United States Senate
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
WASHINGTON, DC 20510–6075

July 14, 2026

Mr. Michael Horowitz
Inspector General
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Mr. Horowitz:

I write regarding Federal Reserve Vice Chair for Supervision Michelle Bowman's decision to hire an external consulting firm, Starling Trust Sciences (STS), to conduct a review of the 2023 failure of Silicon Valley Bank (SVB). Given that SVB's failure was the subject of at least three previous government reviews, this new review years later may constitute government "waste," as defined by the Government Accountability Office (GAO) and various Inspectors General. To make matters worse, STS has reportedly asked for two extensions and is attempting to renegotiate the contract to gain more favorable terms.[1] The firm's public connection to former Federal Reserve Vice Chair for Supervision Randal Quarles also raises serious questions as to whether the Fed's contract, procurement, and conflict of interest policies were followed. I therefore request that the Office of Inspector General of the Board of Governors of the Federal Reserve System (OIG) conduct an investigation into this review to determine whether any statutes, regulations, policies, or procedures were violated, and whether the review constitutes government waste.

Government Waste

On March 10, 2023, SVB, a California state-chartered bank that was supervised at the federal level by the Federal Reserve, failed following a severe run.[2] It is the third largest bank failure in U.S. history.[3] On April 28, 2023, the Federal Reserve Board published a thorough report evaluating its supervision and regulation of SVB, which included the release of formerly confidential supervisory information.[4] On September 25, 2023, the Fed OIG published its

---

[1] Politico, "Contractor for the Federal Reserve's investigation of Silicon Valley Bank's collapse asks for extension and new terms," Aiden Reiter, July 10, 2026, https://subscriber.politicopro.com/article/2026/07/contractor-for-the-federal-reserves-investigation-of-silicon-valley-banks-collapse-asks-for-extension-and-new-terms-00993454?site=pro&prod=alert&prodname=alertmail&linktype=headline&source=email.
[2] Federal Deposit Insurance Corporation, "FDIC Creates a Deposit Insurance National Bank of Santa Clara to Protect Insured Depositors of Silicon Valley Bank, Santa Clara, California," press release, March 10, 2023, https://www.fdic.gov/news/press-releases/2023/pr23016.html.
[3] Bankrate, "The 8 largest bank failures in US history," Matthew Goldberg, July 25, 2025, https://www.bankrate.com/banking/largest-bank-failures/.
[4] Board of Governors of the Federal Reserve System, "Re: Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, https://www.federalreserve.gov/publications/files/svb-

statutorily required review to determine why SVB's failure resulted in a material loss to the Deposit Insurance Fund.[5] On March 6, 2024, GAO published a review of the failure of SVB and Signature Bank.[6] These reviews generally found that weak supervision and regulation of SVB, coupled with mismanagement by the bank's executives, contributed to the failure. Two of the reviews explicitly identified the big bank deregulatory policies implemented during the first Trump Administration, which Vice Chair Bowman voted for as a Fed Governor, as a contributing factor to the failure.[7] Despite the existence of these three, comprehensive examinations of SVB's failure, Vice Chair Bowman announced a new, fourth review in recent months.[8]

GAO's Green Book, which "sets internal control standards for federal entities," defines government waste as resources expended "carelessly, extravagantly, or to no purpose."[9] Various offices of inspectors general similarly describe government waste as "the thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment (or potential detriment) of the U.S. government."[10] If a public official is expending resources to commission a fourth SVB review simply because her policy actions were implicated by previous reviews, it could reasonably be construed as an expenditure without "purpose" and an "abuse of resources," satisfying the definition of government waste.

While potentially wasteful from the outset, the review is reportedly further devolving as it progresses – increasing the likelihood of wasted taxpayer dollars. STS has reportedly asked for two extensions.[11] Its contract with the Fed was reportedly set to expire on July 6, 2026, before it was extended by the Fed to October.[12] STS has now "asked for an extension to January 2027," in part "after investigators struggled to speak with former officials and had difficulty obtaining

review-20230428.pdf.

[5] Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau, Office of Inspector General, "Material Loss Review of Silicon Valley Bank," September 25, 2023, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf.

[6] U.S. Government Accountability Office, "Bank Supervision: More Timely Escalation of Supervisory Action Needed," March 6, 2024, https://www.gao.gov/assets/gao-24-106974.pdf.

[7] Board of Governors of the Federal Reserve System, "Re: Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf; Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau, Office of Inspector General, "Material Loss Review of Silicon Valley Bank," September 25, 2023, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf; Board of Governors of the Federal Reserve System, "Transcript of Open Board Meeting," October 10, 2019, https://www.federalreserve.gov/mediacenter/files/open-board-meeting-transcript-20191010.pdf.

[8] The Wall Street Journal, "How Trump's Ally at the Fed Is Remaking Bank Oversight," Dylan Tokar and Nick Timiraos, January 25, 2026, https://www.wsj.com/economy/central-banking/how-trumps-ally-at-the-fed-is-remaking-bank-oversight-b1f0fab3.

[9] U.S. Government Accountability Office, "Standards for Internal Control in the Federal Government," May 2025, https://www.gao.gov/assets/gao-25-107721.pdf.

[10] *See* U.S. Agency for International Development Office of Inspector General, "What is considered fraud, waste, or abuse?" https://oig.usaid.gov/node/221; U.S. General Services Administration Office of Inspector General, "FAQ," https://www.gsaig.gov/content/faq.

[11] Politico, "Contractor for the Federal Reserve's investigation of Silicon Valley Bank's collapse asks for extension and new terms," Aiden Reiter, July 10, 2026, https://subscriber.politicopro.com/article/2026/07/contractor-for-the-federal-reserves-investigation-of-silicon-valley-banks-collapse-asks-for-extension-and-new-terms-00993454?site=pro&prod=alert&prodname=alertmail&linktype=headline&source=email.

[12] *Id.*

documents."[13] The firm also reportedly wants to "renegotiate the terms."[14] Specifically, the firm reportedly wants "the Fed to help cover legal costs the firm may face if questioned by Congress about the report."[15]

Procurement and Contracting

Vice Chair Bowman hired STS to conduct the new review.[16] The firm appears to be connected to Vice Chair Bowman's former colleague, Randal Quarles, who served as President Trump's first Federal Reserve Vice Chair for Supervision and spearheaded the deregulatory measures that led to SVB's collapse. Specifically, Mr. Quarles served as the "chair" of STS's recent report on bank supervision and is prominently featured in the materials promoting the report.[17] Mr. Quarles also penned the "opening letter" for STS's 2025 "Deeper Dive Report,"[18] participated in an STS fireside chat in 2024,[19] and provided an exclusive interview accessible to STS members in 2023.[20] It also appears that Mr. Quarles has participated in other events with STS's co-founder, Stephen Scott.[21]

In other words: a firm associated with Mr. Quarles, a former colleague of Vice Chair Bowman whose deregulatory actions and supervisory reforms were directly implicated by at least two of the formal SVB government reviews, has been picked by Vice Chair Bowman to lead a fourth review of SVB's failure.[22] It is difficult to believe that the contract was awarded through a truly competitive process, and that a firm publicly affiliated with Mr. Quarles just so happened to be the best applicant. The Fed has yet to answer questions or provide information about its procurement process, such as its request for proposal, communications with prospective vendors, scope of work, and rate of pay awarded.[23]

---

[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] The Wall Street Journal, "How Trump's Ally at the Fed Is Remaking Bank Oversight," Dylan Tokar and Nick Timiraos, January 25, 2026, https://www.wsj.com/economy/central-banking/how-trumps-ally-at-the-fed-is-remaking-bank-oversight-b1f0fab3.
[17] Starling Trust Sciences, "Supervisors on Supervision," April 13, 2026, https://21211564.hs-sites.com/hubfs/Deeper%20Dive%20-%20Supervisors%20on%20Supervision%20Final%20Report%20-%20Apr2026.pdf.
[18] Starling Trust Sciences, "Supervisors on Supervision: Opening Letter," Randal Quarles, December 15, 2025, https://insights.starlingtrust.com/content/deeper-dive/supervisors-on-supervision-opening-letter.
[19] Starling Trust Sciences, "Starling Fireside Chat with Margaret Tahyar and Randal Quarles," Margaret E. Tahyar, Randal Quarles, and Stephen Scott, June 11, 2024, https://insights.starlingtrust.com/content/compendium/starling-fireside-chat-with-margaret-tahyar-and-randal-quarles.
[20] Starling Trust Sciences, "An Interview with Randal Quarles," Randal Quarles, June 7, 2023, https://insights.starlingtrust.com/content/compendium/an-interview-with-randal-quarles.
[21] Systemic Risk Centre, "Supervisors on Supervision - Culture in the Financial Sector," September 22, 2025, https://www.systemicrisk.ac.uk/events/supervisors-supervision-culture-financial-sector.
[22] Board of Governors of the Federal Reserve System, "Re: Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf; Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau, Office of Inspector General, "Material Loss Review of Silicon Valley Bank," September 25, 2023, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf.
[23] Letter from U.S. Senators Elizabeth Warren, Bernie Sanders, and Richard Blumenthal to Federal Reserve Vice Chair for Supervision Michelle Bowman, February 18, 2026, https://www.banking.senate.gov/imo/media/doc/letter_to_bowman_re_svb_analysis.pdf.

Request for OIG Investigation

Therefore, I request that the Fed OIG open an investigation of Vice Chair Bowman's decision to hire STS to conduct a fourth review of SVB's failure to determine whether any statutes, regulations, policies, or procedures were violated in the procurement process, and whether the review constitutes government waste. In addition, I ask the Fed OIG to provide recommendations to the Fed on its procurement process to improve transparency, mitigate conflicts of interest, and reduce waste in the future.

Sincerely,

Elizabeth Warren

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