

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

March 28, 2014

The Honorable Jeb Hensarling
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

We write to respectfully request the cancellation of the upcoming Oversight and Investigations Subcommittee hearing entitled "Allegations of Discrimination and Retaliation within the Consumer Financial Protection Bureau (CFPB)," scheduled to convene on April 2, 2014.

We are very concerned with claims of discrimination at the CFPB and have requested that the Inspector General investigate those allegations, as well as personnel practices within all federal financial agencies. However, we take exception with the unorthodox manner in which the upcoming hearing was empaneled and organized. Initially, the hearing was presented to us as a sincere inquiry into the claims outlined in the March 6, 2014 *American Banker* article entitled "CFPB Staff Evaluations Show Sharp Racial Disparities." It appears now that the hearing will focus exclusively on an individual employee's claim, which our understanding is the subject of a confidential and on-going grievance resolution process, and a discussion of which jeopardizes the disclosure of the privacy of other CFPB employees. While we welcome a thorough investigation of discriminatory personnel practices within our financial regulatory agencies, we are troubled that this hearing is delving into the specifics of an individual, unresolved matter. Further, it now appears to have taken on a more political motivation, to further disparage the CFPB, than out of genuine concern for the professional advancement of women and minorities.

As the original co-authors of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank), our longstanding advocacy for greater diversity and inclusion within the financial services industry is unassailable. Section 342 established at most of the federal financial regulatory agencies an Office of Minority and Women Inclusion charged with promoting diversity in management, employment, and business activities. Since enactment of Dodd-Frank, we've hosted a series of roundtable discussions and forums during which we've invited the OMWI Directors from each of the agencies to provide updates on any progress or obstacles they've encountered in their efforts to fully implement the law.

Unfortunately, despite the OMWI's statutory mandate, we've noted Government Accountability Office (GAO) findings released last year, as well as statistics from the latest OMWI Annual Reports, that management-level representation of minorities and women among federal financial agencies and Federal Reserve Banks has not changed substantially from 2007 through 2011. And although the Subcommittee's investigation appears to focus only on the CFPB's personnel practices, GAO statistics suggest internal disparities impeding professional advancement of women and minorities may be endemic among all financial regulators.

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It is for this reason, that the Oversight and Investigations Subcommittee Democrats requested an official review of not only the personnel practices within the CFPB, but also the Treasury Department, the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), the Securities and Exchange Commission (SEC), the Federal Housing Finance Agency (FHFA), and the National Credit Union Administration (NCUA).

Prior to the abrupt change in the tone and scope of the upcoming hearing, we were fully prepared to participate and examine this serious issue. We looked forward to the Subcommittee's ongoing investigation into discrimination as it opened, in our view, additional inquiry into diversity and inclusion among all financial regulators and the financial services industry. However, as a result of the Subcommittee's decision to focus on an individual, whose claims are the subject of an open investigation, the CFPB and the National Treasury Union (NTEU) have declined to participate. And thus a more fruitful discussion of the CFPB's general personnel practices has been dismissed in exchange for Congressional adjudication of a single issue.

It is our hope that in cancelling the hearing, you will instead commit to working in a bipartisan manner to fully investigate potential discrimination, as well as efforts to achieve equality of opportunity within all federal agencies, as well as the various industries within our committee's jurisdiction. It is only under a careful and intentional Committee investigation that we may begin to unravel these disparities and identify workable solutions to achieve our shared goals.

Sincerely,



The Honorable Maxine Waters
Ranking Member
Committee on Financial Services



The Honorable Al Green
Ranking Member
Subcommittee on Oversight & Investigations