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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

April 16, 2025

The Honorable 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 that the Consumer Financial Protection Bureau Office of Inspector General (CFPB OIG) review actions taken at the Consumer Financial Protection Bureau (CFPB) since January 20, 2025, to reduce the CFPB's workforce and pause or halt CFPB functions. Specifically, we ask the CFPB OIG to determine whether such actions were taken in accordance with all relevant federal laws and regulations and the extent to which they have impacted the agency's ability to fulfill its mission and its statutorily required functions.

In the wake of the 2008 financial crisis, Congress created the CFPB to serve as the nation's primary enforcer of consumer protection laws.¹ Since its founding, the CFPB has returned over \$21 billion to millions of consumers scammed out of their money.² The CFPB is statutorily required to fulfill more than 80 specific consumer protection functions,³ including but not limited to collecting, monitoring, and responding to consumer complaints;⁴ maintaining an Office of Fair Lending and Equal Opportunity,⁵ an Office of Financial Education,⁶ an Office of Service Member Affairs,⁷ a Private Education Loan Ombudsman,⁸ and an Office of Financial Protection

¹ Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203.

² Consumer Financial Protection Bureau, "The CFPB," <https://www.consumerfinance.gov/about-us/the-bureau/>.

³ 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>.

⁴ 12 USC 5493(b)(3)

⁵ 12 USC 5493(c)(1)

⁶ 12 USC 1593(d)(1)

⁷ 12 USC 5493(e)(1)

⁸ 12 USC 5535 (a)

for Older Americans;⁹ actively monitoring consumer financial product and services markets to identify emerging risks;¹⁰ 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.¹¹

Despite the critical importance of the CFPB, the Trump Administration has taken steps to dismantle the agency. Specifically, on January 31, 2025, President Trump named Treasury Secretary Scott Bessent as Acting CFPB Director.¹² On February 3rd, Acting Director Bessent directed CFPB employees to freeze all rulemakings, litigation and enforcement activities, and external communications “unless expressly approved by the Acting Director or required by law.”¹³ On February 6th, officials from the Department of Government Efficiency (DOGE)—headed by billionaire Elon Musk—reportedly entered CFPB headquarters and requested access to sensitive CFPB information, including internal staff records, competitive industry data, and personally identifiable consumer information.¹⁴ On February 7th, Mr. Musk tweeted “CFPB RIP”; meanwhile, President Trump named Office of Management and Budget (OMB) Director Russell Vought as the new CFPB Acting Director.¹⁵

On February 8th, Acting Director Vought issued a series of directives to CFPB staff instructing them “to ‘cease all supervision and examination activity,’ ‘cease all stakeholder engagement,’ pause all pending investigations, not issue any public communications and pause ‘enforcement actions.’”¹⁶ He also informed the Federal Reserve that the CFPB would not be drawing down the funding necessary to keep the agency operational.¹⁷ On February 9th, Acting Director Vought closed CFPB headquarters through February 14th and directed most CFPB employees to stay home from their jobs.¹⁸ On February 11th, he fired dozens of CFPB employees.¹⁹ On February 13th, an additional 70 to 100 CFPB employees were fired, including at least 20 people

⁹ 12 USC 5493(g)(1)

¹⁰ 12 USC 5512(c)(1)

¹¹ 12 USC 5514

¹² Consumer Financial Protection Bureau, “Statement on Designation of Treasury Secretary Scott Bessent as Acting Director of the Consumer Financial Protection Bureau,” press release, February 3, 2025, <https://www.consumerfinance.gov/about-us/newsroom/statement-on-designation-of-treasury-secretary-scott-bessent-as-acting-director-of-the-consumer-financial-protection-bureau/>.

¹³ National Public Radio, “Treasury Secretary Bessent, tapped to run CFPB, orders staff to halt work,” Laurel Wamsley, February 4, 2025, <https://www.npr.org/2025/02/03/nx-s1-5285356/treasury-secretary-bessent-acting-cfpb-director>.

¹⁴ National Public Radio, “Musk’s team takes control of key systems at Consumer Financial Protection Bureau,” Bobby Allyn, Laurel Wamsley, and Chris Arnold, February 7, 2025, <https://www.npr.org/2025/02/07/g-s1-47322/musks-team-takes-control-of-key-systems-at-consumer-financial-protection-bureau>.

¹⁵ Tweet by Elon Musk, February 7, 2025, <https://x.com/elonmusk/status/1887979940269666769?s=46&mx=2>; American Banker, “Trump picks Russ Vought as acting CFPB director, WSJ reports,” Kate Berry, February 7, 2025, <https://www.americanbanker.com/news/trump-picks-russ-vought-as-acting-cfpb-director>.

¹⁶ NBC News, “Russell Vought, CFPB’s new acting head, issues directives to halt parts of bureau activity,” Katherine Doyle, Raquel Coronell Uribe, and Megan Lebowitz, February 8, 2025, <https://www.nbcnews.com/politics/doge/russell-vought-consumer-financial-protection-bureau-trump-rcna191356>.

¹⁷ *Id.*

¹⁸ CNBC, “Consumer Financial Protection Bureau staff told to ‘stand down’ from all work,” Hugh Son, February 9, 2025, <https://www.cnbc.com/2025/02/09/consumer-financial-protection-bureau-staff-to-work-remotely-hq-shuttered.html>.

specializing in “Big Tech’s entrance into financial products.”²⁰ Firings paused on February 14th, after a federal court directed the CFPB to pause its efforts to reduce the workforce; employees already fired, however, did not regain their jobs.²¹ In the weeks since, the agency has been engaged in prolonged litigation and has dropped key enforcement actions, such as a lawsuit levied against Capital One for allegedly overcharging consumers \$2 billion in interest payments.²²

Actions taken at the CFPB in recent weeks by both CFPB and DOGE employees appear to have already had a significant impact on the agency’s ability to comply with its statutorily required functions. As the CFPB’s Inspector General, you are responsible for “conducting audits, investigations, and other reviews relating to the programs and operations of...the CFPB,” with the goals of “improv[ing] economy, efficiency, and effectiveness” and “prevent[ing] and detect[ing] fraud, waste, and abuse.”²³

We therefore ask that you conduct an evaluation of actions taken at the Bureau since January 20, 2025, to reduce the CFPB’s workforce and pause or halt CFPB functions, with the goal of understanding:

1. The extent to which such actions complied with all relevant federal laws and regulations.
2. The extent to which they have impacted the agency’s ability to fulfill its mission and its statutorily required functions.
3. The extent to which such actions have contributed to, detracted from, or had no impact on the agency’s ability to fulfill its functions efficiently and effectively.
4. The extent to which such actions have contributed to, detracted from, or had no impact on the prevalence of fraud, waste, and abuse at the agency.

Sincerely,

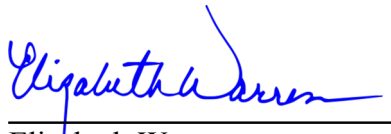
¹⁹ National Public Radio, “Dozens of CFPB workers are fired as the agency remains shuttered,” Laurel Wamsley, February 12, 2025, <https://www.npr.org/2025/02/12/nx-s1-5294479/cfpb-workers-fired-trump-doge>.

²⁰ National Public Radio, “Up to 100 more workers are fired at CFPB as staff fear mass layoffs are looming,” Laurel Wamsley, February 13, 2025, <https://www.npr.org/2025/02/13/nx-s1-5296929/cfpb-layoffs-staff-trump-doge>; The Verge, “The technology team at financial regulator CFPB has been gutted,” Lauren Feiner, February 14, 2025, <https://www.theverge.com/policy/612933/cfpb-tech-team-gutted-trump-doge-elon-musk>.

²¹ American Bankers Association Banking Journal, “Federal judge orders pause in CFPB staff firings, budget transfers,” February 17, 2025, <https://bankingjournal.aba.com/2025/02/federal-judge-orders-pause-in-cfpb-staff-firings-budget-transfers/>.

²² Associated Press, “Capital One sued by US watchdog alleging bank cheated customers out of \$2 billion,” Wyatt Grantham-Philips, January 14, 2025, <https://apnews.com/article/capital-one-sued-360-savings-cfpb-1e902f1eb5aabef8297640b0d5579a25>; Associated Press, “The CFPB drops its enforcement actions against Capital One, Rocket Homes, and More,” Wyatt Grantham-Philips, February 27, 2025, <https://apnews.com/article/cfpb-drops-capital-one-rocket-lawsuits-e3a4a18ccd9ddd97610ef23fd6b843b2>.

²³ 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>.



Elizabeth Warren
Ranking Member
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Andy Kim
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