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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

September 18, 2025

The Honorable Jennifer L. Fain  
Inspector General  
Federal Deposit Insurance Corporation  
3501 Fairfax Drive  
Arlington, Virginia 22226

Dear Inspector General Fain:

We write to express concern and obtain information from the Federal Deposit Insurance Corporation (“FDIC”) Office of Inspector General (“FDIC OIG”) regarding its surprising June 24, 2025, announcement suspending further work on Succession Management and Employee Retention Efforts.<sup>1</sup> Specifically, we request assurances from you that the FDIC OIG will soon restart its examination of the FDIC’s succession management and employee retention practices, including the impact of severe Department of Government Efficiency (“DOGE”) driven staff reductions at the agency.

As you know, in January 2025, President Trump instituted a government-wide hiring freeze via executive order.<sup>2</sup> In response, Acting FDIC Chairman Travis Hill rescinded more than 200 job offers to bank examiners. By diminishing the agency’s ability to adequately supervise banks and increasing the risk of bank failures,<sup>3</sup> staffing shortages at the FDIC jeopardize stability and public trust in the nation’s banking system.<sup>4</sup> On February 10, 2025, we asked the FDIC OIG to “determine whether the Acting Chairman’s reported decision...threatens the stability of the banking system by undermining the agency’s efforts to address the severe understaffing that has plagued its bank examiner workforce.”<sup>5</sup> On February 19, 2025, you agreed, stating:

<sup>1</sup> FDIC OIG, FDIC Succession Management and Employee Retention Efforts, (MEMO-25-02) (June 2025). [https://www.fdicigoig.gov/sites/default/files/reports/2025-06/OA%20Memorandum%20-%20FDIC%20Succession%20Management%20and%20Employee%20Retention%20Efforts%20MEMO-25-02\\_0.pdf](https://www.fdicigoig.gov/sites/default/files/reports/2025-06/OA%20Memorandum%20-%20FDIC%20Succession%20Management%20and%20Employee%20Retention%20Efforts%20MEMO-25-02_0.pdf).

<sup>2</sup> Hiring Freeze Memorandum for the Heads of Executive Departments and Agencies, 90 Fed. Reg. 8247 (Jan. 20, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-01-28/pdf/2025-01905.pdf>.

<sup>3</sup> NPR, “The FDIC’s goal is to prevent another banking crisis. It’s now also a Trump target,” Maria Aspan, February 25, 2025, <https://www.npr.org/2025/02/27/nx-s1-5307239/fdic-jobs-bank-regulator-trump-doge-elon-musk>.

<sup>4</sup> “FDIC Mission, Vision, and Values,” FDIC, <https://www.fdic.gov/strategic-plans/fdic-mission-vision-and-values>.

<sup>5</sup> Letter from Ranking Member Elizabeth Warren, Senator Raphael Warnock, Senator Chris Van Hollen and Senator Lisa Blunt Rochester to FDIC Inspector General Jennifer L. Fain, February 10, 2025, [https://www.banking.senate.gov/imo/media/doc/fdic\\_bank\\_examiner\\_letter.pdf](https://www.banking.senate.gov/imo/media/doc/fdic_bank_examiner_letter.pdf).

“The full effect and impact on the structure and mission of the FDIC due to the hiring freeze, deferred resignations, and any reshaping and restructuring remain to be seen. As a result, we will be adjusting our oversight work, including [work “associated with succession management for key positions and roles and employee retention], to analyze the changes occurring at the FDIC...”<sup>6</sup>

Since securing that commitment from you, the FDIC has executed additional staff reductions, increasing the importance and urgency of your review. In April 2025, the FDIC reduced its workforce by 20 percent (approximately 1,250 positions).<sup>7</sup> Therefore, we were disappointed to see the FDIC OIG announce the suspension of further work on its review of the FDIC’s Succession Management and Employee Retention Efforts.<sup>8</sup> Within this announcement, FDIC stated that it plans to revisit these efforts once [it] has “the opportunity to more fully implement its Workforce Optimization Initiative.”<sup>9</sup>

In effort to preserve understaffing as a priority and gain clarity on the extent to which reductions in force (RIF) have impacted FDIC’s remaining capacity, we write to request that FDIC OIG provide the following information no later than September 30, 2025:

1. Provide a written timeline and/or estimate indicating when FDIC OIG plans to resume, and ultimately complete, work on the Succession Management and Employee Retention Efforts project.
2. Did any officials from the FDIC, White House, DOGE, or any other part of the Trump Administration ask you to suspend this review? If so, explain.

Sincerely,

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<sup>6</sup> Letter from FDIC Inspector General Jennifer L. Fain to Ranking Member Elizabeth Warren, Senator Raphael Warnock, Senator Chris Van Hollen and Senator Lisa Blunt Rochester, February 19, 2025, [https://www.warren.senate.gov/imo/media/doc/warren\\_response.pdf](https://www.warren.senate.gov/imo/media/doc/warren_response.pdf).

<sup>7</sup> American Banker, “FDIC cutting 1,250 staffers across ‘most’ departments,” Ebrima Santos Sanneh, April 21, 2025, <https://www.americanbanker.com/news/fdic-firing-1-250-staffers-across-most-departments>.

<sup>8</sup> FDIC, FDIC Succession Management and Employee Retention Efforts (Memo-25-02), June 2025, [https://www.fdicog.gov/sites/default/files/reports/2025-06/OA%20Memorandum%20-%20FDIC%20Succession%20Management%20and%20Employee%20Retention%20Efforts%20MEMO-25-02\\_0.pdf](https://www.fdicog.gov/sites/default/files/reports/2025-06/OA%20Memorandum%20-%20FDIC%20Succession%20Management%20and%20Employee%20Retention%20Efforts%20MEMO-25-02_0.pdf).

<sup>9</sup> *Id.*



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



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Chris Van Hollen  
United States Senator