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April 13, 2022

The Honorable Martin Gruenberg Acting Chairman Federal Deposit Insurance Corporation 550 17th Street, NW Washington, D.C. 20429

Dear Acting Chairman Gruenberg:

We have become aware of troubling allegations regarding the past culture and practices of the Federal Deposit Insurance Corporation (FDIC). On September 17, 2018, a group of African American employees wrote to former Chairman Jelena McWilliams to express their concerns about the FDIC's culture over the prior fourteen years. For more than half of that time, the FDIC was under your leadership as chairman or acting chairman. Chairman McWilliams corrected and improved the agency's culture in significant ways, but it is essential we understand how the agency functioned prior to changes she implemented in order to prevent a reoccurrence, particularly now that you are again serving as acting chairman.

The 2018 letter expressed concerns about the agency's culture and actions following the 2004 expiration of a consent decree resulting from a class-action lawsuit brought by African American FDIC employees alleging racial discrimination at the agency. Among other things, the letter stated "[n]ow that the FDIC is not being watched by the courts, it continues to discriminate in hiring" and warned that the FDIC's culture made African American employees "afraid to speak out about the issues they are facing for fear of repercussions."

Chairman McWilliams successfully changed the environment at the FDIC before she was forced out of office by the unprecedented and improper seizure of her lawful authority by you and Consumer Financial Protection Bureau Director Rohit Chopra. Her actions as FDIC Chairman included launching programs to improve recruitment and hiring, support first generation professionals in the workplace, develop the next generation of leaders, and more. Her changes to the FDIC's practices increased representation of minorities across the FDIC workforce and put more minorities and women in management-level positions. 4

To ensure the FDIC does not revert back to a toxic workplace, we must better understand how such problems arose in the first place. As Members of Congress, we are particularly concerned that a climate of fear or intimidation at the FDIC would interfere with the rights of government

<sup>4</sup> *Id*.

<sup>&</sup>lt;sup>1</sup> Letter from African-American FDIC Employees to FDIC Chairman Jelena McWilliams (Sept. 17, 2018).

 $<sup>^{2}</sup>$  *Id.* at 1, 3.

<sup>&</sup>lt;sup>3</sup> *Id*.

employees to serve as Congressional whistleblowers and inform Congress of discrimination or other abuses taking place at the agency. Accordingly, we request that you provide the following records by no later than April 26, 2022:

- 1. All records<sup>5</sup> relating to complaints, investigations, reports, and other allegations of hostile, aggressive, inappropriate, improper, retaliatory, discriminatory, or prohibited actions or behavior by senior officials of the FDIC from November 26, 2004 through September 17, 2018; and
- 2. All records of corrective or disciplinary actions, settlements, and other responses to or resolutions of such complaints, investigations, reports, and other allegations.

Thank you for your attention to this matter.

Sincerely,

Pat Toomey

U.S. Senator

Tim Scott

U.S. Senator

cc: The Honorable Sherrod Brown, Chairman, Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Rohit Chopra, Director, Consumer Financial Protection Bureau Michael Hsu, Acting Comptroller of the Currency, Office of the Comptroller of the Currency

<sup>&</sup>lt;sup>5</sup> The term "records" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded or preserved, and whether original or copy.