

MEMORANDUM

To: Members of the Committee on Financial Services

From: Financial Services Majority Staff

Date: June 7, 2024

Re: June 12, 2024, Full Committee Hearing Entitled “Oversight of the FDIC's Failed Leadership and Toxic Workplace Culture.”

On Wednesday June 12, 2024, at 10:00 a.m., the House Committee on Financial Services (Committee) will hold a hearing in Room 2128 Rayburn House Office Building entitled “Oversight of the FDIC's Failed Leadership and Toxic Workplace Culture.” Testifying at the hearing will be:

- Mr. Michael Hsu, Co-Chair, Special Committee of the Federal Deposit Insurance Corporation
- The Honorable Jonathan McKernan, Co-Chair, Special Committee of the Federal Deposit Insurance Corporation
- Mr. Joon H. Kim, Partner, Cleary Gottlieb Steen & Hamilton LLP
- Ms. Abena Mainoo, Partner, Cleary Gottlieb Steen & Hamilton LLP

This hearing will examine the independent, third-party report conducted by Cleary Gottlieb Steen & Hamilton LLP (Cleary Gottlieb), overseen by the Federal Deposit Insurance Corporation’s (FDIC) Special Committee. The Committee will additionally review the findings and recommendations of the report and the FDIC’s approach to addressing the toxic workplace culture found at the agency.

Background

In November 2023, the *Wall Street Journal* published multiple articles detailing pervasive harassment and misconduct at the FDIC, from field offices to the Chairman’s office. Following the reports, the FDIC created a Special Committee to oversee an independent review of the agency’s workplace culture.¹ On May 7, 2024, the FDIC publicly released Cleary Gottlieb’s report on the agency. The Committee is investigating the misconduct and toxic work environment at the FDIC and its impact on the agency’s ability to carry out its statutory duty of ensuring the safety and soundness of the banking system.

¹ Press Release, Fed. Deposit Insurance Corp., FDIC Board of Directors Establishes Special Committee to Oversee Independent Review of Agency Culture (Nov.21, 2023), <https://www.fdic.gov/news/press-releases/2023/pr23093.html>.