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Subject: Bill text
Date: Thursday, December 08, 2022 4:30:21 PM
Attachments: [Financial Regulators Transparency Act - One Pager Summary \(12.8.22\).docx](#)
[MIR22B34.docx](#)

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Summary of Financial Regulators Transparency Act

Federal Reserve Regional Bank Reforms (Generally All Information)

- Subjects Fed regional banks to FOIA and Federal Records Act (recordkeeping law), as they are not currently subject to these laws.
- Provides all members of Congress the same ability to obtain info from the Fed regional banks that congressional committee chairs currently have to obtain info from other federal agencies.
 - Achieves this by clarifying that Fed regional banks cannot use FOIA to withhold info from any member of Congress. Requires members of Congress to store and handle info with care.
 - However, Fed regional banks will retain authority under FOIA to (1) withhold sensitive info relating to monetary policy, (2) confidential supervisory information (CSI), and (3) personnel and medical files.
 - However, a specified group of Senate Banking and House Financial Services Committee (HFSC) members will have the ability to access CSI and personnel files from the Fed on a committee confidential basis. (These members are the Chairs and Ranking Members of the full committees, two Banking subcommittees, and two HFSC subcommittees).
- Forbids Fed regional banks from withholding info requested by a member of Congress under FOIA on the grounds that the info is privileged pursuant to a common law privilege, such as the deliberative process, attorney-client, or attorney work product privilege.
- Provides that Fed regional banks must prioritize FOIA requests made by a member of Congress.
- Prevents Fed regional banks from charging a member of Congress fees to process his FOIA request.
- Gives a member of Congress who has filed a FOIA request standing to bring a federal lawsuit against Fed regional banks to petition the court to order them to produce any record improperly withheld.

Financial Regulator Reforms (Ethics-Related Information)

- Provides all members of Congress the same ability to obtain ethics-related info from financial regulators that congressional committee chairs currently have to obtain info from the regulators. (The financial regulators are the main Fed, Fed regional banks, CFPB, SEC, FDIC, OCC, NCUA & FHFA).
 - Achieves this by clarifying that financial regulators cannot use FOIA to withhold ethics-related info from any member of Congress. Requires members of Congress to store and handle info with care.
- Forbids financial regulators from withholding info requested by a member of Congress under FOIA on the grounds that the info is privileged pursuant to a common law privilege, such as the deliberative process, attorney-client, or attorney work product privilege.
- Provides that financial regulators must prioritize FOIA requests made by a member of Congress.
- Prevents financial regulators from charging a member of Congress fees to process his FOIA request.
- Gives a member of Congress who has filed a FOIA request standing to bring a federal lawsuit against financial regulators to petition the court to order them to produce any record improperly withheld.

Federal Reserve Inspector General (IG) Reforms

- Makes the Fed IG a presidentially appointed and Senate confirmed position (which it is not now).
- Makes clear the Fed IG does not need the permission of a Fed regional bank in order to conduct

oversight of a Fed regional bank.

DRAFT

Title: To provide greater transparency with respect to the financial regulatory agencies, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Financial Regulators Transparency Act of 2022”.

SEC. 2. TRANSPARENCY OF THE FEDERAL RESERVE BANKS.

The Federal Reserve Act is amended—

- (1) by redesignating sections 30 and 31 as sections 31 and 32, respectively; and
- (2) by inserting after section 29 (12 U.S.C. 504) the following:

“SEC. 30. TRANSPARENCY OF FEDERAL RESERVE BANKS AND BOARD OF GOVERNORS.

“(a) Application of FOIA and the Federal Records Act of 1950 to the Federal Reserve Banks.—

“(1) FOIA.—Each Federal reserve bank shall be considered an agency, as defined in subsection (f) of section 552 of title 5, United States Code (commonly known as the ‘Freedom of Information Act’), for purposes of applying the requirements under that section.

“(2) FEDERAL RECORDS ACT OF 1950.—Each Federal reserve bank shall be considered a Federal agency for purposes of applying the requirements under chapter 31 of title 44, United States Code (commonly known as the ‘Federal Records Act of 1950’).

“(b) Congressional FOIA Requests for Information From Federal Reserve Banks.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘committee confidential basis’, with respect to information, means not publicly disclosing the information, in whole or in part or by way of summary, unless the chair and ranking member of the relevant committee or subcommittee described in subparagraph (C) agree to publicly disclose the information;

“(B) the term ‘confidential supervisory information’ has the meaning given the term in section 261.2(b) of title 12, Code of Federal Regulations, or any successor regulation;

“(C) the term ‘covered Member of Congress’ means—

“(i) the chair and ranking member of the Committee on Banking, Housing, and Urban Affairs of the Senate;

“(ii) the chair and ranking member of the Subcommittee on Economic Policy of the Committee on Banking, Housing, and Urban Affairs of the Senate;

“(iii) the chair and ranking member of the Subcommittee on Financial Institutions and Consumer Protection of the Committee on Banking, Housing, and Urban Affairs of the Senate;

“(iv) the chair and ranking member of the Committee on Financial Services of the House of Representatives;

“(v) the chair and ranking member of the Subcommittee on Consumer Protection and Financial Institutions of the Committee on Financial Services of the House of Representatives; and

“(vi) the chair and ranking member of the Subcommittee on National Security, International Development and Monetary Policy of the Committee on Financial Services of the House of Representatives;

“(D) the term ‘Inspector General’ means the Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection; and

“(E) the term ‘personnel and medical files’—

“(i) means personnel and medical files and similar files that are exempt from disclosure under section 552(b)(6) of title 5, United States Code; and

“(ii) does not include—

“(I) financial disclosure forms; or

“(II) performance, disciplinary, or adverse action information.

“(2) AUTHORITY.—

“(A) IN GENERAL.—Subject to subparagraph (B), section 552 of title 5, United States Code, is not authority for a Federal reserve bank to withhold information from Congress or any Member of Congress.

“(B) RULE OF CONSTRUCTION.—Nothing in subparagraph (A) shall be construed to affect the authority of a Federal reserve bank to withhold from an individual Member of Congress requesting information under section 552 of title 5, United States Code—

“(i) information relating to monetary policy deliberations that is exempt from disclosure under section 552(b)(5) of title 5, United States Code; and

“(ii) except as provided in paragraph (6)—

“(I) confidential supervisory information, as defined in section 261.2(b) of title 12, Code of Federal Regulations, or any successor regulation, that is exempt from disclosure under section 552(b)(8) of title 5, United States Code; and

“(II) personnel and medical files.

“(3) PRIORITY OF REQUESTS FROM MEMBERS OF CONGRESS.—Any request for information from a Federal reserve bank under section 552 of title 5, United States Code,

made by a Member of Congress—

“(A) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(B) shall be processed without charging any fee to the Member of Congress.

“(4) COMMON LAW PRIVILEGES.—Notwithstanding any other provision of law, a Federal reserve bank may not withhold information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(5) MAINTENANCE AND SECURITY OF MATERIALS.—With respect to any materials that are received by or in the possession of a Member of Congress or any staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from a Federal reserve bank, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(A) have responsibility for the maintenance and security of those materials; and

“(B) ensure that—

“(i) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(ii) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Federal reserve bank;

“(iii) a Member of Congress or any staff member of a Member of Congress shall review the materials in a congressional office; and

“(iv) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(6) CONFIDENTIAL SUPERVISORY INFORMATION AND PERSONNEL AND MEDICAL FILES.—

“(A) PROHIBITION.—Notwithstanding subclauses (I) and (II) of paragraph (2)(B)(ii) or any other provision of law, a Federal reserve bank may not withhold information requested by a covered Member of Congress under section 552 of title 5, United States Code, on the basis that the information contains confidential supervisory information or personnel and medical files.

“(B) ACCESS TO INFORMATION.—

“(i) IN GENERAL.—Any covered Member of Congress and any staff member of a covered Member of Congress that receives information that contains confidential supervisory information or personnel and medical files pursuant to a request made under section 552 of title 5, United States Code, from a Federal

reserve bank shall handle that information on a committee confidential basis according to the procedures described in clause (ii).

“(ii) PROCEDURES.—

“(I) MAINTENANCE AND SECURITY OF MATERIALS.—With respect to any materials containing confidential supervisory information or personnel and medical files that is received by or in the possession of a covered Member of Congress or any staff member of a covered Member of Congress under clause (i), the chief clerk of the relevant committee shall—

“(aa) have responsibility for the maintenance and security of those materials; and

“(bb) ensure that—

“(AA) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(BB) the materials do not leave the relevant committee;

“(CC) a covered Member of Congress or any staff member of a covered Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials;

“(DD) photocopying, scanning, or other reproduction of the materials is prohibited; and

“(EE) notes may be taken regarding the materials, but any notes shall be stored in safe of the chief clerk of the relevant committee and such notes shall not be taken or transmitted outside of the offices of the relevant committee.

“(II) ACCESS.—Access to materials containing confidential supervisory information or personnel and medical files supplied to a covered Member of Congress shall be limited to those staff members of the relevant committee or subcommittee with a need-to-know, as determined by the Staff Director and Minority Staff Director of the committee.

“(III) UNAUTHORIZED DISCLOSURE.—Any disclosure of materials containing confidential supervisory information or personnel and medical files without the agreement of the chair and ranking member of the relevant committee or subcommittee of Congress to publicly disclose the information, or other violation of this subparagraph, shall constitute grounds for referral to the Select Committee on Ethics of the Senate or the Committee on Ethics of the House of Representatives, as applicable.

“(7) STANDING.—Any Member of Congress who makes a request for information from a Federal reserve bank under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Federal reserve

bank from withholding records of the Federal reserve bank and to order the production of any records of the Federal reserve bank improperly withheld from the Member of Congress in the same manner as any other person under that section.

“(c) Congressional FOIA Requests for Ethics-related Information From the Board of Governors and the Federal Reserve Banks.—

“(1) ETHICS-RELATED INFORMATION DEFINED.—

“(A) IN GENERAL.—Subject to subparagraph (B), in this subsection, the term ‘ethics-related information’ means any record documenting or relating to—

“(i) the activities of the ethics program of the Board or a Federal reserve bank;

“(ii) financial disclosure reports and related records;

“(iii) ethics agreements and related records;

“(iv) outside employment and activity of officers and employees of the Board or a Federal reserve bank;

“(v) referrals of violations of criminal conflict of interest statutes;

“(vi) ethics-related disciplinary records or adverse actions;

“(vii) ethics-related investigations, inquiries, or reviews;

“(viii) ethics-related materials, including ethics determinations issued by, ethics advice issued by, ethics consultation engaged in, and ethics training records of the Board or a Federal reserve bank; and

“(ix) any other ethics-related policies, procedures, practices, or program records of the Board or a Federal reserve bank, including—

“(I) any record relating to—

“(aa) ethics policies, procedures, practices, or program implementation, interpretation, counseling, management, development, review, or complaints;

“(bb) employee training and education related to any ethics-related policies, procedures, practices, or program;

“(cc) ethics waivers, authorizations, and approvals;

“(dd) non-Federally funded travel;

“(ee) any ethics-related annual questionnaires relating to the ethics program of the Board or a Federal reserve bank; and

“(ff) any other ethics-related policies, procedures, practices, or program of the Board or a Federal reserve bank; and

“(II) any other record described in the document entitled, ‘General Records Schedule 2.8: Employee Ethics Records’ published in September 2016 by the National Archives and Records Administration, or any successor document.

“(B) EXCLUSION OF CERTAIN ETHICS-RELATED INFORMATION.—Notwithstanding subparagraph (A), a record of advice and counseling provided by an ethics official to an individual officer or employee, except for a record that has operative legal effect such as a waiver, an authorization, an approval, or a determination that alters the ethical obligations of such officer or employee, shall not be included in the definition of the term ‘ethics-related information’ for the purposes of this Act.

“(2) DISCLOSURE OF ETHICS-RELATED INFORMATION TO MEMBERS OF CONGRESS.—

“(A) IN GENERAL.—Section 552 of title 5, United States Code, is not authority for the Board or a Federal reserve bank to withhold ethics-related information from a Member of Congress, including any ethics-related information in a personnel file.

“(B) RULE OF CONSTRUCTION.—No provision of law, including title I of the Ethics in Government Act (5 U.S.C. App.), shall preclude or limit the disclosure of ethics-related information to a Member of Congress under subparagraph (A).

“(3) PRIORITY OF REQUESTS FROM MEMBERS OF CONGRESS.—Any request for ethics-related information from the Board or a Federal reserve bank under section 552 of title 5, United States Code, made by a Member of Congress—

“(A) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(B) shall be processed without charging any fee to the Member of Congress.

“(4) COMMON LAW PRIVILEGES.—Notwithstanding any other provision of law, the Board or a Federal reserve bank may not withhold ethics-related information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(5) MAINTENANCE AND SECURITY OF MATERIALS.—With respect to any materials related to ethics-related information that are received by or in the possession of a Member of Congress or any staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from the Board or a Federal reserve bank, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(A) have responsibility for the maintenance and security of those materials; and

“(B) ensure that—

“(i) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(ii) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Board or the Federal reserve bank, as applicable;

“(iii) a Member of Congress or any staff member of a Member of Congress

shall review the materials in a congressional office; and

“(iv) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(6) STANDING.—Any Member of Congress who makes a request for ethics-related information from the Board or a Federal reserve bank under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Board or the Federal reserve bank, as applicable, from withholding records of the Board or the Federal reserve bank, as applicable, and to order the production of any records of the Board or the Federal reserve bank, as applicable, improperly withheld from the Member of Congress in the same manner as any other person under that section.”.

SEC. 3. CONGRESSIONAL FOIA REQUESTS FOR ETHICS-RELATED INFORMATION FROM OTHER FINANCIAL REGULATORY AGENCIES.

(a) Bureau of Consumer Financial Protection.—Subtitle A of title X of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5491 et seq.) is amended by inserting after section 1016B (12 U.S.C. 5496b) the following:

“SEC. 1016C. CONGRESSIONAL FOIA REQUESTS FOR ETHICS-RELATED INFORMATION FROM THE BUREAU.

“(a) Ethics-related Information Defined.—

“(1) IN GENERAL.—Subject to paragraph (2), in this section, the term ‘ethics-related information’ means any record documenting or relating to—

“(A) the activities of the ethics program of the Bureau;

“(B) financial disclosure reports and related records;

“(C) ethics agreements and related records;

“(D) outside employment and activity of officers and employees of the Bureau;

“(E) referrals of violations of criminal conflict of interest statutes;

“(F) ethics-related disciplinary records or adverse actions;

“(G) ethics-related investigations, inquiries, or reviews;

“(H) ethics-related materials, including ethics determinations issued by, ethics advice issued by, ethics consultation engaged in, and ethics training records of the Bureau; and

“(I) any other ethics-related policies, procedures, practices, or program records of the Bureau, including—

“(i) any record relating to—

“(I) ethics policies, procedures, practices, or program implementation, interpretation, counseling, management, development, review, or complaints;

“(II) employee training and education related to any ethics-related policies, procedures, practices, or program;

“(III) ethics waivers, authorizations, and approvals;

“(IV) non-Federally funded travel;

“(V) any ethics-related annual questionnaires relating to the ethics program of the Bureau; and

“(VI) any other ethics-related policies, procedures, practices, or program of the Bureau; and

“(ii) any other record described in the document entitled, ‘General Records Schedule 2.8: Employee Ethics Records’ published in September 2016 by the National Archives and Records Administration, or any successor document.

“(2) EXCLUSION OF CERTAIN ETHICS-RELATED INFORMATION.—Notwithstanding paragraph (1), a record of advice and counseling provided by an ethics official to an individual officer or employee, except for a record that has operative legal effect such as a waiver, an authorization, an approval, or a determination that alters the ethical obligations of such officer or employee, shall not be included in the definition of the term ‘ethics-related information’ for the purposes of this Act.

“(b) Disclosure of Ethics-related Information to Members of Congress.—

“(1) IN GENERAL.—Section 552 of title 5, United States Code, is not authority for the Bureau to withhold ethics-related information from a Member of Congress, including any ethics-related information in a personnel file.

“(2) RULE OF CONSTRUCTION.—No provision of law, including title I of the Ethics in Government Act (5 U.S.C. App.), shall preclude or limit the disclosure of ethics-related information to a Member of Congress under paragraph (1).

“(c) Priority of Requests From Members of Congress.—Any request for ethics-related information from the Bureau under section 552 of title 5, United States Code, made by a Member of Congress—

“(1) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(2) shall be processed without charging any fee to the Member of Congress.

“(d) Common Law Privileges.—Notwithstanding any other provision of law, the Bureau may not withhold ethics-related information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(e) Maintenance and Security of Materials.—With respect to any materials related to ethics-related information that are received by or in the possession of a Member of Congress or any

staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from the Bureau, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(1) have responsibility for the maintenance and security of those materials; and

“(2) ensure that—

“(A) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(B) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Bureau;

“(C) a Member of Congress or any staff member of a Member of Congress shall review the materials in a congressional office; and

“(D) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(f) Standing.—Any Member of Congress who makes a request for ethics-related information from the Bureau under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Bureau from withholding records of the Bureau and to order the production of any records of the Bureau improperly withheld from the Member of Congress in the same manner as any other person under that section.”.

(b) Federal Deposit Insurance Corporation.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following:

“SEC. 52. CONGRESSIONAL FOIA REQUESTS FOR ETHICS-RELATED INFORMATION FROM THE CORPORATION.

“(a) Ethics-related Information Defined.—

“(1) IN GENERAL.—Subject to paragraph (2), in this section, the term ‘ethics-related information’ means any record documenting or relating to—

“(A) the activities of the ethics program of the Corporation;

“(B) financial disclosure reports and related records;

“(C) ethics agreements and related records;

“(D) outside employment and activity of officers and employees of the Corporation;

“(E) referrals of violations of criminal conflict of interest statutes;

“(F) ethics-related disciplinary records or adverse actions;

“(G) ethics-related investigations, inquiries, or reviews;

“(H) ethics-related materials, including ethics determinations issued by, ethics advice issued by, ethics consultation engaged in, and ethics training records of the Corporation; and

“(I) any other ethics-related policies, procedures, practices, or program records of the Corporation, including—

“(i) any record relating to—

“(I) ethics policies, procedures, practices, or program implementation, interpretation, counseling, management, development, review, or complaints;

“(II) employee training and education related to any ethics-related policies, procedures, practices, or program;

“(III) ethics waivers, authorizations, and approvals;

“(IV) non-Federally funded travel;

“(V) any ethics-related annual questionnaires relating to the ethics program of the Corporation; and

“(VI) any other ethics-related policies, procedures, practices, or program of the Corporation; and

“(ii) any other record described in the document entitled, ‘General Records Schedule 2.8: Employee Ethics Records’ published in September 2016 by the National Archives and Records Administration, or any successor document.

“(2) EXCLUSION OF CERTAIN ETHICS-RELATED INFORMATION.—Notwithstanding paragraph (1), a record of advice and counseling provided by an ethics official to an individual officer or employee, except for a record that has operative legal effect such as a waiver, an authorization, an approval, or a determination that alters the ethical obligations of such officer or employee, shall not be included in the definition of the term ‘ethics-related information’ for the purposes of this Act.

“(b) Disclosure of Ethics-related Information to Members of Congress.—

“(1) IN GENERAL.—Section 552 of title 5, United States Code, is not authority for the Corporation to withhold ethics-related information from a Member of Congress, including any ethics-related information in a personnel file.

“(2) RULE OF CONSTRUCTION.—No provision of law, including title I of the Ethics in Government Act (5 U.S.C. App.), shall preclude or limit the disclosure of ethics-related information to a Member of Congress under paragraph (1).

“(c) Priority of Requests From Members of Congress.—Any request for ethics-related information from the Corporation under section 552 of title 5, United States Code, made by a Member of Congress—

“(1) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(2) shall be processed without charging any fee to the Member of Congress.

“(d) Common Law Privileges.—Notwithstanding any other provision of law, the Corporation may not withhold ethics-related information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(e) Maintenance and Security of Materials.—With respect to any materials related to ethics-related information that are received by or in the possession of a Member of Congress or any staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from the Corporation, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(1) have responsibility for the maintenance and security of those materials; and

“(2) ensure that—

“(A) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(B) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Corporation;

“(C) a Member of Congress or any staff member of a Member of Congress shall review the materials in a congressional office; and

“(D) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(f) Standing.—Any Member of Congress who makes a request for ethics-related information from the Corporation under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Corporation from withholding records of the Corporation and to order the production of any records of the Corporation improperly withheld from the Member of Congress in the same manner as any other person under that section.”.

(c) Securities and Exchange Commission.—The Securities Exchange Act of 1934 (12 U.S.C. 78a et seq.) is amended by inserting after section 4E (12 U.S.C. 78d–5) the following:

“SEC. 4F. CONGRESSIONAL FOIA REQUESTS FOR ETHICS-RELATED INFORMATION FROM THE COMMISSION.

“(a) Ethics-related Information Defined.—

“(1) IN GENERAL.—Subject to paragraph (2), in this section, the term ‘ethics-related information’ means any record documenting or relating to—

- “(A) the activities of the ethics program of the Commission;
- “(B) financial disclosure reports and related records;
- “(C) ethics agreements and related records;
- “(D) outside employment and activity of officers and employees of the Commission;
- “(E) referrals of violations of criminal conflict of interest statutes;
- “(F) ethics-related disciplinary records or adverse actions;
- “(G) ethics-related investigations, inquiries, or reviews;
- “(H) ethics-related materials, including ethics determinations issued by, ethics advice issued by, ethics consultation engaged in, and ethics training records of the Commission; and
- “(I) any other ethics-related policies, procedures, practices, or program records of the Commission, including—
 - “(i) any record relating to—
 - “(I) ethics policies, procedures, practices, or program implementation, interpretation, counseling, management, development, review, or complaints;
 - “(II) employee training and education related to any ethics-related policies, procedures, practices, or program;
 - “(III) ethics waivers, authorizations, and approvals;
 - “(IV) non-Federally funded travel;
 - “(V) any ethics-related annual questionnaires relating to the ethics program of the Commission; and
 - “(VI) any other ethics-related policies, procedures, practices, or program of the Commission; and
 - “(ii) any other record described in the document entitled, ‘General Records Schedule 2.8: Employee Ethics Records’ published in September 2016 by the National Archives and Records Administration, or any successor document.

“(2) EXCLUSION OF CERTAIN ETHICS-RELATED INFORMATION.—Notwithstanding paragraph (1), a record of advice and counseling provided by an ethics official to an individual officer or employee, except for a record that has operative legal effect such as a waiver, an authorization, an approval, or a determination that alters the ethical obligations of such officer or employee, shall not be included in the definition of the term ‘ethics-related information’ for the purposes of this Act.

“(b) Disclosure of Ethics-related Information to Members of Congress.—

“(1) IN GENERAL.—Section 552 of title 5, United States Code, is not authority for the Commission to withhold ethics-related information from a Member of Congress, including any ethics-related information in a personnel file.

“(2) RULE OF CONSTRUCTION.—No provision of law, including title I of the Ethics in

Government Act (5 U.S.C. App.), shall preclude or limit the disclosure of ethics-related information to a Member of Congress under paragraph (1).

“(c) Priority of Requests From Members of Congress.—Any request for ethics-related information from the Commission under section 552 of title 5, United States Code, made by a Member of Congress—

“(1) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(2) shall be processed without charging any fee to the Member of Congress.

“(d) Common Law Privileges.—Notwithstanding any other provision of law, the Commission may not withhold ethics-related information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(e) Maintenance and Security of Materials.—With respect to any materials related to ethics-related information that are received by or in the possession of a Member of Congress or any staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from the Commission, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(1) have responsibility for the maintenance and security of those materials; and

“(2) ensure that—

“(A) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(B) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Commission;

“(C) a Member of Congress or any staff member of a Member of Congress shall review the materials in a congressional office; and

“(D) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(f) Standing.—Any Member of Congress who makes a request for ethics-related information from the Commission under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Commission from withholding records of the Commission and to order the production of any records of the Commission improperly withheld from the Member of Congress in the same manner as any other person under that section.”.

(d) National Credit Union Administration.—Title I of the Federal Credit Union Act (12 U.S.C. 1752 et seq.) is amended by adding at the end the following:

“SEC. 132. CONGRESSIONAL FOIA REQUESTS FOR ETHICS-RELATED INFORMATION FROM THE ADMINISTRATION.

“(a) Ethics-related Information Defined.—

“(1) IN GENERAL.—Subject to paragraph (2), in this section, the term ‘ethics-related information’ means any record documenting or relating to—

“(A) the activities of the ethics program of the Administration;

“(B) financial disclosure reports and related records;

“(C) ethics agreements and related records;

“(D) outside employment and activity of officers and employees of the Administration;

“(E) referrals of violations of criminal conflict of interest statutes;

“(F) ethics-related disciplinary records or adverse actions;

“(G) ethics-related investigations, inquiries, or reviews;

“(H) ethics-related materials, including ethics determinations issued by, ethics advice issued by, ethics consultation engaged in, and ethics training records of the Administration; and

“(I) any other ethics-related policies, procedures, practices, or program records of the Administration, including—

“(i) any record relating to—

“(I) ethics policies, procedures, practices, or program implementation, interpretation, counseling, management, development, review, or complaints;

“(II) employee training and education related to any ethics-related policies, procedures, practices, or program;

“(III) ethics waivers, authorizations, and approvals;

“(IV) non-Federally funded travel;

“(V) any ethics-related annual questionnaires relating to the ethics program of the Administration; and

“(VI) any other ethics-related policies, procedures, practices, or program of the Administration; and

“(ii) any other record described in the document entitled, ‘General Records Schedule 2.8: Employee Ethics Records’ published in September 2016 by the National Archives and Records Administration, or any successor document.

“(2) EXCLUSION OF CERTAIN ETHICS-RELATED INFORMATION.—Notwithstanding paragraph (1), a record of advice and counseling provided by an ethics official to an

individual officer or employee, except for a record that has operative legal effect such as a waiver, an authorization, an approval, or a determination that alters the ethical obligations of such officer or employee, shall not be included in the definition of the term ‘ethics-related information’ for the purposes of this Act.

“(b) Disclosure of Ethics-related Information to Members of Congress.—

“(1) IN GENERAL.—Section 552 of title 5, United States Code, is not authority for the Administration to withhold ethics-related information from a Member of Congress, including any ethics-related information in a personnel file.

“(2) RULE OF CONSTRUCTION.—No provision of law, including title I of the Ethics in Government Act (5 U.S.C. App.), shall preclude or limit the disclosure of ethics-related information to a Member of Congress under paragraph (1).

“(c) Priority of Requests From Members of Congress.—Any request for ethics-related information from the Administration under section 552 of title 5, United States Code, made by a Member of Congress—

“(1) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(2) shall be processed without charging any fee to the Member of Congress.

“(d) Common Law Privileges.—Notwithstanding any other provision of law, the Administration may not withhold ethics-related information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(e) Maintenance and Security of Materials.—With respect to any materials related to ethics-related information that are received by or in the possession of a Member of Congress or any staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from the Administration, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(1) have responsibility for the maintenance and security of those materials; and

“(2) ensure that—

“(A) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(B) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Administration;

“(C) a Member of Congress or any staff member of a Member of Congress shall review the materials in a congressional office; and

“(D) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the

materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(f) Standing.—Any Member of Congress who makes a request for ethics-related information from the Administration under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Administration from withholding records of the Administration and to order the production of any records of the Administration improperly withheld from the Member of Congress in the same manner as any other person under that section.”.

(e) Office of the Comptroller of the Currency.—The Revised Statutes of the United States is amended by inserting after section 333 (12 U.S.C. 14) the following:

“SEC. 334. CONGRESSIONAL FOIA REQUESTS FOR ETHICS-RELATED INFORMATION FROM THE OFFICE OF THE COMPTROLLER OF THE CURRENCY.

“(a) Ethics-related Information Defined.—

“(1) IN GENERAL.—Subject to paragraph (2), in this section, the term ‘ethics-related information’ means any record documenting or relating to—

“(A) the activities of the ethics program of the Office of the Comptroller of the Currency (in this section referred to as the ‘Office’);

“(B) financial disclosure reports and related records;

“(C) ethics agreements and related records;

“(D) outside employment and activity of officers and employees of the Office;

“(E) referrals of violations of criminal conflict of interest statutes;

“(F) ethics-related disciplinary records or adverse actions;

“(G) ethics-related investigations, inquiries, or reviews;

“(H) ethics-related materials, including ethics determinations issued by, ethics advice issued by, ethics consultation engaged in, and ethics training records of the Office; and

“(I) any other ethics-related policies, procedures, practices, or program records of the Office, including—

“(i) any record relating to—

“(I) ethics policies, procedures, practices, or program implementation, interpretation, counseling, management, development, review, or complaints;

“(II) employee training and education related to any ethics-related policies, procedures, practices, or program;

“(III) ethics waivers, authorizations, and approvals;

“(IV) non-Federally funded travel;

“(V) any ethics-related annual questionnaires relating to the ethics program of the Office; and

“(VI) any other ethics-related policies, procedures, practices, or program of the Office; and

“(ii) any other record described in the document entitled, ‘General Records Schedule 2.8: Employee Ethics Records’ published in September 2016 by the National Archives and Records Administration, or any successor document.

“(2) EXCLUSION OF CERTAIN ETHICS-RELATED INFORMATION.—Notwithstanding paragraph (1), a record of advice and counseling provided by an ethics official to an individual officer or employee, except for a record that has operative legal effect such as a waiver, an authorization, an approval, or a determination that alters the ethical obligations of such officer or employee, shall not be included in the definition of the term ‘ethics-related information’ for the purposes of this Act.

“(b) Disclosure of Ethics-related Information to Members of Congress.—

“(1) IN GENERAL.—Section 552 of title 5, United States Code, is not authority for the Office to withhold ethics-related information from a Member of Congress, including any ethics-related information in a personnel file.

“(2) RULE OF CONSTRUCTION.—No provision of law, including title I of the Ethics in Government Act (5 U.S.C. App.), shall preclude or limit the disclosure of ethics-related information to a Member of Congress under paragraph (1).

“(c) Priority of Requests From Members of Congress.—Any request for ethics-related information from the Office under section 552 of title 5, United States Code, made by a Member of Congress—

“(1) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(2) shall be processed without charging any fee to the Member of Congress.

“(d) Common Law Privileges.—Notwithstanding any other provision of law, the Office may not withhold ethics-related information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(e) Maintenance and Security of Materials.—With respect to any materials related to ethics-related information that are received by or in the possession of a Member of Congress or any staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from the Office, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(1) have responsibility for the maintenance and security of those materials; and

“(2) ensure that—

“(A) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(B) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Office;

“(C) a Member of Congress or any staff member of a Member of Congress shall review the materials in a congressional office; and

“(D) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(f) Standing.—Any Member of Congress who makes a request for ethics-related information from the Office under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Office from withholding records of the Office and to order the production of any records of the Office improperly withheld from the Member of Congress in the same manner as any other person under that section.”.

(f) Federal Housing Finance Agency.—Part 1 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4511 et seq.) is amended by adding at the end the following:

“SEC. 1319H. CONGRESSIONAL FOIA REQUESTS FOR ETHICS-RELATED INFORMATION FROM THE AGENCY.

“(a) Ethics-related Information Defined.—

“(1) IN GENERAL.—Subject to paragraph (2), in this section, the term ‘ethics-related information’ means any record documenting or relating to—

“(A) the activities of the ethics program of the Agency;

“(B) financial disclosure reports and related records;

“(C) ethics agreements and related records;

“(D) outside employment and activity of officers and employees of the Agency;

“(E) referrals of violations of criminal conflict of interest statutes;

“(F) ethics-related disciplinary records or adverse actions;

“(G) ethics-related investigations, inquiries, or reviews;

“(H) ethics-related materials, including ethics determinations issued by, ethics advice issued by, ethics consultation engaged in, and ethics training records of the Agency; and

“(I) any other ethics-related policies, procedures, practices, or program records of the Agency, including—

“(i) any record relating to—

“(I) ethics policies, procedures, practices, or program implementation, interpretation, counseling, management, development, review, or complaints;

“(II) employee training and education related to any ethics-related policies, procedures, practices, or program;

“(III) ethics waivers, authorizations, and approvals;

“(IV) non-Federally funded travel;

“(V) any ethics-related annual questionnaires relating to the ethics program of the Agency; and

“(VI) any other ethics-related policies, procedures, practices, or program of the Agency; and

“(ii) any other record described in the document entitled, ‘General Records Schedule 2.8: Employee Ethics Records’ published in September 2016 by the National Archives and Records Administration, or any successor document.

“(2) EXCLUSION OF CERTAIN ETHICS-RELATED INFORMATION.—Notwithstanding paragraph (1), a record of advice and counseling provided by an ethics official to an individual officer or employee, except for a record that has operative legal effect such as a waiver, an authorization, an approval, or a determination that alters the ethical obligations of such officer or employee, shall not be included in the definition of the term ‘ethics-related information’ for the purposes of this Act.

“(b) Disclosure of Ethics-related Information to Members of Congress.—

“(1) IN GENERAL.—Section 552 of title 5, United States Code, is not authority for the Agency to withhold ethics-related information from a Member of Congress, including any ethics-related information in a personnel file.

“(2) RULE OF CONSTRUCTION.—No provision of law, including title I of the Ethics in Government Act (5 U.S.C. App.), shall preclude or limit the disclosure of ethics-related information to a Member of Congress under paragraph (1).

“(c) Priority of Requests From Members of Congress.—Any request for ethics-related information from the Agency under section 552 of title 5, United States Code, made by a Member of Congress—

“(1) shall be prioritized ahead of requests for information made by persons other than Members of Congress; and

“(2) shall be processed without charging any fee to the Member of Congress.

“(d) Common Law Privileges.—Notwithstanding any other provision of law, the Agency may not withhold ethics-related information requested by a Member of Congress under section 552 of title 5, United States Code, on the basis that the information is privileged pursuant to a common law privilege, such as the deliberative process privilege, attorney-client privilege, or attorney work product privilege.

“(e) Maintenance and Security of Materials.—With respect to any materials related to ethics-related information that are received by or in the possession of a Member of Congress or any

staff member of a Member of Congress in response to a request made by a Member of Congress under section 552 of title 5, United States Code, from the Agency, the chief clerk of the Committee on Banking, Housing, and Urban Affairs of the Senate, with respect to the Senate, and the chief clerk of the Committee on Financial Services of the House of Representatives, with respect to the House of Representatives, shall—

“(1) have responsibility for the maintenance and security of those materials; and

“(2) ensure that—

“(A) the materials are stored in a safe with a combination lock by the chief clerk of the relevant committee in the offices of the relevant committee;

“(B) the materials do not leave the relevant committee, except for a Member of Congress or any staff member of a Member of Congress to review the materials in a congressional office or to return the materials to the Agency;

“(C) a Member of Congress or any staff member of a Member of Congress shall review the materials in a congressional office; and

“(D) a Member of Congress or any staff member of a Member of Congress shall keep the materials in their physical custody when reviewing them and keep the materials in the safe of the chief clerk of the relevant committee when not reviewing the materials.

“(f) Standing.—Any Member of Congress who makes a request for ethics-related information from the Agency under section 552 of title 5, United States Code, has standing to file in the appropriate district court of the United States an action to enjoin the Agency from withholding records of the Agency and to order the production of any records of the Agency improperly withheld from the Member of Congress in the same manner as any other person under that section.”.

SEC. 4. PRESIDENTIAL APPOINTMENT OF INSPECTOR GENERAL OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM AND THE BUREAU OF CONSUMER FINANCIAL PROTECTION.

(a) Amendments to the Inspector General Act of 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 8G—

(A) in subsection (a)(2), by striking “the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection,”;

(B) in subsection (c), by striking the third and fourth sentences; and

(C) in subsection (g)—

(i) by striking paragraph (3); and

(ii) by redesignating paragraph (4) as paragraph (3);

(2) in section 8J, by striking “or 8N” and inserting “8K, or 8N”;

(3) by inserting after section 8J the following:

“8K. Special provisions concerning the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection

“(a) In General.—The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall have all of the authorities and responsibilities provided by this Act—

“(1) with respect to the Bureau of Consumer Financial Protection, as if the Bureau were part of the Board of Governors of the Federal Reserve System; and

“(2) with respect to a Federal reserve bank without the permission of the Federal reserve bank.

“(b) Relationship to Department of Treasury.—The provisions of subsection (a) of section 8D (other than the provisions of subparagraphs (A), (B), (C), and (E) of subsection (a)(1)) shall apply to the Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection and the Chairman of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply to the Inspector General of the Department of the Treasury and the Secretary of the Treasury, respectively.”; and

(4) in section 12—

(A) in paragraph (1), by inserting “the Chairman of the Board of Governors of the Federal Reserve System;” after “National Security Agency;” and

(B) in paragraph (2), by inserting “the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection,” after “National Security Agency,”.

From: [Jennifer Gallagher](#)
To: [Grantz, Brad \(Banking\)](#)
Cc: [Sullivan, Dan \(Banking\)](#)
Subject: RE: Bill text
Date: Thursday, December 08, 2022 4:44:09 PM

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I think we have different concepts of enjoyment.

Duplicate



FOR IMMEDIATE RELEASE

December 9, 2022

Contact: Alex Sarabia, 202-224-2292

Warren, Toomey Unveil Bipartisan Legislation to Advance Federal Reserve Accountability, Ensure Financial Regulators Provide Ethics Information to Congress

The *Financial Regulators Transparency Act* would subject regional Federal Reserve Banks to FOIA, require financial regulators to provide ethics-related information to Congress, and make the Fed IG a Senate-confirmed position.

[Bill Text \(PDF\)](#) | [One Pager \(PDF\)](#)

Washington, D.C. — United States Senators Elizabeth Warren (D-Mass.) and Pat Toomey (R-Pa.), ranking member of the Senate Banking Committee, announced the bipartisan *Financial Regulators Transparency Act*, legislation that would strengthen Federal Reserve accountability and ensure that no financial regulator can withhold critical ethics-related information from Congress. The bill would subject the regional Federal Reserve Banks to the Freedom of Information Act (FOIA) and ensure their responsiveness to congressional information requests; align the Fed with other large agencies by making its Inspector General a presidential appointee; and prohibit all financial regulatory agencies from denying congressional requests for ethics-related information. Together, these reforms would strengthen congressional oversight of the Fed and other financial regulatory agencies.

“During the largest ethics scandal in the history of the Federal Reserve system, Fed officials have stonewalled the American people and slow-walked their representatives in Congress,” **said Senator Elizabeth Warren**. “This bipartisan bill is a necessary response to ensure that no financial regulators can ignore congressional oversight into ethics failures, and finally deliver more transparency and accountability for any wrongdoing.”

“The Fed and regional Fed banks, despite being creatures of Congress, obstruct congressional oversight inquiries all too often,” **said Senator Pat Toomey**. “In light of this persistent refusal to comply with reasonable requests for information from both Republicans and Democrats, I’m glad to join with Senator Warren in pursuing reforms that will compel these public institutions to be more transparent and accountable to the American people.”

Specifically, the *Financial Regulators Transparency Act* would strengthen transparency and accountability at the Fed and other financial regulatory agencies through three categories of reforms:

Federal Reserve Regional Bank Reforms

- Subjects the regional Federal Reserve Banks to FOIA and Federal Records Act (recordkeeping law), as they are not currently subject to these laws.
- Provides all members of Congress the same ability to obtain information from the Fed regional banks that congressional committee chairs currently have to obtain info from other federal agencies, with some exceptions.
- Forbids Fed regional banks from withholding info requested by a member of Congress under FOIA on the grounds that the info is privileged pursuant to a common law privilege.
- Provides that Fed regional banks must prioritize FOIA requests made by a member of Congress.
- Prevents Fed regional banks from charging a member of Congress fees to process their FOIA request.
- Gives a member of Congress who has filed a FOIA request standing to bring a federal lawsuit against Fed regional banks to petition the court to order them to produce any record improperly withheld.

Financial Regulator Reforms

- Provides all members of Congress the same ability to obtain **ethics-related information** from financial regulators that congressional committee chairs currently have to obtain information from the financial regulators: the Fed Board and Reserve Banks, CFPB, SEC, FDIC, OCC, NCUA, and FHFA.

- Forbids financial regulators from withholding info requested by a member of Congress under FOIA on the grounds that the info is privileged pursuant to a common law privilege.
- Provides that financial regulators must prioritize FOIA requests made by a member of Congress.
- Prevents financial regulators from charging a member of Congress fees to process their FOIA request.
- Gives a member of Congress who has filed a FOIA request standing to bring a federal lawsuit against financial regulators to petition the court to order them to produce any record improperly withheld.

Federal Reserve Inspector General (IG) Reforms

- Makes the Fed IG a presidentially appointed and Senate-confirmed position.
- Clarifies that the Fed IG does not need the permission of a Fed regional bank in order to conduct oversight of a Fed regional bank.

Senator Warren has long championed stronger ethics rules that prohibit government officials from holding or trading stock that may be influenced by their agency, department, or actions:

- Senator Warren has previously sent letters to Chair Powell on November 7, 2022, August 11, 2022, January 10, 2022, December 7, 2021, and October 21, 2021, and requested that the Fed publicly release additional information about its trading scandal, but the Fed has failed to adequately respond.
- In October 2022, Senator Warren called out Atlanta Fed President Raphael Bostic for his “alarming failure” to disclose financial transactions, which speaks to “further evidence of the depth of the ethics problem at the Fed.”
- In May 2022, at a hearing of the Senate Banking, Housing, and Urban Affairs (BHUA) Committee, Senator Warren announced that she had secured strong ethics commitments from Michael Barr, President Biden’s nominee to be Federal Reserve Vice Chair for Supervision. Barr confirmed that he would not seek employment or compensation – including as a result of board service – from any company that has a matter before the Fed, or any financial services company, for four years after he leaves government service.
- In March of this year, she also submitted three questions for the record (QFR) to Chair Powell following up on her previous requests. She submitted an additional QFR in June of this year asking that Chair Powell comment on a report that the Fed had not released updated financial disclosures for the former Reserve Bank presidents whose trading activity triggered the ethics scandal.
- In February 2022, Senator Warren secured significant ethics commitments from several Fed Board nominees, including: Dr. Lael Brainard, nominee to serve as Vice Chair on the Federal Reserve Board, Sarah Bloom Raskin, nominee to serve as Vice Chair for Supervision on the Federal Reserve Board of Governors, and Drs. Lisa Cook and Philip Jefferson, nominees to serve as members of the Board of Governors. Bloom Raskin, Cook, and Jefferson agreed to a four year recusal period from matters which they oversee on the Board of Governors, not to seek a waiver from these recusals, and not to seek employment or compensation from financial services companies for four years after leaving government service. In May 2022, Senator Warren also secured these commitments from Michael Barr, who was ultimately confirmed as Fed Vice Chair for Supervision.
- As the ethics scandals involving top level Fed officials unfolded in September and October of 2021, Senator Warren called out the culture of corruption at the Fed and raised deep concerns over conflicts of interests that have undermined public confidence in the Federal Reserve System.
- In October 2021, she called on the SEC to investigate the extent of trading activity by high-level Federal Reserve officials and possible ethics violations.
- In September 2021, Senator Warren urged Regional Fed leaders to follow the robust and comprehensive ethics guidelines in her Anti-Corruption and Public Integrity Act.

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To: "Jenn Gallagher" <jennifer.c.gallagher@frb.gov>
From: "Sullivan, Dan \ (Banking\)" <Dan_Sullivan@banking.senate.gov>
Subject: Fwd: Release: Toomey, Warren Unveil Bipartisan Legislation to Advance Federal Reserve Accountability, Ensure Financial Regulators Provide Ethics Information to Congress
Cc: "Grantz, Brad \ (Banking\)" <Brad_Grantz@banking.senate.gov>
Sent: Fri, 9 Dec 2022 16:32:29 +0000

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Jenn
Here is link to public version of bill (it's same text as what Brad sent yesterday, just in pdf format)

To read the full text of the bill, [click here](#).

Sorry for delay. Have been in meeting for past hour and just back on email

Dan

Sent from my iPhone

Begin forwarded message:

From: "DiGravio, John (Banking)" <John_DiGravio@banking.senate.gov>
Date: December 9, 2022 at 10:40:20 AM EST
To: "DiGravio, John (Banking)" <John_DiGravio@banking.senate.gov>
Subject: **Release: Toomey, Warren Unveil Bipartisan Legislation to Advance Federal Reserve Accountability, Ensure Financial Regulators Provide Ethics Information to Congress**



For Immediate Release: December 9, 2022

Contact: [John DiGravio](#), (b)(6)

Toomey, Warren Unveil Bipartisan Legislation to Advance Federal Reserve Accountability, Ensure Financial Regulators Provide Ethics Information to Congress

Financial Regulators Transparency Act would subject regional Federal Reserve Banks to FOIA, require financial regulators to provide ethics-related information to Congress, and make the Fed IG a Senate-confirmed position

Washington, D.C. – United States Senators Elizabeth Warren (D-Mass.) and Pat Toomey (R-Pa.), Ranking Member of the Senate Banking Committee, announced the bipartisan **Financial Regulators Transparency Act**, legislation that would strengthen Federal Reserve accountability and ensure that no financial regulator can withhold critical ethics-related information from Congress. The bill would subject the regional Federal Reserve Banks to the Freedom of Information Act (FOIA) and ensure their responsiveness to congressional information requests; align the Fed with other large agencies by making its Inspector General a presidential appointee; and prohibit all financial regulatory agencies from denying congressional requests for ethics-related information. Together, these reforms would strengthen congressional oversight of the Fed and other financial regulatory agencies.

“The Fed and regional Fed banks, despite being creatures of Congress, obstruct congressional oversight inquiries all too often,” said Senator Pat Toomey. **“In light of this persistent refusal to comply with reasonable requests for information from both Republicans and Democrats, I’m glad to join with Senator Warren in pursuing reforms that will compel these public institutions to be more transparent and accountable to the American people.”**

“During the largest ethics scandal in the history of the Federal Reserve system, Fed officials have stonewalled the American people and slow-walked their representatives in Congress,” said Senator Elizabeth Warren. **“This bipartisan bill is a necessary response to ensure that no financial regulators can ignore congressional oversight into ethics failures, and finally deliver more transparency and accountability for any wrongdoing.”**

To read the full text of the bill, [click here](#). To read a one page summary of the bill, [click here](#).

Specifically, the Financial Regulators Transparency Act would strengthen transparency and accountability at the Fed and other financial regulatory agencies through three categories of reforms:

Federal Reserve Regional Bank Reforms

- Subjects the regional Federal Reserve Banks to FOIA and Federal Records Act (recordkeeping law), as they are not currently subject to these laws.
- Provides all members of Congress the same ability to obtain information from the Fed regional banks that congressional committee chairs currently have to obtain info from other federal agencies, with some exceptions.
- Forbids Fed regional banks from withholding info requested by a member of Congress under FOIA on the grounds that the info is privileged pursuant to a common law privilege.
- Provides that Fed regional banks must prioritize FOIA requests made by a member of Congress.
- Prevents Fed regional banks from charging a member of Congress fees to process their FOIA request.

- Gives a member of Congress who has filed a FOIA request standing to bring a federal lawsuit against Fed regional banks to petition the court to order them to produce any record improperly withheld.

Financial Regulator Reforms

- Provides all members of Congress the same ability to obtain ethics-related information from financial regulators that congressional committee chairs currently have to obtain information from the financial regulators: the Fed Board and Reserve Banks, CFPB, SEC, FDIC, OCC, NCUA, and FHFA.
- Forbids financial regulators from withholding info requested by a member of Congress under FOIA on the grounds that the info is privileged pursuant to a common law privilege.
- Provides that financial regulators must prioritize FOIA requests made by a member of Congress.
- Prevents financial regulators from charging a member of Congress fees to process their FOIA request.
- Gives a member of Congress who has filed a FOIA request standing to bring a federal lawsuit against financial regulators to petition the court to order them to produce any record improperly withheld.

Federal Reserve Inspector General (IG) Reforms

- Makes the Fed IG a presidentially appointed and Senate-confirmed position.
- Clarifies that the Fed IG does not need the permission of a Fed regional bank in order to conduct oversight of a Fed regional bank.

For over 18 months, Ranking Member Toomey's efforts to oversee the Federal Reserve System, including the Fed's process for awarding master accounts and Fed regional banks' political activities, have been repeatedly stonewalled:

Fed Regional Banks Have Stonewalled Congressional Oversight of Fed Master Accounts

In January 2022, after President Biden nominated former Fed Governor Sarah Bloom Raskin to serve as the Federal Reserve's Vice Chair for Supervision, the Committee discovered Ms. Raskin's involvement in helping a non-bank financial technology (fintech) company, Reserve Trust, obtain access to the Fed's special payment system, a master account.

- **February 1, 2022** – Ranking Member Toomey sent a letter to the Kansas City Fed requesting information pertaining to its approval of Reserve Trust's application for a Fed master account.
- **February 11, 2022** – Senator Toomey sent a follow up letter after the Kansas City Fed refused to turn over documents and information that would corroborate its February 7th statement claiming the decision to reverse its denial of Reserve Trust's

application was because “[Reserve Trust had] changed its business model and the Colorado Division of Banking reinterpreted the state’s law.”

- **February 15, 2022** – The Colorado Division of Banking disputed the Kansas City Fed’s prior claim that “the Colorado Division of Banking reinterpreted the state’s law in a manner that meant [Reserve Trust] met the definition of a depository institution.” In a **statement to the press**, the Colorado Division of Banking said the Kansas City Fed’s claim was a “misrepresentation” of its role.
- **June 8, 2022** – Ranking Member Toomey sent a **letter** to the Kansas City Fed requesting a briefing and documents after learning that the Kansas City Fed had recently revoked Reserve Trust’s master account.
- **June 16, 2022** – Kansas City Fed President Esther George **wrote** to Ranking Member Toomey claiming that the Kansas City Fed can’t provide any information regarding the revocation of Reserve Trust’s master account because it’s confidential supervisory information (CSI). Yet Ms. George told Ranking Member Toomey on a February 7th phone call that this information was not CSI because the Kansas City Fed is not a supervisor for Reserve Trust.
- **June 16, 2022** – Kansas City Fed President Esther George responded by **again refusing** to turn over information to the Banking Committee.
- **June 28, 2022** – Senators Toomey, Tim Scott (R-S.C.), Thom Tillis (R-N.C.), and Cynthia Lummis (R-Wyo.) sent a **letter** blasting the Kansas City Fed for yet again refusing to turn over information to the Committee.
- **July 29, 2022** – In response to a Freedom of Information Act (FOIA) request by the American Accountability Foundation, the Fed **revealed** that it has records relating to Ms. Raskin and Reserve Trust.
- **August 9, 2022** – Banking Committee Republicans sent a **letter** to the Fed criticizing it for failing to turn over these records relating to Ms. Raskin and Reserve Trust to the Banking Committee, or notify senators that they exist, even though they specifically requested them in February 2022.

To this day, the Kansas City Fed has refused to turn over a single document regarding Reserve Trust’s master account application.

Fed Board of Governors Have Stonewalled Congressional Oversight of Fed Master Accounts

- In August 2022, it was **revealed** that the Board of Governors does in fact have documents related to former Fed Governor Sarah Bloom Raskin’s involvement in helping secure a Fed master account for Reserve Trust.
- **According to Bloomberg**, on July 29, the Board of Governors responded to a Freedom of Information Act (FOIA) request by the American Accountability Foundation (AAF) and revealed that it has records relating to Ms. Raskin and Reserve Trust.

- After learning this information, Committee Republicans sent a letter blasting the Fed for refusing to notify the Committee that they were in possession of documents that Committee Republicans specifically requested six months ago.

Fed Regional Banks Have Stonewalled Congressional Oversight of Woke Political Activity

- **March 29, 2021** – Ranking Member Toomey opened an investigation into the recent shift by regional banks of the Federal Reserve System toward publishing politically-charged research on ESG topics like global warming and racial justice. In a letter to the San Francisco Fed, Senator Toomey requested a briefing and documents no later than April 9, 2021.
- **May 24, 2021** – Ranking Member Toomey expanded this investigation, requesting briefings and documents from the Minneapolis, Boston and Atlanta regional Fed banks by June 7, 2021 pertaining to their recent, intense interest in racial justice activism.
- **June 30, 2021** – Ranking Member Toomey blasted the San Francisco, Minneapolis, Atlanta, and Boston regional banks for refusing to comply with congressional oversight requests for documents pertaining to the banks' mission creep.

###

John J. DiGravio

Press Assistant

U.S. Senate Banking Committee

Ranking Member Pat Toomey

(b)(6)

To: "Sean Campbell" (b)(6)
From: "Norah Barger" <norah.barger@frb.gov>
Subject: RE: BCBS: What we did in 2022
Sent: Fri, 9 Dec 2022 17:25:25 +0000

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On top of which there was a tweet today from Craig Torres (got it through text and don't know how to link here) saying Warren and Toomey are introducing legislation to subject RBs to FOIA....

From: Sean Campbell (b)(6)
Sent: Friday, December 09, 2022 12:23 PM
To: Norah Barger <norah.barger@frb.gov>
Subject: RE: BCBS: What we did in 2022

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I am sure there is more than little grumbling within the hallowed halls of the Federal reserve today!

Sean

From: Norah Barger <norah.barger@frb.gov>
Sent: Friday, December 9, 2022 10:34 AM
To: Sean Campbell (b)(6)
Subject: RE: BCBS: What we did in 2022

The Cox cascade begins....

TOP NEWS IN BANKING & FINANCIAL SERVICES

* U.S. Sens. Elizabeth Warren, D.-Mass., and Tina Smith, D.-Minn., are seeking from the Federal Reserve an accounting of banks' ties with the cryptocurrency sector and how the agency assesses the risks associated with these links to the entire banking system. In a Dec. 7 letter to Fed Chair Jerome Powell that Warren's office made public, the senators said the sudden collapse of crypto exchange giant FTX Trading Ltd. may be more integrated into the banking system than regulators are aware of.

From: Sean Campbell (b)(6)
Sent: Thursday, December 08, 2022 7:12 PM
To: Norah Barger <norah.barger@frb.gov>
Subject: RE: BCBS: What we did in 2022

(b)(6)

Ill ping you next Friday about catching up. Safe travels!

Sean

From: Norah Barger <norah.barger@frb.gov>

Sent: Thursday, December 8, 2022 6:41 PM

To: Sean Campbell (b)(6)

Subject: RE: BCBS: What we did in 2022

I have to credit (b)(6) (not sure if you know him) for going through the entire 12 pages and not finding the GSIB surcharge revision.

(b)(6)

By the way, in the vein of keeping you up to date on the latest hits we are taking, here is one from Katie Cox:

<https://www.americanbanker.com/opinion/feds-crypto-rules-invite-dangerous-experimentation>

(b)(6)

From: Sean Campbell (b)(6)

Sent: Thursday, December 08, 2022 6:34 PM

To: Norah Barger <norah.barger@frb.gov>

Subject: RE: BCBS: What we did in 2022

Hmm.....

Let me think.....

Lowering capital standards for French GSIBs perhaps?

I hope you are well and will get some time for R&R over the holidays. Let me know if you would like to catchup next week at some point. As always, I'd love to.

Best,

Sean

(b)(6)

From: Norah Barger <norah.barger@frb.gov>

Sent: Thursday, December 8, 2022 5:50 PM

To: Sean Campbell (b)(6)

Subject: BCBS: What we did in 2022

Sean,

Twelve pages of what they did during the year and guess what is *not* mentioned despite being far more impactful than most anything else discussed?

<https://www.bis.org/speeches/sp221208.pdf>

Norah

From: "Norah Barger" <norah.barger@frb.gov>
To: "Sean Campbell" (b)(6)
Subject: RE: Warren, Toomey team up on bill to beef up Fed oversight
Sent: Fri, 9 Dec 2022 17:32:43 +0000

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Unfortunately for us, bashing the Fed is a bipartisan sport!

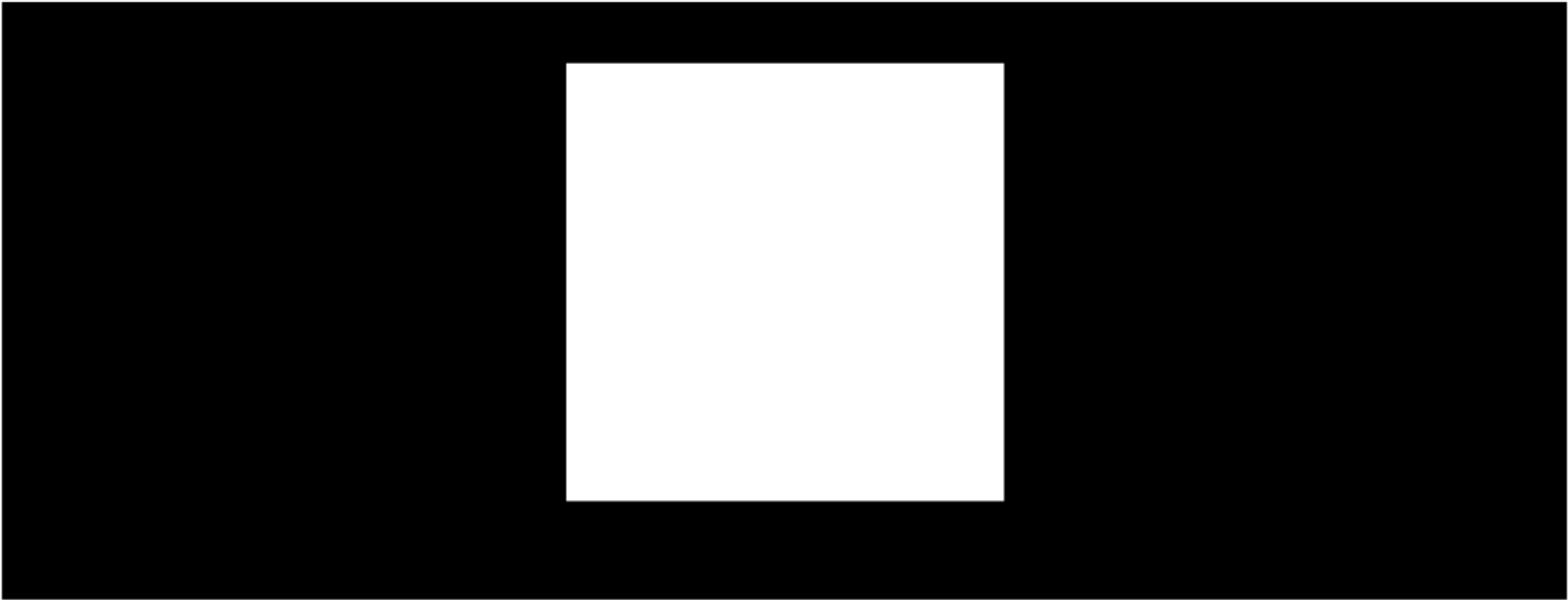
From: Sean Campbell (b)(6)
Sent: Friday, December 09, 2022 12:31 PM
To: Norah Barger <norah.barger@frb.gov>
Subject: FW: Warren, Toomey team up on bill to beef up Fed oversight

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Here is the Politico piece on Warren/Toomey legislation. I think it is safe to say that you know you have made a misstep when both Warren and Toomey agree that you have screwed up!

Sean

From: POLITICO Pro Financial Services <alert@email.politicopro.com>
Sent: Friday, December 9, 2022 11:33 AM
To: Sean Campbell (b)(6)
Subject: Warren, Toomey team up on bill to beef up Fed oversight



Warren, Toomey team up on bill to beef up Fed oversight

BY VICTORIA GUIDA | 12/09/2022 11:31 AM EST

Sens. [Elizabeth Warren](#) (D-Mass.) and [Pat Toomey](#) (R-Pa.) are teaming up on bipartisan legislation aimed at making it harder for the Federal Reserve to withhold documents that lawmakers request for oversight.

FOIA 2023-147 000045

Under the new draft bill, all the Fed's regional branches —which are quasi-private

institutions — would be subject to the Freedom of Information Act and unable to deny access to information to any lawmaker. There are exceptions for sensitive matters related to monetary policy decisions, confidential supervisory information and certain personal data.

The Fed's inspector general would also become a presidentially appointed and Senate-confirmed position.

"During the largest ethics scandal in the history of the Federal Reserve system, Fed officials have stonewalled the American people and slow-walked their representatives in Congress," Warren said in a press release.

"The Fed and regional Fed banks, despite being creatures of Congress, obstruct congressional oversight inquiries all too often," Toomey said in the same release.

The Fed declined to comment on the bill.

Background: Both senators have clashed with the Fed in trying to get documents from the regional branches. Toomey has blasted the Kansas City Fed for not providing information about why Reserve Trust, a state-chartered financial technology trust, received a deposit account at the central bank, and then why that access was later revoked.

Warren has repeatedly pressed for more detailed information about financial trades made by Fed officials, as part of an ethics scandal that has led to the resignation of three top officials. But the central bank has refused "to answer basic questions," she has said.

The Fed's inspector general in July cleared former Vice Chair Richard Clarida and Fed Chair Jerome Powell of wrongdoing in a four-page memo that did not go deeply into detail. The IG is still in the middle of its investigation of former Dallas Fed President Robert Kaplan and former Boston Fed President Eric Rosengren and suggested that future reports could shed more light on why Clarida's trades did not break any rules.

Atlanta Fed President Raphael Bostic is also now under investigation by the watchdog after admitting to conflict-of-interest violations.

Will the bill pass? Support from senators with normally such divergent politics could signal this bill has legs. Still, Toomey is departing the Senate at the end of this Congress.

"Senator Warren is looking for every opportunity to advance this legislation and make this bipartisan bill the law," her office said in a statement.

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Subject: FW: PM News Clips
To: "RBOPS FRB Human Resources" (b)(6)
From: "Doreen Chappell" <doreen.s.chappell@frb.gov>
Sent: Fri, 9 Dec 2022 21:42:11 +0000
[report.pdf](#)

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(b)(5)

Doreen Chappell
Manager, Reserve Bank Human Resources
Division of Reserve Bank Operations & Payment Systems
Federal Reserve Board
Doreen.S.Chappell@frb.gov

(b)(6)

From: Public Affairs Office <donotreply@infodesk.com>
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To: NewsClips-Mailbox <NewsClips-Mailbox@frb.gov>
Subject: PM News Clips

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Afternoon Edition

Friday, December 09, 2022
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