



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

December 7, 2023

The Honorable Michael J. Hsu  
Acting Comptroller  
Office of the Comptroller of the Currency  
400 7th Street, SW Washington, DC 20219

Dear Acting Comptroller Hsu:

We write to express our concerns over recent reports that the Office of the Comptroller of the Currency (OCC) hired, in March of this year, an individual with falsified credentials and a questionable background. The individual was reportedly hired as Deputy Comptroller and Chief Financial Technology Officer to lead the newly established Office of Financial Technology (Office), which incorporates the former Office of Innovation established in 2016.<sup>1</sup>

Reports indicate that the individual hired to lead the Office made easily disprovable and false claims regarding work experience, prior employment, and qualifications, and had a concerning history of legal infractions.

While restructuring of the Office was intended to help bolster the agency's expertise and provide high-quality supervision, that seems to be far from the case. Importantly, the Office provides input on regulatory and supervisory changes considered by the OCC for national banks and federal savings associations to address technological innovations. Setting the foundation for the Office's mission and goals would fall to the leader of that office—the Deputy Comptroller and Chief Financial Technology Officer. Given the significance of this role and its responsibilities, it would therefore stand to reason that vetting the leadership of such an important Office would be done with significant due diligence.

There are significant risks from negligent vetting practices at the OCC that cannot be understated. There is reputational risk to the OCC through loss of credibility if such high-level positions can be filled with unqualified individuals. There is also a risk of establishing an OCC culture where positions are not based on qualifications and merit but instead on personal connections or other characteristics not aligned with the roles' duties and responsibilities. And most importantly, there is risk that the OCC has broader problems with vetting personnel, which can blossom into larger risks, including to safety, soundness, and stability of the banking system.

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<sup>1</sup> News Release, Office of the Comptroller of the Currency, OCC Establishes Office of Financial Technology, OCC News Release 2023-31 (Mar. 30, 2023), <https://www.occ.gov/news-issuances/news-releases/2023/nr-occ-2023-31.html>.

There is risk that some of the recently proposed federal banking rules from the OCC were made with input from unqualified individuals, or individuals with complacency toward attending to detail and accuracy. The OCC, with officials at the Federal Reserve Board and the Federal Deposit Insurance Corporation, has been issuing an onslaught of proposals this year. The deluge of recent proposals, guidance, statements, and principles to essentially rewrite the rules of the road for financial institutions in the United States is staggering.<sup>2</sup> Yet, significant proposals with the potential to invoke systemic instability, if not properly calibrated, have been put forward with little to no analytical underpinnings or justifications, possibly reflecting staffing inadequacies.

To date, there has been no clarification provided by the OCC surrounding the reports regarding the agency's prior Deputy Comptroller and Chief Financial Technology Officer. During the hearing at which you testified on November 15, 2023, it was made clear by Chair McHenry: “the stakes are too high to take your eyes off the ball.”<sup>3</sup> The OCC cannot continue to operate with blatant disregard to its mission and its commitment to the American people. As a result, we request a briefing that includes but is not limited to answers to the following question:

1. Please explain, in detail, the vetting, hiring, and onboarding processes at the OCC, including the extent, if any, of tailoring of scrutiny, where higher level officials receive greater initial scrutiny prior to hiring than others.
2. Please explain how the OCC compiles a pool of candidates for high-level positions, such as Deputy Comptroller.
3. Given the impetus for the Office’s restructuring was to increase “the experts who possess fluency in both financial technology and bank supervision, as well as extensive knowledge and expertise on financial technology platforms and applications,” please describe the role and engagement of the OCC’s prior Deputy Comptroller and Chief Financial Technology Officer in the hiring process of all staff in the Office and supporting the Office during his tenure.
4. Please explain, in detail, the duties and responsibilities of the OCC’s prior Deputy Comptroller and Chief Financial Technology Officer during his tenure as well as any contributions he made to specific proposals, guidance, statements, or principles.
5. Given that you appeared somewhat uninformed, in your appearance before the Committee on November 15, 2023, about what is known at the OCC about employees who attend meetings and write policy papers with various global governance bodies, has OCC leadership attention been unduly diverted from internal management to work at such bodies, interagency climate working groups, rule writing, and other activities that unfortunately have been increasingly partisan?

Please respond no later than December 21, 2023.

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<sup>2</sup> For example: principles for climate-related financial risk management, on October 22; Community Reinvestment Act regulations, on October 24; long-term debt requirements on banks, on August 29; bank resolution planning, on August 29; Basel III Endgame, on July 27; and guidance on third-party risk management, on June 5.

<sup>3</sup> *Oversight of Prudential Regulators, Hearing Before the H. Comm. on Financial Servs.*, 118th Cong. (2023).

Sincerely,



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Andy Barr  
Chairman of the Subcommittee on  
Financial Institutions and Monetary  
Policy



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Bill Huizenga  
Chairman of the Subcommittee on  
Oversight and Investigations



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French Hill  
Chairman of the Subcommittee on  
Digital Assets, Financial Technology  
and Inclusion