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The Federal Reserve's procedures for locking up market-moving information look pretty leaky, according to a working paper by three economists at Singapore Management University

Analyzing high frequency data from the late 1990s through June 2013, the researchers found "robust evidence of informed trading" during the period when members of the news media have access to sensitive Fed monetary policy releases but before they are made public. "In particular, we document the presence of significant abnormal price run-ups and order imbalances that are in the direction of the subsequent policy surprises, " the authors write.

Under what's known as a lock up, reporters are given early access by the Fed and other government agencies to sensitive policy statements and economic data on an embargoed basis. The reporters then have a defined period to write their reports. When the embargo lifts, reporters are allowed to publish their stories at the same time the information is released to the general public. The system aims to give reporters the time necessary to digest complex reports and, hopefully, produce more accurate stories.

Market-moving Fed statements have included announcements that the central bank's policy making Federal Open Market Committee would raise or lower interest rates, or start a bond-buying program.

The authors Gennaro Bernile, Jianfeng Hu and Yuehua Tang concluded their results "raise serious questions about the appropriateness of FOMC policy announcements' embargoes," either because information seems to be leaking directly from reporters or from other Fed insiders during the embargo period.

The paper's findings could add fuel to discussions within the White House and government agencies about whether to make significant changes to procedures for releasing market-moving information. Those conversations are being driven in part by unease about the ability of high-speed trading firms to act on sensitive data before other investors can, the Wall Street Journal has reported.

The Fed made several changes to its lockup procedures in October 2013 to tighten security amid concerns that high-frequency traders were getting faster access to Fed releases than other investors. Among them, the Fed took away reporters' telephones and cut off their Internet access while in the lockup, preventing them from communicating with outsiders.

A Fed spokesman said Tuesday, "The Federal Reserve in October 2013 enhanced its media release security procedures to incorporate additional controls in order to better protect the information against premature release. We review our processes and controls on an ongoing basis and make adjustments as necessary to address any issues."

The researchers found no abnormal trading activity occurring before reporters received the Fed statements under embargo. And no evidence of "informed trading" immediately prior to the release of market-moving data on jobs, inflation and economic growth released under embargo by the Labor Department and Commerce Department.

The paper was posted Tuesday as a working paper on the Social Science Research Network website and was first reported by Bloomberg Businessweek.

The papers' authors looked at a 30-minute period before the public release of the Fed statements, and then examined that period in three 10-minute windows. They found the suspicious activity occurred in the 20 minutes prior to the embargo being lifted -- with most of the suspect trading happening in the final 10 minutes for three of the exchange-traded funds they examined.

The Fed has used different lockup periods over time. Before the 2008 financial crisis, reporters received the Fed's policy statement five minutes before the embargo lifted. During the crisis, that window was lengthened to approximately 10 minutes. In October 2013, the Fed extended the time to 20 minutes.