


Federal Reserve Bank of New York



 Federal Reserve Bank of New York building

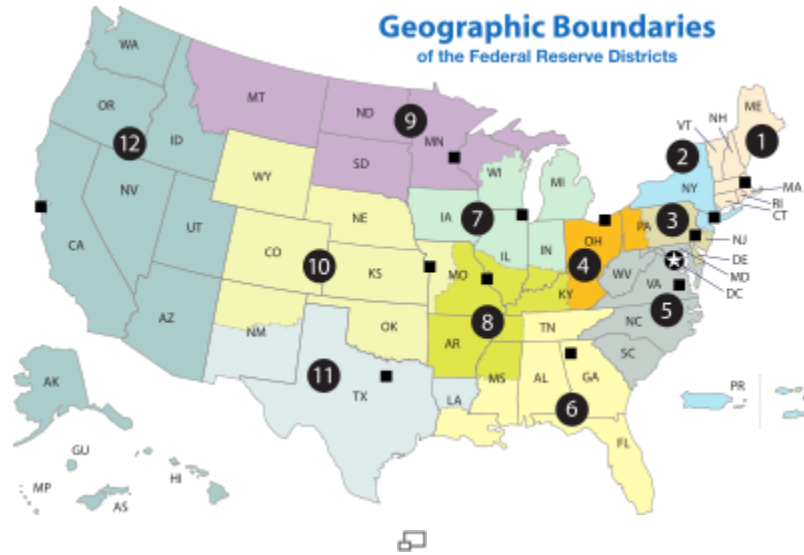
The **Federal Reserve Bank of New York** is one of the 12 Federal Reserve Banks of the United States. It is located at 33 Liberty Street, New York, NY. It is responsible for the Second District of the Federal Reserve System, which encompasses New York state, the 12 northern counties of New Jersey, Fairfield County in Connecticut, Puerto Rico, and the U.S. Virgin Islands. Working within the Federal Reserve System, the New York Federal Reserve Bank implements monetary policy, supervises and regulates financial institutions^[1] and helps maintain the nation's payment systems.^[2]

Among the other regional banks, New York Federal Reserve Bank and its president are considered first among equals.^{[3][4]} Its current president is William C. Dudley. It is by far the largest (by assets), most active (by volume) and most influential of the 12 regional Federal Reserve Banks.

Largest regional Federal Reserve Bank



 Map of the Second District



Map of Federal Reserve districts

Since the founding of the Federal Reserve banking system, the Federal Reserve Bank of New York in Manhattan's Financial District has been the place where monetary policy in the United States is implemented, although policy is decided in Washington, D.C. by the Federal Reserve Board of Governors. The New York Fed is the largest in terms of assets of the twelve regional banks. Operating in the financial capital of the U.S., the New York Fed is responsible for conducting open market operations, the buying and selling of outstanding U.S. Treasury securities. The **Trading Desk** is the office at the Federal Reserve Bank of New York that manages the FOMC Directive to sell or buy bonds.^[5] Note that the responsibility for *issuing* new U.S. Treasury securities lies with the Bureau of the Public Debt. In 2003, Fedwire, the Federal Reserve's system for transferring balances between it and other banks, transferred \$1.8 trillion a day in funds, of which about \$1.1 trillion originated in the Second District. It transferred an additional \$1.3 trillion a day in securities, of which \$1.2 trillion originated in the Second District. The New York Fed is also responsible for carrying out exchange rate policy by buying and selling dollars at the discretion of the United States Treasury Department. The New York Federal Reserve is the only regional bank with a permanent vote on the Federal Open Market Committee and its president is traditionally selected as the Committee's vice chairman. The New York Fed opened for business on November 16, 1914, under the leadership of Benjamin Strong Jr., who had previously been president of the Bankers Trust Company. He led the Bank until his death in 1928. The Bank grew rapidly during the early years, bringing about the need for a new home.^[6] The New York Fed's three-class Board of Directors, bank membership, and organization and legal status are the same in structure, for the New York region, as those of the other eleven Fed districts, which collectively cover the rest of the country.

Move to 33 Liberty Street

A public competition for design of the building was held and the architectural firm of York and Sawyer submitted the winning design. The bank moved to its current location in 1924.^[6] The

Federal Reserve Bank of New York maintains a vault that lies 80 feet (24 m) below street level and 50 feet (15 m) below sea level,^[7] resting on Manhattan bedrock. By 1927, the vault contained 10% of the world's official gold reserves.^[6] Currently, it is reputedly the largest gold repository in the world (though this cannot be confirmed as Swiss banks do not report their gold stocks) and holds approximately 7,000 tonnes (7,700 short tons) of gold bullion (\$415 billion as of October 2011), more than Fort Knox. Nearly 98% of the gold at the Federal Reserve Bank of New York is owned by the central banks of foreign nations.^[8] The rest is owned by the United States and international organizations such as the IMF. The Federal Reserve Bank does not own the gold but serves as guardian of the precious metal, which it stores at no charge to the owners, but charging a \$1.75 fee (in 2008) per bar to move the gold. Moving the bars requires special footwear for the staff, to protect their feet in case they drop one of the gold bars weighing 28 pounds (13 kg). The vault is open to tourists.^[9]

Terrorism attempt

On October 17, 2012, Quazi Mohammad Rezwanul Ahsan Nafis, 21, a resident of Queens, New York, was arrested in a federal terrorism sting targeting the Federal Reserve Bank. Authorities said the suspect parked a van that he thought was filled with explosives. Nafis allegedly attempted to detonate what he believed to be a 800-pound bomb with a cell phone call made from the Millenium Hotel, across from the World Trade Center. A joint FBI/NYPD operation flagged the suspect on the Internet three months earlier. The defendant faces charges of attempting to use a weapon of mass destruction and attempting to provide material support to al-Qaeda. According to the criminal complaint filed October 17, 2012, in the Eastern District of New York, defendant Nafis, a Bangladeshi national, traveled to the United States in January 2012 for the purpose of conducting a terrorist attack on U.S. soil. Agents set up the sting and it worked as planned.^[10]

On February 7, 2013, Nafis pleaded guilty to attempted use of a weapon of mass destruction in Brooklyn Federal Court. At his plea hearing, Nafis told US District Judge Carol Bagley Amon, "I had intended to commit a violent jihadist act before I met the undercover officer in this case...I no longer support violent jihad. I sincerely regret my involvement in this case." Judge Amon sentenced Nafis to 30 years in federal prison on August 9, 2013. In sentencing Nafis to the minimum, Judge Amon said she believed the 22-year-old was remorseful. He had faced up to life in prison. However, she added, "It does not change the fact he was sentient when he engaged in efforts to destroy the Federal Reserve and the people inside. He knew what he was doing."^[11]

Current Board of Directors

The following people serve on the board of directors as of February 2013.^[12] All terms expire December 31.

Class A

Name	Class A Title	Term Expires
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Class A

Name	Title	Term Expires
Richard Carrión	Chief Executive Officer and Chairman Popular, Inc. San Juan, Puerto Rico	2015
Paul P. Mello	President and Chief Executive Officer Solvay Bank Syracuse, New York	2014
Gerald Lipkin	Chairman, President and Chief Executive Officer Valley National Bank Wayne, New Jersey	2013

Class B

Class B

Name	Title	Term Expires
Alphonso O'Neil-White	President and Chief Executive Officer HealthNow New York	2013
Terry J. Lundgren	Chairman, President and Chief Executive Officer Macy's	2014
Glenn H. Hutchins	Co-Founder and Co-Chief Executive Silver Lake	2015

Class C

Class C

Name	Title	Term Expires
Emily K. Rafferty (Chair)	President Metropolitan Museum of Art New York, New York	2014
Kathryn S. Wylde (Deputy Chair)	President and Chief Executive Officer Partnership for New York City New York, New York	2013
Sara Horowitz	Founder and Executive Director Freelancers Union New York, New York	2015

NY Fed's Current Board of Directors:[1]

Former Board members

Indra K. Nooyi, Chairman and Chief Executive Officer, PepsiCo. Inc., left the Board when her term expired in 2009, and Kindler now fills the seat. Bollinger's and Dimon's three-year terms were renewed in 2009. Tisch and Wylde filled partial-term vacancies, the latter for Stephen Friedman's seat, in the year.^{[12][13]}

Resignation of Stephen Friedman, Chair

Stephen Friedman resigned as Chair of the Federal Reserve Bank of New York on May 7, 2009, effective immediately.^[14] Friedman, former CEO of Goldman Sachs and then-chairman of Stone Point Capital, LLC, Greenwich, Conn., was criticized for seemingly benefiting from his role as Chair of the New York Fed branch due to the federal government's aid to Goldman Sachs in recent months. He had "remain[ed] on the board of Goldman even as he was supposedly regulating [Goldman]; in order to rectify the problem, he applied for, and got, a conflict of interest waiver from the government. Friedman was also supposed to divest himself of his Goldman stock after Goldman became a bankholding company, but thanks to the waiver, he was allowed to go out and buy 52,000 *additional* shares in his old bank, leaving him \$3 million richer," as one report put it.^[1] Friedman's resignation announcement came within an hour of the government's release of the 2009 stress tests for 19 U.S. financial institutions.

Following Friedman's resignation on 7 May 2009, Denis Hughes, formerly Deputy Chair, was designated as Interim Chair. The current Chair (for 2013) is Emily Rafferty, President of the Metropolitan Museum of Art.

Presidents

- Strong (1914–1928)
- Harrison (1928–1940)
- Sproul (1941–1956)
- Hayes (1956–1975)
- Volcker (1975–1979)
- Solomon (1980–1985)
- Corrigan (1985–1993)
- McDonough (1993–2003)
- Geithner (2003–2009)
- Dudley (2009–)

Branches

The Federal Reserve Bank of New York Buffalo Branch used to be the only branch of the Federal Reserve Bank of New York, but it was closed on October 31, 2008.^[15]

In Popular Culture

The Federal Reserve Bank of New York plays a prominent role in the 1995 film *Die Hard with a Vengeance*, starring Bruce Willis and Jeremy Irons. The Federal Reserve Bank is the setting for a major heist of the gold by Jeremy Irons' character, Simon Gruber. The vault is penetrated under the pretence of construction work and the gold bullion transported via dump trucks to a location outside the city.

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