

[Banking and Finance Law Daily Wrap Up, OVERSIGHT AND INVESTIGATION—Senators Kim and Warren demand probes into ‘disruption’ of CFPB, \(Apr. 17, 2025\)](#)

Banking and Finance Law Daily Wrap Up

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By Shashi Kant, BALLB, LLM

The two Senate Democrats urge the Government Accountability Office and the CFPB's Inspector General to independently investigate DOGE's role in undermining the Bureau's consumer protection mission.

Senators Andy Kim (D-N.J.) and Elizabeth Warren (D-Mass.) sent a series of letters to both the Government Accountability Office (GAO) and the Consumer Financial Protection Bureau's Office of Inspector General (OIG), [pressing](#) for independent investigations into what they describe as the Trump administration's campaign to "dismantle" the CFPB and undermine its consumer protection mission.

The lawmakers warn that since January 2025, the administration has requested access to sensitive CFPB information and directed CFPB employees to freeze all rulemaking, litigation and enforcement activities, and external communications unless expressly approved by the Acting Director or required by law.

Examine DOGE and stop-work orders. In their letter to GAO Comptroller General Gene Dodaro, the senators ask the watchdog to investigate recent actions undertaken at the CFPB, including efforts by the Department of Government Efficiency (DOGE), to undermine the CFPB's ability to fulfil its statutorily mandated functions. They specifically [request](#) that GAO examine the impact of recent "stop work" orders, firings and reductions in force, contract cancellations, decisions to drop major lawsuits, and other related actions on the CFPB's efforts to enforce consumer protection laws.

Contract cancellations. Turning to the Bureau's own Inspector General, Kim and Warren demand a deep dive into nearly 200 contracts abruptly canceled in February 2025. "We ask that the CFPB Office of Inspector General (CFPB OIG) identify the specific contracts terminated; determine whether the termination of those contracts complied with applicable federal laws, regulations, and agency policies and procedures; and assess the monetary and operational impact of the terminations, including a review of the terminations' impact on the CFPB's ability to perform its statutory duties," they [wrote](#).

According to internal declarations, Kim and Warren note, "contract cancellations affected all Enforcement (102 contracts), Supervision (16 contracts), External Affairs (3 contracts), Consumer Response (20 contracts), Office of Director (22 contracts), and Legal Division (all except 2 contracts)," siphoning off roughly \$200 million of the Bureau's \$227 million in contracted services. These cuts, the senators note, effectively halted the Bureau's Consumer Complaint Program, made it impossible to effectively conduct investigations, and risked irretrievable impairment and loss of Bureau data.

Workforce cuts. A third letter to Acting Inspector General Fred Gibson focuses on workforce reductions and halted Bureau functions. "We are writing today to request that the Consumer Financial Protection Bureau Office of Inspector General (CFPB OIG) review actions taken at the Consumer Financial Protection Bureau (CFPB) since January 20, 2025, to reduce the CFPB's workforce and pause or halt CFPB functions," the senators [stated](#), urging an assessment of whether these moves complied with federal law and how they have affected the agency's ability to fulfill its mission and statutory duties. They document that after Acting Director Scott Bessent froze all rulemaking and enforcement, DOGE officials led by Elon Musk entered the Bureau on February 6. Following Musk's tweet "CFPB RIP," Russell Vought replaced Bessent, issuing directives to "cease all supervision and examination activity," "pause all pending investigations," and halt "enforcement actions."

The letter notes that between February 11 and 13, dozens, and ultimately up to 100, CFPB employees were fired, including specialists in technology and Big Tech oversight. A federal judge later paused the firings, but many former staffers have not been reinstated, and the Bureau has since dropped key enforcement suits, the letter states.

A Bureau under siege? The senators note that since its creation in the wake of the 2008 financial crisis, the CFPB has returned more than \$21 billion to defrauded consumers and is charged with over 80 specific consumer protection functions, from monitoring credit markets and supervising banks to operating the Consumer Complaint Program and safeguarding veterans and seniors. However, Kim and Warren note, in early 2025, President Trump appointed Treasury Secretary Scott Bessent as acting CFPB Director and later installed OMB Director Russell Vought. Under their direction, employees were ordered to “stand down,” rulemakings and lawsuits were frozen or dropped, and hundreds of staff positions were eliminated, moves that have sparked legal challenges and concerns about the Bureau’s viability.

In this context, Kim and Warren, note that these inquiries are essential “to better understand how these actions have impacted CFPB’s ability to carry out its duties” and to ensure the Bureau’s independence and effectiveness in the years ahead.

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