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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

April 16, 2025

Mr. Fred Gibson
Acting Inspector General
Office of Inspector General
Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau
20th Street and Constitution Avenue NW
Mail Center I-2322
Washington DC 20551

Dear Acting Inspector General Gibson,

We are writing today to request an investigation of the Consumer Financial Protection Bureau's (CFPB) decision to cancel nearly 200 CFPB contracts in February 2025.¹ Specifically, we ask that the CFPB Office of Inspector General (CFPB OIG) identify the specific contracts terminated; determine whether the termination of those contracts complied with applicable federal laws, regulations, and agency policies and procedures; and assess the monetary and operational impact of the terminations, including a review of the terminations' impact on the CFPB's ability to perform its statutory duties.

In the wake of the 2008 financial crisis, Congress created the CFPB to serve as the nation's primary enforcer of consumer protection laws.² Since its founding, the CFPB has returned over \$21 billion to millions of consumers scammed out of their money.³ The CFPB is statutorily required to fulfill more than 80 specific consumer protection functions,⁴ including but not limited to collecting, monitoring, and responding to consumer complaints;⁵ maintaining an Office of Fair Lending and Equal Opportunity,⁶ an Office of Financial Education,⁷ a Private Education Loan Ombudsman,⁸ an Office of Service Member Affairs,⁹ and an Office of Financial Protection for

¹ New York Times, "Left for Dead, the C.F.P.B. Inches Back to Life," Stacy Cowley, March 15, 2025, <https://www.nytimes.com/2025/03/15/business/trump-cfpb.html>.

² Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203.

³ Consumer Financial Protection Bureau, "The CFPB," <https://www.consumerfinance.gov/about-us/the-bureau/>.

⁴ Student Borrower Protection Center and Consumer Federation of America, "Statutory Requirements for Continuous Operation of the CFPB," February 13, 2025, <https://protectborrowers.org/wp-content/uploads/2025/02/CFPB-Statutory-Requirements-2.13.25.pdf>.

⁵ 12 USC 5493(b)(3)

⁶ 12 USC 5493(c)(1)

⁷ 12 USC 1593(d)(1)

⁸ 12 USC 5535(a)

⁹ 12 USC 5493(e)(1)

Older Americans;¹⁰ actively monitoring consumer financial product and services markets to identify emerging risks;¹¹ and examining and supervising loan servicers, payday lenders, auto lenders, credit card issuers, mortgage originators, and other large nondepository financial institutions to assess their compliance with consumer protection laws and regulations.¹²

Historically, the CFPB has relied on contracts to fulfill some of its statutory duties.¹³ But on February 11, 2025, Trump Administration officials directed “all contracting officers...to log in and begin terminating the vast majority of the CFPB’s contracts,” including for “all Enforcement (102 contracts), Supervision (16 contracts), External Affairs (3 contracts), Consumer Response (20 contracts), Office of Director (22 Contracts), and Legal Division (all except 2 contracts...).”¹⁴ As a result, by February 13, 2025, “most of the CFPB’s contracts had been terminated,” worth “approximately \$200 million...out of approximately \$227 million total contracts.”¹⁵ Cancelled contracts included “contracts for storing, maintaining, and transferring data,” contracts for “maintaining the consumer complaint database” and “scrubbing the database of personally identifiable information,” contracts “with experts in pending litigation,” and contracts “for training examiners who supervise banks.”¹⁶ In the wake of public scrutiny of the cancellations, Trump Administration officials chose to reinstate “a very small number of contracts,” though “the vast majority...have not been replaced.”¹⁷

Contract terminations had an immediate effect on the CFPB’s ability to perform its statutorily mandated functions. Cancelled contracts, alongside stop-work orders, effectively halted the Bureau’s Consumer Complaint Program, as contractors could no longer process mail-in complaints or screen hotline requests.¹⁸ Contract terminations further frustrated the Bureau’s ability to share consumer complaint information with states, localities, and other federal agencies.¹⁹ Meanwhile, “mass cancelled contracts for services that provide litigation support and management” rendered it “impossible to effectively conduct investigations, or meet the CFPB’s discovery obligations in litigation.”²⁰ Contract terminations for expert witnesses made it

¹⁰ 12 USC 5493(g)(1)

¹¹ 12 USC 5512(c)(1)

¹² 12 USC 5514

¹³ National Treasury Employees Union v. Vought, “Declaration of Drew Doe,” Drew Doe, February 26, 2025, <https://www.courtlistener.com/docket/69624423/38/5/national-treasury-employees-union-v-vought/>

¹⁴ National Treasury Employees Union v. Vought, “Declaration of Charlie Doe,” Charlie Doe, February 27, 2025, <https://www.courtlistener.com/docket/69624423/38/4/national-treasury-employees-union-v-vought/>

¹⁵ National Treasury Employees Union v. Vought, “Declaration of Drew Doe,” Drew Doe, February 26, 2025, <https://www.courtlistener.com/docket/69624423/38/5/national-treasury-employees-union-v-vought/>

¹⁶ National Treasury Employees Union v. Vought, “Declaration of Charlie Doe,” Charlie Doe, February 27, 2025, <https://www.courtlistener.com/docket/69624423/38/4/national-treasury-employees-union-v-vought/>

¹⁷ National Treasury Employees Union v. Vought, “Declaration of Charlie Doe,” Charlie Doe, February 27, 2025, <https://www.courtlistener.com/docket/69624423/38/4/national-treasury-employees-union-v-vought/>

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ National Treasury Employees Union v. Vought, “Declaration of Eric Halperin,” Eric Halperin, February 27, 2025, <https://www.courtlistener.com/docket/69624423/38/12/national-treasury-employees-union-v-vought/>

“impossible for the CFPB to successfully prosecute its claims” under the Bureau’s enforcement function.²¹ And the terminations risked “the irretrievable impairment and loss of Bureau data.”²²

Rather than saving taxpayers money or improving the CFPB’s efficiency and effectiveness, these contract terminations are expected to incur significant taxpayer costs. According to one contracting officer, “the government will incur—and already has incurred—substantial expense because the government will have to pay contractors their costs to terminate a contract, and then pay them again the costs to re-start that contract.”²³ Furthermore, CFPB officials were reportedly “directed to complete contract termination, even if the ordinary, required steps...had not been completed,” increasing the likelihood of litigation and additional costs.²⁴

The CFPB OIG conducts investigations, audits, and reviews “to improve economy, efficiency, and effectiveness” and “prevent and detect fraud, waste, and abuse” at the CFPB.²⁵ To help us better understand the impact of recent contract cancellations at the CFPB, we request that you conduct an investigation that addresses the following questions:

1. Please provide a list of the specific contracts terminated at the CFPB on or after January 20, 2025. What was the purpose of each contract? What was the dollar value of each contract? If the contract was terminated early, when was the original termination date of the contract?
2. For each contract identified in (1), were all applicable federal laws, regulations, and agency policies and procedures followed when the contract was terminated?
3. What costs, if any, has the CFPB incurred through its decision to terminate contracts since January 20, 2025, such as through settlement and other legal costs? Where possible, please provide cost incurred per contract identified in (1).
4. For each contract identified in (1), which contracts, if any, have been reinstated? For each contract that has been reinstated, were all applicable federal laws, regulations, and agency policies and procedures followed in the process?
5. What costs if any, has the CFPB incurred through its decision to reinstate contracts? Where possible, please provide cost incurred per contract identified in (4).
6. How did the mass cancellation of contracts in February 2025 impact the CFPB’s ability to comply with its statutorily mandated functions?

- a. Which of the CFPB’s functions were impeded as a result of cancelled contracts?

²¹ *Id.*

²² National Treasury Employees Union v. Vought, “Declaration of Erie Meyer,” Erie Meyer, February 27, 2025, <https://www.courtlistener.com/docket/69624423/38/9/national-treasury-employees-union-v-vought/>

²³ National Treasury Employees Union v. Vought, “Declaration of Charlie Doe,” Charlie Doe, February 27, 2025, <https://www.courtlistener.com/docket/69624423/38/4/national-treasury-employees-union-v-vought/>

²⁴ *Id.*


²⁵ Office of Inspector General, Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, “Introduction to the OIG,” <https://oig.federalreserve.gov/introduction.htm>.

- b. What analysis, if any, did Trump Administration officials conduct in advance of to determine the impact of the cancellations on the CFPB's ability to comply with its statutory requirements? If no analysis was conducted, why not?
- c. Has the CFPB regained its ability to comply with its statutory responsibilities in the wake of these contract cancellations? .

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



Andy Kim
United States Senator