

# Doubts About America's Official Gold Holdings: The US Gold Reserve Audit

By [Valentin Katasonov](#)

Global Research, March 14, 2013

[Strategic Culture Foundation](#) 11 March 2013

Region: [USA](#)

Theme: [Global Economy](#)

*Everyone is talking about the audit of [USA's gold reserves](#). The presence or possible absence of the yellow metal in the vaults and basements of the American repository is a definite source of anxiety in the United States and beyond. For example, the American congressman Ron Paul is claiming for many years a full audit of the US official gold reserves, which are on the balance sheet of the Department of Finance (Treasury) since 1934, but the issue is extremely intricate...*

## 1. Reservations with regard to the official gold reserves of the United States

Most of the official gold reserves must be located in the Fort Knox vault, which was expressly built before the Second World War. It accumulated the gold bought for \$20.00 per troy ounce from individuals and companies all across the US according to a decree issued by President Franklin Roosevelt. Most of the gold came from the banks comprising the Federal Reserve System (FRS) and they received the so-called gold certificates, which in turn were declared in their balance sheets. Some call this a coercive buyout of metal but was actually a confiscation of gold. Upon completion of the operation the price of gold was revised at \$35.00.

There were no regular controls over the American gold since the beginning of the 50's. There were only some random checks. After the closure of the «gold window» in the early 70's (suspension of gold for dollars convertibility), it was decided to audit the reserves. Some random audits were carried out between 1974 and 1986, and were suspended following pressure exerted by the Inspector General of the Department of Finance.

Doubts about the availability of the US gold reserves have been growing in the USA and other countries for the last 10-15 years. The following versions are being discussed:

1. The American Treasury's gold remains in place, but since it's subject to various transactions (i.e. instrumental as collateral), it currently does not belong to the Treasury.
2. The gold from the official treasuries is no longer in the depository (not in full as listed in the Department of Finance's accountability). It was moved following sale, leasing and credit operations.
3. There actually are gold bars in the reserves which correspond to the quantities accounted by the Department of Finance, but they are all or partially fake gold bars. In order to hide the illegal removal of the gold, the real bars were replaced by fake ones made of tungsten.
4. The gold in the official reserves does no longer belong to the Treasury, it has been

returned to the banks (from which it originated in the 30's). The US government borrowed such large sums from the FRS member banks, that the Treasury was forced to repay in gold.

Many critics of the FRS note that the Federal Reserve and the US Treasury are communicating vessels, and the official gold reserves formally belonging to the government, are in fact under [control of the banksters](#).

## 2. The Congress of the USA calls for a gold audit

Those who initiated procedures for an audit of the US's gold reserves are working on two fronts: they are demanding for an audit of the Federal Reserve and of the Treasury of the United States. There were several attacks on the Federal Reserve following the first wave of the financial crisis. In the middle of 2012, the United States House of Representatives supported a draft bill for a full audit of the Federal Reserve. But the bill hasn't been passed, since the [banking community](#) motivated against the audit has many allies in the US Senate. There might be a leakage of secret information regarding their cooperation with the Treasury for an illegal use of the gold reserves, including a secret allocation by the Federal Reserve of \$16 trillion to major American and foreign banks during the last financial crisis.

According to some critics of the Federal Reserve, the money rulers of the US have set aside any possible discretion and have forsaken any secrecy in their illegal operations... Here's one such good example. In 2004 and 2005, the Treasury accountability determined the gold reserves as worth \$10,924 million (the official cost of the gold is still based on the 1973 cost, in round figures at about 42 per troy ounce). But the consolidated balance sheet of the Federal Reserve lists its gold certificates as worth \$11,036 million. Such discrepancy is not acceptable; the net worth value of the gold reserve has to coincide with the volume of the gold certificates. This arisen inconsistency of \$112 million is a contravention of the Gold Reserve Act. Even though the money rulers have restored the 2006 balance (having noticed their bungle), a feeling remains that the banksters are busy pursuing illegal gold transactions.

Ron Paul tried to figure out some of the mysteries around the Federal Reserve by questioning the organization and interrogating representatives of the FRS. More specifically, on June 2011, the General Counsel of the FRS, Scott Alvarez, was summoned by the US Congress. He was asked several questions regarding the gold. Alvarez swore that in 1933, the FRS banks didn't have a single ounce of gold. Ron Paul inquired with regard to the «gold certificates»: do the vouchers issued to the banks provide the authority to demand and receive gold from the Treasury? Alvarez could not answer in any distinct manner, simply saying that the «gold certificates» are accounting documents that are part of the banks' balance sheets.

Such inquiries and interrogations didn't produce any information for dispelling the situation with regard to the gold. Ron Paul tried to provide auditors with an access to the gold reserves of the Treasury – Fort Knox and other storages. Part of the Treasury's gold is being stored in other facilities – West Point, Denver (US Mint), in the vaults of various FRS banks. This gold is being referred to as the «other Treasury's gold». Another interesting issue is the gold being stored at the Federal Reserve Bank of New York. According to some sources, this is where most of the «other Treasury's gold» is located. While the gold at Fort Knox was partially audited in the past, the gold at the Federal Reserve Bank of New York was never looked at. One of last year's uproars was the decision by US officials to carry out an audit of

these gold vaults.

### 3. The Manhattan Golden Mysteries

The vaults of the Federal Reserve Bank of New York are the size of those at Fort Knox. It's located in Manhattan several floors deep. In accordance with publicly disclosed information, the vaults of the Federal Reserve Bank of New York are filled with metals from dozens of countries weighting 216 million ounces. This represents 22% of the world's official gold reserves. It also stocks the gold of the Treasury that was to be audited. Everyone was anxious to see the resulting audit. The American media leaked the information that the audit was to be carried out in September of 2012. The months went by and the Treasury kept silent. No publications were made. The silence became sinister. The Germans added some oil to the fire by demanding [a return of their gold](#) that was stored at that same Federal Reserve Bank of New York.

And finally in January 2013, the Department of Finance issued a statement regarding the audit. Its title is as follows: *Audit Report. Audit of the Department of the Treasury's Schedule of United States Gold Reserves Held by Federal Reserve Banks as of September 30, 2012. Office of Inspector General. Department of the Treasury. - Wash., D.C., January 4, 2013.*

All the specialists immediately began scrutinizing the document. The key findings are:

1. The whole report consisting of 14 pages.
2. Of the 14 pages, 13 provide information that has no relevance whatsoever to the actual audit. A covering page with a picture, a table of contents, pages listing US legislation regulating the audit procedures and explaining what the US Department of Finance is.
3. The actual results of the audit are provided on a single page. Firstly, it turns out that the actual audit took but a single day, September 13, 2013. Secondly, we are informed that 99.98% of the «other Treasury gold» is stored at the vault of the Federal Reserve Bank of New York. Thirdly, the volume of gold being stored at the given facility is presented in troy ounces (weight equivalent of 466.57 tons), 1973 net worth value (\$568 million) and present day value as of 30.09.2012 (\$23,892 million).

Labeling the September 30, 2012, event as an «audit of the US's official gold reserves» is rather difficult even with the greatest imagination. There is enough evidence supporting such a statement, including the following:

1. There were no independent auditors. The Department of Finance was auditing itself.
2. There was no audit of supporting documentation. The audited gold could have been mortgaged and even remortgaged.
3. In order to affirm that the vaults of the Federal Reserve Bank of New York hold 99.98% of the «other Treasury gold», an overall audit of all the vaults holding the «other Treasury gold» had to be carried out. The so-called audit was possibly restricted to some certificates from the Federal Reserve Bank of New York and other vaults regarding the stored gold reserves.

Even if the public servants from the US Department of Finance didn't limit their September 30, 2013, audit to the certificates, and did descend into the Manhattan vaults, and did

contemplate the glitter from the so-called gold bars, they could have been but counterfeited gold plated tungsten. And having done so, they determined the value of the gold on their calculators based on current prices. And now the financial community labels such entertaining excursions with the word «audit».



In order to increase public confidence in the audit, the American media described the drilling of the gold bars in the vaults of the Federal Reserve Bank of New York. The number of drilled bars was indicated and it was emphasized that the quality of some of the drilled bars turned out above required standards. As a result, the «audit» made it possible to substantiate the numbers and demonstrated that the gold reserves of the US were even greater than expected by several ounces! Personally, I believe that such information can only be considered as journalistic fabrications, since the official report from the US Department of Finance doesn't even provide a hint that there was some physical verification of the gold.

Professionals of the gold market appraised the report in similar terms. For instance, the renowned gold specialist James Turk told the following: *«I don't want to use the term audit because it debases the meaning of what an audit really is... They didn't audit the gold... All they looked at was the 'Treasury's schedule'... So, again, it's basically just looking at paper or record-keeping, and saying, «Yes, this record-keeping says that all of that gold is there». James Turk's summary: «I'm really sort of sad to say that despite my thinking this was some interesting news, it actually is total rubbish. I think it was disseminated by the mainstream media just to deceive people (and countries) to think that the gold is really there...»*

I would like to note that from the so-called audit to the publication of the report, some three months passed. Such a long break was most probably caused by the fact that the US Treasury and the FRS officials had to reach a consensus as to the format in which the audit would be provided to the public. Apparently, following long debates, they agreed on the following formula: «better keep quiet than say something extra».

The description of the «gold audit» is another example of how the bankers are fooling the public. Their mockery is increasingly cynical with a growing level of insolence.

The original source of this article is [Strategic Culture Foundation](#)  
Copyright © [Valentin Katasonov](#), [Strategic Culture Foundation](#), 2013

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [Valentin Katasonov](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)