

SEPTEMBER 18, 2025

Warren, Van Hollen Raise Concerns on Suspension of IG Report on Impact of DOGE-Driven FDIC Cuts on the U.S. Banking System

“By diminishing the agency’s ability to adequately supervise banks and increasing the risk of bank failures, staffing shortages at the FDIC jeopardize stability and public trust in the nation’s banking system.”

Text of Letter (PDF)

Washington, D.C. – U.S. Senators Elizabeth Warren (D-Mass.), Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, and Chris Van Hollen (D-MD), sent a letter to Acting Federal Deposit Insurance Corporation (FDIC) Chairman Travis Hill and FDIC Inspector General Jennifer Fain following the agency’s decision to suspend its probe into FDIC’s Succession Management and Employee Retention Efforts. The probe, which Ranking Member Warren previously requested and FDIC Inspector General Fain agreed to, came in light of DOGE-driven reductions in force at FDIC.

“In response, Acting FDIC Chairman Travis Hill rescinded more than 200 job offers to bank examiners,” **wrote the Senators.** “By diminishing the agency’s ability to adequately supervise banks and increasing the risk of bank failures, staffing shortages at the FDIC jeopardize stability and public trust in the nation’s banking system.”

The Senators continued: “Since securing that commitment from you, the FDIC has executed additional staff reductions, increasing the importance and urgency of your review. In April 2025, the FDIC reduced its workforce by 20 percent (approximately 1,250 positions). Therefore, we were disappointed to see the FDIC OIG announce the suspension of further work on its review of the FDIC’s Succession Management and Employee Retention Efforts.”

The Senators concluded by calling on FDIC OIG to, no later than September 30, 2025, estimate when the office will resume and conclude its review and answer whether the Trump Administration asked for this review to be suspended.

###