



# FDIC Office of Inspector General • Office of Audits

## Impact and Results

(October 2023 - March 2026)

- ★ More than **28 products issued**.
- ★ More than **125 recommendations to the FDIC**.

## Recent Report Highlights

- ★ **Special Inquiry of the FDIC's Workplace Culture with Respect to Harassment and Related Misconduct** - More than one-third of the 2,300 employees surveyed said they had experienced or witnessed harassment. FDIC management could not always provide complete information about disciplinary actions, and there was no agency-wide policy on penalties or recommended ranges to ensure fair and consistent discipline. FDIC policies did not require reporting of allegations of harassment involving employees to the Chairman or Board of Directors, leaving senior executives without sufficient information to address the problems effectively.
- ★ **Material Loss Review of First Republic Bank** - The bank's failure was caused by contagion effects stemming from the failure of other prominent financial institutions, which led to a run on deposits, significantly reducing its liquidity and exposing vulnerabilities in its business strategy. Report contains 11 recommendations intended to improve the FDIC's supervision processes and protect the Deposit Insurance Fund in a changing banking environment.
- ★ **Readiness to Resolve Large Banks** - The FDIC's readiness to resolve large regional banks under the Federal Deposit Insurance Act was not sufficiently mature to facilitate consistently efficient response efforts in a potential crisis failure environment. We made 11 recommendations to enhance the FDIC's ability to conduct resolutions efficiently and effectively, reduce strain on staff, and strengthen interdivisional relationships.
- ★ **Infrastructure Support Services (ISS Contract)** - The FDIC did not provide effective oversight to ensure key contract personnel and the contractor complied with internal policies and procedures or the ISS contract terms and conditions. We made eight recommendations and reported \$4.6 million in questioned costs and \$2 million in funds to be put to better use.
- ★ **Student Residence Center** - The FDIC had not determined the cost benefits of, or organizational risks associated with, operating the SRC, which provides lodging for FDIC employees, federal financial regulatory agency employees, and other authorized, non-FDIC guests coming to the Washington, D.C. area for training. We made four recommendations.

## Who We Are

The Federal Deposit Insurance Corporation (FDIC) supervises 2,738 banks in the United States, maintains the Deposit Insurance Fund of nearly \$154 billion, and insures domestic deposits of more than \$10.82 trillion.

**The FDIC Office of Inspector General (OIG)** mission is to deliver credible results that drive meaningful change, enhance integrity and accountability, and maintain public trust in the FDIC.

## Office of Audits

The OIG's Office of Audits conducts audits, evaluations, and reviews to examine FDIC programs and operations, assess their efficiency and effectiveness, and make recommendations to improve the Agency.

Engagements can involve:

- ★ assessing the effectiveness and efficiency of FDIC programs and operations;
- ★ assessing the FDIC's compliance with laws, regulations, and best practices;
- ★ assessing the FDIC's IT programs and information/cybersecurity;
- ★ reviewing failed banks; and
- ★ alerting management to concerns.

## Standards We Follow

- ★ GAO's Government Auditing Standards (Yellow Book).
- ★ Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Quality Standards for Inspection and Evaluation.
- ★ CIGIE's Quality Standards for Federal Offices of Inspector General.

## What are the key steps in an Audit or Evaluation?

The Office of Audits assignment process is scalable based on the assignment type. It includes formal touch points with the OIG's executive leadership and FDIC stakeholders. Each engagement involves three phases: Planning, Fieldwork, and Reporting. Issued reports, including FDIC comments, are publicly available at [www.fdicigov.gov](http://www.fdicigov.gov).