Office of Inspector General
Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau

Executive Summary, 2026-MO-B-010R, July 15, 2026

The Board Needs a More Robust Insider Risk Management Program

Findings

The Board of Governors of the Federal Reserve System's insider risk management (IRM) activities do not proactively or effectively identify and manage risks to the agency's information and assets. The Board's IRM activities are not consistent with leading practices for designing and operating IRM programs. We also identified a maturity gap between the Board's IRM activities and a peer federal financial regulatory agency's IRM program. These weaknesses are further demonstrated by the Board's handling of recent potential insider risk incidents.

In addition, the Board lacks (1) a process to identify its critical assets, (2) a centralized IRM program to proactively identify and manage insider risks at an enterprise level, (3) procedures for the timely sharing of pertinent information internally and with the Federal Reserve System, (4) enterprise-level policies and procedures establishing consistent incident response and reporting practices, and (5) insider risk training requirements for all Board staff.

Recommendations

We have nine recommendations that will contribute to developing a more robust IRM program commensurate with the risks presented by the scope and breadth of the Board's activities as the nation's central bank. In its response to our draft report, the Board concurred with our recommendations and outlined actions to address each recommendation. We will follow up to ensure that the recommendations are fully addressed. Given the sensitivity of the information in our review, portions of the public version of this report have been redacted.

Purpose

We conducted this evaluation to assess the design and effectiveness of the Board's IRM activities. We evaluated the Board's governance and management of its activities to detect, deter, and mitigate insider risks, and assessed whether the Board's IRM activities align with leading practices. We also assessed the Board's and the System's information sharing and coordination on insider risk topics and incidents. We did not assess System IRM activities conducted by the Federal Reserve Banks.

Background

Given the Board's role as the nation's central bank and the Federal Open Market Committee's monetary policy activities, the Board must manage an evolving and dynamic set of internal and external risks to the System's operations. These risks include those presented by insiders and foreign adversaries that could degrade the effectiveness of the Board's operational activities and potentially harm the U.S. economy. To address the threat posed by insiders, entities in the U.S. government, academia, and the private sector have identified leading IRM practices that help to mitigate these risks.