

**ALLEGATIONS OF DISCRIMINATION AND
RETALIATION WITHIN THE CONSUMER
FINANCIAL PROTECTION BUREAU**

HEARING
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS
OF THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS
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**ALLEGATIONS OF DISCRIMINATION AND
RETALIATION WITHIN THE CONSUMER
FINANCIAL PROTECTION BUREAU**

Wednesday, April 2, 2014

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 2128, Rayburn House Office Building, Hon. Patrick McHenry [chairman of the subcommittee] presiding.

Members present: Representatives McHenry, Fitzpatrick, Duffy, Fincher, Hultgren, Wagner, Barr, Rothfus; Green, Cleaver, Ellison, Perlmutter, Maloney, Beatty, and Heck,

Ex officio present: Representatives Hensarling and Waters.

Also present: Representatives Huizenga and Capito.

Chairman MCHENRY. The Subcommittee on Oversight and Investigations will come to order. Today's hearing is entitled, "Allegations of Discrimination and Retaliation Within the Consumer Financial Protection Bureau."

Without objection, the Chair is authorized to declare a recess of the subcommittee at any time. And also, without objection, members of the full Financial Services Committee who are not members of the subcommittee may sit on the dais and participate in today's hearing.

I will now recognize myself for 4 minutes for an opening statement. On March 6, 2004, the American Banker published an article entitled, "CFPB Staff Evaluations Show Sharp Racial Disparities." The article exposed serious personnel problems at the Consumer Financial Protection Bureau (CFPB), including evidence that, "The CFPB's own managers have shown distinctively different patterns in how they rate employees of different races." According to the confidential agency data reviewed by the American Banker, the article claimed that the CFPB managers show a pattern of ranking white employees distinctively 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." In addition to racial disparities in the CFPB's performance reviews, the American Banker also reported that the CFPB's management has been accused, in several cases, of favoring Caucasian men and of creating a hostile work environment. The article

noted that CFPB employees had filed 115 official grievances, and over 85 informal complaints, with the National Treasury Employees Union, which represents CFPB employees.

This number is high, given that the CFPB's total staff is roughly 1,300. But in reality, the number of aggrieved is likely to be much higher, as our witnesses will testify to the fact that the fear of retaliation has a chilling effect on the employees willing to come forward with their grievances. Over the past several weeks, and mostly since the publishing of the American Banker article, a number of CFPB employees and former employees have contacted this committee, as well as my personal office, seeking to tell their story.

To be frank, having served on the House Oversight and Government Reform Committee, in addition to this Financial Services Committee, over the past 9 years I have never witnessed an outpouring of employee complaints from a Federal agency as I have seen in the past several weeks.

Unfortunately, the whistleblower who has voluntarily come forward today to tell her story of both discrimination and retaliation is a representative of the much broader problem that has been presented in the American Banker article. These allegations of discrimination and retaliation at the CFPB underscore the need for congressional oversight. They are also deeply disturbing to the public at large.

Members of both parties have long recognized the importance of congressional oversight. I quote today, President Woodrow Wilson, who said, "Quite as important as legislation is vigilant oversight of administration." Also, "It is the proper duty of a representative body to look diligently into every affair of government and to talk much about what it sees." And "...; and unless Congress both scrutinize these things, and sift them by every form of discussion, the country must remain in embarrassing, crippling ignorance of the very affairs which it is most important that it should understand and direct."

I would like to thank our witnesses for coming forward today. Ms. Martin, it does take a lot of bravery and courage to come forward and to speak publicly about what you have been through. I understand the past 2 years have been a nightmare in your work environment, and incredibly difficult for you. And I appreciate you coming forward to share your experience.

Ms. Raucci, thank you so much. As an independent third-party investigator, we greatly appreciate your willingness to travel to Washington to share your knowledge in this case and, more generally, what you saw over the 6-month investigation at the CFPB.

Mr. Green, I recognize that we often disagree about certain matters before our subcommittee, but I also recognize that when these witnesses come forward, at a great personal cost, your history as a judge is one of fairness. And I certainly appreciate your work with me on this subcommittee.

With that, I will now recognize the ranking member of the full Financial Services Committee, Ms. Waters, for 5 minutes.

Ms. WATERS. Thank you so very much, Mr. Chairman. I am so pleased about your interest in this issue of discrimination, and I am very pleased about the way that you have committed to pursuing justice for all of our employees in government who may be

discriminated against in any shape, form or fashion. Let me begin by underscoring the seriousness with which we take allegations of discrimination, retaliation, and racial disparity at the Consumer Financial Protection Bureau or any Federal agency or private institution.

As someone who has dedicated my entire career to the principles of equality, fairness, and the rights of women and minorities, I am, of course, deeply concerned by the revelations the witnesses will present here today. I want nothing but swift justice for Ms. Martin, and I want to thank her for her service to our government and to our country as a member of our Nation's military. I want to focus on solutions; I want to know how serious this problem is so we can identify ways to correct it.

I am not interested in scoring any political points on an issue as important as discrimination and retaliation. The record of the Democratic Party on matters such as this is unequivocal. In the wake of the troubling American Banker article that revealed these problems at the CFPB, Democratic members of this subcommittee took action right away, calling on the CFPB's Inspector General to conduct an official review of the agencies' personnel practices and policies. We asked the same of the IGs at all of the other Federal financial regulators under our committee's jurisdiction.

Moreover, we have asked to learn more about the role of the Bureau's Office of Minority and Women Inclusion in dealing with these matters. If you recall, we created the Office of Minority and Women Inclusion when we did the Dodd-Frank legislation for reform to make sure that we get at problems just like this.

Mr. Chairman, while this hearing is supposed to be focused on allegations of discrimination at the CFPB, I am concerned about our witness today. Our witness has a pending grievance before the Bureau, and I and the members on our side of the aisle do not want to undercut our ability to accomplish the objective of bringing about justice for our witness. So we don't want to interfere in that case, but we are concerned because we don't have the Consumer Financial Protection Bureau senior officials here today because the nature of this hearing has changed from what it set out to be.

And so we would like to have, in the future, an ability to assist any and all employees who have been subject to discriminatory practices at the CFPB, or any other agency. And that is why we have asked the Inspector General to take a hard look at what is happening at these agencies, not only to help the party here before us today, but to help the others who may have fallen victim to discriminatory practices as well.

In today's world, an unfair, discriminatory workplace for minorities and women employees will not be tolerated, and I would like to hear what the CFPB is doing to address this serious problem internally.

Mr. Chairman, if you want to have a robust and thoughtful debate on this issue, it is imperative that we do so through the regular committee process. We will always welcome a thorough investigation of discriminatory personnel practices within our financial regulatory agencies. As a result, today we are sending you and Chairman Hensarling a formal request for a hearing with senior management of the CFPB, including its Director, to allow members

on both sides of the aisle a more appropriate forum to evaluate and discuss the CFPB's personnel policies and practices.

At such a hearing, it is my hope that we can learn more about the broader problem and identify possible solutions. Unfortunately, you have made achieving this goal impossible today. And finally, Mr. Chairman, I hope that in the future your commitment to, "ensure mistreatment of employees is not tolerated at the CFPB," goes even further to ensure that we end discriminatory practices within all areas of the Federal Government. Thank you for joining in this effort, Mr. Chairman.

I yield back the balance of my time.

Chairman MCHENRY. I certainly appreciate the ranking member's words, and I will note for the record that Ms. Stacey Bach, Assistant Director of the Office of Equal Opportunity Employment, and Ms. Liza Strong, Director of Employee Relations—both with the Bureau—declined our invitation. And I concur with you that it is deeply disappointing that the Bureau refused to be a part of this hearing.

We will now recognize the vice chair of the subcommittee, Mr. Fitzpatrick, for 1 minute for an opening statement.

Mr. FITZPATRICK. Thank you, Mr. Chairman. And I thank the witnesses for coming forward. It is your right to do so, and it is our obligation to listen and to investigate as part of our oversight responsibilities.

Discrimination on the basis of gender or race is an anathema to American values of equality under the law, and opportunity based on hard work and based on merit. Violating these principles would be egregious in any workplace, but it is especially offensive to most of it when it occurs at a government agency. After all, government is fundamentally an extension of all of us.

When government agencies act badly, it is an affront to all of our constituents and anyone who supplies the work and the money to pay those government salaries. To that end, I think it is very dangerous to have an agency like the CFPB be exempt from the normal oversight of most departments. No one should disagree with more accountability. And the issue before the committee, and the evidence of more widespread discrimination, are proof positive that more accountability is warranted.

I yield back.

Chairman MCHENRY. The gentleman yields back.

We will now recognize Mrs. Maloney for 2 minutes.

Mrs. MALONEY. First, I would like to thank Ms. Raucci for her public service and for her courage. I understand that the system for reporting and correcting discrimination is broken, and I am glad that we are working together in a bipartisan way to correct it. Equal employment opportunity laws are intended to prevent gender discrimination in the workplace, whether that discrimination is conscious or unconscious. Discrimination is discrimination whether it was intentional or not.

For a manager, resolving complicated employee disputes is often difficult. But is it too much to ask for the manager to resolve the dispute in a way that does not involve discriminatory or harassing behavior? I don't believe so. Director Cordray has stated that the

CFPB has a “zero tolerance policy on workplace discrimination, harassment or retaliation,” and I applaud that policy.

While we do not know all the facts in this case, the report is heavily redacted, and the case is still pending. The picture that Ms. Raucci’s report paints is troubling, and I would urge the CFPB to take it seriously.

We need to recognize that the issue of workplace discrimination is not unique to the CFPB. In fact, my research indicates that the CFPB is not unique at all. The other financial regulators have struggled just as much with workplace intolerance and diversity. That is why the Democrats on this subcommittee have sent letters to each of the Inspectors General of all the financial regulators asking that they investigate whether the personnel policies at their agencies have created an unfair environment.

I hope that the agencies will take our concerns very seriously. I ask unanimous consent to place in the record the letter that was sent to the IGs by Chairman Green and Ranking Member Waters.

Chairman MCHENRY. Without objection, it is so ordered.

Mrs. MALONEY. And I hope that the agency takes this seriously. I look forward to the hearing. I have markups in two other committees at the same time, so Ranking Member Waters, I will be in and out. Thank you very much.

And I yield back.

Chairman MCHENRY. We will now recognize Mr. Duffy of Wisconsin for 2 minutes.

Mr. DUFFY. Ms. Martin, first I want to thank you for coming in today, and thank the whole panel. I know the courage and bravery that it takes to be one of the few people who are willing to stand up and step forward, and tell some very difficult stories about an agency that you care about. And this committee appreciates your willingness to stand and shine some light on what is happening at the CFPB.

Discrimination should never be tolerated in society as a whole. But looking at our Federal Government—that it is going on in such a profound way, we have absolutely no tolerance for it. When we have employees who are willing to come forward and report that discrimination, I think it is noble. And what it does is, it gives the agency in question an opportunity to right the wrong, to do what is right, to see there are some places where they need to do a better job.

What concerns me, though, is instead of taking the opportunity that you have given the agency, to hear that you have been retaliated against, to hear the kind of treatment that has been given to you because of your willingness to come forward and have some very important conversations with management and leadership of the CFPB, that retaliation is disappointing. And that is why I am heartened that we are going to have a bipartisan hearing to figure out what is going on and what this oversight committee can do to make sure that it stops, that it doesn’t happen again to someone else.

And I am going to have some questions for you a little bit later. But the bravery, coming forward, there are probably other employees who don’t have the stature, and the education—they are not all lawyers—to come forward and do what you did. And I think you

are really showing an example for the rest of the agency of a person who is willing to take the lead, not just for yourself but for others who have experienced this kind of discrimination and retaliation.

I think, as the saying goes, the best disinfectant is sunlight. We are helping provide some sunlight today to an agency that could use some of that sunlight to make sure we disinfect the discrimination and retaliation that has been going on at the CFPB.

Thank you for your willingness to step forward. Your country is grateful and this committee is grateful.

I yield back.

Chairman MCHENRY. We will now recognize the ranking member of the subcommittee, Mr. Green, for 3 minutes for an opening statement.

Mr. GREEN. Thank you, Mr. Chairman. I also thank the ranking member of the full committee, and all of the Members who are in attendance today.

I do not see this as the end, I see it as the beginning. I believe we are at Genesis, and I think Revelations are yet to come. But to get to Revelations, we cannot focus solely on one regulator. I think we have to allow Revelations to go through the other regulators as well. It is important that we acquire the empirical evidence necessary to ascertain whether or not this type of behavior that we are investigating today exists in other agencies, as well.

This is why the ranking member and I, along with other Democratic members of the committee, submitted letters to the Inspectors General of all of these agencies asking that they supply us with additional intelligence. We believe that we need this intelligence so that we may ascertain what the circumstances are, and move forward. I also believe that we ought to make this about headway, not headlines. We ought to want to make sure that we get to the bottom of what is going on in all of the agencies.

We ought to want to make sure that the hues and cries that we have heard through the years have an opportunity to now be heard, and that they be vetted properly. I think that there is a process in place, but there appears to be a perception that the process is broken. If that perception continues to exist, the process doesn't serve us well. We have to make sure that people believe that they are going to get a fair hearing.

To this end, I want to extend every courtesy to the witnesses who are here today. I want to make sure that they have an opportunity to be heard. I will probably have a few questions, but I will be mainly interested in hearing the testimony.

I also would like to thank the ranking member for his kind words. And I would like to extend to him similar words, and beg that he and I have an opportunity to visit so that we might talk about how we can move forward and broaden this to include other regulators, as well.

The CFPB is before our committee today for obvious reasons. There was an article that was written. But there are so many other people who don't have articles written about them. They, too, have stories that are to be told and to be heard. My belief is that working together, we can arrive at a reasonable means by which we can find out what the circumstances are and take appropriate action,

and make sure that all persons who have stories to tell are treated fairly.

I yield back.

Chairman MCHENRY. I thank the ranking member for his kind words. And I concur that this hearing is not simply about Angela Martin. It is for all of the Angela Martins within these agencies, and whether there is one more or dozens or hundreds more, it is important that we have that oversight. And I thank the ranking member for his kind words.

Mr. Hultgren will be recognized for 2 minutes.

Mr. HULTGREN. Thank you, Mr. Chairman. As the Subcommittee on Oversight and Investigations, it is fitting and proper for us to be here to examine allegations of age, gender, and race-based discrimination at the CFPB. This includes a claim that white employees have consistently received higher performance reviews than minorities, and evidence of intimidation and retaliation against an employee who complained about discrimination.

These allegations absolutely deserve a full hearing, and I am thankful that we are here to do that today. What I find particularly disappointing about this matter is the disparity between the CFPB employment practices and its lending standards for community banks. As one CFPB employee put it, "If the CFPB was a lender and had similar statistics, it would be written up, immediately referred to the Justice Department, sued, and publicly shamed."

Under CFPB regulations, community banks can be held accountable for lending practices that have a disparate impact, disproportionately affecting a minority group. In practice, this amounts to a know-it-when-you-see-it legal standard that uses statistical analysis to adjudicate legal violations instead of evaluating, as we are doing today here, with the CFPB if actual discrimination existed. This uncertain legal regime contracts consumer credit, as community banks reduce their lending in terms of risking a government lawsuit.

Of course, the CFPB is unaccountable to its own standards. In fact, it is one of the most unaccountable agencies in American history, escaping any meaningful form of Legislative, Judicial or Executive Branch oversight. This is why I voted for, and many others voted for, H.R. 3193, which would bring more accountability and structural improvement to the Consumer Financial Protection Bureau. Because only when the CFPB is accountable for both its employment practices and its regulatory agenda, will it be able to truly protect American consumers.

With that, I yield back, Mr. Chairman.

Chairman MCHENRY. We will now recognize our witnesses for today's hearing.

Ms. Angela Martin is currently serving as Senior Enforcement Attorney at the CFPB. Before her tenure at the CFPB, Ms. Martin was an attorney in private practice from 2002 to 2008; she served as a civilian attorney in the judge advocate general's court; and as a civilian JAG, she was deputy chief of legal assistance for the 18th Airborne Corps at Fort Bragg, where she provided representation to clients on consumer law matters. Since 2006, Ms. Martin has been an adjunct professor of consumer law at U.S. military JAG schools.

Before becoming an attorney, Ms. Martin served for 10 years in the U.S. Army Intelligence Corps as a Czech and Persian Farsi linguist. Ms. Martin was honorably discharged from the Army in 1994. Ms. Martin graduated magna cum laude from the University of South Carolina Aiken, and received her law degree from the University of Georgia.

Ms. Misty Raucci, since 2008, has served as an investigator with the Defense Investigators Group (DIG). Ms. Raucci has conducted several hundred investigations during her tenure with DIG, including matters related to Workers' Compensation claims, workplace investigations, disability claims, and general liability. At DIG, Ms. Raucci has assumed positions of increasing responsibility. Beginning in March 2012, she served as Director responsible for managing DIG's investigative work on a number of matters.

In her capacity as a senior member of DIG, Ms. Raucci also trained employees concerning investigative methods and practices. She is a graduate of the Orange County Community College, where she studied general psychology.

Since neither of you has previously testified before Congress, I will explain to you the lighting system you have before you. As Members of Congress, we are simple, so we understand that green means go, yellow means hurry up, and red means stop. You will have 5 minutes to summarize your statement, and without objection, your full written statements will be made a part of the record.

And with that, I will now recognize Ms. Martin.

STATEMENT OF ANGELA MARTIN, SENIOR ENFORCEMENT ATTORNEY, CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

Ms. MARTIN. Good morning, Mr. Chairman, and subcommittee members. My name is Angela Martin. I am a Senior Enforcement Attorney at the CFPB and a board member for the local NTEU. However, I am not representing NTEU or the Bureau in this proceeding. I pause a moment to thank my family and friends who have been with me and have supported me throughout this trying ordeal.

I am a victim of discrimination dating back to May 2012, and I have suffered severe retaliation since December 2012, which continues to this day. Sadly, my story is not unique. My colleagues have also suffered and are suffering at the hands of inexperienced, oppressive, and unaccountable managers. I am glad this hearing is being held because, based on my observations, I have concluded that the Bureau is sorely in need of effective oversight, and that management needs to be held accountable, particularly with regards to its internal management practices.

I am a dedicated civil servant, serving the government almost 19 years, 10 of them active duty Army. I served as a civilian attorney with the JAG corps at Fort Bragg, and while there, I developed and implemented the only consumer law program that represented clients in State and Federal court.

I was honored to vindicate the rights of servicemembers and their families, and retirees, against abusive debt collectors and in third-party debt collection actions. My JAG experience propelled me to become a nationally known military consumer attorney.

During the consideration of the Dodd-Frank Act, I was invited to be on a panel with Secretary Geithner, discussing the importance of consumer law to military personnel and its effect on mission readiness. At that meeting, I proposed the creation of a separate office at the Bureau that would focus solely on protecting military consumers. Senator Reid introduced an amendment to the Act, and Holly Petraeus now runs the Office of Servicemember Affairs.

While I am focused today on the broader issue of mismanagement and abuse of authority, let me briefly tell you about my own experience. I came to the Bureau in June 2011 with hopes of enforcing Federal consumer laws on a national level, and I dissolved my successful law practice to do so. The mismanagement and abuse of authority have precluded me from carrying out the Bureau's vital mission. Indeed, today marks the 400th day that I have been isolated and prevented from performing any meaningful work. I never received a fair shake, and I have never been assigned one case.

I'm sorry.

Chairman MCHENRY. You can take a minute and—

Ms. MARTIN. In December 2012—sorry

Chairman MCHENRY. I ask unanimous consent that the witness have 2 additional minutes. Without objection, we will reset the clock so you have ample opportunity.

Ms. MARTIN. In December 2012, I filed a complaint of discrimination and retaliation, and I immediately suffered further retaliation for doing so. When my supervisor, the Assistant Director of Consumer Response, learned that I was asserting my rights via the EEO process, he threatened to bring counterclaims against me if I pursued my claim. Immediately, he isolated me, diminished my job duties, and held me accountable for work while, at the same time, prevented me from being involved in the preparation of that work.

On February 21, 2013, I filed a formal EEO complaint against the Bureau. The Bureau acknowledged receipt on February 25th. And the very next day, my supervisor called me into his office and informed me that, effective immediately, with the approval of the human resources and legal divisions, my subordinates would report to him, and he removed me from all of my job duties. He told me that I should view this as an opportunity, and that I was not to worry since I still had my salary and the title of Chief Counsel.

During the summer of 2013, the Bureau commissioned an outside independent agency to investigate my claims of retaliation. To my knowledge, the Bureau received preliminary findings in September 2013, a draft report in October, and a final report in December. The Bureau denied access to the report under both of my requests for the Freedom of Information Act and the Privacy Act. Unfortunately, there is a culture of retaliation and intimidation that silences employees from exposing wrongdoing.

Just 2 weeks ago, another employee was retaliated against within 2 days of filing a formal EEO complaint. Employees have told me alarming stories of maltreatment that resulted when they opposed the mismanagement and when they asserted their individual rights. Certain managers have adopted an authoritarian, untouchable, unaccountable and unanswerable management style. It is

critical for management to be held accountable, and for the Bureau to be subject to real and effective oversight for the sake of its duty to consumers and its directive to protect law-abiding businesses.

My individual story is a microcosm of a larger story of what happens and what is occurring within the Bureau when employees step forward with complaints of wrongdoing. I hope that the Bureau will recognize that it must foster a culture in which employees are able to raise concerns without fear of reprisal. I urge this committee to approach its duties of oversight diligently and expeditiously for the sake of my colleagues who are suffering in silence even as we speak.

Thank you.

[The prepared statement of Ms. Martin can be found on page 46 of the appendix.]

Chairman MCHENRY. Thank you, Ms. Martin.
We will now recognize Ms. Raucci.

**STATEMENT OF MISTY RAUCCI, FORMER INVESTIGATOR,
DEFENSE INVESTIGATORS GROUP (DIG)**

Ms. RAUCCI. Good morning. My name is Misty Raucci. Thank you for this opportunity to respond to your questions later this morning.

I began my investigative career 6 years ago as a field investigator, and advanced to become a director at the Defense Investigators Group. During my tenure, I gained experience working several hundred cases, including workplace investigations. At times, it became necessary for me to determine conclusively that employers' stated concerns were based on merit factors. And each time, I found that they were.

The Martin-Pluta investigation was supposed to be only 2 to 5 statements, and it took 6 months to complete, because as the process started I became a veritable hotline for employees of the CFPB who called me to discuss their own maltreatment at the Bureau, mainly at the hands of the Assistant Director and one of the Section Chiefs.

The sum of my findings was that retaliation was directed at Angela Martin after she filed a formal complaint of discrimination and retaliation.

In concert with what appeared to be at least three facilitators, the Assistant Director of Consumer Response effectively removed Ms. Martin from her position as Chief Counsel of Consumer Response and, ultimately, saw her relegated to another office in a lesser position. The Assistant Director attempted to justify Ms. Martin's removal by expressing doubt as to her ability to perform her duties as Chief Counsel, however his criticisms largely occurred after she filed her complaint.

This was an indicator that the Assistant Director's rationale for demoting Ms. Martin was masking other motives. The Assistant Director unilaterally determined that Ms. Martin deserved a demotion, and did not utilize due process in demoting her. For example, he issued a mid-year review stating that Ms. Martin's work performance was unacceptable, despite her prior reviews in which she was rated as a strong performer. He neglected to place her on a performance improvement plan, which is customary and would

have allowed her an opportunity to identify and correct those perceived deficiencies.

The Assistant Director incorporated the negative review as part of his justification for removing Ms. Martin from her position as Chief Counsel. Also, in less than 1 week's time following Ms. Martin's formal complaint, filed February 21st, 2 of her subordinates filed complaints against her for retaliation. The Assistant Director of Consumer Response not only took those claims far more seriously than Angela Martin's, he stated conclusively in his negative review of Ms. Martin that she had directed retaliatory behavior at both of those subordinates, although their claims had not yet been investigated, much less substantiated.

The lack of vetting, together with the very timing of the subordinates' complaints, suggests that the EEO process was used by the Assistant Director of Consumer Response, as well as Angela Martin's subordinates, to effectuate her dismissal. I found that one subordinate in particular stood to benefit directly from Ms. Martin's removal as Chief Counsel. And by the time this case drew to a close, that subordinate was actually poised to take over Ms. Martin's former role, albeit not in title.

I found out Ms. Martin was subjected to relentless hostility at the hands of a colleague, and that her supervisor, the Assistant Director of Consumer Response, was aware of the open bashing, bullying, and marginalization of Ms. Martin.

However, the Assistant Director did little, if anything, to curtail that behavior. That colleague of Ms. Martin's appeared to want more control in Consumer Response, and I believe he felt that Ms. Martin presented a roadblock in his endeavors. I found that the general environment in Consumer Response is one of exclusion, retaliation, discrimination, demoralization, and other offensive working conditions which constitute a toxic workplace for many of its employees.

Even as I, as a representative of Defense Investigators Group, concluded the investigation of retaliation against Ms. Martin, the Assistant Director of Consumer Response continued to retaliate against her and did not bother to conceal it. Several individuals were interviewed during the course of this investigation, and yet fewer than half of those consented to go on the record for fear of reprisal. Those who came forward stated openly that they were either seeking other employment or they had no doubt that would become necessary due to their collective lack of faith in the ability of the Human Capital Office to protect them.

The Assistant Director of Consumer Response should not have been able to carry out such a transparent scheme against Ms. Martin. It was obvious what was going on. The expectation of the Bureau's Human Capital Office should have been to uphold the rights of its employees, and yet the Assistant Director's willful violation of Ms. Martin's rights has been allowed to continue despite the early written warnings in my summary issued in mid-September of 2013, as well as a subsequent draft report issued later that month, and then the final reported submitted in September of 2013. The Bureau's Human Capital Office is now in receipt of extensive documentation that I, as a representative of Defense Investigators Group, gathered and attached as exhibits to the report.

The evidence of the documentation suggests a pervasive disregard for employee rights that is entrenched in the Office of Consumer Response. Those responsible for curtailing the Assistant Director's activities were apparently compelled to ignore, cover or otherwise downplay them instead of taking corrective action. The corrosive environment at the CFPB workplace was engendered by the Bureau's perpetual failure to uphold its own EEO policy.

Thank you.

[The prepared statement of Ms. Raucci can be found on page 49 of the appendix.]

Chairman MCHENRY. Thank you both for your testimony.

I will now recognize myself for 5 minutes for questions. Ms. Raucci, based on your investigation, am I correct that you concluded that Mr. Pluta retaliated against Ms. Martin for filing her complaint of gender discrimination and retaliation?

Ms. RAUCCI. Yes.

Chairman MCHENRY. Ms. Martin, during your decade in the Army did you ever experience anything like you have experienced at the CFPB?

Ms. MARTIN. No, sir. I have never experienced it anywhere, and I will go further to say that others who have military experience at the Bureau have likewise said it. And I will say that I was the only female in an all-male ideation unit for a time when I was in Germany. I have never seen anything like this, as a total disregard for our rights.

Chairman MCHENRY. In your capacity as a union board member, you are privy to communication between the CFPB and the union, are you not?

Ms. MARTIN. Some communications, yes, sir.

Chairman MCHENRY. Yes. Did the union request a demographic breakdown of the CFPB's performance reviews?

Ms. MARTIN. Yes, sir.

Chairman MCHENRY. Okay. Did the union request a demographic breakdown because it believed there were racial disparities in the performance reviews?

Ms. MARTIN. Yes, sir.

Chairman MCHENRY. Why did the union believe there were disparities?

Ms. MARTIN. Sir, when the initial grievances came forward, they were filed by minority women and minority males. And so, we had reason to believe that there might be something at issue. I will point out, though, that the information request was done 3 days before they nominated me to be on the board.

Chairman MCHENRY. Okay. But you were knowledgeable of that request?

Ms. MARTIN. Yes, sir.

Chairman MCHENRY. Okay. When it received the demographic information, did the union conclude that the CFPB officials discriminated on the base of race?

Ms. MARTIN. Yes, sir.

Chairman MCHENRY. Based on your personal experience, and what you have learned as a union board member, is there discrimination against minorities and women at the CFPB?

Ms. MARTIN. Yes, sir, there appears to be. And I will go further, and say we were very concerned, as a board, when we saw that—when the report came out and confirmed it, and our president said, “Holy cow,” in two words, and in his speech to the bargaining members to try and embolden them and encourage them, he said that this was over discrimination, and the Director should apologize.

Chairman MCHENRY. Ms. Martin, based on everything that you have seen, do you believe that women and minority employees at the CFPB are compensated the same as their white male counterparts?

Ms. MARTIN. No, sir. I know for a fact that they are not. And I also know that the Bureau has been aware of this for quite some time. There is a pay disparity, particularly in the Office of Enforcement, where when they went—the Bureau assessed the pay that was set when we entered into service. They found that there was as much as a \$60,000 gap for similarly-situated employees. For example, for 2 people who went to the same law school, studied under the same professor, and graduated in the same year, there was a difference of tens of thousands of dollars. When that study was done, not one male salary needed to be adjusted, only the salaries of women and minorities.

Chairman MCHENRY. And this is information the union received, and it was pay disclosure. They pay was disclosed.

Ms. MARTIN. Yes.

Chairman MCHENRY. Okay. So based on everything you have seen, do you believe that white male managers have engaged in discrimination against women and minorities?

Ms. MARTIN. Yes, sir. But I will back up—I know it also because these employees have come to me personally. People have come to me many times, on many occasions, even more so since I came forward, and they tell me themselves. It has nothing to do with being a member of the union.

Chairman MCHENRY. And why don't they come forward?

Ms. MARTIN. Sir, they are afraid because they know that I have been retaliated against. And also, quite frankly, I asked them and they don't want to make themselves subject to a public hearing. Some of them are actively looking for other employment, and they think to do so would inhibit them from getting jobs.

Chairman MCHENRY. You have had a long and successful career. Where were you in terms of the Bureau hiring? I know we have—there are a lot of employees there now. Where were you in the hiring?

Ms. MARTIN. Sir, I came on board when there were less than 30 members in the Office of Enforcement. Director Cordray ran the office at that time. He interviewed me, and he hired me.

Chairman MCHENRY. Okay. Now, based on this experience at the Bureau, how does it make you feel?

Ms. MARTIN. Emotionally, I am devastated forever. The fact that this wasn't addressed when it happened to me has allowed another trail of victims. This is unacceptable. I feel, at this point, that the—and I sadly, sadly say that the Bureau should establish its own wounded warrior program for the number of employees who have lost sleep, are emotionally scarred, and are in permanent counseling because of this.

I am positive even I still don't know the amount of devastation. I know one person I heard from just last night—somebody I had never even met—called me from a field office to tell me, as a proud immigrant to this country, as a U.S. citizen and having worked at the FDIC for 15 years, his managers referred to him in an open meeting as an “f***ing foreigner.” This is unacceptable. He should not be going through this.

There are many examples. The person—a similar person that I said who served in the military as well, she is African-American, she is strong, she is proud, she is a sole parent. She is fighting now against the Bureau. She wrote to me, and she said that she read the report, the Pluta report, last night. She said she cried immensely because everything happened to her exactly as it happened to me. If they had stopped when I first told them, she would be fine today. And instead, she is out thousands of dollars fighting her case, trying to seek justice, trying to recover from this.

Chairman MCHENRY. Ms. Martin, thank you for coming forward. We will now recognize the ranking member of the full Financial Services Committee, Ms. Waters, for 5 minutes.

Ms. WATERS. Thank you very much, Mr. Chairman. This is even more complicated than we had imagined. Ms. Martin's case is still pending, as I understand. The retaliation portion of the case has not been resolved at this time. So, I would like to yield the balance of my time to Ms. Martin so she can just continue talking to us.

Ms. MARTIN. Thank you. I want to tell you that I actually think that maybe coming forward has jeopardized my case against the Bureau. I fully believe that now they will fight me more than ever and dig in more than they ever had just to prove themselves right eventually. And actually, they might. Because there is a risk in any litigation. There is a losing party. At some time, somebody might be wrong.

But when you look at me, you must see dozens and scores of people behind me instead. It is tragic. When I brought it to the attention of Director Cordray, he told me that he had inexperienced managers. But inexperienced managers ought not hurt people and they ought not break laws. All managers, at one point, are inexperienced. I was, myself. At the age of 20, I was in Germany and I received a squad of soldiers. They, incidentally, were all male. I took a whole month of an in-residence training course in leadership before I was given command of the squad.

At the Bureau, it appears that everybody does what is right in their own mind, for their own motives, for their own reasons. But unfortunately, what is in their mind and in their heart is not necessarily what is right. I have been never as much in cohesion with my African-American friends. I grew up in the North, and I never saw discrimination. To me, racial discrimination was just a story. I have never felt so compassionate for them, having gone through this plight myself.

What I will tell you, and I think is extremely important—because I would like this part to stop. This part can stop right now, right this moment. Director Cordray, and others at the Consumer Bureau, the Assistant Director of Consumer Response, in writing, orally, in meetings, everywhere will say we—the Office of Con-

sumer Response, is the most diverse group within the Bureau. And they are right.

If you look at the picture, it is extremely diverse. But facial equality is a far cry from racial equality. And what you have, when they say this, they say, "Oh, we are so diverse." My African-American friends who serve there say that those statements are insulting, demeaning, and only a white male would make such a proclamation. And here is why. In Consumer Response, most of the managers are white males. When women have left, they have been replaced by white males.

I thought back over the whole time at Consumer Response, and only two white males have ever left. One left early on for another Federal agency, and one left for retirement. Anybody else who has left that office is a woman or a minority. I am very sad to say, but I think it really must be said: There is an entire section in Consumer Response intake that is 100 percent African-American, even the contractors, and it is called, "the plantation."

And African-Americans tell me that it is extremely hard to leave the plantation. You must be extremely savvy or you must have somebody else to get out. And I will note, you cannot say that education is a factor. Because there are licensed attorneys working there, and there are people with advanced masters degrees working there. And it is just unacceptable that they are put into that position.

I will tell you, as far as—because I know this started from the performance reviews. If you also look at this, if you have African-Americans and minorities in those types of positions—working in a cubby, coming in day and day out—to do your quota, it is really hard to get high marks in collaboration. Because what chance do you have to be on a Bureau-wide working group or interagency working group or some of these other things?

So what you have on the performance evaluations are the white males in power in the better slots giving themselves the fours and fives, giving themselves the raises and bonuses, and the minorities sitting there, cranking out, doing the work of the government, doing the work for the American consumers. They don't get the wages. So it is actually a widening of the gap, and that is astonishing in a 21st Century agency.

I wanted to say one more thing. May I just finish?

Chairman MCHENRY. I wouldn't dare stop you.

Ms. MARTIN. I just wanted to point out one last thing, because it is a 21st Century agency. And it reminded me as far as this individual unit, if you go to the Bureau, in the amphitheater there are, it is tiered. And in the front are the chairs with the tables towards the stage, and in the back there is not. My African-American friends and support staff and intake, they stand at the back or they sit in those chairs. So when you look at it, it really does appear to be the bus from a long time ago, where the African-Americans are in the back.

That is unacceptable. We are a 21st Century agency, and I am just asking for some help to get there. But the one thing that they could stop right now is stop claiming that it is diversity just because you have different faces on the wall. They need diversity of

opportunity, diversity of advancement, diversity of training, and equal treatment.

Thank you.

Chairman MCHENRY. We will now recognize the vice chairman, Mr. Fitzpatrick, for 5 minutes.

Mr. FITZPATRICK. I thank the chairman. Ms. Raucci, I would like to ask you a couple of questions about a document that has been marked for identification as Majority exhibit A. It is a copy of an e-mail that you sent to Liza Strong, and it is dated September 11, 2013. Can you tell us who Liza Strong is?

Ms. RAUCCI. Liza Strong is, to my knowledge, the Director of Human Relations in the Human Capital Office.

Mr. FITZPATRICK. Have you had occasion to question her or interview her during the course of your DIG investigation?

Ms. RAUCCI. I spoke with her several times.

Mr. FITZPATRICK. Who is Tara Gilbert?

Ms. RAUCCI. Tara Gilbert is—I believe she is Liza Strong’s assistant.

Mr. FITZPATRICK. Is this document, Majority exhibit A, a true and correct copy of the e-mail that you in fact sent on September 11, 2013, to Ms. Strong and Ms. Gilbert?

Ms. RAUCCI. Yes, it is.

Mr. FITZPATRICK. At the end of the e-mail, you say that there are “issues at the CFPB’s Office of Consumer Response relating to fair behavior and employment practices.” What did you mean by that statement?

Ms. RAUCCI. I meant that there appeared to be a disregard for employee rights in general, and that if an employee were to express any problems within the Office of Consumer Response, they would be retaliated against or otherwise be subjected to adverse employment actions.

Mr. FITZPATRICK. You also say that the CFPB is at risk of, “undermining its own public position as an advocate for fairness toward the American consumer, as well as stifling its own mission to hold merchants, et cetera, to fair and equal standards.” What do you mean by that statement?

Ms. RAUCCI. By that, I mean that the CFPB represents, or should represent fairness in the American marketplace with regard to discrimination, discriminatory practices on the part of lenders, or retaliation. They were to shield the American consumers from such practices and, instead, they were committing unfair and deceptive practices against their employees.

Mr. FITZPATRICK. And given what you found out internally at the CFPB, you believe—you drew the conclusion, as an investigator, that it was impacting their mission to be fair and equitable to the public?

Ms. RAUCCI. Yes. I believe that they undermined their own mission. It is difficult to determine that the CFPB, while they are to defend Americans in the marketplace against discrimination and retaliation, would see fit to subject their employees to those same unfair practices.

Mr. FITZPATRICK. Ms. Raucci, lastly, you recommended informing Director Cordray of your findings. Why do you believe that the Director needed to be notified?

Ms. RAUCCI. I believe he needed to be notified because I felt that no one in the ranks between Liza Strong and Director Cordray would do anything about what was going on. And I felt that when the Bureau—with the knowledge that when the Bureau was first formed, there was some contention as to whether there should be a single Director or a Board of Directors to oversee the Bureau.

And I felt that Director Cordray should be given the opportunity to correct what was going on in the Office of Consumer Response, lest he be held up as an example of how a Board of Directors would have been the better option.

Mr. FITZPATRICK. Ms. Martin, you have described some very troubling conditions at the CFPB that arguably merit an Inspector General investigation. Are you aware which employees have ever referred a workplace-related matter to the Inspector General?

Ms. MARTIN. Yes, sir. I did, myself, recently. Others have, as well.

Mr. FITZPATRICK. What did the Inspector General do with the information that was brought to his attention?

Ms. MARTIN. When I filed an EEO complaint with—or my retaliation complaint with the Inspector General, I received a call from them, and I was essentially told that they don't handle these types of complaints and there was nothing they could do; it was a matter for the EEOC.

Mr. FITZPATRICK. Ms. Martin, are you aware whether any other employees brought similar allegations to the attention of the Inspector General?

Ms. MARTIN. I am told others have filed complaints. They told me themselves. They also said that they have filed complaints with the Office of Special Counsel. And some of them have told me that they have tried to reach out for help through their Congressmen.

Mr. FITZPATRICK. How many employees?

Ms. MARTIN. Sir, I can't number them. Seriously, dozens or scores, please help them.

Mr. FITZPATRICK. Thank you.

Chairman MCHENRY. We will now recognize the ranking member for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman. And, Mr. Chairman, I would like to make one minor correction. I referred to you as the ranking member earlier. I was not trying to demote you in any way.

Chairman MCHENRY. I know there is an election coming up, and they are—

[laughter]

Mr. GREEN. This is not a part of that, Mr. Chairman.

Chairman MCHENRY. I certainly thank my colleague from Colorado. And perhaps, he is engaged in their newest trade. But with that, we will ask to reset the time, please. The gentleman is recognized for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman. And thank you, again, witnesses for appearing today.

Ms. Martin, I am concerned and I believe you are concerned about persons who are in all areas of government being treated fairly. Is that a fair statement?

Ms. MARTIN. All areas of life, sir, yes.

Mr. GREEN. All areas of life being treated fairly. And my belief is that you are not just concerned about people at the CFPB. If there are people being treated unfairly in another agency, you would like to see that corrected, as well. Is that a fair statement?

Ms. MARTIN. Sir, here is the problem with that statement for me personally. It is too limited. When I was in the Army, my first general order was I will guard everything within the limits of my post, and quit my post only when properly relieved. I, as Angela Martin, don't have anything to do with those other agencies. I would be concerned about them as a person, but my responsibility is what is happening within my borders that God has set.

Mr. GREEN. Agreed. Is it your testimony that if you knew that something was happening at another agency, you would not want to see it corrected?

Ms. MARTIN. Sir, I want to see injustice corrected everywhere.

Mr. GREEN. Thank you.

Ms. MARTIN. But, yes.

Mr. GREEN. Thank you. I understand. And Ms. Martin, I assure you, like you, I am interested in making sure that all people are treated fairly, regardless of the agency. Have you had an opportunity to review the circumstances that—well, strike that. You are not here today to ask that the CFPB be eliminated. Is that a fair statement?

Ms. MARTIN. Oh, no, sir. Never. Not even close.

Mr. GREEN. Okay. You want to see consumers protected. Is that a fair statement?

Ms. MARTIN. Yes, sir. But not only that, also businesses that abide by the law ought not be disadvantaged.

Mr. GREEN. Consumers and businesses.

Ms. MARTIN. Yes, sir.

Mr. GREEN. Protected. And you would not want your testimony today to be used to weaken the CFPB, would you?

Ms. MARTIN. I would like it to be used to weaken managers—

Mr. GREEN. Managers.

Ms. MARTIN. —who are in power who ought not be. I would like to see it weakened in various ways, but as far as its power to protect the American consumer, it would be a tragedy if it was weakened.

Mr. GREEN. Thank you. And I am very much concerned about what is happening at the CFPB. But in my position as the ranking member on the Oversight Subcommittee, I am also concerned about the other agencies. And I trust that you can understand that in my post, I have to look at the entire picture, which is why I am concerned that we don't limit this to just one agency. We may now have an opportunity to try to take corrective action wherever injustice exists. Do you agree that is a pretty good thing to do?

Ms. MARTIN. It is a very good thing to do, sir. Because the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act) itself recognizes that no Federal agency can run as long as it tolerates discrimination within it. Your own letter to the IGs recognizes the same thing. And what I thought was important about your letter is that it said, "in perception or practice." Even the mere perception of discrimination has the potential to weaken the internal workings of an agency. And when

any agency is weakened internally, it necessarily can't focus on its external missions to the public.

Mr. GREEN. And do you think that the employees are trying to do the very best job that they can at the CFPB?

Ms. MARTIN. Some aren't, sir.

Mr. GREEN. The employees in general. I am trying to make sure that the agency itself is—we want to look at the management, we want to examine the circumstances you have called to our attention. But I am talking about those rank and file employees. Are they trying to do a pretty good job?

Ms. MARTIN. Sir, I would say many employees, the overwhelming majority of employees believe in the Bureau's mission. Even ones who have been aggrieved, even seriously aggrieved like I have, we are not leaving the Bureau. The Bureau plays a vital mission. We have fought for its existence, we want to protect its existence.

People think that I am here to destroy the Bureau or that I am doing something bad for the Bureau. I will say this is a dark day for the Bureau, no doubt. But it is by shining the light that we can fix these things and we can make it a stronger Bureau. It is kind of like when you prune something, then it can grow better.

Mr. GREEN. That is exactly the point, and I am proud that you made that point, that you are not here to destroy the Bureau. You want consumers and businesses protected, and you want to strengthen the Bureau, but you do want to make sure that any injustices are corrected. Agreed?

Ms. MARTIN. Yes, sir, solidly.

Mr. GREEN. Thank you very much.

I yield back.

Chairman MCHENRY. I now recognize Mr. Duffy from Wisconsin.

Mr. DUFFY. Thank you, Mr. Chairman.

My friends across the aisle have acknowledged abuses in other agencies, other discrimination. And I would agree, there has to be discrimination throughout government and we have to go after it. But today is a hearing about discrimination at the CFPB, and I want to focus on the allegations that have been made specifically about the CFPB. And from here, maybe we can go to other agencies, as well. But this is a hearing about what has happened to you and to others at the agency.

And I again want to thank you for your courage, your bravery, but also your leadership. If you look at other people, as you have mentioned—scores of other people who have been discriminated against or retaliated against—your leadership gives them, I think, courage to come forward and tell their story, as well. And I have some specific questions that I want to ask.

But before I do that, I just want to comment that I am disappointed that you have given the CFPB an opportunity to change its ways, to actually see that a problem exists and that they have a chance to change course. And instead of taking the opportunity that you have given—and actually even showing up today to say, "Listen, we are going to talk about it, we are going to be open about what has happened, we are embarrassed by what has happened at the CFPB, but we believe in fixing it. And we are going to come and we are going to open our doors, and we are going talk

and have a conversation about how we can be better, how we can learn from this and how we can improve.”

But instead of coming here today, they said, “We are not going to show up.” What frustrates me even more is, I read an article in Politico which gave a statement about Ms. Raucci’s report. And they said—and this was the quote from Politico—“The CFPB is aggressively pushing back on the findings”—which were your findings, Ms. Raucci.

“A spokesman said the report is not valid or credible, in part because it took unsworn statements by anonymous witnesses and failed to give those accused a chance to properly respond.” For me, that tells me the problem still exists. They are not embracing what you are sharing. That this is not a point of a new beginning. You are still engaged in the fight to get them to see what they have done, the wrong that they have been engaged in, and to make it right.

I want to be clear about our willingness to work with you to make sure that they are accountable for what has happened, and that they change behaviors. I have to just ask, how has this affected you personally, Ms. Martin? What has happened with the discrimination and retaliation?

Ms. MARTIN. On a personal level, I have never had such emotional stress in my life. The fact that you can’t eat and can’t sleep—I heard about it from my clients all the time because they were victims of abusive debt collectors, but I never quite understood it. And like I said as well, members of minorities—I have never had such a unity with them. But I will tell you, the continued pain of hearing their stories is far worse, almost exponentially worse, that it continues.

Mr. DUFFY. You have made a comment about a reference. Was it intake workers that—did you say they are almost 100 percent African-American?

Ms. MARTIN. They are 100 percent African-American, except some of them may be biracial or multiracial. I will tell you, in 8th grade I heard that as a race, we could all be human. And so, that is what I choose. If there is “other” with a line, I choose human. So I am not sure what they would refer to themselves as—I know that some refer to themselves differently, and they might be from somewhere else. But just by looking at them, and from what people tell me they are.

Mr. DUFFY. They use a phrase in management to reference these intake workers who are 100 percent minority. What was that phrase again? What do they refer to this intake group as?

Ms. MARTIN. Actually, it is my understanding that it originated in intake itself. And it is “the plantation.”

Mr. DUFFY. The plantation.

Ms. MARTIN. And actually, sir, when they had a chance—Consumer Response recently had a chance to fill two manager positions, and they hired two white male contractors over that section, and did not promote from within.

Mr. DUFFY. Is there any other slang that you are aware of that is used at the CFPB besides “the plantation?”

Ms. MARTIN. I have heard Consumer Response called “a cess-pool.” I have not heard any other names for offices.

Mr. DUFFY. Ms. Raucci—and I am jumping all over here, but—talking about the CFPB asking for sworn statements and this report, your report, as invalid because there weren't sworn statements. By the way, you did this report and this investigation based on the request of the CFPB, right?

Ms. RAUCCI. Yes.

Mr. DUFFY. You don't have a dog in this fight; you just did the investigation independently.

Ms. RAUCCI. That is correct.

Mr. DUFFY. Are you surprised that they are now pushing back on your report because there weren't signed statements?

Ms. RAUCCI. Based on my findings, I am not surprised.

Mr. DUFFY. Did they ask that you obtain sworn statements from those whom you interviewed?

Ms. RAUCCI. Originally, that was the plan. However, due to monetary—what we were told were monetary constraints, in the interest of avoiding travel, it was determined that conducting the investigation by telephone and corroborating and having the witnesses verify their statements by other means was acceptable.

Mr. DUFFY. The CFPB said that was acceptable.

Ms. RAUCCI. Yes.

Mr. DUFFY. Okay.

I yield back.

Chairman MCHENRY. Mr. Cleaver is recognized for 5 minutes.

Mr. CLEAVER. Thank you, Mr. Chairman. Just for the record, actually there is a Federal department that has worn the title of "the plantation" since about the 1960s. Many of us here have dealt with them over the years. And I am pleased to say that they are turning things around in that particular Federal department that has been known "the Federal plantation."

So I am hoping that the same thing can happen in every department. I am not an attorney. I am sitting between two attorneys, one judge on my left, a former judge. I feel awkward trying to ask a question of somebody who is an attorney. But what I am interested in, because it may give some cause for hope, is that we found out that this Federal department that we all used to talk about as "the plantation" began to try to turn things around.

But they had to first recognize that, over the years, a culture of exclusion and discrimination had been created. A culture. It didn't mean people woke up in the morning, or had meetings, and said, "Let's get Martin." But it is about the very fabric of what the department has become, at least in this other instance.

So I am wondering, from either of you, if I gave an adequate definition of the culture, of culture, if you believe that is what is there. That it is happening because this is what we do. And that the intentionality is not something as a result of some guys having a Thursday meeting at 4:30 to pick out people to whom they will issue discriminating mandates.

Ms. MARTIN. I will tell you that the actions and words I have seen and heard from certain managers indicate to me that they are racist and they are sexist. I will tell you, as a victim and hearing other stories, their intent doesn't matter. I will give you an example in Consumer Response. They will schedule trainings and not in-

vite women and minorities. And when they bring it to their attention, the managers say, “my bad.”

They are not allowed to go to training, they are not allowed to go to opportunities. It is really interesting—its an interesting dichotomy. It is a culture, and the culture needs to change.

Mr. CLEAVER. Yes, that is what I understand. It didn't matter if it was unintentional. We used to play baseball, and we would say, you are automatically out if you sling your bat. Because whether somebody hits you intentionally, or whether it slipped out of their hand, it still hurts. So I am not saying that if it is not intentional, it feels better.

But I am saying that sometimes a culture just bubbles and then it feeds itself. And I am wondering if that is what is taking place. I don't have any other questions.

Mr. Chairman, I yield back the balance of my time.

Chairman MCHENRY. We will now recognize Mr. Fincher of Tennessee.

Mr. FINCHER. Thank you, Mr. Chairman, and Ms. Martin, and Ms.—is it “Raucci?” Is that how you pronounce it?

Ms. RAUCCI. That is fine.

[laughter]

Mr. FINCHER. I am heartbroken to hear the testimony today. In 2014, you do hear stories like this. But in the Federal Government, where smart people are supposed to work and where people are supposed to handle themselves in a way that is the proper way, for this to happen to you, it is just unacceptable. And, hopefully, this hearing today—and I appreciate the chairman and the ranking member taking time for us to look into this. It is very important.

A couple of questions to Ms. Martin. You were a civilian JAG attorney after law school, correct?

Ms. MARTIN. Yes, sir.

Mr. FINCHER. What were your duties as a JAG attorney?

Ms. MARTIN. I served the servicemembers. We had 250,000 eligible clients for our office. I was responsible for training the JAGs for—in the Army duties, as well as in the practice of law. We did 47 areas of law, primarily wills and family law. And then, we developed a consumer law program. I will tell you that at one point, it was just me and a brand-new lieutenant, because the rest of the office had deployed.

Mr. FINCHER. Wow, I appreciate your service. After your time, after the JAG Corps, you were a solo practitioner working on consumer law matters also, correct?

Ms. MARTIN. Yes, sir. And that came because I set up a program at Fort Bragg for consumer law, and I realized that my duties and services to the consumers would be better served outside the gate. Because that way I could effectively serve all five military installations, as well as North Carolina civilians.

Mr. FINCHER. Outside of the law practice, have you done any teaching or public advocacy concerning consumer law issues?

Ms. MARTIN. Yes, sir. I frequently—I will speak any time about consumer law issues. I feel that it is so important because of the way that money matters and consumer matters affect the stability of families in general. And how if you fix the money matters, you might be able to stop divorces and save families. Or in the case of

home foreclosures, you could save neighborhoods, you could save schools.

Mr. FINCHER. And again, you are—to reiterate what a couple of my colleagues said a few minutes ago—not saying that the CFPB needs to be eliminated. You just want the problems fixed that are within the agency and, up until now, this was a problem.

Ms. MARTIN. Yes, sir. And I don't even care how you fix it, how anybody fixes it from whatever manner. I just want it—it has to stop. I have been suffering since May of 2012. And when I went forward formally in December, even then it was not for myself. In December, I saw another female crying in her office, suffering from the same abuses that I myself was experiencing.

I said, this has to end. In a weird time fashion, when I stormed out of the office in tears to head to Human Capital to file my complaint, I was met on the way by Dennis Slater, who is the Chief Human Capital Officer. He escorted me, in tears. I said it had to end, in December of 2012. I got a call just this morning that it is continuing.

And I wanted to add, anybody that I speak about, I have their permission to speak about. I am very much aware of the thwarting of the EEO process and the right to personal privacy. Somebody has authorized me to tell you that they have been medically diagnosed as suffering from PTSD from a hostile work environment at the Bureau. I don't know how many more victims somebody needs to make it stop, but I am asking you to do so.

Mr. FINCHER. Look, one—a couple of more questions to wrap up. After Ms. Raucci's report was finalized, did you ask the CFPB for a copy of the report?

Ms. MARTIN. Yes, sir. And I did it intentionally and firmly from my residence, which is out-of-State. I live in North Carolina. I drive 325 miles to work here. I filed two requests, as well, so that they wouldn't be confused whether it was FOIA or whether it was the Privacy Act. And they were both denied summarily.

Mr. FINCHER. You would think you could get the report. You asked for it. You asked for it more than once. But they wouldn't let you have it.

Ms. MARTIN. No, sir. I wasn't even allowed a redacted copy about the part of it that pertained to me.

Mr. FINCHER. Unbelievable.

With that, I yield back, Mr. Chairman.

Chairman MCHENRY. Ms. Martin, in the American Banker article, Director Cordray said that they will have, “an open dialogue about—and promise to resolve some of these problems.” Is that going to suffice?

Ms. MARTIN. Sir, that is more than surprising. It is incredibly sad for me, and it is one of the reasons that I came forward as a whistleblower. I love the idea of an open dialogue. Who can fault transparency? That is one of the reasons I am here is to shine light. But the culture of the Bureau, and the retaliation and intimidation, will make your numbers hopelessly underreported. An open dialogue without a safe access to engage in that conversation will be for naught.

And that is the sole reason I came forward as a whistleblower, to let you know the problem is bigger than any report that you will see or hear.

Chairman MCHENRY. The time has expired.

I now ask unanimous consent to include in the record the paragraph from Ms. Raucci's e-mail dated September 11, 2013. It says, "The environment at the Office of Consumer Response appears to be one of exclusion, retaliation, and collusion spearheaded by the Respondent, and furthered by at least two of his reports, resulting in what appears to be benefits received by at least one of them in return for their complicity."

Mr. GREEN. Point of clarification, Mr. Chairman. Is that the paragraph only?

Chairman MCHENRY. Yes, yes. And without objection, it is so ordered.

We will now recognize Mr. Perlmutter from Colorado.

Mr. PERLMUTTER. Thank you, Mr. Chairman. And thank you two for your testimony today. I appreciate the fact that you are here, standing up for the agency in one respect, and really bringing some serious complaints about the agency. So, it is a difficult spot for both of you to be in.

I just have some basic questions about the office and the size of the office and that kind of stuff. So, Ms. Raucci, the Office of Consumer Response, how big is that? How many people are in that?

Ms. RAUCCI. I don't know exactly.

Mr. PERLMUTTER. Ms. Martin?

Ms. MARTIN. Sir, it is 160-plus full-time employees, with a budget of \$73-plus million.

Mr. PERLMUTTER. Okay, 160. How many managers?

Ms. MARTIN. Sir, I don't know.

Mr. PERLMUTTER. Okay. And are you still in that office? Or are you in another office now?

Ms. MARTIN. No, sir. As part of the settlement, I moved back to the Office of Enforcement.

Mr. PERLMUTTER. Okay. And how many people are in the Office of Enforcement?

Ms. MARTIN. Sir, I don't know the numbers. I am excluded and isolated. No kidding, I honestly don't know the numbers.

Mr. PERLMUTTER. Okay. I am just trying to gauge the Office of Consumer Response against the entire agency. Is it a quarter of it, half of it? What would you say?

Ms. MARTIN. I am not sure, sir, because I don't know the numbers of employees. But I think we might be at 1,300 members. And if that is 160, then there would be your math.

Mr. PERLMUTTER. Okay, thank you. Ms. Skinner and Ms. Hume, what is their status? Because I—and, Ms. Raucci, you refer to them in your testimony. Are they still with the Office of Consumer Response, or do you know?

Ms. MARTIN. Sir, they are still with the Office.

Mr. PERLMUTTER. Did either one of them take your position?

Ms. MARTIN. Yes, sir. But I am reluctant to speak about—

Mr. PERLMUTTER. Just—yes, I am not trying to cross-examine. I am just trying to understand the status of—what is the status of your EEOC case?

Ms. MARTIN. Oh, sir, the—I settled with the Bureau in August. While this investigation was going on, I had a valid settlement agreement. The only thing I am fighting with the Bureau on is that they did not give me the position that they said that they would give me. That sole clause that I am supposed to have a job that Director Cordray and somebody else gave to somebody else, that is the issue at the EEOC. Or will be. I didn't even file it yet, but that will be the issue.

Mr. PERLMUTTER. Do you know whether there are any other EEOC investigations ongoing?

Ms. MARTIN. Yes, sir. It is a confidential process. But at least the one that I told you about, the person who was a foreigner. I know his is pending at the EEOC. I don't know the number.

Mr. PERLMUTTER. Okay.

Ms. MARTIN. But I want to be clear. I really—I am careful about this. My employees have an absolute right to use the EEO process. They had an absolute right to file complaints. And they should be free to file those. What is not acceptable is what I believe has happened is that a manager is colluding with employees to do so because that undermines the entire process and ends up thwarting the rights that they ought to be protected.

Mr. PERLMUTTER. I agree. I guess I am trying to figure out at—on one hand, we are here and—in this committee you are testifying here. On the other hand, there are other authorities kind of looking into these allegations, I hope.

Ms. MARTIN. Yes, sir. But there is a huge problem with that.

Mr. PERLMUTTER. Okay, and that is what?

Ms. MARTIN. It is called the slow, deliberate pace of justice. The time that it takes and the emotional toll on all these employees, when somebody can simply say no, it ends here, it is unacceptable. We are a Federal agency, we proudly serve consumers. It has to stop. The fact that I have an individual claim, great. I am not here for that, but somebody has to stop this. And incidentally, I don't even—I am not here to relieve anybody from their jobs.

I am telling you that there is a problem, and I want two things: I want people to abide by the laws; and I want people to stop hurting other people. And that needs to happen now, not in an adjudication in another forum. It has to stop now.

Mr. PERLMUTTER. And at the end of the day, by people being treated properly, as you see it, in this agency, and rebuilding the Office of Consumer Response, are we going to have a better agency to protect the consumers of the United States of America?

Ms. MARTIN. Sir, one would hope so. But I have to be clear.

Mr. PERLMUTTER. Would that be one of your goals in all of this?

Ms. MARTIN. Sir, my biggest goal is a restoration of the EEO process and grievance process itself. I am telling you stories from Consumer Response because that is where some of the stories lie. But this is a Bureau-systemic problem and the EEO process itself is unhealthy and needs to be fixed.

Mr. PERLMUTTER. So the EEOC, is their investigation proceeding appropriately, or not?

Ms. MARTIN. I don't have—sir, I don't have knowledge of the EEOC. I am only talking the EEO within the Bureau.

Mr. PERLMUTTER. Okay, thank you.

Chairman MCHENRY. We will now recognize the chairman of the full Financial Services Committee, Chairman Hensarling, for 5 minutes.

Chairman HENSARLING. Thank you, Mr. Chairman. Committee members know it is not my custom to speak at subcommittee hearings. Today is clearly an exception. As have most Members, I have been moved by what I have heard. And, again, let me add my voice to the voices you have heard congratulating both of you ladies for the courage that you exhibit and for coming forward today.

I was but a child when Martin Luther King gave his, "I have a dream" speech. I was but a child when the civil rights movement was finally achieving its victories. So, an America of Government-sanctioned discrimination is one that I am mostly familiar with in the history books, from television documentaries, and frankly, from some who have actually lived through it.

And to think, again, that in 2014 we are hearing evidence of Government-sanctioned discrimination is beyond the pale. And I hope that my colleagues who had requested that this hearing be canceled now see the value in this testimony. I think this committee would be negligent, would be in dereliction of duty, had we not heard this testimony today.

And as chairman of this committee, if this was merely restricted to Ms. Martin's story, as compelling as it is, I would not have allowed this hearing to go forward. But instead, regrettably, shamefully, this appears to be the tip of the iceberg. I so wish that the CFPB were here today. As Chairman McHenry has stated, they were invited. This wasn't about trying to hear one story. This was about hearing both sides of the story.

We are not here to be judge and jury, but we are here to investigate. It is our job, it is our duty, it is our responsibility from those who elected us and have given us these great offices of trust and responsibility. So we will have our debates about what is good public policy, and what is not good public policy. But the question before us is, notwithstanding Ms. Martin's story—and that is a very important issue for us to investigate—is there a pattern of intimidation of whistleblowers at the CFPB?

Has it risen to the level of unlawful action? Is there a pattern of discrimination at the CFPB? Has it risen to the level of unlawful discrimination? Is the CFPB, when it comes to disparate impact, attempting to impose a standard on others that they seemingly are unable to meet themselves? Where is the equal protection under the law?

There is a reason, perhaps, that the CFPB is historically the least accountable, most powerful, Federal agency we have seen. And I am hoping that Members on both sides of the aisle may revisit the necessity of this agency being accountable to the American people.

I have a couple of questions. What was compelling—there are many things that have been compelling to me, but Ms. Raucci, you said in your testimony that when you appeared, you became "a veritable hotline for employees at the CFPB who called to discuss their maltreatment."

Ms. RAUCCI. That is true, sir.

Chairman HENSARLING. Approximately how many contacted you?

Ms. RAUCCI. Approximately 12.

Chairman HENSARLING. Approximately a dozen. And speaking of context, Ms. Martin, because we do not have a commission, we have one Director, did Director Cordray ever contact you personally with respect to your complaint?

Ms. MARTIN. Yes, sir. Like many of the early arrivals in Enforcement, because we were so small, we had an ability to speak to the Director and approach him. He is very approachable and kind.

Chairman HENSARLING. When he contacted you, was this with respect to your formal EEO complaint?

Ms. MARTIN. Yes, sir. On August 7th, Director Cordray called me at night and told me that I should get my—that I have to tell my attorneys to back down.

Chairman HENSARLING. I'm sorry, Ms. Martin. You are saying that Director Cordray personally reached out to you and told you to have your attorneys back down?

Ms. MARTIN. Yes, sir. On August 7th, at 8:54 p.m., in a 2-minute conversation he told me to tell my attorneys to back down because he was trying to secure me a position in Enforcement. The next day—that was the final—my reporting structure was the last thing to be settled, and I settled it the next morning. Everything was fine, and I was coming back to work. We actually signed the settlement agreement on August 14th.

But what I did not know was, on August 8th, after I thought that it was settled, Director Cordray and somebody else gave that position to somebody else. And that is what the fight is about now, currently, with the Bureau, that I don't have a position. But yes, he told me that.

Chairman HENSARLING. We will fight to not let you and the other employees down.

I yield back, Mr. Chairman.

Chairman MCHENRY. I thank the chairman.

I will now recognize Mrs. Beatty for 5 minutes.

Mrs. BEATTY. Thank you, Mr. Chairman, and Ranking Member Green. I also thank the witnesses for being here during this serious and very emotional testimony. I certainly appreciate it.

Let me first say that whether we are talking about public service or the private sector, I am certainly against any form of discrimination. And certainly, there should be no place for retaliation. Thus, I signed this document, along with my other Democratic colleagues, to ask the Inspectors General of the Federal financial regulators to look at whether discrimination exists in those agencies. Let me also say that I am committed to fairness to those in the workplace, and I am also committed to fairness of the workplace.

So as we move through today's hearing and the questions, I have a great appreciation for your saying that you would like to increase the slow pace that the agency is going at, to bring some resolve. To my colleagues' comments about culture change, you would like to see the culture change, and you want people to stop being hurt. But you also support the purpose of the CFPB and you don't want to see the Bureau's purpose undermined.

So can you share with us, if you have any specific resolve, to what you would like to see if it were up to you? What would be the culture change, and what specifically would you like to see hap-

pen? I believe you said you didn't want to see people lose their jobs. But talk to us a little more about what you would like to see so we can be more helpful.

Ms. MARTIN. Thank you. The first thing I would say is that I would like to see people lose their jobs if they have engaged in unlawful activities. And they ought not be in leadership where they can hurt people or break laws. So I don't want to say people ought not be removed. People are removed all the time. They should be removed with due process. I was removed in an instant, without it. So, there is a difference.

You said many things, and I was wondering if you could break down your questions. I don't know what to respond to next.

Mrs. BEATTY. No, thank you very much. Due process, people removed from their jobs. Are there any specific categories? Because you talked about not only what your case is and why we are having it. But you spent a lot of time, which I appreciated, also highlighting that there are some issues that seem to be more in a category that I am going to call racist: the reference to the derogatory statements about the plantation, the back of the bus, et cetera.

What would you like to see, as it results into removing the racist comments that were made? And also, of the 12 people who contacted you, how many of those individuals were African-American? So those two questions: the racism issue; and how many of the 12 people were African-American?

Ms. RAUCCI. Of the 12 people, I know that one was African-American. But their particular issue was not discrimination. They actually had contacted me to alert me about discrimination against other African-Americans in the Office of Consumer Response.

Mrs. BEATTY. And Ms. Martin, to you, I think you referenced 12 people had contacted you, when my colleague asked. When you said you had been—the bank of phone calls are flooded with the calls. I think your number was 12, if I am not mistaken. How many of those individuals who contacted you specifically about the CFPB and what was happening were African-American?

Ms. MARTIN. Ma'am, I didn't have 12 people call me. I can't count the number of people who called me. I would actually have to sit down and figure that out. Overwhelmingly, they are African-American or other minorities. I have had no white male complain that I am aware of, except one from a long time ago on an age discrimination matter.

Mrs. BEATTY. Okay. Thank you.

And I yield back.

Chairman MCHENRY. We will now recognize Mr. Hultgren for 5 minutes.

Mr. HULTGREN. Thank you, Mr. Chairman. And thank you both very, very much for being here, for your courage, for letting us know about this and how important this is now to take the next steps, to get all the information we can.

Ms. RAUCCI, if I could ask you, was Mr. Pluta aware of the requirements of the EEO process?

Ms. RAUCCI. Yes.

Mr. HULTGREN. In your opinion, did Mr. Pluta knowingly violate the EEO process in Ms. Martin's case?

Ms. RAUCCI. Yes, he did.

Mr. HULTGREN. Continuing on, did the CFPB ever object to the findings of your investigation?

Ms. RAUCCI. No.

Mr. HULTGREN. Based on your investigative work, do you believe that the current head of Consumer Response, Scott Pluta, has created an environment in which all employees feel free to utilize the EEO process?

Ms. RAUCCI. No. In fact, he discourages, openly discourages the use of the EEO process.

Mr. HULTGREN. Do you believe that Scott Pluta acted as he did in Ms. Martin's case because he simply was not aware of the requirements of the EEO process?

Ms. RAUCCI. No, I don't believe that. I believe it was a willful disregard for the EEO process.

Mr. HULTGREN. Did witnesses interviewed by you express an opinion as to Mr. Pluta's career ambitions in connection with the Office of Consumer Response, and what did the witnesses tell you, if they did?

Ms. RAUCCI. Yes. Witnesses told me that Mr. Pluta was interested in developing his own empire within the Office of Consumer Response. And one witness in particular told me that was offered as an explanation for what was perceived as cronyism, in which Mr. Pluta would plant "yes" men in the Office of Consumer Response who would simply be glad for the opportunity that he presented to them to work in the Office of Consumer Response, and would therefore abide by his directives, whatever they may be.

Mr. HULTGREN. Mr. Pluta issued Ms. Martin an unacceptable performance rating of one in April of 2013. Is that correct?

Ms. RAUCCI. Yes.

Mr. HULTGREN. Before receiving the one rating, Ms. Martin had a record of strong performance at the CFPB. Isn't that correct?

Ms. RAUCCI. Yes, that is correct, sir.

Mr. HULTGREN. Mr. Pluta did not place Ms. Martin on a performance improvement plan after assigning a one rating? Is that correct?

Ms. RAUCCI. No, sir, he did not.

Mr. HULTGREN. Wouldn't it have been customary to place Ms. Martin on a performance improvement plan?

Ms. RAUCCI. Yes, it would have.

Mr. HULTGREN. As a result of Mr. Pluta's actions, you determined that Mr. Pluta used the performance rating system to retaliate against Ms. Martin. Is that correct?

Ms. RAUCCI. Yes.

Mr. HULTGREN. Again, I thank you so much, both of you, for being here today, for helping us in this initial, very eye-opening hearing.

Mr. Chairman, I have completed my questions. I would be happy to yield back to the chairman the remainder of my time.

Chairman MCHENRY. I appreciate my colleague for yielding.

Ms. Martin, you have dealt with the CFPB's Office of Human Capital in connection with this case, have you not?

Ms. MARTIN. Yes, sir.

Chairman MCHENRY. And this was in connection with the retaliation claim. Is that correct?

Ms. MARTIN. Yes, sir. And earlier discrimination. I engaged them early, in the hopes of getting a resolution.

Chairman MCHENRY. Based on this experience, does the Office of Human Capital adequately protect employees of the CFPB?

Ms. MARTIN. No, sir. It is actually sad because when you first go to—when an employee first—and I have heard this from others, as well. When you first engage the Office of Human Capital, the employee relations liaison sounds sad, sounds like she is empathetic, tells us that we have good cases, and ends up agreeing with us. But as time goes on, you realize that it is just an arm of management. What you say is going to be used against you, and it is a stalwart defense from that office.

It is hard for people to receive resolution through that office at all. It is just an extension of management and mismanagement, I would add. And it is sad because a lot of these could be resolved by reasonable minds just looking at it and determining who is right and putting a good fix in place so that we can finish and get on with the Bureau's vital mission, particularly in my case.

Chairman MCHENRY. Ms. Raucci, just to have the timeline correct here, Ms. Martin filed a claim of discrimination and retaliation against Scott Pluta. And then following that, she filed that claim through the Equal Employment Opportunity office. Is that correct?

Ms. RAUCCI. Yes.

Chairman MCHENRY. So following that, her two direct reports were removed from her by Mr. Pluta.

Ms. RAUCCI. Yes, almost immediately.

Chairman MCHENRY. And so you find, in your 29-page report, that is as a result of her filing that discrimination claim?

Ms. RAUCCI. Yes. May I back up just a little bit on that?

Chairman MCHENRY. Certainly.

Ms. RAUCCI. On February 21st, when she formalized her complaint—the EEO complaint, that night, or that evening, there was a meeting scheduled by Mr. Pluta exclusively with Ms. Martin's direct reports. It was scheduled for 4:30 that evening. And then the first of the two complaints made by the subordinates was filed a couple of days later.

Chairman MCHENRY. So you are contracted to detail the retaliation piece?

Ms. RAUCCI. Yes.

Chairman MCHENRY. And you find that there was retaliation. Because not only did they remove the report, they then used the EEO process against the person who filed the discrimination claim?

Ms. RAUCCI. Yes.

Chairman MCHENRY. And that would be Ms. Martin.

Ms. RAUCCI. Yes. And not only did he remove her direct reports, but he equalized them with her. They were no longer—these subordinates were now treated as though they were ranked with Ms. Martin.

Chairman MCHENRY. The time has definitely expired.

I now recognize Mr. Heck for 5 minutes.

Mr. HECK. Thank you, Mr. Chairman. I will be very brief. Thank you very much for your presence here today, Ms. Martin. Thank you for your service in the U.S. Army. And in particular, I want to call out how impressed I am that you played a role in the early

advocacy of the creation of the Office of Servicemember Affairs. Our office has had occasion to work with them multiple times. I hope you take some pride in that because they have done an awful lot of good work, and I thank you for that.

And lastly, I want to be very presumptuous here and speak on behalf of all the members of the committee in wishing you well and wishing you satisfaction at the end of this journey, however long it takes you, and that you find justice in this journey. And with that, I would like, Mr. Chairman, to yield to the ranking member of the full committee, the gentlelady from California, Congresswoman Waters.

Ms. WATERS. Thank you very much. Mr. Chairman and Members, I mentioned early in my testimony that I created the Office of Women and Minority Affairs (OWMA), to get at racism and discrimination, particularly in the financial services arena. And today, what you have done is, you have opened up the opportunity for us to pursue these accusations, not only in the CFPB, but throughout all of our Federal Government. And I want to thank you for that.

What we heard today about racism and about the way that employees are being treated is a story that I have been trying to tell. And we have this whole argument that we are dealing with on disparate impact. I know that Members on the opposite side of the aisle have dismissed this as a legal theory. And I know that some in industry have called on you to dismiss this as a legal theory. But now you can see why it is so important to understand both intentional and unintentional racism and discrimination.

And because of Ms. Martin being here today, what you have done is open up the discussion and the opportunity for us now to get this committee to not only deal with the Consumer Financial Protection Bureau, but all of these other agencies. I think, Ms. Martin, you said you received a call from the FDIC. Is that right?

Ms. MARTIN. From somebody who used to work there, ma'am.

Ms. WATERS. Was that an African-American?

Ms. MARTIN. No, he is from Iran.

Ms. WATERS. He is from Iraq?

Ms. MARTIN. Yes, ma'am.

Ms. WATERS. Whether it is Iraq or African-Americans or people on the plantation, as you have described, what you have done is you have confirmed, especially for the opposite side of the aisle, that there is a real problem that needs to be addressed. So I hope that your testimony today that says we are not—you are not talking about doing away with the Consumer Financial Protection Bureau. You are not talking about trying to undermine their ability to do what their mission calls for.

All you want—you don't want to end it, but you certainly want to mend it. And make sure that the kind of racism—and the way that you describe this so plainly and so openly, and the words that you use, is commendable. Because for many years, as we have tried to deal with this issue, we were accused of playing the race card. And so you are being here today gives us the opportunity to say to this committee and to my chairman, let's get going with these hearings.

That this is the tip of the iceberg. That this is proof that there is disparate impact. And it is proof that there is intentional and

unintentional racism and discrimination. And the fact that you are going to provide some leadership on this just does my heart so much good. I am so appreciative. Because, again, I don't think we will ever get to these kinds of hearings without what you have led with today.

And so, I am going to ask you to look at the letter that I am sending you, to follow up, to talk about continuing. Let's deal with this, and let's deal with it throughout all of the other agencies.

Chairman MCHENRY. Will the gentelady—

Ms. WATERS. And I am very appreciative, and I thank you so very much for focusing on racism, discrimination, disparate impact, and intentional discrimination.

Chairman MCHENRY. Will the gentelady—

Ms. WATERS. I am very appreciative of that.

Chairman MCHENRY. I would be happy to answer her question, if she would yield.

Ms. WATERS. Yes, I will yield to the gentleman.

Chairman MCHENRY. I thank you. And this is markedly different than the tone of your letter and Mr. Green's letter from late last week demanding that we cancel this hearing. I welcome your new tone, and I am very grateful for it. And the claim today is about discrimination and retaliation—

Ms. WATERS. Reclaiming my time, let's be clear. Reclaiming my time—about cancellation. Here is what happened. You started out to design a hearing in a much different way. And so, when the Consumer Financial Protection Bureau said, this is different than what we thought it was—if it is going to be another kind of hearing—we need to have the kind of hearing where all of the parties are involved. We agreed with that, and we say let's have the kind of regular order that we would normally have with credible oversight.

And so because you changed the emphasis and it became one person in this hearing, we thought it should be more comprehensive. But since it has turned out to be what it is, I agree with you it should be held. I like what happened here today. I like your leadership on racism and discrimination. And this draws in disparate impact that so many people have been against. And this gives us an opportunity to really air these problems in a comprehensive way.

Thank you so very, very much for what you have accomplished here today. And I thank Ms. Martin and her attorney for being here. We are delighted. And the reason that I gave you my time was because you just opened up a conversation in a way that we never have before. And thank you so very much.

I yield back the balance of my time.

Chairman MCHENRY. And I am grateful for the thanks and the praise, and I will—that changes the tone of the hearing, makes it much more bipartisan. I will restate for the committee that the title of this hearing is, "Allegations of Discrimination and Retaliation Within the Consumer Financial Protection Bureau."

I will also note for the record that the witness list was provided in advance to the Democrats on this committee, far in advance of anything we have done in previous hearings, and far in advance of

what the House rules and precedents set for both the full House and the subcommittee, and the full Financial Services Committee.

We will now recognize Mrs. Wagner for 5 minutes.

Mrs. WAGNER. Thank you, Mr. Chairman. And I would also note that the Bureau, the CFPB, is absent from this hearing.

Ms. Martin, Ms. Raucci, I cannot thank you enough for being here today and for coming forward. And for your, again, courage and leadership. We have heard words today like, "heartbroken," "alarmed," "stunned," "moved." I am outraged, is what I am. As a woman, as a legislator, and as an American, I am outraged at what you have been through. You will have justice, Ms. Martin. And we as a Congress, in your own words, must make it stop.

The CFPB must have oversight, it must have accountability, and it must have transparency. This is absolutely egregious. Now, I have some questions that I would like to get on the record here. Ms. Raucci, at the very beginning of your investigation, I think before you had a chance to review the whole record, you told Liza Strong—who is, I will state, the Director of Employee Relations for the CFPB Human Capital Office—that Mr. Pluta may have acted properly in connection with Ms. Martin. Is that correct?

Ms. RAUCCI. That is correct.

Mrs. WAGNER. What did Ms. Strong say after you told her about your preliminary views of the Pluta-Martin matter?

Ms. RAUCCI. She very happily said, "That is what we think, too."

Mrs. WAGNER. Was any of this of concern to you, or a red flag?

Ms. RAUCCI. The fact that she stated that is what she thought or what they thought also wasn't so much the red flag as her demeanor. She was very gleeful, she was very happy to hear that had been what I initially had considered.

Mrs. WAGNER. And in dealing, in fact, with Ms. Strong, you came to believe that she wanted to find that Mr. Pluta had done no wrong? Is that correct?

Ms. RAUCCI. That is correct. I believe she wanted Mr. Pluta vindicated. I believe that was her objective in assigning this case.

Mrs. WAGNER. Is it true that Ms. Strong asked you to complete your investigation quickly?

Ms. RAUCCI. Yes.

Mrs. WAGNER. When you began the investigation, wasn't Ms. Martin unavailable to be interviewed because she was in the midst of settlement negotiations for her claim?

Ms. RAUCCI. Yes, that is correct. And that was, in fact, my first indication that perhaps the objective was to vindicate Scott Pluta.

Mrs. WAGNER. In your view, did Ms. Strong know that it would be hard for you, in fact, to obtain an interview and an exchange with Ms. Martin?

Ms. RAUCCI. Yes, it is pretty common knowledge that when someone is in the middle of settlement negotiations, and is represented by attorneys for this same matter, it is very difficult, if not impossible, to have them participate in an investigation simultaneously.

Mrs. WAGNER. In your opinion, did the Human Capital Office try to sweep things under the rug?

Ms. RAUCCI. Yes, that is my opinion.

Mrs. WAGNER. Did you think that Ms. Strong had preordained the outcome of your investigation perhaps?

Ms. RAUCCI. Yes, I felt that she preordained that Angela Martin was going to be implicated as the party at fault and having precipitated this investigation. And I felt that my interaction with her on that day, when she very happily said that she felt that Scott Pluta had acted appropriately, that to me, was a very strong indication of that.

Mrs. WAGNER. After completing your investigation, as you sit here with us today testifying before this committee, is there any doubt in your mind, Ms. Raucci, that Mr. Pluta in fact retaliated against Ms. Martin?

Ms. RAUCCI. No, ma'am, there is no doubt in my mind that Scott Pluta retaliated against Angela Martin.

Mrs. WAGNER. I thank you both.

I yield back my time, Mr. Chairman.

Chairman MCHENRY. Will the gentlelady yield?

Mrs. WAGNER. Yes.

Chairman MCHENRY. Ms. Martin, is Scott Pluta still in the employ of the CFPB?

Ms. MARTIN. Yes, sir. He is the Assistant Director.

Chairman MCHENRY. Just as he was before Ms. Raucci's report?

Ms. MARTIN. Yes, sir.

Chairman MCHENRY. Has he received any promotions?

Ms. MARTIN. Not that I am aware of, sir.

Chairman MCHENRY. Do you know if he has received any bonuses?

Ms. MARTIN. No, sir. And I would tell you the Privacy Act would forbid me from knowing that stuff, and I wouldn't seek it out.

Chairman MCHENRY. Okay, thank you.

I will now recognize Mr. Ellison.

Mr. ELLISON. I yield 30 seconds to Mr. Green.

Mr. GREEN. I thank you, Mr. Ellison. Let me say briefly that this hearing, for many of us, appears to be a good old-fashioned revival. And it is pretty obvious that some of us have been born again. The question is, is it a temporary condition? Is it a temporary condition, or are we going to pursue this to the end? Is this going to be Genesis without Revelations, or are we going to go all the way with it and make sure that all people receive justice?

I yield back to the gentleman.

Mr. ELLISON. I want to thank the gentleman for his remarks. And I want to thank the chairman and the ranking member of the subcommittee.

First of all, I would like to point out that the Financial Services Committee or a subcommittee thereof had, several months ago, a hearing on the issue of disparate impact, in which the committee chairman, leadership, Republican Majority cast negative treatment on the legal theory of disparate treatment. Simultaneously, there has been a relentless onslaught against the Consumer Financial Protection Bureau. We have literally had to hear everything at the same time when the mission and the goals of the CFPB have actually been serving the American people.

We then learn that within the CFPB, as in every agency in every firm all across America, there is racial discrimination going on.

Which, of course, is wrong and could never be excused. And full accountability has to be made to all responsible people. All victims have to be compensated properly. Systems need to be in place to make sure that does not happen again.

But then we see within the context of the CFPB being under relentless attack by the Majority in this committee and then the Majority also say, "Well, we don't like disparate treatment," then some Members of the Majority then find out about this case and say, "Aha, we can use this case to tarnish the damage of the CFPB and to really open up questions about the CFPB generally," which might explain why some Members—not myself, but some Members of the Democratic caucus—thought that this hearing may be different from what it has turned out to be.

It has turned out to be a good hearing. It has turned out to be good information. We actually see light being shined on a person who is a victim of discrimination, which we all believe is desperately important. In the time that I have watched this hearing on TV and sat here, I have been impressed with your presentation, Ms. Raucci and Ms. Martin, and think that the information you have shared is very important.

We hope that the Majority will continue to be as serious about fighting discrimination in this case as it—across the work that we do, including consumers who are victims of racial discrimination which the CFPB is responsible for addressing.

I don't believe—and I would like to get your opinion—that anything you have said today would justify the CFPB not going after banks and other financial institutions who take action which has a negative, disparate impact on protected classes. Am I right?

Ms. MARTIN. Sir, I wouldn't even begin to comment on that.

Mr. ELLISON. Okay.

Ms. MARTIN. I'm sorry. I have—businesses should abide by the law. The Bureau should fulfill its important mission. It should do as Elizabeth Warren said, "We will enforce these laws judiciously and responsibly, but never timidly."

Mr. ELLISON. Okay. Would you like to comment, Ms. Raucci?

Ms. RAUCCI. I concur. I agree that it should be evenhanded, an evenhanded application within the Bureau and with the American marketplace, like lenders.

Mr. ELLISON. Right. So if anybody is here to try to use your case as evidence to weaken the CFPB or besmirch the reputation of the CFPB, the real lesson that I am picking up from you is that discrimination is wrong all the time, even if it happens in the CFPB, and must be addressed there as well as everywhere. And nothing here would justify sort of undermining the CFPB's overall mission, but the CFPB has to have a clean house just like every institution. Would you agree with that?

Ms. RAUCCI. I would agree with that.

Ms. MARTIN. Sir, may I comment please?

Mr. ELLISON. Yes, ma'am.

Ms. MARTIN. I could not agree with you more. And I wanted to say, because there is a duplicity at the Bureau, and particularly white males the most in power, I have taken severe retaliation even for coming forward as being a whistleblower. I will tell you that African-Americans and aggrieved people have commented that

I am their champion, I am their hero, and they feel vindicated just because I am speaking here.

The thing I want to make clear is, by me coming forward today, it is not against the Bureau. The Bureau will be stronger because of this. I am sorry these things occurred. I am sorry they are happening. But the light from the CFPB logo that goes forward must come back, as well. And we just need to fix these things.

Mr. ELLISON. No way I could improve on that.

I yield back.

Chairman MCHENRY. We will now recognize Mr. Barr of Kentucky for 5 minutes.

Mr. BARR. Thank you, Mr. Chairman. Thank you to Ms. Martin for your testimony here today. And, Ms. Raucci, thank you for your investigatory work.

In your written testimony, Ms. Martin, you stated that there is a pervasive culture of retaliation and intimidation that silences employees and chills the workforce from exposing wrongdoing. And you also testified that your individual story is a microcosm of a larger story of what happens to individuals within the Bureau when they step forward with complaints of wrongdoing. Can you elaborate a little bit more about others who have faced similar discrimination and retaliation within the Bureau?

Ms. MARTIN. I have already given you some of them, sir. But I will back up to the person who was called the name. He was brought to the Bureau from the FDIC, after 15 years. The Bureau actually paid him a bonus. He competed. He wasn't a transferee. He competed for his position, he came over, and he received a bonus. What happens when somebody comes forward is, immediately—like to any wrongdoing. You don't even have to file an EEO complaint. It doesn't have to get that far.

In the beginning, when I started pointing out things that were wrong, immediately there was resistance. For some reason, managers take that personally. And it is not just the Office of Consumer Response. It is almost systemic that these managers just resist the exposure of that. And so, you will face the taking away of your duties, you will be marginalized, you will be isolated. It is just—it is a culture.

Mr. BARR. And, Ms. Raucci, based on your investigation you also concur that there is a toxic work environment. And it is your conclusion also that others are victims like Ms. Martin, within the Bureau?

Ms. RAUCCI. Yes, sir.

Mr. BARR. And when you testified that you became a veritable hotline for other complaints, can you elaborate a little bit about others? And how pervasive is this, in your judgment, based on your investigation?

Ms. RAUCCI. Thank you, sir. Word spread around that an investigation was being conducted, and several employees obtained my contact information. They contacted me, and they would discuss their own stories with me. But then they would also tell me stories of one or two other people whom they knew to be going through discrimination and retaliation issues. And they spoke on behalf of those employees because they felt that these people were unable to come forward for fear of retaliation.

Mr. BARR. Okay. And in your written testimony, you stated that those responsible for curtailing Mr. Pluta's activities—again, Mr. Pluta is Ms. Martin's supervisor, who is the target of this investigation—were apparently compelled to ignore, cover or downplay them instead of taking corrective action. Who does Mr. Pluta report to?

Ms. RAUCCI. Mr. Pluta reports to Sartaj Alag, I believe.

Mr. BARR. And what action did that individual take in response to this situation?

Ms. RAUCCI. As far as I know he took no action.

Mr. BARR. And who does that individual report to?

Ms. RAUCCI. That is a good question. I don't recall.

Mr. BARR. Okay. Were any supervisors or any other individuals in management—did they take any action in response to your investigatory report that was delivered to Ms. Strong on September 11, 2013? Was any action taken whatsoever, any corrective action?

Ms. RAUCCI. In referring to the summary that I sent on September 11th?

Mr. BARR. Yes.

Ms. RAUCCI. I don't—

Mr. BARR. And the final report in December. Has any corrective action been taken whatsoever?

Ms. RAUCCI. I don't believe so. I am not necessarily privy to that information, but I haven't heard.

Mr. BARR. And Ms. Martin's testimony was that it has to stop now. That is, I believe, what her quote was. Has management, in your assessment, taken any steps to stop this retaliatory activity?

Ms. RAUCCI. No.

Mr. BARR. In the American Banker article, an anonymous agency employee, a Bureau employee, says—this is reported in the American Banker—"The level of hypocrisy at this agency is shocking. If it was a lender and had similar statistics it would be written up, immediately referred to the Justice Department, sued and publicly shamed." Has anyone been written up or publicly shamed as a result of Ms. Martin's situation?

Ms. RAUCCI. I don't believe so.

Mr. BARR. Ms. Martin, what does it tell you that the CFPB refused to permit three officials with direct knowledge of this matter, and the EEO complaint process, to testify here today?

Ms. MARTIN. Sir, I will tell you that the Bureau equips and sanctions the wrongdoing. And actually encourages—or not encourages, but facilitates the ongoing treatment of its employees. And I will tell you, if I may, please, just recently in regard to me coming forward as a whistleblower, I did not give the union report to the American Banker. I did not provide the Pluta report to anybody. In fact, I have not even read it.

I am a witness. I am somebody who is trusted at the Bureau that other people have confided in. I am somebody that something happened to. But on March 31st, and in the press last week, the Assistant Director of Consumer Response, Scott Pluta, was able to malign me in the press and in front of the entire Office of Consumer Response specifically on my integrity, and saying that I am patently false. And for them to do that, when I have not made any

public statements—and, indeed, I do not lie. Because there is a higher authority that does not sanction me lying.

But for the Bureau to stand there, with Sartaj Alag—who actually started my own problems when he told me that I would get along better in Consumer Response if I allowed a male colleague to think that my ideas were his. And that is the Bureau. Actually, this has been facilitating it. And it has a chilling effect on people coming forward. Because why would I want to be called a liar in the press?

And they are allowing him to do this, they are allowing him to speak. Director Cordray sent out a note on March 21st saying what they intended to do because of the American Banker article. And one thing he did is put Sartaj Alag in charge of finding out what is happening, setting up an action plan, doing various things. These are the people who have discriminated against me, and these are the people who retaliated. And I don't know how you get the results that are needed when you put people like that in charge.

Chairman MCHENRY. We will now recognize Mrs. Maloney.

Mrs. MALONEY. Thank you, Mr. Chairman, and Mr. Ranking Member, for calling this hearing. And thank you, Angela Martin, for your public service and your truly compelling testimony.

I firmly believe that gender discrimination complaints should be treated with the utmost seriousness. I can remember when I first started working, discrimination was considered part of the job. There was no way you could complain, it was part of the job, just shut up. And I think your testimony and your speaking up is—I find it inspirational, quite frankly.

You mentioned in your testimony that the CFPB has the wrong culture when it comes to the equal employment opportunity process. I think that is terribly unfortunate. In your opinion, what can the CFPB do to change this culture? What would you like to see put in place to protect other men and women who may confront the same troubling situation that you are confronting now?

Ms. MARTIN. The first thing that the Bureau needs to do is even admit that it has a problem and recognize that. It needs to recognize the gravity of the problem. It needs—and I don't quite—I have been thinking a long time about how these employees, any aggrieved employees, anybody who even witnesses it, can come forward safely. The Bureau has a culture also of duplicity, in that they say—Richard Cordray has said in public that discrimination is evil. And we all know that.

But at the same time, there is rampant discrimination in the ranks. The Bureau says that there is due process, and yet there is not for some. So unless there is a safe way for people to come forward—one thing that I particularly read about recently was the fact that some places have a whistleblower ombudsman. In the March 21st letter, Director Cordray said he was going to use the OWMA Office and the EEO, and we should feel free to come.

The Bureau would not come here today, and one of the reasons they said was because it discussed a personal matter. And yet, the managers—Mr. Pluta, Consumer Response—they walk around the halls openly discussing open EEO matters. By point of fact, Mr. Pluta told my own employees that I had a matter pending. And

they came to me wondering and demanding why I wasn't settling so that I could move someplace where I am happy.

So until we find a safe place—and honestly, I don't know of any safe place in the Bureau besides myself. I would not—I have been in counseling. I have learned not to trust them, even as much as I want to. And that is everybody, that is even my fellow employees, because it is such a distrusting place. So, I don't know. It is a mammoth undertaking in front of you. I don't envy your job.

But I will tell you this. If you want to know the truth, if you want to know it without any political hype, because I am truly a registered independent, if you want somebody who just cuts to the chase and tells you exactly how it is without fear or intimidation, you can ask me. I can be reached at the Bureau. I will work there for 11 more years, until 30 years of retirement, and I will work with you together on this issue. I will work for employees inside the Bureau, and I will work for consumers outside the Bureau.

All I want is a chance to work.

Mrs. MALONEY. You mentioned an ombudsman, a whistleblower ombudsman. You feel like the chain of command, reporting in the chain of command was used against you. You can't trust it. Do you think an ombudsman, appointed in these agencies, would be helpful?

Ms. MARTIN. My understanding from the Whistleblower Protection Enhancement Act—which, incidentally, is a law I never intended to read, like many of the other laws—I came here to do consumer work. But the Whistleblower Protection Enhancement Act, which my attorney actually helped draft, I believe, includes a provision within Federal agencies that there is supposed to be a whistleblower ombudsman inside the Inspectors General offices. I have never heard of one affiliated with the Federal Reserve Inspector General that we use. I don't know if it exists.

But the employees need to be aware of their rights and they need to be protected, and their personal matters ought not be discussed in hallways. And that is something the Consumer Bureau can do right now. Stop discussing these things in the halls. If you won't discuss them here in Congress, definitely don't discuss them in the halls.

Mrs. MALONEY. Do you think there is time for the Bureau to correct their culture, since it is a new agency? And do you believe that culture exists in other Federal agencies and other offices?

Ms. MARTIN. Yes, ma'am, I am sure it exists everywhere. And wherever it is, we need to stamp it out. There are so many good people at the Bureau. They brought on an enormous amount of talented individuals. But just because you are skilled or expert in one area of law, like you are just a technical expert, that doesn't mean that you should be a leader or a manager. I am hesitant to call anybody at the Bureau a leader.

There are managers, there are supervisors, and there are bosses. But based on the leaders that I served under in the military, these people are a far cry from that. They are supposed to provide purpose, direction, motivation. We are supposed to be mission-oriented, and we are supposed to—especially because we are the Bureau—seek out fairness, justice, and equality in the Bureau, as well as we do outside.

But I do have great optimism. And I cautiously say that. Because my story, inside the Bureau as I walk around moping is, well, I was optimistic, then I became cautiously optimistic. And now I am just cautious. But I do believe that people can change, that this is a great way to get the debate—or not the debate, but the resolution started. And I look forward to helping people. Because the employees need to be helped.

Chairman MCHENRY. I will now recognize our last questioner, Mr. Rothfus.

Mr. ROTHFUS. Thank you, Mr. Chairman. I have been listening to the questions today and the testimony here, trying to think how I would start my line of questioning. Number one, thank you for coming forward. Thank you for the long and distinguished career you have, and for serving our country in uniform.

I hope my daughter is watching this. I hope that your family is watching this. Because they should be incredibly proud of you. And I think of my daughter, who is just beginning her career, and the leadership that you are showing today. You just talked about there not being leaders at the CFPB. There are leaders at the CFPB. I think I am looking at one. So, thank you for coming forward.

And we are not talking, I don't think, about disparate impact here. We are talking about intentionally sweeping issues under the rug. We are talking about intentional acts by individuals at the CFPB. We are talking about a willful disregard for the law. We are talking about a culture that results when such actions happen. And we are talking about a dedicated public servant who is blowing the whistle here, and the treatment she has received and the treatment others at the Bureau are receiving.

Ms. MARTIN, the No FEAR Act requires the CFPB to inform its employees, former employees, and applicants for employment of the rights and protections available under Federal antidiscrimination whistleblower protection and retaliation laws. Retaliation against an employee or applicant for making a protected disclosure is prohibited by law. Do you think you have been retaliated against?

Ms. MARTIN. I know I have, sir, and I am still being retaliated against in many ways. And if I may, I know that they—that originally this was thought that it was just my case or that I am seeking justice. Honestly, what I want is a chance to work for the consumers. I will tell you, I have asked my supervisor if I could help with military matters. I was told no. I asked if I could serve on a case. I told them I didn't even have to be first chair, second chair, or fourth chair. I will sit on the floor. I was told no.

I have asked if I could do anything at the Bureau that would be commensurate with my pay, my skills, and my abilities. And they won't let me, and I can't explain that outside of retaliation.

Mr. ROTHFUS. You had a conversation with Director Cordray on August 7, 2013?

Ms. MARTIN. Yes, sir.

Mr. ROTHFUS. He asked you to have your attorneys back down.

Ms. MARTIN. To tell them to, yes, sir.

Mr. ROTHFUS. So therefore, he knew that you were represented by counsel.

Ms. MARTIN. Yes, sir. But in fairness to him, he was represented by counsel as well, the OGC. We are both lawyers, so we weren't

speaking as represented parties to each other or violating that. It was more we are the clients of each.

Mr. ROTHFUS. Do you know whether he called your attorneys, though, to tell them that he was going to offer some alternative employment?

Ms. MARTIN. I'm sorry, sir?

Mr. ROTHFUS. Do you know whether he called your attorneys to let them know that he was going to offer you some alternative employment?

Ms. MARTIN. No, sir. He didn't offer me any alternative employment.

Mr. ROTHFUS. I thought he was talking about—maybe I misunderstood—when that conversation that you had with him, that he—

Ms. MARTIN. Yes, sir. It was to solidify my reporting scheme in my new position was determined when I won a contest. I won a contest that was called, "Pitch Rich." And this contest gave me the right to implement the program, aside from my EEO claims. I had two reasons why I should have that job that they gave to somebody else.

Mr. ROTHFUS. Do you think your presence here today weakens the CFPB?

Ms. MARTIN. I know it doesn't. And the laws say that. And Ms. Waters said it, that the agency must work well internally in order to perform its vital mission. I will tell you, if an employee cannot eat, and cannot sleep, they cannot focus on their work. Not for 1 minute, let alone 8 hours a day. We have crippled employees at the Bureau who need to be fixed and healthy so that they can do the jobs that the American people have hired us to do, so we can stand watch for the American consumer.

Mr. ROTHFUS. Do you think the CFPB should be more accountable?

Ms. MARTIN. Oh, yes, sir.

Mr. ROTHFUS. Do you think the CFPB should be more transparent?

Ms. MARTIN. Yes, sir.

Mr. ROTHFUS. Do you think that a more accountable and more transparent CFPB would weaken the CFPB?

Ms. MARTIN. No. Accountability and transparency are always a good thing. And I will add one thing that is interesting, and I just want to be sure to get this in. One reason that the Bureau discounts Ms. Raucci's report, they say, is because it relies on unidentified anonymous data. And therefore, we will just hide the whole report. I don't want to know—the question that should be asked is, what did they do instead?

They saw what appears to be a very damning report. Did they report that to the IG to hold their own investigation? Did they hire another person to look into it? Because obviously, they thought it was bad enough to get Ms. Raucci in the first place. But about the anonymized data, because that feeds into your PMRs that started this whole discussion being made openly. The Bureau relies on anonymized information from feedback that feeds into the employee's permanent evaluation. And the employees don't have a right

to speak against whatever was said to them during this anonymous feedback on which the managers rely.

So in one sense, they say anonymous feedback is fine, it is reliable, we are going to use it against the employees in their performance evaluations. But then when something comes up against the Bureau, they say, "Oh, it is anonymized and we are not going to rely on it." See, that can't be. You can't have duplicity like that. It is either one or the other, and I argue that anonymized data, if there is a fear of reprisal, then it is obvious why they are not coming forward.

And I will also tell you that a person who had what I would perceive to be a relatively good manager was told by that relatively good manager that before you go forward and file this complaint, make sure that you are very careful. Because look what happened to Angela.

Mr. ROTHFUS. Thank you.

I yield back.

Chairman MCHENRY. I thank my colleagues. And I thank them for the respect and compassion that you showed to our witnesses today.

Before I dismiss the panel, I would like to thank you both. Ms. Raucci, I have read and heard of your story of success in your life. And the position you grew and attained to as an investigator, and it is an encouraging one. And I am grateful for you taking time out of your schedule to make the trip to Washington to tell this story. I also appreciate the integrity you put into the report and the compassion you showed in a very challenging environment.

Ms. RAUCCI. Thank you.

Chairman MCHENRY. And I want to thank you, Ms. Martin, for your bravery, for your fortitude, and for your strength. The story you have told today is difficult for us to hear. The report was difficult to read. But even more difficult is knowing that you have had to live it. And so, I thank you for your willingness to come forward. And this panel is dismissed.

The Chair announces that the second panel, as the witnesses refused to cooperate—I would note that three CFPB employees who were invited to testify, who are a part of this process and could further illuminate the discussions we had on this first panel, refused to participate. We will have a discussion and consider compelling their testimony to get to the bottom of this.

I want to thank the ranking member for his cooperation. My staff and I encourage whistleblowers to contact my office so that we can tell your stories. The Angela Martins who don't have her legal background or her counsel should still be allowed to come out from the shadows and tell their story. And we are going to see to it that they can.

The Chair notes that some Members may have additional questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

And without objection, this hearing is adjourned.

[Whereupon, at 12:30 p.m., the hearing was adjourned.]

A P P E N D I X

April 2, 2014

Testimony of Angela Martin¹
Before the House Committee on Financial Services
Subcommittee on Oversight and Investigations
United States House of Representatives
Washington, DC
April 2, 2014

My name is Angela Martin. I currently serve as a Senior Enforcement Attorney in the Office of Enforcement at the CFPB (Bureau). I am a board member for National Treasury Employees Union (NTEU) Chapter 335, serving proudly as its Treasurer; however, I am not representing NTEU in this proceeding nor have I spoken with NTEU or my fellow board members about my testimony here today as a whistleblower. I take a moment to thank my family and friends who have supported me through this long and trying ordeal.

I am a victim of discrimination by the Bureau dating back to May 2012, and I have suffered severe retaliation since December 2012 which continues through today. Sadly, my story is not unique. My colleagues likewise have suffered and are suffering at the hands of inexperienced, unaccountable managers. I am glad this hearing is being held because, based on my observations at the Bureau, I have concluded that the Bureau is sorely in need of effective oversight, and that Bureau management needs to be held accountable, particularly with regards to its internal management practices.

Let me tell you about my background. I am a dedicated civil servant, having served the government just under 19 years, ten of them active duty Army. I served as a civilian attorney with the JAG Corps at Fort Bragg, and while there I developed and implemented the only program in the DoD to represent consumers in state and federal court. I was honored to vindicate the rights of servicemembers, their families, and retirees in third-party debt collection defense actions and against abusive debt collection practices. That experience propelled me to become a nationally known military consumer attorney. I have taught consumer law for the local JAG offices and at the JAG schools since 2006.

During the consideration of the Dodd-Frank Act, I was invited to be on a panel with Secretary Geithner discussing the importance of consumer law to military personnel and its effect on mission readiness. At that meeting, I proposed the creation of a separate office at the Bureau that would focus solely on protecting military consumers. Senator Reed introduced an amendment to the Act, and Holly Petraeus now runs the Office of Servicemember Affairs.

While I am focused today on broader issues of mismanagement and abuse of authority, let me briefly tell you about my own experience. I came to the Bureau in June 2011 with high hopes

¹ The views expressed here are my own and do not represent the position of the CFPB or NTEU Chapter 335.

of enforcing federal consumer financial laws on a national level, and I dissolved my successful law practice to do so. The mismanagement and abuse of authority have precluded me from doing my part to carry out the Bureau's important mission. Indeed, today marks the 400th day that I have been isolated and prevented from performing any meaningful work. I never received a fair shake at the Bureau, and I have not been assigned one case or enforcement matter during my entire tenure.

Back in December 2012, I filed a complaint of discrimination and retaliation, and I immediately suffered further retaliation for doing so. When my supervisor, the Assistant Director of Consumer Response, learned that I was asserting my rights via the Equal Employment Opportunity (EEO) process, he threatened to bring counterclaims if I were to further pursue my EEO claim. Immediately, he took steps to isolate me, diminish my job duties and set me up to fail by holding me accountable for work while at the same time preventing me from being involved in the preparation of that work.

On February 21, 2013, I filed a formal complaint of discrimination and retaliation against the Bureau. The Bureau acknowledged receipt on February 25. The very next day, February 26, my supervisor called me into his office and informed me that, effective immediately, my subordinates would report to him instead of me and he removed me from all of my job duties. On that day he told me that I should "view this as an opportunity," and that I was not to worry since I still had my title of Chief Counsel and my salary. My supervisor said he had acted with the approval of Human Capital and the Legal Division.

During the Summer of 2013, the Bureau commissioned an outside independent agency to investigate my claim that retaliation thwarted the EEO process. To my knowledge, the Bureau received preliminary findings in September 2013, a draft report in October and a final report in December. The Bureau summarily denied my requests for access under both the Freedom of Information Act and the Privacy Act.

Unfortunately, there is a pervasive culture of retaliation and intimidation that silences employees and chills the workforce from exposing wrongdoing. Just two weeks ago, I learned of another employee who was retaliated against within two days of filing a formal EEO complaint. Many employees have come to me and told me alarming stories of their own maltreatment and the retaliation that resulted when they opposed mismanagement or exercised any individual right. Essentially, certain managers have adopted an authoritarian, untouchable, unaccountable and unanswerable management style.

It is critical for management to be held accountable and for the Bureau to be subject to real and effective oversight so as to effectuate its Congressional mandate, enabling its staff to focus on its vital mission. This oversight must be accomplished for the sake of the Bureau's duty to consumers and its directive to ensure that businesses that refrain from breaking federal consumer financial laws are not competitively disadvantaged.

My individual story is a microcosm of the larger story of what happens to individuals within the Bureau when they step forward with complaints of wrongdoing. I hope that the Bureau will recognize that it must take steps to foster a culture in which employees are able to raise

concerns without fear of reprisal. I urge this Committee to approach its duties of oversight diligently and expeditiously for the sake of my colleagues who are suffering in silence even as we speak, and to enable the Bureau to carry out its mission. Thank you.

Thank you for the opportunity to respond to your questions.

I began my investigative career six years ago as a field investigator and quickly advanced to become a director at Defense Investigators Group. During my tenure, I gained experience working several hundred cases, including workers' compensation and disability, general liability, auto liability, and workplace investigations. Of those investigations approximately one-hundred pertained to workplace issues, largely stemming from findings that the subjects of those cases were malingering or overstating injuries. At times, it became necessary for me to determine conclusively that the employers' stated concerns were based on merit factors, and each time, I found that they were. My ability to ascertain the facts and circumstances of those cases is why I was promoted quickly and ultimately selected to head the investigation that has led to my presence here today.

The Martin/Pluta investigation, which was supposed to be only two to five statements, took six months to complete because as the process started, I became a veritable hotline for employees at CFPB, who called to discuss their own maltreatment at the Bureau, mainly at the hands of Scott Pluta or Dane D'Alessandro.

The sum of my findings was that Scott Pluta retaliated against Angela Martin after she filed a formal complaint of discrimination and retaliation. In concert with at least three facilitators, Mr. Pluta effectively removed Ms. Martin from her position as Chief Counsel of Consumer Response, and saw her relegated to a lesser position in another office. Mr. Pluta attempted to justify Ms. Martin's removal by expressing doubt as to her ability to perform her duties as Chief Counsel; however, his criticisms largely occurred after she filed her complaint. This was a major indicator that Mr. Pluta's rationale for demoting Ms. Martin for what he perceived as shortcomings was masking his other motives.

Mr. Pluta unilaterally determined that Ms. Martin deserved a demotion and did not utilize due process in demoting her. Mr. Pluta issued a mid-year review stating that Ms. Martin's work performance was unacceptable. Despite her prior positive reviews, he neglected to place her on a Performance Improvement Plan (PIP), which would have allowed an opportunity to identify and correct her stated deficiencies. Instead, he incorporated the negative review as part of his justification for removing Ms. Martin from her position as Chief Counsel.

Complaints were lodged against Ms. Martin by her subordinates, Cathaleen Skinner and Cora Hume, in less than one week's time following Ms. Martin's complaint. Mr. Pluta not only took the subordinates' claims far more seriously than Ms. Martin's, he stated conclusively in his negative review of Ms. Martin that she had retaliated against the subordinates although their claims had yet to be investigated, much less substantiated.

The lack of vetting, together with the very timing of the subordinates' complaints, suggests that the EEO process itself was used by Mr. Pluta, as well as Ms. Skinner and Ms. Hume, as a means to effectuate Ms. Martin's dismissal from Consumer Response. I found that Ms. Skinner, in particular, not only stood to benefit directly from Ms. Martin's removal from her position as Chief Counsel, but by the time this case drew to a close, she was actually poised to take over Ms. Martin's former role.

I found that Ms. Martin was subjected to relentless hostility at the hands of her colleague, and Mr. Pluta's known third facilitator, Dane D'Alessandro. Mr. Pluta did little, if anything, to curtail Mr. D'Alessandro's continued open bashing, bullying, and marginalization of Ms. Martin. Mr. D'Alessandro too, had something to gain by Ms. Martin's departure from Consumer Response; namely, control of Consumer Response, unfettered by adherence to policies and procedures set forth by the Bureau itself.

I found that the general environment in Consumer Response is one of exclusion, retaliation, discrimination, nepotism, demoralization, devaluation, and other offensive working conditions which constitute a toxic workplace for many of its employees.

Even as Defense Investigators Group concluded the investigation the retaliation against Ms. Martin continued at the hands of Mr. Pluta, who at that point had not even bothered to conceal it.

Several individuals were interviewed during the course of this investigation; yet fewer than half consented to go on the record for fear of reprisal. Those who came forward stated openly that they were either seeking other employment, or had no doubt that would become necessary, due to their collective lack of faith in the ability of the Human Capital Office to protect them.

Mr. Pluta should not have been able to carry out such a transparent scheme against Ms. Martin. The expectation of the Bureau's Human Capital Office should have been to uphold the rights of its employees, and yet Mr. Pluta's wilful violation of Ms. Martin's rights has been allowed to continue, despite the early written warnings in my summary issued in mid-September 2013 as well as a subsequent rough draft report issued later that month, prior to the final report submission in December.

The Bureau's Human Capital Office is in receipt of extensive documentation that Defense Investigators Group gathered and attached as exhibits to the report. The evidence of the documentation suggests a pervasive disregard for employee rights that is entrenched in the Office of Consumer Response. Those responsible for curtailing Mr. Pluta's activities were apparently compelled to ignore, cover, or downplay them instead of taking corrective action. The corrosive environment of the CFPB workplace was engendered by the bureau's perpetual failure to uphold its own EEO policies.



Misty Raucci, former Investigator, Defense Investigators Group
March 28, 2014



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CFPB Staff Evaluations Show Sharp Racial Disparities

by Rachel Witkowski
MAR 6, 2014 5:30am ET

WASHINGTON — Since the Consumer Financial Protection Bureau burst onto the financial stage a few years ago, it has made a steady stream of controversial moves.

None are more despised by bankers than the agency's use of statistical differences in the loan terms offered to different ethnic groups to sue creditors for unintentional racial bias.

In an ironic twist, it turns out that the CFPB's own managers have shown distinctly different patterns in how they rate employees of different races, according to confidential agency data obtained by *American Banker*.

Specifically, 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, the data shows.

What's more, those disparities are only one of many serious personnel problems plaguing the CFPB. Inside the agency, morale is poor and management has been accused in several cases of favoring Caucasian men and of creating a hostile work environment. That's according to interviews with a dozen current and former staffers across six departments, all of whom requested anonymity over concerns about retaliation.

Employees have filed 115 official grievances with the National Treasury Employees Union (NTEU) since last August, the CFPB says. If unofficial complaints that haven't yet worked their way through the system are included, the number exceeds 200, according to information obtained by *American Banker*.

Most of the complaints pertain to allegations of unequal pay and raise questions about the recent

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performance reviews.

The NTEU "has identified disparities in performance ratings that appear to negatively impact non-whites and females (to some degree)," the local union said in a January email to members, which was obtained by *American Banker*.

CFPB spokesman Sam Gilford says the agency is still analyzing the performance evaluation data and indicated that it's preliminary and could change "depending on the outcome of pending reviews and appeals."

"The CFPB is committed to fairness and equity in the workplace as well as the marketplace," Gilford said. "Just as we often remind lenders that strong compliance management systems are critical to ensure compliance with consumer protection laws, the bureau has taken a compliance management approach in monitoring and evaluating its own performance rating process."

Stark Differences

The most concrete data available on the CFPB's employee evaluations relates to 2013. The agency rated its more than 1,100 staffers on a scale of 1 to 5 and grants greater benefits, including raises and bonuses, to those who receive higher scores.

White employees scored markedly higher than minorities. Overall, 74.6% of whites received ratings of 4 or 5, versus 65.5% of Asians, 65.2% of Hispanics and 57.6% of African-Americans, according to an internal CFPB report obtained by *American Banker*.

The discrepancies were even greater at the ratings range's extremes. At the top, one-fifth of white employees, or 20.7%, received a 5 — and were dubbed "role models" — compared with 10.5% of African-Americans and 9.1% of Hispanics.

In contrast, a relatively high proportion of minority employees received 3 ratings — the lowest grade given out in large numbers. In total, a rating of 3 was given to 42.4% of African-Americans, 34.5% of Asians, 34.8% of Hispanics and 24.4% of Caucasians.

Breakdowns of employees who received 1 or 2 ratings were unavailable because they represented small slices of the agency's population — likely a few dozen staff. Overall, the evaluations covered 778 white employees, 191 African-Americans, 110 Asians and 68 Hispanics. The data did not cover small groups identified as "two or more races" and "other race."

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The statistics themselves do not prove that CFPB managers are discriminating intentionally against minority employees. Yet they do indicate that racial disparities can be just as easily identified within the CFPB's ranks as among the lenders the bureau regulates. The agency has pressed such claims under a controversial legal theory known as disparate impact — the assertion that different results for different racial groups are themselves a type of wrongful bias, even if they are unintentional.

"The level of hypocrisy at this agency is shocking," said a current agency employee who spoke on condition of anonymity. "If it was a lender and had similar statistics, it would be written up, immediately referred to the Justice Department, sued and publicly shamed."

Added another agency employee, "If we're telling banks to own it [statistical evidence of racial bias], then why don't we own things too?"

The CFPB is likely to face pressure to answer that question as the figures circulate.

"In Washington, the hypocrisy side of this is the easiest storyline to write and the foes of the CFPB will use this as latest round of ammunition against the agency," says Edward Mills, a financial policy analyst at FBR Capital Markets. "This will certainly be something even the Democrats will have concerns about, because you don't want to lose support over personnel issues."

For its part, the bureau will likely move quickly to try to fix its personnel problems and move on, he added.

The CFPB's Gilford said the agency voluntarily collected performance evaluation data and hired an outside firm to assess it further.

"We hold ourselves to the standards of fairness that we expect of our regulated entities," he said. "That's why we have undertaken a robust compliance management approach to ensuring our internal policies result in the fair treatment of our employees. If our internal review finds problems, we will be proactive about taking corrective actions."

Personnel Failures

The performance review figures are all the more surprising given the way the CFPB has touted having more women and minorities within its ranks than other federal agencies do.

Approximately 47% of CFPB staffers are women, and 34% identify themselves as minorities, according to an agency report sent to Congress last year. That makes it more diverse than other federal regulators, where women represent 44% and minorities 29% of staff, according to the report.

Yet it's the CFPB's high expectations for others that make any racial disparities among its own staff that much more notable, observers said.

"The CFPB has advanced the perception that it rose from the ashes of the financial crisis and would operate unlike any other financial regulator in D.C. A 21st-century agency, as they put it," said Isaac Boltansky, a policy analyst at Compass Point Research and Trading. "This news highlights the fact that the CFPB has to face one of the core issues other regulators grapple with. Human capital is the most critical and complicated component of any regulatory agency."

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Current and former CFPB employees say the racial disparities are, at least in part, reflective of a larger problem stalking the agency. Created as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the CFPB officially opened its doors in July 2011. Inside the agency the mood was initially upbeat, but lately it has been plagued by rapid turnover and significant morale issues, sources say.

"I've already had 10 CFPB employees consult with me, and more than a few of them retain me, and the agency's only two and a half years old. It's remarkable," says David H. Shapiro, a partner at the Washington law firm Swick & Shapiro, who represents federal employees in Equal Employment Opportunity cases.

The current and former employees who agreed to discuss the agency shared their personal struggles there, many centered around "hostile" managers and cronyism. The CFPB said that it is addressing grievances through the official process.

However, the sheer number of grievances filed and current and former employees willing to speak about such issues is telling.

"There may be truth on both sides of these things, but the main truth about the agency is there is something very wrong going on because management simply cannot have this many complaints so early" in its existence, Shapiro says.

Many such claims are now working their way through a mandatory Equal Employment Opportunity Commission regulatory process before they can be brought as lawsuits. Such suits are "going to be a big deal for the CFPB and the public in the not-too-distant future," Shapiro adds.

Growing Pains

Even staffers who were treated well say some employees were asked to do too much, too fast and suffered from burnout. Among the offices with the highest attrition rates, annual turnover has been running at roughly 40%, at least in one case, sources say. The CFPB said its overall attrition rate is 9.5%, in line with that of other federal regulators.

"People don't stay for the long term ... and that's a product of treatment of the employees," says a former employee. "As a startup agency, you would expect an atmosphere that encourages collaboration, professional development and upward career mobility. Instead, you quickly find inequities in the treatment of employees and the division of work assignments. The level of nitpicking and downright bullying by management is unparalleled. When employees raise these concerns, they are retaliated against."

The departures reach far up the ranks. Roughly a dozen key senior officials left the agency within a short period, fueling concerns about continuity and burnout, *American Banker* reported last June. Many employees talk of having two to four bosses during their short tenures at the agency.

Despite the turnover, however, the agency continues to grow. It had 970 employees as of Sept. 22, 2012, and 1,302 by the same point in 2013, according to reports to Congress.

The CFPB "has grown at a rocket pace," Compass Point's Boltansky says. "At the same time,

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they've lost some big names," which could account for some of the disarray and discontent, he added.

A number of employees say they feel senior agency officials have shown more interest in hiring outsiders than in promoting from within. Another common complaint: promises of raises and bonus that were never granted. The CFPB says that more than 20% of its newly filled positions are selected from staff already at the agency.

Poor Morale

Negative feelings appear widespread with the CFPB's ranks, according to a confidential annual employee survey obtained by *American Banker*. Only 36% of employees said they were satisfied with the opportunities to get better jobs within the agency among roughly 1,000 employees surveyed. Just over half of employees (51%) agreed that they "have a feeling of personal empowerment with respect to the work process"; nearly 29% disagreed with that statement, and the remainder were neutral. Those figures show a lower level of satisfaction than is typical in the private-sector average but in line with 2012 government-sector surveys.

"Retention matters because it makes work more efficient and it makes industry and other stakeholders feel more confident in the agency's actions," said a second former employee. "If the bureau does continue to lose people, then its reputation will suffer."

Some of the CFPB's personnel problems appear to date back to its inception. The agency drew many of its employees from other banking and securities regulators. Others came from the private sector.

The result was that pay differences were substantial, even among employees with similar backgrounds — in part because some federal transfers remained unaware that salaries were negotiable. The CFPB is working to fix some of the pay inequalities.

"We are working with CFPB to improve the appraisal process, among other issues, at the bargaining table and we have had productive discussions," Colleen Kelley, the NTEU's national president, wrote in an email to *American Banker*. "Meanwhile, a number of employees have voiced dissatisfaction with their appraisals through the interim negotiated grievance procedure and we are working with CFPB to resolve those disputes."

The CFPB has also shown a cooperative attitude in working with the union, she added.

Even so, new concerns are popping up, and some employees say agency management is too quick to dismiss complaints.

"There's a sense that employees are expendable," said the first current employee. "The CFPB is constantly rehiring and retraining new employees, further escalating costs and lowering morale."

One flashpoint arrived for the CFPB after its employees unionized last year. That's when complaints began to surface charging agency managers with handing out low performance evaluations based on the "micromanaging" of workers or observations about their "emotional state" rather than their productivity.

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"In my whole career in federal government, I have never received an evaluation like I did that was more or less [based] on the personal aspect instead of on the performance," said a third current employee. "My manager has embarrassed me in front of team meetings and often talks condescending to staff. I'm sure even more people have considered filing complaints but are scared of what could happen."

Bullying Claims

Several employees expressed fears that management "retaliates" against employees who file complaints. Some say that after they voiced concerns, their performance ratings were lowered, preventing them from receiving raises or promotions.

Others said human resources failed for months to respond to their formal complaints or referred them back to the managers involved.

"When managers are not dealt with, they are just emboldened," said the first current employee. "There is bullying."

The CFPB said that it has entered into an agreement with the NTEU on how grievances are addressed. Complaints are initially referred back to an employee's manager to resolve. If they cannot do so, an impartial arbitrator — not employed by CFPB — makes a ruling.

Employees give the agency credit for addressing some employee complaints. It has, for example, resolved concerns involving out-of-pocket travel expenses. However the prevailing sentiment among the dozen employees and former staffers who agreed to talk is that the CFPB's senior staff still lacks necessary checks and balances.

"I joined this agency because I wanted to do good and help the community, but it didn't turn out that way, and now people are just trying to save their hides," says the third employee. "Yeah, it's a new agency and will have some growing pains, but they [supervisors] do what they want, and I do think they need to have someone watching over them."



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1700 G Street, N.W., Washington, DC 20552

March 21, 2014

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Shelley Moore Capito
Chairman
Subcommittee on Financial Institutions and
Consumer Credit
Committee on Financial Services
U.S. House of Representatives
2366 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Patrick McHenry
Chairman
Subcommittee on Oversight and Investigations
Committee on Financial Services
U.S. House of Representatives
2334 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairmen Hensarling, Capito, and McHenry,

This is in response to your March 6, 2013 letter about the Consumer Financial Protection Bureau's performance ratings and other employment matters.

I am proud of the diverse workplace the Bureau has created in the last few years. And with considerable support from our Offices of Minority and Women Inclusion (OMWI), Equal Employment Opportunity (EEO), Human Capital, and Procurement, we have developed a strong track record of diversity in hiring and contracting. Employee responses in our last Annual Employee Survey also tell us that we are making progress in establishing high standards of excellence and fairness toward our own employees. They rated the CFPB as a more fair, open, cooperative, supportive, and empowering organization than the government-wide average. These results are a strong foundation on which we will continue to build a diverse and inclusive agency going forward.

But important issues like achieving diversity, inclusion, and equal opportunity require hard work and conscious attention. We recognize that we must focus more carefully on how we address diversity and inclusion not only in hiring and contracting, but in our day-to-day treatment of one another – in matters of culture and broader career development, including retention, evaluation, and promotion. We set high standards for ourselves and our work, and to meet those standards we are making an agency-wide commitment to ensure improvement.

consumerfinance.gov

We are releasing the attached information today as we make further efforts toward equal opportunity, diversity, and inclusion at the CFPB. In addition, we are working to create an action plan for how we can further our commitment to equality and fairness within the Bureau, including consultation with the National Treasury Employees Union. This includes engaging an external advisor to help us develop a more robust compliance program based on past performance management data, and identify best practices in areas where we can do more to enhance equality for all employees.

Our goal is to create a workplace where all of our employees can do their best work to improve the lives of consumers across this country. We will continue to keep you advised of our progress and any developments. If you have any questions, please contact me or have your staff contact Catherine Galicia or Tim Sheehan of the Bureau's Office of Legislative Affairs. Ms. Galicia can be reached at (202) 435-9711 and Mr. Sheehan can be reached at (202) 435-7004.

Sincerely,


Richard Cordray
Director

cc: Honorable Maxine Waters
Ranking Member

Honorable Al Green
Ranking Member
Subcommittee on Oversight and Investigations

Honorable Gregory W. Meeks
Ranking Member
Subcommittee on Financial Institutions and Consumer Credit

Mr. Mark Bialek
Inspector General
Federal Reserve Board and CFPB

Attachments: Responses to Questions in March 6, 2014 Letter
FYI2013 Ratings Distribution.pdf
NTEU Information Request Response.pdf
PMRatingAgeComparisons.pdf
2013 CFPB Snapshot_Diversity Inclusion and Equal Employment Opportunity.pdf

Responses to Questions in March 6, 2014 Letter

1. Records depicting the aggregate number of employees receiving rating with in each category of the Bureau's five-point performance rating scale (i.e., the aggregate number of employees receiving a "1", a "2", a "3", a "4", and a "5").

The attached document (FY2013 Ratings Distribution.pdf) reflects the Bureau-wide distribution of ratings for the FY13 performance period. Redactions were applied for privacy reasons to those offices that showed less than 10 employees in an office. See the small table on page 2 of 3, row labeled as "FY CFPB".

2. Records depicting the distribution of employee performance ratings by any demographic factor.

The attached documents (NTEU Information Request Response.pdf and PMRatingAgeComparisons.pdf) reflect the demographic breakdown of ratings for the FY13 performance period.

3. Records depicting the distribution of employee performance ratings by office and division

The attached document (FY2013 Ratings Distribution.pdf) reflects the distribution of ratings for the FY13 performance period by office and division. Redactions were applied for privacy reasons to those offices that showed fewer than 10 employees in an office. See the large tables on pages 1 and 2 of 3. The same electronic file is responsive to questions 1 and 3.

4. Records depicting the number of ratings that have been expunged after being assigned or otherwise calculated as part of the Bureau's 2013 performance review

No ratings have been expunged after being assigned or otherwise calculated in the FY13 performance rating distribution data referenced above.

5. Records depicting the number of ratings that have been increased after being initially assigned or otherwise calculated (excluding ratings that were increases as a result of a formal request or other "appeal" of the employee receiving the rating.)

No ratings have been increased after being initially assigned or otherwise calculated. CFPB assigns ratings to employees after the Rating Official has submitted a rating and the Reviewing Official has acknowledged the rating. The deadline for Reviewing Official acknowledgement of ratings for FY13 was October 25, 2013. The only ratings which have been increased since that date are those resulting from appeals in which the deciding official found in favor of granting a performance rating increase to the employee.

6. The number of complaints, whether formal or informal, filed by Bureau employees with the Bureau's Office of Equal Employment Opportunity or the Equal Employment Opportunity Commission.

Since the CFPB opened in July 2011 and through FY14Q1, CFPB has received 35 “requests for counseling” or informal equal employment opportunity (EEO) complaints from CFPB employees or former employees. Seven filers filed more than one informal EEO complaint. Of the 35 informal EEO complaints filed, 12 became formal complaints of discrimination filed with the CFPB’s Office of Equal Employment Opportunity or its designee. Of the 12, four formal complaints are currently pending hearing before the Equal Employment Opportunity Commission.

7. The number of Bureau managers who have had one or more Equal Employment Opportunity (EEO) complaints, whether formal or informal, filed against them by a Bureau employee.

A person filing a formal or informal EEO complaint will identify one or more responsible management officials (RMOs) who the filer alleges has engaged in wrongdoing. Since CFPB opened in July 2011 and through FY14Q1, approximately 35 RMOs have been identified, out of a total of approximately 230 managers and supervisors.

8. The number of informal EEO complaints by Bureau employees that have been settled prior to the filing of a formal complaint.

Since the CFPB opened in July 2011 and through FY14Q1, three informal EEO complaints have settled before a formal complaint has been filed. In addition, after engaging in EEO counseling through the CFPB’s Office of Equal Employment Opportunity, five filers withdrew their informal EEO complaints, and an additional seven filers did not file a formal complaint after receiving a Notice of Right to File Formal Complaint.

9. The number of instances in which the Bureau declined to mediate or arbitrate an EEO complaint filed by a Bureau employee.

The CFPB supports the use of alternative dispute resolution (ADR) to resolve EEO concerns raised by its employees. Its policy on ADR for Workplace Disputes requires management officials to participate in ADR when requested to do so. Management officials have never declined to mediate or arbitrate an informal or formal EEO complaint filed by a Bureau employee or former employee.

10. The number of complaints by Bureau employees filed with the U.S. Office of Special Counsel (OSC).

The Bureau is aware of one such complaint. However, the Bureau does not know how many complaints are filed because the OSC does not have a policy of informing the relevant agency unless it wants particular information.

11. The number of grievances filed by Bureau employees against the Bureau with NTEU Chapter 335.

The CFPB has received a total of 115 officially filed grievances from NTEU Chapter 335.

12. The number of employee grievances filed against the Bureau with NTEU Chapter 335 that are currently outstanding.

Seventy-three grievances are open and currently in the grievance process.

13. The number of employee grievances that the Bureau has denied.

Four grievances were denied and have been referred to an outside arbitrator.

14. The number of employee grievances that the Bureau has denied without providing written justification.

Written responses, including justification, have been provided for all formal grievances.

Final FY2013 Performance Ratings Distributions by Bureau, Division, and Office as of 11-18-2013

Division and Office	1	2	3	4	5	Grand Total	Division and Office	1	2	3	4	5	Grand Total
CONSUMER EDUCATION & ENGAGEMENT							CONSUMER EDUCATION & ENGAGEMENT						
CEE FRONT OFFICE							CEE FRONT OFFICE						
CONSUMER ENGAGEMENT			2	8	1	11	CONSUMER ENGAGEMENT	0.0%	0.0%	18.2%	72.7%	9.1%	100%
FINANCIAL EDUCATION			1	3	8	12	FINANCIAL EDUCATION	0.0%	8.3%	25.0%	66.7%	0.0%	100%
FINANCIAL EMPOWERMENT							FINANCIAL EMPOWERMENT						
OLDER AMERICANS							OLDER AMERICANS						
SERVICEMEMBER AFFAIRS			4	3	3	10	SERVICEMEMBER AFFAIRS	0.0%	0.0%	40.0%	30.0%	30.0%	100%
STUDENTS							STUDENTS						
DIRECTOR							DIRECTOR						
DIRECTOR'S FINANCIAL ANALYSTS			17	4		21	DIRECTOR'S FINANCIAL ANALYSTS	0.0%	0.0%	81.0%	19.0%	0.0%	100%
OFFICE OF THE DIRECTOR			3	11	2	16	OFFICE OF THE DIRECTOR	0.0%	0.0%	18.8%	68.8%	12.5%	100%
OMBUDSMAN							OMBUDSMAN						
STRATEGY OFFICE							STRATEGY OFFICE						
EXTERNAL AFFAIRS							EXTERNAL AFFAIRS						
COMMUNICATIONS							COMMUNICATIONS						
COMMUNITY AFFAIRS							COMMUNITY AFFAIRS						
EA FRONT OFFICE							EA FRONT OFFICE						
FINANCIAL INSTITUTIONS							FINANCIAL INSTITUTIONS						
INTERGOVERNMENTAL AFFAIRS							INTERGOVERNMENTAL AFFAIRS						
LEGISLATIVE AFFAIRS							LEGISLATIVE AFFAIRS						
LEGAL							LEGAL						
GENERAL LAW & ETHICS			2	9	7	18	GENERAL LAW & ETHICS	0.0%	0.0%	11.1%	50.0%	38.9%	100%
LAW AND POLICY			2	8	6	16	LAW AND POLICY	0.0%	0.0%	12.5%	50.0%	37.5%	100%
LEGAL FRONT OFFICE							LEGAL FRONT OFFICE						
LITIGATION AND OVERSIGHT			4	3	3	10	LITIGATION AND OVERSIGHT	0.0%	0.0%	40.0%	30.0%	30.0%	100%
OPERATIONS	(D)	(D)					OPERATIONS	(D)	(D)				
ADMINISTRATIVE OPERATIONS			11	12	1	24	ADMINISTRATIVE OPERATIONS	0.0%	0.0%	45.8%	50.0%	4.2%	100%
CHIEF FINANCIAL OFFICER			5	16	7	28	CHIEF FINANCIAL OFFICER	0.0%	0.0%	17.9%	57.1%	25.0%	100%
CONSUMER RESPONSE		2	33	75	19	129	CONSUMER RESPONSE	0.0%	1.6%	25.6%	58.1%	14.7%	100%
EQUAL EMPLOYMENT OPPORTUNITY							EQUAL EMPLOYMENT OPPORTUNITY						
HUMAN CAPITAL			13	29	9	51	HUMAN CAPITAL	0.0%	0.0%	25.5%	56.9%	17.6%	100%
INCLUSION							INCLUSION						
PROCUREMENT			2	8	2	13	PROCUREMENT	0.0%	0.0%	16.7%	66.7%	16.7%	100%
PROJECT MANAGEMENT							PROJECT MANAGEMENT						
TECHNOLOGY & INNOVATION		2	20	51	21	94	TECHNOLOGY & INNOVATION	0.0%	2.1%	21.3%	54.3%	22.3%	100%

Enclosure 2

Final FY2013 Performance Ratings Distributions by Bureau, Division, and Office as of 11-15-2013

Division and Office	1	2	3	4	5	Grand Total	Division and Office	1	2	3	4	5	Grand Total
RESEARCH, MARKETS, & REGULATIONS							RESEARCH, MARKETS, & REGULATIONS						
CARD MARKETS							CARD MARKETS						
CREDIT INFO, COLLECTION & DEPOSIT MARKET							CREDIT INFO, COLLECTION & DEPOSIT MARKET						
INSTALLMENT & LIQUIDITY LENDING							INSTALLMENT & LIQUIDITY LENDING						
MORTGAGE MARKETS							MORTGAGE MARKETS						
REGULATIONS			8	21	13	42	REGULATIONS	0.0%	0.0%	19.0%	50.0%	31.0%	100%
RESEARCH			5	17	9	31	RESEARCH	0.0%	0.0%	16.1%	54.8%	29.0%	100%
RMR FRONT OFFICE							RMR FRONT OFFICE						
SUPERVISION, ENFORCEMENT & FAIR LEND							SUPERVISION, ENFORCEMENT & FAIR LEND						
ENFORCEMENT		1	16	77	33	127	ENFORCEMENT	0.0%	0.8%	12.6%	60.6%	26.0%	100%
FAIR LENDING	1		2	15	6	24	FAIR LENDING	4.2%	0.0%	8.3%	62.5%	25.0%	100%
SUPERVISION		1	12	9	5	27	SUPERVISION	0.0%	3.7%	44.4%	33.3%	18.5%	100.0%
EXAMINATIONS							EXAMINATIONS						
SUPERVISION FRONT OFFICE							SUPERVISION FRONT OFFICE						
SUPERVISION MIDWEST		2	26	31	5	64	SUPERVISION MIDWEST	0.0%	3.1%	40.6%	48.4%	7.8%	100%
SUPERVISION NORTHEAST		1	31	40	5	77	SUPERVISION NORTHEAST	0.0%	1.3%	40.3%	51.9%	6.5%	100%
SUPERVISION POLICY		2	9	10	9	30	SUPERVISION POLICY	0.0%	6.7%	30.0%	33.3%	30.0%	100.0%
SUPERVISION SOUTHEAST		1	42	65	8	116	SUPERVISION SOUTHEAST	0.0%	0.9%	36.2%	56.0%	6.9%	100%
SUPERVISION WEST			44	27	10	81	SUPERVISION WEST	0.0%	0.0%	54.3%	33.3%	12.3%	100%
Grand Totals	(b)(6)						Grand Totals	(b)(6)					

highlighted info will be published via wtd

Comparative Information						
Entity and Period	1	2	3	4	5	Grand Total
FY13 CFPB	0.1%	1.3%	26.7%	52.6%	17.9%	100.0%
FY12 CFPB	1.0%	0.0%	23.0%	51.0%	15.0%	100.0%
FY11 FDIC	0.0%	2.0%	37.0%	38.0%	23.0%	100.0%
FY11 FIRREA Average	0.0%	1.0%	20.7%	54.7%	23.6%	100.0%

Final FY2013 Performance Ratings Distributions by Bureau, Division, and Office as of 11-18-2013

Division and Office	1	2	3	4	5	Grand Total	Division and Office	1	2	3	4	5	Grand Total
Subtotals for Regions	0	4	143	161	28	336	Subtotals for Regions	0.0%	1.2%	42.3%	48.2%	8.3%	100%
SUPERVISION MIDWEST		2	26	31	5	64	SUPERVISION MIDWEST	0.0%	3.1%	40.6%	48.4%	7.8%	100%
SUPERVISION NORTHEAST		1	31	40	5	77	SUPERVISION NORTHEAST	0.0%	1.3%	40.3%	51.9%	6.5%	100%
SUPERVISION SOUTHEAST		1	42	65	8	116	SUPERVISION SOUTHEAST	0.0%	0.9%	36.2%	56.0%	6.9%	100%
SUPERVISION WEST			44	27	10	81	SUPERVISION WEST	0.0%	0.0%	54.3%	33.3%	12.3%	100%
Subtotals for All Other SEFL	(b)(6)						Subtotals for All Other SEFL	(b)(6)					
ENFORCEMENT		1	16	27	33	127	ENFORCEMENT	0.0%	0.8%	12.6%	60.6%	26.0%	100%
FAIR LENDING	1		2	15	6	24	FAIR LENDING	4.2%	0.0%	8.3%	62.5%	25.0%	100%
SUPERVISION EXAMINATIONS		1	12	9	5	27	SUPERVISION EXAMINATIONS	0.0%	3.7%	44.4%	33.3%	18.5%	100.0%
SUPERVISION FRONT OFFICE	(b)(6)						SUPERVISION FRONT OFFICE	(b)(6)					
SUPERVISION POLICY		2	9	10	9	30	SUPERVISION POLICY	0.0%	6.7%	30.0%	33.3%	30.0%	100.0%



1700 G Street, N.W., Washington, DC 20552

January 14, 2014

FROM Dennis Slagter, Chief Human Capital Officer, CFPB

TO Mr. Robert Cauldwell, National Treasury Employees Union Chapter 335
President

SUBJECT NTEU Information Request for 2013 Performance Data dated 11/22/13

Dear Mr. Cauldwell,

Thank you for your information request dated November 22, 2013. In accordance with 5 U.S.C. 7114, please see the attached response regarding the FY13 performance ratings. Given this is our second year of performance management and our first year in partnership with the NTEU, we invite you to join us in a working group and open discussion regarding these ratings. Please feel free to contact me with any questions or regarding next steps together.

Sincerely,



Dennis Slagter
Chief Human Capital Officer



CFPB FY13 Summary Ratings Distributions

CFPB FY13 Summary Ratings by Bargaining Unit Status/Dues Paid

Bargaining Unit Status/Dues Paid	1	2	3	4	5	Grand Total
Bargaining Unit						
Union Dues Paid: Yes						
Count of Ratings	N/A**	7	132	171	27	337
% of Total	N/A**	2.1%	39.2%	50.7%	8.0%	100.0%
Union Dues Paid: No						
Count of Ratings	N/A**	6	151	273	106	536
% of Total	N/A**	1.1%	28.2%	50.9%	19.8%	100.0%
Bargaining Unit Count of Ratings	N/A**	13	283	444	133	873
Bargaining Unit % of Total	N/A**	1.5%	32.4%	50.9%	15.2%	100.0%
Non-Bargaining Unit						
Union Dues Paid: Yes*						
Count of Ratings	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**
% of Total	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**
Union Dues Paid: No						
Count of Ratings	N/A**	N/A**	56	180	72	308
% of Total	N/A**	N/A**	18.2%	58.4%	23.4%	100.0%
Non-Bargaining Unit Count of Ratings	N/A**	N/A**	56	180	72	308
Non-Bargaining Unit % of Total	N/A**	N/A**	18.2%	58.4%	23.4%	100.0%
Total Count of Ratings	N/A**	13	339	624	205	1,181
Total % of Total	N/A**	1.1%	28.7%	52.8%	17.4%	100.0%

*Note: reflects individuals that transferred into NBU positions after dues deduction.

**Note: values less than 5 have been coded as N/A in breakouts for confidentiality purposes; totals and percentages have been adjusted accordingly.



CFPB FY13 Summary Ratings Distributions

CFPB FY13 Summary Ratings by Race/National Origin

Race/National Origin	1	2	3	4	5	Grand Total
Non-Hispanic						
Caucasian/White						
Count of Ratings	N/A*	8	190	419	161	778
% of Total	N/A*	1.0%	24.4%	53.9%	20.7%	100.0%
African American/Black						
Count of Ratings	N/A*	N/A*	81	90	20	191
% of Total	N/A*	N/A*	42.4%	47.1%	10.5%	100.0%
Asian American						
Count of Ratings	N/A*	N/A*	38	55	17	110
% of Total	N/A*	N/A*	34.5%	50.0%	15.5%	100.0%
Other Race						
Count of Ratings	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
% of Total	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Two or More Races						
Count of Ratings	N/A*	N/A*	6	22	N/A*	28
% of Total	N/A*	N/A*	21.4%	78.6%	N/A*	100.0%
Non-Hispanic Count of Ratings	N/A*	8	315	586	198	1,107
Non-Hispanic % of Total	N/A*	0.7%	28.5%	52.9%	17.9%	100.0%
Hispanic						
Count of Ratings	N/A*	N/A*	23	37	6	66
% of Total	N/A*	N/A*	34.8%	56.1%	9.1%	100.0%
Total Count of Ratings	N/A*	8	338	623	204	1,173
Total % of Total	N/A*	0.7%	28.8%	53.1%	17.4%	100.0%

*Note: values less than 5 have been coded as N/A in breakouts for confidentiality purposes; totals and percentages have been adjusted accordingly.



CFPB FY13 Summary Ratings Distributions

CFPB FY13 Summary Ratings by Gender

Gender	1	2	3	4	5	Grand Total
Male						
Count of Ratings	N/A*	N/A*	199	323	102	624
% of Total	N/A*	N/A*	31.9%	51.8%	16.3%	100.0%
Female						
Count of Ratings	N/A*	10	141	302	104	557
% of Total	N/A*	1.8%	25.3%	54.2%	18.7%	100.0%
Total Count of Ratings	N/A*	10	340	625	206	1,181
Total % of Total	N/A*	0.8%	28.8%	52.9%	17.4%	100.0%

*Note: values less than 5 have been coded as N/A in breakouts for confidentiality purposes; totals and percentages have been adjusted accordingly.



CFPB FY13 Summary Ratings Distributions

CFPB FY13 Summary Ratings by Age - Less Than 40/40 or Over

Age - 40 +/- 40	1	2	3	4	5	Grand Total
Less Than 40 Years						
Count of Ratings	N/A*	N/A*	152	322	124	598
% of Total	N/A*	N/A*	25.4%	53.8%	20.7%	100.0%
40 or Over						
Count of Ratings	N/A*	12	188	303	82	585
% of Total	N/A*	2.1%	32.1%	51.8%	14.0%	100.0%
Total Count of Ratings	N/A*	12	340	625	206	1,183
Total % of Total	N/A*	1.0%	28.7%	52.8%	17.4%	100.0%

*Note: values less than 5 have been coded as N/A in breakouts for confidentiality purposes; totals and percentages have been adjusted accordingly.

CFPB Snapshot:
Diversity, Inclusion, and
Equal Employment
Opportunity

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1. Bureau-wide demographic snapshots

The Bureau's workforce represents a diversity of gender, race, national origin, veteran status, age, and targeted disabilities, among other diversity categories. Table 1 shows a snapshot of the Bureau's diversity:

TABLE 1: DEMOGRAPHIC SNAPSHOT OF THE CFPB WORKFORCE¹

	Onboard	% Female	% Minority	<40	40+	Targeted Disabilities
All CFPB Employees	1,376	46%	34%	52%	48%	1%
Non-Supervisors	1,146	47%	36%	58%	42%	1%
Supervisors (includes Executives)	230	40%	26%	25%	75%	2%
Executives	53	36%	25%	15%	85%	0%

Based on data presented in Table 3, The Bureau exceeds comparable FIRREA agencies with respect to representation by gender (46% female at the CFPB vs. 44% at other FIRREA agencies)

¹ Table 1 reflects data from CFPB's system of record, USDA's National Finance Center, dated February 22, 2014. Comparison data are from Fedscope, as of 9/30/2013 (the most recent available). Fedscope generally counts only full-time, permanent employees; therefore, CFPB numbers in Tables 1, 2 and 3 may not match.

and minority employees (34% of staff self-identify as a minority (Non-White, including Hispanic) at the CFPB vs. 29% of FIRREA employees):

TABLE 2: CFPB AS OF FEBRUARY 22, 2013 (INCLUDING INTERNS) AS COMPARED TO SELECT BENCHMARKS

Race / Ethnicity	CFPB		US Census 2010	FIRREA	Independent Medium-sized Agencies
	Number of Employees	% of overall workforce			
White	951	69%	75%	71%	62%
African American / Black	233	17%	12%	17%	24%
Amer. Indian / Alaska Native	6	<1%	1%	<1%	0%
Asian	132	10%	4%	6%	7%
Nat. Hawaiian / Pac. Isl.	1	<1%	0%	0%	0%
Some Other Race	13	1%	6%	3%	1%
Two or More Races	40	3%	2%	3%	2%
Hispanic / Latino	75	5.5%	16%	3%	3%
Not Hispanic / Latino	1,301	94.5%	84%	97%	97%

TABLE 3: DEMOGRAPHICS AT FIRREAS & CFPB² AS OF SEPTEMBER 30, 2013 (THE MOST RECENT COMPARISON DATA AVAILABLE)

	CFPB	CFTC (Commodity Futures Trading Commission)	FCA (Farm Credit Administration)	FDIC Federal Deposit Insurance Corporation	FHFA Federal Housing Finance Agency	NCUA (National Credit Union Administration)	SEC (Securities & Exchange Commission)	Treasury, OCC (Office of the Comptroller of the Currency)
White	69.0%	72.0%	80.0%	73.0%	64.0%	74.0%	69.0%	71.0%
Black	17.0%	17.0%	10.0%	18.0%	22.0%	15.0%	17.0%	17.0%
Asian	11.0%	9.0%	6.0%	5.0%	11.0%	6.0%	10.0%	7.0%
Other	3.0%	2.0%	4.0%	4.0%	3.0%	5.0%	4.0%	5.0%
Hispanic	5.2%	3.2%	4.3%	3.6%	2.1%	3.8%	4.3%	6.4%
Female	47.0%	43.0%	42.0%	43.0%	44.0%	44.0%	46.0%	45.0%

² Fedscope <http://www.fedscope.opm.gov/> Data represents workforce as of 09/30/13. Please note that these numbers may not match the numbers in tables 1 and 2, because of how Fedscope counts employees.

2. Performance data across select demographics

TABLE 4: CFPB FY13 SUMMARY RATINGS BY RACE/NATIONAL ORIGIN³

Race/National	Origin	1	2	3	4	5	Grand Total
Caucasian/ White	Number	N/A ³	8	190	419	161	778
	%	N/A ³	1.0%	24.4%	53.9%	20.7%	100.0%
African American/Black	Number	N/A ³	N/A ³	81	90	20	191
	%	N/A ³	N/A ³	42.4%	47.1%	10.5%	100.0%
Asian American	Number	N/A ³	N/A ³	38	55	17	110
	%	N/A ³	N/A ³	34.5%	50.0%	15.5%	100.0%
Two or more races	Number	N/A ³	N/A ³	6	22	N/A*	28
	%	N/A ³	N/A ³	21.4%	78.6%	N/A*	100.0%
Total non- Hispanic	Number	N/A ³	8	315	586	198	1,107
	%	N/A ³	0.70%	28.5%	52.9%	17.9%	100.0%
Hispanic	Number	N/A ³	N/A ³	23	37	6	66
	%	N/A ³	N/A ³	34.8%	56.1%	9.1%	100.0%
Total	Number	N/A ³	8	338	623	204	1,173
	%	N/A ³	0.7%	28.8%	53.1%	17.4%	100.0%

³ Note: values less than 5 have been coded as N/A in breakouts for confidentiality purposes; totals and percentages have been adjusted accordingly.

TABLE 5: CFPB FY13 SUMMARY RATINGS BY GENDER³

Gender		1	2	3	4	5	Grand Total
Male	Number	N/A ³	N/A ³	199	323	102	624
	%	N/A ³	N/A ³	31.9%	51.8%	16.3%	100.0%
Female	Number	N/A ³	10	141	302	104	557
	%	N/A ³	1.8%	25.3%	54.2%	18.7%	100.0%
Total	Number	N/A ³	10	340	625	206	1,181
	%	N/A ³	0.8%	28.8%	52.9%	17.4%	100.0%

TABLE 6: CFPB FY13 SUMMARY RATINGS BY AGE - LESS THAN 40/40 OR OVER³

Age		1	2	3	4	5	Grand Total
Age	< 40	N/A ³	N/A ³	152	322	124	598
Age	< 40	N/A ³	N/A ³	25.4%	53.8%	20.7%	100.0%
Age	40 or over	N/A ³	12	188	303	82	585
Age	40 or over	N/A ³	2.1%	32.1%	51.8%	14.0%	100.0%

3. Annual employee survey: select results

More than 80 percent of the CFPB employee population responded to the second annual employee survey conducted by the Consumer Financial Protection Bureau between July 15, 2013 and August 15, 2013. The Bureau's leaders use feedback from tools like this survey to develop strategies to better serve employee needs.

The CFPB continues to develop as an organization, and is actively leveraging employee feedback to inform the process. The Bureau established a robust process to respond to the areas of improvement identified through the survey. The CFPB is collaborating with the National Treasury Employees Union to design and implement tailored interventions at all levels of the organization.

Full results of the survey are available at:

http://files.consumerfinance.gov/f/201312_cfpb_report_annual-employee-survey.pdf.

TABLE 7: 2013 EMPLOYEE FEEDBACK RESULTS FOR SOME OF THE KEY SURVEY AREAS⁴

Question text	% Favorable	Govt Wide FY12 % Fav.	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	% Unfavorable	% Do not Know
Promotions in my work unit are based on merit.	43.0%	33.5%	11.9%	31.1%	28.7%	16.0%	12.3%	28.3%	20.3%
In my work unit, differences in performance are recognized in a meaningful way.	39.2%	33.8%	8.2%	31.0%	30.5%	19.1%	11.3%	30.4%	18.3%
Pay raises depend on how well employees perform their jobs.	42.3%	21.7%	10.6%	31.7%	29.0%	14.7%	13.9%	28.6%	24.5%
My performance appraisal is a fair reflection of my performance.	59.9%	68.8%	17.4%	42.5%	20.9%	11.3%	7.9%	19.2%	21.2%
Managers/supervisors/team leaders work well with employees of different backgrounds.	73.3%	63.4%	23.2%	50.1%	14.4%	6.2%	6.2%	12.4%	6.0%
Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).	64.7%	56.7%	24.4%	40.3%	20.3%	8.9%	6.1%	15.0%	9.1%

⁴ Select results include questions regarding performance management, diversity, and inclusion. Questions without a government benchmark are CFPB-specific.

Differences among individuals (for example, gender, race, national origin, religion, age, cultural background, disability, sexual orientation) are respected and valued.	76.6%	30.5%	46.1%	13.7%	5.9%	3.8%	9.7%	3.9%
Advancement opportunities are available for qualified individuals, regardless of gender, race, national origin, religion, age, cultural background, disability, or sexual orientation.	65.2%	29.6%	35.6%	17.2%	9.5%	8.1%	17.6%	12.3%

3.1 OPM “Inclusion Index”

The Office of Minority and Women Inclusion combined 20 questions in the AES to create an “Inclusion Index” (available at <http://www.opm.gov/policy-data-oversight/diversity-and-inclusion/federal-workforce-at-a-glance/>) based on the index originally developed by the Office of Personnel Management (OPM) that is correlated with creating and maintaining an inclusive environment across 5 categories; Fair, Open, Cooperative, Supportive, and Empowering. CFPB scored higher than the government-wide average on this index, as detailed on the following page.

TABLE 8: AES: OPM INCLUSION INDEX AS OF AUGUST 15, 2013

Inclusion Index Factor	Annual employee survey question	CFPB ⁵	Govt. Wide
Fair Environment	In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	52%	44%
	In my work unit, differences in performance are recognized in a meaningful way.		
	Awards in my work unit depend on how well employees perform their jobs.		
	Arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated.		
Open Environment	Prohibited Personnel Practices are not tolerated.	56%	56%
	Creativity and innovation are rewarded.		
	Managers/supervisors/team leaders work well with employees of different backgrounds.		
	Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).		
Cooperative Environment	My supervisor/team leader is committed to a workforce representative of all segments of society.	67%	55%
	Managers promote communication among different work units (for example, about projects, goals, and needed resources).		
Supportive Environment	Managers support collaboration across work units to accomplish work objectives.	80%	74%
	My supervisor supports my need to balance work and other life issues.		
	My supervisor/team leader listens to what I have to say.		
	My supervisor/team leader treats me with respect.		
Empowering Environment	In the last six months, my supervisor/team leader has talked with me about my performance.	62%	59%
	My supervisor/team leader provides me with constructive suggestions to improve my job performance.		
	My talents are used well in the workplace.		
	Employees have a feeling of personal empowerment with respect to work processes.		
	I have enough information to do my job well.		
	I feel encouraged to come up with new and better ways of doing things.		

⁵ CFPB favorability percentage, per similar standards as Table 7.

4. Employee grievances

The employee grievances listed below have been filed through the Employee and Labor Relations (ER/LR) process regarding FY13 performance ratings, by demographics. Grievances are currently under review, per the negotiated agreement process between CFPB and the NTEU.

TABLE 9: EMPLOYEE GRIEVANCES FILED WITH ER/LR ABOUT FY2013 PERFORMANCE RATINGS

Category	Demographic	Number of complaints	% of total complaints
Over / under 40	40+	37	56.9%
	Under 40	28	43.1%
Age group	20-29	5	7.7%
	30-39	23	35.4%
	40-49	19	29.2%
	50-59	13	20.0%
	60-69	5	7.7%
	70+	0	0%
	Gender	Female	35
	Male	30	46.2%
Race	Asian	7	10.8%
	Black	17	26.2%
	Hawaiian/Pacific Islander	1	1.5%
	American Indian/Alaska Native	0	0%
	Two or more races	2	3.1%
	White	38	58.5%
	Ethnicity	Hispanic	5
	Non-Hispanic	60	92.3%

5. Employee EEO grievances

On May 15, 2002, Congress enacted the “Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002,” which is known as the No FEAR Act.

The No FEAR Act is intended to increase the accountability of federal agencies for acts of discrimination or retaliation against employees, former employees, and applicants. It requires CFPB to post a notice of rights and protections available under Federal antidiscrimination and whistleblower protection laws and to post certain equal employment opportunity data.

Below is a summary of No FEAR Act data as of September, 30, 2013. The next report will be released in Q2 2014.

TABLE 10: NO FEAR ACT REPORTING AS OF SEPTEMBER 30, 2013

Complaints by Basis	2011	2012	2013
Race	0	3	4
Color	0	2	0
Religion	0	2	2
Reprisal	0	3	4
Sex	0	3	4
Pregnancy (PDA)	0	0	0
National Origin	0	4	1
Equal Pay Act	0	0	1
Age	0	9	4
Disability	0	2	2
Genetic Information	0	0	0
Non-EEO	0	1	1
Total number of complaints⁶	0⁵	11⁵	9⁵
Total number of complainants	0	11	9

In FY 2013, there were no formal complaints alleging “non-selection” (i.e., allegations of discrimination in the hiring process for a particular job) as an issue; this is significant because during FY 2012, 72 percent of the CFPB’s 11 formal complaints filed identified non-selection as a claim. As in FY 2012, during FY 2013, the Bureau’s workforce grew substantially, from 970 employees at the end of FY 2012 to 1,342 at the end of FY 2013.

⁶ Note: Complaints can be filed citing multiple reasons. The sum of the bases may not equal total complaints filed.

From: Misty Raucci
 Sent: Wednesday, September 11, 2013 12:02 PM
 To: 'Liza.Strong'; [REDACTED]
 Cc: [REDACTED]
 Subject: Angela Martin Complaint of Retaliation - Investigation Summary

Angela Martin ("Complainant") filed a complaint of retaliation alleging that, as a result of having filed a claim of gender discrimination against a colleague, she has been subjected to ongoing retaliation at the hands of Scott Pluta ("Respondent"), by way of an active campaign against the Complainant to remove her from her duties as Chief Counsel of the OCR. The final report of our findings will be forthcoming in two weeks time, due to the sheer volume of evidential documents and the need to construct a timeline of the events outlined therein. Taken separately, each piece of evidence may appear to be refutable; however, placed in context along with the report and timeline, the crux of the situation will emerge, and the explanation for the collective course of events will become clear. Our investigation into the allegations is drawing to a close, with evidence having been obtained to support conclusions, including but not limited to the following:

- That the Complainant has been retaliated against by the Respondent.
- The retaliation has not only resulted in removal of the Complainant from her duties as Chief Counsel of the OCR, in the absence of due process; but has also served to discourage others with real concerns from coming forward for fear of their own professional demise.
- The retaliation is ongoing and will likely persist so long as the Respondent and his suspected facilitators are allowed to continue their campaign unfettered.
- The environment at the OCR appears to be one of exclusion, retaliation, and collusion spearheaded by the Respondent, and furthered by at least two of his reports, resulting in what appear to be benefits received by at least one of them in return for their complicity.
- The Respondent has mocked the EEO process within the OCR, and has sanctioned inappropriate use of the complaint process, by others, to actually further the retaliation against the Complainant.
- EEO training or similar actions would be inadequate as a remedy since it is clearly regarded as a frivolity, and merely an avenue by which to stage the reprisal of the Complainant, by the parties involved.

The issues stated herein are not the result of a lack of knowledge as to what constitutes fair behavior and employment practices, but rather a willful disregard for same. We would be remiss not to warn of the ever-increasing liability exposure the aforementioned issues will generate if left unaddressed. Additionally, the Bureau is at risk of undermining its own public position as an advocate for fairness toward the American consumer, as well as stifling its own mission to hold merchants, etc. to fair and equal standards. Furthermore, it would seem appropriate to notify Director Richard Cordray of the environment at the OCR, as well as the risks it presents to the interests of the Bureau as a whole.

INVESTIGATION REPORT

Investigation of Discrimination and Retaliation

Consumer Financial Protection Bureau/
Office of Consumer Response

Scott Pluta, Assistant Director

December 11, 2013

Defense Investigators Group
Misty Raucci, Investigator



INVESTIGATION REPORT

Scott Pluta, Assistant Director

November 8, 2013

I. EXECUTIVE SUMMARY

Mr. Pluta was aware of [REDACTED] exclusion and marginalization of Ms. Martin in her role as Chief Counsel, yet he did not curtail it. Instead, when [REDACTED] behavior resulted in Ms. Angela Martin's diminished ability to accomplish her job, Mr. Pluta assigned her a summary rating of 'Unacceptable' on her 2013 Mid-Cycle Performance Review, expressly pointing out her failure to "shepherd projects to Bureau clearance". Mr. Pluta then cited [REDACTED] and [REDACTED] complaints as further justification for his negative review of Ms. Martin's performance, stating that she had "directed retaliatory behavior" at them; even though the complaints of both former subordinates had not yet been investigated, and were therefore unsubstantiated. Mr. Pluta neglected to inform Ms. Martin that she was at risk of receiving a poor review, and then failed to place her on a Performance Improvement Plan (PIP), bypassing the customary channels of remediation and denying her the opportunity to improve. Ms. Martin's prior positive reviews as well as her receptivity to, and application of, constructive feedback in the past should have made her a candidate for rehabilitation.

Mr. Pluta has continued to marginalize Ms. Martin beyond her settlement with the Bureau. In August 2013, Ms. Martin moved to the Office of Enforcement, at which time Mr. Pluta issued a directive prohibiting her from collaborating with Consumer Response. He assigned Ms. Martin a singular point of contact to collaborate on Ms. Martin's behalf, although a similarly situated employee, who also works in Enforcement and is working on a project with Consumer Response, is permitted to interact with the Consumer Response team at will with no such constraints.

During the course of this investigation, several individuals were spoken with; yet few consented to allow their name on the record for fear of reprisal. Of those who came forward, two stated openly, that they either were seeking other employment, or had no doubt that would become necessary. Many interviewees expressed a belief that the Human Capital Office would not be willing or able to protect them, and felt the Bureau's collective failure to protect Angela Martin strongly supported that notion.

II. SUMMARY OF THE COMPLAINTS

On February 21, 2013 a written Equal Employment Opportunity (EEO) complaint was filed with the Human Capital Office (HCO) at the Consumer Financial Protection Bureau ("CFPB") alleging retaliation by the Assistant Director of the Office of Consumer Response (Consumer Response), Scott Pluta ("Mr. Pluta"). Prior to the filing of this formal complaint, confidential complaints were filed with HCO on or

around October and November 2012 regarding gender discrimination by Investigations Section Chief, [REDACTED] ("[REDACTED]"). An EEO investigation into the allegations of gender discrimination was conducted internally. The findings were that [REDACTED] hostile treatment of the complainant was not gender-based.

This investigation addresses the complainant's allegations of retaliation by Mr. Pluta based upon the filing of the EEO complaint. The complainant's initial allegation of gender-discrimination by [REDACTED] is referenced for contextual purposes. During the course of this investigation, additional allegations of retaliation based on the complainant's implementation of the EEO process surfaced, and those were also investigated.

The complainant, Angela Martin, was Counsel Section Chief ("Chief Counsel") when she filed the EEO complaint. She commenced her employment with CFPB on June 5, 2011 as an attorney in the Office of Enforcement ("Enforcement"). In March 2012, she was recruited to Consumer Response and assumed the role of Chief Counsel. Her work history with CFPB prior to her EEO complaint reflects good performance evaluations, with no record of disciplinary action or Performance Improvement Plans ("PIP").

Ms. Martin alleges that, following a dispute with [REDACTED] in May 2012, he subjected her to harsh treatment categorized by violent outbursts, intimidation and hostility, as well as exclusion from communications and decision-making processes relating to her position as Chief Counsel. This resulted in confidential complaints filed with HCO in October/November 2012. Ms. Martin alleges that the investigation of those initial complaints engendered further maltreatment at the hands of [REDACTED] and that Mr. Pluta became involved in retaliation against her.

Ms. Martin alleges that when she filed a formal EEO complaint on February 21, 2013, she was subjected to retaliation by Mr. Pluta who immediately took over the supervision of her subordinates, [REDACTED] and [REDACTED], and assigned two thirds of her duties to them; citing retaliatory behavior toward the subordinates by Ms. Martin herself, as well as Ms. Martin's incompetence; as a pretext for his effective demotion of her.

Ms. Martin alleges that the retaliation by Mr. Pluta has resulted in her removal from her position as Chief Counsel and her relegation to a lesser position in another office.

Ms. Martin alleges that the retaliation is ongoing.

A. Scott Pluta, Assistant Director

Via Telephone: July 8 and December 5, 2013

- Scott Pluta is the Assistant Director of the OCR; section chiefs are direct reports.
- Mr. Pluta stated he was aware of Ms. Martin's participation in an EEO protected activity.
- Mr. Pluta stated that Ms. Martin performed well in her initial role within the Office of Enforcement. However, when she transferred to the Office of Consumer Response, she had difficulty fulfilling expectations in the late summer/early fall as the focus shifted to "more legal work", for which was to offer more in-depth legal analysis and deal with more complex issues.
- Mr. Pluta stated that he had facilitated Ms. Martin's entry into the position of Chief Counsel, that he thought well of her, and that he had come to regard her as a friend. Mr. Pluta further stated that Ms. Martin had been very supportive of him during a personal crisis he had in September 2012 and that he was grateful for her support.
- In November 2012, Ms. Martin received a performance review with an overall rating of '3 – Solid Performer'. Ms. Martin was recognized for her strengths and was offered constructive feedback regarding opportunities for growth; however, she was displeased with her review and filed a request for reconsideration of her rating. Mr. Pluta stated it was his belief that Ms. Martin's filing of the gender discrimination and retaliation complaints was due to "cognitive dissonance". Ms. Martin was experiencing agitation due to the gap between what she perceived was her station, versus what it really was; and having been faced with the disparity between her perception and reality, she lashed out by filing formal grievances to dispute all but the positive feedback she had received.
- Mr. Pluta stated that other than to express to Ms. Martin, at a happy hour, that he would be glad when the formalities regarding their dispute were over, he has not tried to discuss the complaint with Ms. Martin, *ex parte*.
- Mr. Pluta stated that two of Ms. Martin's reports were removed from her supervision in light of complaints which had been made by both parties, as well as issues regarding the two employees' reservations as to Ms. Martin's ability to properly lead Counsel Team. One of those employees had filed a complaint of retaliation against Ms. Martin; and the other reportedly feared for her health and, by extension, the health of her unborn child.

- Mr. Pluta provided the names of [REDACTED], [REDACTED] and [REDACTED] as points of contact to assist in the development of this investigation.
- Mr. Pluta stated he did not perceive the complaints of [REDACTED] as suspicious. He felt [REDACTED] complaints were reactionary, to what she said that Ms. Martin was doing to her. [REDACTED] was asserting that Angela Martin was creating a hostile environment. Mr. Pluta saw that as [REDACTED] motivation rather than interest in Ms. Martin's position and title. Mr. Pluta said it may appear to be insubordination on the part of [REDACTED] toward Ms. Martin, but he believed it was motivated by her stated discomfort with the working environment. Mr. Pluta further stated that he did not feel [REDACTED] was interested in procuring the position of Chief Counsel; and therefore, it never occurred to him that her complaints might have been lodged with such a goal in mind.
- Mr. Pluta stated he believes [REDACTED] complaints against Ms. Martin were based on hostile behavior reportedly directed at her by Ms. Martin. Mr. Pluta stated that [REDACTED] presented him with grounded examples of her work duties having been diminished by Ms. Martin, as well as evidence of a personal text message in which Martin called [REDACTED] a traitor for having forwarded a prior text message from Ms. Martin on to [REDACTED].
- With regard to the EEO process, Mr. Pluta stated that he has consistently encouraged employees, including Angela Martin, to avail themselves of the administrative process should they have EEO questions, concerns, or complaints. As to a specific allegation that Mr. Pluta suppresses the EEO process by implying there would be consequences for those who would invoke it, Mr. Pluta stated that he had dedicated a full day to the briefing of the team by an EEO expert. According to Mr. Pluta, the featured attorney stated that "If you have managers not getting EEO complaints; that, in itself, is a red flag". Mr. Pluta stated that he did not want managers deterred from holding employees to performance standards for fear of generating EEO complaints. He had voiced this concern during the briefing. Mr. Pluta felt perhaps this had been misconstrued as a warning that EEO claims would be regarded as frivolous.
- In response to a specific allegation that Mr. Pluta had discussed aspects of his sexual activity with an employee, in the context of a personal crisis in September 2012, he stated that he had no recollection of having done so, and the last thing he wanted was to make anyone feel uncomfortable.

B. [REDACTED], [REDACTED]

Via Telephone: July 10, 2013

- [REDACTED] expressed similar views to Mr. Pluta's, regarding Ms. Martin's reported incompetence in her role as Chief Counsel.
- [REDACTED] stated that he is compelled to sit in on 1:1 meetings between Ms. Martin and Mr. Pluta, since the filing of her complaint.
- When asked whether he felt Mr. Pluta had flagrantly attempted to discuss the complaint while attending a happy hour with Ms. Martin, [REDACTED] stated that while he had not been present at the time of the alleged contact, he seriously doubted Mr. Pluta had actively pursued ex parte contact with Ms. Martin.
- [REDACTED] stated [REDACTED] suspected Angela Martin of having doctored an email sent to [REDACTED].

C. [REDACTED]

Via Telephone: July 17, 2013

- [REDACTED] declined to discuss Ms. Martin, and instead informed us that she felt her own complaint of retaliation against Ms. Martin had "taken a backseat to Ms. Martin's case".
- [REDACTED] stated that Ms. Martin was under suspicion of having "doctored" an email that had been sent to [REDACTED] by Ms. Martin, the week before.

D. [REDACTED], [REDACTED], [REDACTED], [REDACTED]

Via Telephone: August 22 and 29, 2013; September 25, 2013

- [REDACTED] believes Mr. Pluta did remove Ms. Martin from her job as Chief Counsel of the OCR in reprisal for filing a formal EEO complaint.
- [REDACTED] stated that people who voice questions or concerns with regard to the current state of Consumer Response, or who question the direction senior management is taking, tend to be pushed aside, displaced from their positions, or relocated without due course.
- [REDACTED] worked closely with Ms. Martin prior to the filing of her complaint and, following the filing, Ms. Martin was designated as his primary point of contact on OCR's legal team. Although [REDACTED] was unaware of her complaint at the time, soon after Ms. Martin's complaint was filed [REDACTED] began noticing: 1) that she was being

excluded from meetings and email distribution lists on which her presence should have been required in her capacity as Chief Counsel, and 2) emails were being sent around soliciting negative feedback with regard to Ms. Martin's work product, with her name absent on the distribution lists.

- During Ms. Martin's subsequent absence, [REDACTED] primary point of contact became [REDACTED], who he did not feel was an adequate replacement for Ms. Martin. [REDACTED] provided us with email threads in which it appears the abilities of [REDACTED] were not comparable to those of Ms. Martin.
- [REDACTED] provided documentation in the form of email threads that do corroborate his statements.
- Since the filing of Ms. Martin's EEO complaint, [REDACTED] was approached by Ms. Martin wanting to discuss that she had been informed by Scott Pluta that [REDACTED] wanted to leave Consumer Response "because of Angela." [REDACTED] informed Ms. Martin that was not true. What he said was that reporting to [REDACTED] would be a motivating factor for him to leave. [REDACTED] explained that his comment was prompted by the departure of his section chief, [REDACTED], and the prospect that his reporting relationship would change, by default, to the only other section chief in OCR's Investigations unit, namely [REDACTED].
- [REDACTED] has needed clarification on issues for which Ms. Martin would not have needed guidance. For example, [REDACTED] required an explanation as to why a non-arms-length transaction was not permissible in conjunction with a short sale. Similarly, [REDACTED] needed to explain to [REDACTED] why it would not be an unfair, deceptive or abusive act or practice for a lender to collect a debt that had been written off by the lender as a loss.
- [REDACTED] provided several other emails demonstrative of exclusion, retaliation and unilateral decision making that fails to serve the greater good.

E. Angela Martin, Former Chief Counsel

Via Telephone: August 19, 2013; August 26, 2013; September 9, 2013

- The complaints of gender discrimination and retaliation were discussed at length and Ms. Martin provided email documentation corroborating her complaints.
- Ms. Martin stated that, several times, she had made Mr. Pluta aware of the disparate treatment directed at her by [REDACTED]; i.e. bashing,

excluding and circumventing her, and regarding her in a threatening manner; however, he allowed it to continue.

- Ms. Martin stated that after she filed her complaint with the HCO in December, [REDACTED] interference with Ms. Martin's work activities increased and resulted in her diminished ability to accomplish her job. Ms. Martin made this known to Mr. Pluta, who did not intercede.
- Three days after Ms. Martin declined an offer to move to another office in a non-supervisory, non-attorney role, [REDACTED] demanded to know why she wouldn't move to the other office, and then became insubordinate towards her, cancelling meetings at the last minute, bucking deadlines, sending aggressive emails, and threatening to invoke the EEO process against her.
- Ms. Martin stated that when she filed her formal EEO complaint in February, her subordinates complained about her to Mr. Pluta and requested transfers within a few days. Less than one week later, Mr. Pluta divested her of her supervisory duties as well as two-thirds of her work which he assigned to [REDACTED] and [REDACTED].
- Ms. Martin stated that there also appears to have been some associational discrimination against [REDACTED], relative to his input regarding Ms. Martin's EEO complaint. [REDACTED] conducted an independent audit of [REDACTED] work in early December, shortly after [REDACTED] cooperated with the internal investigation of Ms. Martin's informal EEO complaint. The audit did not bear fruit for [REDACTED] and the concerns about [REDACTED] work product were unfounded.
- Ms. Martin stated that several others in Consumer Response have been subjected to adverse employment actions; however, they are fearful of coming forward, having observed what happened to Ms. Martin.
- Ms. Martin said that Mr. Pluta continued his retaliation against her even beyond the date of her settlement by way of a directive prohibiting her collaboration on a project with Consumer Response.

F, [REDACTED], [REDACTED]¹
Via Telephone: August 20 and 22, 2013

- [REDACTED] was not surprised that an investigation was in progress regarding the actions of Scott Pluta.

¹ [REDACTED] was undecided as to whether she wanted to be named in the final report until October 23, 2013 when she consented for her name to be disclosed along with her statement.

- [REDACTED] was hesitant to speak openly about the situation in Consumer Response as it relates to fair and equal treatment in the workplace, as she felt doing so would ensure her professional demise.
- While [REDACTED] finds Mr. Pluta to be engaging and charismatic, she feels he may have an “unconscious bias” when it comes to crediting females for accomplishments. For example, [REDACTED] along with a black female colleague were major contributors on a particular project that proved successful, yet neither of the women were credited with the outcome, but rather a male was acknowledged as the facilitator of the project. When [REDACTED] expressed dismay at the exclusion, she and the male collaborator² were called into Mr. Pluta’s office, where he presented them with expensive gifts. [REDACTED] declined her gift, in favor of written acknowledgement of her contribution. Mr. Pluta did as requested, though approximately six (6) weeks later.
- During a 1:1 meeting in January 2013, Mr. Pluta asked [REDACTED] how she met [REDACTED]. [REDACTED] felt momentarily uncomfortable; however, she indulged Mr. Pluta, having ultimately decided that his question was a positive sign of general tolerance [REDACTED]
[REDACTED].
- However, close to the time of [REDACTED] shift from Consumer to [REDACTED] Mr. Pluta requested a meeting with her; a meeting of which she initially believed her departure from Consumer Response would be the focus. This was another 1:1 meeting and this time, Mr. Pluta revealed that he had suffered the breakup of a relationship the previous September, and discussed the demise of his personal relationship in the context that [REDACTED]
[REDACTED]. Mr. Pluta lamented his confusion about the breakup and went on to describe his sexual relationship with his former girlfriend; going so far as to reveal to [REDACTED] that he thought his former girlfriend had been satisfied in that regard. Mr. Pluta referenced how many women he had slept with, citing 50, as an indication of his experience and prowess³. [REDACTED] felt this was invasive and well outside the realm of appropriate discussion within a work environment; however, she did not file a complaint for fear of reprisal.

² Written as “the female collaborator” in the September 24, 2013 draft; revised here.

³ Revised to include the [REDACTED] statement that Mr. Pluta went into particulars regarding his sexual activity.

G. [REDACTED], [REDACTED]
Via Telephone: August 23, 2013

- [REDACTED] was able to verify that Ms. Martin's job duties appeared to have been altered or diminished; however, he did not reveal any pertinent information regarding Ms. Martin's grievance in particular, as he stated he has none to reveal; and stated he was not under the impression that discrimination of any sort was prevalent in Consumer Response.

H. [REDACTED], [REDACTED]
Via Telephone: August 27, 2013

- [REDACTED] verified that Ms. Martin is no longer Chief Counsel of Consumer Response. She acknowledged that there appears to have been changes in reporting; however, she stated those were fairly regular. While [REDACTED] was aware that Ms. Martin was not happy about the shift in her duties and position, [REDACTED] indicated she was not sure exactly why.
- [REDACTED] stated that she had little direct interaction with Ms. Martin; however, she stated there had been a few experiences with her where she was not impressed with Ms. Martin's performance, although [REDACTED] stated that she encountered little to no difficulty receiving assistance from the counsel team as needed.

I. Anonymous Witnesses "9" "10" "11" "12"

Via Telephone: September 9, October 4, October 8, October 14, and October 17, 2013

The following statements largely pertain to the general climate of Consumer Response, although some are relevant to the circumstances of Ms. Martin's complaint:

- It was clear Angela was punished, and the treatment of her was meant to convey the message that "this was how such claims would be handled". (9)
- Mr. Pluta expressed frustration with the process and openly discouraged use of the EEO process; that EEO claims were "frivolous" and would not be given credibility. (9, 10, 11)
- Prior to Ms. Martin's complaint "some people didn't agree with the way she approached her role"; however, following her complaint, Ms. Martin's shortcomings were "magnified and augmented significantly". (9)
- Several of the sources stated that the hiring/promoting process should be investigated. It has been noted that many "friends of" Mr. Pluta or [REDACTED]

██████████ in particular coming on board, having bypassed, what they deemed to be, better qualified candidates. For example, ██████████, ██████████, prevailed over a candidate for the position of ██████████ and ██████████ are also believed to be friends of Mr. Pluta. (██████████, Ms. Martin, 10, 11, 12 concur with the general assessment)

- ██████████ mass mailing that was intercepted by Ms. Martin was sent out by ██████████ against protocol, at ██████████ behest. Then, when the mailing was halted, ██████████ drafted an email for ██████████ to send around in which she assumes responsibility for the misstep; ██████████ did not distribute the email and has since been "blacklisted" meaning that she will likely never receive a promotion, the substance of her work notwithstanding. (11)
- During a management team meeting, ██████████ passed around a list of investigation team members (excluding managers) ranked in order of those who had taken the most sick leave to those who had taken the least, and asked how much sick leave should be considered acceptable. He stated that this would be taken into account with regard to performance objectives. (10, 11, 12)
- Several witnesses felt that Angela Martin was pushed out of Consumer Response by Mr. Scott Pluta and ██████████. (██████████, 9, 10, 11, 12)
- ██████████, ██████████, ██████████, ██████████, and ██████████ were associated with Scott Pluta and/or ██████████ prior to their employment with CFPB. They appear to be moving up the career ladder faster than similarly situated employees who are not apparently associated with either Mr. Pluta or ██████████. (10, 12)
- Morale in Consumer Response is low, due to the collective observation that promotions, demotions, and disciplinary actions are based on non-merit factors with increasing frequency. ██████████, 9, 10, 11, 12)

IV. BACKGROUND

Angela Martin was one of five Section Chiefs in Consumer Response. She was recruited by ██████████, and hired by Director Richard Cordray in June 2011. Ms. Martin was recruited to Consumer Response by ██████████, in March 2012. Ms. Martin wrote her position description and gave herself the title 'Chief Counsel', which was approved by the Human Capital Office. Policy guidance and oversight of consumer communications

were part of her purview. [REDACTED] and [REDACTED] were Ms. Martin's direct reports along with [REDACTED] and an [REDACTED], [REDACTED].

Scott Pluta has been Assistant Director of Consumer Response since August 2012.

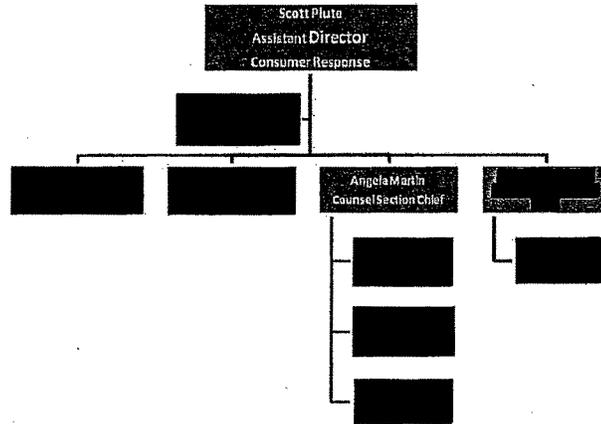
[REDACTED] is an [REDACTED] who has worked in Consumer Response, on a detail, since July 2012.

[REDACTED] has been the Investigations Section Chief of Consumer Response since October 2011.

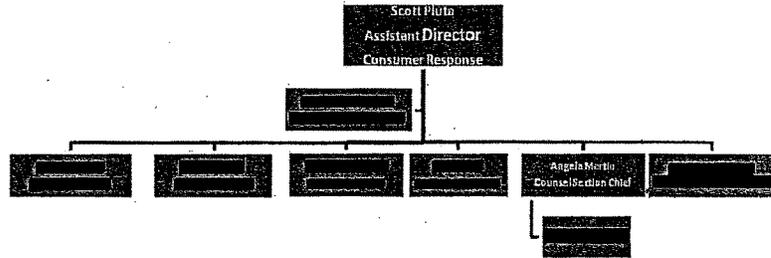
[REDACTED] was hired as an [REDACTED] for Consumer Response in December 2012.

The following organization charts depict the changes in reporting after Ms. Martin's EEO complaint was filed. Only those employees whose reporting relationships were affected are shown here, in addition to section chiefs, [REDACTED], and Mr. Pluta.

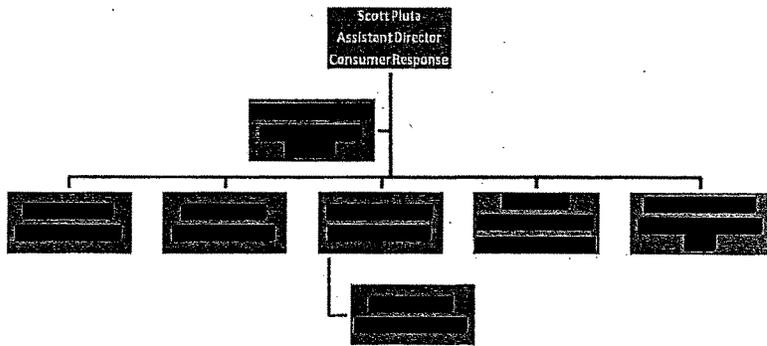
Organization Chart Prior to Martin's EEO Complaint of February 21, 2013



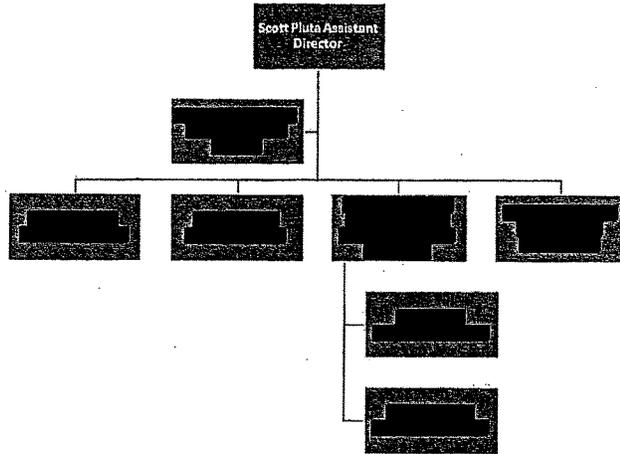
Organization Chart as of February 27, 2013



Organization Chart as of August 20, 2013



Organization Chart as of December 4, 2013



V. TIMELINE

June 2011- March 2012

Ms. Martin is recruited by [REDACTED] and hired by Director Richard Cordray, as an Enforcement Attorney in June 2011. She is one of four liaisons with the Office of Consumer Response. No major issues, problems, or concerns are noted during this period of time.

March 2012 – April 2012

Ms. Martin is recruited to the Office of Consumer Response, by [REDACTED]; due to a need for a consumer law expert to assist with a backlog of open complaints. Upon transferring to Consumer Response, Ms. Martin drafted her own position description and gave herself the title “Chief Counsel”, both of which were approved by [REDACTED] and the Human Capital Office. Ms. Martin excelled in her role in that she closed several complaints – at one point, 100 in one day – and was of great assistance in resolving the backlog. Ms. Martin worked closely with the Investigations Section with no concerns up to this point, and in fact developed a pilot triage program incorporating the investigators, which served to double their productivity. Ms. Martin gave them feedback, positive as well as constructive, which they were receptive to. Ms. Martin was an asset to [REDACTED] at this time, as her contributions had a direct, positive impact on Investigation’s performance metrics. **Exhibit B**

April – May 2012

Between Ms. Martin and ██████████ role clarity appears to be an issue, with particular emphasis on ownership of “communications related to the Investigations process”. The catalyst for the breakdown of their working relationship appears to be ██████████ attempt to send out a mass mailing of letters which have not been cleared by counsel for dissemination. Ms. Martin, who is not alone in her distress over this action, successfully intercepts the mailing. At this point, the working relationship between Ms. Martin and ██████████ becomes openly adversarial. **Exhibit C**

August 2012

Ms. Martin addresses the subject of ██████████ “indefinite” appointment to counsel team, and advocates her transfer to permanent status. **Exhibit D**

October 2012

██████████ notes ██████████ placing a hold on Investigations Communications policy for no apparent reason and is concerned about ██████████ “pointing fingers”. ██████████ informs Ms. Martin that he is no longer comfortable in 1:1 meetings with her, and that he would prefer to have a third party present, namely Scott Pluta. **Exhibit D** Ms. Martin continues to push for permanent status on behalf of ██████████.

Late October - early November 2012

Ms. Martin files confidential complaints with the Human Capital Office, against ██████████. She asserts that his treatment of her, as well as other similarly situated females within Consumer Response, amounts to gender-discrimination.

November 13

Ms. Martin receives her 2012 Performance Appraisal. **Exhibit E**

November 20

Ms. Martin requests reconsideration of her ratings on ‘Adaptability’, ‘Collaboration’, ‘Leading, Managing, Developing Others’ and ‘Problem-Solving’ competencies. **Exhibit E**

November 29

A discussion is held with regard to Investigations/Counsel roles and responsibilities. The discussion is attended by Ms. Martin, along with Mr. Pluta, ██████████, ██████████, and ██████████. Ms. Martin feels that during the discussion, Mr. Pluta is actually supportive of her in her role as Chief Counsel.

December 2012

Early December, ██████████ picks Ms. Martin’s office mate, ██████████, for an independent audit, questioning his legal assessments. The following was contributed by Angela Martin, emails **Exhibit K**:

██████████, an ██████████, came to work on Counsel Team in July 2012. In early December, ██████████ did an independent audit of ██████████ work; however, I was not involved. ██████████, an investigator on ██████████ team told me that ██████████ had requested to review ██████████ legal reviews of the investigators work. ██████████ came into my office on 12/4 at 6 and gave me a printout of complaints questioning ██████████ legal assessment. ██████████ spent 1.5 hours with ██████████ – one of ██████████ managers - and they both performed a detailed inquiry on each complaint. After that meeting, none of ██████████ assessments remained questioned. ██████████ informed me that a few weeks earlier ██████████ had made, in ██████████ words, a “strange remark” to him asking ██████████ “How are you getting along with your office buddy?”

“Twice – in December and upon my return – Scott criticized my supervision of ██████████. When I returned to work after being gone, Scott and ██████████ informed me gravely about ██████████ need of managing and his bad work. After I left, Consumer Response characterizes ██████████ as a “good worker” and Consumer Response needs him.”

Angela Martin

December 2

██████████ provides Ms. Martin with a document titled “Role of Chief Counsel in CFPB”, delineating Ms. Martin’s role in regulating case actions within the Office of Consumer Response. Ms. Martin thanked ██████████, via email, and pointed out that her role was misrepresented in the document as the “Chief Counsel in CFPB”, as opposed to Chief Counsel in CR”. Ms. Martin emails Mr. Pluta with a complaint about the ongoing disparate treatment of her, by ██████████. **Exhibit F**

December 4

Ms. Martin sends an email to ██████████, stating she wishes to file a formal complaint against ██████████, and requesting advice regarding next steps. **Exhibit F**

December 7

Ms. Martin forwards an email to ██████████, showing that ██████████ has to forward information to her relating to her role as Chief Counsel, as ██████████ continues excluding her from pertinent communications. ██████████ response (“What the hell?! Are they *trying* to work up the best hostile environment complaint ever?!”) indicates she is in agreement with Ms. Martin’s view of the work environment. **Exhibit F**

December 10

Ms. Martin receives the results of the reconsideration of her ratings by [REDACTED]. [REDACTED] raised Ms. Martin's rating for 'Leading, Managing, Developing Others' from a '3' to a '4', 'Solid Performer' to 'High performer'. Mr. Pluta's other ratings were upheld. **Exhibit E (with original Evaluation)**

January 2013 -- early February 2013

[REDACTED] continues his exclusion of Ms. Martin from meetings, emails and memos in which she would reasonably be expected to participate, in her role as Chief Counsel. In early January, an investigation of Ms. Martin's EEO complaint is begun by EEO counselor, [REDACTED]. There is some confusion as to the extent of [REDACTED] oversight on RCE, as expressed by [REDACTED]. [REDACTED] does not clear a briefing document to be presented to Treasury, through Counsel Team. Ms. Martin is still involved in the management of Counsel Team. **Exhibit G**

January 22

[REDACTED] updates an attendee list for an OSA/CR monthly check-in meeting, and replaces Ms. Martin with [REDACTED]. Ms. Martin forwards this communication to Mr. Pluta. **Exhibit G**

January 24

Ms. Martin sends a text from her personal mobile phone to [REDACTED] personal mobile phone, asking [REDACTED] to bear with her as issues at work are ironed out. [REDACTED] forwards the text to [REDACTED]. Ms. Martin sends another text to [REDACTED] confirming that the text was forwarded, along with the question "Et tu brute?" [REDACTED] responds with a text saying that she had emailed Ms. Martin in an attempt to explain, and would rather "talk" about it than email or text "so there are no misunderstandings"⁴. **Exhibit G**

January 29

Mr. Pluta meets Ms. Martin for dinner and later reports to Liza Strong that the EEO situation was discussed with Ms. Martin. Mr. Pluta reports that Ms. Martin is amenable to moving to OSA on a detail and reporting to [REDACTED]. In the same email to Liza Strong, Mr. Pluta discusses a "near revolt" that he "became aware of on Friday" among [REDACTED] and [REDACTED]. He stated that they had informed him of their "great dissatisfaction with Angela's performance as a manager." Mr. Pluta stated that [REDACTED] "went so far as to say that she wanted to leave Consumer Response as soon as possible in order to alleviate the situation." Mr. Pluta also informed Strong that [REDACTED] had expressed the only thing Mr. Pluta could do to change her mind was "Move Angela". Mr. Pluta further stated that [REDACTED] had "repeated again" her desire "to be removed from under Angela's supervision." **Exhibit G**

⁴ This exchange would later become the substance of [REDACTED] complaint against Ms. Martin and would also be referenced by Mr. Pluta on February 26, when he removed [REDACTED] from Ms. Martin's supervision.

January 31

Ms. Martin's email two days later indicates her understanding of the situation does not match what was reported to Liza Strong by Mr. Pluta. **Exhibit G**

February 2013:

In addition to the following events, [REDACTED] begins to note exclusion of Ms. Martin from discussions and email threads which fall within her purview as Chief Counsel. He also makes note of solicitation of information that would potentially cast Ms. Martin's performance in an unfavorable light. In early February, exchanges between Ms. Martin and [REDACTED]. Mid-February, Ms. Martin begins to regroup and attempts to continue management of Counsel Team, which is met with intense resistance from [REDACTED]. Ms. Martin's formal complaint is filed on February 21.

February 8

Ms. Martin requests clarification from Mr. Pluta her anticipated involvement in Section Chief tasks and meetings while her BEO settlement negotiations are underway. **Exhibit H**

February 12

Ms. Martin rejects an offer to transfer to the OSA in a non-attorney, non-supervisory role. **Exhibit H**

February 13

[REDACTED] and [REDACTED] meet with Scott Pluta and present him with a slide deck titled "Consumer Response Counsel Team Work Plan 1 – Overview of Existing Responsibilities". The document was drafted by [REDACTED] and [REDACTED], and dated February 13, 2013. In the slide deck [REDACTED] and [REDACTED] assert that Counsel Team is not effectively managed [by Ms. Martin], and propose that they take over more of the managerial aspects as a solution. **Exhibit H**

February 15

Ms. Martin emails her team regarding her intentions to address the counsel team dashboard and prescreening queue. In response, Ms. Martin receives an email from [REDACTED], with regard to [REDACTED] perception that Ms. Martin was communicating via email to avoid managing the team effectively, and stating that if Ms. Martin doesn't "get it together" [REDACTED] will "file a grievance". Within two hours of this exchange, Mr. Pluta responds to Ms. Martin's February 8 email that he is "in agreement with how [Ms. Martin] see[s] the issues" and is taking over management of her team. Ms. Martin responds, declining to have Mr. Pluta take over her team. **Exhibit H**

February 21

Ms. Martin files her formal complaint of discrimination and retaliation.

A meeting is scheduled later in the day between Mr. Pluta, ██████████ and Ms. ██████████. **Exhibit I**

February 22

██████████ emails Angela Martin with a draft of her dashboard on which she indicates that Ms. Martin has now "pulled" her off of certain projects. **Exhibit I**

February 23

██████████ requests "a transfer from Angela's unit and to be removed from her supervision" citing "Angela's erratic behavior, mismanagement and seemingly hostile attitude..." and that worries the stress will affect her health and that of her unborn child. **Exhibit I**

February 24 – February 26

██████████ emails to Ms. Martin are rapidly becoming hostile as well as increasingly resistant to Ms. Martin's directives. ██████████ also suggests that the reason Ms. Martin was unsuccessful in transferring ██████████ employment status with the Bureau from temporary to permanent is that she is racist. In her emails, ██████████ warns Ms. Martin that she is "considering filing a grievance and an EEO complaint" against her and "that any unreasonable treatment will be deemed retaliation". On February 26, 2013, ██████████ notifies Ms. Martin that she is requesting a transfer to another supervisor/unit. On this day, the January 24, 2013 text messages between ██████████ and Ms. Martin are referenced by Mr. Pluta as part of the discussion involving the removal of ██████████ from Ms. Martin's supervision. ██████████ assertion that Ms. Martin is pulling her off of certain projects (see Feb. 22) is also cited as cause to remove Ms. Martin as ██████████ supervisor. Mr. Pluta emails Ms. Martin late the evening of February 26, stating that he hopes she will view their "conversation" as "an opportunity to improve". **Exhibit I**

March 2013:

The Counsel Team Task Grid is updated several times leaving Ms. Martin fewer duties with each revision. While it is Mr. Pluta who submits the revised task grid to Ms. Martin each time changes are made, the document properties indicate at least the original grid was authored by ██████████. ██████████ notes ██████████ does not seem to grasp some aspects of the complaint process; and that Ms. Martin is being left off of several communications within her purview. **Exhibit J**

April 2013

Mr. Pluta completes Ms. Martin's 2013 Mid-Cycle Performance Review and assigns her a summary rating of 'Unacceptable', citing her conduct toward her former subordinates as well as her failure to meet project deadlines. Later in the month, Ms. Martin goes out on leave.

July 2013

Ms. Martin returns from leave. She addresses her performance review. She is suspected of "doctored" an email to [REDACTED]. [REDACTED] is placed back under Ms. Martin's supervision; however, the issue of a Performance Improvement Plan (PIP) for [REDACTED] is raised. **Exhibit K**

August 2013

Ms. Martin is transferred to the Office of Enforcement. Mr. Pluta immediately issues a directive stating that Ms. Martin is prohibited from collaborating with members of Consumer Response, and assigns her a single point of contact, [REDACTED], for purposes of a project she is working on that warrants collaboration with Consumer Response. However, Enforcement employee [REDACTED], who is also working on a project with Consumer Response, is permitted to collaborate at will. **Exhibit L**

September 2013

The complaints of [REDACTED] and [REDACTED] are investigated internally and Ms. Martin is made privy to the allegations against her.

The email that was believed to have been "doctored" by Ms. Martin was found to be attributable to a glitch in Outlook, by exposing the embedded code and contents of the email. **Exhibit M**

December 2013

[REDACTED] returns from maternity leave. [REDACTED] is now her supervisor. **Exhibit N**

VI. ANALYSIS

A. CFPB Equal Employment Opportunity (EEO) Policy Statement

“The Consumer Financial Protection Bureau (CFPB or Bureau) is an equal opportunity employer in compliance with applicable federal law. It seeks to create and maintain a vibrant and diverse workforce and promote the full realization of equal employment opportunity (EEO) through a continuing proactive program. These commitments are exemplified in all practices and decisions, including recruitment and hiring practices, appraisal systems, advancement opportunities, and training and career development programs. It is the policy of CFPB not to discriminate or tolerate harassment based on:

- Race
- Color
- Religion
- Sex (including Pregnancy, Sex Stereotyping, Gender Identity, Gender Expression and Gender Non-Conformity)
- National Origin
- Disability
- Age (40 years or older)
- Genetic Information
- Sexual Orientation
- Parental Status
- Political Affiliation
- Marital Status
- Uniformed Status
- Membership in a Labor Organization or Union Activity
- Prior EEO or Whistleblower Activity, or
- Any Other Non-Merit Factor

Employees who believe they have been discriminated against or harassed are fully able to exercise their right to file a complaint, or otherwise oppose unlawful discrimination, without fear of retaliation. Consistent with federal laws, acts of retaliation against an employee who engages in a protected activity, whistle blowing, or the exercise of any appeal or grievance right provided by law will not be tolerated. It is also the policy of CFPB to take appropriate action when a violation of federal antidiscrimination and whistleblower laws has occurred, or when a person violates the Bureau’s EEO policy. Individuals who engage in conduct inconsistent with the law or Bureau policy will be held accountable for their actions and disciplinary or adverse action may be imposed in accordance with the CFPB’s Discipline and Adverse Action policy. Any employee may also be required to take appropriate remedial training when warranted under the circumstances.”

1. The Elements of Retaliation:

- Protected Activity – complaining about discrimination or harassment.
- Adverse Action – significant disparate treatment which may discourage a charging party and others from pursuing claims.
- Causal Connection – between the protected activity and the adverse employment action.

Findings of Fact

Scott Pluta's Modification of Ms. Martin's Job Duties Immediately Following Her Complaint

On February 8 Ms. Martin emailed Mr. Pluta and [REDACTED] requesting guidance as to her responsibilities while a settlement was being reached regarding her EEO complaint.

On February 12 Ms. Martin formally rejected, through counsel, an offer to move to OSA in a non-supervisory, non-attorney role.

On February 13 Mr. Pluta held a meeting with [REDACTED] and [REDACTED] in which a slide deck was presented by the two, highlighting where Counsel Team is lacking, alluding to Ms. Martin (who was not present) as the cause for the team's shortcomings, and recommending allocation of managerial duties to [REDACTED] and [REDACTED] as a remedy.

On February 15 Ms. Martin received an email from [REDACTED] stating that she is displeased with Ms. Martin's management of the team, and that she will file a grievance if Ms. Martin doesn't "get it together". Within two hours of [REDACTED] email, Mr. Pluta emailed Ms. Martin in response to her February 8 communication. He stated that he will keep her in the loop as to Section Chief matters; however, he is taking over management of her team and she is to continue working on her non-management related tasks. Ms. Martin responded with an email stating that she had expressly declined a non-management role and that the offer to go to OSA on a detail was now off the table for that reason. Ms. Martin stated her intent to continue in her role as Chief Counsel, which includes managing the Counsel Team.

On February 21 Ms. Martin filed her formal EEO complaint. A meeting was held by Mr. Pluta, with only [REDACTED] and [REDACTED] as the invitees.

On February 23 [REDACTED] emailed Mr. Pluta requesting a transfer to another unit/supervisor.

On February 26 [REDACTED] requested a transfer to another supervisor/unit. In the days leading up to her request, she challenged Ms. Martin, demanded she explain every request made of her, and implied that Ms. Martin is racist and is overworking [REDACTED]. Mr. Pluta relieved Ms. Martin of her supervisory duties and divided the rest of her work between Ms. Martin and her former subordinates, [REDACTED] and [REDACTED].

On February 27 another meeting exclusive of Ms. Martin took place between Mr. Pluta, [REDACTED], and [REDACTED].

In March Mr. Pluta continued to revise Ms. Martin's position description, doing so at least four (4) times during the month, further diminishing her duties, and continued to meet with [REDACTED] and [REDACTED], exclusive of Ms. Martin. Weekly Check-ins, Brainstorming Sessions, and "Chats" continued to be scheduled to the exclusion of Ms. Martin. Several of those meetings took place either the day before, or the day after the updated Task Grids were sent.

Angela Martin engaged in a protected activity by filing a complaint of gender discrimination and retaliation.

The immediate diminution of Ms. Martin's job duties, elimination of her supervisory duties, and subsequent equalization of her subordinates to her by Mr. Pluta, constitutes an adverse employment action.

The majority of the actions described above took place less than one week from the date Ms. Martin filed a formal EEO complaint. Ms. Martin's exclusion from meetings with the rest of Counsel Team increased substantially from the date she filed her EEO complaint. Ms. Martin was not informed as to the reasons for her subordinates' transfers only that they had complained about her.

Conclusion

Diminution of Duties and Exclusion – Mr. Pluta removed Ms. Martin from supervisory duties, equalizing her with her subordinates, splitting her duties up between them and Ms. Martin, and holding exclusive meetings with [REDACTED] and [REDACTED].

Angela Martin's 2013 Mid-Cycle Performance Review by Scott Pluta

In April Mr. Pluta assigned Ms. Martin a summary rating of 'Unacceptable' in her 2013 Mid-Cycle Performance Review. In the review, Mr. Pluta stated that Ms. Martin had retaliated against [REDACTED] and [REDACTED], and he also referenced a failure to meet deadlines for policies, as well as a product roll-out, due to her incompetence and lack of availability. Conversely, his Mid-Cycle performance reviews of [REDACTED] and [REDACTED] were glowing. Mr. Pluta stated that each of them *"handled with poise and professionalism the stress and uncertainty of an ongoing personnel situation within Consumer Response"*, and lamented their value to Consumer Response, even though there was documented behavior that failed to meet that minimum standard.

Angela Martin engaged in a protected activity by filing a complaint of gender discrimination and retaliation.

The 'Unacceptable' summary rating of Ms. Martin on her 2013 Mid-Cycle Performance Review in April 2013 is an adverse employment action as Ms. Martin was not notified that she would be at risk of receiving such a low rating and was not subsequently placed on a Performance Improvement Plan, or afforded any other opportunity to improve. Additionally, the review mars her otherwise good work history with the Bureau.

A review was completed by Mr. Pluta within two months of Ms. Martin's complaint. Mr. Pluta referenced the still unsubstantiated complaints of her former subordinates as a primary example of her "unacceptable" performance.

Conclusion

Negative Performance Review – Mr. Pluta issued a performance review to Ms. Martin with the lowest rating possible, with no prerequisite or subsequent actions within the standard performance management guidelines.

Scott Pluta's Directive Prohibiting Angela Martin's Collaboration with Consumer Response

In August, when Ms. Martin returned from a leave of absence to the office of Enforcement, Mr. Pluta issued a directive which prohibits Ms. Martin's collaboration with Consumer Response, despite an ongoing project of Ms. Martin's for which such collaboration is necessary.

Angela Martin engaged in a protected activity by filing a complaint of gender discrimination and retaliation.

Mr. Pluta's directive to Ms. Martin, prohibiting collaboration with employees in Consumer Response inhibited Ms. Martin's work on a project for which collaboration with Consumer Response is necessary. Mr. Pluta allows a similarly situated employee, [REDACTED], to collaborate with Consumer Response as needed without an assigned point of contact.

Conclusion

Ostracism – Mr. Pluta's directive prohibiting Ms. Martin's collaboration with Consumer Response for a project, but for a single point of contact, whereas a similarly situated employee is permitted to collaborate freely with Consumer Response. Mr. Pluta's directive also serves to interfere with Ms. Martin's work on her project.

VII. RECOMMENDATIONS

“Consistent with federal laws, acts of retaliation against an employee who engages in a protected activity, whistle blowing, or the exercise of any appeal or grievance right provided by law will not be tolerated. It is also the policy of CFPB to take appropriate action when a violation of federal antidiscrimination and whistleblower laws has occurred, or when a person violates the Bureau’s EEO policy. Individuals who engage in conduct inconsistent with the law or Bureau policy will be held accountable for their actions and disciplinary or adverse action may be imposed in accordance with the CFPB’s Discipline and Adverse Action policy.” – CFPB EEO Policy Statement

➤ Scott Pluta

Scott Pluta gave credence to the complaints that [REDACTED] lodged against Angela Martin, without considering that [REDACTED] was in a position to compete for the position of Chief Counsel. Mr. Pluta did not acknowledge the suspicious timing of [REDACTED] complaints against Ms. Martin. The complaints were made just as Ms. Martin revealed that she had no intention of relinquishing the position. Mr. Pluta encouraged the use of the EEO process against Ms. Martin. The complaints marred Ms. Martin’s employee record and laid the foundation for demoting her. The timing of these actions was soon after Ms. Martin’s EEO complaint against him. Mr. Pluta allowed the harassment of Ms. Martin by a colleague. The harassment made it difficult for Ms. Martin to perform her job functions. Her record was then tarnished as she had failed to do her job to the competency level expected.

Scott Pluta’s job description states that he is expected to promote the EEO process. His passivity and allowance of disparate treatment to be directed towards Angela Martin has affected her career.

For Scott Pluta, remedial training alone would not be an adequate deterrent to repeating such behavior. Mr. Pluta’s actions do not appear to have been based on nescience of the EEO process.

It is recommended that the Bureau address the underlying organizational structure and corrosive environment that created this issue- as it appears to be affecting the morale of more than just the subjects of this report.

Case No. 13f598	Exhibit Description	Exhibit Type
A	Angela Martin Complaint of Discrimination and Retaliation	Document
B	Email threads: Early to Mid 2012; Angela Martin/Various: Positive working relationships prior to complaint	Document
C	Email threads: April - May 2012; Angela Martin/ : Role Clarity/et al	Document
D	Email threads: Mid 2012 - Early 2013; Angela Martin pushing to move status from temp to perm; re;	Document
E	Angela Martin's November 2012 Performance Evaluation; Request for Reconsideration; Results of Reconsideration of ratings	Document
F	Email threads: December 2012; Angela Martin/Scott Pluta/et al: Role Clarity, Exclusion; Martin; Hostile Environment	Document
G	Email threads: January 2013; et al: RCE Process; Angela Martin; Day; Uncleared Documents	Document
H	Email threads: February 4, 2013; Angela Martin; : "Super Dee Duper"	Document
	Email threads: February 8, 2013 - 27, 2013; Angela Martin/Scott Pluta; Settlement and Position Modifications	Document
	Email thread: February 13, 2013; . Observations regarding Counsel Team turnaround time for complaints	Document
	Email threads: February 15, 2013 - February 26, 2013; Angela Martin; - various acrimonious email exchanges	Document
I	Email threads, Meeting Placeholders: February 21 - 26; Angela Martin; Scott Pluta: Complaints, Meetings	Document
J	Email threads/Meeting Placeholders: March - April 2013; to Counsel Team, Angela Martin's Position Description Revisions	Document
	Email thread: March 2013; : Complaint Review	Document
K	Emails: July 2013; Angela Martin - Mid-Year Performance Review; /Angela Martin - job performance.	Document
L	Emails: August 2013; Angela Martin/Scott Pluta/Liza Strong/et al: Martin's claim of continued retaliation	Document
M	Emails: September 2013; Angela Martin: "Doctored Email"; Angela Martin; Complaints	Document
	Text Message: October 2013: Text message sent to investigator from Anonymous Witness re: general environment	Document
N	Email: December 4, 2013; Angela Martin: is now supervisor	Document
O	Email Correspondence: July - December 2013: witnesses, et al. during the course of this investigation	Document

Submitted By Role	Submitted By (Individual)	
	First Name	Last Name
Complainant	Angela	Martin
Witness	[REDACTED]	[REDACTED]
Complainant	Angela	Martin
Complainant	Angela	Martin
Complainant	Angela	Martin
Witness	[REDACTED]	[REDACTED]
Complainant	Angela	Martin
Complainant	Angela	Martin
Complainant	Angela	Martin
Investigator	Misty	Rauci
Complainant	Angela	Martin
Investigator	Misty	Rauci

JEB HENSARLING, TX, CHAIRMAN

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

MAXINE WATERS, CA, RANKING
MEMBER

March 24, 2014

Acting Inspector General Fred Gibson
Federal Deposit Insurance Corporation
Office of Inspector General
3501 Fairfax Drive
Arlington, VA 22226

Dear Acting Inspector General Gibson:

We write to request that the Office of the Inspector General (OIG) for the Federal Deposit Insurance Corporation (FDIC) review the agency's internal operations to determine whether any personnel practices have created a discriminatory workplace or otherwise systematically disadvantaged minorities from obtaining senior management positions.

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act established an Office of Minority and Women Inclusion (OMWI) at most of the federal financial regulatory agencies, responsible for matters relating to diversity in management, employment, and business activities. Despite this statutory mandate, the Government Accountability Office (GAO) concluded in a report released last year that management-level representation of minorities and women among federal financial agencies and Federal Reserve Banks has not changed substantially from 2007 through 2011. In fact, across all federal financial regulators, agency representation of minorities was as low as 6 percent and dropped as low as zero percent at one of the Reserve Banks. In light of these findings and the concerns raised by employee performance evaluations at the Consumer Financial Protection Bureau (CFPB), we believe the OIG should work in cooperation with Federal Deposit Insurance Corporation's OMWI Director to assess current personnel practices and make recommendations necessary to ensure full compliance with the law.

The 2013 GAO report, entitled "Trends and Practices in the Financial Industry and Agencies after the Recent Financial Crisis," documented the extremely poor representation of women and minorities in leadership positions within the financial services industry and among federal financial regulators. According to GAO, industry representation of minorities in 2011 was higher in lower-level management positions – approximately 20 percent – as compared to about 11 percent of senior-level manager positions.

While public attention is currently and justifiably focused on the CFPB, the most recent OMWI reports suggest the disparities impeding internal upward mobility for minorities may be endemic throughout all the agencies regulating the financial services industry. According to the Treasury Department's 2013 OMWI report, among its senior executive management, 86 percent are white men, compared to 7 percent Black men, 4 percent Hispanic men, and 3 percent Asian men. Among the agency's GS-15 employees, which serves as a pipeline to senior level management, white men are once again overrepresented at 86 percent, compared to 6 percent Black men, 2 percent Hispanic men, and 6 percent Asian men.

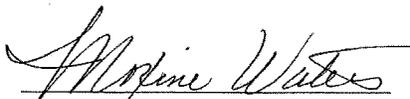
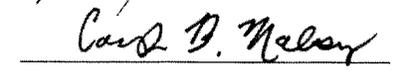
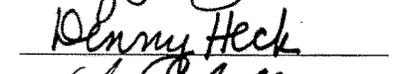
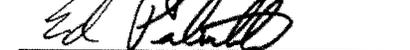
Acting Inspector General Fred Gibson
Page Two
March 24, 2014

At the Federal Reserve, white men represent 50 percent of executive senior level managers, compared to just 28.7 percent represented by white women. Along ethnic categories, black and Hispanic men represent, respectively, roughly 5 percent and 1 percent of executive senior level managers. Black women represent roughly 6 percent and Hispanic women represent nearly 2 percent of senior managers.

According to the most recent information from the GAO, at the National Credit Union Administration (NCUA), whites represent 88 percent of senior level management positions, compared to 4 percent represented by blacks and 4 percent by Hispanics. At the Office of the Comptroller of the Currency (OCC), whites represent 82 percent of senior level managers, compared to 9 percent black and 5 percent Hispanic. Whites represent 89 percent of senior level management positions at the Securities and Exchange Commission, compared to 2 percent black and 5 percent Hispanic. Minorities appear to fair best at the Federal Housing Finance Agency, where whites represent 76 percent of senior level management positions, compared to 16 percent black and 8 percent Hispanic. However, more comprehensive analysis is still needed from the agency to fully assess the racial and gender employment of minorities in senior positions beyond the GAO's limited information.

Accordingly, we request that the OIG examine any employee complaints, formal or informal, related to personnel practices, workplace policies and the findings from any employee satisfaction surveys, whether conducted by the Federal Deposit Insurance Corporation or an outside entity. If the OIG identifies any individuals or groups of individuals who have exhibited discriminatory behaviors or patterns of unfair or unequal treatment, we ask that the OIG provide recommendations about appropriate actions, including remedial training or removal from employment with the agency. Furthermore, we request that the OIG assess the agency's OMWI operations, and ensure corrective actions are taken within the agency with regard to employee compensation, rating systems, retention, and promotion of women and minorities.

Sincerely,

 Mopine Waters	 Emmanuel Danner
 Carol D. Nelson	 Joyce Beaty
 Kaye Sir	
 Penny Heck	
 Ed Palant	

JEB HENSARLING, TX, CHAIRMAN

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

MAXINE WATERS, CA, RANKING
MEMBER

March 24, 2014

Inspector General Eric M. Thorson
U.S. Department of the Treasury
Office of Inspector General
1500 Pennsylvania Avenue, N.W.
Room 4436,
Washington, DC 20220

Dear Inspector General Thorson:

We write to request that the Office of the Inspector General (OIG) for the U.S. Treasury Department review the agency's internal operations to determine whether any personnel practices have created a discriminatory workplace or otherwise systematically disadvantaged minorities from obtaining senior management positions.

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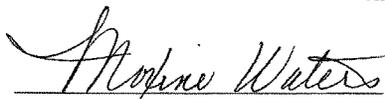
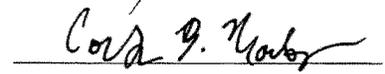
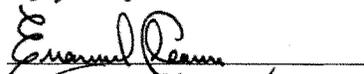
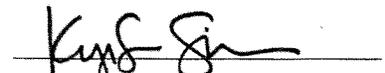
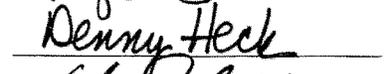
Inspector General Eric M. Thorson
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March 24, 2014

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According to the most recent information from the GAO, at the National Credit Union Administration (NCUA), whites represent 88 percent of senior level management positions, compared to 4 percent represented by blacks and 4 percent by Hispanics. At the Office of the Comptroller of the Currency (OCC), whites represent 82 percent of senior level managers, compared to 9 percent black and 5 percent Hispanic. Whites represent 89 percent of senior level management positions at the Securities and Exchange Commission, compared to 2 percent black and 5 percent Hispanic. Minorities appear to fair best at the Federal Housing Finance Agency, where whites represent 76 percent of senior level management positions, compared to 16 percent black and 8 percent Hispanic. However, more comprehensive analysis is still needed from the agency to fully assess the racial and gender employment of minorities in senior positions beyond the GAO's limited information.

Accordingly, we request that the OIG examine any employee complaints, formal or informal, related to personnel practices, workplace policies and the findings from any employee satisfaction surveys, whether conducted by the Treasury or an outside entity. If the OIG identifies any individuals or groups of individuals who have exhibited discriminatory behaviors or patterns of unfair or unequal treatment, we ask that the OIG provide recommendations about appropriate actions, including remedial training or removal from employment with the agency. Furthermore, we request that the OIG assess the agency's OMWI operations, and ensure corrective actions are taken within the agency with regard to employee compensation, rating systems, retention, and promotion of women and minorities.

Sincerely,

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

March 24, 2014

Acting Inspector General Michael P. Stephens
Federal Housing Finance Agency
Office of Inspector General
400 7th Street, S.W.
Washington, DC 20024

Dear Acting Inspector General Stephens:

We write to request that the Office of the Inspector General (OIG) for the Federal Housing Finance Agency (FHFA) review the agency's internal operations to determine whether any personnel practices have created a discriminatory workplace or otherwise systematically disadvantaged minorities from obtaining senior management positions.

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act established an Office of Minority and Women Inclusion (OMWI) at most of the federal financial regulatory agencies, responsible for matters relating to diversity in management, employment, and business activities. Despite this statutory mandate, the Government Accountability Office (GAO) concluded in a report released last year that management-level representation of minorities and women among federal financial agencies and Federal Reserve Banks has not changed substantially from 2007 through 2011. In fact, across all federal financial regulators, agency representation of minorities was as low as 6 percent and dropped as low as zero percent at one of the Reserve Banks. In light of these findings and the concerns raised by employee performance evaluations at the Consumer Financial Protection Bureau (CFPB), we believe the OIG should work in cooperation with Federal Housing Finance Agency's OMWI Director to assess current personnel practices and make recommendations necessary to ensure full compliance with the law.

The 2013 GAO report, entitled "Trends and Practices in the Financial Industry and Agencies after the Recent Financial Crisis," documented the extremely poor representation of women and minorities in leadership positions within the financial services industry and among federal financial regulators. According to GAO, industry representation of minorities in 2011 was higher in lower-level management positions – approximately 20 percent – as compared to about 11 percent of senior-level manager positions.

While public attention is currently and justifiably focused on the CFPB, the most recent OMWI reports suggest the disparities impeding internal upward mobility for minorities may be endemic throughout all the agencies regulating the financial services industry. According to the Treasury Department's 2013 OMWI report, among its senior executive management, 86 percent are white men, compared to 7 percent Black men, 4 percent Hispanic men, and 3 percent Asian men. Among the agency's GS-15 employees, which serves as a pipeline to senior level management, white men are once again overrepresented at 86 percent, compared to 6 percent Black men, 2 percent Hispanic men, and 6 percent Asian men.

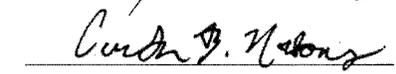
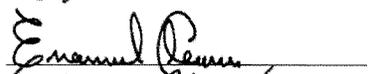
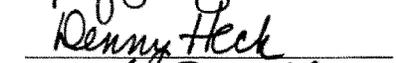
Acting Inspector General Michael P. Stephens
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 March 24, 2014

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Sincerely,

JEB HENSARLING, TX, CHAIRMAN

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

MAXINE WATERS, CA, RANKING
MEMBER

March 24, 2014

Inspector General James Hagen
National Credit Union Administration
Office of Inspector General
P. O. Box 25705
Alexandria, VA 22313-5705

Dear Inspector General Hagen:

We write to request that the Office of the Inspector General (OIG) for the National Credit Union Administration (NCUA) review the agency's internal operations to determine whether any personnel practices have created a discriminatory workplace or otherwise systematically disadvantaged minorities from obtaining senior management positions.

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act established an Office of Minority and Women Inclusion (OMWI) at most of the federal financial regulatory agencies, responsible for matters relating to diversity in management, employment, and business activities. Despite this statutory mandate, the Government Accountability Office (GAO) concluded in a report released last year that management-level representation of minorities and women among federal financial agencies and Federal Reserve Banks has not changed substantially from 2007 through 2011. In fact, across all federal financial regulators, agency representation of minorities was as low as 6 percent and dropped as low as zero percent at one of the Reserve Banks. In light of these findings and the concerns raised by employee performance evaluations at the Consumer Financial Protection Bureau (CFPB), we believe the OIG should work in cooperation with National Credit Union Administration's OMWI Director to assess current personnel practices and make recommendations necessary to ensure full compliance with the law.

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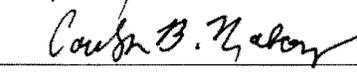
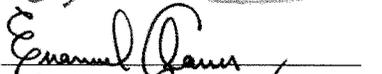
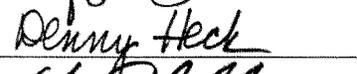
Inspector General James Hagen
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March 24, 2014

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Sincerely,

 Marilyn Waters	 Emanuel Qamru
 Carlos B. Nelson	 Joyce Beatty
 Kevin Egan	
 Denny Heck	
 Ed Pallant	

JEB HENSARLING, TX, CHAIRMAN

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

MAXINE WATERS, CA, RANKING
MEMBER

March 24, 2014

Inspector General Carl W. Hoecker
U.S. Securities and Exchange Commission
Office of Inspector General
100 F Street, N.E.
Washington, DC 20549-2977

Dear Inspector General Hoecker:

We write to request that the Office of the Inspector General (OIG) for the U.S. Securities and Exchange Commission (SEC) review the agency's internal operations to determine whether any personnel practices have created a discriminatory workplace or otherwise systematically disadvantaged minorities from obtaining senior management positions.

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act established an Office of Minority and Women Inclusion (OMWI) at most of the federal financial regulatory agencies, responsible for matters relating to diversity in management, employment, and business activities. Despite this statutory mandate, the Government Accountability Office (GAO) concluded in a report released last year that management-level representation of minorities and women among federal financial agencies and Federal Reserve Banks has not changed substantially from 2007 through 2011. In fact, across all federal financial regulators, agency representation of minorities was as low as 6 percent and dropped as low as zero percent at one of the Reserve Banks. In light of these findings and the concerns raised by employee performance evaluations at the Consumer Financial Protection Bureau (CFPB), we believe the OIG should work in cooperation with U.S. Securities and Exchange Commission's OMWI Director to assess current personnel practices and make recommendations necessary to ensure full compliance with the law.

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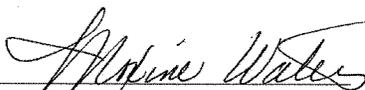
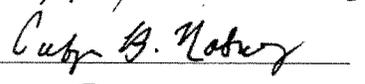
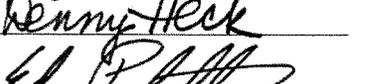
Inspector General Carl W. Hoecker
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March 25, 2014

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Sincerely,

March 24, 2014

Inspector General Mark Bialek
Board of Governors of the Federal Reserve System
Office of Inspector General
20th and C Streets N.W.
Mail Stop 300
Washington, D.C. 20551

Dear Inspector General Bialek:

We are concerned about recent allegations that managers at the Consumer Financial Protection Bureau (CFPB) have shown a pattern of ranking white employees distinctly better than minority employees in performance reviews, as reported in a recent *American Banker* article entitled, "CFPB Staff Evaluations Show Sharp Racial Disparities," on March 6, 2014.

We request that the Office of Inspector General (OIG) immediately exercise its independent oversight authority over the Bureau's operations, to detect whether any personnel practices and policies have created an unfair or discriminatory workplace for minorities and women employed at the CFPB. In doing so, we request that the OIG examine CFPB's performance appraisal process, specifically answering the following questions:

- (1) Does the Bureau have procedures in its appraisal process to ensure management is identifying potential bias?
- (2) Is the Bureau taking appropriate action to address those biases before finalizing appraisals?
- (3) How does the Bureau handle employee complaints related to personnel practices and policies, either made through informal or formal channels, regardless of whether they are from employees with bargaining or non-bargaining status?
- (4) What actions has the Bureau taken to address the results of this or any other employee satisfaction survey, whether conducted by the Bureau or an outside entity?

We also request more detailed information about the role of the Bureau's Office of Minority and Women Inclusion (OMWI) in dealing with these matters. In particular, we request a review of whether the OMWI has been involved in the CFPB's appraisal process, complaint handling process and employee satisfaction surveys – as well as information about how the OMWI could help address these issues going forward.

If the OIG identifies any individuals or groups of individuals who have exhibited discriminatory behaviors or patterns of unfair or unequal treatment, we ask that the OIG provide recommendations about appropriate actions, including remedial training or removal from employment with the Bureau.

Inspector General Mark Bialek
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March 24, 2014

We also request that the OIG monitor the Bureau's responses and corrective actions with regard to employee compensation packages, rating systems, and hiring and retention activities, to ensure that the CFPB exhibits workforce diversity and inclusivity both in its senior management level and in each of its six divisions of responsibility.

As noted in the GAO 2013 GAO ("Diversity Management: Trends and Practices in the Financial Services Industry and Agencies after the Recent Financial Crisis" GAO-13-238) report that listed nine leading diversity practices, top leadership commitment was the critically important factor to fostering diversity and inclusion. Any Federal agency that does not embrace the principles of fairness and equality internally cannot credibly pursue those principles externally. The Bureau's statutory mission is to implement and enforce federal consumer financial laws, to ensure that all consumers have access to fair, transparent, and competitive markets for consumer products and services. Given the mission of the CFPB, its workplace should serve as a model by which both regulated entities and other financial regulatory agencies are measured. Allegations of discriminatory behavior at the Bureau, in perception or practice, must be investigated thoroughly to ensure that no individual, coalition or group of individuals undermines the agency's vital mission of ensuring the fair and equitable treatment of consumers from all backgrounds.

Sincerely,

