



Office of Inspector General

Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau

MEMORANDUM

DATE: March 30, 2026

TO: Distribution List

FROM: Andrew Gibson III 
Senior OIG Manager for Management and Operations
Office of Audits and Evaluations

SUBJECT: Conclusion of the Audit of the Board’s Gifts and Decorations and Nonfederally Sponsored Travel Programs

We are concluding our audit of the Board of Governors of the Federal Reserve System’s gifts and decorations and nonfederally sponsored travel programs.¹ Our objective was to assess the Board’s internal controls for approving, maintaining, and reporting gifts and decorations, as well as nonfederally sponsored travel. To accomplish our objective, we assessed controls for gifts from foreign governments and travel sponsored by foreign entities. After reviewing the results of our scoping effort, we did not identify any potential internal control concerns that warrant proceeding with fieldwork and further review.

Background

The Foreign Gifts and Decorations Act and Board policy allow the agency’s employees to accept certain gifts from foreign governments offered as a souvenir or mark of courtesy and approved decorations offered in recognition of outstanding performance. A foreign gift can include a tangible or intangible present received from a foreign government, and a decoration refers to an item like a medal or award received from a foreign government. Board employees may accept foreign gifts if the item’s value, or total value of items gifted at the same time, does not exceed a minimum value established by the U.S. General Services Administration and may not accept and retain decorations without prior approval of the Board’s administrative governor.²

Federal law and Board policy also permit nonfederally sponsored foreign travel in specific circumstances. Board employees may participate in their official capacities in programs sponsored by a foreign

¹ Nonfederally sponsored travel is travel in which an approved sponsor, not the Board, pays the travel costs.

² The minimum value threshold for foreign gifts must be redefined every 3 years to reflect changes in the consumer price index and is currently \$525 as of December 29, 2025.

government, foreign academic institution, or international organization when participating will further Board programs or operations. In those instances, the foreign entities may reimburse the Board for the employees' travel expenses. Board staff must submit nonfederally sponsored foreign travel requests through the Board's electronic travel system. The relevant employee's division director or designee provides an initial review of the suitability of the request and the Board's Ethics Office determines whether the sponsor of the travel is permissible.

Results of Scoping

Our audit scoping activities included determining the processes and controls related to the Board's management of foreign gifts, decorations, and nonfederally sponsored foreign travel. To address our audit objective, we interviewed Board personnel and reviewed Board policies and procedures to gain an understanding of the two programs and to identify controls relevant to our audit objective. We reviewed Board ethics guidance related to gifts and decorations provided to employees and senior officials, including the members of the Board of Governors;³ publicly reported foreign gifts above the minimum threshold reported by the Board; and foreign gift receipt forms submitted by Board members to the Office of the Secretary (OSEC) for review.⁴ We also tested all 185 nonfederally sponsored foreign trips involving Board employees from January 2024 to July 2025 to ensure compliance with agency policy.⁵

We found that the Board has implemented controls across several divisions to track foreign gifts received by its employees, assess the value of those items, determine the permissibility of those gifts, and report foreign gifts that exceed the minimum threshold to the U.S. Department of State. We also determined that the Board has implemented controls across several divisions to review, approve, and report nonfederally sponsored foreign travel involving foreign entities to the U.S. Office of Government Ethics. These controls include the Board's Ethics Office's review of the appropriateness of the foreign sponsor paying for the travel. For both programs, each division is aware of and understands its responsibilities. Our scoping effort did not identify any internal control concerns that warrant continuing the audit.

Foreign Gifts and Decorations

During our scoping efforts, we learned that Board staff must report and deposit foreign gifts received above the minimum threshold to OSEC within 60 days of receipt. However, as a matter of practice, Board members report foreign gifts received to OSEC regardless of the value of the underlying items. OSEC documents the foreign gift, assesses its permissibility, and signifies whether the gift is permissible. After that process, OSEC returns permissible gifts to the relevant Board member or keeps the item for future

³ Board members are the seven governors of the Board of Governors of the Federal Reserve System nominated by the president and confirmed by the United States Senate.

⁴ Government agencies must annually report foreign gifts received above the minimum threshold for the previous year to the U.S. Department of State for eventual publication in the Federal Register.

⁵ With regard to nonfederally sponsored foreign travel, our scoping effort in this audit assessed internal controls and compliance with applicable reporting and approval rules. We have separate, ongoing evaluations of the Board's insider risk management processes and its monitoring of foreign travel, which we expect to issue during the second quarter of 2026.

use. OSEC transfers impermissible gifts to the Board's property management group.⁶ Board employees may purchase gifts that OSEC has deemed impermissible for retail value after the Board reports the gift to the U.S. General Services Administration. We reviewed Board foreign gift intake forms and OSEC's permissibility analyses and found that the Board follows its policies and procedures, which are based on federal law.

Nonfederally Sponsored Foreign Travel

During our scoping efforts, we tested all 185 Board nonfederally sponsored foreign trips from January 2024 to July 2025 and found that expenses incurred for the trips complied with Board policy, including the type of airfare reserved⁷ and lodging per diem rates.⁸ The top destinations for nonfederally sponsored foreign travel by Board employees include Germany and the United Kingdom, each accounting for 13 percent of the trips in our sample.⁹ We also selected a judgmental sample of 10 nonfederally sponsored foreign trips with the highest lodging costs and confirmed that the trips had required approvals and submitted receipts that matched electronic travel system records.

Closing

We appreciate the support and assistance from OSEC, Ethics Office, Division of Management and Financial Services, and the other division employees we spoke with regarding the management of foreign gifts, decorations, and nonfederally sponsored foreign travel. This memorandum is provided for informational purposes, and a response is not required.

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⁶ We are considering future work to assess Board technical security measures, to include an assessment of security protocols for gifts and decorations received by Board members.

⁷ Board policy allows travelers to use business-class accommodations on flights of more than 10 hours. If an airline offers only first class or coach for flights exceeding that duration, travelers permitted to use business class can use first-class accommodations.

⁸ The Board pays the cost of lodging in a commercial hotel or motel for business travel. Any lodging costs over 150 percent of the lodging per diem rate established by the U.S. Department of State must receive prior approval from a division director or designee.

⁹ Other top 10 most frequent destinations for Board employees included Canada, France, Switzerland, Italy, Peru, Spain, Portugal, and the Netherlands.

Distribution:

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