HAGERTY STATEMENT ON INDEPENDENT INVESTIGATION INTO SEXUAL HARASSMENT AND TOXIC CULTURE AT THE FDIC

May 7, 2024

WASHINGTON—United States Senator Bill Hagerty (R-TN), a member of the Senate Banking Committee, today released the following statement on the release of the independent investigation into sexual harassment and the toxic work culture at the Federal Deposit Insurance Corporation (FDIC):

"An independent law firm's review of the Federal Deposit Insurance Corporation has only deepened my concerns about the agency's culture and leadership. According to the FDIC's own Inspector General, the agency's inability to properly prevent the failure of Signature Bank (the third largest bank failure in U.S. history) was caused in large part by an inadequately staffed examination team. Moreover, Chairman Gruenberg failed to adequately explain the FDIC's actions surrounding the failure of Silicon Valley Bank.

"Not only has Chairman Gruenberg's mismanagement of the FDIC's core responsibilities created substantive leadership concern, but his conduct over nearly 20 years leading the FDIC—highlighted in this independent report—will impair his ability to effectively attract and retain a suitable workforce and prevent him from effectively carrying out the 'structural and cultural transformation' called for in the report given its conclusion that the FDIC's culture and leadership is the problem.

"Significant changes are necessary to improve the FDIC's culture and restore the public's confidence. I urge Chairman Sherrod Brown to hold a hearing in the Banking Committee to specifically investigate this matter."

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