

M E M O R A N D U M

To: Members of the Committee on Financial Services
From: FSC Majority Staff
Date: May 16, 2014
Subject: May 21, 2014, Oversight and Investigations Subcommittee Hearing titled
“Allegations of Discrimination and Retaliation within the Consumer
Financial Protection Bureau, Part Two”

The Subcommittee on Oversight and Investigations of the Committee on Financial Services will hold a hearing titled “Allegations of Discrimination and Retaliation within the Consumer Financial Protection Bureau, Part Two” at 10:00 a.m. on May 21, 2014, in room 2128 of the Rayburn House Office Building. The hearing is the second in a series of hearings examining allegations of employee discrimination and retaliation at the Consumer Financial Protection Bureau (CFPB). This will be a one-panel hearing with the following witnesses, each of whom the Subcommittee has compelled to testify by subpoena:

- M. Stacey Bach, Assistant Director, Office of Equal Opportunity Employment, Consumer Financial Protection Bureau
- Benjamin Konop, Executive Vice President, National Treasury Employees Union (“NTEU”) Chapter 335
- Liza Strong, Lead of Employee Relations, Consumer Financial Protection Bureau

A March 6, 2014, *American Banker* article titled “CFPB Staff Evaluations Show Sharp Racial Disparities” exposed serious personnel problems at the Consumer Financial Protection Bureau including evidence that “the CFPB's own managers have shown distinctly different patterns in how they rate employees of different races.”¹ According to “confidential agency data” reviewed by the *American Banker*, “CFPB managers show a pattern of ranking white employees distinctly

¹ “CFPB Staff Evaluations Show Sharp Racial Disparities,” *American Banker*, March 6, 2014 available at http://www.americanbanker.com/issues/179_44/cfpb-staff-evaluations-show-sharp-racial-disparities-1066045-1.html.

better than minorities in performance reviews used to grant raises and issue bonuses. Overall, whites were twice as likely in 2013 to receive the agency's top grade than were African-American or Hispanic employees.”²

At an April 2, 2014, Subcommittee hearing, Angela Martin, a current CFPB employee, testified about the discrimination and retaliation she experience at CFPB. Misty Raucci, an outside investigator retained by CFPB to examine Ms. Martin's claims of retaliation, testified that Ms. Martin's claims were valid. Ms. Raucci also testified that a culture of exclusion, retaliation and collusion is pervasive throughout the division of CFPB in which Ms. Martin worked, the Office of Consumer Response.

This hearing will continue the Subcommittee's investigation into these matters.

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² *Id.*