FDIC Office of Inspector General

Special Inquiry of the FDIC's Workplace Culture with Respect to Harassment and Related Misconduct – Part 1

Review Report - Final

December 2024 | No. REV-25-01

Office of Inspector General

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NOTICE

Pursuant to Pub. L. 117-263, section 5274, non-governmental organizations and business entities identified in this report have the opportunity to submit a written response for the purpose of clarifying or providing additional context to any specific reference. Comments must be submitted to comments@fdicoig.gov within 30 days of the report publication date as reflected on our public website. Any comments will be appended to this report and posted on our public website. We request that submissions be Section 508 compliant and free from any proprietary or otherwise sensitive information.

Executive Summary

Special Inquiry of the FDIC's Workplace Culture with Respect to Harassment and Related Misconduct – Part 1 (REV-25-01)

December 18, 2024

What We Did

Our objectives were to determine (1) employee perceptions of the FDIC workplace culture with respect to harassment, or related misconduct, and management actions; (2) FDIC management's actions to review, process, and address complaints of harassment and related misconduct, including the management of related litigation; (3) FDIC executives' knowledge of harassment and related misconduct and what actions (if any) were taken in response; and (4) factual findings regarding selected allegations that senior officials personally engaged in harassment or related misconduct. We reviewed policies, procedures, core values, and job standards; conducted a survey; interviewed current and past employees; and reviewed a sample of complaints.

Impact on the FDIC

An Agency's overall performance and reputation can be undermined by employee perceptions that an Agency's workplace culture does not demonstrate commitment to its core values. This can lead to long-term challenges in achieving the Agency's mission and retaining talent. In addition, if management does not hold personnel accountable and foster a safe environment where employees can report harassment and related misconduct without fear of retaliation, employees will mistrust the Agency's efforts.

What We Found

A majority of FDIC employees who responded to the survey stated they felt safe, valued, and respected and had generally positive views about their coworkers and immediate managers. However, employee views of FDIC management and leadership with respect to harassment and related misconduct were less favorable. More than one-third of respondents reported that they had either experienced or personally witnessed harassment. Additionally, our review of cases and settlement agreements supported some of the employee perceptions, specifically that some FDIC managers had not protected victims of harassment and retaliated against those who filed a complaint. These conditions occurred because leadership does not consistently implement the Agency's policies and stated core values, specifically, fairness, accountability, and integrity.

The FDIC did not consistently maintain documentation related to disciplinary actions resulting from complaints of harassment and related misconduct. Additionally, the FDIC did not always document its decision-making process for these disciplinary actions. This occurred because the FDIC did not have a centralized system to track all harassment and related misconduct complaints and the associated records, efforts, and actions from inception to resolution. Also, the FDIC does not have clear policy, standards, and procedures for documenting the process that it followed to make disciplinary decisions.

FDIC executives have varying levels of knowledge regarding harassment and related misconduct complaints across the FDIC. Also, FDIC policies do not require allegations of harassment or related misconduct involving FDIC employees to be reported to the appropriate FDIC stakeholders.

Our investigative work on specific allegations and complaints of harassment and related misconduct against several senior FDIC officials remains ongoing.

What We Recommended

We made six recommendations regarding FDIC's efforts to improve its workplace culture by setting a tone at the top where all FDIC executives model the FDIC's core ethical values; including a mechanism to provide support and protection for employees who fear or experience retaliation; establishing an agreement with a third-party to conduct investigations of complaints against senior FDIC officials; developing a process to periodically report complaints of harassment and related misconduct to appropriate FDIC stakeholders; restating FDIC employees' obligation to report allegations of misconduct; and including the OIG Hotline as an option for reporting misconduct. The FDIC concurred with all six recommendations and plans to complete all corrective actions by June 30, 2025.

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INTRODUCTION AND OBJECTIVES

In the fall of 2023, news articles began to circulate detailing allegations of a toxic and sexualized workplace environment at the FDIC. Beginning on November 13, 2023, the Wall Street Journal published a series of articles reporting on the FDIC's failure to address inappropriate behavior, leading employees to leave the FDIC. The articles reported that many FDIC employees did not file complaints about harassment, fearing retaliation or believing nothing would come of their complaints. Further, an article reported that two offices charged with addressing FDIC employees' complaints of harassment and discrimination had their own allegations of misconduct. The series of articles also reported allegations of misconduct involving other FDIC senior officials, including the current Chairman.[1]

On November 17, 2023, the Office of Inspector General (OIG) received a letter from the Chairman of the Senate Committee on Banking, Housing, and Urban Affairs requesting that we conduct a comprehensive investigation into the workplace culture at the FDIC.[2] On December 6, 2023, the OIG initiated this Special Inquiry to report on the leadership climate at the FDIC with regard to all forms of harassment and inappropriate behavior.[3] This report presents the results of that review conducted by the OIG's Offices of Audits, Evaluations, and Cyber; Investigations; and General Counsel.

The objectives of the Special Inquiry were to determine (1) employee perceptions of the FDIC workplace culture with respect to harassment, or related misconduct, and management actions; (2) FDIC management's actions to review, process, and address complaints of harassment and related misconduct, including the management of related litigation; (3) FDIC executives' knowledge of harassment and related misconduct and what actions (if any) were taken in response; and (4) factual findings regarding selected allegations that senior officials personally engaged in harassment or related misconduct.[4]

[1] *Strip Clubs, Lewd Photos and a Boozy Hotel: The Toxic Atmosphere at Bank Regulator FDIC*, November 13, 2023. *FDIC Chair, Known for Temper, Ignored Bad Behavior in Workplace*, November 16, 2023. *FDIC Faces Internal Reckoning Over Toxic-Culture Allegations*, December 1, 2023. *FDIC Human-Resources Operation Faced Numerous Misconduct Complaints*, February 8, 2024.
[2] United States Congress, Letter from the Senate Committee on Banking, Housing, and Urban Affairs, November 2023. Available at https://www.banking.senate.gov/imo/media/doc/letter_to_the_fdic_ig.pdf.
[3] OIG Response Letter to the Senate Committee on Banking, Housing, and Urban Affairs, November 21, 2023.
[4] In this report, FDIC senior officials are defined as the Chairman, the Board of Directors, and all Executive Managers. FDIC senior executives include the Chairman, the Board of Directors, as well as Executive Managers listed on the FDIC's leadership website. Available at https://www.fdic.gov/about/board-directors-senior-executives.

SCOPE AND METHODOLOGY

As part of our Special Inquiry, we utilized both qualitative and quantitative techniques to achieve our objectives. We obtained and reviewed the FDIC's policies and procedures; reviewed relevant documents; conducted a survey of all FDIC employees; interviewed FDIC employees and former employees at various levels within the Agency; and sampled and reviewed harassment and related misconduct complaints to determine how the FDIC handled those specific complaints.[5] Appendix 1 of this report includes additional details about our objectives, scope, and methodology.

In conducting this Special Inquiry, we adhered to the professional standards developed by the Council of the Inspectors General on Integrity and Efficiency (CIGIE):

- Office of Audits, Evaluation, and Cyber—For objectives 1 through 3, we conducted our work in accordance with the *Quality Standards for Inspection and Evaluation*. These standards require that we plan and perform the evaluation to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our evaluation objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

- Office of Investigations (OI) and Office of General Counsel (OGC)—For objective 4, we performed our work in accordance with the *Quality Standards for Investigations.* These standards require that we plan, execute, and report the results of our fact-gathering. As we complete our fact-finding for each of the selected allegations, we plan to issue a summary of or series of reports to appropriate FDIC management and the Board.[6]

Due to the FDIC's inconsistent and incomplete tracking of allegations of harassment and related misconduct, our scope and results are limited to the harassment and related misconduct allegations reported to us or identified during the evaluation. This limitation in evidence was previously identified in the OIG report *The FDIC's Sexual Harassment Prevention Program* (2024 OIG Report).[7] Because of this limitation, our work may not have identified or addressed all instances of harassment and related misconduct at the FDIC. Therefore, this report presents the findings and conclusions based on the available information.

BACKGROUND

The FDIC is an independent agency created by the Congress to maintain stability and confidence in the Nation's banking system. The FDIC insures deposits; examines and supervises financial institutions for safety and soundness and consumer protection; makes large, complex financial institutions resolvable; and manages receiverships. The FDIC is

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[5] *See* Appendix 2 for the results of our workplace culture survey. The survey was issued on March 20, 2024 and closed on April 12, 2024.
[6] We plan to publish summaries of these reports (with redactions required by the Privacy Act) after the FDIC has determined what action, if any, to take regarding the senior officials.
[7] FDIC OIG, *The FDIC's Sexual Harassment Prevention Program* (EVAL-24-05) (July 2024).

managed by a five-person Board of Directors, all of whom are appointed by the President and confirmed by the Senate. The Chairman is responsible for managing and directing the daily executive and administrative functions and operations of the FDIC and may designate others responsibility for providing oversight to one or more divisions or offices. FDIC Executive and Corporate Managers are responsible for managing approximately 6,100 employees within 25 Divisions and Offices across 7 Regional Offices and over 70 Field Offices.

Definition of Harassment and Related Misconduct

The U.S. Equal Employment Opportunity Commission (EEOC) defines harassment as unwelcome conduct that is based on race, color, religion, sex (including sexual orientation, gender identity, or pregnancy), national origin, older age (beginning at age 40), disability, or genetic information (including family medical history).

FDIC Directive 2710.03, *Anti-Harassment Program* (AHP Directive), defines harassment as verbal or non-verbal conduct that is unwelcome to the individual and objectively offensive. For workplace harassment to be illegal, it must be either severe or pervasive, and based on a characteristic protected by a law enforced by the EEOC (e.g., Title VII of the Civil Rights Act). However, conduct need not rise to the level of illegal harassment to be prohibited by the AHP Directive. We refer to such conduct as “related misconduct.”

The following are some examples of harassment prohibited by the AHP Directive:

- Offensive jokes, comments, objects, or pictures;
- Unwelcome questions about a person’s identity (e.g., disability status, gender identity, sexual orientation, national origin, religion);
- Undue and unwelcome attention;
- Ridicule or mockery;
- Displaying offensive objects or pictures;
- Insults or put-downs;
- Unwelcome touching or contact;
- Unwelcome sexual advances;
- Requests for sexual favors;
- Other verbal or physical harassment of a sexual nature;
- Slurs, epithets, or name-calling;
- Threats or other forms of intimidation;
- Physical or sexual assault; and
- Engaging in bullying, intimidating, or threatening behavior.

FDIC Programs and Policies

In 2003, the EEOC issued Equal Employment Opportunity (EEO) Management Directive 715, which requires Federal agencies to establish EEO programs that include policies and procedures for addressing all forms of harassment. The requirement includes programs to: (1) process EEO complaints (EEO Complaint Process) and (2) create an environment that is free from harassment (Anti-Harassment Program). According to the EEOC, an agency's EEO complaint process and its anti-harassment program do not exist for the same purposes. The EEO complaint process is designed to provide redress for discrimination that has occurred and to prevent the recurrence of the unlawful discriminatory conduct. However, the EEO process cannot require an agency to discipline its employees. In contrast, the agency's anti-harassment program is intended to assist agencies in taking immediate and appropriate corrective action, including the use of disciplinary actions, to eliminate harassing conduct regardless of whether the conduct violated the law. The goal of an agency's anti-harassment program should be to prevent harassing conduct before it can become severe or pervasive.

The FDIC has both an EEO Complaint Process and an Anti-Harassment Program (AHP) to address harassment. Accordingly, allegations of harassment may trigger either process, both, or none.

The FDIC's EEO Discrimination Complaint Process

FDIC Directive 2710.2, *EEOC Discrimination Complaint Process* (November 2015), and FDIC Directive 2710.4, *FDIC Discrimination Complaint Process* (November 2015) outline the FDIC's EEO Complaint Process, including the process for initiating and managing individual discrimination complaints involving allegations of unlawful harassment. The first step in the FDIC's EEO Complaint Process is for the victim(s) of harassment (complainant(s)) to report the allegation(s) to an EEO Counselor in the Office of Minority and Women Inclusion (OMWI). The EEO Counselor provides information to the complainant on informal options for resolving a complaint, such as traditional counseling or mediation. If these informal options do not result in resolution, the EEO Counselor provides the complainant(s) with a written notice of the complainant's rights and responsibilities, including the applicable deadline to file a formal complaint of discrimination with the FDIC.

The FDIC processes complaints of unlawful harassment under the EEO Complaint Process, which requires that OMWI conduct an investigation of the complaint allegations.[8] Upon receipt of a formal complaint, OMWI reviews it to ensure the complaint was timely filed. Once accepted by OMWI as timely, an OMWI EEO Specialist from the Headquarters Office oversees the EEO investigations, including working with contractors tasked with investigating the allegations. Following the investigation, OMWI advises the complainant of his/her right to request a hearing before an EEOC Administrative Judge or request a Final Agency Decision on the merits of the complaint. Under this EEOC-administered process, it is significant whether "harassment" rises to the level of a violation of Title VII because such a finding (as well as any other finding of discrimination) entitles the employee who was the subject of such harassment to monetary recoveries.

[8] According to the FDIC, a newly formed office, the Office of Equal Employment Opportunity (OEEO), will assume the processing of EEO complaints from OMWI.

The FDIC's Anti-Harassment Program (AHP)

The AHP Directive, outlines the FDIC's AHP, including the process for reporting harassment allegations and the roles and responsibilities of FDIC employees in implementing the AHP.[9]

The first step in the process under the FDIC's AHP is for an individual to report harassment. As outlined in the AHP Directive, individuals who observe or experience harassment should promptly report the matter to any of the following: (1) the alleged victim's immediate supervisor; (2) the supervisor of the person responsible for the alleged conduct; (3) any management official with supervisory responsibility; (4) the Anti-Harassment Program Coordinator (AHPC); (5) Division of Administration's (DOA) Labor and Employee Relations Section (LERS) Assistant Director; or (6) any LERS Specialist.[10] As noted above, the EEO Complaint Process is separate but can also apply to allegations that are subject to the AHP Complaint Process. The FDIC's AHP Directive provides that an individual who reports harassment under the AHP Directive may still pursue remedies for an alleged act of harassment via the EEO Complaint Process.

For all harassment complaints covered by the FDIC's AHP, the FDIC's AHPC is to be notified immediately. Once intake is completed, the AHPC refers the matter to LERS. Thereafter, LERS and the Legal Division's Labor, Employment, and Administration Section (LEAS) determine whether the allegation is covered by the AHP Directive. If so, LERS and LEAS, in consultation with the appropriate management official(s), determine whether immediate corrective action is necessary and whether an additional investigation of the allegation is appropriate. The FDIC's former Chief Human Capital Officer, who oversaw LERS, stated that LERS represents the Agency and management interests in preventing and remedying harassment, whereas OMWI conducts independent investigations and protects employees.

According to a May 2020 Memorandum of Understanding (MOU) between LEAS and LERS (LEAS/LERS MOU), LEAS is responsible for supervising investigations into employee misconduct. LEAS has attorneys in the Virginia Square Headquarters Office and at the FDIC's Regional Offices, with an Assistant General Counsel in headquarters overseeing the work. According to the Conducting Management-Initiated Investigations Standard Operating Procedures (December 2020), LERS, with assistance from LEAS, is responsible for investigating sexual harassment misconduct allegations under the AHP. According to the LEAS/LERS MOU, once a request for investigation is made, LEAS assigns an attorney and LERS assigns a specialist to conduct the investigation. LERS has specialists from the Virginia Square Headquarters Office and at the FDIC's Regional Offices to conduct this investigation work. The LERS Assistant Director and two Chiefs, one for the regions and one for headquarters, oversee the work of the LERS Specialists.

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[9] According to the FDIC, the new Office of Professional Conduct (OPC) will serve as a single point of entry for employee complaints of harassment and other interpersonal misconduct.

[10] LERS is a section within FDIC Human Resources. In October 2023, the FDIC moved Human Resources out of DOA, and it is now within the Chief Operating Officer Organization.

Within 10 calendar days of receiving a report of harassment, LERS and LEAS must determine whether an investigation is appropriate, assign an attorney and specialist, and initiate an investigation. According to the AHP Directive, once the investigation is complete, within 5 business days, LERS/LEAS notifies the person reporting the harassment and the alleged harasser that the FDIC has completed the investigation. LERS/LEAS provide the investigative findings to the appropriate management official. In most cases, this will be the alleged harasser's immediate supervisor. FDIC management, in consultation with LERS and LEAS, determines what, if any, action to take based on the findings. The AHP Directive states the FDIC should take action no later than 60 days after receiving notice of a report of harassment.

The FDIC's Discipline for Sexual Harassment

The AHP Directive (March 2021), provides that any FDIC employee who engages in conduct prohibited by the Directive is subject to disciplinary action, up to and including removal from Federal service. The Directive includes examples of prohibited harassment, such as displaying offensive objects or pictures, unwelcome touching or contact, unwelcome sexual advances, requests for sexual favors, and physical or sexual assault.

FDIC Directive 2750.01, *Disciplinary and Adverse Actions* (March 2021), presents information and guidance to FDIC supervisors on the use of disciplinary and adverse actions at the FDIC. FDIC supervisors, in consultation with LERS and LEAS, apply discipline for substantiated misconduct. The FDIC may discipline an employee in the following ways, escalating in order of increasing severity: letter of reprimand, suspension from duty and pay, reduction in grade or pay, and removal. LEAS, in collaboration with LERS, makes decisions about the conduct of investigations and advises managers of investigatory findings as well as options for disciplinary or adverse action.

FDIC Core Values

Core values are the essential beliefs and principles that define what an organization regards as right or wrong, as well as what is acceptable and unacceptable. These values guide decision-making and behavior within an organization, shaping its culture and identity.[11] At the FDIC, core values provide a sense of purpose, and who we are and what we stand for as individuals and leaders. The FDIC has established six core values to guide its employees in accomplishing its mission:

- Fairness – We respect individual viewpoints and treat one another and our stakeholders with impartiality, dignity, and respect.
- Accountability – We are accountable to each other and to our stakeholders to operate in a financially responsible and operationally effective manner.
- Competence – We are highly skilled, dedicated, and diverse workforce that is empowered to achieve outstanding results.

[11] Committee on Sponsoring Organizations of the Treadway Commission (COSO), Enterprise Risk Management—Integrating with Strategy and Performance (June 2017).

- Effectiveness – We respond quickly and successfully to identified risks in insured financial institutions and the broader financial system.
- Integrity – We adhere to the highest ethical and professional standards.
- Teamwork – We collaborate effectively with one another and with other regulatory agencies.

Source: OIG photo of common area signage at the FDIC Virginia Square location.

Elements of Organizational Culture

According to the Institute of Internal Auditors, organizational culture represents the invisible belief systems, values, norms, and preferences of the individuals that form an organization.[12] Conduct represents the tangible manifestation of culture through the actions, behaviors, and decisions of these individuals.

An organization's culture reflects its core values, behaviors, and decision-making processes. The actions and words of individuals at all levels shape it.[13] The Board of Directors and management are responsible for defining the desired culture. Core values drive behaviors in

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[12] Institute of Internal Auditors, *Auditing Culture*, November 2019.
[13] *Supra* note 11.

decision making and are intended to fulfill the expectations of stakeholders. Creating a culture that prioritizes doing "the right thing at the right time" is vital for an organization. The "tone" of an organization is often defined by how core values are conveyed. A consistent tone at all levels creates a shared understanding and encourages desired behaviors. Absent consistency and commitment by leadership, behaviors and decisions may not align with core values, making it difficult for an organization to achieve its strategy and objectives successfully and may result in a loss of confidence by stakeholders.

A fundamental component of the Government Accountability Office's *Standards for Internal Control in the Federal Government* is the control environment, which establishes the standards, processes, and structures necessary for implementing effective internal control throughout an organization.[14] The Board of Directors and management set the "tone at the top," by reinforcing the importance of internal control and expected conduct. A key principle of the control environment is an organization's demonstrated commitment to integrity and ethical values. Management emphasizes the significance of this commitment through its directives, actions, and behaviors. Additionally, the principle of accountability is driven by the "tone at the top" and is supported by the organization's commitment to integrity and ethical values and through mechanisms that include disciplinary actions.

Prior OIG Reports and Memorandums

Prior to this review, the OIG conducted two evaluations to assess the adequacy and effectiveness of the FDIC's sexual harassment prevention program. In addition, we issued a management advisory on reporting allegations of misconduct to the OIG. Both evaluations and the memorandum are discussed more fully below.

Preventing and Addressing Sexual Harassment (EVAL-20-06)

In July 2020, the OIG issued an evaluation report: *Preventing and Addressing Sexual Harassment*.[15] In that report, we found that the FDIC had not established an adequate sexual harassment prevention program and should improve policies, procedures, and training to facilitate the reporting of sexual harassment allegations and address allegations in a prompt and effective manner. The report made 15 recommendations to improve the FDIC's activities to prevent and address sexual harassment. As of September 2021, all of the recommendations were closed.

The FDIC's Sexual Harassment Prevention Program (EVAL-24-05)

In July 2024, the OIG issued a second evaluation report *The FDIC's Sexual Harassment Prevention Program* to follow up on the 2020 evaluation.[16] This report found issues with the

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[14] GAO-14-704G, *Standards for Internal Control in the Federal Government* (September 2014).
[15] FDIC OIG, *Preventing and Addressing Sexual Harassment* (EVAL-20-06) (July 2020).
[16] *Supra* note 7.

FDIC's process of reporting and addressing sexual harassment allegations. In addition, the OIG found that the FDIC had not sustained many program improvements that were initiated as a result of our prior evaluation and in some cases had regressed on the progress that was made in response to the July 2020 recommendations. The report included 24 recommendations to improve the FDIC's sexual harassment prevention program. The FDIC has implemented one recommendation and plans to complete corrective actions for the remaining recommendations by March 31, 2025.

Management Advisory Memorandum on Reporting Allegations (IOC No. 24-01)

On May 23, 2024, the OIG issued a *Management Advisory Memorandum on Reporting Allegations of Misconduct* to the Chairman.[17] This Management Advisory communicated the OIG's concerns that several allegations of misconduct regarding senior FDIC officials were not reported to the OIG in a timely manner. Subsequently, the FDIC reported allegations against senior officials to the OIG. On August 29, 2024, a *Memorandum of Understanding between the OIG and the FDIC Regarding Notification about Senior FDIC Officials* was signed.

FDIC Special Committee Report

On November 21, 2023, the FDIC Board of Directors announced the establishment of a Special Committee of the Board to oversee an independent third-party review of the Agency's workplace culture.[18] On May 7, 2024, the FDIC Special Committee released a report that described a culture that was misogynistic, patriarchal, insular, and outdated.[19] The Chairman accepted the findings and recommendations of this report in testimony before the U.S. House of Representatives Financial Services Committee and the U.S. Senate Banking Committee.[20]

As a result of the Special Committee report, on August 21, 2024, the FDIC appointed an independent transformation monitor to monitor and audit any and all recommendations the FDIC adopts to remediate its culture, policies, procedures, and structures that impact sexual harassment, discrimination, and other interpersonal misconduct. The independent

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[17] FDIC OIG, *Management Advisory Memorandum on Reporting Allegations of Misconduct* (IOC No. 24-01) (May 2024).

[18] On December 11, 2023, the Special Committee appointed the law firm of Cleary Gottlieb Steen & Hamilton LLP (hereinafter referred to as "outside counsel") to conduct an independent review into allegations of sexual harassment and interpersonal misconduct, as well as issues relating to the workplace culture at the FDIC.

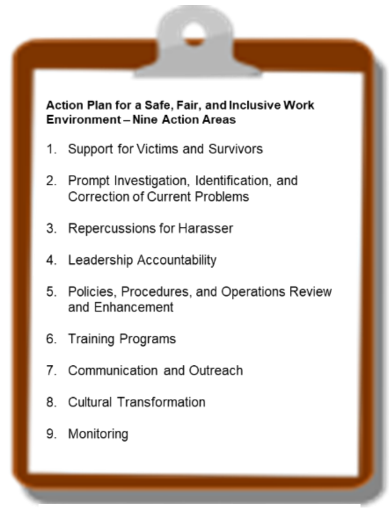
[19] FDIC Special Review Committee, *Report for the Special Review Committee of the Board of Directors of the Federal Deposit Insurance Corporation*, April 2024.

[20] *Remarks by Martin J. Gruenberg, Chairman, Federal Deposit Insurance Corporation on "Oversight of Prudential Regulators" before the Committee on Financial Services, United States House of Representatives* (May 2024). Available at https://www.fdic.gov/news/speeches/2024/remarks-martin-j-gruenberg-chairman-federal-deposit-insurance-corporation.

Remarks by Martin J. Gruenberg, Chairman, Federal Deposit Insurance Corporation on "Oversight of Prudential Regulators" before the Committee on Banking, Housing, and Urban Affairs, United States Senate (May 2024). Available at https://www.fdic.gov/news/speeches/2024/remarks-martin-j-gruenberg-chairman-federal-deposit-insurance-corporation-0.

transformation monitor will audit the FDIC's ongoing efforts to implement the *Action Plan for a Safe, Fair, and Inclusive Work Environment* (*Action Plan*) and report monthly to the Board and employees.

FDIC Actions



Source: OIG analysis of the FDIC *Action Plan*.

Since November 2023, the FDIC has taken a number of steps to improve its workplace culture. On November 13 and 17, 2023, the Chairman posted video messages on the FDIC internal website about the FDIC's plans to address harassment, discrimination, and unprofessional conduct. On December 1, 2023, the FDIC developed and issued the *Action Plan* that outlined action items in nine broad areas and identified project completion dates for each. When the Special Committee report was issued in 2024, the FDIC incorporated the recommendations into the *Action Plan*. The *Action Plan* includes 68 items, and the FDIC is in the process of addressing them. According to DOA, as of October 3, 2024, the FDIC had completed 15 of these action items, was in-progress on 45, and was awaiting the completion of other initiatives before starting on the remaining 8 *Action Plan* initiatives.

The Special Committee report recommended, and the FDIC agreed, to ensure any allegations of harassment and related misconduct against the Chairperson, individuals who directly report to the Chairperson, and Executive Managers are conducted by third-party firms. As of November 12, 2024, this recommendation had yet to be implemented and new investigations of complaints against FDIC senior officials are currently pending.

On June 20, 2024, the FDIC Board of Directors approved the creation of the Office of Professional Conduct (OPC) to intake, investigate, report, and determine discipline about complaints of harassment and other interpersonal misconduct at the FDIC. The Board also established the Office of Equal Employment Opportunity (OEEO) to intake, investigate, process, and report about complaints of discrimination at the FDIC. The Board resolution establishing the offices provided that the investigations conducted by the OPC and OEEO would be supported by independent, third-party investigators retained by them. The Directors of both offices report directly to the FDIC Board. After the creation of the offices in June 2024, the FDIC commenced a solicitation to hire Directors of the OPC and OEEO.

During July and August 2024, the Board discussed a process to engage independent third-party investigators to commence investigations while the search for OPC and OEEO Directors was ongoing, so that such investigations could be initiated sooner. On August 28, 2024, the Board of Directors authorized a process by which other federal agencies, such as the General Services Administration and the National Credit Union Administration, would engage third-party investigators on behalf of the FDIC. The use of other federal agencies was intended to ensure that the third-party investigators would be sufficiently independent from FDIC management, pending the hiring of the OPC Director.

In September and October 2024, the FDIC and other federal agencies discussed the process to hire independent, third-party investigators. However, FDIC and other agencies did not agree on a process and were unable to retain third-party investigators.

The FDIC Board approved the appointment of an OPC Director on September 27, 2024, and the OPC Director started work on October 21, 2024. The FDIC Board approved the appointment of an OEEO Director on October 11, 2024, and the OEEO Director started work on November 4, 2024.

On November 12, 2024, the FDIC Board rescinded the August 28, 2024 action providing for other federal agencies to retain third-party investigators for the FDIC and transitioned this responsibility to the OPC Director. According to the FDIC, on November 21, 2024, the Agency announced a solicitation to engage independent third-party law firms to investigate allegations of harassment and interpersonal misconduct, including against senior FDIC officials.

RESULTS

A majority of FDIC employees who responded to the survey stated they felt safe, valued, and respected and had generally positive views about their coworkers and immediate managers. However, employee views of FDIC management and leadership as a whole with respect to harassment and related misconduct were less favorable. More than one-third of respondents reported that they had either experienced or personally witnessed harassment. Several FDIC senior officials have had allegations and complaints of harassment and related misconduct against them. In addition, our review of case files and settlement agreements supports some of the employee perceptions, specifically that FDIC managers had not protected victims of harassment and retaliated against those who filed a complaint. Many of the employees we interviewed perceived that the FDIC would not effectively implement its *Action Plan*. This was because employees perceived that in part some of the executives leading the efforts have had allegations of harassment and related misconduct against them. During our review, we confirmed that there were complaints filed against multiple senior officials involved in the *Action Plan.* Our work regarding these complaints is still ongoing, and FDIC investigations of complaints involving senior officials are pending until the OPC selects a third-party contractor to complete them.

These conditions occurred because leadership does not consistently implement the Agency's policies and stated core values. A culture where leadership does not consistently implement the Agency's stated core values can undermine the Agency's overall performance and reputation, leading to long-term challenges in achieving the mission and retaining talent.

In addition, based on our case file reviews, FDIC managers were involved in reviewing, processing, and addressing complaints of harassment and related misconduct.

However, we could not always obtain a full account of the surrounding facts related to the disciplinary action taken. Specifically, the FDIC did not always document its decision-making process for disciplinary actions. This is because the FDIC did not have standardized processes for maintaining harassment and related misconduct complaint records and justifications for disciplinary actions. Without clear requirements for documenting disciplinary actions, the FDIC cannot ensure that disciplinary decisions are well-supported. As such, the FDIC is limited in its ability to ensure that discipline is appropriate, fair, and consistent.

Further, FDIC executives did not have a consistent level of knowledge regarding harassment and related misconduct complaints across the FDIC. FDIC executives' varying levels of knowledge of harassment and related misconduct complaints may limit their understanding of the extent of the problem. FDIC executives' limited knowledge of employee complaints and workplace culture issues may hinder their ability to recognize and promptly address these issues, which could ultimately affect employee performance and impact the FDIC's ability to carry out its mission.

On May 23, 2024, the OIG issued to the Chairman a *Management Advisory Memorandum on Reporting Allegations of Misconduct*.[21] This Management Advisory communicated the OIG's concerns that several allegations of misconduct regarding senior FDIC officials were not reported to the OIG in a timely manner. The Management Advisory also stated that the OIG identified instances where corporate-wide communications can be improved to ensure that staff are informed about the OIG and OIG Hotline as a means to report allegations of harassment, and staff's responsibility to report allegations of misconduct to the OIG. Lastly, the Management Advisory stated that the FDIC offices primarily responsible for receiving allegations of misconduct (i.e., OMWI, LERS, and LEAS) should coordinate with the OIG to develop and implement a process to notify the OIG of misconduct allegations.

Finding 1

A Review of the FDIC's Workplace Culture Shows Areas of Significant Concern

The OIG conducted a voluntary survey of all FDIC employees to gain information on the FDIC culture with respect to harassment and related misconduct.

A majority of FDIC employees who responded to the survey stated they felt safe, valued, and respected and had generally positive views about their coworkers and immediate managers. However, employee views of FDIC management and leadership as a whole with respect to harassment and related misconduct were less favorable.

[21] *Supra* note 17.

More than one-third of respondents reported that they had either experienced or personally witnessed harassment and related misconduct while working for the FDIC. Of the employees who reported experiencing or witnessing harassment, the most common types of harassment were “engaging in bullying, intimidating, or threatening behavior” and “offensive jokes, comments, objects, or pictures.” Of the respondents who indicated that they experienced harassment or related misconduct, 35 percent (12 percent of the employees that completed the survey) reported experiencing at least one of the categories of harassment of a sexual nature (described below). Our review also identified allegations and complaints against multiple senior officials that support these survey results.[22]

According to FDIC employees who responded to our survey and participated in interviews, many employees perceived that the FDIC did not establish a workplace culture for addressing harassment that aligns with its stated core values. Employees had negative perceptions of FDIC management and leadership actions to implement policies and establish a culture to prevent and address harassment.

Our review of cases and settlement agreements supported some of the employee perceptions, specifically that some FDIC managers had not protected victims of harassment and had retaliated against those who filed a complaint.

If FDIC leadership does not establish a culture where management consistently implements the Agency’s stated policies and values, the effect can be to undermine the Agency’s overall performance and reputation, leading to long-term challenges in achieving the mission and retaining talent.

Employee Perceptions of the FDIC Culture

The OIG conducted a voluntary survey of all FDIC employees to gain information on the FDIC culture with respect to harassment and related misconduct. The number of female and male respondents was fairly balanced (47 percent female, 52 percent male).[23] We received responses from 2,639 FDIC employees – a 42-percent response rate. The complete results of the survey are included as Appendix 2 of this report.

The majority of FDIC employees who responded to the survey stated they felt safe, valued, and respected and had generally positive views about their coworkers and immediate managers:

- 66 percent of respondents agreed that the FDIC workplace makes them feel safe, valued, and respected, while 24 percent of respondents did not agree.

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[22] In some instances, these allegations and/or complaints have not, as of yet, been investigated by the FDIC. As our report states, investigations of FDIC senior officials are pending until the OPC selects a third-party contractor to complete them.
[23] Due to the inclusion of “neither” as a category for the survey (see Appendix 2 for details) some percentages presented in the narrative of this report may not add to 100.

- 79 percent of respondents agreed that the people they work with treat them with respect, while 13 percent of respondents did not agree.
- 50 percent of respondents viewed harassment or related misconduct in the FDIC as uncommon, while 28 percent viewed it as common.
- 62 percent of respondents said their immediate manager always serves as a role model for treating coworkers respectfully without harassment, with another 15 percent saying their manager does so the majority of the time, and 7 percent saying their manager serves as a role model not at all.

However, employee views of FDIC management and leadership as a whole with respect to harassment and related misconduct were less favorable:

- 22 percent of respondents believed that there are adverse consequences for managers who are abusive, disrespectful, or hostile, with 55 percent disagreeing that there are adverse consequences for managers.
- In contrast, 37 percent of respondents believe that there are adverse consequences for coworkers who are abusive, disrespectful, or hostile, while 39 percent disagree that there are adverse consequences for coworkers.
- Most respondents (57 percent) agreed that their coworkers do not tolerate or overlook harassment or related misconduct, but fewer (36 percent) agreed that FDIC Corporate and Executive Managers do not tolerate and quickly and properly address harassment or related misconduct.

<u>More Than One-Third of Respondents Experienced or Witnessed Harassment</u>

More than one-third of respondents (37 percent or 903) reported that they had experienced harassment or related misconduct in the FDIC workplace, and 34 percent (or 825) reported personally witnessing harassment or related misconduct that happened to someone else while working for the FDIC. Of note, for those employees responding that they had experienced harassment or related misconduct, the majority were female (61 percent female, 37 percent male). For respondents that witnessed harassment or related misconduct, a moderately greater percentage were female (54 percent female, 44 percent male).

In our previous survey specifically about sexual harassment at the FDIC, between 7 and 11 percent of respondents stated that they had experienced or witnessed sexual harassment. Therefore, the stated instances of harassment and related misconduct identified in our current survey (using the broad definition from the FDIC policy) far exceed the instances of sexual harassment identified in the 2024 OIG Report.

For the employees who reported experiencing (903) or witnessing (825) harassment or related misconduct, they were asked to also identify all of the types that applied. The survey results reflect that the types of harassment most often reported were not specifically sexual in nature. Of the employees who reported experiencing or witnessing harassment, the most common types of harassment were “engaging in bullying, intimidating, or threatening behavior” (64 percent experienced, 67 percent witnessed) and “offensive jokes, comments, objects, or pictures” (45 percent experienced, 47 percent witnessed).

In particular, five categories of the follow-up question were more directly related to unwelcome behavior of a sexual nature. The percentages for these five categories are listed below:

- Unwelcome touching or contact (13 percent experienced, 9 percent witnessed)
- Unwelcome sexual advances (14 percent experienced, 10 percent witnessed)
- Requests for sexual favors (2 percent experienced, 2 percent witnessed)
- Undue and unwelcome attention (24 percent experienced, 24 percent witnessed)
- Verbal or physical harassment of a sexual nature (10 percent experienced, 10 percent witnessed)

Of the 903 respondents who indicated that they experienced harassment or related misconduct, 35 percent (or 316) reported experiencing at least one of the categories of harassment of a sexual nature. Of these 316 respondents, 72 percent were female, 27 percent were male. These 316 respondents represent approximately 12 percent of the employees who completed the survey (316 of 2,639).

Of the 825 respondents who indicated they personally witnessed harassment or related misconduct, 34 percent (or 283) reported witnessing at least one of the five categories of harassment of a sexual nature. Of these 283 respondents, 54 percent were female, 44 percent were male. These 283 respondents represent approximately 11 percent of the employees who completed the survey (283 of 2,639).

While survey respondents who experienced harassment or related misconduct stated that the harassment and related misconduct came from all levels of the FDIC, 64 percent (579 of 903) of these respondents indicated that their harassers held Executive or Corporate Manager positions.

Of the 903 respondents who indicated that they experienced harassment or related misconduct, they were also asked how many times the harassment occurred and the timeframe in which it occurred. Of these respondents, 401 respondents stated that the harassment occurred more than five times, 385 respondents stated that it occurred more than once but less than five times, and 57 respondents stated that it happened once. Of the respondents who experienced harassment, 310 respondents stated they experienced the harassment within the last 12 months.

<u>Harassment and Related Misconduct Allegations Against Senior Officials</u>

Our review identified allegations and complaints against multiple senior officials that support these employees’ perceptions. Below are examples received during our review. Our work continues in this area.

- In interviews, multiple employees within an Office alleged that they were bullied and intimidated by the Office's Director during staff meetings. They stated that the Director regularly "spoke down to," and disrespected employees within the Office.

- In early 2023, an FDIC employee filed a complaint alleging a senior official committed harassing and bullying behavior that contributed to a hostile work environment. The complaint resulted in mediation. Subsequently, the complainant stated that the senior official's behavior had not changed, and the employee filed another complaint in the summer of 2024.

- In late 2023, an FDIC employee filed a complaint of discrimination and sexual harassment against an FDIC senior executive. The FDIC reported that this complaint was not investigated under the AHP because it was being reviewed under the EEO process.[24]

- In 2024, multiple employees submitted complaints to the OIG regarding the announced internal transfer of a senior official to another Division. Some employees stated that this transfer created the perception that FDIC senior management was moving a problem manager from one FDIC Division to another.

As described in a later section, the OIG is currently conducting investigations of select allegations against FDIC senior officials and will report separately on those ongoing cases when they are completed. While some information from those open cases has informed our review, we are not reporting specific details of those cases to protect the integrity of the investigative process.

The Special Committee report recommended, and the FDIC agreed, to ensure any allegations of harassment and related misconduct against the Chairperson, individuals who directly report to the Chairperson, and Executive Managers are conducted by third-party firms. However, as of November 12, 2024, this recommendation had yet to be implemented and new investigations of complaints against FDIC senior officials are currently pending. According to the FDIC, the OPC will intake, investigate, and report on complaints of harassment and interpersonal misconduct and claims of retaliation. The OPC will also determine and enforce discipline against anyone violating the FDIC's anti-harassment or anti-retaliation policies.

Employees Perceived That Management and Leadership Have Not Implemented the FDIC's Stated Core Values with Respect to Harassment and Related Misconduct

The FDIC has a policy of no tolerance for harassment or related misconduct, as well as a policy of no tolerance for retaliation against any applicant, employee, or contractor for opposing harassment, reporting harassment, or participating or assisting in any inquiry, investigation,

[24] This case was cited as an example in the 2024 OIG Report. As part of that evaluation, we identified examples of failures of the FDIC to initiate misconduct investigations when an EEO complaint was filed or, at a minimum, a failure to record the allegation and document why an investigation was not necessary.

lawsuit, or other proceeding concerning harassment. As described more fully in the background section above, the FDIC has several policies for addressing harassment through the EEO process and the AHP, as well as policies on employee disciplinary actions. The FDIC has also established core values to set the expectation for all FDIC employees to adhere to the highest ethical and professional standards.

The *Standards for Internal Control in the Federal Government* includes an internal control principle for organizations to "demonstrate commitment to integrity and ethical values." Management establishes a "tone at the top" and demonstrates the importance of integrity and ethical values through its directives, attitudes, and behaviors. The FDIC established Integrity as one of its six core values. According to the FDIC, Integrity sets the expectation for employees to adhere to the highest ethical and professional standards.

Many FDIC employees perceived that FDIC management has tolerated harassment and related misconduct. Specifically, 55 percent of survey respondents disagreed that there are adverse consequences for Executive and Corporate Managers who are abusive, disrespectful, or hostile.

Our survey found that FDIC employees believe management has not been effective in supporting victims of workplace harassment and encouraging the reporting of harassment they experienced. Fifty percent of survey respondents stated that in their view, the FDIC's efforts to support victims of harassment and related misconduct were ineffective or very ineffective (33 percent were neutral and 17 percent stated they were effective).

Additionally, 47 percent of survey respondents stated that in their view, the FDIC's efforts prior to December 2023 did not effectively encourage employees to report harassment and related misconduct they had experienced (30 percent were neutral and 24 percent stated they were effective). Regarding the FDIC's efforts since December 2023 to reduce potential instances of harassment or related misconduct, 28 percent of respondents stated that the FDIC's efforts were ineffective or very ineffective, 34 percent of respondents were neutral, and 38 percent of respondents stated that the FDIC's efforts were effective or very effective. We recognize that the survey was administered within 4 months of the FDIC issuing its *Action Plan* and before many of those initiatives could be implemented, including the establishment of the new OPC and OEEO.

Employees who reported harassment were especially dissatisfied with the FDIC's handling of their complaints. Seventy-two percent of respondents who reported harassment or related misconduct were dissatisfied that their complaint was taken seriously, with 58 percent being extremely dissatisfied. Moreover, 69 percent of respondents who reported harassment or related misconduct stated that the harassment and related misconduct did not stop after they made their complaint.

This survey result is consistent with our findings in our previous report on the handling of sexual harassment complaints. According to our 2024 OIG Report, the FDIC has not established and implemented effective complaint procedures to guide all key activities related to processing sexual harassment misconduct allegations, including those for the AHPC, the investigations process, and disciplinary actions.[25] This also created employees' distrust that FDIC management would properly investigate and address complaints by holding those responsible for harassment and related misconduct accountable.

Multiple employees we interviewed viewed the complaint process as ineffective. One employee's complaint cited bullying and harassment from their direct supervisor. The supervisor retired after they filed the complaint. The employee stated that no one followed-up with them afterward. In another instance, an employee emphasized that they had to advocate for themselves during the complaint process. The employee stated that no one in OMWI or LERS helped or guided them through the process. The employee gave an example where throughout the process, no one informed them about Whistleblower retaliation protection nor advised the employee of the deadlines for filing an EEO complaint. Other employees we interviewed stated that they did not file a harassment or misconduct complaint because they did not believe that anything would be done to correct the harasser's behavior.

Employees do not perceive that the FDIC enforces the prohibition on retaliation. According to our survey, of the respondents who reported harassment or related misconduct, 59 percent (152) experienced negative consequences. Of the types of negative consequences experienced, 82 percent of experiences involved career pathway or professional opportunities being inhibited and 74 percent included work relationships being negatively affected.

Many of the employees who reported complaints felt they were retaliated against. According to employees who reported or witnessed harassment or related misconduct, some complainants were moved to another area, denied promotions and career opportunities, or were left out of important meetings. In general, employees we interviewed stated that they perceived reporting complaints of harassment or related misconduct as career-limiting behavior.

In addition, 70 percent of respondents who experienced harassment or related misconduct did not report it to the FDIC. Respondents cited fear of retaliation as a reason for not reporting harassment in 62 percent of the responses and concern about damaging career prospects in 64 percent of the responses. In a February 2024 training session, the Chief Human Capital Officer stated that the FDIC does not receive a lot of complaints to investigate, and that people are not reporting for a number of reasons, including fear of retaliation.[26] Many of the employees we interviewed expressed a fear of retaliation in reporting as well as fears in talking to the OIG about their experiences. The FDIC's Special Committee report described "a deep-seated and credible fear of retaliation that has prevented employees from raising and reporting issues of workplace misconduct internally."

In addition to the survey results, many of the employees we interviewed perceived that the FDIC would not effectively implement its *Action Plan*. This was because employees perceived that in part some of the executives leading the efforts have had allegations of harassment and related

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[25] *Supra* note 7.
[26] The FDIC conducted a 2-day training session on February 8-9, 2024 for Field Supervisors and Supervisory Examiners in the Division of Risk Management Supervision and Division of Depositor and Consumer Protection.

misconduct against them. During our review, we confirmed that there were complaints filed against multiple senior officials involved in the *Action Plan.* Our work regarding these complaints is still ongoing, and FDIC investigations of complaints involving senior officials are pending until the OPC selects a third-party contractor to complete them.

Several employees reached out to our office during this review to express their concerns about the credibility of some FDIC senior executives and their commitment to create a safe, fair, and inclusive work environment. In addition, some of these employees expressed a disbelief that the FDIC will fix its culture. Based on our interviews, employees expressed concern that nothing will change at the FDIC if certain senior officials who contributed to this culture retain their leadership positions. Further, some FDIC employees believe that for the *Action Plan* to be effective there needs to be accountability.[27] Overall, many FDIC employees perceived that the FDIC's stated core values and the behaviors exhibited by its leadership are misaligned, resulting in confusion and eroded trust among employees.

Interviews and Case File Reviews Corroborate Some Employee Perceptions

In addition to administering the survey, the OIG also conducted interviews of FDIC current and former employees, FDIC Employee Resource Groups, and management officials regarding their experiences with harassment and related misconduct and their views and perceptions on the FDIC's workplace culture. In addition, the OIG received and reviewed several thousand documents, including complaint intake forms, complaint correspondence, email messages, complaint investigation interviews, settlements, and tracking spreadsheets. Our review of cases and settlement agreements supported some of the employee perceptions described above, specifically that FDIC managers had not protected victims of harassment and also retaliated against those who filed a complaint. We identified the following examples that were settled or investigated within the past 6 years:

- An FDIC contractor filed a complaint against an FDIC employee stating that the employee harassed and retaliated against them for approximately 4 years. An investigation found misconduct that included the FDIC employee using a racially derogatory term to describe the contractor and sending sexually explicit and suggestive content to the contractor during a workplace training. That FDIC employee received a 10-day suspension. During the processing of this case, the EEOC Administrative Judge questioned whether the FDIC's actions were sufficiently prompt and effective to protect the complainant from continued harassment and retaliation. The FDIC settled the case for $120,000.

- An employee filed a complaint alleging that they were retaliated against for engagement in protected EEO activity. According to the complaint, this occurred when a manager in an FDIC Regional Office disclosed the employee's protected EEO activity to other FDIC employees. The FDIC conducted an investigation and elected to settle the complaint, which included a settlement payment of $200,000 to the complainant and $50,000 for

[27] The FDIC's *Action Plan* includes items to address periodic check-ins and improvements to accountability.

the complainant's attorney fees. The settlement also included restoration of 300 hours of sick leave and 50 hours of annual leave. We did not identify disciplinary actions taken against the manager.

- Another employee filed a complaint alleging that their supervisors engaged in retaliation against them by disclosing the complainant's EEO activity to other managers who did not have a need to know. An investigation corroborated that the disclosure took place. The FDIC opted to settle the complaint, which included a settlement payment of $67,500 to the complainant and $169,024 for the complainant's attorney fees. The settlement also included restoration of 348 hours of sick leave and 172 hours of annual leave. We did not identify disciplinary actions taken against the managers.

- According to our case file review and associated interviews, one employee reported a sexual harassment complaint to their first- and second-level supervisors. The supervisors did not report the allegation as required by policy. According to the LERS' Report of Investigation, both supervisors started retaliating against this employee. The employee then reported the retaliation. While this was occurring, the FDIC reassigned the employee who filed the claim. This employee is no longer with the FDIC.

Impact of a Workplace Culture That Does Not Align With Its Core Values

Based on our research into workplace culture, leaders are expected to embody the values and ethics of the Agency, and when they fall short, it sends a conflicting message to employees. This can lead employees to feel that they are not obligated to adhere to standards that their leaders do not uphold. This can also lead to inconsistent treatment of employees, where some are allowed to get away with harmful behavior while others are unfairly penalized. This can further create resentment and reduce morale, which can foster a workplace culture where unethical behavior and a disregard for Agency goals become normalized. Employees may then lose trust and confidence in the fairness and integrity of the Agency.

Whether harassment or related misconduct, or specifically, unwelcome behavior of a sexual nature, all are unacceptable behaviors in the workplace that can have a profound impact on culture, leading to among other things, erosion of employee trust, increased turnover and recruitment costs, and a damaged reputation that can take years to recover. When the harassment is severe or pervasive enough to create a hostile or offensive work environment, it can be considered unlawful under employment discrimination laws.

A culture where leadership does not consistently implement the Agency's stated core values can undermine the Agency's overall performance and reputation, leading to long-term challenges in achieving the mission and retaining talent.

Based on our research, employees who fear retaliation are less likely to report unethical behavior, discrimination, harassment, or other violations. Critical complaints, feedback, or whistleblowing, which could prevent serious issues, may be withheld, allowing problems to escalate. Additionally, an environment where retaliation is feared may also expose the organization to lawsuits, regulatory penalties, and damage to the organization's reputation.

Moreover, multiple FDIC employees we interviewed that stated they experienced harassment and related misconduct communicated that they felt they had no safe harbor to report harassment and related misconduct. Employees we interviewed perceived that the FDIC's complaint process was ineffective. Even more disconcerting, multiple FDIC employees knew of and reported to the FDIC instances of bullying or harassment by some senior executives in positions expected to help victims.

In summary, FDIC senior executives must establish a tone at the top that clearly demonstrates their commitment to the FDIC's core values. This includes holding personnel accountable and fostering a safe environment where employees can report harassment and related misconduct without fear of retaliation. Without these measures, employees will continue to mistrust the FDIC's efforts and its *Action Plan* to transform the culture.

Recommendation 1:

We recommend that the Chairman and FDIC Board of Directors set a tone at the top where all FDIC executives model the FDIC's core values and principles through their behaviors and attitudes. This should be assessed and measured regularly by climate surveys with appropriate actions taken.

Recommendation 2:

We recommend that the Chairman and FDIC Board of Directors include within the Office of Professional Conduct a mechanism to provide support and protection for employees who fear or experience retaliation as a result of filing a complaint of harassment or related misconduct in addition to existing authorities.

Recommendation 3:

We recommend that the Chairman expedite the process to establish an agreement with a third-party entity to conduct investigations of harassment and related misconduct complaints against senior FDIC officials.

We are not making a recommendation regarding consistent penalties and recommended penalty ranges because the 2024 OIG Report addressed this concern.[28] Please see recommendation 15 in the 2024 OIG Report provided below for reference.

[28] *Supra* note 7.

FDIC's Sexual Harassment Prevention Program (EVAL-24-05) Recommendation 15:

The 2024 OIG Report recommended that the Chairman consider developing and implementing Agency-wide, consistent penalties or recommended penalty ranges to be used in disciplinary actions for harassing conduct, in accordance with applicable laws and regulations, and, as necessary and appropriate, incorporate the consistent penalties and recommended penalty ranges into policy and procedures.

The FDIC concurred with the recommendations from the 2024 OIG Report, has initiated corrective actions, and plans to complete all actions by March 31, 2025.

Finding 2

Records and Justifications for Disciplinary Actions Are Not Consistently Maintained

FDIC policies outline a process to review and address complaints of harassment and related misconduct. Based on our case file reviews, FDIC managers were involved in reviewing, processing, and addressing complaints of harassment and related misconduct. While we determined that these cases went through a complaint process, the FDIC could not always provide a full account of the surrounding facts related to the disciplinary action taken. Specifically, the FDIC routinely did not always document its decision-making process for disciplinary actions.

Without clear requirements for documenting disciplinary actions, the FDIC is limited in its ability to ensure that discipline is appropriate and consistent. Further, without Agency-wide, consistent penalties or recommended penalty ranges, the FDIC cannot ensure the administration of disciplinary and adverse actions is fair and consistent.

FDIC policies outline a process to review and address complaints of harassment and related misconduct. The AHP Directive provides that FDIC management, in consultation with LERS and LEAS, determines what, if any, action to take as a result of the findings of an investigation of harassment or related misconduct. According to the AHP Directive, the FDIC is to review allegations and determine whether immediate corrective action is necessary to address the allegations, and if harassment has occurred, the FDIC is to take immediate, appropriate action.

In addition, FDIC Directive 2750.01, *Disciplinary and Adverse Actions* (March 2021), presents information and guidance to FDIC supervisors on the use of disciplinary and adverse actions at the FDIC. It states that "[w]hen misconduct is substantiated, regardless of the type of misconduct, managers/supervisors work with LERS and LEAS to ensure that proportionate corrective action is taken, including disciplinary and adverse actions when appropriate based on the facts...."

The FDIC may discipline an employee in the following ways, escalating in order of increasing severity: letter of reprimand, suspension from duty and pay, reduction in grade or pay, and removal. The *Standards for Internal Control in the Federal Government* emphasizes the need for management to maintain quality information that is "appropriate, current, complete, accurate, accessible, and provided on a timely basis."

FDIC employees reported instances of harassment and related misconduct that were entered into the FDIC's formal complaint process. We requested that the FDIC provide the universe of harassment and related misconduct complaints and requested a sample of case files for review.[29] Out of the 51 sample case files we reviewed, a majority of the cases (31) were dismissed for lack of evidence to support the complaint, the complaint was withdrawn, or a ruling on the case was made in favor of the FDIC.[30] Seven of the cases resulted in a manager's recommendation of disciplinary action for the subject of the complaint. An additional eight of the cases resulted in Settlement Agreements with the complainant. In one of those cases, the settlement included a monetary payment. In accordance with the FDIC's policies and procedures, the Chief Operating Officer and several Executive Managers were involved in the approval process for this settlement.

The following table shows the primary outcome categories resulting from the cases we sampled and the number of cases for each category.

[29] As previously mentioned, due to the FDIC's inconsistent and incomplete tracking of allegations of harassment and related misconduct identified in the 2024 OIG Report, as well as the record retention limitation, our scope and results are limited to the harassment and related misconduct allegations reported to us and might not address all instances of harassment and related misconduct at the FDIC.
[30] In certain instances, the EEOC, an EEO Administrative Judge, or court ruled in favor of the FDIC; in other instances, the FDIC made its own determination on the cases. There were also scenarios where the complainant withdrew from the Administrative Judge hearing and requested final Agency decision.

Table 1: Outcomes of OIG Review of FDIC EEO and AHP Case Files

Outcome Category	Number of Outcomes by Category
Disciplinary Action [a]	7
Dismissed, denied, or ruled in favor of the Agency after going through the EEO complaint process	27
Withdrawn	4
Settlement	8
Pending	2
Limited Documentation	2
Other	2
Total [b]	**52**

[a] For the purpose of this table, disciplinary actions are FDIC actions taken in response to a report of investigation resulting from a complaint. We included two Verbal Counseling and two Letters of Warning as part of disciplinary actions even though FDIC Directive 2750.01 did not specify such activities as disciplinary actions. This also includes a case where the FDIC proposed a disciplinary action, and the employee retired after receiving the proposed action.
[b] We reviewed 51 EEO and/or AHP cases but one case was counted twice in the table because it resulted in a disciplinary action as well as a settlement.

Source: OIG Analysis of FDIC case files from January 2008 to April 2024.

The 51 case files we reviewed included complaints of harassment, sexual harassment, hostile work environment, and bullying. Similar to the 2024 OIG Report, we experienced challenges obtaining the FDIC's records related to its actions in response to complaints of harassment or related misconduct.[31] While these cases went through a complaint process, we could not always obtain a full account of the surrounding facts related to the disciplinary action taken. This was due to the FDIC not having a centralized system to track all harassment and related misconduct complaints and the associated records, efforts, and actions from inception to resolution.

As mentioned in the 2024 OIG Report, the FDIC did not have a centralized system to track sexual harassment complaints. We found that this issue applies to all types of harassment and misconduct complaints and that each FDIC Office or Division held documents relevant to their specific part of the process.[32] In addition, we noted that the documents related to the disciplinary actions were not consistently maintained. For example, LERS records did not consistently include the notice of proposed disciplinary action, the decision, or any documentation identifying the proposing management officials.

[31] *Supra* note 7.
[32] The 2024 OIG Report included a recommendation for the FDIC to implement an effective system for tracking, securing, documenting, and reporting sexual harassment misconduct allegations. The FDIC has completed corrective action for this recommendation, and it is closed.

Based on our case file reviews and an interview with a management official, FDIC managers were involved in reviewing, processing, and addressing harassment and related misconduct complaints. However, FDIC employees stated that the process of reporting and investigating complaints was confusing; took too long; and that results, if any, were not clearly communicated. Further, the process had many weaknesses and had regressed since our 2020 evaluation of the process.

Our case file reviews further showed that the FDIC did not always document its decision-making process for disciplinary actions. In one example, LERS Specialists suggested an option of removal of supervisors whom the investigation found clearly retaliated against an employee who reported sexual harassment. According to FDIC employees with knowledge of the complaint, LEAS worked with management in the case to propose and implement an alternative and lesser discipline referred to as a "last chance agreement." However, the FDIC did not document why the discipline was reduced.

In some instances, employee complaints of harassment and related misconduct resulted in a settlement agreement between the FDIC and the employee. We reviewed several FDIC settlement agreements and supporting documents involving various situations of FDIC employee complaints and different settlement amounts. In some cases, the settlement agreement did not result in a monetary payment. For the settlement agreements that we reviewed, we observed that the requests for settlement and the accompanying approval provided justification for the amount settled, and we did not identify any issues.

As stated in the OIG 2024 report, the FDIC has not established recommended penalty ranges; does not have an adequate tool to consistently track disciplinary actions; and does not have clear policy, standards, and procedures for documenting the process that it followed to make the discipline decisions. Similarly, we found that the FDIC does not have clear policy, standards, and procedures for documenting the process that it followed to make the disciplinary decisions.

Without clear requirements for documenting disciplinary actions, the FDIC could not provide the documentation and support for disciplinary decisions. As such, the FDIC is limited in its ability to ensure that discipline is appropriate and consistent. Further, without Agency-wide, consistent penalties or recommended penalty ranges, the FDIC cannot ensure the administration of disciplinary and adverse actions is fair and consistent.

> We are not making recommendations because the 2024 OIG Report and the FDIC's proposed corrective actions addressed the concerns.[33] Please see recommendations 7, 14, and 15 in the 2024 OIG report, provided below, for reference.

[33] *Supra* note 7.

FDIC's Sexual Harassment Prevention Program (EVAL-24-05) Recommendation 7:

The 2024 OIG Report recommended that the Director, Division of Administration, develop and implement quality control procedures to ensure the FDIC maintains an accurate and complete population of sexual harassment misconduct allegations and related records.

FDIC's Sexual Harassment Prevention Program (EVAL-24-05) Recommendation 14:

The 2024 OIG Report recommended that the Director, Division of Administration, develop a centralized disciplinary action tracking system or tool and related procedures for what information should be captured in the tool and in support of the disciplinary decision.

FDIC's Sexual Harassment Prevention Program (EVAL-24-05) Recommendation 15:

The 2024 OIG Report also recommended that the Chairman consider developing and implementing Agency-wide, consistent penalties or recommended penalty ranges to be used in disciplinary actions for harassing conduct, in accordance with applicable laws and regulations, and, as necessary and appropriate, incorporate the consistent penalties and recommended penalty ranges into policy and procedures.

While the above recommendations are specific to sexual harassment, the FDIC's written response to the draft report showed that the Agency will be implementing corrective actions for all types of complaints. The FDIC concurred with the recommendations from the 2024 OIG Report, has initiated corrective actions, and plans to complete those actions by March 31, 2025.

Finding 3

Executives' Knowledge of Harassment and Related Misconduct Varied

FDIC executives did not have a consistent level of knowledge regarding harassment and related misconduct complaints across the FDIC. FDIC executives' varying levels of knowledge of harassment and related misconduct complaints may limit their understanding of the extent of the problem. Moreover, FDIC executives' limited knowledge of employee complaints and workplace culture issues may hinder their ability to recognize and promptly address these issues, which could ultimately affect employee performance and impact the FDIC's ability to carry out its mission.

EEOC, in its Promising Practices for Preventing Harassment in the Federal Sector, recommends federal agency heads and senior agency leadership periodically meet with their relevant designated officials, such as Anti-Harassment Program Coordinators or Managers, to discuss the state of the agency's anti-harassment program.[34] In order to ensure anti-harassment programs have appropriate authority and resources, Anti-Harassment Program Managers and Coordinators should have regular access to, and an effective means of, informing the agency head and other top management officials of the effectiveness, efficiency, and legal compliance needs of the agency's Anti-Harassment Program.

Additionally, agency heads should be readily available to address severe, systemic, or widespread harassment that requires immediate corrective action from senior leadership. Also, according to the FDIC performance standards, Executive Managers are responsible for leading and participating in the EEO program (e.g., takes required trainings, supporting reasonable accommodations processes) and working to build an inclusive, constructive work environment that is committed to EEO and anti-harassment policies and principles that is based upon transparent communication, mutual trust, and respect.

FDIC executives' levels of knowledge regarding harassment and related misconduct complaints were mixed and generally fell into the following categories:

- Executives over the OMWI, LERS, and LEAS processes had knowledge of complaints investigated by their office. In OMWI, executives were consulted when a complaint was escalated. In LERS and LEAS, executives received weekly updates on harassment and misconduct cases.
- Executives in the management chain of command of the complainant or the individual accused of the misconduct may have knowledge of investigations related to their reporting chain, such as when they are involved in determining disciplinary actions.
- Executives who were briefed on complaints had varied knowledge of the situation regarding the complaint. For example, according to two FDIC employees, they presented six cases of employee misconduct, including sexual harassment, to the former Chairman and former Chief of Staff to express their disagreement with LEAS reducing proposed disciplinary actions.

The varying levels of knowledge of some FDIC executives occurred because FDIC policies do not require reporting allegations of harassment or related misconduct involving FDIC employees to the Chairman or the Board of Directors.[35] Because FDIC executives were not consistently or regularly informed of employee harassment and related misconduct complaints, they may not have had sufficient knowledge to understand the extent or significance of the problem or take appropriate actions.

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[34] EEOC *Promising Practices for Preventing Harassment in the Federal Sector* (November 2017).
[35] While FDIC policies do not require reporting allegations of harassment or related misconduct involving FDIC employees to FDIC executives, the Notification and Federal Employee Anti-discrimination and Retaliation Act requires the FDIC to publicly publish annual information regarding complaints of unlawful harassment.

The Chairman stated in testimony to Congress, "I did not recognize that there was a deep-seated workplace culture at the FDIC underlying this. And prior to these news reports, frankly, I did not recognize that. Those news reports brought that to light." Employee complaints can reveal systemic issues within the organization. However, when FDIC executives have limited knowledge of these complaints, it hampers the FDIC from identifying and promptly addressing issues with workplace culture that may ultimately affect employee performance and impact the FDIC's ability to carry out its mission.

Recommendation 4:

We recommend that the Chairman direct the appropriate Divisions/Offices to develop a process to periodically report to appropriate FDIC stakeholders the number of complaints filed, types of complaints, and the types of recommendations for disciplinary action from the review team, and the final actions that were taken.

Finding 4

Allegations of Harassment and Related Misconduct Against Certain FDIC Senior Officials

The final objective for the Special Inquiry is to develop "factual findings regarding selected allegations that senior officials personally engaged in harassment or related misconduct." This work is being performed by the OIG's OI, in consultation with the OIG's OGC, pursuant to the CIGIE's *Quality Standards for Investigations* (QSI). These standards require that we plan, execute, and report the results of our fact-gathering while also ensuring the protection of sensitive data (i.e., personally identifiable, confidential, proprietary, or privileged information or materials).

As discussed in the sections above, we are conducting investigative work on allegations of harassment and related misconduct against senior FDIC officials. This work remains ongoing. In this report, we summarize our process for identifying, receiving, and reviewing possible harassment complaints against FDIC senior officials and determining which matters to investigate. As we complete our fact-finding for each of the selected allegations, we will issue reports of factual findings to appropriate FDIC management and the Board. We plan to publish summaries of these reports (with redactions required by the Privacy Act) after the FDIC has determined what action, if any, to take regarding the senior officials.

<u>Quality Standards for Investigations and FDIC OIG Policy</u>

Under the QSI, the FDIC OIG reviews, investigates, and provides reports of investigation to FDIC management for their disposition. The OIG does not have authority to take management or personnel action against FDIC employees. Instead, we refer our factual findings to FDIC management to take appropriate action. Therefore, when the OIG conducts administrative investigations into employee matters, the role of the OIG is to provide factual findings to FDIC management that it can use in support of personnel or management action. The QSI requires that due professional care must be used in conducting investigations and in preparing related reports. Investigations must be conducted in a timely, efficient, thorough, and objective manner, and reports (oral and written) must thoroughly address all relevant aspects of the investigation and be accurate, clear, complete, concise, logically organized, timely, and objective.

The QSI also requires that the OIG ensure the protection of sensitive data (i.e., personally identifiable, confidential, proprietary, or privileged information or materials). Protecting sensitive information and avoiding the premature release of information on specific cases is essential to protecting the rights of subjects and preserving the integrity of investigative and personnel processes. The OIG has established policies based on opinions from the Department of Justice, Office of Legal Counsel, that prohibit public disclosure of information regarding pending investigations:

> *OIG personnel are prohibited from publicly disclosing information about pending investigations, including confirming the existence or nonexistence of particular investigations. Disclosure of information about pending investigations could violate federal laws, employee non-disclosure agreements, and individual privacy rights; put a witness or law enforcement officer in danger; jeopardize an investigation or case; prejudice the rights of a defendant; or unfairly damage the reputation of a person. Information about pending investigations may only be disclosed to other government officials with a need to know, or as permitted by court order, statute, regulation, or case law and rules, including requirements governing criminal and civil discovery.*[36]

Identifying Allegations Against Senior FDIC Officials

As described above, in December 2023, the OIG began gathering information to identify selected allegations of harassment and related misconduct against FDIC senior officials. These steps to develop a complete universe of allegations involved defining senior officials, outreach to FDIC employees, technology-assisted review of approximately 280,448 documents produced to the Special Committee and to Congress by the FDIC, targeted follow-up document requests to FDIC offices and outside counsel, and proactive targeted employee interviews.[37]

Defining Senior Officials for Objective 4

The primary focus of the investigative portion of the Special Inquiry is to independently investigate matters where the seniority of the FDIC official, or their role in the regular FDIC process for reviewing allegations of harassment, created complications or the appearance of a conflict if reviewed solely by FDIC management. This would include the Chairman and any Member of the Board of Directors. In order to further define who at the FDIC is a "senior official"

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[36] OIG Policy 100.43 (Confidentiality and Disclosure), Section 8.
[37] *Supra* note 18.

we looked to the FDIC's posted list of senior executives.[38] At that time, the position titles of senior executives were as follows:

Deputy to the Chairman and Chief of Staff

Deputy to the Chairman for External Affairs

Deputy to the Chairman for Financial Stability

Deputy to the Chairman and Chief Financial Officer

Deputy to the Chairman and Chief Operating Officer

General Counsel

Chief Risk Officer

Chief Innovation Officer

Chief Information Officer/Chief Privacy Officer

Chief Information Security Officer

Internal Ombudsman

Director, Division of Risk Management Supervision

Director, Division of Depositor and Consumer Protection

Director, Division of Insurance and Research

Director, Division of Resolution & Receiverships

Director, Division of Administration

Director, Division of Finance

Director, Division of Information Technology

Director, Complex Institution Supervision & Resolution

Director, Office of Minority and Women Inclusion

Director, Office of Legislative Affairs

Director, Office of Communications

Director, Office of Minority & Community Development Banking

[38] https://www.fdic.gov/about/board-directors-senior-executives

Chief Learning Officer, Corporate University

Director, Ombudsman

We further requested the names of those who held these (or equivalent) positions on a permanent or acting basis from 2008 to March 2024 from the FDIC. On March 22, 2024, FDIC DOA Human Resources produced an excel spreadsheet responsive to our request.

Outreach to FDIC Employees

The OIG took a series of proactive steps to both understand the breadth and scope of harassment and related misconduct and encourage FDIC employees to report any concerns regarding harassment or other misconduct to us. The following actions are examples of our efforts:

- December 8, 2023: The Acting Inspector General sent an email to all FDIC employees titled "A Message on Whistleblower Protections and Reporting Fraud, Waste, Abuse, Misconduct, or Mismanagement." In the email, the FDIC OIG Whistleblower Protection Coordinator is mentioned along with how to reach the coordinator through the OIG Hotline.

- December 15, 2023: The OIG sent a global email with a link to the OIG's survey regarding sexual harassment. A link to the OIG's Hotline was also included for those willing to provide additional information or report fraud, waste, abuse, or misconduct to the OIG.

- March 20, 2024: The OIG sent a global email with a link to the OIG's survey regarding workplace culture. Again, a link to the OIG's Hotline was included.

- On May 30, 2024: A global email message from the Special Committee of the FDIC Board was issued, which included information about our office, role, and how to contact us.

- On July 30, 2024: A National Whistleblower Appreciation Day Joint Announcement from the FDIC Chairman and the IG was sent to all employees. In the message, the FDIC OIG is mentioned as an option to report fraud, waste, abuse, misconduct, or mismanagement at the FDIC. Additionally, the message mentions that a Whistleblower Protection Coordinator is located in the OIG and is available to discuss any questions or concerns from employees and contractors about the avenues for making disclosures of wrongdoing and the protections available to them for doing so. The coordinator's contact information was also provided.

When we received information relevant to one of our objectives, including objective 4, we integrated that into our work. Information was also referred, as appropriate, either to OI or to the relevant components of the FDIC to address.

Technology-Assisted Document Review

On January 11, 2024, we requested that the FDIC provide to the OIG:

- All documents that had been provided to the Special Committee,[39] and
- All documents that had been provided in response to Congressional requests regarding the recent allegations of sexual harassment and other misconduct at the FDIC.

We worked with the FDIC to establish a sequestered workspace within the FDIC's document review platform, where the documents could be securely reviewed and organized by the OIG staff. The FDIC also assigned us a dedicated representative from the contractor that hosts the workspace to work with directly as an additional safeguard to OIG independence.

On February 8, 2024, we began reviewing approximately 142,000 documents that were initially produced. The universe of documents for the technology-assisted review (TAR) was continually supplemented during the course of this project, and eventually included approximately 280,448 documents that the FDIC had produced to Congress and the Special Committee.

To efficiently identify relevant allegations against senior officials within this document universe, we used a two-pronged approach that included both TAR as well as judgmental review, through keyword and other search parameters.

TAR is a computerized process for selecting and ranking a collection of documents. TAR incorporates the responsiveness decisions that reviewers have made on a smaller set of documents and then applies those decisions to the remaining universe of documents. The goal is to focus review resources on documents that are the most likely to be relevant to the project's objective. This is an iterative process that may involve a number of rounds of review until the team is confident that it has reviewed the documents necessary to complete its objective. Here, we "coded," or marked, documents based on their relevance to each of the four objectives, including a designation for highly relevant (or "hot") documents and one for documents that contained a possible "complaint" of harassment. We then used the documents identified through this process as most relevant to focus our inquiry and additional requests.

As the document universe grew based on our additional requests to the FDIC and to the Special Committee, discussed in detail below, we proceeded with a judgmental review, using keyword and date searches for specific documents and topics of interest.[40] The transition to these targeted searches from the TAR approach, as the likelihood of overlooking highly relevant documents continued to diminish, allowed us to focus in on areas of interest to our work under

[39] *Supra* note 18.
[40] As of the date of issuance of this report, we have collected approximately 668,549 records.

objective 4. This dual approach was consistent with the OIG's goal to move expeditiously without missing key evidence and to discover the most important evidence as quickly as possible to support investigative leads (potential subjects, appropriate witness interviews, etc.).

Targeted Requests for Information

In April 2024, we requested that FDIC components OMWI (and its predecessor the Office of Diversity and Economic Opportunity), LERS, and LEAS produce individual lists of all allegations of harassment (as defined by FDIC Directive 2710.03) involving a senior official from 2008 to the date of the request. We further requested that the head of each component confirm the completeness of their responses and, to the extent that a complete response could not be provided, provide a detailed description as to the reason why. We also requested additional information directly from the Special Committee.

OMWI

OMWI provided a spreadsheet of EEO complaints in May 2024. In July 2024, we requested, and OMWI provided, the supporting materials for a list of specified cases relating to objective 4.

LEAS

LEAS provided a list of responsive cases in April 2024 and updated it in June 2024. In July 2024, we requested, and LEAS provided, the supporting materials for a list of specified cases relating to objective 4. In September 2024, we requested settlement agreements from LEAS for several investigations. LEAS provided settlement agreements for those investigations where such an agreement existed.

LERS

LERS provided a spreadsheet of investigations with the earliest complaint dated August 2016. The list had no complaints received from 2008 through August 2016, and only six investigations from August 2016 through May 2022.

In light of the gaps in time, we requested that LERS either confirm that it had provided a complete list, regardless of the formality of the complaint(s), or provide a detailed description as to the reason why items were omitted. LERS personnel notified us that they had provided everything they could find. They explained that prior to 2019, LERS used a manual tracking system (spreadsheet) to track all cases (including harassment). Current LERS management did not work at the FDIC in 2019 and did not have any tracking information prior to the FDIC's implementation of a new tracking system in 2019.

In July 2024, we requested, and LERS provided, the supporting materials for a list of specified cases relating to objective 4. In September 2024, we requested from LERS any records of disciplinary actions taken associated with the list of specified cases, and LERS notified us that there were no records of disciplinary actions taken based on those investigations.

Special Committee

As discussed above, we received and reviewed the documents that the FDIC provided to the Special Committee for the purpose of review by their outside counsel. We requested from that outside counsel additional information that they had developed during the course of their review, specifically, a list of allegations about current and former FDIC senior officials against whom allegations of harassment were made through the outside counsel's hotline and/or in the interviews they conducted.

The Special Committee's outside counsel explained that much of the information in their files had been received subject to explicit promises of confidentiality, and that FDIC employees who provided information had expressed grave concerns that disclosure of their identities could lead to retaliation. Although the OIG maintains that we have clear statutory authority to receive all information developed by the outside counsel during their engagement by the FDIC, to further our inquiry while respecting the confidentiality interests of employees, we agreed to receive a list of allegations against senior officials without attribution to the allegers.

After reviewing this list, we requested supporting information and records of interviews for selected allegations. In June 2024, the outside counsel provided the requested information for individuals who reported direct experiences with the relevant senior officials and whom outside counsel were able to identify and connect with in order to obtain their consent. In August 2024, in response to a follow-up request regarding complaints against certain individuals, the outside counsel provided the names of witnesses who consented to disclosure of their identities to the OIG. The OIG sought the identities of these witnesses to ensure our awareness of the universe of allegations, given the difficulty in obtaining complete records from the FDIC.[41]

Some of these witnesses did not consent to the disclosure of their identities to the OIG, so we were unable to follow up with them to obtain additional information. This is a limitation on the scope of our work. However, we believe that we have received sufficient information to complete our objective, and that protecting the privacy interests of employees who provided information under promises of confidentiality outweighs our investigative interest in receiving the information.

Proactive Targeted Interviews

As documentary evidence was developed and allegations of misconduct were shared with our office, we identified and interviewed potential victims, witnesses, and subjects of selected

[41] This limitation is described in detail in Appendix 1 Scope and Methodology.

allegations that senior officials personally engaged in harassment or related misconduct. We have conducted over 60 interviews and this work is ongoing.

Continuing Work and Future Reporting

As a result of the efforts discussed above, we identified and initiated investigative work on several allegations of harassment against senior FDIC officials. This work is active and ongoing.

We cannot disclose the specifics of our ongoing investigations at this time because of due process, whistleblower and privacy concerns, and to protect the integrity of the investigative and personnel processes. We have elected to issue Part 1 of this Special Inquiry report at this time in order to avoid delayed reporting on the first three objectives and will issue supplemental reporting as we complete our fact-finding for each of the selected allegations.

Reporting Allegations of Misconduct

On May 23, 2024, the OIG issued to the Chairman a Management Advisory Memorandum on Reporting Allegations of Misconduct.[42] This Management Advisory communicated the OIG's concerns that several allegations of misconduct regarding senior FDIC officials were not reported to the OIG in a timely manner. FDIC Directive 12000.01 *Cooperation with the Office of Inspector General,* which the FDIC and the OIG collaborated to update in June 2021, requires prompt reporting to the OIG of actual or suspected fraud, waste, abuse, misconduct, or mismanagement related to FDIC programs and operations. The OIG must have a comprehensive awareness of misconduct allegations at the FDIC in order to determine whether we should initiate audit, evaluation, or investigative work, or refer a matter to another entity.

Further, reporting allegations to the OIG promptly in accordance with the Directive is especially important when they involve senior FDIC officials because these offices may have inherent conflicts in their ability to objectively investigate such allegations.

The Management Advisory also stated that the OIG identified instances where corporate-wide communications can be improved to ensure that staff are informed about the OIG and OIG Hotline as a means to report allegations of harassment, and staff's responsibility to report allegations of misconduct to the OIG. All FDIC corporate-wide communications to employees about various options for reporting misconduct should include the OIG Hotline as an option. Additionally, the Chairman and Inspector General should send a Global Message to the FDIC workforce restating employees' obligation to report allegations of misconduct to the OIG.

Lastly, the Management Advisory stated that the FDIC offices primarily responsible for receiving allegations of misconduct (i.e., OMWI, LERS, and LEAS) should coordinate with the OIG to develop and implement a process to notify the OIG of misconduct allegations. We are not

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[42] *Supra* note 17.

making a recommendation on this matter because on August 29, 2024, the FDIC and the OIG signed a Memorandum of Understanding between the OIG and the FDIC Regarding Notification about Senior FDIC Officials. Since then, the FDIC has provided complaints that the Agency had received against senior FDIC officials.

Recommendation 5:

We recommend that the Chairman and Inspector General jointly send a Global Message to the FDIC workforce restating FDIC employees' obligation to report allegations of misconduct to the appropriate entity, including reporting to the OIG.

Recommendation 6:

We recommend that the Chairman ensure that all FDIC corporate-wide communications to employees about various options for reporting misconduct include the OIG Hotline as an option.

FDIC COMMENTS AND OIG EVALUATION

On December 16, 2024, the FDIC's Deputy to the Chairman and Chief Operating Officer provided a written response, including a Board member response, to a draft of this report. In its response the FDIC stated that there is no higher priority at the FDIC than ensuring that every person at the Agency feels safe, valued, and respected. The response stated that the Chairman, the Board, and senior FDIC executives are committed to providing an effective sexual harassment prevention program and to addressing workplace culture issues that have been reported since November 2023. The response also stated that the Chairman and senior FDIC executives have established a number of initiatives and made meaningful progress toward implementing these measures. The response is presented in its entirety in Appendix 3.

The FDIC concurred with the report's recommendations. The FDIC plans to complete all corrective actions by June 30, 2025, and planned corrective actions were sufficient to address the intent of the recommendations. We consider all six recommendations to be resolved.

The recommendations in this report will remain open until we confirm that corrective actions have been completed and the actions are responsive. A summary of the FDIC's corrective actions is contained in Appendix 4.

APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

Our objectives were to determine (1) employee perceptions of the FDIC workplace culture with respect to harassment, or related misconduct, and management actions; (2) FDIC management's actions to review, process, and address complaints of harassment and related misconduct, including the management or related litigation; (3) FDIC executives' knowledge of harassment and related misconduct and what actions (if any) were taken in response; and (4) factual findings regarding selected allegations that senior officials personally engaged in harassment or related misconduct.

We performed our work from December 2023 through October 2024. For objectives 1 through 3, we conducted our work in accordance with the CIGIE's *Quality Standards for Inspection and Evaluation*. These standards require that we plan and perform the evaluation to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our evaluation objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our evaluation objectives. Objective 4 was addressed by work performed by the OIG's OI and OGC and conducted under CIGIE's QSI. These standards require that we plan, execute, and report the results of our fact-finding. As we complete our fact-finding for each of the selected allegations, we plan to issue a summary of or series of reports to the FDIC. We will publish these summaries or reports (with Privacy Act redactions) after the FDIC has determined what action, if any, to take.

For objectives 1 through 3, we obtained sufficient evidence to support our findings and conclusions. However, due to the FDIC's inconsistent and incomplete tracking of allegations of harassment and related misconduct, our scope and results are limited to the harassment and related misconduct allegations reported to us or identified during the evaluation. This limitation in evidence was previously identified in our 2024 OIG report.[43] Because of this limitation, our work may not have identified nor addressed all instances of harassment and related misconduct at the FDIC. Therefore, this report presents the findings and conclusions based on the available information.

Scope and Methodology

To address objectives 1 through 3, we reviewed relevant FDIC policies, procedures, and guidance including:

- FDIC Directive 2710.01 – *Equal Opportunity Policy* (November 2015);
- FDIC Directive 2710.02 – *EEOC Discrimination Complaint Process* (November 2015);
- FDIC Directive 2710.03 – *Anti-Harassment Program* (March 2021);
- FDIC Directive 2710.04 – *Discrimination Complaint Process* (November 2015); and
- FDIC Directive 2750.01 – *Disciplinary and Adverse Actions* (March 2021).

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[43] *Supra* note 7.

We also reviewed Federal regulations and best practices relevant to workplace culture and harassment and related misconduct allegations:

- Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (GAO-14-704G) (September 2014);
- United States Equal Employment Opportunity Commission *Promising Practices for Preventing Harassment in the Federal Sector* (April 2023);
- Institute of Internal Auditors *International Professional Practices Framework for Auditing Culture* (November 2019); and
- Committee on Sponsoring Organizations of the Treadway Commission (COSO)*, Enterprise Risk Management—Integrating with Strategy and Performance (June 2017).*

We also reviewed two prior OIG reports pertaining to the FDIC's sexual harassment prevention program and relied on this work:

- *Preventing and Addressing Sexual Harassment* (EVAL-20-06) (July 2020), and
- *The FDIC's Sexual Harassment Prevention Program* (EVAL-24-05) (July 2024).

To assess the workplace culture and instances of harassment and related misconduct, we:

- Reviewed and analyzed the FDIC's stated core values and Job Families (i.e., job standards) for Corporate and Executive Managers to determine their responsibilities regarding elements of workplace culture.
- Reviewed select resolutions adopted by the Board of Directors, relevant to the FDIC's workplace culture.
- Conducted a workforce culture survey of all FDIC employees and analyzed the results.
- Obtained a universe of allegations of harassment and related misconduct for the period of January 2008 through April 2024 (see description below of limitations in this area).
- Completed testing of 51 harassment and related misconduct allegations.
- Conducted over 50 interviews of FDIC current and former employees, FDIC Employee Resource Groups, and management officials regarding their experiences with harassment and related misconduct and their views and perceptions on FDIC's workplace culture.

We requested all documents the FDIC provided to the Special Committee; all documents the FDIC provided in response to Congressional requests regarding the recent allegations of sexual harassment and other misconduct at the FDIC; and copies of the related requests for documents to the FDIC from the Special Committee and Congress. In response to this request, the FDIC provided the OIG over 280,000 discrete files within an information technology application. Of the discrete files, we reviewed an initial 400 files and electronically marked them for relevancy. Based on these electronic markings, and utilizing a Technology-Assisted Review, over 12,000 files were identified as being at least 71-percent relevant to our review. We then reviewed these 12,000 files. Evidence obtained through this review included complaint intake forms, complaint correspondence, email messages, complaint investigation interviews, settlements, and tracking spreadsheets. We also conducted individual searches of these files to gather additional evidence. Lastly, we reviewed approximately 372 files that the Technology-Assisted Review deemed were not relevant to our review in order to test the application's accuracy. Based on these reviews, we concluded that the application was correctly identifying relevant documents for our review.

Employee Survey Methodology

This is the first OIG survey of workplace culture at the FDIC, which we developed to collect information on employee perceptions of FDIC's culture with respect to harassment and related misconduct.[44] We obtained a listing of all FDIC employees from DOA. We issued the survey to all FDIC employees using third-party software that ensured anonymity and privacy. On March 20, 2024, we sent the voluntary survey to 6,244 FDIC employees, including OIG personnel. On April 12, 2024, the OIG closed the survey with responses received from 2,639 of 6,244 FDIC employees – reflecting a 42-percent response rate. The survey respondents included: 47 percent female, 52 percent male, and 1 percent who chose not to specify. The survey covered the period up to April 12, 2024, the date the survey was completed, and placed no restriction on the time and date on when the respondent may have experienced or witnessed an incident. The complete results of the workplace culture survey are included in Appendix 2 of this report.

Data Reliability and Scope Limitation

We requested a comprehensive listing of all allegations of harassment and related misconduct for the period of January 2008 through April 2024. However, the 2024 OIG Report identified issues with the universe of sexual harassment misconduct allegations tracked by OWMI, LEAS, and LERS.[45] That report found that the listings were inconsistent, with allegations omitted from each. Based on the issues identified in the 2024 OIG Report, we requested from the FDIC a certification of the completeness of the allegations of harassment and related misconduct. Officials from OWMI, LEAS, and LERS provided certifications that good faith searches were conducted, and documents were provided to the extent available based on several factors, including record retention schedules. However, based on information we obtained and reviewed from other sources such as the documents the FDIC provided to the Special Committee's independent third-party, we identified instances where FDIC employees submitted complaints that were not included in the FDIC's responses to our request. As such, the scope of our review is limited to what was maintained at the time by OWMI, LEAS, and LERS and may not include all relevant documentation.

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[44] Since 2020, the OIG has conducted two surveys of FDIC employees, using the same survey instrument, to understand their experiences with sexual harassment. Appendix 4 in the report *The FDIC's Sexual Harassment Prevention Program* (July 2024), provides a comparison of the results from the prior two surveys.
[45] *Supra* note 7.

Harassment and Related Misconduct Complaints Testing

In support of our objectives 1 through 3, we reviewed a judgmental sample of investigations conducted by OWMI, LEAS, and LERS from January 2008 through April 2024 (the time of our request).

We selected our judgmental sample of 60 allegations. However, the FDIC was only able to provide 51 case files because the remaining 9 cases were outside of the record retention period. Our review methodology included identifying the type(s) of harassment or related misconduct, individuals involved in the allegation, facts surrounding the investigation, status of the investigation, and any disciplinary actions taken as a result of the investigations.

We also interviewed FDIC staff, managers, and executives to learn about their perceptions of the FDIC's culture with respect to harassment and related misconduct as well as their knowledge of specific complaints and allegations.

APPENDIX 2: SURVEY RESULTS

FDIC OIG Harassment and Related Misconduct Survey Results

Survey Question[46]	Total	Female	Male	Neither[47]
1. Which of the following describes your gender identity?	100%	47%	52%	1%
2. How long have you worked for FDIC?				
Less than 2 years	13%	6%	7%	0%
2 – 5 years	15%	7%	8%	0%
6 – 10 years	13%	5%	7%	0%
11 – 20 years	31%	15%	16%	0%
20+ years	28%	13%	15%	0%
OVERALL FDIC WORKPLACE CULTURE				
3. To what extent do you agree that the FDIC workplace makes you feel safe, valued, and respected?				
Strongly agree	34%	12%	21%	0%
Somewhat agree	32%	16%	16%	0%
Neither agree nor disagree	10%	5%	5%	0%
Somewhat disagree	14%	8%	6%	0%
Strongly disagree	10%	5%	4%	0%
4. The people I work with treat me with respect.				
Strongly agree	51%	20%	30%	1%
Somewhat agree	28%	15%	13%	0%
Neither agree nor disagree	7%	3%	3%	0%
Somewhat disagree	9%	6%	3%	0%
Strongly disagree	4%	2%	2%	0%
5. In your view, how common is workplace harassment or related misconduct in the FDIC?				
Very common	8%	6%	2%	0%
Common	20%	12%	7%	0%
Neither common nor uncommon	22%	12%	9%	0%
Uncommon	29%	11%	18%	0%
Very uncommon	21%	5%	15%	0%

[46] All percentages are based on the total number of respondents to that question, unless otherwise indicated. All percentages are also rounded and may not equal 100.

[47] For question 1, this category only includes those respondents who did not identify themselves as female or male in response to the gender question. For all remaining questions, neither also includes those who chose not to answer question 1.

Survey Question[46]	Total	Female	Male	Neither[47]
6. In your view, FDIC Corporate and Executive Managers do not tolerate and quickly and properly address harassment or related misconduct.				
Strongly agree	16%	5%	11%	0%
Somewhat agree	20%	8%	11%	0%
Neither agree nor disagree	23%	11%	12%	0%
Somewhat disagree	23%	12%	10%	0%
Strongly disagree	19%	10%	8%	0%
7. In your view, your coworkers do not tolerate or overlook harassment or related misconduct.				
Strongly agree	28%	10%	18%	0%
Somewhat agree	29%	12%	17%	0%
Neither agree nor disagree	21%	10%	10%	1%
Somewhat disagree	15%	10%	5%	0%
Strongly disagree	6%	4%	2%	0%
8. In your view, there are adverse consequences for Corporate and Executive Managers who are abusive, disrespectful, or hostile.				
Strongly agree	9%	2%	7%	0%
Somewhat agree	13%	5%	8%	0%
Neither agree nor disagree	22%	10%	12%	0%
Somewhat disagree	23%	12%	11%	0%
Strongly disagree	32%	17%	14%	1%
9. In your view, there are adverse consequences for coworkers who are abusive, disrespectful, or hostile.				
Strongly agree	13%	4%	9%	0%
Somewhat agree	24%	9%	14%	0%
Neither agree nor disagree	25%	10%	14%	0%
Somewhat disagree	23%	13%	10%	0%
Strongly disagree	16%	10%	5%	0%
10. In your view, your immediate manager serves as a role model for treating coworkers respectfully without harassment.				
Always	62%	27%	35%	1%
The majority of the time	15%	7%	8%	0%
A moderate amount	5%	3%	2%	0%
Sometimes	7%	4%	3%	0%
Not at all	7%	4%	3%	0%
Don’t know	3%	1%	1%	0%
11. Prior to December 2023, did your manager or leadership encourage you to speak up if you experienced or witnessed harassment or related misconduct?				
Yes	39%	15%	24%	0%
No	41%	23%	18%	1%
Don’t know	20%	8%	11%	0%

Survey Question[46]	Total	Female	Male	Neither[47]
12. The training(s) that the FDIC has provided concerning harassment and related misconduct was adequate.				
Strongly agree	21%	6%	14%	0%
Somewhat agree	25%	11%	14%	0%
Neither agree nor disagree	28%	13%	14%	1%
Somewhat disagree	14%	8%	6%	0%
Strongly disagree	12%	7%	5%	0%
13. How well do you understand how an FDIC employee can get help if they experience harassment or related misconduct?				
Extremely well	19%	7%	11%	0%
Very well	25%	11%	14%	0%
Moderately well	33%	16%	16%	0%
Slightly well	13%	7%	6%	0%
Not well at all	11%	6%	5%	0%
14. In your view, how effective was the action taken by the FDIC prior to December 2023 at encouraging people to report harassment or related misconduct they have experienced in the course of their work at FDIC?				
Very effective	7%	2%	5%	0%
Effective	17%	6%	11%	0%
Neither effective nor ineffective	30%	13%	16%	0%
Ineffective	28%	15%	13%	0%
Very ineffective	19%	11%	8%	1%
15. In your view, how effective was the action taken by the FDIC prior to December 2023 to support victims of workplace harassment and related misconduct?				
Very effective	5%	1%	3%	0%
Effective	12%	3%	8%	0%
Neither effective nor ineffective	33%	14%	19%	1%
Ineffective	26%	14%	12%	0%
Very ineffective	24%	13%	10%	0%
16. In your view, how effective were the recent actions taken by the FDIC (since December 2023) to reduce potential future instances of harassment or related misconduct?				
Very effective	12%	3%	8%	0%
Effective	26%	10%	16%	0%
Neither effective nor ineffective	34%	17%	16%	1%
Ineffective	17%	9%	8%	0%
Very ineffective	11%	6%	5%	0%

Survey Question[46]	Total	Female	Male	Neither[47]
HARASSMENT AND RELATED MISCONDUCT				
17. Have you ever experienced harassment or related misconduct in the FDIC workplace (including onsite, official travel, and telework) or by coworkers away from the workplace?				
Yes	37%	22%	14%	1%
No	55%	20%	34%	1%
Not sure	8%	4%	4%	0%
Questions 18 through 23 were only asked of respondents who answered Yes in Question 17[48]				
18. What type of harassment or related misconduct did you experience? (Select all that apply)				
Race	21%	12%	8%	0%
Color	9%	6%	3%	0%
Religion	6%	2%	3%	0%
Sex (including sexual orientation, gender identity, or pregnancy)	32%	24%	8%	1%
National origin	6%	3%	2%	0%
Older age (beginning at age 40)	20%	11%	9%	0%
Disability	8%	4%	3%	0%
Genetic information (including family medical history)	2%	1%	1%	0%
Offensive jokes, comments, objects, or pictures	45%	29%	15%	1%
Unwelcome touching or contact	13%	10%	3%	0%
Unwelcome sexual advances	14%	11%	3%	0%
Requests for sexual favors	2%	2%	0%	0%
Undue and unwelcome attention	24%	18%	6%	0%
Ridicule, slurs, insults, or name-calling	28%	15%	13%	0%
Verbal or physical harassment of a sexual nature	10%	7%	3%	0%
Engaging in bullying, intimidating, or threatening behavior	64%	38%	24%	2%
Other	18%	10%	7%	1%
19. How many times have you experienced harassment or related misconduct?				
Once	6%	4%	2%	0%
More than once but less than 5 times	43%	25%	16%	1%
More than 5 times	44%	27%	17%	1%
Don’t remember	6%	5%	2%	0%

[48] Percentages for questions 18 through 23 are based on the number of people who responded yes to experiencing harassment and related misconduct at FDIC in question 17.

Survey Question[46]	Total	Female	Male	Neither[47]
20. When did the harassment or related misconduct occur? (Select all that apply)				
Within last 12 months	34%	21%	13%	1%
Between 1 and 5 years ago	49%	29%	19%	1%
Over 5 years ago	52%	34%	17%	1%
Don't remember	2%	1%	1%	0%
21. Where did the harassment or related misconduct happen? (Select all that apply)				
Headquarters	37%	22%	14%	1%
Regional Office	29%	18%	10%	0%
Field Office	36%	21%	14%	0%
FDIC Student Residence Center at Virginia Square	7%	5%	2%	0%
While travelling for work	32%	22%	10%	1%
Virtually	24%	16%	8%	1%
Outside the workplace	13%	9%	4%	0%
22. Who harassed you? (Select all that apply)				
An Executive Manager	27%	16%	10%	0%
A Corporate Manager	53%	30%	21%	1%
A corporate graded employee or a corporate expert	49%	32%	16%	1%
A contractor	3%	3%	0%	0%
Other	18%	13%	5%	0%
Don't know	1%	1%	1%	0%
23. Was the person(s) who harassed you: (Select all that apply)				
Male	80%	52%	27%	1%
Female	47%	26%	20%	1%
Other	1%	0%	0%	0%
Don't know	1%	1%	1%	0%
REPORTING WORKPLACE HARASSMENT				
Question 24 was only asked of respondents who answered Yes in Question 17.[49]				
24. Have you formally reported the harassment or related misconduct to the FDIC?				
Yes	28%	19%	9%	0%
No	70%	41%	27%	1%
Questions 25-31 were only asked of respondents who answered Yes in Question 24.[50]				

[49] Percentage for question 24 is based on the number of people who responded yes to question 17. Percentages for subsequent questions 25 to 31 are based on the number of people who responded yes to formally reporting the harassment or related misconduct in question 24.

[50] Percentages for questions 25 through 31 are based on the number of people who responded yes to formally reporting harassment and related misconduct to the FDIC in question 24.

Survey Question[46]	Total	Female	Male	Neither[47]
25. Where did you report the harassment or related misconduct? (Select all that apply)				
Email boxes for anonymous complaints	12%	7%	5%	0%
Internal Ombudsman	25%	15%	9%	1%
A management official with supervisory responsibility	77%	51%	25%	1%
Labor and Employee Relations Section (LERS), DOA	26%	17%	9%	0%
Labor, Employment, and Administration Section (LEAS), Legal Division	8%	5%	3%	0%
Equal Employment Opportunity (EEO) Counselor, Office of Minority and Women Inclusion (OMWI)	28%	19%	9%	0%
Anti-Harassment Program Coordinator, OMWI	13%	9%	4%	0%
NTEU Union Representative	28%	18%	9%	0%
Contract Project Manager (if harassment involves a contractor)	0%	0%	0%	0%
FDIC Contract Oversight Manager (if harassment involves a contractor)	0%	0%	0%	0%
OIG Hotline	8%	4%	4%	0%
Special Review Counsel Hotline (Cleary Gottlieb)	21%	14%	6%	0%
Other	10%	6%	3%	0%
26. When did you report the harassment(s) or related misconduct(s)? (Select all that apply)				
After December 2023	27%	18%	9%	0%
March 2020 to December 2023	54%	34%	19%	1%
Prior to March 2020	54%	37%	16%	1%
Don't remember	2%	1%	1%	0%
27. What was/were your complaint(s) about? (Select all that apply)				
Race	23%	14%	9%	0%
Color	12%	7%	4%	0%
Religion	3%	1%	1%	0%
Sex (including sexual orientation, gender identity, or pregnancy)	28%	21%	6%	1%
National origin	5%	4%	1%	0%
Older age (beginning at age 40)	20%	12%	8%	0%
Disability	13%	8%	4%	0%
Genetic information (including family medical history)	3%	1%	2%	0%
Offensive jokes, comments, objects, or pictures	31%	22%	8%	1%
Unwelcome touching or contact	7%	5%	1%	0%
Unwelcome sexual advances	7%	5%	2%	0%
Requests for sexual favors	1%	1%	0%	0%
Undue and unwelcome attention	18%	12%	5%	0%
Ridicule, slurs, insults, or name-calling	32%	21%	10%	1%

Survey Question[46]	Total	Female	Male	Neither[47]
Verbal or physical harassment of a sexual nature	11%	9%	2%	0%
Engaging in bullying, intimidating, or threatening behavior	78%	51%	26%	1%
Other	18%	9%	9%	0%
28. How satisfied were you that your complaint was taken seriously?				
Extremely satisfied	5%	4%	1%	0%
Somewhat satisfied	14%	9%	4%	0%
Neither satisfied nor dissatisfied	9%	5%	4%	0%
Somewhat dissatisfied	14%	11%	3%	1%
Extremely dissatisfied	58%	37%	20%	0%
29. Did the harassment and related misconduct stop after you reported it to the FDIC?				
Yes	29%	22%	7%	0%
No	69%	44%	24%	1%
30. Were you aware of the outcome of your complaint? (Select all that apply)				
Don't know	55%	32%	23%	0%
The person you complained about was disciplined	3%	2%	0%	0%
The person you complained about received a formal warning	3%	3%	0%	0%
The person you complained about was informally spoken to	14%	10%	4%	0%
The person you complained about was transferred	6%	5%	1%	0%
The person you complained about resigned	4%	3%	1%	0%
The person you complained about apologized	4%	4%	0%	0%
You received compensation/settlement	5%	4%	1%	0%
Other	31%	21%	9%	0%
31. Did you experience negative consequences because you made a complaint?				
Yes	59%	38%	20%	1%
No	39%	27%	12%	0%
Question 32 was only asked of respondents who answered Yes in Question 31.[51]				
32. What negative consequences did you experience? (Select all that apply)				
My relationships at work have been negatively affected	74%	45%	28%	1%
My career pathway or professional opportunities have been inhibited	82%	49%	32%	1%
I considered quitting my job	77%	50%	26%	1%

[51] Percentage for question 32 is based on the number of people who responded yes to experiencing negative consequences because they made a complaint in question 31.

Survey Question[46]	Total	Female	Male	Neither[47]
My physical or mental health has been impacted	88%	57%	30%	1%
My self-esteem and confidence have been impacted	73%	46%	26%	1%
My personal relationships have been impacted	61%	36%	24%	1%
I took time off work	41%	25%	15%	1%
Other	31%	18%	12%	1%
Question 33 was only asked of respondents who answered No in Question 24.[52]				
33. There are a number of reasons why a person might not make a complaint of harassment or related misconduct to the FDIC. What were the main reasons you decided not to make a complaint? (Select all that apply)				
I didn't know it was harassment or related misconduct at the time	17%	10%	6%	1%
I wasn't aware of how the process worked or who to talk to	19%	12%	7%	0%
It was easier to keep quiet	56%	33%	22%	1%
I didn't think anything would be done	70%	39%	29%	2%
I didn’t believe my complaint would be handled fairly	51%	26%	23%	1%
I didn’t trust the senior leadership	49%	27%	21%	1%
I was concerned about damaging my career prospects	64%	37%	26%	1%
I was concerned about how my coworkers would perceive me	33%	21%	12%	1%
I didn’t think it was serious enough	30%	19%	10%	1%
I was worried about retaliation	62%	34%	26%	2%
I was concerned about the personal and/or professional consequences to the perpetrator	14%	10%	4%	1%
I transferred to another FDIC division/office	8%	5%	3%	0%
I reported the harassment or related misconduct externally	2%	1%	0%	0%
Other	12%	8%	4%	0%
Don’t know	0%	0%	0%	0%
WITNESSING WORKPLACE HARASSMENT				
34. Have you personally witnessed workplace harassment or related misconduct that happened to someone else while working for the FDIC?				
Yes	34%	18%	15%	1%
No	54%	22%	32%	1%
Not Sure	12%	6%	6%	0%

[52] Percentage for question 33 is based on the number of people who responded no to formally reporting harassment and related misconduct to the FDIC in question 24.
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Survey Question[46]	Total	Female	Male	Neither[47]
Questions 35 to 39 were only asked of respondents who answered Yes in Question 34.[53]				
35. What type of harassment or related misconduct did you witness? (Select all that apply)				
Race	28%	16%	11%	1%
Color	14%	9%	5%	1%
Religion	8%	3%	5%	1%
Sex (including sexual orientation, gender identity, or pregnancy)	36%	20%	16%	0%
National origin	7%	4%	3%	0%
Older age (beginning at age 40)	23%	11%	11%	1%
Disability	10%	5%	4%	0%
Genetic information (including family medical history)	1%	1%	1%	0%
Offensive jokes, comments, objects, or pictures	47%	26%	20%	1%
Unwelcome touching or contact	9%	4%	5%	0%
Unwelcome sexual advances	10%	4%	5%	0%
Requests for sexual favors	2%	1%	1%	0%
Undue and unwelcome attention	24%	14%	10%	1%
Ridicule, slurs, insults, or name-calling	30%	15%	15%	0%
Verbal or physical harassment of a sexual nature	10%	5%	4%	0%
Engaging in bullying, intimidating, or threatening behavior	67%	38%	28%	1%
Don’t know	0%	0%	0%	0%
Other	10%	5%	5%	0%
36. Where did this happen? (Select all that apply)				
Headquarters	41%	23%	17%	1%
Regional Office	26%	14%	11%	1%
Field Office	36%	19%	16%	1%
FDIC Student Residence Center at Virginia Square	10%	5%	4%	0%
While travelling for work	31%	17%	14%	0%
Virtually	19%	12%	7%	1%
Outside the workplace	11%	4%	6%	0%

[53] Percentages for questions 35 through 39 are based on the number of people who responded yes to witnessing harassment or related misconduct in question 34.

Survey Question[46]	Total	Female	Male	Neither[47]
37. Who engaged in the harassment or related misconduct? (Select all that apply)				
An Executive Manager	27%	15%	11%	1%
A Corporate Manager	53%	28%	23%	1%
A corporate graded employee or a corporate expert	55%	30%	24%	0%
A contractor	3%	2%	1%	0%
Other	11%	7%	4%	0%
Don’t know	3%	1%	1%	0%
38. Was the person who engaged in the harassment or related misconduct? (Select all that apply)				
Male	81%	43%	36%	1%
Female	47%	27%	19%	1%
Other	1%	0%	0%	0%
Don’t know	2%	0%	1%	0%
39. Did you take any action as a result of witnessing workplace harassment or related misconduct?				
Yes	33%	17%	15%	0%
No	65%	36%	28%	1%
Questions 40 to 41 were only asked of respondents who answered Yes in Question 39.[54]				
40. What action did you take? (Select all that apply)				
Intervened when it happened	31%	17%	13%	1%
Talked with or listened to the affected person afterwards	68%	37%	29%	1%
Talked to the perpetrator after it happened	23%	8%	14%	1%
Encouraged the victim to report it to the FDIC	57%	31%	25%	1%
Encouraged the victim to report it externally	18%	11%	7%	0%
Reported it to the FDIC	38%	16%	22%	0%
Made a written record of what happened	22%	12%	10%	0%
Other	16%	8%	8%	0%
41. Did you experience negative consequences because you intervened?				
Yes	38%	18%	18%	1%
No	62%	34%	28%	1%

[54] Percentages for questions 40 through 41 are based on the number of people who responded yes to taking any action as a result of witnessing workplace harassment in question 39.

Survey Question[46]	Total	Female	Male	Neither[47]
Question 42 was only asked of respondents who answered Yes in Question 41.[55]				
42. What negative consequences did you experience? (Select all that apply)				
My relationships at work have been negatively affected	75%	34%	38%	2%
My career pathway or professional opportunities have been inhibited	69%	26%	40%	2%
I considered quitting my job	52%	24%	26%	2%
My physical or mental health has been impacted	69%	36%	30%	2%
My self-esteem and confidence have been impacted	56%	28%	25%	2%
My personal relationships have been impacted	43%	19%	23%	2%
I took time off work	24%	8%	15%	1%
Question 43 was only asked of respondents who answered No in Question 39.[56]				
43. There are any number of reasons why a person might decide not to intervene. What were the main reasons you decided not to intervene? (Select all that apply)				
I didn't know it was workplace harassment or related misconduct at the time	15%	8%	7%	1%
I wasn't aware of how the process worked or who to talk to	21%	12%	8%	0%
I felt it was none of my business	28%	14%	13%	0%
I felt it was easier to keep quiet	37%	20%	17%	1%
I didn't think anything would be done	65%	36%	28%	1%
I didn’t trust the senior leadership	54%	29%	23%	1%
I was concerned about damaging my career prospects	50%	25%	23%	1%
I was concerned about how my coworkers would perceive me	25%	13%	11%	1%
I didn’t think it was serious enough	18%	7%	10%	0%
I was worried about retaliation	57%	30%	26%	2%
I moved to another FDIC division/office	6%	4%	2%	0%
Other	16%	11%	4%	0%
Don’t know	1%	1%	1%	0%
44. Do you have staff reporting to you in your role?				
Yes	20%	8%	12%	0%
No	80%	38%	41%	1%

[55] Percentage for question 42 was on the number of people who responded yes to experiencing negative consequences for intervening after witnessing harassment in question 41.
[56] Percentage for question 43 was based on the number of people who responded no to not taking any action as a result of witnessing workplace harassment in question 39.

Survey Question[46]	Total	Female	Male	Neither[47]
Question 45 was only asked of respondents who answered Yes in Question 44.[57]				
45. While in your role, have you had a complaint of workplace harassment or related misconduct in FDIC made to you?				
Yes	26%	12%	14%	0%
No	74%	29%	44%	1%
Question 46 was only asked of respondents who answered Yes in Question 45.[58]				
46. What action did you take? (Select all that apply)				
Followed the workplace complaint policy	87%	36%	50%	1%
Other	34%	17%	17%	0%
Took no action	1%	0%	1%	0%
Question 47 was only asked of respondents who answered Took no action in Question 46.[59]				
47. Why did you take no action? (Select all that apply)				
I didn't know the process to follow	0%	0%	0%	0%
The person who reported/complained asked me not to	0%	0%	0%	0%
There was an absence of evidence to support the claim	0%	0%	0%	0%
I was worried about retaliation	0%	0%	0%	0%
I didn't trust the senior leadership	0%	0%	0%	0%
Other	100%	0%	100%	0%
Don't know	0%	0%	0%	0%

[57] Percentage for question 45 is based on the number of people who responded yes to question 44.
[58] Percentage for question 46 is based on the number of people who responded yes to question 45.
[59] Percentage for question 47 is based on the number of people who responded took no action in question 46.

APPENDIX 3: FDIC COMMENTS

FDIC Federal Deposit Insurance Corporation

MEMO

TO: Terry L. Gibson
Assistant Inspector General, Audits, Evaluations & Cyber
Office of Inspector General

DANIEL BENDLER Digitally signed by DANIEL BENDLER Date: 2024.12.16 12:42:45 -05'00'

FROM: Daniel H. Bendler
Deputy to the Chairman and Chief Operating Officer

DATE: December 16, 2024

RE: Management Response to the Draft Special Inquiry Report Entitled, *Special Inquiry of the FDIC's Workplace Culture with Respect to Harassment and Related Misconduct – Part 1* (No. 2024-004)

Thank you for the opportunity to review and comment on the subject Office of Inspector General (OIG) draft Special Inquiry report. The objectives of the Special Inquiry were to determine (1) employee perceptions of the FDIC workplace culture with respect to harassment, or related misconduct, and management actions; (2) FDIC management's actions to review, process, and address complaints of harassment and related misconduct, including the management of related litigation; (3) FDIC executives' knowledge of harassment and related misconduct and what actions (if any) were taken in response; and (4) factual findings regarding selected allegations that senior officials personally engaged in harassment or related misconduct.

As part of its review, the OIG conducted a survey of FDIC employees. While the survey identified a number of significant areas for improvement, the FDIC was pleased to see that most of its employees surveyed reported feeling safe and being treated with respect. Further, most employees surveyed viewed their immediate manager as a role model for treating coworkers respectfully. Finally, most employees surveyed reported understanding how to get help if they experience harassment. While those results are positive, the FDIC acknowledges there is remaining important work to be done.

There is no higher priority at the FDIC than ensuring that every person at the agency feels safe, valued, and respected. The Chairman, the Board, and senior FDIC executives are committed to providing an effective sexual harassment prevention program and to addressing workplace culture issues that have been reported since November 2023. To that end, the Chairman and senior FDIC executives established a number of initiatives and made meaningful progress toward implementing these measures.

In December 2023, FDIC senior leadership prepared an Action Plan for a Safe, Fair, and Inclusive Work Environment (Action Plan). The Action Plan describes how the FDIC will support those who have experienced harassment and discrimination and specifies action items related to identifying and correcting current problems, repercussions for those engaged in sexual harassment or other serious misconduct, leadership accountability, review of policies and procedures, training programs, communication and outreach strategies, and cultural transformation. The Action Plan includes a number of project initiatives that will make a meaningful impact on the FDIC's workplace environment and culture and are essential to restoring the confidence that FDIC employees have in leadership. The FDIC is also implementing recommendations from an independent law firm that the FDIC Board of Directors selected to review the FDIC's workplace culture.

We continue to make substantial progress in completing Action Plan initiatives. For example, in early 2024, the FDIC established a toll-free 24-hour hotline staffed with trained professionals to provide support for employees in distress. At the same time, we provided free specialized counseling services with expertise in sexual harassment and discrimination to address employees' emotional and mental well-being. To ensure that all senior executives, managers, and employees received the same information related to sexual harassment and discrimination, the FDIC partnered with the Equal Employment Opportunity Commission (EEOC) to develop and deliver in-person training to every FDIC employee on how to prevent, recognize, and report sexual harassment. That training is ongoing and expected to be completed in 2024. To address reports of misbehavior related to FDIC's Student Residence Center, the FDIC developed a residence-specific Code of Conduct that guests must review and sign before being allowed to stay at the Student Residence Center, and increased security at the center. The FDIC also internally developed an interim complaint tracking system that includes a central electronic portal for ingesting complaints.

Additionally, the FDIC is updating its Anti-Harassment Program Directive, developing new policies and procedures, creating a Code of Conduct and guide for modeling FDIC values, creating anti-retaliation and anti-fraternization policies, and updating leadership performance standards to better support accountability for sexual harassment detection and prevention.

In June 2024, the FDIC Board of Directors approved the creation of two new, independent offices, reporting directly to the Board. The FDIC's Office of Professional Conduct (OPC) will intake, investigate, and report on complaints of harassment, interpersonal misconduct, and retaliation related to harassment and interpersonal misconduct, and determine and enforce discipline. The Office of Equal Employment Opportunity (OEEO) will intake, investigate, and report on complaints of discrimination and retaliation under the laws enforced by the EEOC. Both offices will utilize independent third-party investigators. The Board appointed Directors to lead each office following a competitive hiring process. The Directors are now in the process of establishing the operations of both offices, including utilizing independent third parties to investigate allegations of misconduct.

In August 2024, the Board appointed an Independent Monitor to support cultural transformation. The Independent Monitor is auditing the FDIC's ongoing efforts to implement its Action Plan and recommendations from the independent law firm. In September 2024, the Board selected an independent advisor and consultant to advise and assist the agency in implementing our Action Plan and law firm recommendations. The Independent Monitor and expert advisor both report directly to the FDIC's Board of Directors.

Management's Response to Recommendations in the Draft Report

The OIG made six recommendations in its report. The FDIC concurs with all of the recommendations. The following presents the FDIC's proposed corrective action for each recommendation and estimated completion dates. While the FDIC fully intends to complete all corrective actions by the estimated completion dates, some actions and dates might change as the result of input from the Transformation Monitor and independent third-party expert.

Recommendation 1:

The Chairman and FDIC Board of Directors set a tone at the top where all FDIC executives model the FDIC's core values and principles through their behaviors and attitudes. This should be assessed and measured regularly by climate surveys with appropriate actions taken.

Management Decision: Concur

Corrective Action: The Chief Operating Officer and Chief Human Capital Officer will prepare a Board Case that recommends the Board of Directors adopt a Resolution that (1) sets forth expectations and means for ensuring that FDIC executives exhibit behaviors and attitudes that model FDIC's core values and principles, and (2) establishes a requirement to survey or otherwise regularly assess, report, and address employee perceptions of FDIC executive performance in this area. The frequency of assessments would be no less than annual.

The FDIC has developed a code of conduct and document for modeling FDIC values and will provide those documents to FDIC employees soon. Over time, these documents will be modified and enhanced as needed and based on feedback from employees, the National Treasury Employees Union (NTEU), Employee Resource Groups, and other stakeholders.

Estimated Completion Date: February 28, 2025

Recommendation 2:

The Chairman and FDIC Board of Directors include within the Office of Professional Conduct a mechanism to provide support and protection for employees who fear or experience retaliation as a result of filing a complaint of harassment or related misconduct in addition to existing authorities.

Management Decision: Concur

Corrective Action: OPC is developing mechanisms to receive complaints confidentially and anonymously, including from FDIC employees, applicants for employment, contractors, and members of the public. If individuals experience retaliation for filing a complaint with OPC, OPC will investigate those retaliation allegations and, when substantiated, determine discipline for the wrongdoer and prescribe appropriate redress for the whistleblower. OPC's intake function will also provide a single point of contact for individuals filing complaints with the office, including employee counselors to guide them through the OPC process.

OEEO will cross-refer allegations of retaliation and harassment to OPC for evaluation of immediate corrective action. Employees, applicants for employment, and contractors may file an EEO complaint of retaliation, which will be promptly investigated by OEEO in accordance with applicable regulations. During the EEO complaint counseling process, employees will be connected with appropriate resources for support. The FDIC also revised and incorporated employee comments into FDIC Directive 2400.02, *Whistleblower Protection Rights and Anti-Retaliation Policy*. This policy communicates the FDIC's commitment to whistleblower protection rights and maintaining a workplace free of retaliation for legally protected activities. The FDIC is finalizing the first iteration of this expanded policy.

Estimated Completion Date: June 30, 2025

Recommendation 3:

We recommend that the Chairman expedite the process to establish an agreement with a third-party entity to conduct investigations of harassment and related misconduct complaints against senior FDIC officials.

Management Decision: Concur

Corrective Action: On November 12, 2024, the Board of Directors adopted a resolution that approved the OPC Director proceeding to solicit, select, and oversee law firms to investigate harassment and related claims of misconduct. On November 21, 2024, the FDIC announced a solicitation to engage independent third-party law firms to assist OPC and OEEO with investigating allegations within the scope of their respective offices. Selections are expected from this solicitation in December with an anticipated start date shortly thereafter.[1]

Estimated Completion Date: December 31, 2024

Recommendation 4:

The Chairman direct the appropriate Divisions/Offices to develop a process to periodically report to appropriate FDIC stakeholders the number of complaints filed, types of complaints, and the types of recommendations for disciplinary action from the review team, and the final actions that were taken.

Management Decision: Concur

Corrective Action: The FDIC will develop a process to provide at least semiannual reporting to the Board and FDIC employees of anonymized and aggregate complaint, disciplinary, and final action information.

OPC and OEEO are developing a dashboard to share trend information about allegations received by their respective offices. Additionally, OPC is developing a data visualization tool to track and communicate data about disciplinary actions.

Estimated Completion Date: March 31, 2025

Recommendation 5:

We recommend that the Chairman and Inspector General jointly send a Global Message to the FDIC workforce restating FDIC employees' obligation to report allegations of misconduct to the appropriate entity, including reporting to the OIG.

Management Decision: Concur

Corrective Action: FDIC Directive 12000.01, *Cooperation with the Office of Inspector General*, requires all FDIC employees and contractor personnel to promptly report to the OIG all instances of actual or suspected fraud, waste, abuse, misconduct or mismanagement perpetrated in connection with the programs and operations of the FDIC. Further, as OIG notes in the draft report, on August 29, 2024, the FDIC and the OIG signed a *Memorandum of Understanding between the OIG and the FDIC Regarding Notification about Senior FDIC Officials*. The MOU provides that if the FDIC receives an allegation against any senior FDIC official of alleged fraud, waste, abuse, misconduct, or mismanagement perpetrated in connection with the programs and operations of the FDIC, the FDIC will notify the OIG of that allegation within five business days.

The FDIC will coordinate with the OIG to develop and issue a joint global message to the FDIC workforce reminding employees of their obligation to report allegations of misconduct to the appropriate entity, including to the OIG.

Estimated Completion Date: December 31, 2024

[1] OPC is also staffing its in-house investigations component, which will be responsible for directly investigating allegations and reviewing investigative work-products produced by third-party law firms. OEEO is also staffing its EEO complaint branch and investing resources in Alternative Dispute Resolution to foster early resolution of workplace concerns.

Recommendation 6:

We recommend that the Chairman ensure that all FDIC corporate-wide communications to employees about various options for reporting misconduct include the OIG Hotline as an option.

Management Decision: Concur

Corrective Action: FDIC Directive 12000.01, *Cooperation with the Office of Inspector General*, requires all FDIC employees and contractor personnel to promptly report to the OIG all instances of actual or suspected fraud, waste, abuse, misconduct or mismanagement perpetrated in connection with the programs and operations of the FDIC. The Directive also includes information for reaching the OIG Hotline may be reached by telephone, email, or U.S. Mail.

The FDIC Chairman will include the OIG Hotline in future communications to employees related to options for reporting misconduct including the joint global message discussed in response to recommendation 5.

Estimated Completion Date: December 31, 2024

FDIC Federal Deposit Insurance Corporation

December 12, 2024

FDIC Director Jonathan P. McKernan's Response

The draft recommends "the Chairman expedite the process to establish an agreement with a third-party entity to conduct investigations of harassment and related misconduct complaints against senior FDIC officials." The draft also briefly states that there was some Board discussion relating to those investigations. The draft does not, however, acknowledge the very different views among Board members or acknowledge Vice Chairman Hill and my efforts to expedite these third-party investigations.

The Board is and should be accountable for the unacceptably slow progress on these investigations. But the Board is not a monolith, and there was considerable effort by some to put the FDIC on a different path.

In June, a month after the publication of the Cleary report, I raised concerns with the Chairman and the other Board members about the FDIC's lack of progress on these investigations. After continued inaction, on July 19, I circulated among the Board members a proposal to establish a committee modeled on the Special Committee that oversaw Cleary Gottlieb's review and task that committee with developing a plan for these investigations. Over the next month and a half, Vice Chairman Hill and I engaged in lengthy discussions and even debates with the other Board members, including at two Board meetings that were closed to the public, to persuade at least one of the other Board members to support a consensus approach. Those efforts did not succeed. On August 28, a 3-2 Board majority voted down my proposal and instead adopted the unworkable approach to outsource the investigations to another government agency. FDIC staff then spent 11 weeks trying to make that approach somehow work. All of these debates, delays, and false starts were totally unnecessary – even if also unavoidable given the conflicts of interest on the Board. These debates, delays, and false starts also happened despite the best efforts of the Board minority.

APPENDIX 4: SUMMARY OF THE FDIC'S CORRECTIVE ACTIONS

This table presents management's response to the recommendations in the report and the status of the recommendations as of the date of report issuance.

Rec. No.	Corrective Action: Taken or Planned	Expected Completion Date	Monetary Benefits	Resolved:[a] Yes or No	Open or Closed[b]
1	The COO and CHCO will prepare a Board Case that recommends the Board of Directors adopt a Resolution that sets expectations and means for ensuring that FDIC executives exhibit behaviors and attitudes that model the FDIC's core values and principles and establishes a requirement to, no less than annually, survey or assess, report, and address employee perceptions of FDIC executive performance in this area.	February 28, 2025	$0	Yes	Open
2	OPC is developing mechanisms to receive complaints confidentially and anonymously from FDIC employees, applicants for employment, contractors, and members of the public. If individuals experience retaliation for filing a complaint with OPC, the OPC will investigate those retaliation allegations and, when substantiated, determine discipline for the wrongdoer and prescribe appropriate redress for the whistleblower. OEEO will cross-refer allegations of retaliation and harassment to OPC for evaluation of immediate corrective action. During the EEO complaint counseling process, employees will be connected with appropriate resources for support.	June 30, 2025	$0	Yes	Open
3	In November 2024, the Board of Directors adopted a resolution that approved the OPC Director to solicit, select, and oversee law firms to investigate claims of harassment and related misconduct. The solicitation was issued in November 2024 and a firm is expected to be selected in December 2024.	December 31, 2024	$0	Yes	Open

Rec. No.	Corrective Action: Taken or Planned	Expected Completion Date	Monetary Benefits	Resolved:[a] Yes or No	Open or Closed[b]
4	The FDIC will develop a process to report, at least semiannually, to the Board and FDIC employees anonymized and aggregated complaint, disciplinary, and final action information. Further, the OPC and OEEO are developing a dashboard to share trend information about allegations received. Additionally, the OPC is developing a tool to track and communicate data about disciplinary actions.	March 31, 2025	$0	Yes	Open
5	The FDIC will coordinate with the OIG to develop and issue a joint global message to the FDIC workforce reminding their employees of their obligation to report allegations of misconduct to the appropriate entity, including to the OIG.	December 31, 2024	$0	Yes	Open
6	The FDIC Chairman will include the OIG Hotline in future communications to employees related to options for reporting misconduct including the joint global message discussed in response to recommendation 5.	December 31, 2024	$0	Yes	Open

[a] Recommendations are resolved when —

1. Management concurs with the recommendation, and the OIG agrees the planned corrective action is consistent with the recommendation.

2. Management does not concur or partially concurs with the recommendation, but the OIG agrees that the proposed corrective action meets the intent of the recommendation.

3. For recommendations that include monetary benefits, management agrees to the full amount of OIG monetary benefits or provides an alternative amount and the OIG agrees with that amount.

[b] Recommendations will be closed when the OIG confirms that corrective actions have been completed and are responsive.

APPENDIX 5: ACRONYMS AND ABBREVIATIONS

2024 OIG Report	The FDIC’s Sexual Harassment Prevention Program
Action Plan	Action Plan for a Safe, Fair, and Inclusive Work Environment
AHP	Anti-Harassment Program
AHP Directive	FDIC Directive 2710.03, Anti-Harassment Program
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COSO	Committee on Sponsoring Organizations of the Treadway Commission
DOA	Division of Administration
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
LEAS	Labor, Employment and Administration Section
LERS	Labor and Employee Relations Section
MOU	Memorandum of Understanding
OEEO	Office of Equal Employment Opportunity
OGC	Office of General Counsel
OI	Office of Investigations
OIG	Office of Inspector General
OMWI	Office of Minority and Women Inclusion
OPC	Office of Professional Conduct
QSI	Quality Standards for Investigations
TAR	Technology-Assisted Review

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The OIG's mission is to prevent, deter, and detect waste, fraud, abuse, and misconduct in FDIC programs and operations; and to promote economy, efficiency, and effectiveness at the agency.

To report allegations of waste, fraud, abuse, or misconduct regarding FDIC programs, employees, contractors, or contracts, please contact us via our Hotline or call 1-800-964-FDIC.

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