

November 5, 2021



Dear Chairman Brown and Ranking Member Toomey:

The undersigned organizations oppose the nomination of Saule Omarova to head the Office of the Comptroller of the Currency (OCC).

Omarova will undoubtedly expand the size, scope, and authority of the OCC to the limit. There is also no question that she will advocate for instituting a cultural shift in the banking industry that will drive private financial institutions out of business and centralize all financial power with the federal government, all in the name of “equity.”

If Omarova is confirmed to the position, she will be able to serve a five-year term as comptroller of the currency. As comptroller, Omarova would head the [bureau](#) that “charters, regulates, and supervises all national banks, federal savings associations, and federal branches and agencies of foreign banks.”

As you are aware, Omarova is a Cornell University law professor who graduated from Moscow State University and is a recipient of the Lenin Personal Academic Scholarship.

On her [resume](#), Omarova states that she was a senior fellow at the Berggruen Institute from 2020-2021. The think tank was founded by Nicholas Bergguren, a [self-proclaimed Marxist](#), and has a history of [promoting](#) Chinese communist propaganda in the news. Fox Business also [reported](#) that Omarova appears to have joined a Facebook group called *Marxist Analysis and Policy*. The [group](#) describes itself as “a platform for analysis, policy and polemics from the perspectives of a diverse range of Socialist and anti-capitalist views.”

What is most concerning about Omarova is that she would use her role to push “equity” policies that increase the federal government’s footprint in the market. Most



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notably, Omarova has advocated for the Federal Reserve to provide deposits and lending for individuals in the country—crowding out any private banking opportunities in the United States. Omarova has explicitly [stated](#) her support for replacing private bank deposits with the Federal Reserve in the name of “equity.” Omarova says that, “the ultimate ‘end-state’” in her writing is where “FedAccounts fully replace—rather than compete with—private bank deposits.” This would be a total overhaul of the banking system in the United States, effectively eliminating all free market competition in the banking system.

Consolidating all deposits under the aegis of the Federal Reserve would be devastating for community banks. The Federal Deposit Insurance Corporation (FDIC) [pointed out](#) that in 2019 on average 84 percent of community banks’ assets were funded with deposits. Omarova would effectively eliminate the main source of financing for small businesses and rural communities while Wall Street banks would continue to thrive off underwriting fees, M&A, and securities trading.

Omarova also harbors resentment toward the banking industry she has been tapped to regulate. In a CBC produced [documentary](#) entitled, *Assholes: A Theory*, Omarova expresses her bias toward the private banking industry. Omarova describes the financial services industry as “a quintessential asshole industry” with the goal of making “certain types of asshole behavior systemically unprofitable” so that this “behavior will naturally kind of fall away.” This explicit bias against the industry by itself should make her unqualified for the position she has been nominated for.

Additionally, Omarova has advocated for increased centralization of the American economy. In a [2016 paper](#) she co-authored, Omarova states her belief that the federal government of the United States is best suited to regulate prices of commodities such as “fuels, foodstuffs, and some other raw materials” and “wage or salary indices.” These “systemically important prices and indexes,” in her opinion, are the key to promoting financial market stability. This radical proposal would convey

unprecedented authority to federal financial regulators to the extent that the financial markets in the United States would be totally controlled by the federal government.

Omarova is not shy about expanding the size of the federal government. For example, in an [article](#) she wrote in April of 2020, Omarova stated the need for a new permanent federal agency to bail out companies during crises. Omarova states that “having a permanent institutional platform for coordinating the national crisis response, including bailouts of private companies, would help to ensure that these emergency measures are executed in an efficient, transparent, and democratically accountable, and socially just manner.” Omarova calls this agency the National Investment Authority. She envisions this new centralized investment juggernaut to “act directly in financial markets as a lender, guarantor, securitizer, and venture capitalist with a broad mandate to mobilize, amplify, and direct public and private capital to where it’s needed most.” So, the federal government gets to decide where capital should be allocated, not private banks who have actual shareholders that will hold them accountable.

Omarova is also critical of cryptocurrencies. In an [article](#) Omarova wrote for the Harvard Law School Forum on Corporate Governance, she claims that cryptocurrencies contribute to financial instability, fail to produce “activity in the real economy,” and “fuel financial speculation on an unprecedented scale.” In light of her opinions on cryptocurrencies, it is unlikely that Omarova would be supportive of potential proposals to engender greater collaboration or partnerships between fintechs and national banks. She would also likely support the development of a central bank digital currency to crowd out private tokens and push all crypto innovation out of the United States.

Senators should oppose Omarova and vote against her nomination to serve as the head of the OCC. The Senate needs to avoid confirming someone to the helm of the OCC that will overhaul the national banking system to reflect that of a totalitarian regime.

Sincerely,

Grover Norquist
President, Americans for Tax Reform

Thomas Jones
Founder, American Accountability Foundation

Dick Patten
President, American Business Defense Council

Phil Kerpen
President, American Commitment

Ryan Ellis
President, Center for a Free Economy

Andrew F. Quinlan
President, Center for Freedom and Prosperity

Jeffrey Mazzella
President, Center for Individual Freedom

David M. McIntosh
President, Club for Growth

John Berlau
Senior Fellow, Competitive Enterprise Institute

Katie McAuliffe
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Carrie Lukas
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Heather R. Higgins
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Andrew Langer
President, Institute for Liberty

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Tom Hebert
Executive Director, Open Competition Center

Bryan Bashur
Executive Director, Shareholder Advocacy Forum

Jim Martin
Founder/Chairman, 60 Plus Association

Saulius "Saul" Anuzis,
President, 60 Plus Association

David Williams
President, Taxpayers Protection Alliance