

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

March 31, 2014

HAND-DELIVERED

The Honorable Maxine Waters
Ranking Member, Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Al Green
Ranking Member, Subcommittee on
Oversight and Investigations
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Ranking Members Waters and Green:

This is in response to your letter of March 28th requesting the cancellation of the upcoming Oversight and Investigations Subcommittee hearing entitled "Allegations of Discrimination and Retaliation within the Consumer Financial Protection Bureau," which is scheduled to convene on Wednesday, April 2nd at 10:00 a.m. For the reasons set forth below, the hearing will proceed as scheduled.

As an initial matter, your assertion that "the hearing will focus exclusively on an individual employee's claim" is incorrect. The Subcommittee has invited five witnesses to testify at the upcoming hearing. Angela Martin, while herself an alleged victim of retaliation by senior CFPB officials, will also discuss the apparent disparate treatment afforded minorities and older employees in the CFPB's annual employee evaluation process, as well as employee concerns and the request for the demographic statistics that formed the subject of the March 6th *American Banker* article. Misty Raucci, the independent investigator hired by the CFPB to investigate Ms. Martin's claims will not only address the allegations of retaliation against Ms. Martin but will also testify about the overall environment of discrimination, intimidation and retaliation at the CFPB.

In addition, the Subcommittee invited three other CFPB officials with direct knowledge of the employee rating process to testify: Robert Cauldwell, a CFPB employee and the union chapter President; Liza Strong, the CFPB's Director of Employee Relations; and M. Stacey Bach, the Assistant Director of the Office of Equal Opportunity Employment.

We had hoped that these three witnesses, in addition to Ms. Martin, would help the Subcommittee examine in detail the facts surrounding the CFPB's employee evaluation and equal opportunity complaint processes. Disappointingly, the CFPB has refused to permit these witnesses to testify at the hearing. To the extent you believe the CFPB's decision has resulted in an "abrupt change in the tone and scope of the upcoming hearing," you should direct those concerns to the CFPB, not the leadership of this Committee. However, we can

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assure you that the issues raised in the *American Banker* article will continue to be a focus of the Subcommittee's attention at the hearing, as will protecting the rights of whistleblowers who have come forward to provide their testimony. Given your stated commitment to a "thorough investigation of discriminatory personnel practices within our financial regulatory agencies," we would expect you would join us in those efforts, rather than seeking to delay the Subcommittee's inquiry into serious allegations of workplace discrimination. And given your record of stated concerns over employment discrimination, we find it inexplicable that you are seemingly reluctant to investigate allegations of such conduct at a government agency that you would never countenance in the private sector.

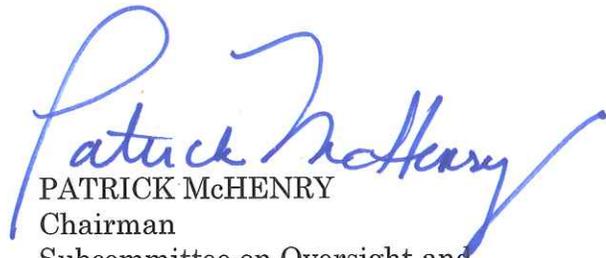
To allow the CFPB's refusal to cooperate to result in cancellation of the scheduled hearing would be to accede to a gross intrusion upon the Subcommittee's prerogatives. To overlook serious allegations of discrimination at a government agency within our Committee's jurisdiction would be a dereliction of our Constitutional duty. For these reasons, the Subcommittee hearing will proceed as planned.

We ask that you join us now in fulfilling the oversight responsibilities of the Financial Services Committee, and we welcome you as partners in this inquiry. Further, we hope that you will help us encourage other suffering employees to come forward to the Committee as whistleblowers. Should you be able to convince the CFPB to participate in this hearing, we would welcome the testimony of Mr. Cauldwell, Ms. Strong, and Ms. Bach. We remain hopeful that we can work together to ensure that mistreatment of employees is not tolerated at the CFPB.

Sincerely,



JEB HENSARLING
Chairman
Committee on Financial Services



PATRICK McHENRY
Chairman
Subcommittee on Oversight and
Investigations