

**Congress of the United States**  
**Washington, DC 20515**

April 17, 2017

The Honorable Janet Yellen, Chair  
Board of Governors  
Federal Reserve System  
20<sup>th</sup> Street and Constitution Ave., NY  
Washington, D.C. 20551

The Honorable Margaret Lewis, Chair  
Federal Reserve Bank of Richmond  
Board of Directors  
Post Office Box 27622  
Richmond, VA 23261

Dear Chair Yellen and Lewis:

Thank you for your February 2017 letters affirming your shared commitment to identify a diverse pool of qualified candidates in your search for the next president of the Federal Reserve Bank of Richmond. Although we appreciate your assurances, we remain concerned that the search process may fall short in ensuring that candidates with diverse personal and professional viewpoints, including individuals from labor, community and academic backgrounds, are given due consideration.

With the notable exception of Dr. Raphael Bostic—whose wealth of experience and research on inequality and economic opportunity made him an outstanding choice to lead the Federal Reserve Bank of Atlanta—too often, individuals with strong Wall Street ties have been selected to lead the Reserve Banks in recent years. In point of fact, one quarter of the current Reserve Bank presidents are alumni of Goldman Sachs.

In addition to the presidents with strong personal ties to the financial sector, banking and corporate sector interests overwhelmingly dominate the Federal Reserve Bank boards. If presidents whose interests align with that of the public are to be selected, more intentional efforts must be undertaken. Among the directors at each of the 12 Federal Reserve banks, 39 percent are from financial sector backgrounds and 42 percent are from business backgrounds. Directors with labor backgrounds comprise only 4 percent, and individuals from academic and non-profit backgrounds each comprise 7 percent.

Moreover, the recent revelation that President Lacker was involved in a 2012 leak of confidential information to a financial intelligence firm underscores the need for more to be done to select candidates who demonstrate an unwavering commitment to advancing the interests of the public rather than private industry.

While we were pleased that the job profile published by the executive search firm engaged by the Federal Reserve Bank of Richmond to assist in conducting its presidential search appropriately states that the ideal candidate will “promot[e] the public interest,” demonstrate an “independence of views,” and “perform his or her duties with honesty, integrity and impartiality,” it remains unclear how the executive search firm, the Richmond Search Committee, and the Board of Governors will assess whether individuals meet this test, and whether candidates who fail to do

so will be rejected. Since the process for identifying and selecting candidates takes place largely behind closed doors, it remains impossible for the public to effectively voice support or opposition to the top candidates at the appropriate points throughout the selection process.

As you work to find a replacement for President Lacker following his abrupt departure, we ask that you revisit the search process to ensure it is as credible and transparent as possible. While financial sector interests have an outsized voice on the regional bank boards, there is no reason this must also be the case among Reserve Bank presidents. In fact, we firmly believe that elevating the perspectives of individuals from labor, community and academic backgrounds will enhance the Fed's independence, credibility with the public, and ability to fulfill its monetary and supervisory mandates.

Thank you for your consideration of this important matter.

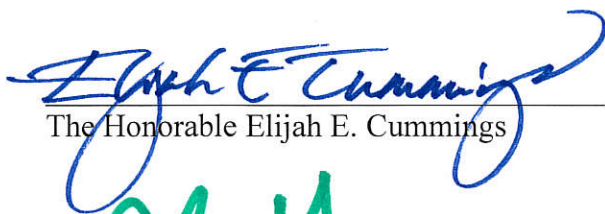
Sincerely,



The Honorable Maxine Waters



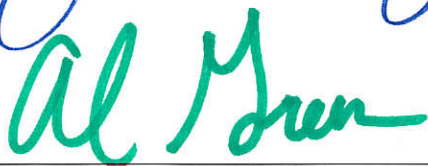
The Honorable John Conyers, Jr.



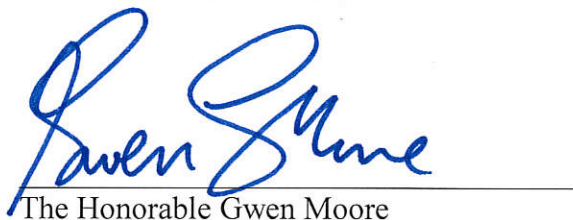
The Honorable Elijah E. Cummings



The Honorable Keith Ellison



The Honorable Al Green



The Honorable Gwen Moore



The Honorable Eleanor Holmes Norton



The Honorable Nydia M. Velazquez