



United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

November 21, 2023

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW,
Washington, D.C. 20429

Dear Chairman Gruenberg:

Last week the *Wall Street Journal* published disturbing allegations regarding your behavior and the workplace culture at Federal Deposit Insurance Corporation's (FDIC) under your leadership.¹ The reports allege that the agency has maintained a culture that perpetuates sexual harassment, misogyny, and other acts of misconduct.² These allegations are a serious departure from the agency's mission. The reports also allege that members of your senior leadership team have exhibited discrimination and hostile conduct.³ I am concerned that the alleged, long-standing culture of inappropriate behavior originates from you and your leadership of the agency.

In follow-up to your testimony before the Committee on Financial Services (Committee) your staff provided the Committee with a copy of the 2008 Report of Management Inquiry. The report makes clear that its findings are the result of contracted work to conduct an inquiry into allegations of misconduct.⁴ The existence of this report and the associated inquiry appears to conflict with the information you provided to the Senate Committee on Banking, Housing, and Urban Affairs during the nomination process. In response to a question about whether you were ever "the subject of a complaint or been investigated" for unprofessional conduct, you answered "None in my personal capacity."⁵ Please explain why the 2008 Report of Management Inquiry is not reflected in your answers provided to the Senate during your confirmation process.

¹ Rebecca Ballhaus, *Strip Clubs, Lewd Photos and a Boozy Hotel: The Toxic Atmosphere at Bank Regulator FDIC*, WSJ (Nov. 13, 2023), <https://www.wsj.com/us-news/fdic-toxic-atmosphere-strip-clubs-lewd-photos-boozy-hotel-12c89da7>; see also Rebecca Ballhaus *FDIC Chair, Known for Tempter, Ignored Bad Behavior in Workplace*, WSJ (Nov. 16, 2023), <https://www.wsj.com/politics/policy/fdic-chairman-martin-gruenberg-workplace-harassment-5cae85bc>.

² *Id.*

³ Rebecca Ballhaus, *FDIC Chair, Known for Tempter, Ignored Bad Behavior in Workplace*, WSJ (Nov. 16, 2023), <https://www.wsj.com/politics/policy/fdic-chairman-martin-gruenberg-workplace-harassment-5cae85bc>.

⁴ Report of Management Inquiry (on file with Committee).

⁵ *Hearing Before the S. Comm. on Banking, Housing, and Urban Affairs, Nominations of Martin Gruenberg, Travis Hill, Jonathan McKernan, and Kimberly Ann McClain*, 117th (Nov. 30, 2022), CHR-117shrg53443.pdf (govinfo.gov) at 45-46.

Additionally, the Committee is requesting testimony from you and members of your staff who have information related to our investigation into the FDIC's workplace culture. The Committee requests that the following individuals be made available as soon as possible, but no later than December 5, 2023, for a transcribed interview:

1. Martin Gruenberg, Chairman
2. Kymberly Copa, Deputy to the Chairman and Chief of Staff
3. Harrel Pettway, General Counsel
4. Doreen Eberley, Director, Division of Risk Management Supervision
5. Nikita Pearson, Director, Office of Minority and Women Inclusion
6. Dan Bendler, Director, Division of Administration
7. Maureen Sweeney, Director, Division of Resolution and Receiverships
8. Robert Harris, Internal Ombudsman, Office of the Ombudsman

In addition to transcribed interviews, the Committee requests that you produce the following as soon as possible, but no later than 5:00pm on December 5, 2023:

1. All records and communications, referring or relating to the Report of Management Inquiry dated May 30, 2008, including, but not limited to, the contract with Delany Siegel Zorn and Associates, the scope of the report, and any action taken in response to the report.
2. All copies of the FDIC's anti-harassment and sexual harassment-related policy, procedures, and training documents since 2008.
3. The number of harassment, discrimination, misconduct, and/or hostile work environment allegations, complaints, and investigations reported to the Office of Minority and Women Inclusion for every year since January 2011. Please divide this list by division/office within the agency.
4. All records and communications, between and among employees in the Chairman's Office and FDIC Office of General Counsel, referring or relating to BakerHostetler, since July 2023.
5. A description of the BakerHostetler investigation, including the scope and limitations of the investigation.

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6. All records and communications transmitted via the FDIC Board Distribution list serve, in November 2023, referring or related to the November 16, 2023 Board Meeting.
7. All work orders related to the repair of Martin Gruenberg's office desk phone since August 2005.
8. A list of all settlements paid by the FDIC to current and former employees related to harassment, discrimination, misconduct, and/or hostile work environment allegations since April 2008.
 - a. Please indicate whether there is an associated confidentiality agreement or non-disclosure agreement with each settlement.
9. A description of the investigative and disciplinary process conducted by the FDIC's Legal Division when made aware of an incident of misconduct, harassment, and/or discrimination.
10. The September 2018 letter written by FDIC employees to former-FDIC Chairman McWilliams stating, "The culture at the FDIC for African-American employees is such that they are afraid to speak out about the issues they are facing for fear of repercussions."

The Committee on Financial Services has jurisdiction to oversee the activities of the Federal Deposit Insurance Corporation pursuant to Rule X of the Rules of the House of Representatives. I expect your complete and timely cooperation. The Committee will be thorough and will use compulsory process if necessary.

Sincerely,



Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations