

Inspection of the Board's Protective Services Unit

The USA Patriot Act of 2001, Public Law 107-56 (October 26, 2001), granted the Board of Governors of the Federal Reserve System (Board) certain federal law enforcement authorities. To implement these authorities, the Board promulgated the *Uniform Regulations for Federal Reserve Law Enforcement Officers* (Uniform Regulations) in 2002. The Uniform Regulations apply to (1) the Law Enforcement Unit, which safeguards Board-designated property and personnel, and (2) the Protective Services Unit (PSU), which provides physical security for the Board's Chairman 24 hours a day, 7 days a week. In addition, the Uniform Regulations designated two oversight entities for these units: the Internal Oversight Committee (IOC), which has inspection and evaluation responsibilities for the Board's Law Enforcement Unit and PSU, and the Board's Office of Inspector General, the External Oversight Function responsible for reviewing and evaluating the Board's law enforcement programs and operations. We performed this inspection of the Board's PSU as part of our external oversight responsibilities.

The objective of this inspection was to provide reasonable assurance that the PSU's operations comply with applicable laws, regulations, and internal policies and procedures, and align with law enforcement best practices. To accomplish our objective, we interviewed Board officials and PSU management and staff, performed a comprehensive inventory of weapons and ammunition, reviewed training and personnel records, assessed the PSU's policies and procedures, verified relevant qualifications and certifications of staff, and reviewed documentation regarding each agent's accountable property, among other activities.

Overall, we found that the PSU generally complies with the Uniform Regulations, Board and PSU internal policies and procedures, and applicable laws. Notwithstanding the PSU's general compliance with applicable guidance, our inspection found opportunities to improve internal controls that resulted in six recommendations. We presented the inspection results to the Assistant to the Board and the Special Agent in Charge of PSU, who concurred with our findings and agreed to implement our recommendations. Due to the sensitive nature of the PSU's function, the report will not be posted to the public website.