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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

502 U.S. CUSTOMHOUSE, 2D AND CHESTNUT STREETS
PHILADELPHIA, PENNSYLVANIA 19106

May 21, 1971



LM089317

Mr. David P. Eastburn, President
Federal Reserve Bank of Philadelphia
925 Chestnut Street
Philadelphia, Pennsylvania 19101

Dear Mr. Eastburn:

We have examined the activities of the Federal Reserve Bank of Philadelphia relating to the cancellation, verification, destruction, and accounting for currency unfit for circulation. The review, which was completed on April 30, 1971, was made pursuant to Public Law 89-427, approved May 20, 1966.

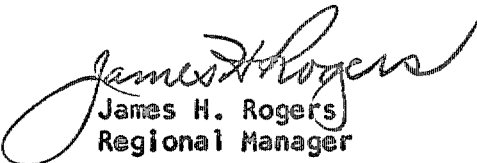
Our examination was directed primarily toward an evaluation of (1) the existing controls over the activities, (2) the efficiency and economy with which these activities were performed, and (3) the related accounting and other records. We also examined the reports and supporting working papers for several compliance reviews made by the General Auditor.

We are pleased to report that the Federal Reserve Bank of Philadelphia is complying with the procedures in the Federal Reserve Currency Manual, revised March 1969, which was issued by the Department of the Treasury for the above activities. Our examination did not disclose any significant deficiencies or weaknesses in administrative procedures or controls.

We wish to express our appreciation for the cooperation extended our representatives during the examination.

A copy of this letter is being sent to the Assistant Deputy Treasurer of the United States.

Very truly yours,


James H. Rogers
Regional Manager

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