



**Pima County Committee of the Constitution Party of Arizona**

**24 January 2017**

**U.S. Representative Andy Biggs  
1626 Longworth House Office Building  
Washington, DC 20510**

**Dear Representative Biggs:**

**We encourage you to support H.R. 24, the Federal Reserve Transparency Act, commonly known as the “Audit the Fed” bill. We appreciate that your predecessor, Matt Salmon, was a co-sponsor of a previous version of this bill and hope that you will follow in his footsteps on this important issue.**

**Opponents of this bill argue that the Fed is already audited. However, the Fed is currently only subject to a partial audit. Three important areas that are excluded from the current audit are: transactions involving foreign banks and governments, deliberations and actions on monetary policy, and transactions made under the direction of the Federal Open Market Committee. The one-time expanded audit of the Fed’s emergency lending programs authorized by the Dodd-Frank Act revealed that during the 2½ year period starting at the end of 2007, the Fed provided trillions of dollars to foreign banks and institutions. This audit also pointed out serious problems involving conflicts of interest and no-bid contracts. When questioned by Congress for further details about the money provided to foreign banks, the Fed chair refused to provide them. Clearly, a full audit of the Federal Reserve, including those areas currently exempted, is necessary to provide additional transparency.**

**Opponents also argue that subjecting the Fed to additional scrutiny would jeopardize its independence and politicize it. The only entity with authority to coin money within the United States is Congress, as specified in Article I, Section 8, Clause 5. There is no provision for Congress to grant this power to another entity. So while there may be disagreements about whether or not a central bank is “necessary and proper for carrying into execution” the power to coin money (see Article I, Section 8, Clause 18), there is no constitutional grounds to question the authority of Congress to provide oversight of the Fed and its policies. Regarding the claim that a full audit would politicize the Fed, we argue that the Fed is already largely politicized. The board of governors is appointed by the President and confirmed by the Senate. The Fed chair is reported to meet weekly with the Treasury Secretary and monthly with the President. The chair testifies before Congress at least twice each year. Former Fed chairs have made deals with former presidents, and it would be naïve to pretend that this will not continue to happen. S. 16 is a step in the right direction toward making these deals and other policy-making deliberations transparent and accountable to Congress and the American people. Finally, the audit is to be performed by the Government Accountability Office, an independent non-partisan agency.**

**The Fed’s expansion of the money supply and its manipulation of interest rates have been primary factors in the devaluation of the dollar and the periodic boom-and-bust cycle in our economy. While its actions have bailed out Wall Street, they have been harmful to Americans on fixed incomes and those with savings accounts earning near-zero interest. Multiple polls show over 70% of Americans favor auditing the Fed, and support for similar bills in the past has gained bipartisan support. We again encourage you to vote in favor of H.R. 24, to consider becoming a co-sponsor of the bill, and to use your influence to get it passed in the House.**

**Sincerely,**

**Pima County Committee of the Constitution Party of Arizona**

**Attest:**

**Ryan Huber, Secretary  
Pima County Committee  
Constitution Party of Arizona  
[www.azconstitutionparty.com](http://www.azconstitutionparty.com)**