and has failed to pay his note to the bank or the Federal reserve bank holding the note and certificate, such bank shall, at the maturity of the certificate, present the note and certificate to the Administrator of Veterans' Affairs, who shall thereupon cancel the note (but not the certificate) and pay to the bank, in full satisfaction of its claim, the amount of the unpaid principal and unpaid interest, at the rate fixed in the note, accrued up to the date of the maturity of the certificate. The Administrator shall deduct the amount so paid from the face value (as determined in section 641 of this title) of the certificate and pay the remainder in accordance with the provisions of said section 641 of this title.

(g) The loan basis of any certificate at any time shall, for the purpose of this section, be an amount which is not in excess of 90 per centum of the reserve value of the certificate on the last day of the current certificate year. The reserve value of a certificate on the last day of any certificate year shall be the full reserve required on such certificate, based on an annual level net premium for twenty years and calculated in accordance with the American Experience Table of Mortality and interest at 4 per centum per annum, compounded annually.

(h) No payment upon any note shall be made under this section by the Administrator of Veterans' Affairs to any bank, unless the note when presented to him is accompanied by an affidavit made by an officer of the bank which made the loan, before a notary public or other officer designated for the purpose by regulation of the Administrator, and stating that such bank has not charged or collected, or attempted to charge or collect, directly or indirectly, any fee or other compensation (except interest as authorized by this section) in respect of any loan made under this section by the bank to a veteran. Any bank which, or director, officer, or employee thereof who, does so charge, collect, or attempt to charge or collect any such fee or compensation, shall be liable to the veteran for a penalty of \$100, to be recovered in a civil suit brought by the veteran. The Administrator shall upon request of any bank or veteran furnish a blank form for such affidavit.

(i) The Administrator of Veterans' Affairs is authorized, through such officers and at such regional offices, suboffices, and hospitals of the Veterans' Administration as he may designate, and out of the United States Government life insurance fund established by section 443 of this title, to make loans to veterans upon their adjusted-service certificates in the same amounts and upon the same terms and conditions as are applicable in the case of loans made under

this section by a bank, and the provisions of this section shall be applicable to such loans; except that the rate of interest shall be 2 per centum per annum more than the rate charged at the date of the loan for the discount of ninety-day commercial paper under section 343 of Title 12 by the Federal reserve bank for the Federal reserve district in which is located the regional office, suboffice, or hospital of the Veterans' Administration at which the loan is made, but in no event shall the rate of interest exceed 6 per centum per annum.

(j) For the purpose of enabling the Administrator of Veterans' Affairs to make such loans out of the United States Government life insurance fund the Secretary of the Treasury is authorized to loan not exceeding \$25,000,000 to such fund with interest at the rate of 4 per centum per annum (beginning on the date the check for each amount loaned to a veteran is paid by the Treasurer of the United States), compounded annually, on the security of bonds held in such fund.

(k) The disbursing officers of the Veterans' Administration shall be allowed credit in their accounts for all loans made in accordance with regulations and instructions of the Administrator of Veterans' Affairs.

(l) For the purpose of this section the loan basis provided in subdivision (g) shall at no time be less than 50 per centum of the face value of the certificate, and in no event shall the rate of interest on any loan made after this subdivision takes effect exceed 3½ per centum per annum, compounded annually. If at the time of application to the Administrator of Veterans' Affairs for a loan the principal and interest on or in respect of any prior loan under this section have not been paid in full by the veteran (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for use as security for the new loan and (2) deduct the same from the then existing loan basis of the certificate.

(m) Loans made by the Administrator of Veterans' Affairs under this section may at his option be made out of the United States Government life insurance fund, or out of the Adjusted Service Certificate Fund created under section 645 of this title. In case of loans made out of the United States Government life insurance fund the fund shall be entitled to receive interest at the rate of 4½ per centum per annum, compounded annually, but, in respect of interest on any such loan accruing after July 21, 1932, the amount by which interest at such rate exceeds 3½ per centum per annum, compounded annually, shall be paid to the United States Government life insurance fund out of the Adjusted Service Certificate Fund. (May 19, 1924, c. 157, § 502, 43 Stat. 126; Mar. 3, 1927, c. 359, § 1, 44 Stat. 1389; Mar. 4, 1929, c. 703, § 1, 45 Stat. 1561; July 3, 1930, c. 863, §§ 1, 2, 46 Stat. 1016; Feb. 27, 1931, c. 318, § 1, 46 Stat. 1429; July 21, 1932, c. 521, §§ 1, 2 (a), (b), 3, 47 Stat. 724, 725.)

§ 643. Prohibited negotiations or assignments of certificates; punishment. No certificate issued or right conferred under the provisions of Part V of this chapter shall, except as provided in section 642 of this title, be negotiable or assignable or serve as security for a loan. Any negotiation, assignment, or loan made in violation of any provision of this section shall be held void. If any person is named as beneficiary by the veteran as a consideration for the making of a loan to the veteran by such person or any other person, such naming shall be void. Any person who accepts an assignment of a certificate or receives a certificate as security for a loan contrary to the provisions of Part V of this chapter, or who makes a loan to a veteran in consideration of the naming by the veteran of such person or any other person as beneficiary, shall be guilty of a misdemeanor and shall upon conviction thereof be fined not more than \$500 or imprisoned not more than one year, or both. (May 19, 1924, c. 157, § 503, 43 Stat. 128; July 3, 1926, c. 751, § 5, 44 Stat. 828.)

§ 644. Conditions and terms printed on certificates. Any certificate issued under the provisions of Part V of this chapter shall have printed upon its face the conditions and terms upon which it is issued and to which it is subject, including loan values under section 642 of this title. (May 19, 1924, c. 157, § 504, 43 Stat. 128.)

§ 645. Adjusted service-certificate fund; how constituted; appropriations for; estimates for. There is created a fund in the Treasury of the United States to be known as "The adjusted service-certificate fund", hereinafter in this title called "fund." There is authorized to be appropriated for each calendar year (ending with the calendar year 1946) an amount sufficient as an annual premium to provide for the payment of the face value of each adjusted service certificate in twenty years from its date or on the prior death of the veteran, such amount to be determined in accordance with accepted actuarial principles and based upon the American Experience Table of Mortality and interest at 4 per centum per annum, compounded annually. The amounts so appropriated shall be set aside in the fund on the first day of the calendar year for which appropriated. The Administrator of Veterans' Affairs shall submit estimates for appropriations for the fund created by this section. (May 19, 1924, c. 157, §§ 505, 703, 43 Stat. 128, 131; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 646. Same; investment of fund. The Secretary of the Treasury is authorized to invest and reinvest the moneys in the fund, or any part thereof, in interest-bearing obligations of the United States and to sell such obligations of the United States for the purposes of the fund. The interest on and the proceeds from the sale of any such obligations shall become a part of the fund. (May 19, 1924, c. 157, § 506, 43 Stat. 128.)

§ 647. Same; fund available for payments. All amounts in the fund shall be available for payment, by the Administrator of Veterans' Affairs, of adjusted service certificates upon their maturity or the prior death of the veteran, for payments under section 642 of this title to banks on account of notes of veterans, and for making loans authorized by said section 642. (May 19, 1924, c. 157, § 507, 43 Stat. 128; Feb. 27, 1931, c. 318, § 2, 46 Stat. 1429.)

§ 647a. Beneficiaries of veteran; number; changing; payment to estate of veteran. Notwithstanding any other provision of this chapter a veteran may, under regulations prescribed by the Administrator of Veterans' Affairs, name more than one beneficiary, and may from time to time, with the approval of the Administrator, change such beneficiaries. If the Administrator is unable to ascertain the beneficiary named by the veteran, payment shall be made to the estate of the veteran. (May 19, 1924, c. 157, § 508; May 29, 1928, c. 860, § 5, 45 Stat. 949; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 648. Forging, counterfeiting, uttering, etc., of adjusted-service certificates; punishment; detection and arrest of violators. Whoever falsely makes, forges, counterfeits, or alters, or causes or procures to be made, forged, counterfeited, or altered, or willingly aids or assists in falsely making, forging, counterfeiting, or altering an adjusted-service certificate issued under authority of this chapter, or whoever passes, utters, publishes, or sells, or attempts to pass, utter, publish, or sell, any such false, forged, counterfeited, or altered certificate, with intent to defraud the United States or any person, or whoever has in possession any such falsely made, forged, counterfeited, or altered certificate, with intent to unlawfully use the same, shall be punished by a fine of not more than \$5,000 and imprisonment not more than fifteen years. The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into the custody of the United States marshal having jurisdiction any person or persons violating any of the provisions of this section. (May 19,

1924, c. 157, § 704; July 3, 1926, c. 751, § 12, 44 Stat. 830.)

§ 649. **Destruction or loss of certificate; issuance of duplicate; surrender of original; bond.** Whenever it appears to the Administrator of Veterans' Affairs, by evidence clear and satisfactory to him, that any adjusted-service certificate has, without bad faith upon the part of the person entitled to payment thereon, been lost or destroyed, and such adjusted-service certificate is identified by number and description, he shall, under such regulations and with such restrictions as to time and retention for security or otherwise as he may prescribe, issue a duplicate thereof of like value in all respects to the original certificate and so marked as to show the original number of the certificate lost or destroyed and the date thereof. The lawful holder of such certificate who makes application for a duplicate shall file in the Veterans' Administration a bond in a penal sum of the face value of such lost or destroyed certificate, with two good and sufficient sureties, residents of the United States, to be approved by the Administrator, with condition to indemnify and save harmless the United States from any claim upon such lost or destroyed certificate; except that a duplicate certificate shall be issued without the requirement of a bond when it is shown to the satisfaction of the Administrator that the original certificate, (1) before delivery to the veteran, has been lost, destroyed, wholly or in part, or so defaced as to impair its value, and (2) after delivery to the veteran, has, without bad faith upon the part of the person entitled to payment thereon, been partially destroyed or defaced so as to impair its value, is capable of identification, and is surrendered by such person to the Veterans' Administration. (May 19, 1924, c. 157, § 705; July 3, 1926, c. 751, § 13, 44 Stat. 830; Mar. 3, 1927, c. 359, § 2, 44 Stat. 1390; Mar. 4, 1929, c. 703, § 2, 45 Stat. 1561; July 3, 1930, c. 863, §§ 1, 2, 46 Stat. 1016.)

§ 650. **Appropriation for making loans to veterans.** There is authorized to be appropriated such amounts as may be necessary to provide for the making of loans to veterans by the Administrator of Veterans' Affairs under this chapter. (Feb. 27, 1931, c. 318, § 3, 46 Stat. 1430.)

PART VI.—PAYMENTS TO VETERAN'S DEPENDENTS

§ 661. **Enumeration of preference of dependents.** If the veteran has died before making application under section 612 of this title, or, if entitled to receive adjusted-service pay, has died after making application but before he has received payment under Part IV of this chapter, then the amount of his adjusted-service credit shall (as soon as practicable after receipt of an application in accordance with the provisions of section 664 of this title, but not before March 1, 1925) be paid to his dependents, in the following order of preference:

- (1) To the widow;
- (2) If no widow entitled to payment, then to the children, share and share alike;
- (3) If no widow or children entitled to payment, then to the mother;
- (4) If no widow, children, or mother, entitled to payment, then to the father. (May 19, 1924, c. 157, § 601, 43 Stat. 128; July 3, 1926, c. 751, § 6, 44 Stat. 828.)

§ 662. **Same; limitations on payments.** (a) No payment under section 661 of this title shall be made to a widow if she has remarried before making and filing application, or if at the time of the death of the veteran was living apart from him by reason of her own willful act; nor unless dependent at the time of the death of the veteran or at any time thereafter and on or before January 2, 1935. The widow shall be presumed to have been dependent at the time of the death of the veteran upon a showing of the marital cohabitation.

(b) Payment under section 661 of this title shall be made to a child if (1) under 18 years of age at the

time of the death of the veteran, or (2) at any time thereafter and on or before January 2, 1935, incapable of self-support by reason of mental or physical defect.

(c) No payment under section 661 of this title shall be made to a mother or father unless dependent at the time of the death of the veteran or at any time thereafter and on or before January 2, 1935. If at the time of the death of the veteran or at any time thereafter and on or before January 2, 1935, the mother is unmarried or over 60 years of age, or the father is over 60 years of age, such mother or father, respectively, shall be presumed to be dependent. (May 19, 1924, c. 157, § 602, 43 Stat. 129; July 3, 1926, c. 751, § 7, 44 Stat. 829; May 29, 1928, c. 860, § 2, 45 Stat. 947; June 5, 1930, c. 398, § 2, 46 Stat. 496.)

§ 663. **Installments; by whom and to whom made.** The payments authorized by section 661 of this title shall be made in ten equal quarterly installments, unless the total amount of the payment is less than \$50, in which case it shall be paid on the first installment date. No payments under the provisions of this title shall be made to the heirs or legal representatives of any dependents entitled thereto who die before receiving all the installment payments, but the remainder of such payments shall be made to the dependent or dependents in the next order of preference under section 661 of this title. All payments under Part VI of this chapter shall be made by the Administrator of Veterans' Affairs. (May 19, 1924, c. 157, § 603, 43 Stat. 129; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 664. **Application by dependents; how and when made; regulations.** (a) A dependent may receive the benefits to which he is entitled under this title by filing an application therefor with the Secretary of War, if the last service of the veteran was with the military forces, or with the Secretary of the Navy, if his last service was with the naval forces.

(b) Applications for such benefits, whether vested or contingent, shall be made and filed by the dependents of the veteran on or before January 2, 1935; except that in case of the death of the veteran during the six months immediately preceding such date the application shall be made and filed at any time within six months after the death of the veteran. Payments under Part VI of this chapter shall be made only to dependents who have made and filed application in accordance with the provisions of this subdivision.

(c) An application shall be made and filed (1) personally by the dependent if sixteen years of age or over, or (2) in case physical or mental incapacity or legal disability prevents the making or filing of a personal application, then by such representative of the dependent and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made or filed by a person other than the representative authorized by such regulation shall be held void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section. (May 19, 1924, c. 157, § 604, 43 Stat. 129; May 29, 1928, c. 860, § 3, 45 Stat. 948; June 5, 1930, c. 398, § 1, 46 Stat. 496.)

§ 665. **Same; certificates accompanying transmittal; contents.** (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Administrator of Veterans' Affairs the application and a certificate setting forth—

- (1) That a valid application has been received;
- (2) The name and address of the applicant;
- (3) That the individual upon whom the applicant bases his claim to payment was a veteran;
- (4) The name of such veteran and the date and place of his birth; and
- (5) The amount of the adjusted-service credit of the veteran.

(b) Upon receipt of such certificate the Administrator shall proceed to extend to the applicant the

benefits provided in Part VI of this chapter if the Administrator finds that the applicant is the dependent entitled thereto. (May 19, 1924, c. 157, § 605, 43 Stat. 130; July 3, 1926, c. 751, § 8, 44 Stat. 829; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 666. **Assignments void; persons to whom payments shall not be made.** No right to payment under the provisions of Part VI of this chapter shall be assignable or serve as security for any loan. Any assignment or loan made in violation of the provisions of this section shall be held void. The Administrator of Veterans' Affairs shall not make any payments under Part VI of this chapter to any person other than the dependent or such representative of the dependent as the Administrator shall by regulation prescribe. (May 19, 1924, c. 157, § 606, 43 Stat. 130; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 667. **"Dependent", "child", "father", "mother", and "widow" defined.** As used in this chapter—

(a) The term "dependent" means a widow, widower, child, father, or mother;

(b) The term "child" includes (1) a legitimate child; (2) a child legally adopted; (3) a stepchild, if a member of the veteran's household; (4) an illegitimate child, but, as to the father only, if acknowledged in writing signed by him or if he has been judicially ordered or decreed to contribute to such child's support, or has been judicially decreed to be the putative father of such child;

(c) The terms "father" and "mother" include stepfathers and stepmothers, fathers and mothers through adoption, and persons who have, for a period of not less than one year, stood in loco parentis to the veteran at any time prior to the beginning of his service; and

(d) The term "widow" includes widower. (May 19, 1924, c. 157, § 607, 43 Stat. 130; July 3, 1926, c. 751, § 9, 44 Stat. 829.)

§ 668. **Payment of lump sum to dependent where adjusted service credit certified to Administrator.** If the veteran died while in the service and before July 1, 1919, and if an adjusted service credit has been or is hereafter certified to the Administrator of Veterans' Affairs, then the sum of \$60 shall be paid in a lump sum to the dependents of such veteran in the same manner as is provided in sections 661 and 662 of this title. (May 19, 1924, c. 157, § 608; July 3, 1926, c. 751, § 10, 44 Stat. 829; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 669. **Effect of amendatory act of 1926; payment to dependent; preference.** The amendments of this chapter by Act July 3, 1926, c. 751, 44 Stat. 826, shall not invalidate any payments made or applications received under this chapter before July 3, 1926. Payments under awards made prior to or after July 3, 1926, shall be made to the dependent entitled thereto regardless of change in status, unless another dependent establishes to the satisfaction of the Administrator of Veterans' Affairs a priority of preference under this chapter. Upon the establishment of such preference the remaining installments shall be paid to such dependent, but in no case shall the total payments under Part VI of this chapter (except section 668 of this title) exceed the adjusted service credit of the veteran. (July 3, 1926, c. 751, § 11, 44 Stat. 829; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

§ 670. **Effect of amendatory act of 1928; payment to dependent; preference.** The amendments of this chapter by Act May 29, 1928, c. 860, 45 Stat. 947, shall not invalidate any payments made or applications received, before May 29, 1928, under this chapter. Payments under awards made prior to or after May 29, 1928, shall be made to the dependent entitled thereto regardless of change in status, unless another dependent establishes to the satisfaction of the Administrator of Veterans' Affairs a priority of preference under this chapter. Upon the establishment of such preference the remaining installments shall be paid to such dependent, but in no case shall the total payments under Part VI of this chapter (except sec-

tion 668 of this title), exceed the adjusted-service credit of the veteran. (May 29, 1928, c. 860, § 7, 45 Stat. 949; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

PART VII.—MISCELLANEOUS PROVISIONS

§ 681. **Authority of administrative officers; appointment of officers, employees, etc.; expenditures.** The officers having charge of the administration of any of the provisions of this chapter are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses and per diem in lieu of subsistence at not exceeding \$4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses, as may be necessary efficiently to execute the purposes of this chapter and as may be provided for by the Congress from time to time. All such appointments shall be made subject to the civil-service laws. In all appointments under this section preference shall so far as practicable, be given to veterans. For the administration of the provisions of this chapter, the President may except from the operation of sections 6, 8, 13, 27 to 29, 532 to 534, and 1026 of Title 10, or of any Act amendatory thereof or supplemental thereto, not more than seven officers of the Army. (May 19, 1924, c. 157, § 701, 43 Stat. 130.)

For provisions increasing the amount allowed for traveling expenses, see section 823 of Title 5.

§ 682. **False or fraudulent statements; penalty.** Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of Parts III, IV, V, VI or VII of this chapter, or of any regulation made under any such Part, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than five years, or both. (May 19, 1924, c. 157, § 702, 43 Stat. 131; May 29, 1928, c. 860, § 6, 45 Stat. 949.)

§ 683. **Estimates by Secretary of War, Secretary of the Navy, and Administrator.** The Secretary of War, the Secretary of the Navy, and the Administrator of Veterans' Affairs shall severally submit in the manner provided by law estimates of the amounts necessary to be expended in carrying out such provisions of this chapter as each is charged with administering. There is authorized to be appropriated amounts sufficient to defray such expenditures. (May 19, 1924, c. 157, § 703, 43 Stat. 131; July 3, 1930, c. 863, § 2, 46 Stat. 1016.)

Chapter 12.—PENSION AND VETERANS' RELIEF REORGANIZATION

Sec.

700. "Pension" changed to "compensation."
701. Pensions; who are eligible; termination of World War.
702. Pensions; minimum and maximum rates.
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717. Repeal of laws granting pensions and benefits, and yearly renewable term insurance; effect on matured claims; allowances for funeral expenses.
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