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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

April 24, 2025

The Honorable Travis Hill
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Acting Chairman Hill:

We write to obtain information regarding the Department of Government Efficiency's ("DOGE") incursion at the Federal Deposit Insurance Corporation ("FDIC"). DOGE's track record of indiscriminately dismantling critical government agencies suggests that its presence at the FDIC could cause an uptick in bank failures by slashing staff at this severely understaffed agency; allow DOGE employees and affiliates to access highly-sensitive confidential supervisory and investigative information; threaten the \$137 billion Deposit Insurance Fund ("DIF"); and cripple the agency's ability to administer our nation's deposit insurance system and resolve failed banks in an orderly manner. Federal deposit insurance is a fundamental safeguard that underpins the public's confidence in the U.S. banking system. Allowing the Elon-Musk-led DOGE to degrade it in a moment of broader economic turmoil is deeply concerning.

After the Great Crash of 1929, roughly 9,000 banks across the country failed, exacerbating the worst economic downturn in our nation's history.¹ People and small businesses across the country suffered significant losses on their deposits and many lost their life savings. In 1933, President Franklin Delano Roosevelt signed the Banking Act of 1933, which created the FDIC and established our system of federal deposit insurance.² This framework helped re-instill public confidence in the U.S. banking system and stabilize the economy. A year later, Lydia Lobsiger was the first depositor to have a claim paid out when the FDIC returned her life savings of \$1,250 after her bank in Illinois failed.³ During the 90 years since, people have not lost a penny on their insured deposits.

Today, the FDIC manages the \$137 billion Deposit Insurance Fund, guaranteeing more than \$10.6 trillion in insured deposits.⁴ The agency serves as either the primary or backup examiner

¹ Federal Deposit Insurance Corporation, "A Brief History of Deposit Insurance in the United States," September 1998, <https://www.fdic.gov/bank/historical/brief/brhist.pdf>.

² *Id.*, at Chapter 3.

³ *Id.*, at Chapter 4.

⁴ Federal Deposit Insurance Corporation, "Fourth Quarter 2024 CFO Report to the Board," December 31, 2024, <https://fdic.gov/financial-reports/fourth-quarter-2024-cfo-report-board>; Federal Deposit Insurance Corporation,

for more than 4,500 insured depository institutions, jointly regulates and supervises the resolution planning framework for the largest banks, and is administering more than 50 ongoing failed bank receiverships.⁵ Ensuring that the FDIC has the resources and staff necessary to operate is essential to maintaining the stability of our economy.

Despite the critical importance of the agency, the FDIC is severely understaffed and unable to adequately execute its statutory obligations. Following the failure of Signature Bank, the 4th largest bank failure in U.S. history, a review conducted by the FDIC’s Chief Risk Officer found that between 2020 and 2023, an average of 40 percent of the large bank examiner positions had been vacant or filled by temporary staff.⁶ This led to a series of supervisory delays, canceled or postponed exams, and quality control issues in the supervision of Signature Bank. The FDIC OIG identified staffing weaknesses as a top management and performance challenge in 2024 and 2025.⁷ In response to our February 2025 letter regarding the Trump administration’s executive orders related to personnel and hiring, the FDIC OIG reaffirmed that the FDIC’s “efforts to ensure that mission-critical positions are filled with skilled personnel” remain “a major challenge to the FDIC” – even before DOGE’s arrival at the agency.⁸

Soon after DOGE arrived, the FDIC notified staff that it plans to cut roughly 1,250 employees across the agency, about 20% of the total workforce.⁹ DOGE’s efforts to slash the FDIC’s staff may not only lead to more bank failures but could threaten the very integrity of deposit insurance and the bank resolution framework itself.

Providing deposit insurance and administering bank receiverships are not self-effectuating. These functions require expert staff to manage the resolution of a failed bank, which can include marketing the bank, facilitating an auction, liquidating assets, establishing special vehicles to pay out insured deposits, or even setting up and overseeing a temporary “bridge bank.” In addition, after a bank fails, staff review the bank’s books and records to make legal deposit insurance coverage determinations. Severely hollowing out the FDIC’s staff increases the likelihood of errors in the resolution process, which could have a detrimental impact on financial stability and public confidence in the banking system. It could also increase losses borne by the DIF and even, in the worst case, cause an insured depositor to mistakenly suffer a loss.

“2024 Annual Report,” March 20, 2025, <https://www.fdic.gov/financial-reports/2024-annual-report-full-report>.

⁵ *Id.*

⁶ Federal Deposit Insurance Corporation. FDIC’s Supervision of Signature Bank. (April 2023), <https://www.fdic.gov/sites/default/files/2024-03/pr23033a.pdf>.

⁷ FDIC Office of Inspector General. Top Management and Performance Challenges Facing the Federal Deposit Insurance Corporation. (February 2024), <https://www.fdic.gov/reports-publications/top-management-and-performance-challenges/2023-top-management-and-performance>; FDIC Office of Inspector General. Top Management and Performance Challenges Facing the Federal Deposit Insurance Corporation. (March 2025), <https://www.fdic.gov/reports-publications/top-management-and-performance-challenges/2024-top-management-and-performance>.

⁸ Ranking Member Elizabeth Warren, “Senator Warren Statement on Securing Watchdog Probe into Impacts of FDIC’s Rescinding of More than 200 Bank Examiner Job Offers,” February 20, 2025, <https://www.banking.senate.gov/newsroom/minority/senator-warren-statement-on-securing-watchdog-probe-into-impacts-of-fdics-rescinding-of-more-than-200-bank-examiner-job-offers>.

⁹ American Banker, “FDIC cutting 1,250 staffers across 'most' departments,” Ebrima Santos Sanneh, April 21, 2025, <https://www.americanbanker.com/news/fdic-firing-1-250-staffers-across-most-departments>.

Perhaps even more troubling than severe staff reductions is the direct access DOGE now has to the agency and potentially its systems. DOGE has been accused of mishandling sensitive data on several occasions.¹⁰ The FDIC has access to highly sensitive confidential supervisory and investigative information on every insured bank in the country, including the list of banks on the FDIC's "Problem Bank List." The careless disclosure of this information could have serious consequences for the safety and soundness of banks, and the misappropriation of this information could permanently undermine the credibility of the FDIC. Meanwhile, DOGE may gain access to the DIF, a \$137 billion fund used to guarantee insured deposits, which would raise serious concerns about mismanagement or misappropriation of funds. Furthermore, the FDIC maintains a range of systems used to manage bank failures and meet insurance obligations to depositors. Manipulating these systems could hinder the FDIC's ability to execute these statutory mandates and undermine the public's confidence in both the agency and the banking system.

The Senate confirmed you as Vice Chairman of the FDIC, a position independent of the White House, and you assumed the role of Acting Chairman pursuant to the statutory line of succession written by Congress. No one nominated or confirmed DOGE employees or Elon Musk to run the FDIC, and nowhere in the statute does it permit you to cede your statutory authority to Elon Musk or representatives from the White House.

To help us better understand the nature and scope of DOGE's incursion at the FDIC, please answer the following questions and provide the requested documents by May 8, 2025:

1. Please provide the FDIC's Phase 1 and Phase 2 "Agency RIF and Reorganization Plans."
2. Provide the names and titles of any DOGE employees that have been provided access to any of the FDIC's buildings or information technology systems. If any such employees have been onboarded as FDIC employees, please provide names, titles, salaries, and employment classifications.
3. Please list all the data and systems to which DOGE employees have been granted access and any written approvals you or a designee provided to grant DOGE employees such access.
4. Do DOGE employees have access to confidential supervisory or investigative information? If so, please describe the scope and purpose of this access. If not, will you notify Congress if that changes?
5. Do DOGE employees have access to the systems that manage and maintain the Deposit Insurance Fund? If so, please describe the scope and purpose of this access. If not, will you notify Congress if that changes?

¹⁰The Verge, "Democrats demand probe into DOGE's alleged mishandling of personal data," Emma Roth, April 3, 2025, <https://www.theverge.com/news/642645/democrats-ig-probe-doge-marko-elez-personal-data>; NPR, "A whistleblower's disclosure details how DOGE may have taken sensitive labor data," Jenna McLaughlin, April 15, 2025, <https://www.npr.org/2025/04/15/nx-s1-5355896/doge-nlr-elon-musk-spacex-security>.

6. Do DOGE employees have access to any systems or data used in the resolution of failed banks or in determinations of deposit insurance coverage? If so, please describe the scope and purpose of this access. If not, will you notify Congress if that changes?
7. Did all DOGE employees complete the required onboarding processes, including background investigation and system access authorizations, prior to accessing FDIC data or systems?
8. Have DOGE employees transferred any data out of the agency? If so, what data and for what purpose.
9. Are DOGE employees subject to FDIC conflicts of interest policies and cooling off requirements?
10. What internal controls have you implemented to ensure DOGE employees do not have access to any unauthorized data or systems?
11. Please provide all emails between FDIC employees and DOGE employees regarding access to and planned scope of work at the FDIC.
12. Do you have to provide final approval to cancel any contract that DOGE recommends be canceled? Is it appropriate, or lawful, to cancel contracts based on the race, sex, or religious beliefs of the contractor or of senior executives at the contracting company?

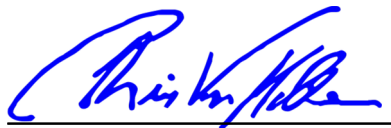
Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



Raphael Warnock
United States Senator



Chris Van Hollen
United States Senator



Lisa Blunt Rochester
United States Senator