



Executive Summary:

The Board's Law Enforcement Unit Could Benefit From Enhanced Oversight and Controls to Ensure Compliance With Applicable Regulations and Policies

2014-AE-B-006

March 28, 2014

Purpose

The objective of this inspection was to assess the Law Enforcement Unit's (LEU) compliance with Board of Governors of the Federal Reserve System (Board) and LEU internal policies, procedures, and applicable regulations.

Background

The USA Patriot Act of 2001 granted the Board certain federal law enforcement authorities. The Board approved the *Uniform Regulations for Federal Reserve Law Enforcement Officers* on June 18, 2002, to establish basic uniform policies and procedures governing the exercise of federal law enforcement authority. Consistent with the Board's regulations, the LEU has adopted specific policies and procedures titled *General Orders*. The *Uniform Regulations for Federal Reserve Law Enforcement Officers* and the *General Orders* cover qualifications and standards, jurisdiction, cross-designation, training, authority to carry firearms, use of force, arrest powers, execution of searches, plain-clothes operations, internal oversight, and external oversight. The *Uniform Regulations for Federal Reserve Law Enforcement Officers* requires each Federal Reserve System law enforcement unit to establish an internal oversight committee (IOC) that will have inspection and evaluation responsibilities for the unit and designates the Board's Office of Inspector General to perform the external oversight function for the Board's LEU.

Findings

We found that the LEU could benefit from enhanced oversight and controls to ensure compliance with applicable Board regulations and LEU policies and procedures. Specifically, we found that the Board's IOC did not perform the required reviews of the LEU and that LEU management could not account for credentials and badges; did not confirm the assignment of credentials, badges, and firearms from inventory; and did not verify that instructors and officers met all training requirements. In addition, in some instances there was insufficient evidence that officers were eligible to possess firearms and understood the *Use of Force Policy* because the signed forms, which are required annually, were not available.

Recommendations

Our report contains 10 recommendations to improve the LEU's programs and operations. Our recommendations are designed to increase the frequency of the IOC's review of the LEU, improve the system for inventorying credentials and badges and establishing officer accountability for firearms, help ensure that instructors and officers satisfy training and recertification requirements, and ensure that a signed Use of Force Policy Review and Acknowledgement form and Statement of Eligibility to Possess Firearms form are obtained annually from all officers and are retained. In its response to a draft of our report, the Board concurred with our recommendations and noted that it is taking actions to implement them.

Access the full report: <http://www.federalreserve.gov/oig/files/Board-Law-Enforcement-Unit-Oversight-Controls-Mar2014.pdf>

For more information, contact the OIG at 202-973-5000 or visit <http://www.federalreserve.gov/oig>.