



February 19, 2025

The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Raphael Warnock
United States Senate
Washington, D.C. 20510

The Honorable Chris Van Hollen
United States Senate
Washington, D.C. 20510

The Honorable Lisa Blunt Rochester
United States Senate
Washington, D.C. 20510

Dear Senators Warren, Warnock, Van Hollen and Blunt Rochester,

Thank you for your letter dated February 10, 2025, regarding the recent decision by the Federal Deposit Insurance Corporation (FDIC) to rescind more than 200 jobs to bank examiners.

In October 2024, we initiated preliminary evaluation fieldwork, the objective of which was to assess the FDIC's actions to address risks associated with succession management for key positions and roles and employee retention. During the course of our ongoing fieldwork, as you are aware, the hiring of Federal civilian employees was frozen and offers for deferred resignations were extended.¹ Additionally, the new Administration has issued a series of executive orders and directives with implementing guidance aimed at reshaping and restructuring federal agencies and the workforce.² 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 the above referenced evaluation, to analyze the changes occurring at the FDIC, consistent with

¹ Presidential Memorandum, [Hiring Freeze](#), (90 FR 8247) (January 20, 2025); Office of Personnel Management (OPM), Fork in the Road: Deferred Resignation Program, <https://www.opm.gov/fork> (accessed February 19, 2025).

² Executive Order 14210, [Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative](#) (90 FR 9669) (February 11, 2025); Presidential Memorandum, [Hiring Freeze](#), (90 FR 8247) (January 20, 2025); Office of Management and Budget and OPM Memorandum, [Federal Civilian Hiring Freeze Guidance](#) (January 20, 2025); OPM Memorandum, [Guidance Regarding Deferred Resignation Program](#) (January 28, 2025); and OPM Memorandum, [Legality of Deferred Resignation Program](#) (February 4, 2025).



our statutory mission, and to provide stakeholders the most current and relevant information on these matters.

Additionally, in prior Top Management and Performance Challenges reports, we identified as a significant human capital challenge the risks associated with the FDIC's succession management and its efforts to ensure that mission-critical positions are filled with skilled personnel. We continue to consider these risks as a major challenge to the FDIC. We will be adapting our oversight work to better understand and determine the effect of recent changes and their impact on the FDIC to maintain stability and confidence in Nation's banking system.

Our staff will advise you of updates on these matters. In the interim, [REDACTED] if we can provide further assistance.

Respectfully,

Jennifer L. Fain
Inspector General

cc: The Honorable Tim Scott, Chairman, Senate Committee on Banking, Housing, and Urban Affairs