

May 12, 2022

The Honorable Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, D.C. 20552

Dear Mr. Chopra:

Last year, Acting Director Dave Uejio launched the Consumer Financial Protection Bureau's Policy Fellowship to enhance expertise "on the markets for consumer financial products and services that affect American consumers."¹ The Committee has obtained information that raises questions and concerns regarding the adequacy of the fellowship program's compliance with ethics guidelines, among other things. Moreover, the salaries and job responsibilities for current CFPB Fellows are analogous to those of the Bureau's senior political and career staff. This creates the appearance that the program is being used as a backdoor to circumvent civil service laws and Executive Branch guidance that prohibit preferential hiring and conflicts of interest.

Fellows participating in the program are hired for an initial term of two years, which may be extended for an additional two years. Because the CFPB is not subject to congressional appropriations and has a different pay scale than the rest of the federal bureaucracy, Fellows are eligible to receive salaries higher than most federal employees. Indeed, at least six Fellows have salaries over \$200,000, and one Fellow has a salary of \$240,000. The terms of the program also permit Fellows to engage in outside employment with written approval from Bureau management. This has the potential to expose the program to conflicts of interest, especially in cases where a Fellow has existing or previous ties to an organization that advocates for or against CFPB policies.

The Bureau does not publicly identify or disclose the roster of Fellows, as it does for senior political and career staff. Fellows also appear to be exempt from filing the financial disclosures required for many Presidentially appointed, Senate confirmed positions. As you know, financial disclosures are an essential window into how the federal government is using taxpayer dollars. The disclosures contain information about the personal financial interests of the filer, the filer's spouse, and any dependent children. The only publicly available indicator, in some cases, that a Fellow has any affiliation with the CFPB occurs on the Fellow's social media channels.

We have concerns about the opaqueness of the Policy Fellowship Program, which are borne out by documents and emails that show an individual hired as a Fellow appeared to play a key role in the CFPB's attempt to co-opt the FDIC's agenda as it relates to bank mergers. On November 26, 2021, a CFPB Fellow circulated a Notational Voting Sheet and other materials to the FDIC Board of Directors. Two weeks later the Fellow declared "the Board has approved all

¹ CFPB Policy Fellowship, <https://www.consumerfinance.gov/about-us/careers/cfpb-policy-fellowship/>.

matters in NV-2021-12.”² As you know, this sham vote was contrary to instructions from the FDIC’s office of general counsel during a dispute about the Board’s bylaws. The fact that a Fellow managed the process by which the CFPB upended the FDIC’s 88-year tradition of considering the Chairman’s agenda on a collegial basis is disturbing. It creates the appearance that some Fellows are exceeding the scope of the program’s stated purpose, at the very least.

Furthermore, on April 27, 2022, you testified to the Committee that applicants for the Policy Fellowship went through a “competitive process” and that you “encouraged a lot of people to apply” and knew “a handful” of Fellows prior to becoming the Director of the CFPB.³ That dynamic invites questions as to whether there was favoritism in the selection process, and the opacity of the program leaves taxpayers and supervised entities without easy access to answers. It also is unclear whether Fellows are subject to the CFPB’s guidance “to protect the public trust and detect revolving door misconduct,” which requires staff to report “suspicious communications and activity.”⁴ The guidance directs current employees to file reports with agency ethics officials if they learn a former employee is assisting a party under investigation, among other things.⁵

To assist the Committee and resolve the lack of transparency related to key aspects of the CFPB’s Policy Fellowship program, please provide the following documents and information:

1. For all Fellows hired since April 2021, documents sufficient to show:
 - a. name;
 - b. title;
 - c. salary;
 - d. location (for the purpose of any locality adjustment to salary);
 - e. supervisor;
 - f. description of responsibilities and relevant areas of policy;
 - g. whether the Fellow is assigned to the “Markets and Policy” track or the “Engagement and Policy” track;
 - h. the relevant interviewing and hiring officials;
 - i. whether the individual applied for the program on the advice of Director Chopra;
 - j. previous employer;
 - k. whether the Fellow is recused or otherwise barred from working on any general or specific areas of policy; and
 - l. spousal income disclosures.

² MCH_CFPB_220307_0034 – 0036 (on file with Committee).

³ Consumers First: Semiannual Report of the Consumer Financial Protection Bureau, Hearing Before the H. Comm. on Fin. Services, 117th Cong. (2022) (testimony of Hon. Rohit Chopra, Director, CFPB).

⁴ Rohit Chopra, “Ethics Guidance to Protect the Public Trust and Detect Revolving Door Misconduct,” CFPB Blog, Nov. 19, 2021, <https://www.consumerfinance.gov/about-us/blog/ethics-guidance-to-protect-public-trust-and-detect-revolving-door-misconduct/>.

⁵ CFPB Guidance, “Ethics Guidance for Engaging with Former Federal Employees,” https://files.consumerfinance.gov/f/documents/cfpb_engaging-with-former-federal-employees_ethics-guidance_2021-11.pdf.

2. For any Fellow who sought permission to engage in outside employment, documents sufficient to show:
 - a. the relevant outside employer;
 - b. whether permission was granted or denied;
 - c. any outside earned income caps; and
 - d. any additional guidance to the Fellow.

3. For all Fellows hired since April 2021, provide documents sufficient to show:
 - a. all applicable CFPB or Executive Branch ethics requirements; and
 - b. any additional guidance related to the Biden Administration’s Executive Order on Ethics Commitments, including but not limited to the revolving door ban which states “for a period of 2 years from the date of appointment” appointees will not “participate in any manner involving specific parties that is directly and substantially related to [their] former employer or former clients, including regulations and contracts.”⁶

4. For all Fellows hired since April 2021, provide any application materials, including but not limited to the required writing assessment on their prior experience.

5. For all Fellows hired since April 2021, identify any publicly available information about their roles, including any CFPB press releases and or web pages.

Please provide the records requested herein as soon as possible, but no later than May 24, 2022. The Committee prefers to receive your response electronically to the extent possible. Contact Nicholle Vo of the Committee’s minority staff at nicholle.vo@mail.house.gov to make arrangements to submit a response or with any questions about this request. Thank you for your attention to this important matter.

Sincerely,



Patrick McHenry
Ranking Member



Tom Emmer
Ranking Member
Subcommittee on Oversight and
Investigations



Blaine Luetkemeyer
Ranking Member
Subcommittee on Consumer
Protection and Financial Institutions



William Timmons
Vice Ranking Member
Subcommittee on Oversight
and Investigations

⁶ Exec. Order No. 13989, 86 C.F.R. 7029 (Jan. 20, 2021).