



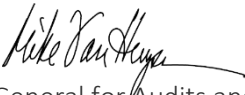
## Office of Inspector General

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

# MEMORANDUM

**DATE:** June 25, 2025

**TO:** Martin Michalosky  
Chief Administrative Officer  
Consumer Financial Protection Bureau

**FROM:** Michael VanHuysen   
Associate Inspector General for Audits and Evaluations  
Office of Audits and Evaluations

**SUBJECT:** OIG Memorandum Report 2025-MO-C-009: *The CFPB Can Improve Its Records Management Program*

## Executive Summary

The Consumer Financial Protection Bureau creates and maintains both permanent and temporary records in electronic and hard-copy format. Many of the CFPB's permanent records have a 15-year retention period; therefore, the earliest agency records, created when the agency began operating in 2011, are due for transfer to the National Archives and Records Administration (NARA) by December 31, 2026. We assessed the CFPB's records management program, including the agency's policies and procedures; responsibilities; and practices for creating, maintaining, and dispositioning records.

The CFPB's Records Management Office (RMO) developed a program to identify, classify, and schedule records and to establish principles, responsibilities, and requirements for managing records. Our scope focused on (1) the management and disposition of temporary and permanent records and (2) the overall management and implementation of the CFPB's records program. We assessed the CFPB's records management program as it was operating from May 2024 through January 2025.<sup>1</sup>

We found that the RMO is beginning to prepare agency divisions and offices for the required transfer of permanent records to NARA by December 31, 2026, and that the office should conduct routine formal evaluations to ensure that agency records are being effectively managed. We made four recommendations to improve the CFPB's records management program. In its response to our draft

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<sup>1</sup> We understand that since this time, there are ongoing legal proceedings and reduction-in-force actions that may affect the agency's records management program.

memorandum report, the CFPB concurs with our recommendations and outlines actions that will be taken to address them. We will follow up to ensure that the recommendations are addressed.

**Office of Inspector General**

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

Recommendations, 2025-MO-C-009, June 25, 2025

## The CFPB Can Improve Its Records Management Program

**Finding: The CFPB Is Beginning to Prepare for the Transfer of Permanent Records to NARA**

Number	Recommendation	Responsible office
1	Communicate to divisions and offices and RLOs general instructions, including an expected timeline, for transferring permanent records to NARA, and monitor their timely execution.	Office of the Chief Administrative Officer
2	Establish a routine formal records management evaluations process to ensure that agency records management activities comply with federal regulations.	Office of the Chief Administrative Officer
3	Establish a remediation process for instances of noncompliance identified during routine evaluations.	Office of the Chief Administrative Officer
4	Identify the resources needed to routinely complete records management evaluations.	Office of the Chief Administrative Officer

## Objective

Our objective was to assess the CFPB's records management policies, procedures, and practices, as well as relevant federal laws, regulations, and guidance.

## Background

A *federal record* is recorded information regardless of format, made or received by a federal agency under federal laws or in connection with the transaction of public business, that is preserved or appropriate for preservation by the agency for the informational value of the data in the record.<sup>2</sup> Federal agencies must establish and maintain an active, continuing program for the economical and efficient management of records. An effective records management program ensures that permanent federal government records are preserved and accessible, either at the agency or at NARA.<sup>3</sup>

Following the enactment of Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010, the CFPB was established in 2011 to regulate and enforce consumer financial protection laws. In the process of conducting that work, agency divisions and offices create and maintain federal records. The CFPB considers records created and maintained by its Division of Enforcement, Division of Supervision and Examination, Office of Consumer Response, and Office of the Director to be mission critical.

The CFPB creates and maintains both electronic and hard-copy records; according to agency personnel, at least 95 percent of agency records are electronic. The CFPB also creates and maintains both temporary and permanent records. *Temporary records* are records of short-term value that can be destroyed immediately or after meeting their transitory purpose. NARA considers *permanent records* to be worthy of preservation in the National Archives forever.

### ***The CFPB Records Management Program***

The CFPB created the RMO to develop a program to identify, classify, and schedule records and to establish principles, responsibilities, and requirements for managing records. The records officer (RO) in the RMO implements the records management program, creates and communicates records management policies and procedures agencywide, creates or revises records schedules, and ensures that records are managed according to their records schedules. The RO also provides records training to employees and oversees the CFPB's records liaison officer (RLO) program, which trains and certifies RLOs within CFPB divisions and offices.

The RMO was initially part of the Office of Administrative Operations. In 2019, the CFPB relocated the RMO to the Office of the Chief Data Officer, which is part of the Operations Division. The chief operating officer oversees the Operations Division and is the senior agency official for records management

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<sup>2</sup> 44 U.S.C. § 3301, Disposal of records.

<sup>3</sup> NARA is a federal agency whose mission is to preserve, protect, and share historical records of the United States to promote public inquiry.

purposes.<sup>4</sup> In 2025, the CFPB moved the records management program from the Operations Division back to the Office of Administrative Operations.

The RMO has established the following records management program policies, procedures, and guidance:

- *Records and Email Management Policy* (2017)—governs the CFPB’s management of federal records that it creates and receives.
- *Records Management* policy (2025)—establishes requirements and responsibilities for creating and preserving records.
- *Permanent Email Management and Electronic Records SOP* (2022)—establishes procedures for identifying, capturing, safeguarding, storing, and making permanent records more accessible for transfer to NARA.
- Permanent Records Assessment form (2025)—identifies records to be transferred to NARA.
- Records Information Management Self-Evaluation form (2022)—can help RLOs to assess the basic components of their division and office records management program.

## **CFPB Records and Life Cycle**

CFPB records follow a three-step life cycle: (1) creation and receipt, (2) maintenance, and (3) disposition.

### **Record Creation and Record Receipt**

A record is created when an employee or a contractor generates recorded information, regardless of form or characteristic, under federal laws or in connection with conducting public business. Records may also be received from sources outside the agency.

### **Record Maintenance**

*Record maintenance* includes any action to store, retrieve, and handle records. Most CFPB records are maintained electronically within CFPB division- and office-designated electronic records repositories. According to CFPB personnel, hard-copy records are stored in division and office storage rooms or, for temporary records only, at an offsite third-party storage facility.

### **Record Disposition**

*Record disposition* is the final action taken to destroy, transfer, or permanently preserve records, based on a NARA records schedule. Agencies must create NARA records schedules, which describe the record, establish a retention period, and provide instructions for what to do with the records when they are no longer needed for current government business. NARA approves agency-created records schedules, and the agencies update them annually.

The record disposition process typically begins when an RLO, who assists with implementing records management policies and procedures at the division and office level and liaises with the RMO, identifies

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<sup>4</sup> The senior agency official for records management ensures that the agency efficiently and appropriately complies with all applicable records management statutes, regulations, requirements, and NARA policies.

the records in their division and office that should be transferred, permanently preserved, or destroyed and notifies the RMO.<sup>5</sup> The RLO is guided by the division and office file plan, which describes what to maintain, how to maintain it, how to make records more accessible to agency employees, and how to properly disposition records when they are no longer needed.<sup>6</sup> Division and office file plans are created by the division and office based on NARA records schedules and are updated annually. The RMO, not the division and office, has the ultimate disposition authority.

Many of the CFPB's permanent records are scheduled with a 15-year retention period; therefore, the earliest agency records, created when the agency began operating in 2011, are due for transfer to NARA by December 31, 2026. Steps to prepare permanent records for transfer include, but are not limited to, RLOs identifying permanent records for transfer by completing the Permanent Records Assessment form, including relevant metadata,<sup>7</sup> and transferring the records to the RMO, which will in turn transfer the records to NARA.

## Finding: The CFPB Is Beginning to Prepare for the Transfer of Permanent Records to NARA

The CFPB is beginning to prepare for the transfer of permanent records to NARA by December 31, 2026. Specifically, some permanent records have already been prepared for transfer, but the RMO has not yet begun preparing most divisions and offices and their RLOs to transfer permanent records to NARA.

According to the *Permanent Email Management and Electronic Records SOP*, the RMO identifies permanent records for transfer through the Permanent Records Assessment form, which is completed by the division and office RLOs. This standard operating procedure also states that the RMO transfers eligible permanent records to NARA according to the record retention schedule.<sup>8</sup>

Although the CFPB is preparing to transfer records to NARA, the RMO has not yet completed the following records management oversight functions:

**Communicating transfer instructions and timeline:** The RMO acknowledged that it has not yet communicated general instructions or a transfer timeline to the RLOs or divisions and offices. The RLOs we interviewed stated that they did not understand the process to help their division and office prepare for the eventual transfer. For example, RLOs representing two different divisions shared that they were waiting to receive instructions from the RMO before beginning transfer preparations. While some

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<sup>5</sup> Division managers designate division employees to serve as RLOs. RLOs perform records management responsibilities as a secondary duty to their primary job responsibilities. In addition, RLOs must pass a records examination biennially to remain certified.

<sup>6</sup> The annual file plan form informs the RMO of any changes to the permanent and temporary records in the custody of a division and office. This form must be completed annually. The form includes the record series title, record description, type of record, justification for retention modification, current retention, proposed retention, record location, and justification for removal.

<sup>7</sup> *Metadata* describe the record and its location so that the record is easier to retrieve and use.

<sup>8</sup> A *record retention schedule* identifies records created and maintained by an agency. It lists the type of records (record series) created, received, and used by the agency, along with information on how long to keep the records before destroying them. The RMO creates the record retention schedule for the CFPB.

transfer processes have already been implemented, an RMO employee noted that the office plans to update the Permanent Records Assessment form to help divisions and RLOs identify records for transfer to NARA and to increase RLO and division and office awareness of permanent records transfer processes.

**Conducting routine evaluations:** The RMO had not conducted routine formal evaluations of its records management program as required by federal regulations because, according to officials, the RMO's staffing level has decreased over time.<sup>9</sup> Given resource limitations, an RMO employee stated that the office instead provides the RLOs with the Records Information Management Self-Evaluation form, which helps RLOs determine how well their division and office is meeting records requirements. While the self-evaluation form may be a useful resource, RLOs are not required to complete it. Routine records management evaluations in the form of a report with corrective actions for follow-up and review will allow the RMO to identify instances of noncompliance to reduce the risk of records mismanagement. Further, lessons learned from completed evaluations could be shared with RLOs to help them to address or mitigate any similar records management concerns in their division and office. Routine evaluations can assist the RMO in addressing compliance issues, such as preparing for the timely transfer of permanent records, among many other records management requirements.

Permanent federal records are important because they support accountability and preserve the legacy of government actions for future generations. If the RMO does not communicate to RLOs permanent records transfer instructions and an expected transfer timeline and does not finalize agency records forms that support the identification and preparation of permanent records, the agency will not be ready for the scheduled transfer of CFPB permanent records by December 31, 2026. In addition, routine evaluations can help mitigate any risks of records mishandling and program inefficiencies.

## ***Management Actions Taken***

We acknowledge the RMO's efforts to ensure that it takes the necessary steps to transfer permanent records to NARA timely. The RMO has begun to discuss with the RLOs procedures for transferring permanent records to NARA and has finalized updates to the Permanent Records Assessment form, which will enable divisions and offices to readily and thoroughly execute the steps for transferring records to NARA.

## ***Recommendations***

We recommend that the chief administrative officer (CAO), in coordination with the chief operating officer,

1. Communicate to divisions and offices and RLOs general instructions, including an expected timeline, for transferring permanent records to NARA, and monitor their timely execution.
2. Establish a routine formal records management evaluations process to ensure that agency records management activities comply with federal regulations.

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<sup>9</sup> According to the *Code of Federal Regulations*, federal agencies are required to conduct formal evaluations to measure the effectiveness of their records management programs and practices and to ensure compliance with NARA regulations. 36 C.F.R. § 1220.34(j).

3. Establish a remediation process for instances of noncompliance identified during routine evaluations.
4. Identify the resources needed to routinely complete records management evaluations.

## **Management Response**

In response to our draft report, the CAO concurs with our recommendations. In response to recommendation 1, the CAO states that the CFPB will create a comprehensive communications plan that outlines expectations and provides guidance and timelines for preparing records for transfer to NARA; these corrective actions will be taken by the second quarter of 2026.

In response to recommendation 2, the CAO states that the CFPB will implement a biennial records management evaluation process by the third quarter of 2027.

In response to recommendation 3, the CAO states that the CFPB will include a remediation process for noncompliance that would include roles and responsibilities and ensure accountability; these corrective actions will be taken by the third quarter of 2026.

In response to recommendation 4, the CAO states that the CFPB will collaborate with the director's office and other leaders by the second quarter of 2026 to ensure that legally required work will continue.

## **OIG Comment**

The planned actions described by the CAO appear to be responsive to our recommendations. We will follow up to ensure that the recommendations are fully addressed.

## **Scope and Methodology**

We developed an understanding of the CFPB's records management organizational structure. We interviewed CFPB records personnel, division and office records managers, and RLOs to understand their roles and responsibilities for creating, maintaining, and dispositioning records. We also interviewed a NARA inspection team to understand the approach the team used to conduct the February 2022 *Management of Permanent Regulatory Records: Multi-Agency Inspection Report*, which includes inspection results for the CFPB's records management program.

We reviewed 18 Records Information Management Self-Evaluation forms completed by 8 division and office RLOs and judgmentally selected 10 RLOs from different divisions and offices for interviews to obtain an understanding of their records management responsibilities at the division and office level. We also reviewed internal documents, such as policies, procedures, guidance, forms, records schedules, file plans, training presentations, and the record information management strategic plan to understand internal controls related to creating, maintaining, and dispositioning records.

We conducted our fieldwork from November 2024 through April 2025; however, the focus of our evaluation was on the CFPB's records management program as it was operating from May 2024 through January 2025, by which time we had substantially completed our fieldwork efforts. We understand that since this time, there are ongoing legal proceedings that may relate to the agency's records management



program. We completed this evaluation in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

## Conclusion

We have completed our report on the subject evaluation. We conducted this evaluation to assess the CFPB's records management policies, procedures, and practices, as well as relevant federal laws, regulations, and guidance.

We provided you with a draft of our memorandum report for review and comment. In your response, you concur with our recommendations and outline actions that will be taken to address them. We have included your response as an attachment to our report.

We appreciate the cooperation we received from the RMO and division and office RLOs during our evaluation. Please contact me if you would like to discuss this memorandum report or any related issues.

### Attachment

cc: Adam Martinez  
Jean Chang  
Mark Paoletta  
Daniel Shapiro  
Richard Austin  
Mark Beaudette

**Attachment**

## Management Response



1700 G Street NW, Washington, D.C. 20552  
(855) 411-2372

June 17, 2025

Michael VanHuysen  
Associate Inspector General for Audits and Evaluations  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Dear Mr. VanHuysen,

Thank you for the opportunity to review and comment on the Office of Inspector General's (OIG) Draft Memorandum Report: *The CFPB Can Improve Its Records Management Program*. The Bureau appreciates the time and effort that the OIG put into its evaluation, observations, findings, and recommendations. We have reviewed the report and specifically your observations regarding improvements that should be made to the CFPB's Records Management Program. Enclosed with this letter, please find our concurrence and responses to the specific recommendations found in the report.

The CFPB is committed to improving records management program, and we will use your report to do so. Again, thank you for your review and the opportunity to provide comments on this report.

Sincerely,

**MARTIN**

**MICHALOSKY**

Martin Michalosky  
Chief Administrative Officer

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Enclosure

[consumerfinance.gov](https://consumerfinance.gov)

**Enclosure: Responses to Specific Recommendations**

- 1. Communicate to divisions/offices and RLOs general instructions, including an expected timeline, for transferring permanent records to NARA, and monitoring their timely execution.**

Response: Concur. Timeline – Fiscal Year 2026, 2<sup>nd</sup> Quarter.

The CFPB intends to create a comprehensive communications plan that outlines the expectations for RLOs and resource management officers, guidance on preparing records for transfer to NARA, and timelines in accordance with NARA's transfer guidance and 36 CFR Parts 1235 and 1236 on the transfer of permanent records.

- 2. Establish a routine formal records management evaluations process to ensure that agency records management activities comply with federal regulations.**

Response: Concur. Timeline – Draft process by Fiscal Year 2026, 3<sup>rd</sup> Quarter; Implementation by Fiscal Year 2027, 3<sup>rd</sup> Quarter.

As part of NARA's annual reporting requirements, the CFPB reviews its records management program each year and submits three separate reports (e.g., Senior Agency Official for Records Management Annual Report, the Records Management Self-Assessment, and the Federal Electronic Records and Email Management Report) to NARA. Along with these reports, the CFPB intends to implement a records management evaluation process that occurs on a biennial basis. This process will solicit input from internal stakeholders across the CFPB to evaluate the records management program for efficient procedures, properly handling of records, and compliance with established requirements.

- 3. Establish a remediation process for instances of noncompliance identified during routine evaluations.**

Response: Concur. Timeline – Fiscal Year 2026, 3<sup>rd</sup> Quarter.

As described in the above response regarding the evaluations process, the CFPB intends to include a remediation process for noncompliance that would include roles and responsibilities and ensure accountability. CFPB understands that this process should be in collaboration with senior leaders across all divisions.

**Enclosure: Responses to Specific Recommendations**

**4. Identify the resources needed to routinely complete records management evaluations.**

Response: Concur. Timeline – Fiscal Year 2026, 2<sup>nd</sup> Quarter.

CFPB will collaborate with the Director's Office and other leadership to ensure that legally-required work will continue in the future.