

U.S. Sens. Johnson, Grassley: Call for Removal of FHFA Inspector General Following Findings of Misconduct, Reprisal

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WASHINGTON – Sen. Ron Johnson (R-Wis.) and Sen. Chuck Grassley (R-Iowa), ranking member of the Senate Judiciary Committee, are calling on the Biden administration to remove Federal Housing and Finance Agency’s inspector general (IG) Laura Wertheimer. The request follows separate years-long reviews by Congress and the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The senators outlined their concerns about Wertheimer’s consistent failures, contempt for congressional oversight and whistleblower retaliation in a letter today to President Joe Biden.

“In this case IG Wertheimer has failed to meet the duties described by the IG Act. Her behavior certainly falls far short of your calls for unity, transparency, and integrity. To put it mildly, the only thing this watchdog appears to hunt is her own employees. She should be removed from office, in a manner consistent with applicable statutory notification requirements,” **the senators wrote.**

Shortly following Wertheimer’s appointment as IG in 2014, the lawmakers began receiving whistleblower complaints ranging from abuse of authority, privacy act violations, age and gender discrimination and whistleblower retaliation. The complaints prompted a series of oversight letters from Grassley and Johnson and

a [separate review by CIGIE's integrity committee](#), which substantiated some of the complaints, and was obstructed by the IG in its efforts to examine others. As a result, CIGIE recommended substantial disciplinary actions, including removal. In today's letter, Grassley and Johnson called on President Biden to remove the IG in a manner consistent with applicable statutory notification requirements.

"IG Wertheimer's willful actions to impede an investigation into her own alleged misconduct and support of an environment that condones the intimidation of witnesses show that she lacks the attributes reasonably expected of an IG," **Grassley and Johnson wrote.**

The senators' letter can be found [here](#) as well as below.

April 28, 2021

VIA ELECTRONIC TRANSMISSION

The Honorable Joseph R. Biden

President

United States of America

1600 Pennsylvania Ave

Washington D.C. 20500

Dear President Biden:

On April 14, 2021, the Council of Inspectors General on Integrity and Efficiency's (CIGIE) Integrity Committee (IC) sent your office a letter, and corresponding supporting documentation, regarding their findings which substantiate allegations of misconduct by the Federal Housing Finance Agency (FHFA) Inspector General (IG) Laura Wertheimer and several of her employees.¹ Further, in the letter the IC "conclude[d] misconduct of this nature warrants consideration of substantial disciplinary action, up to and including removal."²

The IC's report is long anticipated, following a series of separate letters from our offices to various governmental bodies requesting documents, evidence, and interviews.³ Those letters include requests from 2017 to the Office of Special

Counsel and the IC to investigate allegations brought to us by multiple whistleblowers of misconduct by the IG.

IG Wertheimer was nominated by then-President Obama and confirmed by the Senate in September of 2014.⁴ Just over a year later, in October 2015, we began investigating whistleblower allegations. These allegations ranged from blatant abuses of authority involving coercive personnel actions, to flagrant violations of the Privacy Act by sharing personal identifying details of an Equal Employment Opportunity complaint with unauthorized personnel. Whistleblowers also reported that IG Wertheimer expressed a desire to discriminate on the basis of age and gender as well as severely hindered the audit mission of the OIG. Worse, reports indicated that IG Wertheimer, and other OIG employees, sought to identify and disparage those who brought these complaints to Congress.

The IC's April 14 letter substantiates some of these allegations, and more. For other allegations, the IC reports it could not reach a conclusion due to the IG's obstruction.⁵ Specifically, the letter notes that the IG showed disdain for Congressional oversight and disregarded the IC's multiple requests for documentation and employee interviews. IG Wertheimer's willful actions to impede an investigation into her own alleged misconduct and support of an environment that condones the intimidation of witnesses show that she lacks the attributes reasonably expected of an IG.⁶

The IC's findings largely parallel what our offices uncovered. The work that we did in addition to the public letters, was only possible thanks to the brave whistleblowers that came to us and exposed themselves to the potential of, and in some cases actual, retaliation. Their testimony, evidence, and dedication throughout this unreasonable five year ordeal was pivotal in discovering much of what has now been confirmed by the IC. In short, without these whistleblowers, this IG's abhorrent behavior would have likely gone unnoticed.

In this case IG Wertheimer has failed to meet the duties described by the IG Act.⁷ Her behavior certainly falls far short of your calls for unity, transparency, and integrity.⁸ To put it mildly, the only thing this watchdog appears to hunt is her own employees. She should be removed from office, in a manner consistent with applicable statutory notification requirements.⁹

Sincerely,

Charles E. Grassley

Ranking Member

Senate Judiciary Committee

Ron Johnson

United States Senator

cc:

Laura Wertheimer

Inspector General

Federal Housing Finance Agency

Office of the Inspector General

400 7th Street, S.W.,

Washington, D.C. 20219

Kevin Winters

Chair of the Integrity Committee

Council of the Inspectors General on Integrity and Efficiency

1717 H St N.W.,

Washington, D.C. 20006

1 Letter from Kevin H. Winters, Chair of the Council of Inspectors General, Integrity Committee to Joseph R. Biden, President of the United States (April 14, 2021) (enclosed).

2 Id. at 28.

3 Letter from Charles E. Grassley, United States Senator to Laura Wertheimer, Inspector General Federal Housing Finance Agency (Oct. 8, 2015); Letter from Charles E. Grassley, United States Senator to Laura Wertheimer, Inspector General Federal Housing Finance Agency (March 14, 2016); Letter from Charles E. Grassley, United States Senator to Beth Cobert, Acting Director Office of Personnel Management (March 15, 2016); Letter from Charles E. Grassley, United States Senator to Laura Wertheimer, Inspector General Federal Housing Finance Agency (March 24, 2016); Letter from Charles E. Grassley, United States Senator and Ron Johnson, United States Senator to Laura Wertheimer, Inspector General Federal Housing Finance Agency (May 17, 2016); Letter from Charles E. Grassley, United States Senator and Ron Johnson, United States Senator to Laura Wertheimer, Inspector General Federal Housing Finance Agency (June 8 2016); Charles E. Grassley, United States Senator and Ron Johnson, United States Senator to Michael E. Horowitz Chair of the Council of the Inspectors General of Integrity and Efficiency (June 30, 2016); Charles E. Grassley, United States Senator and Ron Johnson, United States Senator to Scott Dahl, Chair of the Council of Inspectors General, Integrity Committee and Carolyn Lerner, Special Counsel (April 4 2017); Charles E. Grassley, United States Senator and Ron Johnson, United States Senator to Tristan Leavitt, Acting Special Counsel (October 16 2017)

4 Nomination of Laura S. Wertheimer to be Inspector General of the Federal Housing Finance Agency 113th Cong. (PN 1735), <https://www.congress.gov/nomination/113th-congress/1735?q=%7B%22search%22%3A%22Wertheimer%22%7D>.

5 Supra note 1 at 3 (stating that, “[t]his unprecedented impediment prevented IC investigators from having access to a complete record of the facts, as detailed below and in the enclosed Report to the Integrity Committee ... notwithstanding these impediments, the IC determined that there was sufficient evidence to make preliminary findings of wrongdoing and, in accordance with section 11(d) of the IG Act, provided [subjects of the investigation] the opportunity to respond to the draft report”).

6 Supra note 1 at 28.

7 5 U.S.C. app.

8 <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/01/20/inaugural-address-by-president-joseph-r-biden-jr/>

9 5 U.S.C. app § 3(b); see also S.587 - Securing Inspector General Independence Act of 2021, <https://www.congress.gov/bill/117th-congress/senate-bill/587?q=%7B%22search%22%3A%22S.+587%22%7D&s=3&r=1> (a bill introduced by Senator Grassley that would require the president to provide “substantive rationale, including detailed and case-specific reasons” when removing an IG. The bill would also limit when an IG could be placed on administrative leave and place limits on who can be an acting IG).