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

June 30, 2021

Neel Kashkari
President and Chief Executive Officer
Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
Minneapolis, MN 55401

Dear President Kashkari:

I am deeply concerned with the Federal Reserve Bank of Minneapolis's (Minneapolis Fed) lack of transparency and disregard for a legitimate congressional oversight request. As you know, I sent you a letter on May 23, 2021, seeking both a briefing and certain records pertaining to the Minneapolis Fed's recent, intense interest in racial justice activism.¹ Your staff provided a briefing on June 10, 2021. However, to date the Minneapolis Fed has not provided any of the requested records, which were due on June 7, 2021. Moreover, your staff have made sufficiently clear that the Minneapolis Fed does not intend to provide any records in response to my request. Instead, I was offered a meeting with you—an offer that did not include providing any records.

The Minneapolis Fed's refusal to provide any records is an unacceptable stonewalling of Congress's need to fully evaluate the recent and sudden departure of the Minneapolis Fed from its important, nonpartisan, and statutorily defined mission to “promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.”² This is particularly troubling given the various ways in which the Minneapolis Fed lacks both transparency and accountability in carrying out its statutory mandate. For example, the Minneapolis Fed's budget is not subject to congressional appropriations or authorization, its leaders are neither democratically elected nor Senate confirmed, and it is not subject to public transparency laws, such as the Freedom of Information Act (FOIA) and the Federal Advisory Committee Act, and public recordkeeping laws like the Federal Records Act. Moreover, as the Minneapolis Fed's response to my letter demonstrates, the Minneapolis Fed appears to view itself as wholly exempt from any oversight by the people's elected representatives.

In addition, the Minneapolis Fed's refusal to provide records requested by Congress conflicts with the spirit of the information availability policies of multiple Federal Reserve regional banks. Although these banks are not subject to FOIA, they have committed to comply with the spirit of FOIA. For example, the “Information Availability Policy” (Information Policy) of the Federal

¹ Letter from Sen. Pat Toomey, Ranking Member, Committee on Banking, Housing, and Urban Affairs, to Neel Kashkari, President and Chief Executive Officer, Federal Reserve Bank of Minneapolis (May 23, 2021), *available at* https://www.banking.senate.gov/imo/media/doc/toomey_to_minneapolis_fed.pdf.

² 12 U.S.C. § 225a.

Reserve Bank of San Francisco (SF Fed) states that it “believes that transparency and greater openness are essential to promote better understanding of the [SF Fed’s] mission and actions, and to maintain public trust.”³ The Information Policy goes on to state that the SF Fed “has determined that it will generally [voluntarily] comply with the spirit of FOIA”⁴ and that “[u]nless otherwise exempt, all Records of the [SF Fed] shall be made available upon request,” pursuant to certain procedures and exceptions outlined in the Information Policy.⁵ The Minneapolis Fed’s stonewalling of a records request from Congress directly contravenes the spirit of the policies adopted by multiple Federal Reserve regional banks. It also draws into question the Minneapolis Fed’s commitment to transparency when it is flatly refusing to provide even a page of records requested by the Ranking Member of the Senate committee charged with overseeing the Federal Reserve System.

Transparency and openness are essential in both promoting a greater understanding of the Minneapolis Fed’s mission and actions and also in maintaining public trust. However, it appears that the Minneapolis Fed prefers to cloak its activities in secrecy and withhold documents from both Congress and the American people. Unfortunately, it is hard not to infer that the Minneapolis Fed has something to hide. If the Minneapolis Fed continues to resist a legitimate congressional oversight request, perhaps Congress should consider subjecting the Minneapolis Fed and the other Federal Reserve regional banks to the same transparency and accountability laws imposed on nearly every other federal agency or organization.

I ask that you reconsider your refusal to provide records responsive to my request and promptly produce all of the requested records. Thank you for your attention to this matter.

Sincerely,



Pat Toomey
Ranking Member

cc: The Honorable Sherrod Brown, Chairman, Senate Committee on Banking, Housing, and Urban Affairs

³ Federal Reserve Bank of San Francisco, *Information Availability Policy* (last accessed Jun. 29, 2021) at 2, <https://www.frbsf.org/files/FRBSF-Freedom-of-Information-Policy.pdf>.

⁴ *Id.*

⁵ *Id.* at 5. The Information Policy further provides that the SF Fed may voluntarily choose to disclose even exempt records provided that doing so “is not prohibited by law.” *Id.* at 7.