



Office of Inspector General

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

MEMORANDUM

DATE: May 14, 2026

TO: Michelle A. Smith
Assistant to the Board, Chief of Staff, and Director, Division of Board Members
Board of Governors of the Federal Reserve System

Winona H. Varnon
Chief Operating Officer
Board of Governors of the Federal Reserve System

FROM: Michael VanHuysen 
Associate Inspector General for Audits and Evaluations

SUBJECT: OIG Management Alert Report 2026-MO-B-007R: *The Board Can Enhance Its Physical Security Protection Measures and Protective Intelligence Capabilities*

We initiated an evaluation of the Board of Governors of the Federal Reserve System’s Protective Services Unit (PSU) in August 2025 to fulfill our external oversight responsibilities as required by the *Uniform Regulations for Federal Reserve Law Enforcement Officers*. We assessed the PSU’s (1) protective intelligence process and its compliance with applicable procedures and (2) planning and preparedness for transitioning protection to a new chair.

As part of our scoping efforts, we determined that the Board can enhance certain physical security operations and online threat monitoring capabilities. We also found that the PSU lacked a plan to augment its resources and lacked formal, written procedures for transitioning protection to a new chair. We made nine recommendations to address these issues. Given the sensitivity of the information in our review, our full management alert report is restricted.

In its response to our draft report, the Board generally agreed with our recommendations and outlined actions that have been or will be taken to address them. We will follow up to ensure that the recommendations are fully addressed.