



Written by [Joe Wolverton, II, J.D.](#) on February 8, 2013

Rand Paul Introduces Audit the Fed Bill

On Tuesday, Senator Rand Paul (R-Ky.) offered the [Federal Reserve Transparency Act of 2013](#), also known as “Audit the Fed.” The bill would eliminate restrictions on Government Accountability Office (GAO) audits of the Federal Reserve. Additionally, the bill would give Congress oversight of the Fed’s credit facilities, securities purchases, and quantitative easing activities.

“The Fed’s operations under a cloak of secrecy have gone on too long and the American people have a right to know what the Federal Reserve is doing with our nation’s money supply,” [Paul said in a statement](#). “Audit the Fed has significant bipartisan support in Congress and across the country and the time to act on this is now.”

There may be hope that the people’s representatives may actually finally wrest the reins of federal fiscal policy away from the unelected, unaccountable governors of the Federal Reserve.

As of the time of writing, Senator Paul’s bill, [S. 209, has 18 cosponsors in the Senate](#), including one Democrat, Mark Begich of Alaska.

Earlier this year, a companion measure was offered in the House of Representatives by [Representative Paul Broun \(R-Ga.\) and currently has 117 cosponsors](#).

When it comes to dragging the policies and procedures of the Federal Reserve into the sunshine of congressional oversight, Rand Paul comes by it honestly, via fatherly influence.

As recounted [on RonPaul.com](#):

For the past 30 years, Congressman Ron Paul has worked tirelessly to bring much-needed transparency and accountability to the secretive bank. And in 2009 and 2010 his unfaltering dedication showed astonishing results: HR 1207, the bill to audit the Federal Reserve, swept the country and made the central bankers shudder at their desks. The bill passed as an amendment both in the House Financial Services Committee and in the House itself.

Then, in 2012, his final year in the House, Congressman Ron Paul reintroduced the [Audit the Fed bill \(H.R. 459\)](#), which passed the House 327-98.

In fact, Representative Broun’s bill currently pending in the House is a copy of Ron Paul’s bill. In a statement, Broun said he was fighting the Fed in order to [“pick up where Ron Paul left off.”](#)

Now, his son is leading the assault in the Senate.

Below is the text of Senator Paul’s bill:

A BILL to require a full audit of the Board of Governors of the Federal Reserve System and the





Federal Reserve banks by the Comptroller General of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Reserve Transparency Act of 2013".

SEC. 2. AUDIT REFORM AND TRANSPARENCY FOR THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

(a) IN GENERAL. — Notwithstanding section 714 of title 31, United States Code, or any other provision of law, an audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks under subsection (b) of such section 714 shall be completed within 12 months of the date of enactment of this Act.

(b) REPORT. —

(1) IN GENERAL. — A report on the audit required under subsection (a) shall be submitted by the Comptroller General to the Congress before the end of the 90-day period beginning on the date on which such audit is completed and made available to the Speaker of the House, the majority and minority leaders of the House of Representatives, the majority and minority leaders of the Senate, the Chairman and Ranking Member of the committee and each subcommittee of jurisdiction in the House of Representatives and the Senate, and any other Member of Congress who requests it.

(2) CONTENTS. — The report under paragraph (1) shall include a detailed description of the findings and conclusion of the Comptroller General with respect to the audit that is the subject of the report, together with such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

(c) REPEAL OF CERTAIN LIMITATIONS. — Subsection (b) of section 714 of title 31, United States Code, is amended by striking all after "in writing."

(d) TECHNICAL AND CONFORMING AMENDMENT. — Section 714 of title 31, United States Code, is amended by striking subsection (f).

SEC. 3. AUDIT OF LOAN FILE REVIEWS REQUIRED BY ENFORCEMENT ACTIONS.

(a) IN GENERAL. — The Comptroller General of the United States shall conduct an audit of the review of loan files of homeowners in foreclosure in 2009 or 2010, required as part of the enforcement actions taken by the Board of Governors of the Federal Reserve System against supervised financial institutions.

(b) CONTENT OF AUDIT. — The audit carried out pursuant to subsection (a) shall consider, at a minimum —

(1) the guidance given by the Board of Governors of the Federal Reserve System to independent consultants retained by the supervised financial institutions regarding the procedures to be followed in conducting the file reviews;

(2) the factors considered by independent consultants when evaluating loan files;



- (3) the results obtained by the independent consultants pursuant to those reviews;
 - (4) the determinations made by the independent consultants regarding the nature and extent of financial injury sustained by each homeowner as well as the level and type of remediation offered to each homeowner; and
 - (5) the specific measures taken by the independent consultants to verify, confirm, or rebut the assertions and representations made by supervised financial institutions regarding the contents of loan files and the extent of financial injury to homeowners.
- (c) REPORT. — Not later than the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall issue a report to the Congress containing all findings and determinations made in carrying out the audit required under subsection (a).

While the Rand Paul Audit the Fed bill would bring transparency to the purposely shadowy goings on at the Federal Reserve, what isn't so clear is why the Senate has yet to vote on any of the measures mentioned above.

John Tate, president of the Campaign for Liberty, has an idea. [Tate told Politico](#):

Harry Reid was the single reason Audit the Fed was not brought to the floor of the Senate in 2012. Harry Reid knows full well that Audit the Fed — which he previously claimed to be a strong supporter of — would pass both the House and the Senate if he allowed a vote. It seems the Senate Majority Leader doesn't want the American people to know what he, President Obama, and the Federal Reserve have been doing to our money and our economy.

What has the Federal Reserve done to our economy exactly?

First, the unelected governors of the unconstitutional central bank have an absolute stranglehold and monopoly over the flow of our nation's money and credit. Not once since its inception in 1913 has there ever been a thorough audit or an accounting to Congress about its activities.

During its century-long reign over the financial well-being of our country, the Federal Reserve has manipulated our currency until it is nearly worthless. Meanwhile Congress turns a blind eye and a deaf ear to the crisis and the calls to control it.

The fact is that since that day in 1913, the dollar has lost over 95 percent of its purchasing power. Most, if not all, of this precipitous decline was caused by the mindless monetary policy of the Federal Reserve.

The United States of America has been driven to the very edge of a devastating fiscal cliff by the folly of the Federal Reserve and the abdication of its authority by an impotent Congress. Together, these factors add up to \$14 trillion in ill-conceived loans and federal bailouts and a crushing [national debt of over \\$16 trillion](#).

Adding insult to injury, [during testimony to Congress in 2009](#), Federal Reserve Chairman Ben Bernanke refused to reveal to committee members the names of the institutions that received trillions of dollars from the Fed. Later, he told our elected representatives that he would not disclose the identity of the foreign banks that were parties to sweetheart deals with the Federal Reserve.

Perhaps this is the year that the Fed is called on the carpet. Perhaps Senator Paul can finally expose its unconstitutional, undisclosed, disastrous dealings and restore Congress to its rightful role of representatives of the people.



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