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Press Release

FDIC Special Review Committee Releases Independent Report on Workplace Misconduct and Culture

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Contact

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The Federal Deposit Insurance Corporation (FDIC) today released the report from the independent third-party review of allegations of sexual harassment and other interpersonal misconduct at the FDIC and management's response to that harassment and misconduct, and the independent third-party assessment of the FDIC's workplace culture. The independent third-party review was conducted by Cleary Gottlieb and overseen by the Special Committee of the FDIC Board of Directors.[1]

As detailed in the report, the independent review found that, for far too many employees and for far too long, the FDIC has failed to provide a workplace safe from sexual harassment, discrimination, and other interpersonal misconduct. It further found that management's responses to allegations of misconduct, as well as the culture and conditions that gave rise to them, have been insufficient and ineffective.

“Today’s report establishes the urgent imperative of a culture transformation at the FDIC led by those with the leadership capacity to effectuate that change,” said Special Committee co-chair Jonathan McKernan. “The report marks an important first step towards healing, repair, and sustainable change at the FDIC. Fostering an environment that promotes a safe, respectful, and inclusive workplace is fundamental to achieving the agency’s mission.”

Over 500 FDIC current and former employees shared their stories with Cleary Gottlieb as part of the independent review. The Special Committee deeply appreciates these employees’ exceptional bravery, as well as the open-mindedness and willingness to engage with the review shown by FDIC employees.

In its role overseeing the independent review, the Special Committee prioritized the credibility, effectiveness, and independence of the review process. “The review was thorough, balanced, focused, and nonpartisan,” said Special Committee co-chair Michael J. Hsu. “It put the people of the FDIC first and focused on identifying root causes. The Cleary Gottlieb team brought professionalism and expertise to the review process, and that is reflected in the report they produced.”

To promote a diversity of views, the Special Committee appointed three non-voting members to join the committee. The three non-voting members brought a wealth of banking, regulatory, executive, and leadership experience that greatly assisted the committee. The Special Committee extends its thanks to Elizabeth McCaul, Linda Miller, and Valerie Mosley for having agreed to assist the Special Committee and the FDIC on this important work.

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[1] Cleary Gottlieb was asked to conduct a review of allegations of sexual harassment and other interpersonal misconduct at the FDIC and management’s response to such harassment and misconduct, as well as the FDIC’s workplace culture. Cleary Gottlieb was not asked, nor did it assess, whether particular individuals within the FDIC, such as the Chairman, should be removed or otherwise disciplined for alleged misconduct. Any decisions on that subject can only be by those who have the requisite authority and following the appropriate process.

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Attachments

Report for the Special Review Committee of the Board of Directors of the Federal Deposit Insurance Corporation

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