

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-658



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 3, 1940

Dear Sir:

There is enclosed, for your information, a copy of a letter from Mr. M. R. Loafman, Chief, Division of Public Debt Accounts and Audits, Treasury Department, dated May 24, 1940, advising the Secretary of the Treasury that an audit of the stock of completed Federal Reserve notes and Federal Reserve bank notes on hand in the Federal Reserve vault at the Bureau of Engraving and Printing was begun on May 16 and completed on May 17, 1940, as of the close of business May 15, 1940.

Mr. Loafman states that the amounts of Federal Reserve notes and Federal Reserve bank notes on hand, \$2,813,100,000 of 1928 Series and \$3,019,540,000 of 1934 Series Federal Reserve notes and \$450,800,000 of Federal Reserve bank notes, were in agreement with the records of the Federal Reserve Issue and Redemption Division of the Comptroller's Office. Copies of detailed statements "A", "B" and "C" which accompanied Mr. Loafman's letter are also enclosed.

Very truly yours,

A handwritten signature in dark ink, appearing to read "E. L. Smead", is written over a horizontal line.

E. L. Smead, Chief,
Division of Bank Operations.

Enclosures 4

TO ALL FEDERAL RESERVE AGENTS

C O P Y

R-658a

May 24, 1940

The Honorable

The Secretary of the Treasury

Sir:

An audit has been made of the completed stocks of unissued Federal Reserve notes and Federal Reserve Bank notes charged to the Federal Reserve Vault in the Bureau of Engraving and Printing. The audit was begun May 16 and completed May 17, 1940, as of the close of business May 15, 1940.

The following tabulation reflects the amounts as disclosed by the audit:

Under auditor's seal in Vault No. 1, Treasury Building	
Federal Reserve notes (Series 1928)	\$2,813,100,000
Federal Reserve Bank notes (Series 1929)	450,800,000
	<u>3,263,900,000</u>
On hand in Federal Reserve Vault, Bureau of Engraving and Printing	
Federal Reserve notes (Series 1934)	<u>3,019,540,000</u>
Total	\$6,283,440,000

The above balance, comprising 93,892 packages, was in agreement with the records of the Federal Reserve Vault and those of the Division of Public Debt Accounts and Audit and with the statement submitted by the Federal Reserve Issue and Redemption Division of the Office of the Comptroller of the Currency. Detailed information with respect to each of the classes of currency is reflected in the attached statements "A", "B", and "C", respectively.

The entire balance of Federal Reserve notes (Series 1928) and Federal Reserve Bank notes (Series 1929) have been under the auditor's seal since 1937 at which time they were package counted and the seals inspected and no further inspection was made in connection with this audit except to inspect the seal on the compartment in Vault No. 1.

The entire stock of Federal Reserve notes (Series 1934) consists of sealed packages bearing the seal of the Bureau of Engraving and Printing and is under the joint custody of representatives of the Secretary of the Treasury, the Bureau of Engraving and Printing and the Federal Reserve Board. It was, therefore, not considered necessary to break the seals on the packages in making the verification but the brief on each package was examined with respect to the package number, serial numbers of the notes, bank and denomination. The packages were found in orderly arrangement and grouped in such manner as to permit the auditors to accomplish the verification without delay.

Prior to beginning the audit, the Chief of the Secret Service was notified and a representative of his office was present on May 16 and 17, 1940.

Appreciation is extended to the officials of the Bureau of Engraving and Printing and the representatives at the Federal Reserve Vault for the cooperation and assistance rendered during the conduct of the audit.

Respectfully submitted:

M. R. Loafman
Chief, Division of Public Debt Accounts and Audit.

STATEMENT "A"

R-658b

FEDERAL RESERVE NOTES (SERIES 1928) ON HAND IN THE FEDERAL RESERVE VAULT
IN THE BUREAU OF ENGRAVING AND PRINTING,* AS DISCLOSED BY AUDIT
AS OF MAY 15, 1940
(IN THOUSANDS OF DOLLARS)

BANK	5's	10's	20's	50's	100's	500's	1,000's	5,000's	10,000's	TOTAL
Boston	\$47,880	\$.....	\$46,560	\$50,400	\$50,400	\$30,000	\$30,000	\$2,000	\$.....	\$257,240
New York	87,560	.....	25,200	30,000	87,600	64,800	54,400	....	6,000	355,560
Philadelphia . . .	36,780	15,160	50,320	75,000	78,000	42,000	50,400	....	.....	347,660
Cleveland	37,040	19,120	107,440	41,400	28,400	39,300	31,600	6,000	.....	310,300
Richmond	22,340	.....	.....	41,600	27,200	28,500	21,000	9,000	10,000	159,640
Atlanta	6,760	9,520	36,720	23,200	20,000	19,600	16,400	4,000	9,320	145,520
Chicago	65,280	.....	114,000	88,200	96,800	108,900	135,200	16,000	20,000	644,380
St. Louis . . . . .	.....	.....	8,480	19,200	24,800	18,400	16,200	.....	.....	87,080
Minneapolis . . .	7,180	2,200	34,080	12,000	22,400	13,300	13,000	.....	.....	104,160
Kansas City . . .	27,640	.....	26,720	22,600	26,000	25,500	23,600	.....	.....	152,060
Dallas	7,760	9,240	22,640	22,600	20,000	24,600	23,400	1,000	2,000	133,240
San Francisco . .	12,260	.....	13,440	11,800	26,400	21,600	17,200	3,720	9,840	116,260
TOTAL	\$358,480	\$55,240	\$485,600	\$438,000	\$508,000	\$436,500	\$432,400	\$41,720	\$57,160	\$2,813,100

*These notes are in Vault No. 1, Main Treasury Building, under auditor's seal.

STATEMENT "B"

R-658c

FEDERAL RESERVE NOTES (SERIES 1934) ON HAND IN THE FEDERAL RESERVE VAULT
IN THE BUREAU OF ENGRAVING AND PRINTING, AS DISCLOSED BY AUDIT
AS OF MAY 15, 1940
(IN THOUSANDS OF DOLLARS)

BANK	5's	10's	20's	50's	100's	500's	1,000's	5,000's	10,000's	TOTAL
Boston	\$25,200	\$109,440	\$65,040	\$23,000	\$38,000	\$5,200	\$4,400	\$6,000	\$2,000	\$278,280
New York	29,980	236,600	121,760	84,400	147,600	58,900	70,600	11,000	28,000	788,840
Philadelphia	27,600	80,440	72,080	33,600	38,400	4,400	4,600	....	....	261,120
Cleveland	11,000	64,200	76,800	13,600	11,600	1,700	800	4,000	8,000	191,700
Richmond	16,960	40,160	62,560	14,000	22,000	8,500	6,400	5,000	....	175,580
Atlanta	8,260	29,200	28,720	5,600	14,000	6,400	8,600	5,000	4,000	109,780
Chicago	39,660	164,120	110,560	18,800	14,400	26,200	17,600	6,000	6,000	403,340
St. Louis	33,140	39,360	38,720	7,200	24,800	6,300	4,800	4,000	4,000	162,320
Minneapolis	19,600	50,240	51,600	3,400	12,800	3,200	1,800	.....	.....	142,640
Kansas City	11,700	45,520	48,560	5,400	23,200	4,700	11,200	6,000	4,000	160,280
Dallas	4,000	20,400	9,280	1,400	8,400	7,400	6,800	5,000	4,000	66,680
San Francisco	37,420	77,920	85,840	8,200	33,200	10,000	11,400	9,000	6,000	278,980
TOTAL	\$264,520	\$957,600	\$771,520	\$218,600	\$388,400	\$142,900	\$149,000	\$61,000	\$66,000	\$3,019,540

STATEMENT "C"

R-658d

FEDERAL RESERVE BANK NOTES (SERIES 1929) ON HAND IN THE FEDERAL RESERVE VAULT
IN THE BUREAU OF ENGRAVING AND PRINTING, * AS DISCLOSED BY AUDIT
AS OF MAY 15, 1940
(IN THOUSANDS OF DOLLARS)

BANK	5's	10's	20's	50's	100's	TOTAL
Boston	\$5,020	\$5,000	\$5,040	\$5,000	\$5,000	\$15,060
New York	860	27,320	18,000	6,600	22,800	75,580
Philadelphia	4,100	3,800	13,840	4,000	4,000	21,740
Cleveland	10,020	10,080	1,520	23,800	23,600	69,020
Richmond	10,000	10,840	21,600	10,000	15,600	48,040
Atlanta	5,040	5,880	15,520	5,000	5,000	26,440
Chicago	19,380	23,440	24,720	15,000	10,800	93,340
St. Louis	7,000	2,120	5,040	7,000	7,000	7,160
Minneapolis	11,000	1,880	11,280	6,600	14,400	34,160
Kansas City	9,020	2,840	7,120	12,800	8,400	40,180
Dallas	1,000	1,000	1,680	1,200	1,200	4,080
San Francisco	2,000	4,800	2,000	11,200	2,000	16,000
TOTAL	\$53,440	\$98,000	\$125,360	\$77,200	\$96,800	\$450,800

*These notes are in Vault No. 1, Main Treasury Building, under auditor's seal.