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EXAMINING CONTINUING ALLEGATIONS  
OF DISCRIMINATION AND RETALIATION  
AT THE CONSUMER FINANCIAL  
PROTECTION BUREAU

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON OVERSIGHT  
AND INVESTIGATIONS  
OF THE  
COMMITTEE ON FINANCIAL SERVICES  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTEENTH CONGRESS  
FIRST SESSION

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EXAMINING CONTINUING ALLEGATIONS  
 OF DISCRIMINATION AND RETALIATION  
 AT THE CONSUMER FINANCIAL  
 PROTECTION BUREAU

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Thursday, June 25, 2015

U.S. House of Representatives,  
 Subcommittee on Oversight  
 and Investigations,  
 Committee on Financial Services,  
 Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2128, Rayburn House Office Building, Hon. Sean Duffy [chairman of the subcommittee] presiding.

Members present: Representatives Duffy, McHenry, Hurt, Mulvaney, Hultgren, Wagner, Tipton, Poliquin, Hill; Green, Cleaver, Ellison, Delaney, Beatty, and Vargas.

Ex officio present: Representatives Hensarling and Waters.

Also present: Representative Love.

Chairman Duffy. The Oversight and Investigations Subcommittee will come to order. The title of today's subcommittee hearing is, ``Examining Continuing Allegations of Discrimination and Retaliation at the Consumer Financial Protection Bureau.''

Without objection, the Chair is authorized to declare a recess of the subcommittee at any time. Also, without objection, members of the full Financial Services Committee who are not members of this subcommittee may participate in today's

hearing for the purposes of making an opening statement and questioning the witnesses.

The Chair now recognizes himself for 3 minutes for an opening statement. Today's hearing marks the fifth in this committee's investigation into allegations of discrimination and retaliation at the Consumer Financial Protection Bureau (CFPB). Next month will be the 5-year anniversary of the Dodd-Frank Act which created the CFPB, mandating its core mission: to protect consumers of financial products and services from discrimination.

The agency was the brainchild of Elizabeth Warren, who not only led it during its start-up year, but also hired all of the senior managers, including the current Director, Richard Cordray. Democrats have championed the agency, but since its doors opened in 2011, this committee has spent 2 years and more than 5 congressional hearings giving a voice to the victims of abuse, and unfair and unlawful discriminatory behavior at the CFPB by its managers.

We are here again today because these messages have clearly not been heard. There is mounting evidence that not only does the agency still have a huge problem with managers discriminating against employees based on race, age, gender, and sexual orientation, but the CFPB leadership refuses to take meaningful action to prevent this behavior and protect their employees.

Of all the Federal financial agencies, the CFPB has the worst track record of protecting its own employees against discrimination. The per capita number of Equal Employment Opportunity complaints at the CFPB is far higher than at any other Federal agency. Despite disturbing reports of low morale and congressional investigations, the leadership at the CFPB continues to turn a blind eye to the treatment of its own people.

A new poll from the U.S. Consumer Coalition found that 73 percent of respondents believe that the CFPB should be held to the same antidiscrimination standards as all other Federal agencies. And a significant majority believe that the CFPB Director, Richard Cordray, should be held responsible and fired for their managers' racism.

The two witnesses we will hear from today are uniquely qualified to describe how the indifference and misplaced priorities of the CFPB senior management have led to an institutional culture that values silence and maintaining deceptive, feel-good appearances over merit, professionalism, and human dignity.

The CFPB is more concerned with bad press than the underlying problem and has done little more than run an ineffective internal P.R. campaign to assuage employees' concerns. What is worse, the CFPB unit tasked with managing EEO complaints, the Office of Civil Rights, is at the heart of perpetuating this troubling work environment.

The well has been so poisoned that the CFPB employees are afraid to come forward to report abuse and discrimination for fear of retaliation.

As one of CFPB's employees stated in 2014 in the annual survey: ``Cronyism, favoritism, discrimination, and incompetence run rampant in this agency. Despite all the

congressional pressure and press reports, things have gotten worse.' There are scores of similar comments from other employees who struggle with this same reality every day, and they will be shown on the TV screens throughout the hearing. Things continue to get worse, and no one seems to be listening.

How can an agency founded on the principles of equality and fairness carry out its mission when it can't even protect its own employees from the very practices it seeks to abolish?

With that, I now recognize the ranking member of the subcommittee, Mr. Green of Texas, for 5 minutes.

Mr. Green. Thank you, Mr. Chairman, and I thank the witnesses for appearing, as well.

Mr. Chairman, this morning I attended a meeting of Blacks and Jews, talking about the relationship between Blacks and Jews. And a rabbi who spoke at the meeting--whose name I shall not call because I don't have his permission, but I do know that I can say that he shared this brief vignette. He told a story of a man who went shopping to purchase a Picasso. And after purchasing the Picasso, to authenticate it he took it to Picasso himself and said, ``Is this a Picasso?'' And Picasso said, ``No, that is not a Picasso.''

So he went shopping again, looking for a Picasso, received another painting, brought it back, and said, ``Is this a Picasso?'' to Picasso himself. Picasso said, ``No, that is not a Picasso.''

He said, ``But wait, I bought this from your shop. I saw you paint this picture.''

And Picasso responded, ``I often paint fake Picassos.''

Mr. Chairman, we have to be careful that we are not painting a fake Picasso. Painting a fake Picasso by displaying slides of quotes that have not been authenticated. No cross-examination of witnesses, little due process afforded; we have to be careful that we don't paint a false Picasso. This is the Financial Services Committee, formerly the Banking Committee until about 1968, and we have not had one hearing on serious, invidious discrimination in banks, in mortgage lending.

We have had hearings to look at individual complaints of discrimination at the CFPB--and by the way, I don't oppose looking at individual complaints at the CFPB--but I do believe that if we can do this we can look at the serious, invidious discrimination that is taking place across the length and breadth of this country against millions of people, and we ignore it.

We are painting a false Picasso, Mr. Chairman. So let me just provide some evidence. We have used the American Banker as evidence; I want to use Bloomberg. We have used the American Banker to look at statistical information; I want to use Bloomberg. We have used the American Banker to have what I will call probable cause for this hearing; I want to use Bloomberg.

Here is what Bloomberg says about some serious discrimination--bank discrimination and its debilitating effect on minority entrepreneurs. For a recent mystery shoppers experiment, three business school professors recruited Black, White and Hispanic entrepreneurs across the United States, dressed them in matching polo shirts and khakis, and sent them into banks to ask about small business loans.

The results are disheartening, if not a big surprise. White business owners got better and more encouraging service,

according to a new paper describing the study in the Journal of Consumer Research. Bank employees were more likely to tell them about loan terms and fees and more likely to offer help filling out applications. Bankers were more likely to ask minority entrepreneurs about their personal finances and less likely to offer the Black and Hispanic mystery shoppers a business card.

It is not news that Black and Hispanic small business owners have a harder time finding financing than White businessmen, but the JCR paper offers insight into how entrepreneurs experience the process of seeking new capital.

In one part of their research, authors Glen Christensen, Sterling Boone, and Jerome Williams asked business owners to collect photos that best described the experience of applying for a loan. Minority entrepreneurs chose images such as a dry faucet, a beggar, and a set of handcuffs.

White business owners focused less on the hard road and more on the satisfying result, selecting photos of a water slide and a beautiful beachfront idyll. In interviews with researchers, both groups described the loan application process as a journey. But minority consumers framed the journey as uphill, while White consumers consistently framed their journeys as on level ground.

White entrepreneurs saw lenders who would serve as a partner or a friend, according to the paper, while minority business owners reported hiring White employees--something to bear repeating--minority business owners reported hiring White employees for the purpose of attending meetings with bankers. The result, the authors write, is a cumulative, debilitating effect on the psychological and physical well-being. These are anecdotal findings, but they are supported by quantitative research.

In 2012, Federal Reserve data revealed that minority business owners were paying interest rates that were 32 percent higher than what Whites paid. Last year, research from the Kauffman Foundation showed that minority entrepreneurs were more likely to be turned down for loans and less likely to apply for fear of rejection.

Let's not paint a false Picasso; let us look into what is really going on in the banks.

I yield back, and I thank you for the extra time.

Chairman Duffy. The gentleman yields back.

The Chair now recognizes the gentlelady from Utah, Mrs. Love, for 2 minutes for an opening statement.

Mrs. Love. Thank you, Mr. Chairman. This subcommittee, as well as the full House Financial Services Committee, has heard current and former employees of the CFPB testify about their personal experiences as victims of discrimination, retaliation, and cronyism, as well as about the very related problems of the agency's mismanagement, inexperienced leadership, deficiencies in bank examination processes, and serious operational problems in the CFPB's consumer call center. This is reprehensible, not to mention ironic, since in light of the CFPB's mission--according to its own Web site, the CFPB is tasked, among other things, with restricting unfair, deceptive or abusive acts or practices, taking consumer complaints, and enforcing laws that outlaw discrimination and other unfair treatment in consumer finance.

It is incomprehensible to me that the agency created with a mission of preventing discrimination and predatory practices by the financial services industry is incapable and seemingly unwilling to restrict abusive practices within its own ranks or to enforce laws that outlaw discrimination and other unfair treatment.

When it comes to their own management and practices, how can an agency that is unable and unwilling to govern itself be entrusted to protect the American people; frankly, make sound decisions about how it pursues its own mission? Time and time again we have seen examples of the CFPB in search of problems that don't exist, proposing rules without having gathered relevant evidence, or using its examination powers to conduct fishing expeditions.

This body has been told about the problems, ranking members, the Administration has been told about the problems, and nothing has been done. Perhaps most disturbing to me is that despite all the publicity this issue has received and all the previous congressional hearings, overwhelming evidence indicates that the culture of discrimination and intimidation within the CFPB has only been growing worse.

It is clear to me that reform of the CFPB is badly needed. We cannot allow this discrimination or mismanagement to be ignored or hidden in the Bureau's current organizational structure. Now, I want to say this. I believe that we need to look at discrimination everywhere. Why not start here?

My ears are open. I hope that my colleagues' ears are open, and we are ready to hear you. The American people are watching. Thank you.

Chairman Duffy. The gentlelady yields back.

We now welcome our witnesses. Mr. Robert Cauldwell is both a CFPB examiner and the president of the National Treasury Employees Union Chapter 335, the Consumer Financial Protection Bureau's union, a position he has held ever since the union was first established 2 years ago. CFPB's union represents about 1,000, or 75 percent, of the Bureau's workforce, and has approximately 500 paying members.

Before joining the CFPB, Mr. Cauldwell worked at the FDIC as a resolutions and receivership specialist. And before that, he worked in the private sector. Mr. Cauldwell began his career with 8 years of military service in the U.S. Navy as a nuclear machinist aboard a nuclear submarine. Mr. Cauldwell, we thank you for your service.

We also have Ms. Florine Williams. She has been a Senior Equal Employment Specialist in the CFPB's Office of Civil Rights since October 2013. Ms. Williams has a total of 20 years of experience in various equal employment and civil rights capacities in other Federal agencies, including the Nuclear Regulatory Commission; the Department of Defense; and the Department of Housing and Urban Development. In all, Ms. Williams has 32 years of Federal Government service. Ms. Williams holds a bachelor of science in business administration from Gannon University in Erie, Pennsylvania.

Both of you, thank you for being here. The witnesses will, in a moment, be recognized for 5 minutes to give an oral presentation of their testimony. And without objection, the witnesses' written statements will be made a part of the



record. Once the witnesses have finished presenting their testimony, each member of the subcommittee will have 5 minutes within which to ask questions.

I want to remind the witnesses, verbally, that while you will not be placed under oath today, your testimony is subject to 18 U.S.C. Section 1001, which makes it a crime to knowingly give a false statement in proceedings such as this one. You are specifically advised that knowingly providing a false statement to the subcommittee or knowingly concealing material information from this subcommittee is a crime.

On your table, there are three lights: green means ``go;'' yellow is the 1-minute marker, which means you are running out of time; and red means you are out of time. The microphones are very sensitive so please make sure you speak directly into them.

With that, Mr. Cauldwell, you are now recognized for 5 minutes for your opening statement.

STATEMENT OF ROBERT CAULDWELL, PRESIDENT, NATIONAL TREASURY EMPLOYEES UNION CHAPTER 335; AND EXAMINER, CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

Mr. Cauldwell. Thank you. My name is Rob Cauldwell. I am the union president of NTU's Chapter 335, which represents the employees of the Consumer Financial Protection Bureau. I would like to thank Chairman Duffy, Ranking Member Green, and the other members of the House subcommittee for your time, and for allowing me to speak about the important issues of discrimination and retaliation at the CFPB. I would like to make two critical points.

First, today's hearing should not be about me. It is about the people who work at CFPB. I care deeply about these people. Second, this should not be a partisan hearing. I believe both parties want to fix the problems at CFPB, and I implore everyone here today to focus on these very human issues.

Last year, Director Cordray testified before Congress. I believe he was sincere. However, actions speak louder than words. Director Cordray's inaction has created a more discriminatory, challenging, and intimidating workplace for employees. Retaliation permeates every facet of this agency, as facts in the American Banker article show. This Bureau has the most EEO complaints of any Federal regulator this year. It is actually 18, not 15.

The CFPB says there is no evidence of discrimination. The fact that cases are settled to an employee's satisfaction does not obviate the CFPB's behavior. The Bureau retaliation continues. Ask Angela Martin. They continue to retaliate against her after she settled her cases. Ask Ali Naraghi, who also testified last year and has suffered similar treatment to Ms. Martin. Ali suffered for no other reason than he stood up to aggressive and controlling managers like Jim Carley, the Southeast Regional Director, whose employees have given him the nickname ``King James'' because of his harsh rule and his nepotistic management style. Even his own managers complain about him, and Ali just announced he is leaving the Bureau.

That is what happens: management runs the experienced employees off, especially the older employees or the minority

employees, and then hires new, inexperienced people, often only to give them a little bit of training and put them in charge of the decision-making.

Employees who complain or report daily to their managers to ``check in'' when no other employees have to do this. Another frightening tactic is the inappropriate use of Performance Improvement Plan, or PIPs, to remove older or unwanted employees.

The CFPB trains us on the No FEAR Act and the EEO Act to protect employees and managers by separating them during complaint investigations, yet that hasn't happened. Employees are left to work under these very same managers, sometimes for years. When employees file complaints, the CFPB reaches into the past to dig up irrelevant information. The behavior gets more and more shameful every day.

One CFPB lawyer shared employees' private information. They ask people to retire rather than admit wrongdoing. They have not followed their own rules regarding notices of proposed removals, which has led to unfair labor practices. This agency's leaders seem to be willing to sell their own souls to protect the ideology of the CFPB.

The examples of retaliation are too numerous to mention. The CFPB tells institutions across the country how not to discriminate against the American consumer, but they don't observe these principles when dealing with their own employees.

The relationship between the union and the labor relations office is good, but they are thwarted at every turn by rogue managers. Jim Carley and his neophyte ``yes men'' tried to give an employee a failing rating on the performance review. L.R. determined the employee would receive a pass rating, yet Jim Carley refused to sign the final review. And this is what we deal with on a daily basis.

CFPB employees see what happens to those who come forward, and are scared to come forward. The fear of retaliation is palpable. I believe Rich Cordray is an affable person, but he doesn't possess the skill set to bring positive change to this agency. We are not new, and things have not gotten better; things are only getting worse. There needs to be an independent, delegated, sole-source Office of Inspector General (OIG) within the CFPB at all times.

I thank the subcommittee for your time, and I ask for your help in protecting the CFPB employees in a nonpartisan, open, and transparent manner.

I look forward to answering any questions you may have about this sensitive and sometimes difficult topic.

[The prepared statement of Mr. Cauldwell can be found on page 36 of the appendix.]

Chairman Duffy. Thank you, Mr. Cauldwell, for your opening statement.

Ms. Williams, you are now recognized for 5 minutes for your opening statement.

STATEMENT OF FLORINE M. WILLIAMS, SENIOR EQUAL EMPLOYMENT  
SPECIALIST, OFFICE OF CIVIL RIGHTS, CONSUMER FINANCIAL  
PROTECTION BUREAU (CFPB)

Ms. Williams. Thank you. Good morning. My name is Florine

Williams, and I have served as a Senior Equal Employment Specialist in the Office of Civil Rights at the Consumer Financial Protection Bureau since October 2013. Thank you for allowing me this opportunity to testify today about my experience at the CFPB and to share with you my concerns about the Bureau's culture and the inadequate measures the CFPB has taken to address its discrimination problems during the year since this subcommittee's three hearings uncovered them.

I also want to thank my family and friends for their continued support and prayers, especially during the last year.

I take great pride in my 32 years of Federal service, 20 of which I spent as a civil rights and equal employment opportunity professional. I have worked for agencies that have achieved model EEO programs. I have witnessed agencies take swift remedial action, up to and including termination of employment for violators of EEO law.

I have also worked in environments that were in a perpetual struggle for fairness and equality. But never until my employment at the CFPB have I witnessed such blatant and willful disregard for the law, merit systems principles, and the well-being of its employees. Ironically, the agency that was created to provide comprehensive consumer protection and strong remedies for consumers has unequivocally failed to protect its own employees and remedy harms we have suffered.

For instance, EEO complaint activity for Fiscal Year 2015, particularly as it pertains to harassment and retaliation, is on par with complaint activity for Fiscal Year 2014. I believe the Bureau's apathy has contributed to the normalization and legitimization of blatant discrimination within the agency. The CFPB's failure to promote equal employment opportunity and diversity and managers' discrimination, and retaliation against their own employees has made a mockery of the Bureau's EEO program and, in particular, the Office of Civil Rights.

The Office of Civil Rights is charged, amongst other things, with performing four major functions: providing guidance and training on EEO law and agency policy; processing EEO complaints; reporting on EEO activity; and making available an alternative dispute resolution program.

The Bureau struggles to perform these basic functions, in part because of the critical lack of subject matter expertise. Before being promoted to her current position, the Assistant Director had never served as a neutral EEO professional and had only served as an attorney representative for the Bureau against complaints in EEO and grievance disputes. She is the epitome of the fox guarding the henhouse.

My February 23, 2015, letter to Director Cordray describing these issues--copies of which I sent to Deputy Director Antonakes and several prominent government officials and legislators, including Chairman Hensarling--has finally resulted in the issues I raised being given the attention they deserve.

I am frequently approached by colleagues who tell me they are subjected to maltreatment and discrimination, but who fear they will face reprisal if they seek help through the Office of Civil Rights. I cannot adequately describe the pervasive and chilling atmosphere that prevails through the CFPB.

I am compelled to testify before you today because of the

unique perspective I bring, not only being an EEO practitioner, but also a complainant. Unfortunately, I am representative of scores of CFPB employees and Federal employees who are frustrated with the administrative EEO complaint process.

I am also representative of CFPB employees and other employees, Federal employees, who are forced to fight discrimination and unfair management practices with little to no resources against agencies with seemingly limitless resources, including a ready and eager legal staff and legal defense funds to support management officials, even those who violate the law and the rights of others.

I believe in the CFPB's mission to root out discrimination and predatory practices adversely impacting the American people. I believe also that the effort used to enforce the law externally should also be made with the same vigor internally.

Thank you again for allowing me the opportunity to share my concerns.

[The prepared statement of Ms. Williams can be found on page 40 of the appendix.]

Chairman Duffy. Thank you for your opening statement, Ms. Williams.

I would just note that votes have been called. We have zero on the clock, so we are going to recess for votes, and we will resume right after the final vote. So we will be back shortly.

[recess]

Chairman Duffy. The subcommittee will reconvene and come to order. The Chair recognizes himself for 5 minutes.

Here we go again. We were here a little more than a year ago with Angela Martin, who is in the audience today, hearing her stories about racism and sexism and discrimination at the CFPB. We also had a chance to hear from Richard Cordray, who came in and made a lot of promises and commitments about how the problems had been resolved, how the CFPB was on track to be an honorable, fair, nondiscriminatory agency, Scout's honor, or so we were told.

But here we are again, hearing the same stories of what we heard over a year ago. And from what I gather in this, it hasn't gotten much better. I want to ask you both about that in a moment.

But are either of you fake Picassos? Are you fake victims? Mr. Cauldwell, are you faking today?

Mr. Cauldwell. No, sir. I am not.

Chairman Duffy. Ms. Williams, are you a fake Picasso?

Ms. Williams. No, I am not.

Chairman Duffy. Based on what the two of you have talked about with regard to not just what you hear from your colleagues, but what you have gone through personally, is it easy to raise your hand and stand up and say, I will come and tell the story not just for myself, but for all the employees at the CFPB? Is that easy to do or enjoyable, Mr. Cauldwell?

Mr. Cauldwell. I will say that as a ``don't ask-don't tell'' casualty from the United States Navy, with an honorable discharge, the treatment I received then is so much better than what I see others going through right now. This is really easy because it is about them.

Chairman Duffy. Ms. Williams?

Ms. Williams. No, this has not been easy for me. I could

have turned a blind eye for many reasons. I am very close to retirement. I could have just gone on about my way and left this battle to someone else, but I could not in good conscience carry out my duties as an equal employment specialist, as a civil rights practitioner, and ignore what is known discrimination. So it has not been easy; it has been very trying.

Chairman Duffy. I want to thank you both for coming in and telling your stories and acknowledging what you hear in the workplace.

And I am not one to sit here and say that we live in a perfect world. The stories that we see in other places, in other parts, they are disturbing for all of us. We have a unique capacity in this committee because I don't have a wide range of authority. But we do have the authority of oversight over the CFPB.

And if there is racism and sexism in our government, and with regard to the CFPB, I think it is our duty to hear those complaints and do all we can to apply public pressure so it stops and it changes.

Since the testimony and the hearings that we had with Ms. Martin last year, have things gotten better at the CFPB? Have they improved, Mr. Cauldwell?

Mr. Cauldwell. No, they have gotten worse.

Chairman Duffy. Ms. Williams, do you agree with that?

Ms. Williams. I do agree things have gotten worse.

Chairman Duffy. And Ms. Williams, as you do your job--and as people know that you have come forward to testify--does anybody stop you in the hall or at the water cooler or at the coffee machine and tell you their stories?

Ms. Williams. All the time. And employees have to be careful--I tell them up front if they disclose specific discriminatory actions or harassment, I have a duty to report that.

So what my colleagues generally will talk about is maltreatment. Or if they talk about discrimination, then they come into the office to file a complaint. But, so often I can't even get in the building without being stopped by coworkers who have their personal grievances with this agency but are afraid to come forward because they can't risk their job, they can't risk the emotional strain of being involved in a protracted EEO complaint process.

Chairman Duffy. So you are kind of a voice for all of them here today.

Ms. Williams. A voice for many of them.

Chairman Duffy. And I want to note that if we have problems in the private sector, as Mr. Green pointed out, within banks, we have a Justice Department, we have AGs, we have civil suits that can also expose that. But I would ask, if you are not coming to us to expose this, I don't know where else you go.

And Ms. Williams, I know that I saw your letter. Was the first person that you wrote to Chairman Hensarling, the chairman of this committee to disclose this?

Ms. Williams. The letter that I wrote--I actually wrote a letter to Director Cordray on February 23, 2015.

Chairman Duffy. Director Cordray.

Ms. Williams. And I copied several individuals, including

Chairman Hensarling, on the letter.

Chairman Duffy. And did anyone from the Democrat side--it was Ms. Waters, too, right?

Ms. Williams. Yes.

Chairman Duffy. And Valerie Jarrett, from the White House, also?

Ms. Williams. Yes.

Chairman Duffy. Okay. And is it--well, I see my time has expired. I will try to abide by our clock.

Mr. Green. I ask unanimous consent that the Chair be given additional time, as much as the Chair desires to consume.

Chairman Duffy. We have a 5-minute rule. I will be able to come back, but I appreciate the gentleman's offer.

Mr. Green. Mr. Chairman, please--

Chairman Duffy. You can see we have a lot of Members here who do want to participate in this hearing, so--

Mr. Green. I yield to the Chair.

Chairman Duffy. Mr. Ellison, the gentleman from Minnesota, is recognized for 5 minutes.

Mr. Ellison. Let me thank the chairman and ranking member, and also thank our witnesses today. Let me just say, as a preliminary matter, as a person who practiced law for many years representing victims of discrimination, I certainly am sympathetic to the plight you all are facing. I don't know who is right or who is wrong, but I will say this: I do not believe there is any chance that you would be here making your case if there was not an overarching objective to undermine the credibility of the mission of the CFPB.

From your point of view it is like, so what, because I need to get my case vindicated. And I respect that. But I just want to ask you, do you, both of you, support the mission of the CFPB?

Ms. Williams. Absolutely 100 percent we support the mission.

Mr. Ellison. All right, thank you. It is a good mission and it should not be undermined. And would you view it as a tragedy if people took your testimony here today to try to do damage to the institution? What you are looking for is justice for yourself and others whom you feel are aggrieved. Am I right?

Ms. Williams. I am not so much looking for individual justice. My--

Mr. Ellison. Ma'am, really--we have 5 minutes. And I am a polite person, but when it is 3:49, I have to be that way.

Ms. Williams. Okay. But I just wanted to clarify that my presence here today is not about a single complaint; it is about systemic discrimination.

Mr. Ellison. Right, but--

Ms. Williams. And I support the mission of the CFPB very strongly.

Mr. Ellison. Right. Have you ever heard of the Office of Special Counsel?

Ms. Williams. Yes.

Mr. Ellison. Have you ever heard of the Office of Inspector General?

Ms. Williams. Yes.

Mr. Ellison. These are institutions that you can make complaints to, is that right?

Ms. Williams. Yes.

Mr. Ellison. And so for somebody to submit that there is no other place for you to go to other than this hearing, this body, that is actually not accurate. Wouldn't you agree?

Mr. Cauldwell. No.

Mr. Ellison. Oh, you say this is the only place you can go to.

Mr. Cauldwell. Yes, because you are too scared to go to those other places, because when they find out, they continue the retaliation.

Mr. Ellison. Let me tell you, I have represented literally hundreds of people who have been targets of discrimination, and they are all scared. I have never met somebody who wasn't a little worried about bringing a case.

Ms. Williams. Mr. Ellison--

Mr. Ellison. So the police, if you have a case of discrimination sometimes you just have to make the argument. And I would say that is why people like Ms. Martin and others I think have demonstrated courage.

But you cannot tell me that as a matter of fact these institutions do not exist, do not take complaints. And to submit that this is the only place you can go is a factual inaccuracy. And you might not want to admit that, but it is true.

Now, look, the CFPB is accused of discrimination. Those matters will be worked out in their own time. I make no case about who is right or who is wrong. But the truth is, actually, Mr. Cauldwell, you have been targeted, you have been accused of discriminating yourself. Isn't that right?

Mr. Cauldwell. That is--discriminating against--

Mr. Ellison. Have you been a target of discrimination? Have you been--

Mr. Cauldwell. A target of discrimination, yes.

Mr. Ellison. Have you been alleged to have discriminated?

Mr. Cauldwell. Yes.

Mr. Ellison. When did that happen?

Mr. Cauldwell. I don't know when it actually happened. I get bits and pieces here and there.

Mr. Ellison. What were the allegations against you, sir?

Mr. Cauldwell. That I mistreat women, apparently.

Mr. Ellison. Okay. And what is your opinion about the validity of those allegations?

Mr. Cauldwell. Everybody has their own reasons. It is an internal fight.

Mr. Ellison. What is your opinion about the validity of those allegations?

Mr. Cauldwell. Oh, I don't think they are valid at all.

Mr. Ellison. So sometimes people make allegations that others may not believe are valid, right?

Mr. Cauldwell. That is true.

Mr. Ellison. And so that is why you get the plaintiff, you get the defendant, you get the complainant, and you get the other side and there is a process to work it out.

Mr. Cauldwell. Right.

Mr. Ellison. Right? Because you yourself were accused of discriminating against women and you say you didn't do it. And you, even you, should be able to make your claim as to why

these allegations are false, right?

Mr. Cauldwell. That is correct.

Mr. Ellison. Let me ask you this. Did you send an e-mail out in connection with your complaint against the CFPB?

Ms. Williams. Mr. Ellison, are you speaking to me?

Mr. Ellison. I'm speaking to Mr. Cauldwell.

Mr. Cauldwell. An e-mail to--

Mr. Ellison. Let me just ask, do you recall--I am going to direct your attention to the screen. Did you send out an e-mail on December 9, 2013, in which you said, ``And if you are thinking I am angry, I am not. I never get angry, but I will get even.'' Did you write that in an e-mail?

Mr. Cauldwell. Yes.

Mr. Ellison. Who are you going to get even with?

Mr. Cauldwell. Let me check the e-mail very carefully. I believe that was to NTEU and not to the Consumer Financial Protection Bureau.

Mr. Ellison. Who are you going to get even with?

Mr. Cauldwell. The NTEU for not taking our cause seriously.

Mr. Ellison. Are you the president?

Mr. Cauldwell. Yes. And we are allowed to disagree with the NTEU on occasion, and we have to work it out.

Mr. Ellison. So by ``even,'' what did you mean? You are going to get revenge?

Mr. Cauldwell. No.

Mr. Ellison. I think my time is a little bit over.

I yield back.

Chairman Duffy. The gentleman's time has expired.

The Chair now recognizes the gentleman from South Carolina, Mr. Mulvaney, for 5 minutes.

Mr. Mulvaney. I thank the chairman.

I was particularly moved by Mr. Green's introduction regarding the false Picassos. I spent a lot of time in the last couple of days in my State dealing with race relations. And as proud as I am of the way that we have been handling ourselves during the last week, the stories that Mr. Green told about the discrimination that minorities face at some banks is a problem, it is real, and it is something we should be doing something about.

Here is my question: If the CFPB is supposed to be involved in fixing that, how can they fix it when they have the same problems themselves?

Mr. Green, this is not a false Picasso. Here they are. This is the source, sir, of the quotations that you see on the screen. These are the surveys filled out by the people who work there. It is not a false Picasso. This is the original thing.

I will read one. It says, ``Overall, CFPB mismanagement is--

Mr. Green. Will the gentleman yield, given that he has used my name?

Mr. Mulvaney. I will give you a chance with that, but let me read--

Mr. Green. All right, I will await my opportunity.

Mr. Mulvaney. And I have no interest in shutting you out of the conversation.

Mr. Green. Thank you.

Mr. Mulvaney. ``On a daily basis, management practices



racial discrimination, promotional, compensatory discrimination, favoritism, cronyism, and nepotism to advance Caucasian employees. No real changes are taking place.' Why would we dismiss that as being false Picassos if the whole idea behind this agency is to get rid of the type of things that are talking about? I don't know why we would shoot the messenger.

Mr. Green. Would you allow me to respond?

Mr. Mulvaney. I will, in just a--Mr. Green, I promise. Let me just finish my thought, and I will be more than happy to let you respond.

I don't know why we would shoot the messenger, when all they are trying to do is bring to our attention the same thing that you want light shed on in the financial institutions that the CFPB oversees. So I think if we are going to make things better, maybe the physician needs to heal himself before he starts going out to look at patients.

With that, I would gladly yield to the gentleman.

Mr. Green. Thank you. I greatly appreciate it.

I want to thank you for your indication that we should fight discrimination everywhere, as has Mrs. Love. But here is the concern that I have. I am not a part-time freedom fighter. I am not an occasional freedom fighter. I am a perpetual freedom fighter, I am an all-the-time freedom fighter. And what we are doing here is playing the role of part-time, occasional freedom fighters.

I think they do deserve to have their complaints looked into. But we have had many hearings--it has been a year since the last one on this point--and we have not had one hearing about the mortgage banking and we haven't looked into the discrimination that is taking place there. That is what I mean by a fake Picasso because we don't take it seriously enough to go to the next level.

And this is something else that I want to assure you of.

Mr. Mulvaney. This--

Mr. Green. But you need to hear this.

Mr. Mulvaney. Don't take all my time.

Mr. Green. Okay, I won't. But you need to hear this. I don't think this committee is going to look into any aspect of invidious discrimination in mortgage banking. I challenge every one of you--

Mr. Mulvaney. Let me cut you off there, then, please.

Mr. Green. Let's just do it. Let us do it.

Mr. Mulvaney. And let me answer that this way. This committee does a lot of different things. I don't like the fact that CFPB exists, I will be perfectly honest with you. But it does, and its job is to do exactly what you just said. It is their job to do this full-time.

We have a lot of different things to deal with; they have this to deal with. But if they have these same difficulties inside their agency, how can they do the job that I know you want them to do? So I hear what you are saying.

Mr. Green. If the gentleman will yield to me, I will yield time to you when I get my time. Would you yield to me?

Mr. Mulvaney. Sure.

Mr. Green. Let's do this. This is what we need to do. This is what being in Congress is all about.

Yes, the CFPB has a job, but this was the Banking Committee

until 1968. The Banking Committee, which is now the Financial Services Committee, in name, it ought to look into invidious discrimination.

This is the Oversight and Investigations Subcommittee. This is the subcommittee where we ought to bring those bankers in and have each one of them sit right there and then examine their policies and practices in terms of how they have cheated minorities--

Mr. Mulvaney. Let me say--

Mr. Green. --Black people and African-Americans.

Mr. Mulvaney. Let me reclaim my time--

Mr. Green. --and Latinos--

Mr. Mulvaney. --for the last half a minute.

Mr. Green. --for money over decades.

Mr. Mulvaney. And all I can say to you, Mr. Green--and I appreciate the back and forth--this is perhaps one of the best exchanges I have had since I have been on this committee. I would just simply say if we have folks at the CFPB who think there are folks who are racists and cronyists and discriminating on any other basis at the CFPB, let's find something we can agree on and try and fix that.

Mr. Green. We ought to--

Mr. Mulvaney. With that, I will yield back the balance of my time.

Mr. Green. I am going to ask the Chair to--Mr. Chairman, I ask unanimous consent that this dialogue continue. This is really what it is all about, and I appreciate the way you have allowed me to have time. Because we can't allow this to be the genesis, and end it there. That is the problem we are going to have, Mrs. Love. We are going to end it right here, and talk about all of the things that ought to happen with the banks. The banks are ripping minority people off. It is time to look at what is happening in banks. Not all banks, but those that are doing it.

Chairman Duffy. The gentleman's time has expired.

The Chair now recognizes the ranking member of the full Financial Services Committee, the gentlelady from California, Ms. Waters, for 5 minutes.

Ms. Waters. Thank you very much. I am sitting here thinking about the complications of this issue that we are involved with. Complicated because, number one, we are here at the Financial Services Committee where the opposite side of the aisle hates the Consumer Financial Protection Bureau. They hate it, they would like to destroy it, they would like to bring it down in any way that they possibly could. They have attacked the Director, Mr. Cordray. They treated him terribly prior to his being confirmed. He has been up here many, many times, where he has been drilled, and he has been talked to badly.

And so we have to take pause when it appears that the opposite side of the aisle would simply like to use discrimination as a way by which they continue to attack the Bureau. Now, that interferes with what may be a legitimate cause that you have. But I want you to understand the background of this committee and what is going on.

If you take a look on the opposite side of the aisle that appears to be pursuing this issue and holding a hearing, despite the fact we have many issues that they should be

focused on additionally, as Mr. Green has identified. And you have to ask yourself, do you think that the majority of the members on the opposite side of the aisle are more concerned about discrimination than those on this side of the aisle? Just take a look. Just take a look for yourself.

And so when you come here--yes, you can ``wow'' all you want. When you come here, you have to know that your issue gets all mixed up in the politics of this committee. And of course you know that many of us are absolutely committed to the implementation of--

Mr. Mulvaney. Will the gentlelady yield?

Ms. Waters. No, I won't yield.

Mr. Mulvaney. Well, I--

Ms. Waters. Do not interfere with me. I will not yield.

Mr. Mulvaney. Will the gentlelady extend the same courtesy I did to the ranking member?

Ms. Waters. I will not extend any courtesy to you.

Mr. Mulvaney. I think that is fair.

Ms. Waters. And so when you come here, your issues get all mixed up with the politics of that is committee.

And so it has been suggested that perhaps one of the things that could be done is to utilize the process at every level. Because there are, I guess, several steps to be taken prior to even coming to the House of Representatives.

And so I would just advise that if you are going to pursue your issue--and you should--that you go through every step that is basically organized to deal with discrimination while we are at least trying, over here, to make sense out of what is going on. Rather than have you become the victims of a fight that you have nothing to do with over here because of the attack on the Consumer Financial Protection Bureau.

Mr. Green is an attorney who comes from Texas, who was the president of the NAACP prior to being elected, who is absolutely committed to dealing with racism and discrimination. And as the ranking member on this side of the aisle, he has talked about not only looking at what is happening in the Consumer Financial Protection Bureau, but every agency of government.

We have not gotten any support from the opposite side of the aisle on doing a comprehensive look at the possibility of racism and discrimination. So I don't want you to feel as if you are not being paid attention to or that there are some people who care more than others, et cetera. This is a political fight inside this committee that has nothing to do with you.

And the issues that you are dealing with right now are not going to be handled properly because of that. And so I am hopeful that you will understand that discrimination issues, at least on this side of the aisle, are taken seriously. And at the point that I think we can at least work something out with the opposite side of the aisle, so that we can deal with you fairly and not have you become the victims of the fight and the attack on the CFPB, then perhaps it would be the time to come here.

I yield back the balance of my time.

Chairman Duffy. The gentlelady yields back.

The Chair now recognizes the chairman of the full Financial

Services Committee, the gentleman from Texas, Mr. Hensarling, for 5 minutes.

Chairman Hensarling. I thank you, Mr. Chairman. I thank you for holding this hearing. I am saddened that we have to hold this hearing, that so much time has passed and so little has been done.

We just heard from the ranking member. She does not wish to be indifferent as to our witnesses' plight. Ms. Williams, did you seek out help from the office of Congresswoman Waters? Did you speak to her staff?

Ms. Williams. Yes, I did.

Chairman Hensarling. Did they say they could help you?

Ms. Williams. What Congresswoman Waters' office said is similar to what your office said, is that you care about the issues at the CFPB, particularly the allegations of discrimination, retaliation and--

Chairman Hensarling. Did they say they would intervene? Did they ask you to be a witness?

Ms. Williams. They did not ask me to be a witness. They indicated that they care about the global issues and could not intervene in individual complaints.

Chairman Hensarling. So they could not, or would not, intervene. But we just heard from the ranking member that she didn't care to be indifferent.

Frankly, I found the comments to be outrageous. I know that the ranking member has very good vision. I did not know she could look into the hearts of her colleagues. And to question the motivation and commitment, frankly, is beyond the pale. It is outrageous, and I think frankly that a consistent pattern has happened where the Minority of this committee wishes to turn a blind eye when we see discrimination that happens in government. Oh, no, no, no. We just want to focus elsewhere. We are the only ones who can offer protection to these people.

With respect to the banks, there is a Justice Department. Is the Obama Administration incompetent? Is the Obama Administration indifferent as to their plight? If so, maybe the gentleman from Texas is right. Maybe we need to have some more hearings to find out about this indifference and incompetence in the Obama Administration in rooting out discrimination within the banking industry.

But when it comes to the CFPB, we are the only line of protection, and we would be derelict in our duty if we didn't hold these hearings. We have to be the ones to give the voice to the downtrodden, to the discriminated. This is what we need to do.

Now, I know that the ranking member finds this to be quite a humorous matter. Those of us over on this side of the aisle do not. I know perhaps that they would conveniently like to sweep all this under the carpet because this is a sainted government agency that has a mission with which they agree.

But ultimately, the question is, are we going to promote a society that is color blind, where we judge others based upon the content of their character? Or are we going to judge others by the color of their skin? Are we going to look at individuals, at their merit, at their uniqueness, or are we going to judge them by their genders and the color of their skin?

I, for one, as long as I am chairman of this committee will not allow this matter to be swept under the carpet. I will not allow the Democratic side of the aisle to try to change the subject.

As the gentleman from South Carolina says, physician heal thyself. How is CFPB supposed to protect anyone in the marketplace when their own house appears to be run amok? This isn't just one or two accusations. It is a couple of pounds worth of accusations. And yet the Democratic side says no, no, no, let's just go talk about the banks. Well, first talk about the Justice Department. I want to hear you defend it, then.

Mr. Green. Mr. Chairman, I am prepared--

Chairman Hensarling. I would be very happy to hear someone on the other side of the aisle tell me why this is taking place in the Obama Administration, and why do you consistently try to change the subject, and why do you turn an indifferent ear to all the plights and pleas of the employees of the CFPB? And I hope the entire Nation is watching because they will learn much about our colleagues in this.

I thank the chairman. I yield back the balance of my time.

Mr. Green. Mr. Chairman, I have an inquiry. I would like to--

Chairman Duffy. The gentleman yields back, and--

Mr. Green. My inquiry is beyond what the gentleman is doing. I think a point of inquiry has to be addressed.

Chairman Duffy. Is it a parliamentary inquiry?

Mr. Green. Yes, a parliamentary inquiry.

Chairman Duffy. The gentleman will state his inquiry.

Mr. Green. Yes, Mr. Chairman. Will there be an additional round of questioning today? Because I would dearly like for the chairman of the full committee to be here when I respond to his query. He called my name. I would like to respond, and I would like for him to hear my response. Will there be an additional round?

Chairman Duffy. I don't think we have made that decision yet. We will look at the time, and the votes. It is possible. But if you would like, I could recognize you now for 5 minutes, as the ranking member.

Mr. Green. Would you allow me to have 5 additional minutes? Because I have already some things that I would like to say, and I would like to have an additional round.

Chairman Duffy. You, as everyone else, will have 5 minutes. So if you want to go now, I will recognize you--

Mr. Green. Why don't you go to Mr. Cleaver and he will yield to me.

Mr. Mulvaney. Mr. Chairman, parliamentary inquiry.

Chairman Duffy. The gentleman will state his inquiry.

Mr. Mulvaney. Has the gentleman from Texas already used his 5 minutes?

Chairman Duffy. He has not.

Mr. Mulvaney. He has not spoken yet today.

Mr. Green. No.

Mr. Mulvaney. Okay, I withdraw my inquiry. It was an opening statement. Thank you, Mr. Green. I apologize. Thank you.

Mr. Green. That is quite all right We all make mistakes.

Chairman Duffy. The Chair now recognizes Mr. Cleaver for 5

minutes.

Mr. Cleaver. Thank you, Mr. Chairman. I would like to yield my 5 minutes to Congressman Green.

Mr. Green. Thank you, Mr. Chairman. And I thank my friend, and he is a friend, Mr. Hensarling. I rarely call names when I make my commentary. But when people call my name, I am going to have a response. I have been called out, so let's talk for a moment.

There are people who are part-time freedom fighters, occasional freedom fighters. There are people who now want to take down the Confederate flag. I want to bring down invidious discrimination. The flag is but a symbol. We need to bring down invidious discrimination, Mr. Chairman.

They had many excuses for not taking down the Confederate flag, just as we have excuses for why we have not dealt with banks appropriately in terms of invidious discrimination, and it is time for us to do it.

There are all kinds of excuses for why that flag is flying right now at the funeral, while the body of a Senator is lying in state. What an insult.

We can always find reasons to say we can't do it, let somebody else do it. Let the Justice Department do it. This is the Oversight and Investigations Subcommittee, Mr. Chairman. We have the power. If the Obama Administration evaporates today, right now, it will not eliminate our necessity to do what we should do and can do. We have the power.

Mrs. Love has said we ought to do it. She says that she wants to fight discrimination everywhere. We know that it exists in banking. Every single test that has been taken--and that is what we do, we do testing, we send three people out--would you please give me the article that I want to submit for the record? We send three people out, and we then find out how they are treated when they apply for these loans.

And in every single case, minorities are being discriminated against. You can't find one where they haven't been discriminated against. If you do, there may be one or two exceptions. But this is what we need to do. This is our job. Let's not talk about passing the buck to the Administration.

I have heard people respond with a fatuous comment, and I take fatuous comments seriously. The fatuous comment of when we can investigate the White House, then we will investigate the banks. That is so fatuous. It is time for us to get serious about this. Taking down a flag and trying to pass the buck on to somebody else is not going to end invidious discrimination.

Now, for the CFPB. I don't have any affinity for invidious discrimination and persons who might perpetrate it at the CFPB. I think that we should investigate it. I don't have a problem with it. I just don't want to end it there.

And we have been doing this for over a year and we haven't done one thing about the banks, not one thing. And we know that people have been taken advantage of. All of the empirical evidence is indicating that minorities, Blacks and browns, have been taken advantage of. With the yield spread premium, they were the primary victims.

Chairman Hensarling. Would the gentleman yield?

Mr. Green. Of course, I will yield.

Chairman Hensarling. I would just simply inquire, is there

a specific law that the gentleman believes should be added to the books? And I again pose the question, is the gentleman recommending that we bring in members of the Justice Department to find out why these laws are not being enforced?

Mr. Green. So now it is about a law that we should promulgate to assist the Justice Department in some way, or someone--I am not sure I entirely understand the point.

Chairman Hensarling. If the gentleman would yield again, I will try to make it more clear.

Mr. Green. I will yield in just a second, if I may. I am not advocating--are you saying we should have another law for the CFPB? Hardly. What you want is a five-board commission. You want to eliminate the position that Mr. Cordray has.

But the point is this. We have the authority to do our job. Why would we point to someone else and say we are not doing our job because they are not doing theirs. That is called passing the buck, Mr. Chairman. We ought not pass the buck. We are big people, boys and girls as it were, and we ought to take on the challenge. Don't be afraid of the banks.

The CFPB can't fight back. They are not going to be able to go out there and find somebody to run against you. Fear not, move forward. Take up the challenge. The banks deserve to be investigated. Not all of them are culprits, but those that are have been, for decades, ripping off Black and brown people.

I yield back.

Chairman Duffy. The gentleman yields back.

The Chair now recognizes the gentlelady from Missouri, Mrs. Wagner, for 5 minutes.

Mrs. Wagner. It is the authority--thank you, Mr. Chairman--of this committee to conduct the hearing that we have in front of us. This is an Oversight and Investigations Subcommittee hearing titled, Examining Continuing Allegations--Continuing Allegations--despite all the work that has been done and the hearings that have been had by this committee and others and by our full committee also--on Discrimination and Retaliation at the Consumer Financial Protection Bureau.

I want you both to know, Mr. Cauldwell and Ms. Williams, as well as Ms. Angela Martin, who is in the gallery, along with any others who are here from the CFPB, that you have not been used. You are not pawns. We are not indifferent to the 2 pounds of plight that you have been suffering.

And I thank you all for standing up for what is right and what is just for yourself and for your colleagues. I hate discrimination. No one should question or laugh at my motivation, or this side of the aisle's, or yours.

Since our hearings last Congress, it is indeed unfortunate that the CFPB seems to be moving in the opposite direction of fixing these issues, despite the amount of attention from Congress and the employees of the CFPB. And, in fact, in March of this year the Federal Reserve Inspector General released your report further detailing significant racial bias in hiring and promotion as well as failures in implementing equal opportunity standards and tracking complaints at the CFPB.

However, what is most troubling is that it seems that the CFPB doesn't seem to care or they are unable to enact any change under the current management.

Mr. Cauldwell, first of all I want to thank you, sir, as an

Army mom, for your military service in the U.S. Navy as a nuclear machinist--it was fascinating to read about--and for your service to our Federal Government.

As part of an American Banker article published earlier this morning, you stated that you ``don't think the CFPB is scared of Congress. They weather the storm and feel more empowered.'' Additionally, in your testimony for this hearing you say that the Bureau is soulless. Those are serious words, sir. Mr. Cauldwell, do you believe that management is at fault for these discrimination and retaliation issues?

Mr. Cauldwell. I do.

Mrs. Wagner. Would that also include Director Cordray?

Mr. Cauldwell. Yes.

Mrs. Wagner. Do you believe that Director Cordray has appropriately acted to remedy these claims while at the CFPB?

Mr. Cauldwell. I do not.

Mrs. Wagner. The fact that this congressional subcommittee is now convening its fifth hearing on these allegations, and the sixth hearing of the general committee about discrimination at the CFPB with no discernible changes in the workplace culture is quite telling.

Is that a direct reflection, do you believe, of Director Cordray's leadership at the Bureau, sir?

Mr. Cauldwell. Yes.

Mrs. Wagner. You are the elected president of the NTEU?

Mr. Cauldwell. I am.

Mrs. Wagner. Who elects you, sir?

Mr. Cauldwell. The members.

Mrs. Wagner. The members of your union have elected you as their president--

Mr. Cauldwell. Yes.

Mrs. Wagner. --and as their spokesperson and as their representative. Mr. Cauldwell, in your written statement you stated that Director Cordray does not possess the skills to bring positive change to the employees at this agency. Do you stand by that statement, sir?

Mr. Cauldwell. I do.

Mrs. Wagner. Obviously, something has to change at the Bureau to make a better workplace for you, sir, and for your coworkers. Is that right?

Mr. Cauldwell. It is.

Mrs. Wagner. And for those that you represent, the NTEU, is that correct, sir?

Mr. Cauldwell. Yes, it is.

Mrs. Wagner. And you stand behind that statement--that Director Cordray does not possess the skills--and I quote again--``to bring positive change to employees at the agency.'' Doesn't it logically follow that you believe someone else, someone with the requisite skills to bring positive change to the Bureau, should be serving as Director?

Mr. Cauldwell. I do.

Mrs. Wagner. ``Otherwise, positive change can never happen for the employees at the CFPB.'' Is that correct?

Mr. Cauldwell. Yes.

Mrs. Wagner. Considering the fact that we have seen no change in culture over the past year when we first started our congressional oversight, how can we believe things will get



better at the CFPB under Director Cordray going forward? How?

Mr. Cauldwell. I don't have an answer for that. I don't know what we can do. I can say there is all this talk of false allegations and all that stuff. But this is what I have said the whole time: where there is smoke, there is fire. Something is wrong--

Mrs. Wagner. And there is a big fire, Mr. Cauldwell, here, and it has been burning for a long time. I thank you all for your courage. For those that you represent, we will give you a voice, a voice for those who are voiceless, those who have taken this cause, and your concerns and your discrimination from place to place to place to place. We, as a committee, have to help solve this rampant abuse and discrimination in the CFPB.

I yield back, Mr. Chairman.

Chairman Duffy. The gentlelady's time has expired.

The Chair now recognizes the gentlelady from Ohio, Mrs. Beatty, for 5 minutes.

Mrs. Beatty. Thank you, Mr. Chairman, and thank you Ranking Member Green. And to the witnesses, let me start by saying thank you for being here.

Today is difficult for me, and I am sure it is equally as difficult for you. But let me just say these few statements before I ask you a question. What you have witnessed here is the problem that we have. We are here to ask questions of you to try to bring change to one of the most awful situations that employees can find themselves in: women; African-Americans; and other minorities.

Our role is to do what, in part, my colleague Ann Wagner just said: to ask the questions of you. But when I walk into a hearing and I hear Dr. Martin Luther King, Jr., being quoted, that it is not the color of your skin, but being judged by the content of your character--I wrote that down because I want my colleagues on the other side of the aisle to remember those words. Because Dr. King also said it is not where you stand in times of comfort and convenience, but where you stand in times of challenge and controversy that defines your character.

So the message I want to send to you, because I agree with my ranking member on the Financial Services Committee, Congresswoman Maxine Waters, who can look into the hearts and souls of her members and into my heart. And just as you said, we are dealing with the soul of the CFPB, and it is soulless.

Well, right now so are we, because we have been so off track. And that is why you hear the compassion of Congresswoman Maxine Waters, and the compassion of Congressman Al Green. Because I am comfortable in saying no one has witnessed the discrimination that we have witnessed, no one has fought harder against discrimination over a long period of time than that Congresswoman, Maxine Waters.

If you look to her past, at her history, you will see that she has been given more awards for advocating for the poor, for Blacks, for women, and has led the charge across this Nation.

Last Sunday, as I was watching TV, I saw Maxine Waters in Charleston, South Carolina. She was standing there with the people because of this horrific tragedy that has happened in this Nation. But for us to come here and want to confuse it with what we are doing with banks, let me just say two wrongs

don't make a right. I want to see this same compassion when we are talking about children starving and SNAP dollars being taken away. I want to see this same compassion when we talk about people living in public housing.

If we would bring that compassion together versus fighting each other and making this a political battle over the President of these United States, in some ways that is discriminatory to me, because he is the first Black man to serve as our Nation's President. So if we are going to go there, we don't want to go there on discrimination. Because more people on this side of the aisle understand what you are going through.

So I take this very seriously. I worked over 20 years in public housing as a consultant. I am one of your strongest advocates for protecting the people. And we should take this operation, this opportunity, to make sure that we stand up for you, that we hear you independent of the banks.

You didn't come here--in any of your testimonies--bring a complaint or confuse it with the banks. This is about the employees who work there, and I am a big supporter of the CFPB. But I am not a supporter of people discriminating in the workplace or anywhere else.

We have been a very strong advocate on this issue. We signed a letter, a year ago, asking the Office of the Inspector General to get involved and to conduct oversight. Congresswoman Maxine Waters has fought hard for OMWI and has taken Democrats and Republicans to task about not having protections in place for minorities and women. So let me just say to you that we are here for you and this is not a political battle. We understand discrimination.

Thank you for your courage.

Chairman Duffy. The gentlelady's time has expired.

The Chair now recognizes the gentleman from Colorado, Mr. Tipton, for 5 minutes.

Mr. Tipton. Thank you, Mr. Chairman. I would like to thank the panel for taking the time to be here.

We have heard a number of comments that not one thing has been done about the banks and discrimination. And I think we all have the same heart: that we do not want to see discrimination by color, sexism, whatever happens to be in any institution. But what this hearing is about is about you and your experiences at CFPB. So what has happened, from your experiences, to be able to correct discrimination in the CFPB? Has anything been done?

Mr. Cauldwell. I don't believe so, no.

Mr. Tipton. Ms. Williams?

Ms. Williams. In my opinion, nothing has been done. If you look at the history of the CFPB, it took the agency 2 years to even have an office of equal employment opportunity. The office--or just EEO itself, in my opinion--was treated like a hot potato. It was tossed to four different areas before, after 2 years, there was an office.

And even when the office was established, an individual who was an agency attorney representing the agency against EEO complaints and against negotiated grievances was made the face of EEO. And as long as the behavior continues in CFPB, as long as the Director accepts the behavior from his management

officials who are engaged in discriminatory behavior, I don't see how anything can change.

Mr. Tipton. So you have had no direction, Ms. Williams, from the Director of the CFPB, Mr. Cordray, to try and really address the problem.

Ms. Williams. Director Cordray issues periodic notices concerning equal employment opportunity, concerning the No FEAR Act, concerning whistle blowing. But the statistics themselves--this is just not my view--but the statistics themselves, when you look at those, show that the discrimination within the agency is ongoing.

And not just the statistics from the No FEAR Act complaint, but the 2 pounds of documents that you all referred to, the IG report, the DIG report, the Deloitte study, and here most recently the study from the Charles River Associates. So there are so many problems at the CFPB that can be resolved, yet for whatever reason they are not. And the climate is worsening.

Mr. Tipton. I think, and I hope and believe on both sides of the aisle it is to be results oriented. And what you are telling us is, the flags are there, the problems exists, memos are issued but there is no real follow-through from the leadership of the CFPB.

Ms. Williams. Correct.

Mr. Tipton. Great. Because I think, Mr. Chairman, that is what this hearing is about. It is not about the institution. We are talking about, within the institution, discrimination that is going on. When you were trying, Ms. Williams, to be able to carry out your job, do you think that you have all of the tools available to you and the support necessary to be able to stand up for your people, the people you work with?

Ms. Williams. No, I don't think the necessary tools are there. And that is one of the reasons that I am especially excited about the bill that Mr. Cummings and Ms. Eleanor Holmes Norton are sponsoring, the Federal Antidiscrimination Act of 2015 to enhance the No FEAR Act. I think that is very important to establish some separations between agencies' EEO, human resources, and legal divisions, to give agencies an opportunity to promote these EEO programs and provide the services that these offices should be providing.

Mr. Tipton. Good. I appreciate that. You don't want to--I guess one of my frustrations on coming from the private sector, and I have lately--you can probably all agree, the last recourse when we are talking about discrimination is typically going to be government.

In the private sector, when there are issues that are coming up on discrimination, there will be fines, there will be penalties, and there will be prescriptive measures to be able to address it.

But yet apparently, from what you were testifying here today, the government is not applying the same rules to itself that it expects--may not achieve, but expects--out of the private sector. Would that be accurate?

Ms. Williams. Yes.

Mr. Cauldwell. Yes.

Mr. Tipton. So let's talk about the structure of how the CFPB is put into place. Mr. Cauldwell, maybe you would like to address this. We have a lot of power that is vested in one

person. We do have legislation that has been noted by our counterparts on the other side of the other aisle to be able to put in a panel of people. Would that be a sensible way to be able to get a responsive mechanism, rather than leaving sole decision-making in the hands of one individual?

Mr. Cauldwell. So when we began all this at the Consumer Financial Protection Bureau, I didn't agree with that. But because of inaction, I kind of waver on that. There are more people internally who support that idea as employees of the CFPB than you would think. And I even am questioning myself on that.

I just think a person of leadership has a duty to protect their people over the ideals of the agency first. Because with one you don't have the other, and that is not happening.

Mr. Tipton. So it is going to be important that we actually look at the results that are going to be coming out rather than trying to just protect the institution.

Mr. Cauldwell. Yes.

Chairman Duffy. The gentleman's time has expired.

Mr. Tipton. I yield back, Mr. Chairman.

Chairman Duffy. The gentleman yields back.

The Chair now recognizes the gentleman from Maine, Mr. Poliquin, for 5 minutes.

Mr. Poliquin. Thank you, Mr. Chairman, I appreciate it. And I want to thank Mr. Cauldwell and Ms. Williams for being here today. It takes a lot of courage for you folks to be here. I appreciate it very, very much.

This is an uncomfortable topic for a lot of people, myself included. I don't think there is any place for discrimination for any reason in Maine, where I represent, or in America. And I don't think it is helpful for folks on this committee to accuse others of being racist. I don't have a racist bone in my body, and I didn't raise my son to be that way, and my mom and dad aren't, and I don't associate with people like that. I don't know people like that. We are all God's creatures; we are all here for a reason. And you folks are here trying to make our government a better place to work so it works for all the taxpayers and all the people that we represent.

So I really appreciate you being here. Now, I am all about solving problems. And Ms. Williams, in particular your testimony here, if I am not mistaken, and based on the readings that I have, you have been working in the public sector on behalf of the citizens of this country for about 32 years, about 20 of which you have specifically worked in the equal opportunity and civil rights area.

Ms. Williams. Yes.

Mr. Poliquin. To make sure that folks who work at the CFPB are not discriminated against and they are not intimidated in the workplace such that they can do their jobs properly. Now, I am guessing--but I would like to ask this question--do you have contact with other folks who have similar jobs at other agencies in our Federal Government? You must have an organization or socially informally meet with them.

Ms. Williams. Yes.

Mr. Poliquin. You do. And have you--or do you believe that there is the level of continuous biases is what I have heard today, at the CFPB--do you think that exists in other agencies,

or is it specific to CFPB?

Ms. Williams. I think it does exist in other agencies. I think the difference is at the CFPB it has gone unaddressed by the union for too long.

Mr. Poliquin. Why do you think that is the case?

Ms. Williams. I think that equal employment opportunity and civil rights is not important to Director Cordray. As I mentioned earlier, the EEO office was not even established until 2 years after the agency was established. Director Cordray delegated that responsibility to four different areas within the agency. When you look at the CFPB, for example the Office of Enforcement or Examinations, that responsibility was not delegated multiple times throughout the agency. As soon as the agency was established, employees who possessed the requisite skills were sought out for those positions.

This position, this EEO office, appears to be an afterthought for this agency. And now that the organization has been restructured to somewhat place the EEO office a little bit closer in line with the Director's office, and he now is essentially my third-level supervisor, I talked to him--or wrote him a letter--prior to reaching out to anyone else to explain the discrimination and reprisal that I personally have been subjected to, but also my view on the lack of resources, in terms of human resources in the EEO office, to effectively run this EEO office. And he was not responsive.

Mr. Poliquin. Thank you, Ms. Williams, very much. Mr. Cauldwell, you represent workers throughout the Federal Government in various different agencies. Do you see, or do your members see, the level of problems that we have with respect to this issue at the CFPB existing in other agencies where your members work?

Mr. Cauldwell. No, and working at a prior agency I can speak to this directly. You have managers at every agency who don't do the right things. That is just human nature; it is who we are. Sometimes, it happens. But at the Consumer Financial Protection Bureau, it is institutional. It is not one manager or the other, although sometimes it is. It is everybody's culture. And we have to change that.

Mr. Poliquin. How do we change that?

Mr. Cauldwell. Well, you have to take these things seriously. It is like a 12-step program: saying they don't exist and ignoring them doesn't make it so.

Mr. Poliquin. Do we think we have taken them seriously, when this committee has gone back to the CFPB--apparently on numerous occasions--and it is still going on?

Mr. Cauldwell. I don't think the CFPB has taken this seriously, no. I think they think that we couldn't be doing that, we are better than that. I think they are in denial.

Mr. Poliquin. Thank you very much, Mr. Cauldwell. Thank you, Ms. Williams, very much.

Mr. Chairman, I yield back my time.

Chairman Duffy. The gentleman yields back.

The Chair now recognizes the gentleman from Arkansas, Mr. Hill, for 5 minutes.

Mr. Cleaver. Mr. Chairman? Could I get unanimous consent for 15 seconds? I would like to ask the last questioner just one question so I can--

Chairman Duffy. Without objection, it is so ordered.

Mr. Cleaver. I would like to ask the speaker--I will look at it. We can't catch it in real time, but I thought you said it was not normal on this committee for anyone to call anyone a racist. I will check it when we can get it typed. I am pretty certain I heard that, but I just wanted to make sure because I don't want to offend anybody.

Chairman Duffy. And I would just note that we are going to have votes called, and we do have several Members who do want to ask questions. And so I don't want to go into a colloquy. I know that Mr. Green will have 5 minutes in a second, so I appreciate that.

The Chair recognizes Mr. Hill for 5 minutes.

Mr. Hill. Thank you, Mr. Chairman, and I thank the ranking member and our witnesses. We are here for an important purpose and, Mr. Chairman, I don't appreciate the allegations made by the full committee's ranking member. I took them quite personally and I don't think it is in keeping with the House decorum.

I have only been in Congress for 6 months, but I bring with me 35 years of experience in hiring people and working in both the Federal Government in the Treasury and in the Executive Branch, and then in the private sector. And we are here to deal with this matter today, and it is an important matter.

Another thing that has been suggested is that our witnesses today have come here first or exclusively, and have thrown their pleas on the House Committee on Financial Services to the exclusion of other remedies. And I don't think that is true, from looking at the chronology here.

They took their complaint to the Office of Minority and Women Inclusion. They have complained, members have complained, to the U.S. District Court in the District of Columbia. Deloitte Consulting has had focus groups and analyzed the practices of this agency. As noted, the CFPB union has noted challenges, and complaints have been made to that union.

The Federal Reserve's IG had been involved and looked into the matters and allegations made by these witnesses and others. It is because nothing has happened that these two people are before our House Financial Services Committee, and I find that a sad day. I agree with Members on both sides of the aisle who said it has been a long time and nothing has happened.

But the duty for something to happen does not rest in this committee. It rests with the management of the CFPB. And I would like to ask a few questions about that. Who is in charge of personnel at the CFPB? Who is the chief H.R. officer for the Consumer Financial Protection Bureau?

Mr. Cauldwell. The Chief Human Capital Officer is now Jeffrey Sundberg.

Mr. Hill. And how long has he been there?

Mr. Cauldwell. I believe it has been less than 6 months.

Mr. Hill. And does the EEO officer, equal opportunity officer, report to that person?

Ms. Williams. No, the EEO Director most recently has reported to the Chief Operating Officer. So that was the same alignment with the Office of Human Capital. But last fall, that reporting structure changed, and she now reports to Mr. Ishimaru, who is the Director of the Office of Minority and

Women Inclusion.

Mr. Hill. All right. And to whom does that office report?

Ms. Williams. To the Director.

Mr. Hill. And is that, in your view, Ms. Williams, a standard best practice inside an Executive Branch agency now? Has the Bureau now adopted what you think is a standard best practice?

Ms. Williams. Well, it is not my view. But the EEOC's management directive specifically talks about, in its very first chapter, about the organizational reporting structure, and that the Assistant Director of the Office of Civil Rights is to be a direct report to Mr. Cordray so that there is no perception of a lack of neutrality or no perception of her not having his ear to report to him whatever matters she considers are worthy of his attention. So even though there was a restructuring last fall, it still is not a restructuring in alignment with what the Equal Employment Opportunity Commission recommends.

Mr. Hill. And is Stacey Bach still the leader of this effort?

Ms. Williams. Yes.

Mr. Hill. And do you think she has been effective under this realignment as the Director of the Office of Civil Rights?

Ms. Williams. No.

Mr. Hill. Can you tell me the top two or three reasons why you don't think she is effective?

Ms. Williams. The top two or three reasons, one--as I mentioned--that prior to being non-competitively reassigned to this position, she served as an agency attorney representing the agency against employees who had filed EEO complaints and grievances. So whether real or perceived, to place a person like that as the face of EEO after the agency had not even had an EEO office for 2 years is a misstep that should not have happened.

Two, Ms. Bach does not possess the requisite qualifications for the position, nor is she fit for the position based on her demonstrated behavior.

Mr. Hill. Thank you, Ms. Williams. I would conclude simply by saying, Mr. Chairman, that there is a Fair Housing Act, there is a Home Mortgage Disclosure Act, there are fair labor standards in this country, there is an EEOC office in every major city in this United States, and if private sector players are not performing their responsibilities in fair hiring and labor practices they should be investigated by those agencies and by the Department of Justice,

Thank you.

Chairman Duffy. The gentleman's time has expired.

The Chair now recognizes the ranking member of the subcommittee, the gentleman from Texas, Mr. Green, for 5 minutes.

Mr. Green. Thank you, Mr. Chairman. I would also add that there is an EEO office in CFPB, and there is also an EEOC office available to persons at the CFPB. But we still have the Congress involved, and I am not opposing the involvement of the Congress. I just think the Congress ought not stop with the CFPB. You have remedies that were available to you and you have used yours. One of you, I think, has exhausted remedies, and

you may be doing some other things all available to you.

Now, I would like to ask unanimous consent to put into the record an exhibit styled, ``CFPB Diversity and Inclusion Efforts Since April 2014,'' which details some 10 things that have been done since 2014. I won't go through them, since time doesn't permit.

Chairman Duffy. Without objection, it is so ordered.

Mr. Green. Also, an article styled, ``Bank Discrimination and Its Debilitating Effect on Minority Entrepreneurs,'' without objection, Mr. Chairman?

Chairman Duffy. Without objection, it is so ordered.

Mr. Green. Thank you. And, Mr. Chairman, I would like to do this. Because I enjoy having my colleagues respond to me and I have to respond to them. So here is my challenge. My challenge to my colleagues is this, on both sides. It wouldn't surprise me to know that we have somebody over here who thinks a little bit differently from me. So I challenge people on my side, too, if there is one over here. You set a hearing to deal with mortgage banking and the invidious discrimination therein. I will not talk about it any more and will wait until we get to that hearing.

So that is my challenge to you, Mr. Chairman. That is my challenge to you, Mrs. Love. I am calling names. My name was called today; I resort to calling names. Let's have the hearing. Set the hearing and I won't talk about them anymore.

But if we don't, here is what is going to happen. The next time I get a chance--I have an article here that is styled, ``The Banks That Got Caught Discriminating Against Black People,'' but I haven't had a chance to vet it yet--I am going to call the names of those banks. You can run but you can't hide. You can duck but you are not going to dodge. I am going to call you out.

And I would also add this. I want to give an expression of appreciation to Goldman Sachs. They did send somebody by, some people by to talk to me. These are the banks that are ducking and dodging and hiding. If you don't talk to me, I am going to point out that you are ducking and dodging and hiding. It is time to bring this to closure.

We have had the opportunity to deal with this and we have turned a blind eye and a deaf ear. It is not something that we will pass the buck on. It is akin to, in my opinion, the way we dealt with the Confederate flag.

I wore this tie for a purpose, I love my country. I love it. I say a pledge of allegiance to one flag, this flag. It is the United States of America under this flag. The Confederate flag divides us, this flag unites us. I love my country. I love it so much that I am not going to let the banks continue to rip off minority people. And I said ``rip off.'' What they have done is sinful, and what we are doing is sinful because we won't look into it and we have every excuse available to the human mind.

I challenge you. Set a hearing and you won't hear any more from me on this point. Don't set one, and at every meeting that we have I am bringing up the banks. I want to yield the rest of my time to Ms. Waters.

Ms. Waters. Thank you so very much, Mr. Green. One of the reasons I suggested to our witnesses here today to go through



the system is because it gets very complicated, and there are some things we can't ferret out in a hearing like this.

First, let me try and understand something. Ms. Martin is in the audience, Angela Martin. I remember she came before this committee and, as a result of that, we interacted with CFPB. She received a settlement. Mr. Cordray did something about changing the bonus system, he required a study. The study made some recommendations. So we have been paying attention to some of the actions that Mr. Cordray has taken to deal with some of the issues that were brought to us by Ms. Martin.

The other thing is, we were told for Mr. Cauldwell that you are the president of the National Treasury Employees Union, but you don't have their support and you don't represent them before this committee. And I am also told, which is very confusing, that Ms. Williams, at EEO you heard Mr. Cauldwell's complaint and allegations. You ruled against him, and you said that he had not been discriminated against. Is that true, Ms. Williams?

Ms. Williams. Ms. Waters, I cannot discuss individual complaints.

Ms. Waters. Okay, that is fine. You don't have to. Mr. Cauldwell, are you representing the union here today? Or are you representing yourself?

Mr. Cauldwell. I am representing the chapter of the union.

Ms. Waters. I can't hear you.

Mr. Cauldwell. I am representing the chapter of the union.

Ms. Waters. Okay, I don't know what that means. But I point this out because it is very difficult to get at all of this in a hearing, where the politics are involved. And that is why I suggest you go through the system so that you can have allegations that are investigated properly.

Because it gets very confusing when we hear that you have been ruled against by your own EEO. And also, I understand that while you say that you have not had EEO, the Treasury had EEO prior to your getting organized there at the CFPB. Is that true?

Ms. Williams. Yes, it is.

Ms. Waters. All right. So, you see, we--

Chairman Duffy. The gentlelady's time has expired.

Ms. Waters. --can't figure all this out and deal with the information that is coming from different sources in a committee like this. And thank you so much.

I yield back the balance of my time.

Chairman Duffy. Thank you.

The Chair now recognizes the gentleman from Illinois, Mr. Hultgren, for 5 minutes.

Mr. Hultgren. Thank you. I would actually like to yield my time to Chairman Duffy.

Chairman Duffy. I appreciate the gentleman for yielding. It has been an interesting hearing so far. I would just note, if our witnesses, Mr. Cauldwell or Ms. Williams or Ms. Martin, who is here today, or any of the CFPB employees wonder why this hasn't stopped, wonders why this CFPB management feels emboldened to do what they do to you, something that doesn't exist from--I believe what I have heard from you, doesn't happen in--any other governmental agency what happens at the CFPB. The way they can get away with it is because this

committee will do everything they can to not focus like a laser at the racism and the sexism and the ageism at the CFPB. You will hear a lot about big banks, you will hear a lot about everything else. And you know what? There is a lot to talk about.

But today, we don't have anybody but those who have been victims of racism and sexism at the CFPB. And I don't know if you have noticed, but no one wants to talk about that. How many questions did you get? I was hoping we were going to have an engagement and hear your story.

And you hear a lot of back and forth, talking about issues at 30,000 feet. And I hope, Ms. Williams--I imagine you came in, and you were like, you know what? I want to tell my story. I want to tell the story of the people who report to me and what happens in our agency. Because, yes, there are problems all over America. But I have problems right here in a governmental agency that is worse than any other one.

And I would hope that--I don't care what your sex is, what your sexual preference is, what your race is, what your beliefs are--we stand together as a country and we hear that story, and we fight together as one Congress and make a difference at the CFPB.

Because I think, as Mr. Mulvaney pointed out, if you are the police on the beat who are looking at everybody else to make sure they comply with rules in regard to these issues that are important, and you can't get it right at the CFPB, what does that say? What does that say about what we believe as an institution?

And I am disappointed. I am disappointed that we are trying to talk about everything else and everybody else and everywhere else but the people who are in front of us. The people who have been victimized are the ones we don't want to hear from. We want to talk about everything else but you. Listen, I know you guys have gone to other places. And this is shocking. I am a White guy, who is straight, from Wisconsin. I have seven minority kids, though--seven--and a minority wife.

And just because I am a White straight guy from Wisconsin doesn't mean I can't care about what happens at the CFPB. And I think my colleagues know that I have some issues with the CFPB, but this isn't about those issues. This is about making sure that people are treated correctly, appropriately, and fairly.

And I think that we should start with our government and our government employees, over whom we have direct oversight, and make sure that we have a system in place that people don't get treated like Ms. Martin, Ms. Williams and Mr. Cauldwell. And if they do, we all hold hands and say, ``You know what? Let's focus on them, let's work for them, let's root those problems out. Let's not try to cloud the issue and confuse the issue.''

And that was my hope for today's hearing. I think both of you, for the limited questions that you had, have done a pretty good job talking about what has happened.

In the 1 minute I have left, does Mr. Cordray take these allegations that were made by Ms. Martin--but also now made by both of you here today--does he take those allegations seriously? And do you believe that he is committed in his heart to making sure he changes the culture at the CFPB? Mr.

Cauldwell, you first.

Mr. Cauldwell. I do not, and I don't think he ever will. It has been 4 years.

Chairman Duffy. Ms. Williams?

Ms. Williams. No, I do not believe that he takes these issues seriously.

Chairman Duffy. Do you think if we had a leader at the top who actually took these issues seriously, you could root these problems out of the CFPB?

Ms. Williams. I don't know that the problems can ever be completely rooted out, but a person committed to resolving these issues would be able to show demonstrable change by now.

Mr. Cauldwell. I agree.

Chairman Duffy. Very well. I appreciate that. My time has expired. I now yield to the--

Mr. Green. Point of inquiry, Mr. Chairman?

Chairman Duffy. What is the inquiry?

Mr. Green. Thank you, Mr. Chairman. Mr. Chairman, I first want to let you know that I agree with you that we should look into what I call invidious discrimination at the CFPB and anyplace else. But here is my point of inquiry. Is the Chair going to agree with me and host a hearing on invidious discrimination in mortgage lending?

Chairman Duffy. Well, that is not a valid inquiry. And we do only have 5 minutes left on the clock on the Floor.

So, the Chair now recognizes the gentlelady from Utah, Mrs. Love, for 5 minutes.

Mrs. Love. Thank you, Mr. Chairman. First of all, I would like to thank you, Mr. Cauldwell and Ms. Williams, for being here today. I know that this was incredibly difficult for you both to be here, and it has been incredibly difficult to hear the dialogue back and forth.

I am coming in from the very beginning with fresh eyes looking at this. I haven't dealt with the years of problems and discrimination. And I am still incredibly disheartened by what I am hearing today.

I have just a few questions for you because I think that is what hearings are for: to ask questions so that the American people can hear of some of these complaints. Because this is their country, this is their CFPB. It doesn't belong to us, it belongs to them, and they deserve to hear what is going on in the industries and in the areas that they use their taxpayer dollars to pay for.

So how many complaints have you heard of dealing with discrimination, retaliation? How many complaints are you dealing with right now or have heard since you have been with the CFPB?

Ms. Williams. Currently, there are 18 formal complaints. But we report the complaint activity quarterly, so the No FEAR Act (which only reports formal, not informal EEO complaint activity) indicates that there are 15 complaints. And then it provides a historical perspective. So for this agency, that prospective goes back to 2012.

Mrs. Love. So if we have 18 that we are hearing of--people who are courageous enough to know that they are going to complain about something that will not be resolved--can you imagine how many we are not hearing about? And that is the

thing that I am actually concerned about. This, for me, has nothing to do with the function of the CFPB. That is a different discussion. This, to me, has to do with what is going on inside the CFPB. And if it is going to exist, it is our job to make sure that we root out some of the problems that we have within the organization.

In your 32 years of Federal service across 5 different agencies, have you ever seen an environment like this?

Ms. Williams. No.

Mrs. Love. After 32 years?

Ms. Williams. After 32 years in the Federal sector, and also 2 years prior in the public sector, I have never seen anything like this in my life.

Mrs. Love. I have listened to my colleagues on both sides of the aisle, and I don't think there is anyone on either side who would say that I am unfair. I have love and respect for many people, by the way, on the other side of the aisle. I am very good friends with many of them. I respect them and I love them as people. I can tell you that right now because I have a bond with people and what they are really trying to do.

And so I want you to know that I am coming from this with that respect. If we are not dealing with the issues that we have here, what kind of credibility do we have anywhere? If we are not dealing--this is what I have in front of me, and I agree. I think that any time we find discrimination, we should have a hearing on it, and we should call people out; we should weed them all out. I am okay with that. I am not picking one or the other. Let's call them all out.

Mr. Green. Will the gentlelady yield?

Mrs. Love. No, I need to finish. I don't have very much time. But I want you to know that my daughter is in the other room and she is watching what is happening here. She is 15 years old. And I want her to grow up in a country where she knows that someone is going to listen to her voice.

I think that we have an obligation to do whatever we can to make sure that everyone has the right to work in a place and not feel as if they are going to be discriminated against or feel as if they talk about it they won't be retaliated against.

I want you to know that I am proud of who I am. I am proud of my color, I am proud of my heritage, I am proud of my State, I am proud of my country. But most of all, I am proud that I live in a country where I can have an opinion, where I could choose to be a Republican or a Democrat. I can choose my own mind and make my own mind up, and feel like I am heard.

That is what we are about. This is not about one aisle against another aisle. This is about people, this is about our children, it is about making sure that we create an environment in which they are free to be as ordinary or as extraordinary as they choose to be. That is what I represent and that is the country that I love.

I yield back.

Chairman Duffy. The gentlelady's time has expired. Thank you for your questions, Mrs. Love.

I want to thank the witnesses for their testimony today. I would just note that the votes have now been called, and there are 18 seconds left on the clock.

The Chair notes that some Members may have additional

questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

Without objection, the hearing is now adjourned. Thank you both.

[Whereupon, at 12:27 p.m., the hearing was adjourned.]

A P P E N D I X

June 25, 2015

[GRAPHIC(S) NOT AVAILABLE IN TIFF FORMAT]