

Right reserved.

SEC. 5. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Approved, October 9, 1940.

[CHAPTER 796]

AN ACT

October 9, 1940
[S. 4353]
[Public, No. 828]

To restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes.

Restriction on sending certain checks, etc., for delivery in foreign countries.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter no check or warrant drawn against funds of the United States, or any agency or instrumentality thereof, shall be sent from the United States (including its Territories and possessions and the Commonwealth of the Philippine Islands) for delivery in a foreign country in any case in which the Secretary of the Treasury determines that postal, transportation, or banking facilities in general, or local conditions in the country to which such check or warrant is to be delivered, are such that there is not a reasonable assurance that the payee will actually receive such check or warrant and be able to negotiate the same for full value.

Holding of undelivered checks, etc.

SEC. 2. Any check or warrant, the sending of which is prohibited under the provisions of section 1 hereof, shall be held by the drawer until the close of the calendar quarter next following its date, during which period such check or warrant may be released for delivery if the Secretary of the Treasury determines that conditions have so changed as to provide a reasonable assurance that the payee will actually receive the check or warrant and be able to negotiate it for full value. At the end of such quarter, unless the Secretary of the Treasury shall otherwise direct, the drawer shall transmit all checks and warrants withheld in accordance with the provisions of this Act to the drawee thereof, and forward a report stating fully the name and address of the payee; the date, number, and amount of the check or warrant; and the account against which it was drawn, to the Bureau of Accounts of the Treasury Department. The amounts of such undelivered checks and warrants so transmitted shall thereupon be transferred by the drawee from the account of the drawer to a special deposit account with the Treasurer of the United States entitled "Secretary of the Treasury, Proceeds of Withheld Foreign Checks", at which time such checks and warrants shall be marked "Paid into Withheld Foreign Check Account". Thereafter the drawee shall deliver such checks and warrants, together with other paid checks and warrants, to the Comptroller General of the United States, who shall allow credit therefor in the accounts of the drawer and the drawee.

Transmittal to drawees at end of quarter.

Report.

Transfer to special deposit account.

Veterans' Administration. Disposition of amounts of designated checks.

Deposit, etc., considered payment.

In the case of checks representing payments under laws administered by the Veterans' Administration, when the amount transferred to the special deposit account on behalf of any individual payee equals \$1,000, the amounts of any further checks, except checks under contracts of insurance, payable to such payee under such laws shall be covered into the Treasury as miscellaneous receipts. The deposit in the special deposit account or the covering into the Treasury as miscellaneous receipts, pursuant to the provisions of this section, of the amount of any check issued under laws administered by the Veterans' Administration shall be considered for all purposes, including determinations of rights under section 305 of the World War Veterans' Act, 1924, as amended, as payment to the person entitled thereto.

43 Stat. 626.
38 U. S. C. § 516.

SEC. 3. Payment of the amounts which have been deposited in the special deposit account in accordance with section 2 hereof shall be made by checks drawn against such special deposit account by the Secretary of the Treasury, only after the claimant shall have established his right to the amount of the check or warrant to the satisfaction of the Secretary of the Treasury (or, in the case of claims based upon checks representing payments under laws administered by the Veterans' Administration, to the satisfaction of the Administrator of Veterans' Affairs) and the Secretary of the Treasury has determined that there is a reasonable assurance that the claimant will actually receive such check in payment of his claim and be able to negotiate the same for full value.

In the case of the death of the payee of any check in payment of pension, compensation, or emergency officers' retirement pay accruing under laws administered by the Veterans' Administration, while the amount thereof remains in the special deposit account, such amount shall, subject to the other conditions of this Act, be payable as follows: (a) Upon death of the veteran, first to the widow; if there is no widow, to his child or children under the age of eighteen at his death; (b) upon death of the widow, to her children under the age of eighteen years at her death; (c) upon the death, prior to disbursement of all or any part of the apportioned amount, of an apportionee of a part of the veteran's pension, compensation, or emergency officers' retirement pay, such apportioned amount not disbursed shall be payable to the veteran; (d) in all other cases no disbursement whatsoever of such pension, compensation, or emergency officers' retirement pay shall be made or allowed except so much as may be necessary to reimburse the person who bore the expense of burial: *Provided, however,* That no disbursement shall be made unless claim therefor be filed in the Veterans' Administration within one year from the date of the death of the person entitled and perfected by the submission of the necessary evidence within six months from the date of the request of the Veterans' Administration therefor. Such benefits shall include only amounts due and unpaid at the time of death under then existing ratings or decisions.

SEC. 4. The provisions of sections 2 and 3 hereof shall apply to all checks or warrants the delivery of which is now being, or may hereafter be, withheld pursuant to Executive Order Numbered 8389 of April 10, 1940, as amended, as well as to all checks or warrants the delivery of which is now being withheld pursuant to administrative action, which administrative action is hereby ratified and confirmed: *Provided,* That any check or warrant the delivery of which has already been withheld for more than one quarter prior to the enactment of this Act shall be immediately delivered to the drawee thereof for disposition in accordance with the provisions of sections 2 and 3 hereof: *Provided further,* That nothing in this Act shall be construed to dispense with the necessity of obtaining a license to authorize the delivery and payment of checks in payment of claims under section 3 hereof in those cases where a license is now or hereafter may be required by law to authorize such delivery and payment.

SEC. 5. The Secretary of the Treasury is hereby authorized to prescribe such rules and regulations as he in his discretion may deem necessary or proper for the administration and execution of this Act.

SEC. 6. Nothing contained in this Act shall be construed as affecting or applying to checks or warrants issued in payment of salaries or wages or for goods purchased by the Government of the United States in foreign countries.

Approved, October 9, 1940.

Payments from special deposit account.

Death of payee.
Payment of amount of pension, etc.

Proviso.
Filing of claim, etc.

Applicability of designated provisions.

Provisos.
Checks withheld.

Licenses.

Rules and regulations.

Salary checks, etc., not affected.