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Description of document: **US Department of the Treasury Financial Management Service (FMS) policy letter on monetized gold, 2001**

Released date: 20-February-2008

Posted date: 11-August-2008

Title of Document: Change in Gold Monetization Policy

Date/date range of document: August 24, 2001

Source of document: Disclosure Officer
Financial Management Service
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Financial Management Service
memorandum

February 20, 2008

Re: FOIA #08-01-11

I am writing in response to your Freedom of Information Act (FOIA) request for release of a policy letter on monetized gold. Your FOIA request has been assigned the number listed above.

Attached is the letter explaining the change on accounting policy for Treasury owned gold. There is no cost for processing this request.

The above FOIA number should be included on all related correspondence. We hope this information will assist you.

Sincerely,




D. James Sturgill
Assistant Commissioner
Governmentwide Accounting

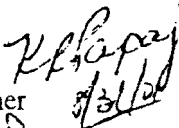
Enclosure

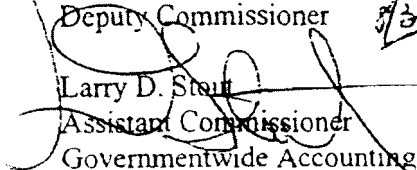
Financial Management Service
memorandum

Date: August 24, 2001

To: Donald V. Hammond
Fiscal Assistant Secretary

Thru: Richard L. Gregg
Commissioner 

Kenneth Papaj
Deputy Commissioner 

From: ~~Larry D. Stout
Assistant Commissioner
Governmentwide Accounting~~ 

Subject: Change in Gold Monetization Policy

On June 11, 2001, we met with staff at the U.S. Mint concerning their reporting of U.S. Treasury Gold sales and purchase activity. Below, we have summarized the issues relating to that meeting and the current gold monetization policy. Consequently, we are requesting your concurrence and approval of the recommendations, as discussed below.

BACKGROUND:

Since 1934, Treasury policy has provided for full gold monetization. As well, 31 USC 5117(b) requires that "...The amount of outstanding certificates may not be more than the value...of the gold held against gold certificates...." In complying with this law and policy established in 1974, the Mint, up until August 2000, provided FMS with reporting related to gold activity on a daily basis. Subsequently, FMS, on the same day, reported this information to the Federal Reserve System so that equivalent amounts of certificates were either redeemed when the gold balance was reduced or issued when the gold balance was increased. As well, FMS provided, for governmentwide reporting, results on the total gold held and gold certificates outstanding through the monthly *Status Report of the U.S. Treasury Owned Gold*; the *Monthly Treasury Statement of the U.S. Government*; the *Annual Report of the U.S. Government*; and the *Financial Report of the U.S. Government*.

ISSUES:

In August 2000, the Mint stopped reporting gold activity to FMS. Therefore, FMS was unable to correspondingly request the issuance and/or redemption of gold certificates by the Federal

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Reserve System. Verbal and written attempts to obtain previous reporting from the Mint were unsuccessful until we met with the Chief Financial Officer of the Mint on June 11. At this meeting we reemphasized our need for the gold reporting from the Mint in order to comply with the current monetization policy. The Mint informed us that the time and administrative burden that daily reporting requires is tremendous. Further, they pointed out that the daily reporting that we were receiving up until August 2000 may not have been as accurate as it appeared. Since this meeting, the Mint did provide reporting reflecting the gold balances for May and June 2001. As well, FMS reported the gold balance information, via the internet, on the *Status Report of U.S. Treasury Owned Gold*.

RECOMMENDATIONS:

On the basis of this meeting and in an effort to obtain the most accurate information possible, FMS agreed to consider, at the Mint's request (see attached letter from the Mint- Exhibit 1), the following:

- That the reporting requirement of the Mint be eased from daily to monthly. We agreed to make this recommendation with the understanding that, with this change, the Mint has committed to providing accurate gold information on a timely basis. Implementation of this recommendation would mean that all gold would no longer be monetized on a daily basis and the administrative efforts of the Mint, FMS and the FRB would be reduced.
- That FMS de-monetize 100,000 fine troy ounces of gold which the Mint would use in their working inventory. The Mint has indicated that should gold sales and/or purchases exceed 100,000 ounces, they would prepare an interim monthly report to FMS to adjust the gold certificate balance.

FMS recommends acceptance of Mint's recommendations as outlined in their letter. Attached is a description of the proposed procedures and how they will effect current procedures (Exhibit 2).

APPROVAL:

In the space provided below, please indicate your concurrence and approval of the change in the current monetization and reporting policy.

APPROVED: _____

DATE: _____

DISAPPROVED: _____

DATE: _____

Attachments



U.S. Department of Justice

Justice Management Division
Office of General Counsel

Washington, D.C. 20530

FEB 19 2008

I am responding on behalf of the Justice Management Division to your Freedom of Information Act request, dated January 13, 2008, for “a copy of the meeting minutes and agendas of the Department of Justice Data Integrity Board for the time period January 1, 2001 to the present” and “a copy of the meeting minutes and agendas of the Department of Justice Data Integrity Board Document Committee for the same time period.” With respect to the first item, the purpose of the Data Integrity Board is to review and approve computer matching agreements involving the Department. This is generally done without meetings. With respect to the second item, there is no organization at the Department entitled the “Data Integrity Board Document Committee.” We do not have any records responsive to your request.

If you are dissatisfied with my action, an appeal may be made by writing to the Director, Office of Information and Privacy, U.S. Department of Justice, 1425 New York Avenue, Suite 11050, Washington, D.C. 20530-0001, within 60 days of the date of this letter. Both the letter and the envelope should be clearly marked “Freedom of Information/Privacy Act Appeal.” In the event you are dissatisfied with the results of any such appeal, judicial review will thereafter be available in the district where the requestor resides, has a principal place of business, or in the United States District Court for the District of Columbia.

Sincerely,

A handwritten signature in black ink that reads "Stuart Frisch".

Stuart Frisch
General Counsel