

July 7, 2021

**VIA ELECTRONIC TRANSMISSION**

The President  
The White House  
Washington, D.C. 20500

**RE: THE FEDERAL HOUSING FINANCE AUTHORITY OFFICE OF INSPECTOR  
GENERAL**

Dear Mr. President:

On your first day in office, you set the proper tone for the conduct of officials under your leadership:

I'm not joking when I say this. If you're ever working with me and I hear you treat another colleague with disrespect, talk down to someone, I promise I will fire you on the spot.

On the spot. No ifs, ands, or buts.

Everybody, everybody is entitled to be treated with decency and dignity. That's been missing in a big way the last four years.<sup>1</sup>

One of the inspectors general who, by statute, can only be disciplined or removed by you, failed to meet that standard, according to the findings of a nonpartisan investigation referred to you more than two-and-a-half months ago.

On April 14, 2021, the Chair of the Integrity Committee at the Council of Inspectors General on Integrity and Efficiency ("CIGIE-IC Chair") wrote a 29-page letter to you outlining its findings.<sup>2</sup> As you know, the CIGIE-IC is charged with ensuring that senior officials in the IG community "perform their duties with integrity" and model consistent "standards of conduct and accountability."<sup>3</sup>

In its report to you, the CIGIE-IC found that Laura Wertheimer, the Inspector General for the Federal Housing Finance Agency (FHFA-IG)—the conservator overseeing mortgage giants Fannie Mae and Freddie Mac—engaged in misconduct that "warrants consideration of substantial disciplinary action, up to and including removal."<sup>4</sup> The FHFA-IG's misconduct

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<sup>1</sup> "Biden to staffers: 'I will fire you on the spot' for disrespecting others," *Axios* ([Jan 21, 2021](#)); "Pres. Joe Biden delivers stern directive to his incoming staff," *ABC News* ([Jan 20, 2021](#)).

<sup>2</sup> Letter from CIGIE-IC Chair Kevin H. Winters to the President ([Apr 14, 2021](#)).

<sup>3</sup> Committee on Oversight and Government Reform, *Improving Government Accountability Act*, 110<sup>th</sup> Cong. (Sep 27, 2007) (H. Rept. 110-354).

<sup>4</sup> Letter from CIGIE-IC Chair Kevin H. Winters to the President ([Apr 14, 2021](#)) at 29.

outlined in the referral to you included mistreatment of “staff members and witnesses [that] suggests she did not appreciate the fundamental leadership and oversight principles reasonably expected of a federal inspector general.”<sup>5</sup>

Among other types of abuse of authority and misconduct, the CIGIE-IC found that Ms. Wertheimer:

1. “disparaged and demeaned staff members whom she believes complained or cooperated” with inquiries resulting from whistleblower disclosures to Congress;
2. used “demeaning nicknames” for employees interviewed by congressional staff such as “Boris and Natasha,” which her assistant said was because of “their purported physical resemblance to the cartoon characters” from *Rocky and Bullwinkle*; and
3. referred to one employee as a “weasel” in front of other staff, even “purchasing and distributing” a children’s coloring book called *Weasels* “to multiple senior FHFA OIG employees.”

Moreover, the report found that two senior officials reporting to the Inspector General, Chief Counsel Leonard DePasquale and Acting Deputy Inspector General for Investigations Richard Parker “also abused their authority when they, as government employees, repeatedly and improperly participated in denying legitimate IC requests for access to government information and a key witness ... DePasquale himself.”<sup>6</sup>

A years-long nonpartisan investigation by her peers exposed the FHFA IG’s “fostering a culture of witness intimidation through a pattern of staff abuse and fear of retaliation.”<sup>7</sup> That culture and resistance to scrutiny of it was enforced through her senior staff, including DePasquale and Parker—both of whom the IC also recommended “be subject to appropriate disciplinary action.”<sup>8</sup>

Yet none of them have been held accountable—not the IG and not her senior staff. The principle of inspector general independence cannot be an excuse to avoid scrutiny and accountability.

On June 29, the Inspector General reportedly announced to her staff that she is resigning, effective July 30, 2021.<sup>9</sup> With no public rebuke or action from the White House, the Inspector General issued a resignation notice to her staff that praised herself and her tenure without acknowledging the IC report or taking any responsibility for her and her senior staff’s failures identified in the report.<sup>10</sup>

Until the end of July, the Inspector General remains in control of the office and able to designate her successor who will serve in an acting capacity until you nominate and the Senate

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<sup>5</sup> *Id* at 28-29.

<sup>6</sup> Letter from CIGIE-IC Chair Kevin H. Winters to the President ([Apr 14, 2021](#)) at 29.

<sup>7</sup> *Id* at 3-4.

<sup>8</sup> *Id* at 29.

<sup>9</sup> “Housing inspector general resigns amid pressure after scathing report,” *The Hill* ([Jun 29, 2021](#)).

<sup>10</sup> Letter to Colleagues from Inspector General Laura Wertheimer (Jun 29, 2021).

confirms a permanent replacement. Given the historic tendency for vacancies in the IG community to linger, sometimes for years, this situation still demands your attention despite her announced intention to resign.

In order to restore public confidence in the FHFA IG, it is essential that you designate a caretaker to oversee the office and break the culture of fear and intimidation found by the Integrity Committee. Unfortunately, according to whistleblower contacts with Empower Oversight, a succession plan for the FHFA IG named one of the senior staff criticized in the IC report, Chief Counsel Leonard DePasquale, as the acting successor.

If one of the individuals the IC recommended for discipline instead receives a promotion to acting IG due to a White House failure to designate an alternative, that would send a chilling message to the whistleblowers who reported the IG's misconduct that the culture of staff abuse and retaliation is acceptable in your administration.

An Inspector General who has abused the power of her office should not be able to designate her preferred successor, especially not one of the senior staff that was also found to have engaged in misconduct.

Only you can supersede the FHFA IG's reported succession plan to install a responsible temporary leader until a Senate-confirmed replacement is in place. To uphold your administration's values of decency and dignity as you boldly articulated them in your Inauguration Day promise, we urge you to act on this issue consistent with that promise.

Sincerely,

**Jason Foster**  
Founder & President

**Tom Devine**  
Legal Director

**Danielle Brian**  
Executive Director

Empower Oversight  
Whistleblowers & Research

Government  
Accountability Project

Project on Government Oversight