



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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OFFICE OF GENERAL COUNSEL

B-173761

JAN 18 1977

Daniel E. Horgan, Esq.
Waters, McPherson & Hudzin
32 Journal Square
Jersey City, New Jersey 07306

Dear Mr. Horgan:

This replies to your letter of January 10, 1977, requesting a copy of the GAO draft report on bank regulatory agencies, and copies of the agreements entered into between GAO and the Federal Reserve Board, Comptroller of the Currency, and F.D.I.C., respectively.

The draft report you request has been prepared at congressional request, and when completed and in final form, will be submitted as a report of the Comptroller General to the Congress. In its present form, the draft report does not constitute the final position of the GAO or of the Comptroller General; rather, it is in the form of recommendations to him which he will not act upon until comments have been received from the three concerned Federal bank supervisory agencies. The draft report, therefore, forms part of the deliberative process of this Agency, and is exempt from release under 4 C.F.R. §81.6(a)(5).

We have considered the fact raised in telephone discussions with Mr. Evers of my staff that the draft report is being cited in the press. We have neither released nor authorized release of the draft report outside of the GAO and the three concerned agencies. Our review was made under specific agreements reached with each of the three agencies granting us access to their records and establishing groundrules for the reporting process. Release of the report in draft prior to receipt and evaluation of the agencies' comments would be inconsistent with these agreements.

Review of the draft report by each of the three agencies is particularly critical in this instance, for we must rely on them to assure that the report neither violates the terms of the agreements nor the provisions of 18 U.S.C. §1906 (1970).

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Inasmuch as the negotiation of, and adherence to these special agreements enables us to make the study in question, our failure to honor the letter and spirit of the agreements could impair our ability to conclude the study successfully, and could effectively prevent us from reaching similar agreements in the future. Consequently, I do not believe the release of the draft report would be in the long-term public interest.

For the foregoing reasons, your request for a copy of the draft report is denied.

We expect the final report will be issued next month. You will be sent a copy as soon as it is issued.

With respect to your request for copies of the interagency agreements, copies of those agreements and the relevant covering correspondence are enclosed.

Sincerely yours,

RICHARD E. PIERSON

Richard E. Pierson
Associate General Counsel

Enclosures