

June 30, 2021

Mary C. Daly  
 President and Chief Executive Officer  
 Federal Reserve Bank of San Francisco  
 101 Market Street  
 San Francisco, CA 94105

Dear President Daly:

I am deeply concerned with the Federal Reserve Bank of San Francisco's (SF Fed) lack of transparency and disregard for a legitimate congressional oversight request. As you know, on March 29, 2021, I sent you a letter seeking both a briefing and certain records pertaining to the SF Fed's sudden pivot toward politically-charged research and advocacy on environmental, social, and governance topics like global warming and racial justice.<sup>1</sup> Your staff provided a briefing on April 16, 2021. However, to date the SF Fed has not provided any of the requested records, which were due on April 9, 2021. Moreover, your staff have made sufficiently clear that the SF Fed does not intend to provide any records in response to the request. Instead, I was offered a meeting with you—an offer that did not include providing any records.

The SF 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 SF 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.”<sup>2</sup> This is particularly troubling given the various ways in which the SF Fed lacks both transparency and accountability in carrying out its statutory mandate. For example, the SF 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 SF Fed's response to my letter demonstrates, the SF Fed appears to view itself as wholly exempt from any oversight by the people's elected representatives.

In addition, the SF Fed's refusal to provide records requested by Congress conflicts with the spirit of the SF Fed's own stated policy.<sup>3</sup> Although the SF Fed is not subject to FOIA, its “Information Availability Policy” (Information Policy) states that the SF Fed “believes that

<sup>1</sup> Letter from Sen. Pat Toomey, Ranking Member, Committee on Banking, Housing, and Urban Affairs, to Mary C. Daly, President and Chief Executive Officer, Federal Reserve Bank of San Francisco (Mar. 29, 2021), *available at* <https://www.banking.senate.gov/imo/media/doc/Toomey%20Letter%20to%20San%20Fran%20Fed.pdf>.

<sup>2</sup> 12 U.S.C. § 225a.

<sup>3</sup> 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>.

transparency and greater openness are essential to promote better understanding of the [SF Fed's] mission and actions, and to maintain public trust.”<sup>4</sup> The Information Policy goes on to state that the SF Fed “has determined that it will generally [voluntarily] comply with the spirit of FOIA”<sup>5</sup> 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.<sup>6</sup> The SF Fed’s stonewalling of a records request from Congress directly contravenes the spirit of its own policy. It also draws into question the SF Fed’s claim that it is committed 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.

The SF Fed’s Information Policy correctly observes that transparency and openness are essential in both promoting a greater understanding of the SF Fed’s mission and actions and also in maintaining public trust. However, in practice, it appears that the SF 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 SF Fed has something to hide. If the SF Fed continues to resist a legitimate congressional oversight request, Congress may need to consider subjecting the SF 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 this 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

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<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *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.