



FEDERAL RESERVE BANK *of* KANSAS CITY

January 31, 2012

Statement of Federal Reserve Bank of Kansas City President Esther George

The Federal Reserve System was created by Congress as the central bank of the United States. This System, which includes a balance of public and private elements, is designed to promote economic and financial stability for the country.

As one of the private elements of the System, the Federal Reserve Bank of Kansas City serves the public interest and, along with the 11 other Reserve Banks, operates under the supervision and control of a board of directors comprised of business and community leaders from its region. In addition, the Bank is subject to broad oversight, including budget approval, by the Board of Governors in Washington, D.C. In this way, the Federal Reserve's structure maintains a system of checks and balances similar to institutions of the U.S. government.

As president, I participate in each meeting of the Federal Reserve's Federal Open Market Committee (FOMC) and vote on a rotating basis with other Reserve Bank presidents. On the FOMC, I represent the interests of a vast seven-state region in monetary policy deliberations. My position as a regional Reserve Bank president was created as a means to ensure representative input from the entire country, not just Wall Street and Washington, is included in these discussions.

To ensure public confidence in the institution, the Bank's Code of Conduct holds all employees to a very high standard. It states that, "An employee should avoid any situation that might give rise to an actual conflict of interest or even the appearance of a conflict of interest." Because I recognize the significant public impact of my role in particular, I have chosen to voluntarily release my personal financial disclosure form to assure the public that I have no conflicts of interest. I am in full compliance with the Bank's Code of Conduct and have asked for no exceptions to this policy, which is available in its entirety on the Bank's public website.

I am responsible to the Bank, its directors and employees, and to the public we serve to avoid conduct that places personal gain above my duties to the Bank. I take this responsibility seriously as I believe that it is an honor to serve the Federal Reserve as the president of this Bank.

The Bank's Code of Conduct is available at
<http://www.kansascityfed.org/publicat/aboutus/Code-of-Conduct.pdf>.

The Bank's Disclosure of Records Policy is available at
<http://www.kansascityfed.org/publicat/aboutus/Disclosure-of-Records-Policy.pdf>