

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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**Opening Statement**  
**Ranking Member Elijah E. Cummings**

**H.R. 24, Federal Reserve Transparency Act**

**May 17, 2016**

Thank you, Mr. Chairman.

Today is the third time our Committee has reviewed legislation to require a, quote, “full audit” of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General.

As I said last Congress, I support transparency that aims to make sure the Federal Reserve is working to carry out the economic goals of the American people.

But I am still concerned that this bill would make far-reaching and unprecedented changes to the very nature of the Federal Reserve by limiting the independence that has been the cornerstone of that institution.

In my opinion, this legislation is unnecessary. In 1978, the Federal Banking Agency Audit Act opened up the Federal Reserve system to audit, and regular audits have been conducted since then.

Then, more recently, the Dodd-Frank Act again significantly expanded GAO’s ability to audit Fed activities.

For example, Dodd-Frank subjected the Federal Reserve’s open market transactions and discount window operations to audit.

The bill we are considering today would remove certain remaining audit restrictions, such as the prohibition on auditing monetary policy deliberations.

Subjecting these deliberations to audit could influence how they are conducted and potentially even the policies that are chosen, degrading the true independence of the Federal Reserve.

Without these protections, some could seek to inappropriately influence the Federal Reserve’s deliberations in specific directions by the types and subjects of audits they request.

I believe the Federal Reserve’s operations should be subject to thorough review.

However, I do not support actions that would inappropriately impede the independence of the Federal Reserve to implement monetary policies and or its ability to support its congressionally established mandates.

Thank you Mr. Chairman.

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