

MEMORANDUM

To: Members of the Committee on Financial Services

From: Committee Staff

Date: March 3, 2023

Re: March 8, 2023 Subcommittee on Oversight & Investigations Hearing Entitled “Holding the Biden Administration Accountable for Wasteful Spending and Regulatory Overreach”

On Wednesday, March 8, 2023, at 2:00 p.m. in Room 2128 of the Rayburn House Office Building, the Financial Services Committee will hold a hearing entitled “Holding the Biden Administration Accountable for Wasteful Spending and Regulatory Overreach.” This will be a one-panel hearing with the following witnesses:

- The Honorable Mark Bialek, Inspector General, Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau
- The Honorable Richard Delmar, Deputy Inspector General, Department of Treasury Office of the Inspector General
- The Honorable Rebecca Sharek, Deputy Inspector General for Audits and Evaluations, U.S. Securities and Exchange Commission Office of Inspector General

The hearing will examine the Federal Reserve System, the Consumer Financial Protection Bureau, the Department of Treasury, and the Securities and Exchange Commission’s performance as regulators of the financial services industry. In addition, the Subcommittee will discuss oversight and regulation of pandemic relief programs codified through the CARES Act and American Rescue Plan Act.

Office of Inspector General for the Board of Governors of the Federal Reserve and Consumer Financial Protection Bureau

The Office of Inspector General (OIG) for the Board of Governors of the Federal Reserve System (Board or Federal Reserve) was established under the Inspector General Act of 1978¹, and assumed duties to oversee the Consumer Financial Protection Bureau (CFPB) through the Dodd-Frank Act in 2010.² The OIG is tasked with providing oversight of these two entities by conducting audits, investigations, and other reviews related to the programs and operations of both the Board and the CFPB. This includes making recommendations for improvement,

¹ The Inspector General Act, Pub. L. 96-452 (1978, as amended).

² Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-103 § 1081(2), (2010).

preventing waste, fraud, and abuse, and reporting these findings to Congress. The Inspector General is appointed by the Chairman of the Board of Governors.³ Mr. Mark Bialek has served as the Board and CFPB IG since July 25, 2011.

U.S. Securities and Exchange Commission Office of Inspector General

The Securities and Exchange Commission's Office of Inspector General (SEC OIG) was established by the Inspector General Act Amendments of 1988, which expanded the Inspector General Act of 1978.⁴ This expansion distinguished Presidentially appointed and Agency appointed IGs. As prescribed by the 1988 Act, it is the duty of the Chairman of the SEC to appoint an IG for the agency, the appointment is then brought to the full Commission for a vote.⁵ The SEC's last appointed Inspector General was Mr. Carl Hoecker, who retired on May 7, 2022.⁶ Currently, the Acting Inspector General is Ms. Helen Albert, who assumed the role on December 8, 2022.

U.S. Department of Treasury Office of Inspector General

The Department of Treasury's Office of Inspector General (Treasury OIG) was established under the Inspector General Act Amendments of 1988.⁷ Unlike the Board and CFPB IG and the SEC IG, the Treasury IG must be appointed by the President and receive Senate confirmation. The Treasury IG chairs the Council of Inspectors General on Financial Oversight (CIGFO).⁸ CIGFO prepares annual reports to the Financial Stability Oversight Council (FSOC) and Congress on its evaluations of the FSOC. The Treasury OIG is responsible for overseeing problems and deficiencies related to the administration of Department programs and operations. Mr. Richard Delmar serves as the Deputy Inspector General.

³ *supra*, note 1, at §8G(c).

⁴ The Inspector General Act Amendments of 1988, Pub. L. 100-504.

⁵ *Id.*

⁶ Press Release, U.S. Securities and Exchange Comm'n, *Inspector General Carl W. Hoecker to Retire from SEC*, 2022-71 (Apr. 27, 2022), <https://www.sec.gov/news/press-release/2022-71>.

⁷ The Inspector General Act Amendments of 1988, Pub. L. 100-504.

⁸ The Council is composed of Inspectors General of the following: The Board of Governors of the Federal Reserve System; The Commodity Futures Trading Commission; The Department of Housing and Urban Development; The Department of the Treasury; The Federal Deposit Insurance Corporation; The Federal Housing Finance Agency; The National Credit Union Administration; The Securities and Exchange Commission; and The Troubled Asset Relief Program.