

M E M O R A N D U M

To: Members of the Committee on Financial Services
From: FSC Majority Staff
Date: March 27, 2014
Subject: April 2, 2014, Oversight and Investigations Subcommittee Hearing entitled
“Allegations of Discrimination and Retaliation within the Consumer Financial
Protection Bureau”

The Subcommittee on Oversight and Investigations of the Committee on Financial Services will hold a hearing entitled “Allegations of Discrimination and Retaliation within the Consumer Financial Protection Bureau” at 10:00 a.m. on April 2, 2014, in Room 2128 of the Rayburn House Office Building. The hearing will examine allegations of employee discrimination and retaliation at the Consumer Financial Protection Bureau (CFPB).

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 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

Committee staff has received corroborating information from a CFPB employee who alleges she has experienced gender discrimination and retaliation for filing an Equal Employment Opportunity complaint with the CFPB’s Human Capital Office. The CFPB retained an outside investigator to examine the whistleblower’s claims. The investigator

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.

² *Id.*

confirmed the whistleblower's claims of retaliation. Both the whistleblower and the investigator who examined her claims will testify at the hearing.

The Chairman of the Subcommittee has also invited certain other employees of the CFPB to testify at next week's hearing. If they accept the invitation, the hearing will consist of two panels of witnesses, including the following individuals:

Panel 1

- Angela Martin, Senior Enforcement Attorney, Consumer Financial Protection Bureau
- Misty Raucci, former Investigator, Defense Investigators Group

Panel 2

- M. Stacey Bach, Assistant Director, Office of Equal Opportunity Employment, Consumer Financial Protection Bureau (invited)
- Robert Cauldwell, President, National Treasury Employees Union, Chapter 335 (invited)
- Liza Strong, Director of Employee Relations, Consumer Financial Protection Bureau (invited)

###