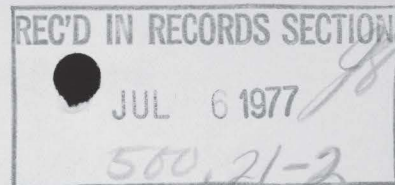


BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM



Office Correspondence

Date February 6, 1970

To Board of Governors

Subject: Shipments of currency to

From Division of Federal Reserve
Bank Operations (Mr. Ring)

Culpeper.

FR

CONFIDENTIAL (FR)

Unless the Board objects, this Division plans to begin shortly shipments of new Federal Reserve notes to the Communications and Records Center in Culpeper. The storage of a large stock of currency at this location was approved by the Board in 1968 for emergency use by Reserve Banks in the eastern part of the United States.

The protective aspects of the Culpeper vault are complete except in the following respects--

1. A direct telephone line between the facility and the Richmond Reserve Bank, for use by the guards in making periodic checks, could be cut or fail without warning. The telephone company is being requested to add an electronic alarm feature for this purpose.
2. While Headquarters First Army has advised that intervention with Federal troops to protect Government property will be provided when required, the details for providing military assistance in the most effective manner are yet to be worked out.
3. A protected and direct means of communication (radio or private line) has not been established between the facility and the local District Headquarters of the Virginia State Police. Although the state police would furnish assistance when requested by the Reserve Bank, the call at the present time would have to be over an ordinary phone line.

In the opinion of the Board's consultant on security matters, Mr. Bouck, shipments to Culpeper may be made after the alarm feature has been incorporated on the private line between the facility and Richmond, and this Division would expect to undertake the shipments at that time.

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While some risk will be involved in storing currency at Culpeper in the absence of detailed arrangements for military support and a better means of communication with the state police, it is felt that the risk is not great enough to warrant a further delay in the development of this emergency stockpile. Efforts to establish a protected direct line of communication to the District Headquarters of the Virginia State Police, and to make detailed arrangements for military assistance will continue.

PDR:MTA