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June 21, 2019

Mark Bialek
Inspector General
Board of Governors of the Federal Reserve System and the Consumer Financial Protection
Bureau
20th Street and Constitution Avenue
Mail Stop K-300
Washington, D.C. 20551

Dear General Bialek:

I am writing to request an update on your investigation into the racist writings by Eric Blankenstein, who recently departed from his role as the Policy Associate Director for Supervision, Enforcement and Fair Lending at the Consumer Financial Protection Bureau (CFPB). Last fall, after reports emerged about Mr. Blankenstein's deeply offensive blog posts, you apparently launched an investigation, but the results have not been made public.¹ Though Mr. Blankenstein has since left the CFPB, he has recently been hired at the Department of Housing and Urban Development (HUD). I am eager to see the results of your report, given the impact that a person in Mr. Blankenstein's position could have on the availability of mortgage credit to communities of color.

In 2018, while Mr. Blankenstein was serving as the Policy Associate Director in charge of the division at the CFPB that is responsible for enforcing the country's fair lending laws, reports revealed that Mr. Blankenstein had previously written a blog expressing overtly racist views.² Specifically, among other troubling statements, Mr. Blankenstein used a series of racial slurs, described efforts by the University of Virginia to impose harsher penalties for acts of racial intolerance as "racial idiocy" and described the majority of hate-crimes as "hoaxes."³ Once reports of his racist statements emerged, his colleagues spoke out, often at great risk to their careers. Patrice Ficklin, the senior career official responsible for the Bureau's Fair Lending Office wrote, "[t]he tone and framing [of the blog posts] are deeply disturbing to me as a woman,

¹ The Washington Post, "Trump Appointee, Whose Past Blogs on Race Sparked Backlash, to Join HUD," Renae Merle, June 20, 2019, https://www.washingtonpost.com/business/2019/06/20/trump-appointee-whose-past-blogs-race-sparked-backlash-join-hud/?utm_term=.14bc269b1e64.

² The Washington Post, "Trump Anti-Discrimination Official Once Called Most Hate Crimes Hoaxes," Robert O'Harrow Jr., Shawn Boburg, and Renae Merle, September 26, 2018, https://www.washingtonpost.com/investigations/trump-anti-discrimination-official-once-called-most-hate-crimes-hoaxes/2018/09/26/05438bbe-c0fe-11e8-92f2-ac26fda68341_story.html?utm_term=.b5beb0356761.

³ Two Guys Chatting, "Hate Crimes vs. Crimes," EGB3R (pseudonym for Eric Blankenstein), September 30, 2004, <http://twoguyschatting.blogspot.com/2004/09/hate-crimes-vs-crimes.html>.

African American, advocate for LGBTQ rights, and human being,⁴ and suggested that Mr. Blankenstein's views had implications for his decision-making at the agency. Anthony Reardon, National President of the National Treasury Employees Union, which represents CFPB employees, issued a rare statement saying, "That someone with a history of racially derogatory and offensive comments has a leadership position at CFPB reflects poorly on CFPB management and your commitment to fulfilling the mandate of the agency to ensure that discriminatory and predatory lending practices are stopped."⁵ I called for Mr. Blankenstein to be fired and just last month Mr. Blankenstein resigned and left the CFPB.⁶

Following the discovery of Mr. Blankenstein's racist writings in 2018, then-acting director of the CFPB, Mick Mulvaney, referred this matter to the bureau's inspector general for review.⁷ On March 12, 2019, Director Kathleen Kraninger testified to Congress that this investigation was still "ongoing" and that she would follow up with Congress as soon as that changed.⁸ I am requesting an update now on the status of this investigation, or, if it has been completed, a copy of the investigatory report.

To address my concerns on this matter, I ask that you provide answers to the following questions no later than July 5, 2019:

- 1.) What is the status of the investigation conducted by the CFPB's inspector general regarding Mr. Blankenstein and his racist writings? Please provide all documents and information that is available regarding the status and content of this investigation.
- 2.) If the investigation is still ongoing, when can Congress expect to hear back about the investigation's results? Please provide all available information regarding the inspector general's timeline for completing this matter.

⁴ The Washington Post, "Trump Anti-Discrimination Official Faces Rebellion At Agency Over Racially Tinged Blog Posts," Robert O'Harrow Jr., Shawn Boburg, and Renae Merle, September 28, 2018, https://www.washingtonpost.com/investigations/trump-anti-discrimination-official-faces-rebellion-at-agency-over-racially-tinged-blog-posts/2018/09/28/ed5b8e6a-c351-11e8-97a5-ab1e46bb3bc7_story.html?utm_term=.8e7e944de1f8.


⁵ The National Treasury Employees Union, "NTEU Says CFPB Official Unfit for Leadership Post," press release, October 2, 2018, <https://www.nteu.org/media-center/news-releases/2018/10/02/cfpb-letter>.

⁶ The Washington Post, "Trump Appointee, Whose Past Blogs on Race Sparked Backlash, Resigns," Renae Merle, May 15, 2019, https://www.washingtonpost.com/business/2019/05/15/trump-appointee-whose-past-blogs-race-sparked-backlash-resigns/?utm_term=.a755a083d18b.

⁷ American Banker, "CFPB's Inspector General Asked to Probe Questions Over Political Aide's Past Writings," Joe Adler, October 16, 2018, <https://www.americanbanker.com/news/cfpbs-inspector-general-asked-to-probe-questions-over-political-aides-past-writings>.

⁸ Senate Committee on Banking, Housing, and Urban Affairs, "Consumer Financial Protection Oversight," March 12, 2019, <https://www.c-span.org/video/?458733-1/consumer-financial-protection-bureau-director-testifies-senate-banking-committee>.

Sincerely,



Elizabeth Warren
United States Senator