

Public Law 95-320
95th Congress

An Act

To amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes.

July 21, 1978

[H.R. 2176]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Banking Agency Audit Act".

SEC. 2. Section 117 of the Accounting and Auditing Act of 1950 is amended by adding at the end thereof the following new subsection:

"(e) (1) The Comptroller General of the United States shall make, under such rules and regulations as he may prescribe, audits—

"(A) of the Federal Reserve Board, all Federal Reserve Banks, and their branches and facilities;

"(B) of the Federal Deposit Insurance Corporation; and

"(C) of the Office of the Comptroller of the Currency.

"(2) For purposes of this subsection, the term 'agency' means the agencies, banks, facilities, and corporation, listed in clauses (A), (B), and (C) of paragraph (1).

"(3) An audit made under paragraph (1) (A) shall not include—

"(A) transactions conducted on behalf of or with foreign central banks, foreign governments, and nonprivate international financing organizations;

"(B) deliberations, decisions, and actions on monetary policy matters, including discount window operations, reserves of member banks, securities credit, interest on deposits, and open market operations;

"(C) transactions made under the direction of the Federal Open Market Committee including transactions of the Federal Reserve System Open Market Account; and

"(D) those portions of oral, written, telegraphic, or telephonic discussions and communications among or between Members of the Board of Governors, and officers and employees of the Federal Reserve System which deal with topics listed in subparagraphs (A), (B), and (C) of this paragraph.

"(4) The General Accounting Office (hereinafter in this subsection referred to as the Office) shall not conduct onsite examinations of open insured banks or bank holding companies without the written consent of the agency concerned.

"(5) (A) Except as otherwise provided in this paragraph, no officer or employee of the Office shall disclose to any person, nor shall the Office disclose in its report or otherwise outside of the Office, any information in a form which would (i) identify a specific customer of an open or closed bank or bank holding company, or (ii) identify a specific open bank or open bank holding company.

Federal Banking
Agency Audit
Act.
31 USC 65 note.
31 USC 67.

"Agency."

Onsite
examinations by
GAO, restriction.

Nondisclosure,
conditions.

**Disclosure,
conditions.**

“(B) The Office may disclose information in a form which would identify a customer of a closed bank or closed bank holding company only if that customer, in the opinion of the Comptroller General, had a controlling influence in the management of such closed bank or closed bank holding company or was related to or affiliated with such a controlling person or group, and then only to the extent that such disclosures relate to the affairs of such closed bank or closed bank holding company.

“(C) Subparagraph (A) shall not be deemed to prohibit the Office or its employees from discussing specific customers, banks, or bank holding companies with officials of any of the agencies or from reporting apparent criminal law violations to appropriate State or Federal law enforcement agencies.

“(D) Nothing in this subsection shall authorize the withholding of information by any officer or employee of an agency from a duly authorized committee or subcommittee of the Congress.

**Reports to
Congress.**

“(6) (A) The Comptroller General shall, as frequently as may be practicable, make reports to the Congress on the results of audit work performed under this subsection.

“(B) An advance draft of such Office audit report shall be made available to the agency concerned (other than banks, branches, and facilities) for thirty days for agency comment on the contents thereof. The final report shall include, as an addendum, any written comments submitted by the agency within such period.

**Accessibility to
records.**

“(7) (A) For the purposes of, and to the extent necessary in making audits required by paragraph (1), representatives of the Office shall have access to all books, accounts, records, reports, files, memorandums, papers, things, and property belonging to or in use by the entities being audited, including statistically meaningful samples, determined by the Office, of reports of examination of banks or bank holding companies, from whatever source, together with workpapers and correspondence relating to such reports whether or not a part of the reports; and all without deletions.

“(B) The Comptroller General shall have the authority to authorize Office personnel to conduct such audits and to have access to agency materials described in subparagraph (A) and shall provide the agencies with an up-to-date listing of such personnel, who upon proper identification shall be granted access to such agency materials and shall be permitted to make whatever notes or copies they deem necessary to proper conduct of the audit.

“(C) The agencies shall provide such Office personnel with suitable, lockable office space and furniture, telephone, and access to copying facilities.

“(D) All Office workpapers, and agency materials described in subparagraph (A) which come into possession of the Office during an audit, shall remain on the agency's premises, except for temporary removal of Office workpapers which do not identify a specific customer, bank, or bank holding company as provided in paragraph (5) (A). Such agency materials shall be strictly maintained in order to prevent any unauthorized access.”

SEC. 3. Section 1906 of title 18, United States Code, is amended to read as follows:

“§ 1906. Disclosure of information from a bank examination report

“Whoever, being an examiner, public or private, or a General Accounting Office employee with access to bank examination report information under section 117(e) of the Accounting and Auditing Act of 1950, discloses the names of borrowers or the collateral for loans of any member bank of the Federal Reserve System, or bank insured by the Federal Deposit Insurance Corporation examined by him or subject to General Accounting Office audit under section 117(e) of the Accounting and Auditing Act of 1950 to other than the proper officers of such bank, without first having obtained the express permission in writing from the Comptroller of the Currency as to a national bank, the Board of Governors of the Federal Reserve System as to a State member bank, or the Federal Deposit Insurance Corporation as to any other insured bank, or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction, or by direction of the Congress of the United States, or either House thereof, or any committee of Congress or either House duly authorized or as authorized by section 117(e) of the Accounting and Auditing Act of 1950 shall be fined not more than \$5,000 or imprisoned not more than one year or both.”

Approved July 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-492 (Comm. on Government Operations).

SENATE REPORT No. 95-723 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD:

Vol. 123 (1977): Sept. 14, Oct. 14, considered and passed House.

Vol. 124 (1978): May 10, considered and passed Senate, amended.

June 29, House concurred in Senate amendments.