IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

PLAINTIFFS' MOTION FOR LEAVE TO FILE SUPPLEMENTAL DECLARATIONS IN SUPPORT OF THEIR MOTION FOR A PRELIMINARY INJUNCTION

Under Local Civil Rule 65.1(c), the plaintiffs seek leave to file supplemental declarations to (1) inform the Court of critical new facts that post-date the filing of the plaintiffs' emergency TRO motion, (2) to respond to assertions of fact in the defendants' opposition and accompanying declaration, and (3) to respond to defendants' arguments concerning standing.

Local Rule 65.1(c) gives this Court the "discretion to allow parties to supplement the record." *Marsh v. Johnson*, 263 F. Supp. 2d 49, 53 (D.D.C. 2003). The Court should exercise that discretion here because the additional declarations will enable this Court to resolve the important constitutional issues raised in the pending motion—which not only affect the plaintiffs but also have sweeping nationwide ramifications—on a complete record. As we noted in our TRO motion and discussed with the Court at the February 14 scheduling conference, "the facts on the ground [we]re changing rapidly" at the time that the emergency TRO papers (since converted into a request for a preliminary injunction) were filed just past midnight on February 13. ECF 14 at 1. That has continued to remain true, and the supplemental declarations, from plaintiffs and current and former employees, will present critical new facts, including the current status of the CFPB's operations and the impact that that has had on the public interest since the filing of the plaintiffs' motion.

In addition, the declarations offer evidence responsive to assertions in the Martinez Declaration accompanying the opposition. That declaration recounts events that occurred both after the plaintiffs' filing and just days before, and its veracity has already been questioned in the press. *See* Kate Berry, *Justice Dept. insists 'there will continue to be a CFPB,* American Banker, Feb. 25, 2025. And finally, the declarations respond to assertions about standing. *See Am. Library Ass'n v. F.C.C.*, 401 F.3d 489 (D.C. Cir 2005) ("[T]he court may allow petitioners to support their standing in their reply brief" or "affidavits submitted along with the reply.").

The defendants state that they "lack sufficient information to determine their position on plaintiffs' motion and will file a response, including either a statement of non-opposition or an opposition, by the end of the day on February 28." A proposed order is attached.

Dated: February 27, 2025

Respectfully submitted,

/s/ Deepak Gupta
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INDEX OF SUPPLEMENTAL DECLARATIONS

Current Employees		
1	**Alex Doe**	Describes meetings in which Adam Martinez details plans to "wind down" the CFPB and "carry out the closure of the agency."
2	**Blake Doe**	Describes meetings in which Martinez details his plans for "wind down mode," transferring functions to other agencies, and returning CFPB funds.
3	**Charlie Doe**	Contracting officer who describes a rush to accomplish the "wholesale termination of the contracts needed to keep the CFPB running"—setting aside all regular protocols, risking loss of data, and resulting in harm that can't be undone once final.
4	**Drew Doe**	Describes recent actions to ensure that the Bureau does "not exist"—to close down all agency systems, delete data, fire all staff, and reduce the CFPB to a "room" in another agency "with five men and a phone."
5	**Adam Scott** (Director of Digital Services)	CFPB's Director of Digital Services establishes that "the decision to delete the homepage was made by Acting Director Vought, and it was not an error," and that authorization to repair the site—consumers' main access point—was denied.
6	**Matthew Pfaff** (Chief of Staff, Consumer Response)	The Chief of Staff of the Office of Consumer Response details inaccuracies in the Martinez declaration. Contra Martinez, "operations related to the Consumer Complaint Database" are not "continuing" and have not remained "intact and operational."
7	**Brian Shearer** (Head of Policy Planning)	The current head of CFPB's Office of Policy Planning details how atypical the dismantling of the Bureau is compared to normal transitions, and details inaccuracies in the Martinez declaration.
Former Employees		
8	**Erie Meyer** (Chief Technologist)	The CFPB's Chief Technologist highlights mishandled data retention practices, the mass cancellation of cyber-security contracts, serious risk of data loss in violation of the Court's Order, and the current inability of consumers to receive help.
9	**Julia Barnard** (Student Loan Ombusman)	The CFPB's Student Loan Ombudsman describes her responsibilities as Student Loan Ombudsman and CFPB's halted efforts to help Pastor Eva Steege. Also highlights concerns about shirking statutory duties, contra the Martinez declaration.
10	**Lorelei Salas** (Supervision Director)	The CFPB's Supervision Director details the irreversible and lasting effects of the unprecedented decision to halt all of the Bureau's statutorily required supervision activity.

11	**Eric Halperin** (Enforcement Director)	The CFPB's Enforcement Director supplements his earlier declaration with further information on the severe curtailment and unraveling of enforcement operations and its lasting effects.
12	**Seth Frotman** (General Counsel)	The CFPB's General Counsel addresses statements or implications in the Martinez declaration that are, to the best of his knowledge, either inaccurate or misleading, or both.
	Plaintiffs and Counsel	
13	**Juanita West-Tillman** (NAACP)	Juanita West-Tillman is a member of the National Association for the Advancement of Colored People ("NAACP") and the former Secretary of the Pasadena branch. Ms. West-Tillman lost everything in the Altadena fire and was the target of numerous financial scams and predatory schemes which targeted fire victims. Ms. West-Tillman describes the role the CFPB played in protecting NAACP members from predatory financial schemes and providing direct assistance.
14	**Peyton Diotalevi** (NTEU)	Peyton Diotalevi, National Counsel for the National Treasury Employees Union, documents the mass termination of term employees that occurred as the motion for temporary restraining order was being filed, the auto-reply on the CFPB Human Resources account that advises employees that it is working diligently to provide documents regarding "your recent or *impending* separation," and the closure of the CFPB headquarters and regional offices.
15	**Christina Coll** (Employee Association)	Christina Coll is an officer and board member at the CFPB Employee Association, who explains the harm the CFPB's shutdown has and will continue to impose on the Association's members.
16	**Deepak Gupta**	This declaration recounts an agreement reached with the Justice Department to temporarily suspend the cancelation of contracts through the March 3, 2025, hearing.
17	**Abigail Roston and Aidan Scible** (Press Clippings)	This declaration provides full copies of the public reports on the dismantling of the CFPB from the filing of the complaint through today that are cited in the brief.

IN THE UNITED STATES DISTRICT COURT
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NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-0381-ABJ

DECLARATION OF ALEX DOE

I, Alex Doe, declare as follows:

1. I am a federal employee who attended meetings between the Office of Personnel Management and the CFPB. The statements made in this declaration are based on my personal knowledge.

2. I am submitting this declaration pseudonymously because I fear retaliation. But if the Court would like to know my name or job position, I would be willing to provide it ex parte and under seal.

3. Around February 13th, my team was directed to assist with terminating the vast majority of CFPB employees as quickly as possible. The termination was to proceed in phases, to be completed in rapid succession. First, the Bureau fired all probationary and term employees. Next, the Bureau would fire approximately 1,200 additional employees, by eliminating whole offices, divisions, and units. Finally, the Bureau would "reduce altogether" within 60-90 days by terminating most of its remaining staff, leaving a Bureau that could not actually perform any functions, or no Bureau at all.

4. The CFPB sought to effectuate the second step of this large-scale termination—the firing of more than 1,000 employees—within 36 hours. Doing so required bypassing several ordinary procedures, safeguards, and rules. Jordan Wick, a DOGE employee, specifically stated that DOGE wanted formal termination notices to be sent by February 14th. The Bureau intended to comply and fire the vast majority of remaining employees on February 14th. The only reason it did not do so is because of this Court's order temporarily prohibiting it from doing so.

5. We met again after the Court's order. Adam Martinez stated that he asked the CFPB's leadership whether they had been thinking about what agency would inherit the CFPB's administrative portfolios—human resources, FOIA, records management, and data systems—once the CFPB itself was no longer operating. There are statutory requirements to maintain those systems even once an agency no longer exists. The only experience the CFPB had with this was in 2010-2011, when the Dodd-Frank Act dissolved the Office of Thrift Supervision. In that case, Adam explained, the administrative functions were transferred to the Office of the Comptroller of the Currency. And OCC retained the files and records previously held by the Office of Thrift Supervision, along with the funding and staff to support legacy administrative functions like FOIA and record management. Mr. Martinez stated that he did not yet know what agency would perform a similar role for the CFPB or whether the Bureau itself would technically continue to exist with a small staff to perform those functions.

6. Later in the meeting, Mr. Martinez was asked if an agency or department had been identified to perform those legacy administrative functions. He answered that that is exactly what he had just asked the CFPB's Chief Legal Officer and new leadership that morning because he didn't know if DOGE had thought about that. He stated that there are a lot of administrative

functions still left to do after the "wind down" of an agency but CFPB did not yet know who would handle those, and he didn't know if DOGE did.

7. Mr. Martinez stated that during phase 2 of the three-phase termination process (the phase when the CFPB would lay off the vast majority of its employees), the CFPB would keep the specific positions necessary to carry out the "closure of the agency." But that many of those employees would then eventually be fired themselves.

8. During at least one of the meetings in which both I and Mr. Martinez were present, Mr. Martinez referenced Acting Director Vought's "stop work" order.

9. I have worked in federal government for many years, and I have never seen most of an agency's workforce be placed on administrative leave after a change in administration. Nor have I received an email requiring an agency's employees to stop all work tasks.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 26, 2025, in Washington, D.C.

/s/ *Alex Doe*
Alex Doe

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-0381-ABJ

DECLARATION OF BLAKE DOE

I, Blake Doe, declare as follows:

1. I am a federal employee who was present at a February 13, 2025 meeting about "winding down" the CFPB. The statements made in this declaration are based on my personal knowledge.

2. I am submitting this declaration pseudonymously because I fear retaliation. But if the Court would like to know my name or job position, I would be willing to provide it ex parte and under seal.

3. On February 13th, 2025, I was present at a meeting, at which CFPB Chief Operating Officer Adam Martinez explained that the CFPB was in "wind down mode." He then laid out the plan for how that "wind down" would occur. Term employees would be fired that day. The agency was preparing Reduction in Force notices for most other employees, who would be terminated soon after. Mr. Martinez said that the CFPB's statutorily-required functions would be transferred to other agencies.

4. I have read Mr. Martinez's declaration filed in this lawsuit. That declaration states that consumers who would be served by the CFPB Student Loan Ombudsman can seek help from

the CFPB's general Ombudsman Office, now that the Student Loan Ombudsman has been terminated. ECF 31-1 ¶ 21. That is not possible, however, because the employees of the general Ombudsman Office have been ordered not to perform any work.

5. Mr. Martinez's declaration also states that the "Bureau has made no attempts to transfer any of its Funds back to the Federal Reserve." ECF 31-1 ¶ 28. But I have seen an email dated February 11, 2025, in which Mr. Martinez stated that Chief Financial Officer Jafnar Gueye was in communications with the Federal Reserve about how to return money to either the Federal Reserve or the Treasury.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 26, 2025, in Washington, D.C.

/s/ *Blake Doe*
Blake Doe

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-0381-ABJ

DECLARATION OF CHARLIE DOE

I, Charlie Doe, declare as follows:

1. I am a Contracting Officer at the Consumer Financial Protection Bureau. A Contracting Officer negotiates, administers, and terminates contracts on behalf of the United States. The statements made in this declaration are based on my personal knowledge.

2. I am submitting this declaration pseudonymously because I fear retaliation. But if the Court would like to know my name, I would be willing to provide it ex parte and under seal.

3. I have been a contracting officer for many years, through multiple changes in administration. The events of the past few weeks are unlike anything I've ever seen at any agency during any change in administration (or at any other time). The instructions to contracting officers did not reflect a change in policy direction, but rather a wholesale termination of the contracts needed to keep the CFPB running.

4. On February 11, 2025, all contracting officers received an email ordering us to log in and begin terminating the vast majority of the CFPB's contracts. We were directed to "terminate all Enforcement (102 contracts), Supervision (16 contracts), External Affairs (3 contracts), Consumer Response (20 contracts), Office of Director (33 Contracts), and Legal Division (all

except 2 contracts – FD Online licenses and litigation data).” We were directed to “get these Termination Notifications out ASAP.” The Bureau repeatedly authorized overtime for us to be able to terminate the contracts within a few days.

5. Following this directive, between February 11, 2025 and February 14, 2025, the CFPB issued notices of termination for over one-hundred contracts that supported the Bureau’s work. The Bureau terminated almost all of the contracts it had with vendors, including all contracts related to enforcement, supervision, external affairs, and consumer response. Among many other things, these contracts included contracts for storing, maintaining, and transferring data. They included contracts for maintaining the consumer complaint database; scrubbing the database of personally identifiable information; enabling consumer complaint information to be shared with the public and with states, localities, and other federal agencies; and protecting the complaint database from computer viruses. All expert contracts, including contracts with experts in pending litigation, were canceled. Contracts for training examiners who supervise banks and for administering the test that employees must take to become examiners were canceled. Contracts for ensuring that the CFPB’s website and publicly available information is accessible as required under the Americans with Disabilities Act. Contracts for the tools necessary for CFPB employees to do their jobs were canceled.

6. Before issuing contract termination notices, the Bureau asked CFPB employees to provide feedback on what contracts were necessary for the Bureau to continue to carry out its statutorily required functions. But the Bureau decided to ignore this feedback, instead issuing an urgent directive to the contracting department to cancel all of the agency’s contracts. I am aware of only two exceptions to this initial directive: the contract for storing litigation data and the database that houses employees’ financial disclosure information.

7. A very small number of contracts have been reinstated. For example, following widespread media attention on the cancellation of the consumer complaint hotline, that contract was reinstated. But because the contract to maintain the database that houses those complaints remains canceled, the database is quickly degrading. And I understand that there is a backlog of thousands of complaints that have not been forwarded to financial institutions. The vast majority of the contracts the Bureau needs to perform its functions remain terminated, and they have not been replaced.

8. The contract termination notices sent the week of February 11, 2025 informed contractors that they should stop work on the contract, that the Bureau intended to terminate the contract, and that the contractor had 30 days to report to the Bureau any outstanding costs or costs related to terminating the contract.

9. These stop-work orders do not themselves complete the termination of a contract. In order to complete a contract's termination, the vendor must report its settlement costs, the Bureau must pay those costs, and there must be what's called a "closeout modification" of the contract, signed by both the vendor and a Bureau contracting officer.

10. If a contract is fully terminated, that termination cannot simply be rescinded. Federal Acquisition Regulations govern the process agencies must go through to requisition goods or services, and once a contract is fully terminated, procurement must go through that process. Unless the agency can justify awarding the contract without having a competitive bidding process, it will need to go through that entire process again. That process often takes six months to a year or more. Even the process of justifying an exemption from competitive bidding can take months. Re-procuring services for the CFPB to get up and running again would likely take even longer than usual here because the CFPB's contracting office is already understaffed. The Bureau was

slated to hire additional Contract Specialists, but following a directive from Acting Director Vought, those offers were rescinded.

11. This full contract termination process is ordinarily completed within 30 days of the notice of termination, sometimes sooner. The Bureau recently began issuing directives to contracting officers that we should complete the termination process for the more than one hundred contracts for which it had issued stop-work notices as quickly as possible. We were directed to complete contract termination, even if the ordinary, required steps, such as consulting with legal, receiving and approving settlement costs, and even getting the vendor's signature, had not been completed. Following what I understand was a temporary agreement between the plaintiffs and the Government pending this Court's hearing on March 3, we were directed to pause the finalization of contract terminations. Absent that agreement, many of the CFPB's contracts would have been fully and irrevocably terminated by the end of this week. Once that agreement expires after the hearing, if there is no order prohibiting the continuation of contract terminations, I expect the vast majority of the CFPB's contracts to be fully terminated within the week.

12. To my knowledge, the Bureau has not taken any efforts to preserve CFPB data that is possessed by vendors whose contracts are terminated. Previously, when I issued a final contract termination, I would include a data preservation notice to ensure that Bureau data was not deleted. But none of the stop-work notices or other termination paperwork that I am aware of contains a provision requiring data preservation, requiring the return of data to the CFPB, or anything else governing data. We are being required to use form language that does not include anything about data preservation, and are not permitted to add that (or anything else) to the language provided.

13. As someone has been working in government procurement for 25 years, I have been a stalwart protector against waste, fraud, and abuse. I pride myself on being an excellent steward

of the tax payers' dollars, which is a cornerstone of government procurement. That is what contracting officers do. The wholesale termination of contracts will not prevent waste, fraud, or abuse. Instead, the government will incur—and already has incurred—substantial expense because the government will have to pay contractors their costs to terminate a contract, and then pay them again the costs to re-start that contract (such as re-hiring employees, re-creating or re-starting any databases or software, re-purchasing any necessary tools etc.). In addition, if the contracts are fully terminated, it will require substantial work from government employees to re-procure the services they provided.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 27, 2025, in Washington, D.C.

/s/ *Charlie Doe*

Charlie Doe

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*,

Plaintiffs,

v.

RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*,

Defendants.

Case No. 25-cv-0381-ABJ

DECLARATION OF DREW DOE

I, Drew Doe, declare as follows:

1. I am an employee at the Consumer Financial Protection Bureau (CFPB). This declaration is being written to establish a written record of conditions that I observed over the past month. The statements in this declaration are based on my personal knowledge.

2. I am filing this declaration pseudonymously because I fear retaliation. If requested, I would be willing to share my name and position at the CFPB with the Court ex parte and under seal.

3. On Thursday, February 6, and Friday, February 7, 2025, employees of the United States DOGE Service visited the CFPB and were given CFPB laptops. Contrary to the affidavit of Adam Martinez filed in *AFL-CIO v. Dep't of Labor* (No. 25-339), those DOGE employees had not—and to this day, still have not—completed the required cybersecurity and privacy training. In addition, contrary to CFPB policy, they were allowed access to the CFPB's systems and data before any agreement between the CFPB and DOGE regarding their work was signed.

4. On February 7, DOGE employees were given full privileged access to CFPB systems and data, without following the process that the CFPB ordinarily requires to do so. For

example, the DOGE employees did not sign the documents that outline the rules governing the use of CFPB systems and data. They did not complete the training required for users who have such a high level of access to CFPB systems and data. Nor was any document waiving these requirements signed by an official with the power to authorize such a waiver.

5. On multiple occasions between Friday, February 7, 2025 and Tuesday, February 25, 2025, multiple Senior Executives shared that the intention of the leadership was to fire everyone but the five positions required by the Dodd-Frank Act. They also shared that all five of the CFPB's buildings (the headquarters in DC and all of the agency's regional offices) were being returned to the agencies that had leased the buildings to CFPB. On multiple occasions, staff were told by Senior Executives that "the writing was on the wall" and that "it was all over but the terminations." By Thursday, February 13th, most of the CFPB's contracts had been terminated, all of the probationary employees had been fired (via a failed mail merge), and all term employees who had not already agreed to resign were fired. It was clear to internal staff that this was not a pause, nor audit, nor any form of analysis.

6. The CFPB terminated all contracts for Supervision, Enforcement, Consumer Response, Regulations, Front Office, and most of Operations contracts—approximately $200 million terminated contracts out of approximately $227 million total contracts. The hasty termination of almost all of the Bureau's contracts resulted in systems and services being turned off before CFPB or contract personnel returned CFPB data. Because not all systems have off-line backups, some of the CFPB's data may have been deleted. Among other things, this data may include CFPB Human Resource records, Reasonable Accommodation records, Ombudsman records, and Equal Employment Opportunity records. The data may not be recoverable and as of February 25th, CFPB is trying to now figure out which systems and services have records.

7. During meetings about the CFPB's shut-down that took place between Monday, February 18 and Tuesday, February 25, staff were told by Senior Executives that the CFPB would be eliminated except for the five statutorily mandated positions; that the CFPB would exist in name only; and that, once this Court's injunction was over, everything would need to be either removed from the building or destroyed. Staff were told by Senior Executives that the CFPB would no longer have an employee location and that data could not be stored at any CFPB location because there wouldn't be any locations left. Staff were told that no DHS, OIG, GAO, OMB, Internal Controls, Congressional, or other compliance would be necessary because the CFPB would "not exist" and it would no longer be "our problem."

8. Senior Executives explained that the work stoppage on February 10 was characterized as a work stoppage to avoid the 10-day legal limit on administrative leave. Because of the work stoppage, only the barest of information intake has been happening, and full data handling has been slowed if not eliminated due to the contract terminations and reversals. There has been no attempt internally to hide the fact that the disassembly of the CFPB continues despite the Court's order. The status quo as of February 14th has not been maintained.

9. When Senior Executives were approached by staff about the inaccuracies in affidavits provided by Adam Martinez, the Senior Executives stated that they were not going to discuss the facts, and staff were told to stop asking. The majority of operations have been terminated. Moreover, for those few systems that have been allowed to continue, their operations staff have been largely terminated. Given the stop work order, the CFPB's systems may be able to detect and log an ongoing issue, but may not be able to maintain secure operations or respond to a problem, as most of the contract staff are gone with no transfer of institutional knowledge.

10. Because of the stop-work order, the work required to maintain the security and stability of the CFPB's computer systems—including systems that collect and maintain CFPB data—is not happening. Requests to perform this necessary work were denied by Senior Executives. Multiple iterations of cuts have left the CFPB systems with unclear support and maintenance. If this continues, almost all CFPB systems will be ended, with the few remaining systems reported to be transferred to another agency. The direction given was not to conduct streamlining but instead mandated that programs, staff, and contracts be pared beyond what can sustain any effective operation. One Senior Executive said that CFPB will become a "room at Treasury, White House, or Federal Reserve with five men and a phone in it." Concerns raised to the Senior Executives have been largely ignored, even when positions or requirements are mandated by statutes other than Dodd-Frank. I am unaware of any effort to assess whether these actions have or will create any streamlining or efficiency gains.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 26, 2025, in Washington, D.C.

/s/ *Drew Doe*
Drew Doe

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DECLARATION OF ADAM SCOTT

I, Adam Scott, declare as follows:

1. I am the Director of Digital Services at the Consumer Financial Protection Bureau. The statements made in this declaration are based on my personal knowledge.

2. On February 18, 2025, I was cced on an email from another employee to Chief Operating Officer Adam Martinez and Chief Information Officer Christopher Chilbert, requesting authorization to work to repair the CFPB's homepage. The employee reported that members of the "DOGE Organization" had "delet[ed] the homepage for some unknown reason." And he detailed the ways in which the "broken homepage ha[d] damaged several aspects of our technical operations already."

3. I was also cced on Mr. Chilbert's response, sent approximately an hour later. Mr. Chilbert denied authorization, stating "My understanding is that the decision to delete the homepage was made by Acting Director Vought, and it was not an error made by the members of the DOGE team. We do not have authorization at this time to restore the homepage[.]"

4. The email chain containing the initial email requesting work authorization and Mr, Chilbert's response are attached as **Exhibit A.**

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 27, 2025, in Washington, D.C.

Adam Scott

Exhibit A

RE: Requesting authorization to repair the cf.gov homepage

Chilbert, Christopher (CFPB) <[redacted]> Today at 9:32 AM
To: [redacted] Martinez, Adam (CFPB); Cc: Scott, Adam (CFPB)

[redacted]
My understanding is that the decision to delete the homepage was made by Acting Director Vought, and it was not an error made by the members of the DOGE team. We do not have authorization at this time to restore the homepage or engage the DOGE team in an AAR.

Chris Chilbert
[redacted]

From: [redacted]>
Sent: Tuesday, February 18, 2025 8:15 AM
To: Martinez, Adam [redacted] Chilbert, Christopher [redacted]>
Cc: Scott, Adam (CFPB) [redacted]
Subject: Requesting authorization to repair the cf.gov homepage

Adam and Chris,

Apologies for the unusual email address. These are unusual times, and I have a request for authorization to work that I'm not sure should be addressed to one or the other of you, so I figured I would keep you both in the loop. I have also cc'ed my manager for visibility, so he can be aware if such work is authorized.

Based on news reports that Gavin Kliger is now at the IRS, it seems like the DOGE Organization is largely done with its technical work at the agency to "improve the quality and efficiency of government-wide software, network infrastructure, and information technology (IT) systems."

As part of this work on improving quality, they also damaged the website by deleting the homepage for some unknown reason. I have heard that CFPB staff were able to persuade them to not delete everything entirely (as they did for USAID). I struggle to understand why this deletion was necessary at all and why they demanded access to the website with extreme urgency late on a Friday night. Despite their stated assurances, it seems they did not follow our processes, nor did they wait for an employee signing on under overtime to onboard them into our website's CMS, Wagtail. From what I understand, it seems that they instead used global admin privileges on our SSO identity provider to force access into our system and make the change on their own. I have many questions still, but I hope to be able to explore them through a more established process rather than relying on hearsay (see below).

I know some teams have been received authorization to continue working despite the general stop-work order from the Acting Director. I would like to request authorization for two scopes of work:

1. I would like for my team to repair the website's homepage. The rest of the site does remain accessible to the general public, but having a broken homepage has damaged several aspects of our technical operations already:
    a. Site crawling by search indices like Google is likely not happening, this will damage our SEO and visibility to the world and cause our content to become less visible in search over time
    b. I have confirmed also that our automated accessibility scanning is now malfunctioning and is unable to verify our site still meets its mandated 508 compliance for accessibility

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DECLARATION OF MATTHEW PFAFF

I, Matthew Pfaff, declare as follows:

1. I am employed at the Consumer Financial Protection Bureau, where I currently serve as the Chief of Staff for the Office of Consumer Response. Consumer Response is the unit responsible for "the centralized collection of, monitoring of, and response to consumer complaints," as well as sharing data, as required by 12 U.S.C. § 5493(b)(3)(A)-(D). It is also responsible for executing one of the CFPB's primary functions of "collecting, investigating, and responding to consumer complaints" and providing "timely regulator response to consumers" as required by 12 U.S.C. § 5511(c)(2) and 12 U.S.C. § 5534(a), respectively. As the Chief of Staff, I am responsible for leading the Office's efforts to meet its statutory obligations and support CFPB priorities and initiatives. I started serving as the Chief of Staff on February 14, 2021. I have been with the CFPB since October 2013, and I have worked in the Office of Consumer Response the entire time. The following is based on my personal knowledge or information provided to me while performing my duties.

The CFPB's Consumer Complaint Process

2. The CFPB's consumer complaint process is the primary way that the CFPB hears from individuals and families about problems they experience with bank accounts, mortgages, credit reporting, and other consumer financial products. These complaints come from active-duty military members, veterans, rural consumers, older Americans, and students. They come from all 50 states. They come from individuals of all backgrounds and all socio-economic statuses.

3. Submitting a complaint is simple. Consumers can submit complaints online, over the phone, and by mail. Other federal agencies (e.g., Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Federal Trade Commission, Federal Reserve, National Credit Union Administration), states, congressional offices, and the White House can also refer complaints to the CFPB for processing.

4. Processing complaints at scale, however, is much more complex. Once the CFPB is in receipt of a complaint, it will ensure that the complaint is complete and direct the complaint to a company for a response or to another federal agency for handling. Complaints meeting the CFPB's publication criteria are eligible for inclusion in the public Consumer Complaint Database.

5. The complaint process has proven to be an efficient and effective forum for everyday people to have their problems addressed. Indeed, of the more than 2.7 million complaints published in the CFPB's Consumer Complaint Database last year, companies provided a timely response 99.7% of the time and reported providing money back or other relief (e.g., corrections to consumer reports) in about half of those complaints. Since the CFPB opened its doors, companies have reported returning more than $300 million dollars in response to complaints. Companies have also reported that they discontinued mortgage foreclosure proceedings, cancelled student loans, refunded incorrect late fees, and reversed transactions for consumers who were scammed.

The Declaration of Adam Martinez

6. I have reviewed the declaration that the CFPB's Chief Operating Officer and Acting Chief Human Capital Officer, Adam Martinez, submitted in this case. ECF No. 31-1. Mr. Martinez summarily concludes that "[t]he Bureau is performing its statutory obligations, including those listed in 12 U.S.C. § 5493(b)(3)(A)." *Id.* at ¶ 22. Mr. Martinez also declares that "[o]perations related to the Consumer Complaint Database are continuing and that "[c]ontracts needed for work related to the Consumer Complaint Database have remained intact and operational." *Id.*

7. Mr. Martinez's statements are misleading, inaccurate, or both.

8. Mr. Martinez's statements further demonstrate a lack of understanding about the consumer complaint program. When individuals or their representatives submit a complaint to the CFPB, the complaint is submitted to and included in a case management system. This case management system allows consumers, companies, and the CFPB to securely share information and engage in the complaint process. This case management system is also how both the CFPB and companies can deliver timely responses to consumers as required by law. Information from the case management system populates other systems to meet data sharing requirements with federal and state agencies, as well as with the public via the Consumer Complaint Database. People—both federal employees and contractors—make this entire operation run successfully.

9. On Monday, February 10, 2025, Acting CFPB Director Russell Vought directed staff to "not perform any work tasks" and to "stand down from performing any work task." *Id.* at Ex. F. Consumer Response staff complied with the Acting Director's order. As a result of this compliance, the "operations related to the Consumer Complaint Database" are *not* "continuing." And many of the "contracts needed for work related to the Consumer Complaint Database" have *not* "remained intact and operational."

Operations Related to the Consumer Complaint Program and Database are Not Continuing

10. Consumer Response is composed of several teams, each tasked with carrying out one (or a set of) the CFPB's statutory obligations. On February 13, 2025, members of the "Department of Government Efficiency" (DOGE) requested that Consumer Response define competitive areas—areas explicitly required by statute—for purposes of a Reduction in Force (RIF). I drafted a memo that provided information about the teams within Consumer Response that align to specific statutory obligations. Mr. Martinez was provided a copy of this memo. A copy of that memo is attached hereto as Exhibit A.

11. None of the teams listed in the memo, which align to statutory obligations, have been activated to work. As a result, the complaint handling operation has experienced a significant disruption.

12. Complaints referred by congressional offices, states, and most federal agencies are not being reviewed and sent to companies. These complaints require federal staff to review and process.

13. Complaints about companies that are not yet participating in the complaint program are not being addressed. These complaints require federal staff review and a manual invitation to participate in the program.

14. Complaints in which consumers misspelled the name of the company are not being sent to companies. These complaints require federal staff review and manual processing.

15. Incomplete complaints are not being processed or worked by anyone. These complaints require federal staff to conduct outreach to consumers for additional information.

16. Taken together, in these categories alone, I expect that more than 10,000 complaints are currently awaiting federal staff review. This is a large and unprecedented backlog.

17. Complaints are not being "monitored." Consumer Response has a team of subject matter experts who monitor complaints to ensure that consumers are receiving timely, accurate, and complete responses to their complaints. Subject matter experts also monitor complaints for emergent issues across market and at companies. This ongoing monitoring provides a necessary check on the complaint program to ensure that consumers receive meaningful responses. Without this work, company responses are likely declining in quality.

18. Complaints are not being "investigated." In addition to monitoring complaints, subject matter experts perform targeted investigations on certain complaints. These investigations typically involve asking companies follow-up questions to ensure rules and regulations have been followed. And often, these targeted investigations yield additional relief for consumers.

19. Escalated issues are not being addressed. Consumer Response's Escalated Case Management team responds to consumers who are facing imminent foreclosure, may be a risk to others or themselves, and other sensitive issues.

20. Complaint systems, including the case management system and systems for sharing data, are not being maintained. Complaint systems require federal and contractor staff to monitor and respond to issues affecting system health. Automatically generated error notices indicate the system has already experienced problems. If these errors are not addressed, at some point, the system will break entirely. Additionally, companies that receive complaints through this system have received error notices that they are unable to export complaints out of the system, which will impede their ability to review and respond to complaints.

21. Stakeholder support tickets are not being resolved. Consumer Response receives hundreds of support tickets every month from company, congressional, and government stakeholders. Support tickets range from companies trying to remedy potential privacy concerns

to resetting passwords. These tickets are not being reviewed and resolved, which is almost certainly frustrating the ability of stakeholders to complete their work.

22. Coordination with other federal regulators is not occurring. Indeed, I am aware of at least one federal agency that has noted the disruption in complaint processing. This disruption in timely referrals mean that other federal agencies will not be able to initiate their investigative processes.

23. Complaints submitted by servicemembers and their families are not being monitored. It is my understanding that no one from the Office of Servicemember Affairs has been activated to work.

24. Student loan complaints are not being reviewed and informally resolved. The Student Loan Ombudsman role is vacant. Mr. Martinez seemingly suggests that the CFPB Ombudsman is an appropriate substitute. Yet again, this reflects a basic misunderstanding of the functions of that office and the authorities granted to the CFPB Ombudsman by the Consumer Financial Protection Act. The CFPB Ombudsman does not assist in resolving any issues between consumers and companies; rather, it merely ensures that the CFPB is following its own internal processes and procedures.

25. Audits and quality controls have halted. Consumer Response maintains an audit function that ensures complaint processes and procedures are being followed, and vendors are appropriately interacting with members of the public. This function also responds to oversight inquiries, such as those from the CFPB Ombudsman and the Office of Inspector General. There is currently no one performing these essential functions.

26. Activities to monitor and safeguard the system to prevent bad actors from misusing it have stopped. This risks overwhelming the system and wastes the CFPB's technical resources and the resources of companies responding to complaints.

Contracts Needed for Work Related to the Consumer Complaint Program and Database Have Not Remained Intact and Operational

27. On February 11, 2025, the CFPB's Chief Financial Officer, Jafnar Gueye, requested that offices review a list of contracts to determine which, if any, directly supported a statutory requirement. I reviewed the list of contracts managed by Consumer Response and determined that five contracts directly supported a statutory requirement. All five contracts were nevertheless terminated for convenience—*after* it was determined that they were necessary to support statutory requirements.

28. Since those terminations, following inquiries on the shutdown of Consumer Response, the contract for the Consumer Resource Center has been reactivated. This contract enables the CFPB to operate its toll-free telephone number. The Consumer Resource Center, which handles several thousand calls on any given day, recently had an outage lasting an entire day, meaning that nobody who called the CFPB's toll-free number to speak to someone to have their question answered, submit a complaint, or obtain a status update. Additionally, there is currently no oversight of the Consumer Resource Center by the CFPB.

29. Contracts for the maintenance of complaint systems, including the case management system and systems for sharing data, remain terminated.

30. Contracts managed by other offices but that affect complaint systems have also been terminated. Among these contracts was a subscription to virus scanning software. Without this software, most complaints cannot be sent to companies for review and response. Similarly, consumers cannot access any attachments that companies may upload in response to the complaint.

Although this contract was recently reinstated, the disruption in virus scanning software meant that tens of thousands of complaints were not been promptly sent to companies and are now instead part of a large backlog.

Whistleblower Disclosure

31. I have provided a copy of this declaration to the Office of Special Counsel pursuant to the Whistleblower Protection Act. I am making this whistleblower disclosure based on my reasonable belief that the conduct described in this declaration constitutes a violation of a federal law and an abuse of authority. 5 U.S.C. § 2302(b)(8)(A).

***

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed in Washington, DC this 26th day of February, 2025.

Matthew Pfaff

Exhibit A

February 13, 2025
Information Memo for the Acting Director

FROM	[redacted], Consumer Response & Education
SUBJECT	Divisional Staffing

Select Applicable Information Type(s)	☐Situational Awareness	☐Request for Directional Feedback	☒Reply to Inquiry from Director/FO	☐ Draft Document Feedback Request

<u>Issue</u>
This purpose of this memorandum is to provide information about how the staff of the Consumer Response and Education Division align to the Consumer Financial Protection Bureau's (CFPB's) statutory obligations.

<u>Divisional Background</u>
The Consumer Response and Education Division (CRE) is responsible for executing the CFPB's first two statutory functions: (1) conducting financial education programs, and (2) collecting, investigating, and responding to consumer complaints. *See* 12 USC 5511(c)(1)-(2). CRE is the public face of the CFPB to individuals and their families, delivering scalable services and tools designed to empower consumers to share their experiences in the marketplace, respond to challenges, and make better informed financial decisions.

There are two offices within CRE: the Office of Financial Education and the Office of Consumer Response. Financial Education is responsible for managing a suite of more than 50 educational tools and resources, distributing those tools to users, and researching the effectiveness of financial education programs. Financial Education is also responsible for supporting the Director's membership in the Financial Literacy and Education Commission. Financial Education's content is some of the most frequently visited content on the CFPB's website.

Consumer Response is responsible for answering questions, handling complaints, and sharing data and insights. Consumer Response manages the CFPB's toll-free number and complaint program from end-to-end. Consumer Response is also responsible for assisting complaint process stakeholders (e.g., responding to congressional members with their constituents' complaints, assisting Company Portal users as they respond to their customer's concerns) and sharing complaint information with Federal and State agencies.

The current headcount for CRE is approximately 150-155 full-time employees. The functional areas listed below aligned to statutory responsibilities total approximately 80 to 85.

<u>Office of Financial Education</u>
12 USC 5493(d) requires the Director to "establish an Office of Financial Education, which shall be responsible for developing and implementing initiates intended to educate and empower consumers to make better informed financial decisions." There is one competitive area within the Financial Education, responsible for delivering several statutory obligations:

- Developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions. *See* 12 USC 5493(d)(1).
- Developing and implementing a strategy to improve the financial literacy of consumers that includes measurable goals and objectives, in consultation with the Financial Literacy and Education Commission. *See* 12 USC 5493(d)(2).
- Coordinating with other units within the Bureau in carrying out its functions, including working with the Community Affairs Office to implement the strategy to improve financial literacy of consumers; and working with the research unit established by the Director to conduct research related to consumer financial education and counseling. *See* 12 USC 5493(d)(3).
- Submitting a report on its financial literacy activities and strategy to improve financial literacy of consumers *See* 12 USC 5493(d)(4).

The current headcount for this area is 12.

<u>Office of Consumer Response</u>
12 USC 5493(b)(3)(A) requires the Director to "establish a unit whose functions shall include establishing a single, toll-free telephone number, a website, and a database … to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products and or services." 12 USC 5534(a) requires the CFPB "to provide a timely response to consumers, in writing where appropriate, to complaints against, or inquiries concerning, a covered person." 15 USC 1681i(e) establishes a process by which the CFPB must act and report out on certain credit and consumer reporting complaints. Consumer Response must coordinate with certain CFPB offices and personnel, including the Private Student Loan Ombudsman and Office of Servicemember Affairs. *See* 12 USC 5493(e), 12 USC 5535.

Consumer Response has several competitive areas:

Consumer Resource Center
12 USC 5493(b)(3)(A) directs the CFPB to create establish a single, toll-free number. This team manages a Consumer Resource Center (CRC), which receives more than 40,000 calls per month. The CRC answers consumers' inquiries, accepts and provides status updates on complaints, and directs consumers resources such as state and local services.

The current headcount for this area is 3.

Complaint Handling
12 USC 5534(a) requires the CFPB to timely respond to consumers, including any responses received by the regulator from the covered person. This team directs the complaints to companies for a response.

The current headcount for this area is 7.

Portal Operations
12 USC 5534(b) requires certain covered persons to provide a timely response to the regulator. This team is responsible for responding to stakeholder support tickets, including tickets submitted by company, congressional, and government portal users.

The current headcount for this area is 7.

Mosaic Program
12 USC 5493(b)(3)(A) directs the CFPB to create establish a database to facilitate the centralized collection of complaints. 12 USC 5493(b)(3)(D) requires the CFPB to share consumer complaint information with prudential regulators, the Federal Trade Commission, other Federal agencies, and State agencies. This team manages the technology that facilitates the handling of more than 350,000 complaints per month

The current headcount for this area is 5.

Investigations (Regulatory Compliance, Complaint Monitoring, Research and Analysis, Escalation Case Management)
12 USC 5511(c)(2) requires the CFPB to "investigate" complaints. Additionally, 12 USC 5493(b)(3)(A) requires the CFPB to "monitor" complaints. This team is responsible for monitoring and investigating the more than three million complaints the CFPB receives annually. This team conducts investigative inquiries received by the Director's Office. This team also conducts analyses that support the Chief of Staff's team efforts to meet the publication of statutory reports and supports rule lookback assessments as required by 12 USC 5512.

The current headcount for this area is 30.

Data Reporting
12 USC 5493(e) and 12 USC 5535 requires Consumer Response to coordinate with the Office of Servicemember Affairs and the Private Student Loan Ombudsman, respectively. This team is responsible for working with these offices for their complaint monitoring work.

The current headcount for this area is 4.

Stakeholder Engagement
12 USC 5493(b)(3)(A) directs the CFPB to "coordinate with the Federal Trade Commission or other Federal agencies to route complaints to such agencies, where appropriate." Additionally, 12 USC 5493(b)(3)(D) requires the CFPB to "share consumer complaint information with prudential regulators, the Federal Trade Commission, other Federal agencies, and State agencies ...". This team is responsible for working with federal and state agencies, including state Attorneys General.

The current headcount for this area is 5.

Chief of Staff Team
Consumer Response is responsible for publishing or contributing to the publication of several reports. Those reports include:

- Consumer Response Annual Report (as required by 12 USC 5493(b)(3)(D))
- Fair Credit Reporting Act 611(e) Report (as required by 15 USC 1681i(e)(5))
- Fair Debt Collection Practices Act Report (as required by 15 USC 1692m)
- CFPB Semi-Annual Reports (required by 12 USC 5496)

This team is responsible for the production and publication of these reports, including any follow-up questions from oversight bodies.

The current headcount for this area is 5.

Management and Operations
This team provided the executive direction for both offices within the division. The current divisional executives each have a dual role both division and office level executives. The office level executive positions remain vacant. The team also provides centralized support to each office regarding resource management functions including budget, acquisition management, training, management reporting, and coordination with internal and external stakeholders, and oversight bodies such as GAO and OIG.

The current headcount for this area is 5.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

DECLARATION OF BRIAN SHEARER

I, Brian Shearer, declare:

1. I currently serve as the Assistant Director in charge of the Office of Policy Planning and Strategy at the Consumer Financial Protection Bureau (CFPB). The Office of Policy Planning and Strategy is a sub-office within the Director's Front Office that manages and coordinates the policy functions of the agency consistent with statutory restrictions and responsibilities.

2. I have been in this role since March 2024. Before that, I served in senior roles in the CFPB's Front Office. I was on the CFPB agency review team for the last presidential transition and part of the "landing team" for the CFPB in 2020. Starting on January 20, 2021, I served as the lead advisor on enforcement and supervision for Acting Director David Uejio. When Director Rohit Chopra was confirmed in October 2021, I became his lead advisor on regulatory policy.

3. I also worked at the CFPB from September 2011 to July 2018. I spent most of that time as an attorney in the Office of Supervision Policy, but from early 2017 up until his departure from the agency in November 2017, I was Director Richard Cordray's Senior Advisor. For the first several months of Acting Director Mick Mulvaney's tenure, I was a Senior Advisor to

Associate Director of Supervision, Enforcement, and Fair Lending Chris D'Angelo, until leaving the CFPB in July 2018.

4. I have been personally involved in every presidential administration change that the CFPB has experienced since its inception. During the transition from President Obama to President Trump appointees in 2017, I was one of the staffers who briefed the Trump appointees as they took over leadership of the agency. For example, I helped brief then Acting Director Mulvaney on the then-existing enforcement docket, and briefed the first Trump Administration's new political appointees on the CFPB's supervision work. During the transition from President Trump to President Biden appointees, I was one of the appointees who arrived at the CFPB after Director Kraninger resigned, and I advised Acting Director Uejio during that transition before Director Chopra was confirmed by the Senate. And I have now observed the recent transition from Director Chopra to Acting Director Bessent and Acting Director Vought.

5. The typical actions of a transition, which both Acting Directors Mulvaney and Uejio immediately took, include (1) requiring new approval for publication of materials that have not been approved by the new leadership, (2) postponing the effective dates of outstanding rules pending reconsideration, (3) instructing the CFPB to pursue new projects consistent with new priorities, (4) receiving briefings on the outstanding enforcement docket and examination calendars in order to begin to steer the enforcement docket and examination calendar towards new priorities and to make decisions on individual investigations and exams, (5) fielding voluminous memoranda and briefings on whether to start, continue, or discontinue various projects, and (5) holding meetings to introduce themselves and convey priorities to the staff and management chain of command.

6. More specifically, in a normal transition, the CFPB's consumer complaint function continues largely unaffected because it is statutorily required and does not implicate ideology or matters of policy. Examinations that have already started continue, but the incoming administration makes adjustments to the *future* examination calendar. Enforcement matters in active litigation in court continue to be prosecuted. Enforcement investigations continue, though over time new investigative priorities are conveyed to staff to realign the work, and the Acting Director decides on a case-by-case basis whether to grant the enforcement staff authority to seek settlements, file lawsuits, reach out to targets of investigations, or close investigations. Economists continue to conduct research, but the Acting Director and his appointees review the research reports before approving them for publication. And other internal work of the agency continues in a similar vein. This is what Acting Director Mulvaney did under the prior Trump Administration.

7. In short, transitionary Acting Directors that serve between confirmed Directors have no legitimate need to bring the agency to a complete stop in order to shift the agency's policy priorities—and, indeed, they have never done so at any prior point in the agency's history. Instead, the agency's work continues. And transition periods are busy times. Agency staff have many meetings with new leadership and write many memos seeking new direction. Staff seek guidance from the new administration's leadership, and the new agency leadership reviews and approves, adjusts, or rejects individual investigations, regulations, exam reports, research reports, and other output before they are published. The new administration also starts new projects at the direction of the new agency leadership, and over a short amount of time the back-log of projects started under the prior administration are replaced by projects started by the new administration.

8. Based on my personal experience with CFPB transitions, including the differences between this transition and the beginning of the first Trump administration, the current transition is not normal and does not appear designed to redirect the agency towards new policy priorities. The incoming Trump appointees have not held all-hands or all-manager meetings. They have not communicated with most managers at the agency, including me. They have not even announced themselves to the agency.

9. The incoming administration has not approved the publication of any materials. They have not instructed the CFPB to pursue any new affirmative projects that I am aware of. They have not expressed the agency's new priorities to the staff.

10. Notably, I have informed the incoming administration that I will be resigning and I have not heard of any plans to replace me. I occupy a position that guides policy across the agency under the Director's vision. The fact that this administration has not bothered to fill my position suggests they are not engaged in a serious effort to redirect the agency's policy work.

11. What the incoming administration has done is take the unprecedented action of putting everyone on *paid* administrative leave with limited exceptions. That means that examinations that were underway have been canceled, even though the American taxpayers are still paying the examiners. It means that the Office of Enforcement has stopped investigating cases, even though the taxpayers are still paying the investigators. It means that many of the actions necessary to keep the CFPB's consumer complaint process fully functional have ceased. It means that the CFPB's Markets teams are being paid to *not* meet with industry representatives. It means that the CFPB's Research team is paid to not conduct ongoing, nonpartisan research. It means that the CFPB has stopped processing Freedom of Information Act (FOIA) requests, even though we still pay for employees whose sole job is to help the CFPB comply with FOIA, and even though

the law requires that we respond to such requests. And the CFPB has stopped reviewing comments on open proposed regulations, which it is obligated to review under the Administrative Procedure Act even if the incoming administration does not wish to finalize those rules (something one should not assume given that many of the open rulemakings have broad bipartisan consensus).

12. If one actually wanted to quickly re-align the CFPB to new priorities, the best (and most obvious) way to do so would be to put the agency staff to work briefing the leadership on the various available options on pending matters. CFPB staff often work overtime during transition periods to handle the workload necessary to quickly re-align priorities and policy in a responsible manner. And CFPB staff are professionals who put their personal views aside to present all available options to leadership—policy approaches taken under Director Chopra regularly involved debate and disagreement, but staff never let that get in the way of ensuring that the agency pursues the Director's policy priorities. Placing staff on paid administrative leave en masse makes it impossible to perform this process at the volumes necessary to responsibly steer the agency towards new policy objectives.

13. Notably, leadership does not need to put everyone on paid leave to stop them from making announcements or taking public actions without permission. CFPB staff are accustomed to obtaining permission from leadership before speaking publicly or issuing anything on behalf of the CFPB. A great deal of the CFPB's work is preparatory and non-public. For example, you do not need to cease work on document review in pending investigations in order to ensure the agency does not reach out to the target of the investigation without permission. You do not need to stop internal memo writing, comment review, or case law research to ensure that a regulation is not issued without permission. In fact, that is the very work necessary to brief the incoming leadership so that they are informed when making a decision on whether to proceed with those matters.

14. The incoming administration has also taken the unprecedented step of immediately laying off employees in their probationary period or with time-limited employment contracts. And it has rushed to cancel contracts, including the CFPB's lease. They have removed the CFPB signage from the agency's DC headquarters building. They have closed the CFPB's offices. They immediately, on the very first day of Acting Director Vought's tenure, sent a letter to the Federal Reserve System determining that the funds in the CFPB's operating account were sufficient to cover CFPB's expenses through the 2025 fiscal year (i.e. to September 31, 2025).

15. The combination of (1) indiscriminately putting staff on administrative leave, (2) not setting up a process to make a high volume of individual decisions on discrete, ongoing matters, (3) immediately laying off tranches of employees with fewer employment protections, (4) terminating the lease and removing the CFPB's signage from the building, (5) canceling contracts in a hasteful manner, (6) never introducing new members of leadership staff to existing staff or conveying any message at all to the agency about what it should be affirmatively working on, (7) telling the Federal Reserve System they would not ask for further funding for the rest of the fiscal year, (8) closing the agency's offices amid an administration wide push to return to the office, (9) public statements by the President of the United States and the head of the new Department of Government Efficiency that the CFPB is being shut down, and (10) the unexplainable speed and urgency of each of those steps, suggests that the current acting leadership is attempting to shut down the CFPB expeditiously. In fact, I have heard from several other CFPB employees that they were directly told by the new leadership that we are in "wind down mode."

16. The speed with which these actions are being taken is extraordinary. If the agency's leadership wanted to marginally or even significantly shrink the agency's headcount, redirect the agency's efforts, and cut costs, it could do so in an orderly fashion over time, considering contracts,

investigations, and projects on an individual basis, after staffing up the political leadership structure of the agency in order to perform those tasks responsibly. This would not require a work stoppage, and in fact would require a substantial portion of the agency's staff. The speed with which these efforts are being taken, and the fact that the leadership is not using the staff to make these decisions, suggests that the temporary acting leadership is attempting to "wind down" the agency before a court can enjoin their efforts. I cannot think of any other reason for this reckless speed given that the current presidential administration has four years—plenty of time—to accomplish its goals.

17. In particular, I would like to draw attention to a number of statements made in a declaration by Adam Martinez on February 24 that are either misleading by omission or are outright falsehoods:

- The declaration, at paragraph 11, references the Acting Director's February 8 email to employees and describes it as communicating "eight functions" that CFPB staff should refrain from unless it is approved by the Acting Director or required by law. This email is framed in the declaration as suggesting that the CFPB is still performing functions required by law, which is false to a significant extent. He omits that this email was followed up by another email on February 10 directing staff to stop all work. Mr. Martinez states that this step was "not unusual," but it is a step that has never been taken before in the history of the agency. The CFPB has never stopped substantially all work during a transition, and has never put the majority of agency staff on administrative leave.

- The declaration appears to focus on a caveat in the February 8th email about "statutorily required" work, but does not acknowledge that the February 10th email eliminated that caveat. Nor does it acknowledge the basic fact that the CFPB's core statutory responsibilities have, in fact, completely ceased, including the full supervision and enforcement divisions. The full division of the CFPB tasked with managing the consumer complaint function is on administrative leave (some of the automated processes are still live, but the manual maintenance and work has ceased). Staff in statutorily required offices or positions (e.g. student loan ombudsman, Office of Fair Lending and Equal Opportunity, Office of Research, Office of Financial Education) have been fired or put on administrative leave.

- The declaration falsely suggests that the entire headquarters building was closed for safety, citing small union protests and one incident where an employee pushing a baby stroller took pictures of White House staff. The CFPB's employee union has picketed the agency before, including recently during a labor dispute with management during Mr. Martinez's tenure at the CFPB. The CFPB's office is near the White House, and thus, the streets around the office are often filled with protestors advocating for a variety of causes. The CFPB has security guards capable of handling this security environment, locks on doors, and the ability to take individual personnel actions in response to incidents or to turn off individuals' access to the building. The cited security reasons for closing the building are simply not credible and were not articulated at the time of the closure.[1]

- In paragraph 21, the declaration claims that leadership has approved the following tasks: (1) onboarding political leadership, (2) data security, (3) maintaining a discrete set of systems, (4) maintaining a consumer complaint call center contract, and (5) and processing Civil Penalty Fund payments to consumers. Of course, the CFPB has many other statutory obligations, including the obligations to enforce federal consumer financial law, conduct examinations of regulated entities, and many other functions. The CFPB has turned off whole divisions tasked with performing those statutory duties.

- In particular, in paragraph 21, Mr. Martinez claims that even though the Student Loan Ombudsman position is currently vacant, consumers can seek support from the CFPB's Ombudsman Office for their student loan related issues. This is patently false. Both positions are statutorily required, but their functions are completely different. The CFPB Ombudsman Office is, by statute, a liaison between the CFPB and effected persons. 12 USC 5493(a)(5). In other words, it is an office outside parties can use if they have complaints or concerns *about the CFPB*, not if they need help dealing with a regulated entity. Only the Student Loan Ombudsman performs the statutorily required work of assisting consumers with individual student loan related issues. This mistake is particularly concerning because it suggests a lack of familiarity with the functions of the agency—it appears to be a mistake based on the fact that the names of the roles are similar.

- In paragraph 22, Mr. Martinez states that the agency has not pulled down the CFPB's complaint website, and has not canceled contracts relating to the complaint database, without mentioning that the whole Consumer Response division that maintains the CFPB's complaint function is currently on administrative leave.

- In paragraph 26, Mr. Martinez states that Acting Director Vought determined that the current operating balance of the CFPB was enough to cover projected expenses for the upcoming quarter. But Acting Director Vought said that the funds were sufficient to cover expenses through the end of the *fiscal year,* not just the upcoming quarter. And Mr. Martinez neglected to convey that the Acting Director claimed that the CFPB had a balance of $711 million, when in fact a large percentage of that money is obligated and unavailable for future CFPB expenses. For example, $100 million in the account is from a settlement

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[1] See Kate Berry, *Justice Dept. insists 'there will continue to be a CFPB'*, The American Banker, Feb. 25, 2025 (reporting that the government's legal filings in this case "falsely claimed that it closed the CFPB's Washington D.C. headquarters in response to protests by employees — even though the protests happened only after the office was shuttered.").

with Navient Corp. and must be distributed as redress to victims once the CFPB takes the applicable employees off administrative leave.

- In paragraph 27, Mr. Martinez states that Acting Director Vought considered a variety of factors including the impact of anticipated efficiency initiatives at the CFPB and consumer interests, before deciding that the funds in the operating account are enough to cover the agency's expenses through September 31, 2025. If that were true, and the agency had a concrete plan about the specific budget and expenses necessary to continue the functions it intends to continue, the agency would be able to articulate that concrete spending plan to the court. These kinds of financial plans are not confidential—the CFPB publishes its financial reports, and I would expect that the agency would publish this information in the Chief Financial Officer's next update, which is due to be published right around now.

18. Lastly, I wish to highlight the ongoing harm to the public associated with the continued work stoppage at the CFPB. Every day, CFPB staff work to investigate cases, conduct examinations of regulated entities, produce valuable research, and publish data about consumer finance in the United States, review public comments and issue regulations, provide guidance to industry, and facilitate complaints. On a relatively small budget of just over $800 million per year (none of which comes directly from appropriations), the CFPB produces billions of dollars in quantifiable savings to the American people every year. For example:

- The CFPB's enforcement team has returned over $20 billion ill-gotten gains to consumers since the agency's founding.

- In December, the CFPB returned double the agency's annual budget, $1.6 billion, to victims of a single debt relief scam.

- The CFPB's recent "junk fee" initiatives have reduced fees by up to $21 billion annually, including $10 billion from the CFPB's credit card late fee rule, $6 billion in contracting overdraft and non-sufficient fund fees in response to the agency's policy and law enforcement work, and $5 billion from the CFPB's recent overdraft rule.

- The CFPB's Qualified Mortgage Rule, issued under Director Kraninger, saves at least $4 billion annually.

- The CFPB's Regulation X, issued in 2014, continues to save $45 million every year in forced-placed insurance premiums.

- The CFPB's complaint function processes over one million consumer complaints annually, which, for comparison, is more than 10 times the volumes handled by the Better Business

Bureau. Over the course of the CFPB's short existence, the CFPB has closed over 2.5 million complaints with non-monetary relief, and in over 171,000 complaints, the company reported to the CFPB that it provided monetary relief.

- In the last two years alone, the CFPB's supervision function returned $350 million to consumers harmed by various illegal fee practices.

19. As with any other effective law enforcement agency, the CFPB's work creates an undeniable deterrence effect. When companies know that there is an active supervision program to examine for compliance with the law, a robust enforcement team investigating lawbreaking, and a complaint function that consumers use, very large bureaucratic corporations invest in compliance efforts to ensure compliance with the law. Right now, companies are almost certainly deprioritizing compliance in light of the news of the agency's work stoppage, planting the seeds for a white-collar financial crime spree that will likely manifest in the coming years.

20. In addition to the monetary relief, each investigation or examination has a chance to produce value for American consumers in the form of illegal practices that are stopped. For example, before the CFPB was created, many banks used deceptive practices to attach "add-on" services to credit cards, which consumers paid for but never benefited from. A sweep of CFPB enforcement actions in 2014 put an end to that practice. The CFPB's enforcement team, under leadership appointed by Presidents Obama, Trump, and Biden also ended the widespread practice of banks opening fake checking accounts in people's names (sometimes leading to consumer charges) in order to inflate account-opening metrics. As has been publicly revealed in editions of *Supervisory Highlights*, the CFPB's supervision team, under leadership appointed by Presidents Obama, Trump, and Biden, stopped auto loan companies from accidentally repossessing cars when the loan was not in default, and stopped auto loan companies from withholding consumers' personal property found in repossessed vehicles until the consumer paid a fee. CFPB enforcement and supervision teams stop hundreds of harmful law violations every year.

21. The CFPB's complaint function saves consumers unquantifiable amounts of money, through both monetary relief granted by companies in response, non-monetary relief, and the incentive created to provide higher quality customer service. In particular, the CFPB automatically escalates complaints involving a pending home foreclosure for manual attention to prevent an unnecessary foreclosure if possible, something that is not currently happening. And agency staff spot-check the complaint database for complaints that would benefit from individualized, manual handling, which is also currently not happening.

22. The CFPB's research and data releases are foundational to the public's understanding of the financial markets. For example, the CFPB releases data on consumer credit trends that outside researchers regularly use. And the CFPB publishes the most detailed data on the credit card market available, something that is statutorily required but currently halted.

23. The agency only has so much capacity to handle enforcement investigations, examinations, complaints, research reports, and other work. We will not be able to make up for lost production caused by the current work stoppage, even if any individual case or examination or report can be finished later. An examination that is not occurring now, and is pushed off to next year, would occupy capacity that could have been used for another examination. If you shut down a car factory, you can restart it a month later and finish the car you didn't complete before shutting down the factory, but you can't make up the lost aggregate production of cars. The same is true for enforcement investigations, for complaints filed with the CFPB that require manual processing, for supervisory examinations, for research reports, and for nearly every other function of the CFPB that produces output for the benefit of the public and American consumers.

24. The CFPB was created in response to the predatory mortgage crisis that caused the Great Recession. When a small number of primarily nonbank mortgage lenders started originating

loans that set consumers up to fail in the 2000s, federal regulators failed to respond due to a lack of authority and the competing priorities of bank safety and soundness and monetary policy. The CFPB was established by an act of Congress to fill that gap and Congress assigned the CFPB with the responsibility and duty to police the market so that this never happens again. Since the creation of the CFPB, the United States has not experienced another economic recession caused by the consumer finance sector. But if the agency does not perform its statutory duties, I am concerned history will repeat itself.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed in Washington, DC
February 27, 2025

/s/ Brian Shearer
Brian Shearer

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-0381-ABJ

THIRD DECLARATION OF ERIE MEYER

I, Erie Meyer, declare the following under penalty of perjury:

1. I served as the Chief Technologist and Senior Advisor to the Director at the Consumer Financial Protection Bureau from October 2021 until February 7, 2025, when I resigned. Because of my experience in that role, I have expertise regarding the agency's website management, data protocols, contract oversight, and the impact of contract terminations.

Mishandled Data Retention Practices

2. I have reviewed the declaration of Charlie Doe, a Contracting Officer at the CFPB, regarding the mass termination of contracts between February 11, 2025, and February 14, 2025—and the CFPB's effort to finalize those terminations as quickly as possible.

3. The highly irregular actions that the Bureau has taken within the past few days to rush the final termination of virtually all of its contracts across the full range of functions raises serious concerns about data preservation and the Bureau's ability to function at all. Final cancellation of the Bureau's contracts will result in the irretrievable impairment and loss of Bureau data. I am also troubled that the Bureau appears not have taken appropriate steps to ensure compliance with this Court's February 14 Order on data preservation.

4. The information in Charlie Doe's declaration accords with information that I have received from several other current Bureau employees—former colleagues of mine—who are in a

position to know this information. They have expressed grave concern that the Bureau's rush to finalize the termination of the vast majority of the CFPB's contracts risks the imminent loss of essential data and records. I understand that the government, upon the insistence of the plaintiffs in this case that these actions were not in compliance with the Court's February 14 Order, has agreed to temporarily suspend cancellation of contracts through the Court's March 3 hearing, but no further. If the government is not immediately prevented from proceeding with contract terminations efforts thereafter, it will be too late to forestall permanent loss of the Bureau's data.

5. My understanding is that the contracts that the Bureau seeks to fully terminate include—among others—contracts with experts (who have sensitive litigation data), with other litigation contractors, and with companies that store, transmit, and maintain Bureau data. That data is crucial to everything from identifying and assisting victims of consumer fraud and providing them court-ordered relief, to tracking the financial information that is critical to the Bureau's role in helping to stabilize financial markets, to responding to consumer complaints. As I explained in my prior supplemental declaration, if the data possessed or maintained by these vendors is deleted or impaired, that would be a catastrophic loss for the Bureau and seriously impair its ability to carry out its obligations.

6. The rush to finalize the termination of the vast majority of the Bureau's contracts is very likely to cause irretrievable data deletion, and to impair the data and records that are not deleted. It is standard industry practice that following contract terminations, contractors delete any government data, because ordinarily contractors are not permitted to retain that data once they no longer have a contract to perform work that requires it. Particularly in the absence of a data preservation clause in the termination notice, contract termination will almost certainly result in the deletion of data either immediately or after a very short period (typically days or weeks). Even if the final termination modification contained a data preservation clause, this rush to terminate

contracts is still very likely to result in the deletion of data and records the Bureau will be unable to lawfully get back. For example, if the retention period elapses before a functioning, approved government System of Record is available to accept and process that data, if there are not enough contracting officers to oversee that the firms are complying with the retention clauses, if the files are corrupted before a CFPB employee is able to detect and act on that emergency, a band-aid of a retention clause will not fully remediate the harm.

7. In addition, in the absence of continuous maintenance of CFPB databases—contracts that I understand the Bureau is seeking to fully terminate—there is a serious risk that the data they contain will be impaired. Without the benefit of virus scanning and other security software, audit logs to ensure that if data is improperly accessed that there is forensic evidence of that access and any manipulation, a continuity of operations protocol or staffing to address any unexpected outages or failures, or meaningful backups to compare data to for authenticating accuracy of the information, the data is at existential risk.

8. Some contracts also provide support for CFPB-maintained data. Those contracts exist because in those cases, the CFPB does not have the capability to maintain the data on its own. Although the CFPB can manage temporary fixes for a limited period of time, if the contracts are permanently terminated and the CFPB must go without support for months or more while those services are re-procured, data will inevitably be impaired.

9. The data possessed and maintained by CFPB contractors includes the personal information of consumers and employees, as well as sensitive information about financial markets and corporations. In addition to the risk of deletion, the rush to terminate the CFPB's contracts puts this data at serious risk of misuse or access by unauthorized parties.

10. I urge the Court to consider the significant and long-term consequences of data loss that could arise from these contract terminations, especially where no clear measures have been

taken to ensure data retention or retrieval.

Mass Cancellation of Cyber Security Contracts

11. I have reviewed the February 24, 2025 declaration of Adam Martinez, the CFPB's Chief Operating Officer. As previously stated in my earlier declaration, I worked alongside Mr. Martinez for several years and respected him as a colleague. In his declaration, he claimed security monitoring tasks were being performed and operations were being maintained. Unfortunately, based on the following facts, I have reason to believe that claim to be false.

12. In recent days, 32 cybersecurity contracts have been cancelled, as reported on doge.gov/savings. Of these, five contracts have been posted in detail on the Federal Procurement Data System (FPDS), with a cancellation date of February 13th. The remaining 27 contracts, however, have not yet been published in detail due to what doge.gov has described as a "lag" in FPDS publications. A chart listing all 32 contracts, the cybersecurity impact of that contract, and the date of cancellation, is attached to this declaration as **Exhibit A.**

13. On February 14th, doge.gov/savings read simply "Receipts coming soon, no later than Valentine's day 💘"[1] Then starting February 15th, doge.gov/savings read "Receipts coming over the weekend!"[2] Ultimately, on Tuesday February 17th, doge.gov/savings was populated with content including cancelled contracts, including those back-dated to February 14th.

13. I understand that a court order was issued on February 14th, directing the CFPB to preserve and not impair any data held by the Bureau. I am particularly concerned that the cancellation of the 27 remaining contracts may have occurred *after* the issuance of the order, which raises serious questions about whether the Bureau is taking the steps necessary to ensure compliance with the order.

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[1] https://web.archive.org/web/20250214152452/https://doge.gov/savings
[2] https://web.archive.org/web/20250215213222/https://doge.gov/savings

14. As of the date of this declaration, it remains unclear when these 27 cancellations occurred, aside from the fact that they must have taken place after February 13th, and were touted on doge.gov no sooner than February 18th. The lack of clarity regarding the cancellation timeline and backdating exacerbates my concerns.

15. The cancelled contracts cover a wide range of critical cybersecurity services, including but not limited to:

- Application security (code vulnerability scanning, penetration testing)
- Centralized management and enforcement of security configurations across IT infrastructure
- Cyber vulnerability tracking/reporting across hardware and software
- Certified Information System Auditor training
- Cybersecurity audit/event log analysis
- Cybersecurity contractors for the Security Authorization Environment
- Email server security and encryption
- Identity and access management (including single sign-on and software)
- IT network, systems, and applications management
- Network/application vulnerability scanning
- Secure equipment disposal
- Virus scanning and cybersecurity for SaaS services
- VPN deployment on employee laptops
- Website and file virus scanning, among others.

16. In light of these abrupt cancellations, I am particularly concerned that bureau data and systems are at serious risk of compromise, or have already been compromised.

17. The revocation of contracts for cybersecurity audit and event log analysis is

particularly concerning, because it could mean that there will be no evidence available if unauthorized users are accessing Bureau systems and data. The CFPB would not be able to tell what happened, and it could compromise ongoing litigation, trade secrets, and even implicate market stability.

Blocking Consumers from Help

18. During my tenure as Chief Technologist and Senior Advisor to the Director at CFPB, I worked closely with the consumerfinance.gov and consumer education teams to develop strategies that ensured that the Bureau's content reached people when they most needed it, even if they had not heard of CFPB. Using desk research, the team identified the key areas where consumers commonly sought out information about topics such as avoiding scams and shopping for mortgages – most consumers start on search engines. To address this, we implemented an open standard schema that allowed search engines to index CFPB's content, ensuring that the most common consumer questions appeared prominently in search results, including "Position Zero" or "P0" rankings. Search results with “P0” ranking are often featured snippets that directly answer consumer queries on the results page, and were critically important in preventing and interrupting fraud and scams by making reliable, government-backed information the top result.

19. On February 7th, 2025, the CFPB homepage at consumerfinance.gov–the launching pad for most American consumers’ interactions with the CFPB–was changed to a "404 - Site Not Found" error message.

20. I have been reliably informed that the decision to delete the CFPB homepage was an intentional decision by Acting Director Vought and that efforts by staff to repair the homepage were expressly rebuffed by senior management, citing Voght’s authority.

21. This error, particularly when it affects the homepage of a website, can have severe repercussions. Specifically, it significantly harms the accessibility of important consumer information that the CFPB provides. A "404 error" on a homepage results in the following

detrimental effects:

- **Poor Experience:** When someone lands on a 404 page on the homepage, they are immediately presented with a frustrating experience. Consumers, particularly those seeking important financial information or assistance, will likely abandon the site.
- **Indexing Issues:** Search engine crawlers rely on accessible pages to index and rank content. A 404 error on the homepage can prevent crawlers from properly accessing the site, thereby hindering the search engines' ability to index the Bureau's important financial resources. This directly impacts the site's ability to appear in search results, making it more difficult for consumers to find reliable, government-backed financial information.

22. Since the implementation of the 404 error on the homepage of consumerfinance.gov on February 7th, 2025, the Bureau's web content—ranging from important in-the-moment guidance on financial abuse for victims of domestic violence, to help for military servicemembers to assert their rights under the Servicemembers' Civil Relief Act—has been removed from the most visible results despite no other changes to the site or schema. Those top results have been replaced in some cases by content farms or worse, scam sites. This is a direct consequence of the 404 error disrupting CFPB's search engine visibility, leaving vulnerable consumers to be targeted by fraudulent actors instead of receiving accurate, reliable information from the Bureau. This disruption is not just a technical oversight; it is a direct risk to consumer protection efforts, as the Bureau's content is now being supplanted by potentially harmful, deceptive websites.

23. These changes are in direct opposition to the statutory goal of providing consumers with timely and understandable information to make responsible decisions about financial transactions under 12 U.S.C. § 511(b). This unnecessary action—breaking the homepage of this federal consumer protection agency to a 404 error page—has had a profoundly negative impact on

the ability of the CFPB to meet consumers where they are in their moments of need, especially when they are seeking to protect themselves from fraud and make informed financial decisions. My years of experience and working directly with consumers looking for help inform my belief that people are being irreparably harmed when they are looking for help and instead find scams.

24. I am concerned that by breaking functionality of the website and in fact making it harder for consumers to access the critical financial information that they seek, recent actions have made it impossible for the Bureau to comply with its statutory obligation to maintain a consumer-facing website under 12 U.S.C. § 5493(b)(3).

"Your Recent or Impending Separation[s]"

25. In recent days, when employees have emailed the Bureau's Human Relations (HR) staff with questions, they have received an unusual mass auto-response email indicating that the office will eventually address "your recent or impending separation." A true and correct PDF copy of such an auto-response email that I received in response to an inquiry is attached as **Exhibit B.**

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Washington, DC on February 27, 2025

/s/ Erie Meyer
Erie Meyer

EXHIBIT A

Mass Cancellation of CFPB Cyber Security Contracts

Prepared 2/27/25

The list below is taken from doge.gov/savings and reflects 32 cyber security contracts they report having mass cancelled. The confirmed dates are as listed in the Federal Procurement Data System, and the unknown dates appear to have been cancelled sometime after 2/13. The doge site is experiencing lags and has evidence of backdating. The contracts below are listed on the doge site as having been "uploaded" on 2/14, but they were not listed before 2/18..

The work these contracts included protecting personally identifiable information, system integrity, and maintaining audit logs, among other critical security services.

	Contract	**Cybersecurity Impact**	**Date of cancellation**
1	BEYONDTRUST LICENSES	Identity and access management software	2/13/25
2	YUBIENTERPRISE COMPLIANCE TIER PLUS PLAN	Physical 2FA keys issued to employees + software	2/13/25
3	CYBERSECURITY SUPPORT SERVICES - INFORMATION SECURITY STANDARDS (ISS)	Cybersecurity contractors	2/13/25
4	CYBERSECURITY SUPPORT SERVICES BPA ORDER - SAFEGUARDS AND RISK MANAGEMENT (SRM)	Cybersecurity contractors	2/13/25
5	CYBERSECURITY SUPPORT SERVICES BPA ORDER - SECURITY ARCHITECTURE AND ENGINEERING (SAE)	Cybersecurity contractors for SAE - team that performs cybersecurity review of new systems & sets required mitigations for ATO	2/13/25
6	CLOUD TRAINING	Technical training on cloud environments including cyber / cloud security and certification courses	Unknown

7	CERTIFIED INFORMATION SYSTEMS AUDITOR (CISA) IN-PERSON TRAINING	CISA training	Unknown
8	EZPROTECT SERVICES	Virus scanning and cybersecurity for SaaS services	Unknown
9	CENTRALIZED PLATFORM CONTROL STANDARDS SUPPORT SERVICES	Cybersecurity contractors	Unknown
10	ANOMALI LICENSES FOR CFPB	Security Event & Information Management (SIEM) platform	Unknown
11	SOLARWINDS MAINTENANCE AND SUPPORT	IT network, systems, and applications management	Unknown
12	NUTANIX HARDWARE DESKTOP ENGINEERING LAB SYSTEM UPGRADE	Management platform for IT hardware deployment and configuration	Unknown
13	CISCO SMARTNET MAINTENANCE	Security alerts, updates, and tech support for core network equipment	Unknown
14	ZIXGATEWAY ENTERPRISE LICENSE RENEWAL	Email server security & encryption	Unknown
15	ACCELLION KITEWORKS ENTERPRISE	Secure file share / transfer services	Unknown
16	VERACODE SERVICE BUNDLE SUBSCRIPTION	Application security - code vulnerability scanning and penetration testing	Unknown
17	SECUREAUTH IDP LICENSE RENEWAL	Identity and access management - single sign on	Unknown
18	AXONIUS SECURITY ASSET MANAGEMENT PLATFORM	Centralized tracking / reporting for cyber vulnerability across IT hardware and software	Unknown
19	CISCO ANYCONNECT LICENSE AND SUPPORT RENEWAL	VPN on laptops issued to employees	Unknown
20	ANNUAL SUBSCRIPTION TO THE BITSIGHT LARGE TPRM PACKAGE	Third Party Risk Management (TPRM) - vendor security assessment, monitoring, and reporting	Unknown

21	CYBERARK ENTERPRISE LICENSES AND MAINTENANCE	Identity security - manage, rotate, and monitor application credentials / secret keys	Unknown
22	RADIANT LOGIC LICENSES	Identity data management and audit	Unknown
23	PUPPET LABS RENEWAL	Centralized management, tracking, and enforcement of security configuration across IT infrastructure	Unknown
24	CISCO AND NUTANIX HARDWARE AND SOFTWARE	Network, hardware, and datacenter management	Unknown
25	SAFECONSOLE ENTERPRISE LICENSES	Provision, manage, and audit secure encrypted USB drives	Unknown
26	VIRUSTOTAL BASIC SUBSCRIPTION	Website and file virus scanning	Unknown
27	QMULOS AUDIT/COMPLIANCE APPS	Cybersecurity audit / event log analysis	Unknown
28	TENABLE LICENSES AND SCANNER	Network and application vulnerability scanning	Unknown
29	IT DEVICE DESTRUCTION	Secure equipment disposal	Unknown
30	SAFECONSOLE LICENSES	Provision, manage, and audit secure encrypted USB drives	Unknown
31	KNOWB4 SUBSCRIPTION	Online provider of bureau-wide mandatory cybersecurity training	Unknown
32	ORDER 1 - CYBER PROGRAM MANAGEMENT	Cybersecurity contractors	Unknown

EXHIBIT B

Automatic reply: Question about my HR docs

Inbox ×

CFPBHROps <CFPBHROps@fiscal.treasury.gov> Wed, Feb 19, 12:30 PM (8 days ago)

to me

We are working diligently with the agency during this transition to provide necessary documents related to your recent or impending separation.

Please provide a personal email address and updated mailing address to ensure timely and effective communications.

All separated employees will be receiving a copy of their SF-50, Notice of Personnel Action, as well as a separation packet with information regarding unemployment, benefits and lump sum annual leave payment, if applicable.

Employees will have a 31-day extension of their health insurance from the date of separation provided by your health insurance carrier at no cost to you. Dental and Vision benefits will terminate upon the date of separation.

Thank you for your patience.

Reply Forward

EXHIBIT A

Mass Cancellation of CFPB Cyber Security Contracts

Prepared 2/27/25

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Thank you for your patience.

Reply Forward

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES' UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

DECLARATION OF JULIA BARNARD

I, Julia Barnard, declare as follows:

1. I have served at the Consumer Financial Protection Bureau as the agency's designated Student Loan Ombudsman since 2024 and as a Markets & Policy Fellow since 2022.

2. Starting in February 2022 and until February 13th, 2025, when my contract was abruptly terminated, I was employed by the CFPB as a Markets & Policy Fellow. The termination notice that I received, from Chief Operating Officer Adam Martinez, said that my employment was "terminated effective at the close of business on February 13, 2025, due to Executive Order Implementing The President's 'Department of Government Efficiency' Workforce Optimization Initiative - The White House dated February 11, 2025." No other reason was provided.

3. Separately, I was also designated as the Student Loan Ombudsman of the CFPB by Janet Yellen in her capacity as the Secretary of the U.S. Treasury on February 12, 2024. I have not received notice that the current Secretary of the Treasury, Scott Bessent, has de-designated me or made any another designation.[1] There was no reference to this designation in my termination notice

[1] *See* 12 U.S.C. § 5535 (providing that the Ombudsman is designated by the Secretary of the Treasury, in consultation with the Director of the CFPB).

or in any other communications that I have received. For that reason, it is not entirely clear to me whether I have been formally removed as the Student Loan Ombudsman. Regardless, as a practical matter, I have been unable to carry out any of the statutory duties of the Student Loan Ombudsman since my termination, and no other person has been designated to perform those duties.

4. In my role as the Student Loan Ombudsman, I worked with only one other colleague to fulfill the statutory requirements of the position. There were other colleagues who, on an ad hoc basis, helped review and analyze complaints, reached out to borrowers and financial companies to resolve complaints through case work, and built processes to scale our work. Myself, my colleague, and the colleagues on the ad hoc team who had recently been involved with the complaint review and case work functions were terminated on February 13, 2025.

5. In my role as the Student Loan Ombudsman, I was responsible for providing timely assistance to borrowers of both private and federal education loans. The Consumer Financial Protection Act specifies that the Student Loan Ombudsman shall "resolve complaints in collaboration with the Department of Education" and "ensure coordination in providing assistance to and serving borrowers seeking to resolve complaints related to their private education or Federal student loans."[2] Because of this responsibility, I met regularly with senior staff at the Department of Education including the Student Loan Ombudsman and their staff at the Office of Federal Student Aid. In fact, all prior Ombudsmen serving during the Obama, Trump, and Biden Administrations dealt with federal student loan issues regularly.[3] The contrary suggestion in the defendants' opposition to the motion for preliminary injunction (ECF 31 at 23)—that the

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[2] 12 U.S.C. § 5535.

[3] *See, e.g.,* Consumer Financial Protection Bureau, (Nov. 2024), *Annual Report of the Student Loan Ombudsman*, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf at 38 (establishing recurring patterns in prior annual reports related to federal student loans).

Ombudsman only assists works on private student loans—thus reflects an elementary misunderstanding about the functions of the position.

6. To select which of the thousands of complaints we received each year to address through case work, my team and I read thousands of complaints each month, sorted complaints by issue type, and read through company complaint responses. The complaints that we selected for case work were those that received a response that we found to be incomplete, inaccurate, or missing entirely—and that we felt were actionable—meaning that we felt that an intervention from us could actually help the borrower resolve their problem. In many instances, we were successful in resolving borrower complaints using this process.[4]

7. For example, we were in the middle of a project that included review and case work of approximately 900 complaints related to the cancellation of private student loans based on school misconduct.[5] For several weeks, I had been communicating directly with private student lenders to inquire about the status of borrowers' private loans that were likely eligible for discharge. In some cases, this outreach resulted in the cancellation of borrowers' loans and, in other cases, we were engaged in conversation with the lenders to work towards an informal resolution, as is required by the statute.[6] That work has now been suspended.

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[4] Consumer Financial Protection Bureau, (Nov. 2024), *Annual Report of the Student Loan Ombudsman*, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdfhttps://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf at 57 ("The Student Loan Ombudsman's Office worked directly with colleges and schools to resolve transcript withholding complaints. Several colleges released transcripts after being contacted directly by the Student Loan Ombudsman, enabling borrowers to apply to jobs or other programs. One borrower who received their transcript with help from the Ombudsman's Office said: '[I] cried [when the transcript was released], it was as if it was a hold on my life, over the years I became desperate for an education.... I am still in disbelief.'")

[5] *Id*, at 53.

[6] 12 U.S.C. § 5535(c)(1).

8. In fact, we were in the middle of making our process more efficient and increasing our case load. During the week of February 10th, we were in the process of identifying hundreds of borrowers with private and federal loans to assist through case work but were unable to continue this work after the directive on February 10th and our terminations on February 13th.

9. The responsibility to provide timely assistance to borrowers is why I was working with Pastor Eva Steege and many other borrowers to help them seek relief or navigate repayment related to federal and private student loans. Her story is one of many similar stories, and the systemic failure that has led to this tragic outcome for her family continues to impact millions of other borrowers.[7]

10. The Department of Education and its subcontractors have not provided adequate assistance to many borrowers like Pastor Steege.[8] I submitted my annual report to Congress last November and reported that student loan servicers routinely make blunders, oversights, and errors that harm millions of borrowers and likely cost them millions of dollars. Borrowers told us through their complaints that these servicing errors were enormously consequential. They reported that servicing issues made them late on rent, miss their car payments, lose eligibility for mortgages and homeownership, forego saving for retirement, change employment, and even put some borrowers at risk of homelessness.[9] Borrowers also reported substantial emotional distress and described the

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[7] Consumer Financial Protection Bureau, (Nov. 2024), *Annual Report of the Student Loan Ombudsman*, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdfhttps://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.
[8] *Id.*
[9] *Id*, at 4-5.

student loan experience as a "nightmare," told us that they felt "hopeless and taken advantage of," and were trapped in a "death loop to nowhere."[10]

11. Many of the issues that borrowers like Pastor Steege face related to federal student loans are, in fact, related to the acts and practices of private student loan servicing companies. One such company, Navient, was recently banned from student loan servicing by the CFPB due to past misconduct.[11] Other student loan servicers are subject to ongoing supervision by the CFPB,[12] and their practices related to long call hold times and extended delays were recently described as unfair, deceptive, and abusive by the CFPB's Office of Supervision.[13] Similarly, the Office of Supervision also identified several unfair and deceptive acts and practices related to the administration of the Public Service Loan Forgiveness program.[14]

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[10] Consumer Financial Protection Bureau, (Nov. 2024), *Annual Report of the Student Loan Ombudsman*, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdfhttps://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf at 5.

[11] Consumer Financial Protection Bureau, (Sep. 2024), *CFPB Bans Navient from Federal Student Loan Servicing and Orders the Company to Pay $120 Million for Wide-Ranging Student Lending Failures*, https://www.consumerfinance.gov/about-us/newsroom/cfpb-bans-navient-from-federal-student-loan-servicing-and-orders-the-company-to-pay-120-million-for-wide-ranging-student-lending-failures/.

[12] *See, e.g.,* Consumer Financial Protection Bureau, (Jan. 2024), *Issue Spotlight: Federal Student Loan Return to Repayment*, https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-federal-student-loan-return-to-repayment/ ("The Consumer Financial Protection Act directs the CFPB to conduct risk-based supervision that considers the dangers to consumers created by the provision of consumer financial products or services and focuses resources toward areas with greater risk. The CFPB determined that the return to repayment of federally owned student loans presents significant consumer risks and initiated its supervisory response due to the number of impacted consumers [over 28 million], consumer complaints and other field market intelligence, and the history of compliance issues by student loan servicers.").

[13] Consumer Financial Protection Bureau, (Dec. 2024), *Supervisory Highlights: Special Edition Student Lending (Issue 36)*, https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights-special-ed-student-lending-issue-36-winter_2024-12.pdf at 16-20.

[14] Consumer Financial Protection Bureau, (Jun. 2021), *Supervisory Highlights* (Issue 24), https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-24_2021-06.pdf at 34-37.

12. It is my understanding that Pastor Steege had reached out to her student loan servicer and the Office of Federal Student Aid for help but, like many other borrowers, was experiencing long delays and was unable to understand the guidance provided.[15] It is my belief that, without urgent escalation and cooperation between the parties involved in the administration of the federal student loan system, Pastor Steege's family will be forced to pursue a death discharge after her death and will lose the opportunity to receive over $15,000 in refunds of overpayments. This causes harm of a very significant magnitude to one family. Still, it is only one example in a much larger group of borrowers who have served the public faithfully for decades but are unable to actually achieve Public Service Loan Forgiveness due to the complex program requirements and program and servicer failures that result in "doom loops" where many borrowers are unable to get useful information or navigate the program despite their best efforts.[16]

13. After receiving guidance on February 8th, 2025 from Acting Director Vought specifying that work should cease "unless expressly…required by law," I determined that my work could proceed because it was expressly required by law.

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[15] Consumer Financial Protection Bureau, (Nov. 2024), *Annual Report of the Student Loan Ombudsman*, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdfhttps://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf; *See also* Consumer Financial Protection Bureau, (Sep. 2022), *Supervisory Highlights: Student Loan Servicing Special Edition*, https://files.consumerfinance.gov/f/documents/cfpb_student-loan-servicing-supervisory-highlights-special-edition_report_2022-09.pdf at 19 (explaining the CFPB's recent determination that excessive PSLF processing delays can be unfair and cause harm to borrowers).

[16] Consumer Financial Protection Bureau, (Nov. 2024), *Annual Report of the Student Loan Ombudsman*, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdfhttps://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf at 15-18 (Outlining common problems faced by borrowers related to PSLF) and 32 (explaining that the term "doom loop" describes the common experience where automated or otherwise insufficient servicer responses fail to resolve a customer's issue and instead lead them in continuous loops of repetitive, unhelpful jargon or legalese, which can leave borrowers unable to access their basic financial information and increase their frustration.)

14. However, after receiving additional guidance from Acting Director Vought two days later, on February 10th, specifying that all employees should "stand down from performing *any* work task"—this time without any mention of an exception for statutorily-required activities—we cancelled our meeting with Pastor Steege and other upcoming meetings. I did not seek approval on any urgent matters on February 10th prior to being terminated on February 13th because the prior carve-out for statutorily required work had been clearly rescinded. Like many of my colleagues,[17] I was unsure whether requesting an exception or compiling information to explain my in-process work would themselves be violations of the order.

15. It is unclear to me how the CFPB could currently be capable of performing these statutory duties, as Mr. Martinez claims in his declaration. I cannot imagine how all of this work could be continuing if the Student Loan Ombudsman position is vacant (or if I am currently serving in the position without pay and without the ability to use email, the files we were using to organize our work, the internal complaint database) and if employees, including the Student Loan Ombudsman, are unable to perform work tasks.

16. The Consumer Complaint system cannot replace the work of a dedicated team of experts focused on resolving borrowers' problems. Mr. Martinez's declaration states that, in the absence of a Student Loan Ombudsman, borrowers can still seek relief through the Consumer Complaint system. In fact, our case work process was built on a review of those complaints and

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[17] Cowley, S., (Feb. 10, 2025), "Confusion Reigns as 'a Wrecking Ball' Hits the Consumer Bureau," *The New York Times*, https://www.nytimes.com/2025/02/10/business/cfpb-shutdown-confusion.html ("[E]mployees spent Monday[, February 10th,] in a state of deep confusion about what they should - or should not - be doing.… Could they talk to one another on the bureau's Microsoft Teams messaging system? Could they read their email, or would that be a violation of the stop-work command?.... No answers were forthcoming, said several agency employees…. Department leaders were left to field questions from alarmed employees without any guidance from their new bosses on what to say.").

the associated company responses.[18] The cases that were resolved through that system were not the cases we were involved with, so this process is not a substitute for our escalated case work process. Furthermore, it is my understanding that my colleagues, including those in Consumer Response, are not able to perform work tasks and, thus, the complaint process is significantly degraded. Indeed, an early analysis of publicly available information indicates that thousands of consumer complaints are not being processed.[19]

17. The defendants' opposition to the motion for preliminary injunction (ECF 31 at 23 n.6) reflects yet another elementary misunderstanding of the Bureau's operations when it suggests that the CFPB's general Ombudsman's Office could somehow provide assistance to consumers like Pastor Steege. That office is entirely distinct from, and is no way a replacement for, a team of issue experts focused on consumer redress. To be clear, I did not have any affiliation with that Office or with the staff located there. In fact, the CFPB's website explicitly states that the general Ombudsman's Office does "**not assist in resolving issues as between consumers and financial entities"** (emphasis added).[20] Rather, the Ombudsman's Office "review[s] whether the CFPB is

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[18] We also regularly monitored complaint responses by student loan servicers and lenders to ensure student loan lenders and servicers were providing timely, accurate, and complete responses. To my knowledge, this function is now suspended.

[19] Minority Staff of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, (Feb. 2025), *Left in Limbo: How President Trump's Efforts to Dismantle the Consumer Financial Protection Bureau Force Consumers to Face Corporate Greed Alone*, https://www.banking.senate.gov/imo/media/doc/left_in_limbo_how_president_trumps_efforts_to_dismantle_the_consumer__financial_protection_bureau_force_consumers_to_face_corporate_greed_alone.pdf ("Analysis of the Consumer Complaint Database in recent days suggests that the agency is uploading an average of just 2,234 of the complaints it receives each day to the Database. Furthermore, the Database shows the agency submitting an average of just 2,067 complaints per day to companies. This represents an 80 percent reduction in complaints submitted to companies.").

[20] Consumer Financial Protection Bureau, *CFPB Ombudsman Frequently Asked Questions Webpage*, (accessed Feb. 26, 2025), https://www.consumerfinance.gov/cfpb-ombudsman/ombudsman-faqs/.

following its own processes and procedures."[21] By contrast, in my capacity as the Student Loan Ombudsman, I was seeking to substantively resolve consumer complaints.[22]

18. Furthermore, I have been developing my own knowledge of the student loan system for over a decade and do not believe that this critical role can be performed by someone with little or no prior knowledge of our notoriously complicated student loan system. Even more and especially without the benefit of an orderly transition and in a situation where the staff members previously engaged in the work were suddenly terminated.

19. Finally, the Student Loan Ombudsman is meant to do more than resolve consumer complaints. The case work and analyses are meant to power insights, improve the case work process, develop policy recommendations, identify illegal conduct, and ultimately to improve the broader student loan system. For example, prior to my termination, I was working with my colleagues on non-public law enforcement matters and was meeting regularly with the state-based Student Loan Ombudsmen to help share knowledge, provide technical assistance, and increase collaboration. The Student Loan Ombudsman is also statutorily required to prepare an annual report.[23] Neither the Martinez declaration nor the defendants' opposition to the preliminary injunction motion explain how they contemplate the continuation of these statutorily required functions.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed on February 26, 2025

Julia Barnard

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[21] Consumer Financial Protection Bureau, *CFPB Ombudsman Frequently Asked Questions Webpage*, (accessed Feb. 26, 2025), https://www.consumerfinance.gov/cfpb-ombudsman/ombudsman-faqs/.

[22] 12 U.S.C. §5535.

[23] 12 U.S.C. §5535.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

DECLARATION OF LORELEI SALAS

I, Lorelei Salas, declare:

1. I served as the Supervision Director at the Consumer Financial Protection Bureau from November 8, 2021 to February 11, 2025. I am preparing this declaration to inform this Court about the irreversible and lasting effects of the unprecedented decision to halt all of the Bureau's statutorily required supervision activity.

2. As the Supervision Director, I was the senior executive responsible for management of the Bureau's 550-person Supervision Division. Until its operations came to abrupt and complete halt as a result of Mr. Vought's February 8, 2025 stop-work order, the Supervision Division conducted supervisory activities for the purposes of assessing compliance with Federal consumer financial law, obtaining information about a supervised institution's activities and compliance systems and procedures, and detecting and assessing risks to consumers and to markets for consumer financial products and services.

3. In the most recent two years, the Supervision Division advised banks and mortgage companies to refund more than $350 million dollars that were charged in illegal junk fees to people's accounts. This is just one example of the far-reaching impact of the Bureau's supervisory

activities. We discuss our findings in an anonymized manner in *Supervisory Highlights* editions that are published periodically and that bring transparency to the consumer financial markets over which we have oversight. So, in addition to the millions of consumers we have touched directly via our examinations, millions more benefit from our work when market participants make changes to their practices because we have called out unlawful and unfair practices in our guidance. The supervision staff work behind the scenes to protect the financial lives and futures of all American families, but most people will never know that we were behind the unsolicited refund that they received by mail from their mortgage company, or the credit that was made to their account that they did not ask for. Neither the companies we supervise, nor the Bureau, discuss publicly who is under supervision, but that critical work is happening every day—or at least it was, until now.

4. Under the Consumer Financial Protection Act, enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Bureau has the exclusive authority to conduct examinations and other supervisory activities for compliance with Federal consumer financial laws for insured depository institutions with over $10 billion in assets and is the only federal agency with supervisory authority over certain non-bank entities—such as debt collectors and payday lenders—that provide consumer financial products and services. These supervisory activities are required under the CFPA and are critical to carrying out Congress's intent.

5. On February 8, 2025, the Bureau's Supervision staff received a stop-work order that remains in effect.

6. In direct response to this order, the Supervision staff immediately halted all supervision-related activity.

7. While I was Supervision Director under Acting Director Russell Vought, all Supervision activity had come to a complete and indefinite stop. I am reliably informed by current Supervision staff and by public reporting that this continues to be true.

8. The Supervision Division has the smallest examination workforce of all the Federal bank regulators. Every year, the Division conducts a risk assessment and planning process to determine which entities to prioritize for examination. Supervision examiners require specialized training and certification, making it difficult to hire and replace qualified staff. Before February 8, the Supervision Division was already short staffed and we were in the process of training a dozen new examiners. These examiners, along with a number of attorneys and analysts that support the examinations, were included on the list of probationary employees that were terminated from the Bureau en masse.

9. The stoppage of supervision that is occurring now is causing irreversible harm. Because there is a limited team of examiners, halting the training and work of new people and firing or halting the work of experienced people will have lasting ripple effects. Even if activities resume, it will take a long time to even have the necessary complement of trained examiners at all. Moreover, in the interim, while supervision is stopped, society is not catching predatory, fraudulent, or otherwise illegal practices. And once it restarts, if it does, the Bureau cannot possibly examine all of the institutions that would have been examined in the interim along with whatever other institutions would be examined ordinarily upon restarting. There just aren't enough examiners in the workforce for that to be feasible. And so consumers will be at much higher risk of losing money from their bank accounts in the form of junk overdraft fees, simply because their banks use complex payment ordering processes that make it impossible to track one's expenses. They will be more vulnerable to the deceptive and unfair practices we have uncovered in

companies that advertise "no fee" loans but are actually extracting money from consumers via the use of dark patterns and other deceptive tactics. Student borrowers will be subjected to poor servicing of their loans and will be sold repayment plans that take away their basic rights. Car owners and home owners will be at the mercy of lenders that underinvest in their compliance operations and lack well trained staff who can answer questions and update their accounts promptly. Service members and their families will be more likely to be targeted with predatory loan products that exceed the interest rate capped by law. When the Bureau is functioning, the supervision staff is constantly monitoring risks to consumer and enforcing key laws that protect consumers' most precious assets and that bring financial safety to the marketplace. These laws and regulations include the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act, the Truth in Lending Act, the Electronic Fund Transfer Act, the Fair Credit Reporting Act, among others, and the prohibition on Unfair, Deceptive, or Abusive Acts or Practices.

9. As of late January 2025, there were a half-dozen exams about to kick-off where the Bureau was working in close partnership with state regulators. These coordinated exams promote efficiency and reduce the burden on entities that are under supervision by both the Bureau and the states. Exams covered mortgage lenders, auto finance companies, and debt collection agencies, among other important markets where the data shows risks to consumers are high. There were another six or more exams planned for the second half of 2025. Now all those examinations are suspended and state partners likely cannot get in touch with the examiners scheduled to work with them.

10. I have also learned that the Bureau is planning to cancel the credit cards for all of the examiners within the Bureau. Some examiners report that their available credit was recently lowered to $1 and it was later restored. An examiner's role is to travel to various financial

institutions to perform supervisory duties; examiners cannot do their jobs if they do not have the means to book travel and in fact canceling an examiner's credit card is generally quickly followed by their termination.

11. The complete and unprecedented shutdown of the Supervision Division will result in incalculable and irreparable injury to consumers, organizations that serve consumers, state and local governments, and other Bureau stakeholders. As mandated by statute, the Supervision Division identifies and addresses consumer harm through the supervisory process and acts to prevent such harm before it happens. When the Bureau staff were issued the stop-work order on February 8, there were dozens of exams taking place across the country. Examiners were looking into companies that offer medical credit cards. They were scrutinizing new types of lenders such as Buy Now Pay Later companies and payroll advance companies. They were reviewing new credit decisioning models that use artificial intelligence to process credit card applications. They were responding to the millions of complaints from consumers that pointed to errors in their credit reports. None of that important work is happening right now and consumers are at higher risk of losing their homes, their cars, and their savings because the one agency whose job is to protect all American consumers has been shut down.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed in New York, NY
February 27, 2025

*_/s/ Lorelei Salas_*
Lorelei Salas

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES' UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

SECOND DECLARATION OF ERIC HALPERIN

I, Eric Halperin, declare:

1. I served as the Enforcement Director of the Consumer Financial Protection Bureau from October 24, 2021 to February 11, 2025. As the Enforcement Director, I was the senior executive responsible for management of the Bureau's Enforcement Division. This declaration supplements my February 13, 2025 declaration. ECF 14-9.

2. The enforcement of Federal consumer financial law is a primary function of the Consumer Financial Protection Bureau mandated by the Dodd-Frank Act, which was passed in the wake of the 2008 financial crisis and Great Recession.

3. Before the creation of the CFPB, consumer financial protection had not been the primary focus of any federal agency, and no agency had effective tools to set the rules for and oversee the entire market for consumer financial products and services. The Dodd-Frank Act consolidated consumer financial protection authorities that had existed across several different federal agencies and centralized them in the CFPB. Congress also provided by law that the CFPB is the primary enforcer of the more than a dozen Federal consumer financial laws with respect to many non-depository financial institutions and is the primary enforcer of the Federal consumer

financial laws with respect to all very large banks, savings associations, and credit unions. See 12 U.S.C. § 5515(c); see also 12 U.S.C. § 5481(12), (14). Section 1031 of the Dodd Frank Act prohibits entities under the CFPB's jurisdiction from engaging in abusive acts and practices and granted the CFPB the authority to bring enforcement actions to prevent and stop this conduct. The CFPB is the primary enforcer of this prohibition for very large financial institutions, and for thousands of non-bank consumer financial service providers, no other federal agency possesses this authority.

4. The Act further requires the CFPB to enforce Federal consumer financial law consistently as it applies to depository entities and non-depository entities—or, in common parlance, banks and "non-banks" such as payday lenders, auto title lenders, debt collectors, digital payment platforms, and consumer reporting agencies. The CFPB is the only federal financial regulatory enforcement agency with broad jurisdiction over both banks and non-banks. Moreover, a significant number of non-banks are not subject to the CFPB's supervisory jurisdiction but *are* subject to the CFPB's enforcement authority.

5. The dismantling of the CFPB's enforcement function thus means that there is a large gaping hole in the legal regime mandated by Congress. The federal government's capacity to enforce more than a dozen Federal consumer financial protection laws against both banks and non-banks will be completely eviscerated—leaving regulatory oversight of the financial sector even weaker than it was before the financial crisis.

6. While many enforcement matters arise through CFPB's ongoing supervision, most of Enforcement's investigations, especially of non-banks and service providers to financial institutions, arise through other sources—consumer complaints, referrals, whistleblower tips, and

the CFPB's other market risk monitoring tools. The Enforcement Division evaluates this information and determines if enforcement action is warranted.

7. Enforcement actions, whether they originate from the CFPB's supervision process or otherwise, require significant resources to take appropriate actions to address violations of Federal consumer financial protection laws, including securing relief for consumers who have been harmed by entities that have broken the law. Over the last thirteen years of the CFPB's existence it has returned nearly $21 billion to consumers as a result of enforcement actions. In recent years, the market for consumer financial products and services has grown explosively, particularly in the non-bank sector. This growth has underlined the need for an Enforcement Division with the capacity to conduct ever-more-complex investigations and litigations.

8. Over the last two years, to address this need, the Enforcement Division hired additional highly qualified attorneys, data analysts, technologists, investigators, and legal support specialists. The CFPB expended significant time and resources in hiring and training to fill these specialized roles.

9. During the week of February 10th, many of these staffers were terminated en masse by Acting Director Russell Vought when he terminated staff who were on probation or who were hired to serve for a fixed term of years.

10. Firing Enforcement staff hired to meet the need to respond to the rapidly evolving marketplace for consumer financial products and services will have a serious adverse impact on the CFPB's ability to enforce Federal consumer financial law.

11. My understanding is that the Acting Director may dismiss all or almost all the Enforcement staff. If that unprecedented event should occur, it would cause irreparable harm. The CFPB's capacity to enforce the Federal consumer financial laws cannot be recreated or rebuilt

quickly. Even if staff were ultimately rehired much of the capacity and expertise would be lost permanently. When there is no enforcement of the law, there will be no recourse or remedies for consumers that are injured and there will be less incentive for companies to comply with the law, harming law-abiding companies and consumers.

12. The Enforcement Division has already been directed to stop performing all work tasks, with, apparently, the sole exception of dismissing enforcement actions that are currently being litigated. Stopping all work tasks would likely stop payment of redress to consumers in some cases where entities have been ordered to make payments to consumers since Enforcement staff must review redress plans submitted by the entity and those plans must be approved by the Enforcement Director.

13. It has also been publicly reported that the CFPB has cancelled all contracts with all expert witnesses in *all* existing enforcement litigation. See Evan Weinberger, *CFPB Nixes All Expert Witness Contracts in Enforcement Halt*, Bloomberg Law, https://news.bloomberglaw.com/banking-law/cfpb-nixes-all-expert-witness-contracts-in-enforcement-shutdown, Feb. 13, 2025. A mass cancellation of expert contracts makes it impossible for the CFPB to successfully prosecute its claims in many cases.

14. The CFPB has additionally mass cancelled contracts for services that provide litigation support and management. *See* https://doge.gov/savings. In a typical investigation or litigation, the CFPB collects a large volume of information and data, including confidential business information and, when necessary, consumers' personal identifiable information. Without critical services to manage that data, it would be impossible to effectively conduct investigations, or meet the CFPB's discovery obligations in litigation.

15. As of February 27, 2025, the Acting Director of the CFPB has voluntarily dismissed, with prejudice, six active litigations that the CFPB was prosecuting in federal court. Before this, the CFPB had voluntarily dismissed only one case in its entirety without relief to consumers in the previous 13 years of its existence, which spanned three presidential administrations (Obama, Trump, and Biden). And that case was dismissed without prejudice.

16. The cases dismissed by the CFPB sought relief on behalf of students who were subject to illegal collections on loans that had been discharged in bankruptcy; borrowers who were deceived about the true cost of loans made on a peer-to-peer nonbank lending platform; people shopping for a mortgage loan that were victims of an illegal scheme to steer them to a specific lender; manufactured home buyers who were set up to fail with unaffordable loans; struggling customers of small dollar loans who were induced into a fee-harvesting and loan-churning scheme; and consumers who were deceived about their personal savings accounts. The CFPB's complaints had alleged that consumers in these cases experienced billions of dollars of harm.

17. Should the Acting Director continue to voluntarily dismiss the active cases currently being litigated by the CFPB, millions of consumers injured by banks and non-banks will not receive a remedy for harm that they have suffered. This includes servicemembers and their families who were charged illegal interest rates by their lenders; disabled and older Americans who receive Social Security, and coal miners with black lung disease who receive federal benefits; delivery drivers who were forced to open high-cost deposit accounts in order to receive their pay; students who were subjected to illegal debt collection practices; people attempting to correct errors on their credit reports; and the hundreds of thousands of consumers who experienced fraud on the peer-to-peer payment network operated by the nation's largest banks.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed in Washington, DC
February 27, 2025

/s/ Eric Halperin
Eric Halperin

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

DECLARATION OF SETH FROTMAN

I, Seth Frotman, declare:

1. I served as General Counsel and Senior Advisor to the Director of the Consumer Financial Protection Bureau from 2021 through Friday, February 7, 2025. In those capacities, I was the chief legal officer of the CFPB and was also extensively involved in the day-to-day management of the agency, including by sitting on many senior leadership committees devoted to agency administration. I also previously served at the CFPB from 2015 to 2018 as the Student Loan Ombudsman and Assistant Director for the Office of Students and from 2011 to 2015 in the Office of Servicemember Affairs.

2. I have reviewed the filings in this case, including the defendants' opposition to the preliminary-injunction motion, ECF 31, and the declaration attached to that opposition. I am preparing this declaration to address statements or implications in those two documents that are, to the best of my knowledge, either inaccurate or misleading, or both.

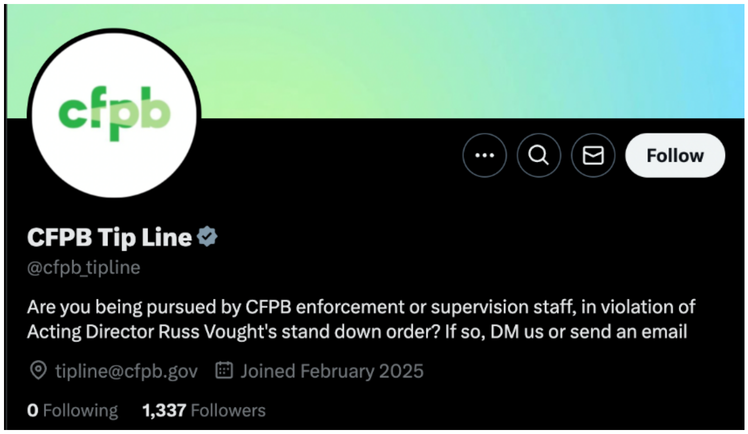
3. In my role as General Counsel and Senior Advisor to the Director, I communicated frequently with members of the CFPB Legal Division's senior leadership team; senior management and staff in all CFPB departments, including specifically the CFPB's Offices of

Operations, Information & Technology, and Human Capital (*i.e.,* human resources); the CFPB's Deputy Director; and eventually with staff at the Department of Treasury operating on behalf of then-Acting CFPB Director Secretary Scott Bessent.

4. It is my understanding—based on firsthand accounts from within the Bureau, screen shots of emails sent within the Bureau that have been published, and public news reports—that CFPB employees were directed "not [to] perform any work tasks," with no reference to performing duties required by law, at the beginning of the first business day (February 10, 2025) following my last day as General Counsel (February 7, 2025) and have been directed to adhere to that directive since that time. I also reviewed public statements from President Trump later in the day on February 10 indicating that the CFPB "was a very important thing to get rid of." *See* CNN, *Trump confirms goal to "totally eliminate" the Consumer Financial Protection Bureau* (Feb. 10, 2025).[1] These facts are inconsistent with the picture painted in the defendants' opposition memorandum.

5. I have also reviewed public statements from Acting CFPB Director Russel Vought specifically instructing CFPB employees not to perform statutorily mandated duties. For example, I have observed an X (formerly Twitter) account named "CFPB Tip Line," with markings indicating a confirmed government-affiliated account, that included the following text: "Are you being pursued by CFPB enforcement or supervision staff, in violation of Acting Director Russ Vought's stand down order? If so, DM us or send an email."

[1] https://www.cnn.com/politics/live-news/trump-doge-presidency-news-02-10-25/index.html



6. This "CFPB Tip Line" raises a number of significant legal issues. First, enforcement and supervision are both core activities that Congress has required the agency, by statute, to perform. Second, the establishment of this unusual "Tip Line" is inconsistent with the notion that Mr. Vought's "stand down order" is some kind of ordinary, transitional "pause" of the kind portrayed in the defendants' opposition and accompanying declaration. Instead, it suggests an unprecedented campaign to frighten Bureau employees out of performing their statutory duties—clearly confirming that the "stand down order" applies to all activities of "CFPB enforcement or supervision staff," with no mention of activities required by law. Indeed, I served at the CFPB during the previous leadership transition to Acting Director Mick Mulvaney, and nothing remotely similar occurred at that time. Third, this bizarre project has Mr. Vought's direct approval—I reviewed a message from Vought himself on X (Twitter) confirming his personal involvement in this "tip line." *See* American Bankers Association (ABA) Banking Journal, *CFPB launches 'tip line' to report on bureau employees* (Feb 20, 2025).[2]

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[2] https://bankingjournal.aba.com/2025/02/cfpb-launches-tip-line-to-report-on-bureau-employees/

Indiscriminate Leave or Terminations of CFPB Employees, Contractors, or Contracts Would Result in the CFPB Failing to Meet Its Legal Obligations

7. In Title X of the Dodd-Frank Act, Congress imposed a number of specific legal requirements on the CFPB, including with respect to administration and management of the agency, as well as obligations to maintain certain departments and perform certain functions. As a federal government agency, the CFPB is also subject to many other statutory requirements and legal obligations, including, *e.g.,* records retention requirements under the Federal Records Act, disclosure requirements under the Freedom of Information Act, cybersecurity obligations pursuant to the Federal Information Security Management Act and other statutes, and requirements related to the protection of confidential and personally identifiable information under the Privacy Act, the Trade Secrets Act, and CFPB regulations, 12 C.F.R. Subpart D. The CFPB is also subject to obligations arising from judicial proceedings, such as active litigation holds. Some of these requirements have criminal liability for noncompliance.

8. In my role as General Counsel and Senior Advisor to the CFPB Director, I was extensively involved with the staffing and management of the agency. Specifically, I served on nearly every committee of agency senior leadership dedicated to agency staffing during my tenure. I also was extensively involved with agency budgeting, contracting, and related decisions.

9. In my extensive experience with management of the CFPB as well as my familiarity with the agency's legal obligations as General Counsel, the CFPB relies on a combination of employees, contractors, and contracts to meet its legal obligations.

10. Based on my extensive experience with management of the CFPB as well as my familiarity with the agency's legal obligations, the agency cannot possibly be meeting its legal obligations if employees and contractors are not "perform[ing] any work tasks," nor could the

agency do so if the vast majority of its employees were indiscriminately put on leave or terminated. To give just some of the many available examples:

11. ***Exclusive Federal Examiner and Primary Enforcer:*** As of my departure, a very significant portion of the CFPB's staff—in the range of 500 employees, *i.e.*, 30-40% of all employees—was dedicated to examination activity, which Congress required the CFPB by law to conduct. *See, e.g.,* 12 U.S.C. § 5514(b)(1) ("The Bureau shall require reports and conduct examinations on a periodic basis of [nondepository covered persons] . . . .").

12. As of my departure, a significant portion of the CFPB's staff—in the range of 200 employees, *i.e.*, 10-20% of all employees—was dedicated to enforcement activity, which Congress required the CFPB by law to conduct. *See, e.g.,* 12 U.S.C. § 5511(a)(1) ("The Bureau shall seek to implement and, where applicable, enforce Federal consumer financial law consistently for the purpose of ensuring that all consumers have access to markets for consumer financial products and services and that markets for consumer financial products and services are fair, transparent, and competitive.").

13. Thousands of institutions meet the definition of "nondepository covered persons" that the CFPB is required to "conduct examinations [of] on a periodic basis." 12 U.S.C. § 5514(b)(1). The CFPB is the only federal regulator that can examine many of these nondepository financial institutions, such as credit reporting agencies, debt collectors, and payday lenders.

14. Congress also provided by law that the CFPB is the exclusive federal examiner for consumer financial protection law of all very large banks, savings associations, and credit unions (i.e., insured depository institutions and credit unions with total assets of more than $10 billion and their affiliates). *See* 12 U.S.C. § 5515(a)(1). As of September 2024, there were about 180 very large banks, savings associations, and credit unions meeting these criteria.

15. Congress also provided by law that the CFPB is the primary enforcer of the more than a dozen federal consumer financial laws with respect to many nondepository financial institutions and is the primary enforcer of the federal consumer financial laws with respect to all very large banks, savings associations, and credit unions. *See* 12 U.S.C. § 5515(c); *see also* 12 U.S.C. § 5481(12), (14).

16. CFPB examination staff is responsible for supervising compliance with numerous court and administrative orders. *See, e.g.,* Stipulated Final Judgment and Order, *CFPB v. Navient*, No. 3:17-CV-00101-RDM (M.D. Pa. Sept. 12, 2024) (requiring regular submissions to the CFPB Supervision Director).

17. Based on my extensive experience with management of the CFPB as well as my familiarity with the agency's legal obligations, a work stoppage or indiscriminate mass layoff of the staff dedicated to examination activity would make it impossible to continue to meet the agency's legal obligations with respect to the thousands of institutions that the CFPB, and only the CFPB, examines at the federal level. If the CFPB were to terminate most of its staff, I do not believe the CFPB would be able to meet its legal obligations with respect to examinations and enforcement.

18. Additionally, Acting Director Vought's order "not [to] perform any work tasks" and subsequent creation of the "CFPB Tip Line" to inform on any activity by "CFPB enforcement or supervision staff" is obviously an instruction not to perform the supervision and enforcement activities that Congress required by law. Indeed, I understand from court filings in this case that Acting Director Vought specifically instructed CFPB employees to "[c]ease all supervision and examination activity" and "[n]ot [to] commence, take additional investigative activities related to, or settle enforcement actions." I also understand that the agency has ceased ongoing work on

examinations, has failed to begin exams that were already scheduled, and has fired expert witnesses, missed deadlines, and dropped active enforcement matters.

19. ***Consumer Complaints:*** As of my departure, a very significant portion of the CFPB's staff—more than 100 full-time equivalent employees—was dedicated to the CFPB's statutory obligations with respect to receiving, responding to, and otherwise handling consumer complaints.

20. Congress required the CFPB to establish a unit "to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services." 12 U.S.C. § 5493(b)(3)(A). The CFPB is required by law "to provide a timely response to consumers, in writing where appropriate, to complaints against, or inquiries concerning, a covered person, including– (1) steps that have been taken by the regulator in response to the complaint or inquiry of the consumer. . . ." 12 U.S.C. § 5534(a)(1). The CFPB is also required "to present an annual report to Congress not later than March 31 of each year on the complaints received by the Bureau in the prior year regarding consumer financial products and services" and to "share consumer complaint information with prudential regulators, the Federal Trade Commission, other Federal agencies, and State Agencies." 12 U.S.C. § 5493(b)(3)(C), (D).

21. Congress also put various other legal requirements on the CFPB and other entities with respect to consumer complaints received by the Bureau. *See, e.g.,* 12 U.S.C. § 5493(e)(1)(B) (requiring the CFPB's Office of Service Member Affairs to, among other things, "coordinate with the unit of the Bureau established [by law to receive consumer complaints] in order to monitor complaints by service members and their families and responses to those complaints by the Bureau or other appropriate Federal or State Agency"); 12 U.S.C. § 5535(c)(3) (requiring the CFPB Student Loan Ombudsman to "compile and analyze data on borrower complaints"); 15 U.S.C. §

1681i (requiring preparation of annual report about consumer complaints related to consumer reporting and transmittal of those complaints to consumer reporting agencies, which are required to review them).

22. The number of complaints to the CFPB has grown consistently from year to year. During the period of April 1, 2023, through March 31, 2024, the CFPB received approximately 1.8 million consumer complaints.

23. Based on my extensive experience with management of the CFPB as well as my familiarity with the agency's legal obligations, the agency would need significant staff dedicated to receiving, responding to, and otherwise handling consumer complaints to continue to meet these legal obligations.

24. Indeed, according to press accounts, the CFPB is currently telling consumers that it is not meeting its legal obligations with respect to complaints, such as responding to or otherwise handling complaints that it has received. *See* National Public Radio, *Personal Finance columnist says CFPB is important 'one stop shop' to protect consumers* (Feb. 19, 2025) ("I actually called their hotline and a person did answer. . . . what she told me was that she could still take complaints, but they have stopped action.").[3]

25. ***Student Loan Ombudsman:*** As noted above, I was previously the CFPB's Student Loan Ombudsman—designated, as Congress required by law, by the Secretary of the Treasury, "in consultation with the [CFPB] Director, . . . to provide timely assistance to borrowers of private education loans." 12 U.S.C. § 5535(a). Congress required the CFPB Student Loan Ombudsman by law to perform certain specific duties, including, for example, to "receive, review, and attempt

[3] https://www.npr.org/2025/02/19/nx-s1-5297840/personal-finance-columnist-says-cfpb-is-important-one-stop-shop-to-protect-consumers

to resolve informally complaints from borrowers of loans," to "make appropriate recommendations" to federal government agencies and Congress, and to prepare annual reports. 12 U.S.C. § 5535(c), (d).

26. It is my understanding from her public statements that the current CFPB Student Loan Ombudsman, Julia Barnard, was recently unlawfully terminated and that no replacement has been designated by the Secretary of the Treasury. The statutory duties of the Student Loan Ombudsman are not being fulfilled during a work stoppage or with no one in the position. For instance, borrowers who attempt to contact the CFPB Student Loan Ombudsman will not be able to have her "receive, review, and attempt to resolve informally" such complaints. 12 U.S.C. § 5535(a).

27. ***Regulations:*** One of the core mandates that Congress required of the CFPB is to ensure that consumer financial regulations are not "outdated, unnecessary, or unduly burdensome," 12 U.S.C. § 5511(b)(3), and one of the primary functions of the CFPB is "issuing rules, orders, and guidance implementing Federal consumer financial law," 12 U.S.C. § 5511(c)(5).

28. As part of those obligations, Congress required the CFPB to promulgate a host of regulations. For example, Congress required the CFPB to complete several mortgage-related regulations that the agency finalized shortly after the agency's creation. Congress also required the CFPB to promulgate a small business lending data rule in Section 1071 of the Dodd-Frank Act, and the CFPB completed that rule in recent years under a court order requiring its completion. That rule has not yet gone into effect. Congress also required the CFPB to complete an open banking rule in Section 1033 of the Dodd-Frank Act. The CFPB recently completed that rule, but it has not yet gone into effect. Both of those rules will require ongoing implementation work—to administer the data collection and recognize standard-setting bodies, respectively.

29. Since passage of the Dodd-Frank Act, Congress has assigned additional regulatory tasks to the CFPB as well. For example, Congress recently passed the Financial Data Transparency Act of 2022, which requires the CFPB to conduct multiple rulemakings. The CFPB continues to be legally obligated to perform this important work.

30. The CFPB also has half a dozen open rulemakings. Under the Administrative Procedure Act, the CFPB has a legal obligation to review comments it receives in those rulemakings and complete the rulemaking process for each. And the CFPB has dozens of open rulemaking petitions that the CFPB is legally obligated under the Administrative Procedure Act to respond to.

31. The CFPB has an Office of Regulations and Legal Division that maintain existing regulations that are required by statute to ensure that they do not become outdated over time and that industry has appropriate guidance on how to comply. This is ongoing work under the statutory mandate to perform this function, as well as to maintain the regulations that were created by Congressional separately. For example, the CFPB has to update its regulations to adjust various monetary figures for inflation, based in some cases on specific statutory direction, and in other cases based on regulatory obligations.

32. Based on my extensive experience with management of the CFPB as well as my familiarity with the agency's legal obligations, the agency is not fulfilling its legal obligations with respect to regulations under the work stoppage and would not be able to meet these legal obligations if the defendants were to carry out their planned indiscriminate mass layoff.

33. ***Specific Functional Units***: As of my departure, a significant portion of the CFPB's staff was dedicated to meeting legal obligations of "specific functional units" that Congress required by law to perform certain specific functions. *See generally* 12 U.S.C. § 5493 (mandating

the creation of and specific obligations for Offices of Research; Consumer Complaints; Community Affairs; Fair Lending and Equal Opportunity; Financial Education; Service Member Affairs, and Financial Protection for Older Americans).[4]

34. Based on my extensive experience with management of the CFPB as well as my familiarity with the agency's legal obligations, the agency cannot possibly be meeting the obligations of these units under the current work stoppage, and could not meet the legal obligations of these offices if the defendants were to carry out their planned indiscriminate mass layoff. Further, to the degree that the CFPB has indiscriminately terminated contracts, it raises questions about whether the agency intends to meet other continuous legal obligations in the Dodd-Frank Act, such as to monitor markets, on an ongoing basis.[5]

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[4] *See* 12 U.S.C. § 5493(b)(1) (mandating the creation of the Office of Research, "whose functions shall include researching, analyzing, and reporting on" certain specific topics); *id.* § 5493(b)(2) (mandating the creation of the Office of Community Affairs, "whose functions shall include providing information, guidance, and technical assistance regarding the offering and provision of consumer financial products or services to traditionally underserved consumers and communities"); *id.* § 5493(c) (mandating the creation of the Office of Fair Lending and Equal Opportunity, whose functions must include, among other things, "providing oversight and enforcement of Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit," "working with private industry, fair lending, civil rights, consumer and community advocates on the promotion of fair lending compliance and education," and "providing annual reports to Congress on the efforts of the Bureau to fulfill its fair lending mandate"); *id.* § 5493(d) (mandating the creation of the Office of Financial Education, "which shall be responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions," among other duties); *id.* § 5493(e) (mandating the creation of the Office of Service Member Affairs, "which shall be responsible for developing and implementing initiatives for service members and their families" for various specific purposes); *id.* § 5493(g) (mandating the creation of the Office of Financial Protection for Older Americans, which "shall," among several other things, "coordinate consumer protection efforts of seniors with other Federal agencies and State regulators, as appropriate, to promote consistent, effective, and efficient enforcement" and "work with community organizations, non-profit organizations, and other entities that are involved with educating or assisting seniors").

[5] For example, the law indicates that "[i]n order to support its rulemaking and other functions, the Bureau shall monitor for risks to consumers in the offering or provision of consumer financial products or services, including developments in markets for such products or services."

35. ***Other Legal Obligations:*** Finally, generally stopping work or indiscriminately putting on leave or terminating CFPB employees, contractors, or contracts would be extremely likely to cause the agency to immediately be violating its other legal obligations, including specifically requirements related to active litigation holds, record retention, responding to FOIA requests, requirements related to the protection of trade secrets, personally identifiable information, and confidential supervisory information, and cybersecurity requirements.

36. Indeed, if the CFPB has already indiscriminately terminated CFPB employees, contractors, or contracts, it would be extremely likely that agency leadership has created the potential for widespread exposure of industry trade secrets and confidential supervisory information, as well as consumers' personally identifiable information, in violation of law, among other violations of the agency's legal obligations.

37. The statutory obligations that I have mentioned in this declaration are not exhaustive. Generally speaking, the CFPB's staff is almost entirely oriented towards the statutorily required functions of enforcement, supervision, complaints, financial education, research, market monitoring, regulations (including statutorily required regulations), specific functional units, complying with legal obligations applicable across government agencies, and the basic administrative, management, legal, accounting, and technology staff that is necessary to support the work of those teams. This is not surprising, as these are the "primary functions" Congress provided for in law for the CFPB. *See* 12 U.S.C. § 5511(c).

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12 U.S.C. § 5512(c)(1). The CFPB had various contracts with industry providers to be able to perform this market-monitoring function. I have reviewed public statements from the "Department of Governmental Efficiency" indicating that it has canceled contracts that are crucial to this function, such as the Consumer Credit Information Panel.

Termination of CFPB Probationary Employees Was Considered and Rejected by the Agency

38. As CFPB General Counsel and Senior Advisor to the Director, I was involved in many decisions involving management of CFPB employees.

39. Specifically, with respect to probationary employees, I had primary responsibility for advising CFPB management on agency decisions, where appropriate and at the direction of the CFPB Director, to carry out the U.S. Office of Personnel Management's January 20, 2025 memorandum entitled "Guidance on Probationary Periods, Administrative Leave and Details." In particular, that memorandum directed agencies to (1) "identify all employees on probationary periods, who have served less than a year in a competitive service appointment, or who have served less than two years in an excepted service appointment" and (2) "promptly determine whether those employees should be retained at the agency."

40. At the time of my departure from the agency, the CFPB employed many employees on probationary periods—employees whose appointment "becomes final," 5 U.S.C § 3321(a), only after a period of time that has not yet elapsed. This included both employees in and outside of the CFPB's collective bargaining unit (i.e. eligible to be a member of the CFPB union).

41. In response to OPM's January 20, 2025 guidance, I consulted formally, orally and in writing, with agency leaders about the CFPB's employees on probationary periods, to determine whether those employees were necessary for ensuring compliance with the agency's statutory objectives and whether there were any performance issues with those employees or any other non-political reasons for their termination.

42. Based on those consultations, the CFPB's assessment was that those employees are indeed necessary to support the CFPB's ongoing functioning, including to meet its legal obligations. The agency did not identify any employees on probationary periods with performance

or conduct issues that would have justified their termination. Indeed, in my consultation with agency leadership, not a single reason for terminating any employees on probationary periods was raised from January 20, 2025 through my last day as General Counsel on February 7, 2025.

43. Accordingly, from January 20, 2025 through February 7, 2025, no employees on probationary periods were terminated by the CFPB.

44. *The New York Times* has reported on a memorandum, attributed to me, providing the CFPB's determination about whether employees on probationary periods should be retained at the agency. *See* The New York Times, *Trump Names 2 New Top Financial Regulators* (Feb 11, 2025).[6] The *Times* article indicated that this memorandum by me "to agency leaders" explained the CFPB's reasoned justification for retaining employees on probationary periods, who "helped the bureau obtain more than $30 million in remedies for consumers." Based on my personal knowledge of the facts, I would not dispute the accuracy of these assertions.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed in Washington, DC
February 27, 2025

/s/ Seth Frotman
Seth Frotman

[6] https://www.nytimes.com/2025/02/11/us/politics/trump-financial-regulators-jonathan-mckernan-gould.html

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-0381-ABJ

DECLARATION OF JUANITA WEST-TILLMAN

I, Juanita West-Tillman, declare as follows:

1. I am a member of the National Association for the Advancement of Colored People ("NAACP") and the former Secretary of the Pasadena branch. I am more than 18 years of age and competent to testify about the facts contained in this declaration. The statements made in this declaration are based on my personal knowledge.

2. I live in Altadena, California, which was recently devastated by a fire that destroyed thousands of buildings and took nearly twenty lives. I, and other members of my NAACP branch, lost everything in the Altadena fire, including my house and all my possessions therein.

3. Following the fire, there were numerous financial scams and predatory schemes targeted at fire victims—fraudulent loans, loans with illegal terms, mortgage scams. A multitude of types of financial fraud was, and is, being targeted at people who, like me, have just lost their homes. I had a difficult time determining what assistance was legitimate and what was fraudulent. I know other members of the Altadena Branch of the NAACP who had the same experience.

4. When the Consumer Financial Protection Bureau stopped work in early February 2025, NAACP members were already taking advantage of the Bureau's assistance to help them avoid predatory financial schemes, educate fellow members about them, and provide direct assistance, including connecting us with resources that could help us get back on our feet. I was intending to take advantage of and rely on such assistance. But the CFPB abruptly stopped offering it. Without the CFPB, I and other NAACP members who are victims of the Altadena fire will be unable to recover money lost to financial predators.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 27, 2025, in Los Angeles, CA.

Juanita West-Tillman

Juanita West-Tillman

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

DECLARATION OF CHRISTINA COLL

I, Christina Coll, declare as follows:

1. I am an officer and board member of the CFPB Employee Association. The statements made in this declaration are based on my personal knowledge and information available to me through my duties at the Employee Association.

2. The Employee Association is a membership organization of dedicated public servants committed to advocating for the interests of the Consumer Financial Protection Bureau's mission and employees.[1]

3. Our members are current and former employees of the CFPB, including employees who are not represented by the National Treasury Employees Union. Our non-union members currently include probationary and term employees who were terminated during the week of February 10, 2025, and include current employees who fear losing their jobs as part of a future mass firing.

[1] Paragraph 18 of the Amended Complaint, ECF #7, which describes the Employee Association's mission, inadvertently omits the words "mission and employees."

4. Some Employee Association members supervised probationary and term employees who were fired the week of February 10th. The supervisors did not identify poor performance or misconduct before the firings; to the contrary many of those fired were top performers.

5. The firings of probationary and term employees have harmed the Employee Association's members. Members who were fired lost their income and have lost, or will soon lose, important benefits, such as health insurance. One Employee Association member who was fired as part of the firing of probationary employees, for example, is now unable to pay her mortgage loan. She is also now unable to provide for her two children and so has been relying on food banks to feed her family.

6. Another Employee Association member who was fired as part of the firing of term employees recently learned that she could have a chronic auto-immune condition. At her doctor's recommendation, she was planning to have further testing completed in late March or early April. When she learned of her termination and that she would lose her health insurance in mid-March, she scheduled an ultrasound and a biopsy to be sooner and closer together than recommended by her doctor. She expects that she will lose her CFPB health insurance during the critical stage of setting up a treatment plan with her doctor; if diagnosed, her care could range from prescription medication to an organ transplant.

7. If the CFPB conducts further mass layoffs, Employee Association members who have not yet been fired will face the same harms as those who were already terminated. For example, an Employee Association member who is still employed but is at risk of being terminated has a spouse who has been on full medical leave with an ongoing serious medical condition. This Employee Association member is the insurance provider for the family, and any potential lapse in

coverage would result in the inability to provide necessary medical care for her spouse. Her employment situation is so stressful that she is now suffering from chronic migraines.

The Work Stoppage of the CFPB

8. On February 10th, Acting Director Vought directed all CFPB staff to "not perform any work tasks" unless they received approval in writing from the Chief Legal Officer for an urgent matter. Martinez Decl. Ex. F. Members noticed that Acting Director Vought's February 10th email did not contain an exception for activities required by law. As reported by Banking Dive (bankingdive.com), on February 10th, the Chief Legal Officer emailed the Enforcement Division, directing employees "not make any further communications… to parties that are subject to any pending enforcement matter or prospective enforcement matter without getting my approval in writing," and that "[f]ailure to abide by these instructions constitutes insubordination and we will take appropriate personnel action." Around the same time, members also reported that a "cfpb_tipline" account on X asked people to report work done by CFPB enforcement or supervision staff, and a CFPB spokesperson stated that any employees found to be in violation of the stop-work order "will be dealt with accordingly." To the best of my knowledge, nearly all of the Employee Association's members who are still employed at the CFPB remain on administrative leave.

9. The sudden shutdown of the CFPB's work has harmed the Employee Association's members. Members report that the stop-work order has negatively impacted their ability to comply with professional and ethical obligations. Members report that the totality of the new administration's actions has created an atmosphere of fear and uncertainty about what constitutes a "work task." Members worry that they will be fired for even checking their email to see if there are any new directives.

10. Some of the Employee Association's members have worked at the CFPB through each administration change since the CFPB's inception, and some members have worked at other government agencies through earlier administrative transitions, as well. According to these members, the effect of the stop-work order on the ability of Bureau to perform its statutory functions is unlike anything they have witnessed before in federal service. For example, according to these members, previous transitions did not involve the mass firing of probationary and term employees for reasons unrelated to performance, the placement of nearly all remaining employees on administrative leave, the closure of agency offices, the widespread cancellation of contracts that are necessary to carry out statutory functions, an order to stop all work tasks unless specifically authorized, or the complete or near-complete stoppage of core statutory functions like enforcement and supervision work.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 27, 2025, in El Cerrito, CA.

/s/ *Christina Coll*

Christina Coll

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

DECLARATION OF DEEPAK GUPTA

I, Deepak Gupta, declare:

1. This Court's Order of February 14—which remains in place until the Court decides the motion for a preliminary injunction—provides that the defendants in this case "shall not delete, destroy, remove, or impair any data or other CFPB records," including data on "any database or information system controlled by, or stored on behalf of, the Consumer Financial Protection Bureau," regardless of whether that data is stored "on the CFPB's premises, on physical media, on a cloud server, or otherwise." ECF 19.

2. Earlier this week, the plaintiffs received information from multiple sources that the defendants were rushing to finalize the termination of the vast majority of the contracts that support the CFPB's operations—even instructing contracting officers to disregard normal procedures to meet an accelerated and self-imposed timeline. *See* Charlie Doe Decl. ¶ 11. These contracts were being terminated without any effort to ensure data preservation. *Id.* ¶ 12. If not halted, the plaintiffs were concerned that this would result in the irretrievable loss and impairment of critical CFPB data before the hearing on March 3. *See id.*; Third Meyer Decl. ¶¶ 2–10.

3. In addition, the plaintiffs were concerned that this rush to finalize contract terminations before the March 3 hearing would make it impossible for the Court to award a

preliminary injunction rescinding the contract terminations. That's because once a contract's termination is finalized, that termination cannot be rescinded. Charlie Doe Decl. ¶ 10. The week the plaintiff filed this lawsuit, between February 11 and February 14, 2025, the Bureau sent notices of termination on the vast majority of its contracts, including all contracts related to enforcement, supervision, external affairs, and consumer response—granting contracting officers overtime, while most of the rest of the Bureau was under a stop-work order, to get it done as quickly as possible. *Id.* ¶ 5. Those notices stopped work on the contracts, but further steps are required to fully terminate the contracts. *Id.* ¶¶ 8–9. Until those steps are taken, the termination can be rescinded. *See id.* ¶¶ 9–10. But once that termination is completed, the contract cannot be reinstated; the procurement process must start all over again—a process that can take six months to a year or more. *Id.* ¶ 10. So if the defendants succeeded in finalizing the cancellations before the hearing, this Court could not order that the contracts be reinstated. That would hobble the Bureau in performing its core functions, not just during the pendency this suit, but long thereafter.

4. Immediately upon receiving reliable information that the CFPB was engaging in an effort to finalize contract terminations as quickly as possible, I, along with my colleague Jennifer Bennett, called counsel for the defendants, Brad Rosenberg. We informed Mr. Rosenberg of what we had learned, and asked if the defendants would agree to pause all contract cancellations pending a ruling on the preliminary injunction, to avoid the need for additional emergency litigation before this Court. Mr. Rosenberg agreed to look into the matter.

5. A few hours later, he informed us by phone—with his colleague Liam Holland on the line—that the defendants would agree to pause the cancellations. I suggested that we file a joint stipulation with this Court to amend its February 14, 2025 Order to add our agreed-upon suspension of contract terminations pending the preliminary injunction ruling. He replied that

while the defendants were willing to agree to such a suspension, they were not willing to ask this Court to amend its Order to include that agreement. Because the government's brief was due that day, Mr. Rosenberg requested that we discuss how to memorialize the agreement the following morning.

6. After the call, I documented my understanding of our agreement in an email that I sent to Mr. Rosenberg. A true and correct copy of that email is attached as **Exhibit A.**

7. The following morning, my colleague, Jennifer Bennett, and I, had another call with Mr. Rosenberg and his colleague, Liam Holland, to again discuss how to memorialize the agreement. Mr. Rosenberg reiterated that the defendants would agree to suspend contract terminations, but stated that they would only do so until the March 3 hearing—not until this Court ruled on the preliminary injunction order. And he reiterated that the defendants were unwilling to consent to a request that this Court amend its February 14 Order to include that agreement. In an effort to avoid additional emergency motion practice, the plaintiffs agreed that the defendants could memorialize their agreement in an email and that the suspension would last through the March 3 hearing, when the plaintiffs could raise the issue with the Court.

8. Later that day, Mr. Rosenberg sent me an email "confirm[ing] that, as of yesterday afternoon, [the CFPB] has frozen and will continue to freeze any and all termination actions regarding its contracts, but as we discussed, that freeze will only extend through Monday." He stated, "[o]f course, the parties can raise the issue at Monday's PI hearing, and the court can figure out how to address it from there." Mr. Rosenberg then added a limitation on the defendants' agreement that they had not previously discussed: "Also, and as you may have seen in our opposition brief, CFPB and its landlord may terminate the lease on its headquarters building. It is

far from clear to us that any such termination will happen imminently, but we do not construe the freeze to apply to CFPB's lease." A true and correct copy of this email is attached as **Exhibit B.**

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed in Washington, DC
February 27, 2025

/s/ Deepak Gupta
Deepak Gupta

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL TREASURY EMPLOYEES UNION, *et al.*, *Plaintiffs*, v. RUSSELL VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, *et al.*, *Defendants*.	Case No. 25-cv-381-ABJ

DECLARATION OF ABIGAIL ROSTON AND AIDAN SCIBLE

We, Abigail Roston and Aidan Scible, declare as follows:

1. We are legal assistants at Gupta Wessler. This declaration provides the Court with full copies of public reports about the dismantling of the CFPB from the filing of the complaint through today that are cited in the reply brief.

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The President, Musk, and Vought make statements proclaiming the elimination of the CFPB

2. Russell Vought has previously stated that he wanted "the bureaucrats to be traumatically affected. When they wake up in the morning, we want them to not want to go to work because they are increasingly viewed as the villains…We want to put them in trauma." *See* Molly Redden et al., *"Put Them in Trauma": Inside a Key MAGA Leader's Plans for a New Trump Agenda*, Pro Publica (Oct. 28, 2024), https://perma.cc/6AZS-6LML, attached hereto as **Exhibit A**.

3. Elon Musk posted "Delete CFPB. There are too many duplicative regulatory agencies." *See* @Elonmusk, Twitter (Nov. 27, 2024), https://perma.cc/UR6U-LZ7C, attached hereto as **Exhibit B**.

4. Elon Musk posted "CFPB RIP." *See* @Elonmusk, Twitter (Feb. 7, 2025), https://perma.cc/Q2RX-CHXR, attached hereto as **Exhibit C**.

5. Elon Musk posted "[The CFPB] did above zero good things, but still need to go." *See* @ElonMusk, Twitter (Feb. 7, 2025), https://perma.cc/M8A7-NQK6, attached hereto as **Exhibit D**.

6. Russ Vought posted "Pursuant to the Consumer Financial Protection Act, I have notified the Federal Reserve that CFPB will not be taking its next draw of unappropriated funding because it is not 'reasonably necessary' to carry out its duties. The Bureau's current balance of $711.6 billion is in fact excessive in the current fiscal environment. This spigot, long contributing to CFPB's unaccountability, is now being turned off." *See* @russvought, Twitter (Feb. 8, 2025), https://perma.cc/3BCY-WL8Y, attached hereto as **Exhibit E**.

7. Russ Vought posted "The CFPB has been a woke & weaponized agency against disfavored industries and individuals for a long time. This must end." *See* @russvought, Twitter (Feb. 8, 2025), https://perma.cc/DXX5-TVM8, attached hereto as **Exhibit F**.

8. President Trump confirmed to a reporter that his goal is to "totally eliminate" the CFPB. Referring to the agency in the past tense, President Trump called the CFPB "a very important thing to get rid of, and [the agency] *was* also a waste. I mean, number one, it *was* a bad group of people running it, but it *was* also a waste." *See* Alejandra Jaramillo, *Trump confirms goal to "totally eliminate" the Consumer Financial Protection Bureau*, CNN (Feb. 10, 2025), https://perma.cc/N9U8-DTTS, attached hereto as **Exhibit G**.

Vought and DOGE shut down the CFPB building

9. Employees at the CFPB received an email alerting them that the bureau's headquarters would be closed for the coming week and that all employees and contractors are to work remotely unless otherwise instructed from the acting director or his designee. *See* Stacy Cowley, *Russell Vought Orders Consumer Protection Bureau's Headquarters Closed for a Week*, New York Times (Feb. 9, 2025), https://perma.cc/AE44-AA6Z, attached hereto as **Exhibit H**. A CFPB staffer speaking on the condition of anonymity told the Washington Post that the closure was "hugely unprecedented and deeply concerning for all the folks here." *See* Lauren Kaori Gurley and Ian Duncan, *Consumer Financial Protection Bureau to shutter for a week*, The Washington Post (Feb. 9, 2025), https://perma.cc/BM27-VWYF, attached hereto as **Exhibit I**.

10. On the same day, by 4:30 p.m., security officers in the Bureau's office lobby were telling employees who showed up to collect their personal belongings that they would not be allowed inside the building. *See* Jess Bidgood, *When Musk's Team Shows Up at Your Doorstep*, New York Times (Feb. 12, 2025), https://perma.cc/PPE4-FSC3, attached hereto as **Exhibit J**. Employees outside of the office asked colleagues already inside of the Bureau to collect items such as "clothes, family photos and a breast pump." *See* Exhibit J.

11. On February 10, 2025, the AP reported that over the weekend, some staff members at the Bureau noticed "[w]indows in two basement conference rooms [that] were covered with brown paper and blue painter's tape, concealing their occupants. Voices could be heard inside discussing cuts to government agencies. When the door was cracked open, there were young people with temporary badges." *See* Chris Megerian, *Secrecy preceded the shutdown of the consumer protection agency's Washington headquarters*, Associated Press (Feb. 10, 2025), https://perma.cc/2MCQ-AGZE, attached hereto as **Exhibit K**.

12. On February 19, 2025, Reuters Reporter Douglas Gillison posted an image on Bluesky showing that the signage was removed from the front door and lobby of the Bureau's building. *See* @dgillison.bsky.social, Bluesky (Feb. 19, 2025), https://perma.cc/BK2S-QMKA, attached hereto as **Exhibit L**.

13. On February 21, 2025, employees were told that the agency's lease on its Washington headquarters had been canceled and that the Bureau had 30 days to vacate the building. *See* Stacy Cowley, *A consumer bureau is told to vacate its Washington office as its lease is canceled*, New York Times (Feb. 21, 2025), https://perma.cc/CA5D-KPTR, attached hereto as **Exhibit M**. Employees were assigned a 15-minute window in which they could return to the Bureau's headquarters to pick up their personal belongings. *See* Exhibit M.

14. On February 25, 2025, Real Clear Politics Reporter Philip Wegmann posted an image on X which displays the Bureau's headquarters with the signs for the CFPB removed from the external walls. *See* @PhilipWegmann, Twitter (Feb. 25, 2025), https://perma.cc/6FCQ-4V3C, attached hereto as **Exhibit N**.

Bureau leadership offers mixed messages

15. On February 11, 2025, CFPB employees reported that DOGE staffers, despite "sa[ying] they would follow protocol," "repeatedly did not." *See* Makena Kelly and Dhruv Mehrotra, *Dozens of CFPB Workers Fired in After-Hours Blitz*, Wired (Feb. 11, 2025), https://perma.cc/B5EH-7AGH, attached hereto as **Exhibit O**.

16. On February 19, 2025, President Trump announced during an interview that his administration has "virtually shut down the out of control CFPB." *See* Lesley Stahl et al, *Why the Consumer Financial Protection Bureau is being targeted by Trump, DOGE*, CBS News (Feb. 23, 2025), https://perma.cc/5PUB-9Y2C, attached hereto as **Exhibit P**.

17. On February 25, 2025, reporters highlighted the tension between the Justice Department's explanation that the headquarters closed in response to protests by employees and the fact that "the protests happened only after the office was shuttered," with several CFPB employees calling that explanation "laughable." *See* Kate Berry, *Justice Dept. insists 'there will continue to be a CFPB'*, American Banker (Feb. 25, 2025), https://perma.cc/R3ST-Z3E2, attached hereto as **Exhibit Q**.

All Bureau employees are sent home, told to stop working; hundreds are fired

18. Russell Vought instructed all Bureau employees to cease "all supervision[,] examination activity", and "all stakeholder engagement" in an agency-wide email. *See* Ryan Mac and Stacey Cowley, *Federal Financial Watchdog Ordered to Cease Activity*, New York Times (Feb. 8, 2025), https://perma.cc/R3FM-YPAC, attached hereto as **Exhibit R**.

19. On February 10, 2025, Vought further directed all CFPB employees to "not come into the office" and "not perform any work tasks," in an internal agency-wide email. *See* Laurel

Wamsley, *New CFPB chief closes headquarters, tells all staff they must not 'do any work tasks.'* NPR (February 10, 2025), https://perma.cc/3PDH-PPTV, attached hereto as **Exhibit S**.

20. Late on February 13, 2025, the Bureau also sent notices to dozens of term employees, "full-time workers on contracts with end dates," terminating them effective at close of business on the same day. *See* Douglas Gillison et al., *US consumer watchdog broadens layoffs beyond probationary staff, sources say*, Reuters (Feb. 14, 2025), https://perma.cc/QYX4-QWZ2, attached hereto as **Exhibit T**.

21. On February 13, 2025, the Bureau also fired twenty technologists, leaving consumers vulnerable to companies "obscuring … shady practices … with technical complexity." *See* Lauren Feiner, *The technology team at financial regulator CFPB has been gutted*, The Verge (Feb. 14, 2025), https://perma.cc/55K2-J7VE, attached hereto as **Exhibit U**.

22. In total, the Bureau fired about 200 employees over the course of the week—all either probationary or term employees. *See* Stacey Cowley, *A consumer bureau is told to vacate its Washington office as its lease is canceled*, New York Times (Feb. 21, 2025), https://perma.cc/CA5D-KPTR, attached hereto as **Exhibit V**.

23. On February 21, 2025, Vought's stop work order continued to prevent CFPB attorneys from arguing enforcement cases or defending CFPB rulemaking. *See* Taryn Phaneuf, *R.I.P. CFPB? What's At Stake If the Watchdog Agency Goes Dark*, Nerdwallet (Feb. 21, 2025), https://perma.cc/C4DS-6CCG, attached hereto as **Exhibit W**.

24. On February 21, 2025, the Bureau instructed its remaining employees to return to the agency's headquarters during an assigned 15-minute time slot in order to recover their personal items. *See* Stacey Cowley, *A consumer bureau is told to vacate its Washington office as its lease is canceled*, New York Times (Feb. 21, 2025), https://perma.cc/CA5D-KPTR, *see* Exhibit M.

25. On February 25, 2025, USA Today reported that the Bureau's work has slowed to a trickle since the mass firings on February 13, having uploaded only 2,234 complaints per day during that period, as opposed to the average of 11,600 complaints received per day historically. Further, the complaints submitted to companies over the period had dropped by 80% compared to the ten days prior to the firing. *See* Joey Garrison, *Thousands of consumer complaints unanswered after Trump CFPB purge, Dems say*, USA Today (Feb. 25, 2025), https://perma.cc/ZHE8-79DG, attached hereto as **Exhibit X**.

The CFPB pauses and then entirely drops active enforcement proceedings

26. On February 4, 2025, an email sent from "CFPB_WeeklyDigest" instructed CFPB employees to not approve or issue rules or guidance, and that they should "suspend the effective date of rules that had not yet become effective." *See* Alana Semuels, *What Cuts to the CFPB Could Mean for Consumers*, TIME (Feb. 13, 2025), https://perma.cc/K7BA-RG23 attached hereto as **Exhibit Y**.

27. Following the stop work order on February 10, 2025, all active CFPB lawsuits are in limbo, preventing attorneys at the Bureau from arguing cases or defending its rulemaking in courts across the country. *See* Taryn Phaneuf, *R.I.P. CFPB? What's At Stake If the Watchdog Agency Goes Dark*, nerdwallet (Feb. 21, 2025), https://perma.cc/C4DS-6CCG, *see* Exhibit W.

28. On February 21, 2025, the Bureau dropped its litigation against the online lender SoLo Funds. According to the New York Times, this was the "first time since President Trump took office that the agency…ended one of its enforcement cases." *See* Stacy Cowley, *The federal consumer protection bureau abandons a case against an online lender*, New York Times (Feb. 21, 2025), https://perma.cc/792U-T8CC, *see* Exhibit M. According to the CFPB, the company misrepresented the costs of loans, tricked consumers into making "donations," made false threats,

and attempted to collect funds that consumers did not actually owe. *See* Douglas Gillison, *Under Trump, consumer watchdog drops case against online lender,* Reuters (Feb. 21, 2025), https://perma.cc/FR2C-LML7, attached hereto as **Exhibit Z**. The joint motion filed on February 21, 2025, said the action would be "completely dismissed, with each side covering their own legal costs." *See* Exhibit Z.

The CFPB cuts hundreds of millions in contracts with vendors

29. On February 11, 2025, the Bureau cancelled more than $100 million in vendor contracts, which may have included cybersecurity and software systems. *See* Evan Weinberger, *CFPB Cuts Over $100 Million in Contracts Amid DOGE Probe*, Bloomberg Law (Feb. 11, 2025), https://perma.cc/7BVL-APMX, attached hereto as **Exhibit AA**.

30. This figure eventually rises to over $200 million in canceled vendor contracts. *See* Charlie Doe Decl. ¶ 6; Meyer Decl. ¶ 12.

The CFPB'S online presence begins to disappear; Voght intentionally orders the deletion of the homepage, consumers' main point of access

31. On February 10, 2025, the CFPB's home page was taken down. *See* Julia Shapero, *'We're about to get annihilated': Musk, DOGE descend on consumer bureau*, The Hill (Feb. 11, 2025), https://perma.cc/6AVC-APVE, attached hereto as **Exhibit BB**.

32. Later that week, the Verge reported that the homepage of the CFPB's website delivered a 404 message. *See* Lauren Feiner, *Trump admin pulls hundreds of videos from CFPB's YouTube channel*, The Verge (Feb. 14, 2025), https://perma.cc/5KPK-RBAA, attached hereto as **Exhibit CC**.

33. On February 14, 2025, nearly 400 videos were removed from the CFPB's YouTube page. *See* Exhibit DD. On the same day, the Verge reported that the Facebook and X accounts for the agency had also been taken down, although it was unclear when. *See* Exhibit CC.

Even banking industry leaders grow concerned

34. The work stoppage letter issued by Russel Vought to CFPB employees, caused confusion and concern across the consumer protection industry. *See* Christopher Rugaber, *Trump administration orders consumer protection agency to stop work, closes building*, Associated Press (Feb. 9, 2025), https://perma.cc/E4G6-JN7N, attached hereto as **Exhibit DD**; *see also* Laurel Wamsley, *New CFPB chief closes headquarters, tells all staff they must not do 'any work tasks'*, National Public Radio (Last updated Feb. 10, 2025), https://perma.cc/3PDH-PPTV, attached hereto as **Exhibit EE**; J.J. McCorvey, *What's at stake for consumers as Trump officials target the CFPB*, NBC (Feb. 10, 2025), https://perma.cc/6APG-H7K4, attached hereto as **Exhibit FF**.

35. On February 10, 2025, the Open Banking industry "[was] await[ing] next steps" for legislative instruction that previously came from the CFPB. *See With CFPB Closed, Open Banking Awaits Next Steps*, PYMNTS (Feb. 10, 2025), https://perma.cc/H3SE-BBGE, attached hereto as **Exhibit GG**.

36. On February 11, 2025, a CFPB spokesperson confirmed that crucial APOR lending tables would continue to be published weekly. The same day, *The Prospect* reported that the CFPB employees who publish these tabled hadn't been carved from the stop-work order. *See* David Dayen, *Vought Restores CFPB Procedure That Sustains Mortgage Markets*, The American Prospect (Feb. 11, 2025), https://perma.cc/LT25-LQJD, attached hereto at **Exhibit HH**.

37. On February 20, 2025, the CFPB eliminated the Credit Union Advisory Council, removing all "essential channel[s]" for credit union issues. *See* Michael Ogden, *CFPB Credit Union Council Disbanded*, ALM Credit Union times (Feb. 20, 2025), https://perma.cc/3CTZ-7BBG, attached hereto as **Exhibit II**.

38. From February 12, 2025, on, industry leaders voiced concerns related to Elon Musk's conflict of interest in the financial regulation landscape. *See* Alisa Chang et al., *Elon Musk's DOGE takes aim at agency that had plans of regulating X*, All Things Considered: National Public Radio (Feb. 12, 2025), https://perma.cc/HP7Q-4FVE, attached hereto as **Exhibit JJ**; Lauren Feiner, *The technology team at financial regulator CFPB has been gutted*, The Verge (Feb. 14, 2025), https://perma.cc/55K2-J7VE, *see* Exhibit U.

39. From February 13, 2025, on, industry leaders voiced concerns about the uncertainty surrounding the financial regulatory landscape. *See* Douglas Gillison et al., *Financial Firms Hated US Consumer Watchdog, but Rapid Unraveling Creates Limbo*, Reuters (Feb. 13, 2025), https://perma.cc/DJ3G-34A6, attached hereto as **Exhibit KK**; *see also* Exhibit W; Nancy Cook & Joshua Green, *Musk Team's Blitz on Consumer Financial Protection Agency Unsettles Trump Allies*, Bloomberg (Feb. 22, 2025); https://perma.cc/T4JA-FCPG, attached hereto as **Exhibit LL**; Callum Jones, *US economy 'less safe', experts say, as Trump hobbles consumer watchdog*, The Guardian (Feb. 25, 2025), https://perma.cc/EWZ9-VPNS, attached hereto as **Exhibit MM**.

We declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed on February 27, 2025, in Washington, DC.

/s/Abigail Roston
Abigail Roston

/s/Aidan Scible
Aidan Scible

Exhibit A

Democracy

"Put Them in Trauma": Inside a Key MAGA Leader's Plans for a New Trump Agenda

Russell Vought speaks during an event on federal guidance and enforcement in 2019. Evan Vucci/AP Photo

by Molly Redden and Andy Kroll, ProPublica, and Nick Surgey, Documented

Oct. 28, 2024, 5 a.m. EDT

Co-published with Documented

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Reporting Highlights

- **"In Trauma":** A key Trump adviser says a Trump administration will seek to make civil servants miserable in their jobs.
- **Military:** In private speeches, he laid out plans to use armed forces to quell any domestic "riots."
- **1776 and 1860:** He likened the country's moment to those fractious periods in American history.

These highlights were written by the reporters and editors who worked on this story. Were they helpful?

A key ally to former President Donald Trump detailed plans to deploy the military in response to domestic unrest, defund the Environmental Protection Agency and put career civil servants "in trauma" in a series of previously unreported speeches that provide a sweeping vision for a second Trump term.

In private speeches delivered in 2023 and 2024, Russell Vought, who served as Trump's director of the Office of Management and Budget, described his work crafting legal justifications so that military leaders or government lawyers would not stop Trump's executive actions.

He said the plans are a response to a "Marxist takeover" of the country; likened the moment to 1776 and 1860, when the country was at war or on the brink of it; and said the timing of Trump's candidacy was a "gift of God."

ProPublica and Documented obtained videos of the two speeches Vought delivered during events for the Center for Renewing America, a pro-Trump think tank led by Vought. The think tank's employees or fellows include Jeffrey Clark, the former senior Justice Department lawyer who aided Trump's attempts to overturn the 2020 election result; Ken Cuccinelli, a former acting deputy secretary in the Department of Homeland Security under Trump; and Mark Paoletta, a former senior budget official in the Trump administration. Other Trump allies such as former White House adviser Steve Bannon and U.S. Reps. Chip Roy and Scott Perry either spoke at the conferences or appeared on promotional materials for the events.

Vought does not hide his agenda or shy away from using extreme rhetoric in public. But the apocalyptic tone and hard-line policy prescriptions in the two private speeches go further than his earlier pronouncements. As OMB director, Vought sought to use Trump's 2020 "Schedule F" executive order to strip away job protections for nonpartisan government workers. But he has never spoken in such pointed terms about demoralizing federal workers to the point that they don't want to do their jobs. He has spoken in broad terms about undercutting independent agencies but never spelled out sweeping plans to defund the EPA and other federal agencies.

Vought's plans track closely with Trump's campaign rhetoric about using the military against domestic protesters or what Trump has called the "enemy within." Trump's desire to use the military on U.S. soil recently prompted his longest-serving chief of staff, retired Marine Gen. John Kelly, to speak out, saying Trump "certainly prefers the dictator approach to government."

Other policies mentioned by Vought dovetail with Trump's plans, such as embracing a wartime footing on the southern border and rolling back transgender rights. Agenda 47, the campaign's policy blueprint, calls for revoking President Joe Biden's order expanding gender-affirming care for transgender people; Vought uses even more extreme language, decrying the "transgender sewage that's being pumped into our schools and institutions" and referring to gender-affirming care as "chemical castration."

Since leaving government, Vought has reportedly remained a close ally of the former president. Speaking in July to undercover journalists posing as relatives of a potential donor, Vought said Trump had "blessed" the Center for Renewing America and was "very supportive of what we do," CNN reported.

Vought did not respond to requests for comment.

"Since the Fall of 2023, President Trump's campaign made it clear that only President Trump and the campaign, and NOT any other organization or former staff, represent policies for the second term," Danielle Alvarez, a senior adviser to the Trump campaign, said in a statement. She did not directly address Vought's statements.

Karoline Leavitt, his campaign's national press secretary, added there have been no discussions on who would serve in a second Trump administration.

In addition to running his think tank, Vought was the policy director of the Republican National Committee's official platform committee ahead of the nominating convention. He's also an architect of Project 2025, the controversial coalition effort mapping out how a second Trump administration can quickly eliminate obstacles to rolling out a hard-right policy agenda.

As ProPublica and Documented reported, Project 2025 has launched a massive program to recruit, vet and train thousands of people to "be ready on day one" to serve in a future conservative administration. (Trump has repeatedly criticized Project 2025, and his top aides have said the effort has no connection to the official campaign despite the dozens of former Trump aides and advisers who contributed to Project 2025.)

Vought is widely expected to take a high-level government role if Trump wins a second term. His name has even been mentioned as a potential White House chief of staff. The videos obtained by ProPublica and Documented offer an unfiltered look at Vought's worldview, his plans for a Trump administration and his fusing of MAGA ideology and Christian nationalism.

A Shadow Government in Waiting

In his 2024 speech, Vought said he was spending the majority of his time helping lead Project 2025 and drafting an agenda for a future Trump presidency. "We have detailed agency plans," he said. "We are writing the actual executive orders. We are writing the actual regulations now, and we are sorting out the legal authorities for all of what President Trump is running on."

Vought laid out how his think tank is crafting the legal rationale for invoking the Insurrection Act, a law that gives the president broad power to use the military for domestic law enforcement. The Washington Post previously reported the issue was at the top of the Center for Renewing America's priorities.

"We want to be able to shut down the riots and not have the legal community or the defense community come in and say, 'That's an inappropriate use of what you're trying to do,'" he said. Vought held up the summer 2020 unrest following George Floyd's murder as an example of when Trump ought to have had the ability to deploy the armed forces but was stymied.

Vought's preparations for a future Trump administration involve building a "shadow" Office of Legal Counsel, he told the gathered supporters in May 2023. That office, part of the Justice Department, advises the president on the scope of their powers. Vought made clear he wants the office to help Trump steamroll the kind of internal opposition he faced in his first term.

Historically, the OLC has operated with a degree of independence. "If, all of a sudden, the office is full of a bunch of loyalists whose only job is to rubber-stamp the White House's latest policy directive, whose only goal is to justify the ends by whatever means, that would be quite dangerous," said an attorney who worked in the office under a previous Republican administration and requested anonymity to speak freely.

Another priority, according to Vought, was to "defund" certain independent federal agencies and demonize career civil servants, which include scientists and subject matter experts. Project 2025's plan to revive Schedule F, an attempt to make it easier to fire a large swath of government workers who currently have civil service protections, aligns with Vought's vision.

"We want the bureaucrats to be traumatically affected," he said. "When they wake up in the morning, we want them to not want to go to work because they are increasingly viewed as the villains. We want their funding to be shut down so that the EPA can't do all of the rules against our energy industry because they have no bandwidth financially to do so.

"We want to put them in trauma."

Vought also revealed the extent of the Center for Renewing America's role in whipping up right-wing panic ahead of the 2022

What We're Watching

During Donald Trump's second presidency, ProPublica will focus on the areas most in need of scrutiny. Here are some of the issues our reporters will be watching — and how to get in touch with them securely.

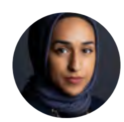
Learn more about our reporting team. We will continue to share our areas of interest as the news develops.

Robert Faturechi

I have been reporting on Trump Media, the parent company of Truth Social. I'm also reporting on the Trump administration's trade policies, including tariffs.

Signal **WhatsApp** **Email**

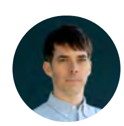
Maryam Jameel



I'm an engagement reporter interested in immigration, labor and the federal workforce.

Phone **Signal** **Email**

Jesse Coburn



I'm tracking how the Trump administration reshapes policy at the Department of Housing and Urban Development and the Department of Transportation.

midterms over an increase in asylum-seekers crossing at the U.S.-Mexico border.

In February 2022, Arizona Attorney General Mark Brnovich released a legal opinion claiming the state was under “invasion” by violent cartels and could invoke war powers to deploy National Guard troops to its southern border. The legally dubious “invasion” theory became a potent Republican talking point.

Vought said in the 2023 speech that he and Cuccinelli, the former top Homeland Security official for Trump, personally lobbied Brnovich on the effort. “We said, ‘Look, you can write your own opinion, but here’s a draft opinion of what this should look like,’” Vought said.

The nonpartisan watchdog group American Oversight later obtained an email in which Vought pitched the “invasion” framework to Brnovich.

Brnovich wrote in an email to ProPublica that he recalled multiple discussions with Cuccinelli about border security. But he added that “the invasion opinion was the result of a formal request from a member of the Arizona legislature. And I can assure you it was drafted and written by hard working attorneys (including myself) in our office.”

In the event Trump loses, Vought called for Republican leaders of states such as Florida and Texas to “create red-state sanctuaries” by “kicking out all the feds as much as they possibly can.”

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Andy Kroll

I cover justice and the rule of law, with a focus on the Justice Department, the U.S. Attorney’s Office for the District of Columbia and the federal courts.

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“Nothing Short of a Quiet Revolution”

The two speeches delivered by Vought, taken together, offer an unvarnished look at the animating ideology and political worldview of a key figure in the MAGA movement.

Over the last century, Vought said, the U.S. has “experienced nothing short of a quiet revolution” and abandoned what he saw as the true meaning and force of the Constitution. The country today, he argued, was a “post-constitutional regime,” one that no longer adhered to the separation of powers among the three branches of government as laid out by the framers.

He lamented that the conservative right and the nation writ large had become “too secular” and “too globalist.” He urged his allies to join his mission to “renew a consensus of America as a nation under God.”

And in one of his most dramatic flourishes, he likened the 2024 election to moments in America’s history when the country was facing all-out war.

“We are here in the year of 2024, a year that very well [could] — and I believe it will — rival 1776 and 1860 for the complexity and the uncertainty of the forces arrayed against us,” Vought told his audience, referring to years when the colonies declared independence from Britain and the first state seceded over President Abraham Lincoln’s election. “God put us here for such a time as this.”

Vought said that independent agencies and unelected bureaucrats and experts wield far too much power while the traditional legislative process is a sham. He extended that critique to agencies like the Department of Justice and the Federal Reserve, whose independence from the White House had long been protected by both political parties.

"The left in the U.S. doesn't want an energetic president with the power to motivate the executive branch to the will of the American people consistent with the laws of the country," he said in the 2024 speech. "They don't want a vibrant Congress where great questions are debated and decided in front of the American people. They don't want empowered members. They want discouraged and bored backbenchers."

He added, "The all-empowered career expert like Tony Fauci is their model, wielding power behind the curtains." Fauci was one of the top public health experts under Trump at the start of the COVID-19 pandemic and a key figure in coordinating the national response.

What sets Vought apart from most of his fellow conservative activists is that he accuses powerful organizations on the right of being complicit in the current system of government, singling out the Federalist Society for Law and Public Policy Studies, the conservative and libertarian legal network co-chaired by activist Leonard Leo. The society is widely seen as an instrumental force in cultivating young conservative lawyers and building a bench of future judges whose embrace of legal theories like originalism and textualism have led to decisions overturning abortion rights, environmental protections and social welfare policies.

Yet in his 2024 speech, Vought accused the Federalist Society and "originalist judges" of being a part of the problem, perpetuating the "post-constitutional structure" that Vought lamented by not ruling more aggressively to weaken or dismantle independent regulatory agencies that Vought and his allies view as illegitimate or unconstitutional.

It was "like being in a contract quietly revoked two decades ago, in which one party didn't tell the other," he said. "At some point, reality needs to set in. Instead, we have the vaunted so-called Federalist Society and originalist judges acting as a Praetorian Guard for this post-constitutional structure."

Echoing Trump's rhetoric, Vought implicitly endorsed the false claim of a stolen 2020 election and likened the media's debunkings of that claim to Chinese Communist propaganda.

"In the aftermath of the election, we had all these people going around saying, 'Well, I don't see any evidence of voter fraud. The media's not giving enough [of] a compelling case,'" he said. "Well, that compelling case has emerged. But does a Christian in China ask and come away saying, 'You know, there's no persecution, because I haven't read about it in the state regime press?' No, they don't."

Vought referred to the people detained for alleged crimes committed on Jan. 6, 2021, as "political prisoners" and defended the lawyers Jeffrey Clark and John Eastman, who have both faced criminal charges for their role in Trump's attempts to overturn the 2020 election. Federal law enforcement agencies, he added, "are keeping political opponents in jail, and I think we need to be honest about that."

The left, Vought continued, has the ultimate goal of ending representative democracy altogether. "The stark reality in America is that we are in the late stages of a complete Marxist takeover of the country," he said, "in which our adversaries already hold the weapons of the government apparatus, and they have aimed it at us. And they are going to continue to aim it until they no longer have to win elections."

When Democrats called Trump an "existential threat to democracy," they were not merely calling for his defeat at the ballot box, he said, but were using "coded language the national security state uses overseas when they are overthrowing other governments" to discourage the military from putting down anti-Trump protests should he win.

"They're making Trump out to be a would-be dictator or an authoritarian," he said. "So they're actively working now to ensure, on a number of levels, that the military will perceive this as dictatorial and therefore not respond to any orders to quell any violence."

Trump, Vought insisted, has the credibility and the track record to defeat the "Marxist" left and bring about the changes that Vought and his MAGA allies seek. In his view, the Democratic Party's agenda and its "quiet revolution" could be stopped only by a "radical constitutionalist," someone in the mold of Thomas Jefferson or James Madison. For Vought, no one was in a better position to fill that role than Trump.

"We have in Donald Trump a man who is so uniquely positioned to serve this role, a man whose own interests perfectly align with the interests of the country," Vought said. "He has seen what it has done to him, and he has seen what they are trying to do to the country.

"That," he added, "is nothing more than a gift of God."

Molly Redden

Molly Redden is a ProPublica reporter covering politics.

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I cover justice and the rule of law, including the Justice Department, U.S. attorneys and the courts.

MORE STORIES HAVE A TIP FOR A STORY?

Send me tips and documents about changes in administration policy, political interference, conflicts of interest and abuses of power inside the DOJ, OMB, the White House and other law enforcement agencies.

Exhibit B

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Delete CFPB. There are too many duplicative regulatory agencies.

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@elonmusk

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Pursuant to the Consumer Financial Protection Act, I have notified the Federal Reserve that CFPB will not be taking its next draw of unappropriated funding because it is not "reasonably necessary" to carry out its duties. The Bureau's current balance of $711.6 billion is in fact excessive in the current fiscal environment. This spigot, long contributing to CFPB's unaccountability, is now being turned off.

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Bringing back executive level authority to halt funding?

2 4 126 4.5K

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- One could effectively abolish the CFPB because it's illegally funded by the Fed instead of Congress
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Russ Vought @russvought

The CFPB has been a woke & weaponized agency against disfavored industries and individuals for a long time. This must end. 👇

Trump must cancel CFPB censorship - Washington Examiner

From washingtonexaminer.com

11:25 AM · Feb 9, 2025 · **272.9K** Views

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The CFPB under Rohit Chopra literally issued the rule prohibiting political debanking — to protect conservatives. You're being played.
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Animal Lover 🏔️ @AnimalsRockOn · Feb 9
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Stacy Wernick @stacywernick · Feb 9
Imagine being so mad about consumer protections that you call cracking down on fraud 'weaponized.'

If stopping financial scams upsets you, maybe the problem isn't the CFPB - it's you.

2 2 13 157

CrazyLettuce86 🏳️‍⚧️🏳️‍🌈🇵🇸🥗🐝🐬🌷🍕... @MarieJo455... · Feb 9
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Exhibit G

Trump says he doesn't see JD Vance as his successor

01:35 - Source: CNN

February 10, 2025: Donald Trump presidency news

By Veronica Stracqualursi and Elise Hammond, CNN

Updated 10:01 PM EST, Mon February 10, 2025

What we covered here:

• **New tariffs and more:** President Donald Trump imposed a 25% tariff today on all steel and aluminum imports with no exceptions or exemptions. Among a flurry of other moves, he removed the head of the Office of Government Ethics from his post and his Justice Department moved to drop federal corruption case against New York City Mayor Eric Adams.

• **Criticism of judiciary:** The president also expanded on his criticisms of the judiciary amid a growing pile of court proceedings challenging his administration's actions. Earlier, a judge extended a pause on the deadline set for federal workers to accept "buyouts," while another judge said the administration can't cut off grant and loan payments.

• **Trump sets Gaza deadline:** Trump also today urged Israel to cancel its ceasefire deal and "let all hell break out" if Hamas does not return all the hostages still being held in Gaza by noon Saturday. Trump is set to meet tomorrow with King Abdullah of Jordan.

All **Tariffs** **Federal Agencies** **Immigration** **Catch Up** **Analysis**

63 Posts

10:00 p.m. EST, February 10, 2025

Our live coverage of Donald Trump's presidency has ended for the day. Follow the latest updates or read through the posts below.

9:59 p.m. EST, February 10, 2025

Analysis: Top Trump officials are openly challenging the centuries-old power of the nation's judiciary

From Joan Biskupic, CNN Chief Supreme Court Analyst

Vice President JD Vance, Elon Musk and others in the Trump administration are openly challenging the centuries-old power of the nation's judiciary, foreshadowing a possible constitutional breakdown of American government.

> It's not simply that the new administration has flouted a raft of federal statutes and prompted a flood of legal challenges. It's that some of Donald Trump's top advisers have cast doubt on whether rulings on those lawsuits would even constrain the president.

There are signs that some judges' orders have been disregarded. On Monday, a federal judge in Rhode Island found that the administration has violated the "plain text" of his earlier order unfreezing billions of dollars in federal aid. The judge directed funding to be reinstated to environmental, health and other programs that had been cut off.

In a separate case Monday, in Washington, DC, federal employees told a judge that the administration had failed to reinstate USAID workers who were put on leave.

In fighting the cases, the Justice Department says the president should have the authority to decide how to run the government and that the judges are overreaching.

Chief Justice John Roberts may have presaged the turn of events six weeks ago as he warned at the end of December that "elected officials from across the political spectrum have raised the specter of open disregard for federal court rulings. These dangerous suggestions, however sporadic, must be soundly rejected."

Read more of the analysis on the looming constitutional crisis

---

9:53 p.m. EST, February 10, 2025

Defense Secretary Hegseth brings back Fort Bragg name, but it's not the same Bragg

From CNN's Piper Hudspeth-Blackburn

Secretary of Defense Pete Hegseth is bringing the name Bragg back to one of the Army's largest installations, Fort Liberty, which replaced the namesake of a Confederate general in 2023.

But in a memorandum signed Monday, Hegseth renamed the North Carolina military installation in honor of a different Bragg: Pfc. Roland L. Bragg, a World War II veteran who was awarded the Silver Star and Purple Heart for extraordinary bravery during the Battle of the Bulge, according to a statement from Pentagon press secretary John Ullyot.

> **"This change underscores the installation's legacy of recognizing those who have demonstrated extraordinary service and sacrifice for the nation," Ullyot said.**

Before it was renamed to Fort Liberty in 2023, the fort originally was named after Confederate Gen. Braxton Bragg, who drew criticism for his combative personality and often subpar field performance during the Civil War.

The installation was among nine bases that a congressional commission proposed renaming during President Joe Biden's presidency. Removing Confederate monikers from US military bases became a contentious political issue in the final months of Donald Trump's first presidency. While Trump vetoed the 2021 National Defense Authorization Act that included the naming commission, Congress voted to override his veto with overwhelming bipartisan support.

Hegseth, a National Guard veteran and former longtime Fox News host, strongly opposed removing the names of Confederate generals from US military bases and has suggested they should be changed back. He also described the renaming efforts as "a sham," "garbage," and "crap" in various media appearances between 2021 and 2024 reviewed by CNN.

CNN's Kaanita Iyer and Andrew Kaczynski contributed to this report.

9:40 p.m. EST, February 10, 2025

Court says head of whistleblower agency, who was fired by Trump, can resume job for at least a few more days

From CNN's Tierney Sneed

A top federal government investigator of political retaliation within the executive branch will be allowed to return to the job for at least a few more days, after being fired by President Donald Trump on Friday, a judge ordered Monday night.

US District Judge Amy Berman Jackson issued a so-called administration stay restoring Hampton Dellinger to the role of Special Counsel through Thursday, as she further considers his lawsuit challenging the termination.

The Office of Special Counsel — which is distinct from the special counsels appointed to oversee politically sensitive Justice Department investigations — handles allegations of whistleblower retaliation and is an independent agency created by Congress.

Trump's firing of Dellinger, who was confirmed for a five-year team by the Senate last year, appeared to run afoul the limits Congress has placed on when a special counsel can be fired.

At a hearing called hours after Dellinger's lawsuit was filed, Jackson indicated she saw the Office of Special Counsel as different than other agencies whose leaders a president is given wide discretion to fire.

"They are not a big bureaucracy …that marches on" without a leader, she said, describing Dellinger's former role as "much more hands on."

The office, she noted, is different from the agencies in charge of rolling out a president's agenda and that can issue sweeping regulations that affect the entire country.

"Independence is the essence of this," she said of the special counsel's office.

Her order, however, made clear it was only aimed to maintain the status quo as she considered written briefs due tomorrow from the Justice Department.

> **“I am grateful to have the opportunity to continue leading the Office of Special Counsel and I am resuming my work tonight,” Dellinger said in a statement.**

9:01 p.m. EST, February 10, 2025

Ocasio-Cortez urges Democratic leaders to draw a tough line with GOP as shutdown looms

From CNN's Ali Main and Manu Raju

Rep. Alexandra Ocasio-Cortez speaks with CNN's Manu Raju on Monday. CNN

Rep. Alexandra Ocasio-Cortez made clear that she believes House Democrats should not simply come to the table and provide Republicans with the votes to pass a government funding bill, even if it means a shutdown next month.

> "We should be very clear with the American people that the House is governed by a Republican majority, the Senate is governed by a Republican majority, and the White House has a Republican president. And if they want to pass their agenda, Republicans need to conjure up the votes for them to pass their own bills," she told CNN's Manu Raju.

Ocasio-Cortez lamented that President Donald Trump and his ally, Tesla CEO Elon Musk, are "tearing up the very foundations of the federal government," adding, "if they think that they're gonna do that with a Democratic vote, I've got a bridge to sell them."

Asked what Democrats should demand specifically from Republicans, the New York congresswoman said it's up to party leadership to "determine what is strategically best," but added, "it should not come cheap, whatsoever."

"There should be really deep, large, systemic demands — if we even come to the table, given the amount of tearing up that they're doing over there," she said.

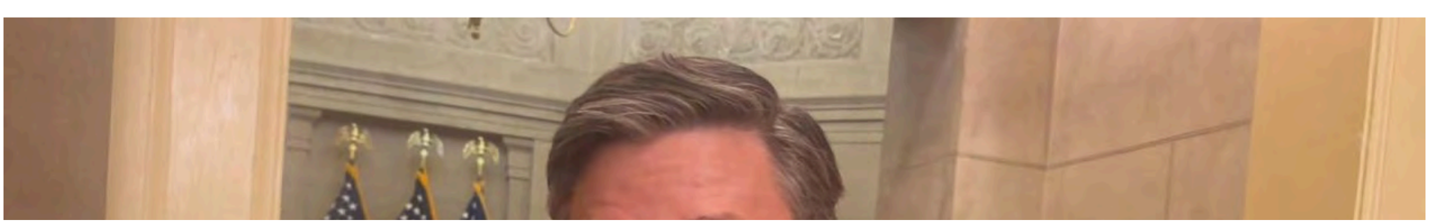
Democratic Rep. Jared Moskowitz of Florida said he would vote against a bill that would just extend current spending levels beyond the March 14 deadline, warning that it would allow Republicans to continue making the same arguments about fraud and abuse of taxpayer dollars.

Moskowitz said he believes the only acceptable way to fund the government is through the normal process of passing 12 individual appropriations bills, adding that "Speaker Johnson has a month to start that process. If he doesn't get that process started, I think government will shut down on the 14, and that'll be his fault."

8:22 p.m. EST, February 10, 2025

Johnson maintains optimistic tone around spending negotiations despite sliding timeline

From CNN's Haley Talbot and Aileen Graef



House Speaker Mike Johnson speaks with the media on Monday. CNN

House Speaker Mike Johnson maintained an optimistic tone about spending negotiations Monday night despite a sliding timeline and following a lively discussion on the House floor with key negotiators.

> "I was just talking to Chairman (Jodey) Arrington and the budget committee, and we're getting very close," Johnson said as he left the chamber.
> When asked about the visibly animated conversation with Arrington and House Majority Leader Steve Scalise, Johnson said: "Oh, look, he's like my brother. We have lots of animated conversation. It's all positive, though."

When asked about the sliding timeline as he tries to wrangle his slim majority, Johnson replied "everything's sliding around here if you notice." When asked if he was having more meetings tonight, Johnson said: "For me? Yes, they are endless."

Johnson once again advocated for the one-bill solution, saying with two bills the probability of success "decreases dramatically."

Johnson said doing one bill of things all Republicans agree on like energy and border security is "low-hanging fruit."

9:05 p.m. EST, February 10, 2025

US tariffs on steel and aluminum are "totally unjustified,"

US tariffs on steel and aluminum are "totally unjustified," Canada's industry minister says

From CNN's Michael Rios and Anna Cooban

Canada's Minister of Innovation, Science and Industry François-Philippe Champagne said Monday that US tariffs on steel and aluminum would be "totally unjustified," warning that the country's response to the measure will be "clear and calibrated."

Canada is the United States' largest source of both materials, according to the US Department of Commerce — a fact that Champagne highlighted in his statement on Monday.

> "Canadian steel and aluminum support key industries in the US from defense, shipbuilding, energy to automotive," he said.

Champagne added that Canada would consult with its international partners and examine details of the tariffs.

Chrystia Freeland, Canada's former finance minister who is running to replace Justin Trudeau as prime minister, described the tariffs as "illegal and unjustifiable."

> "Given that Donald Trump has decided to proceed with tariffs against our steel and aluminum industries and workers, we must do what we did the first time he tried: retaliate dollar for dollar," she said in a statement titled "The Proven Plan to Stop Trump's Tariffs."

Freeland also called for talks with other affected countries to push back against President Donald Trump.

Some background: Trump on Monday imposed a 25% tariff on all steel and aluminum imports into the United States with no exceptions or exemptions. And although the United States gets most of its steel from Canada, Brazil and Mexico, the tariffs are largely — albeit indirectly — aimed at China. Read more details here.

This post was updated with the statement from Chrystia Freeland.

8:13 p.m. EST, February 10, 2025

Trump says he has spoken with Chinese President Xi since taking office

From CNN's Alejandra Jaramillo

US President Donald Trump and Chinese leader Xi Jinping. Getty Images

President Donald Trump said he has spoken to Chinese President Xi Jinping since taking office on January 20.

"Yeah, I have talked to him," Trump responded to Fox News' Bret Baier when asked if he had spoken to Chinese leader since inauguration, during a pre-taped interview aired Monday.

> "I happen to like him a lot, President Xi," Trump said. "I have talked to him, and I talk to his people too. His people come in all the time, we have a very good personal relationship."

He also said that he knows North Korea leader Kim Jong Un "better than anybody."

Trump told reporters he was in "no rush" to speak with Xi the same day the administration implemented 10% tariffs on Chinese imports.

Just last week, Beijing announced a broad package of economic measures targeting the US, hitting back after Trump imposed 10% tariffs on Chinese imports.

8:00 p.m. EST, February 10, 2025

Most Head Start programs and community health centers regain access to federal funds

From CNN's Tami Luhby

Fewer than 10 Head Start programs nationwide were having trouble accessing their federal funds on Monday, down from around 57 programs last Thursday, Tommy Sheridan, deputy director of the National Head Start Association, told CNN.

Likewise, the funding disruptions affecting some community health centers "have largely been resolved at this point," said Alexandra Walker, communications director for the National Association of Community Health Centers.

The programs were among multiple other nonprofit, community and health organizations that were experiencing delays in receiving federal money from the Department of Health and Human Services' grant payments portal. The Office of Management and Budget released a memo in late January ordering a pause on trillions in federal grants, loans and financial assistance but quickly rescinded it. A federal judge then temporarily blocked the effort.

HHS acknowledged in a statement to CNN last week that some users of its payments system "may be experiencing lags due to the high volume of requests." The department is working to "help expedite resolution as quickly as possible," it said.

The agency did not immediately return a request on Monday for an update on the payment delays.

The improvement in the programs' funding comes as a federal judge on Monday told the Trump administration for a second time that it cannot cut off grant and loan payments.

7:48 p.m. EST, February 10, 2025

Trump signs executive order aimed at encouraging return to plastic drinking straws

From CNN's Alejandra Jaramillo

President Donald Trump on Monday signed an executive order aimed at encouraging the US government and consumers to purchase plastic drinking straws.

government and consumers to purchase plastic drinking straws.

"We're going back to plastic straws," Trump told reporters from the Oval Office as he signed the order.

This move follows former President Biden's goal to reduce the government's reliance on single-use plastics.

> "I don't think that plastic is going to affect a shark very much as they're eating, as they're munching their way through the ocean," Trump said.

In 2022, the Department of the Interior began implementing a plan to phase out single-use plastics on public lands by 2032, part of a broader effort by the Biden administration to eliminate single-use plastics across federal government operations by 2035, as previously reported by CNN.

Trump and other Republicans have frequently used paper straws as a symbol in their opposition to Democratic-backed environmental policies.

7:53 p.m. EST, February 10, 2025

Trump expands his criticism of the judiciary system

From CNN's Michael Williams

President Donald Trump on Monday expanded on his criticisms of the judiciary system, criticizing judges for wanting to "tell everybody how to run the country."

> **"Judges should be ruling. They shouldn't be dictating what you're supposed to be doing," Trump told radio host Mark Levin during an interview Monday night.**

Trump later criticized California and New York and what he described as efforts to "Trump -proof" those states. He said those efforts "make[s] it difficult to want to help."

"I mean, New York, the corruption in the court system is unthinkable," Trump said. "What they've done in the court system to people, and in particular to me and to others, is just — can't be allowed to go on."

"And you know, you want to help places, and you want to help the big cities and the inner cities and these states that in cases are horribly, horribly run. But it really makes it difficult to want to help, I will tell you," Trump said. "It makes it difficult when you're a victim of massive frauds."

Background: This administration's massive overhaul of the federal government, including the closure of agencies and plans to offer "buyouts" thousands of federal workers, have been challenged in federal courts. Some of Trump's top advisers have cast doubt on whether rulings on those lawsuits would even constrain the president.

7:31 p.m. EST, February 10, 2025

Trump confirms goal to "totally eliminate" the Consumer Financial Protection Bureau

From CNN's Alejandra Jaramillo

President Donald Trump confirmed that his goal is to "totally eliminate" the Consumer Financial Protection Bureau (CFPB), a federal agency he has long criticized.

When asked by a reporter if his goal was to have a "totally eliminated agency," Trump was quick to respond, "Yeah," before elaborating, "Because we're trying to get rid of waste, fraud, and abuse."

Trump also claimed the CFPB was created with harmful intentions.

> "That was a very important thing to get rid of, and it was also a waste. I mean, number one, it was a bad group of people running it, but it was also a waste," he said, continuing his long-standing opposition to the bureau's role in consumer protection.

Some background: Employees at the CFPB were unexpectedly notified on Sunday afternoon that the agency's Washington, DC, headquarters would be closed for the week, as CNN previously reported.

In an email obtained by CNN, Adam Martinez, the CFPB's chief operating officer, directed all employees and contractors in Washington to "work remotely unless instructed otherwise by our Acting Director or his designee." The email did not provide an explanation for the sudden closure.

7:24 p.m. EST, February 10, 2025

Here's the latest legal challenges and court rulings as Trump seeks to restructure government

From CNN's Elise Hammond, Katelyn Polantz, Devan Cole, Tierney Sneed, Meg Tirrell and The Associated Press

There is now a growing pile of court proceedings challenging President Donald Trump's executive actions as he seeks to reshape the federal government in his first weeks in office.

In at least two of those cases, litigants have accused the administration of not complying with federal judges' orders, though it's not clear yet if that is intentional.

Here's the latest legal news:

- **USAID workers:** Federal workers told a judge Monday that the Trump administration hasn't reinstated US Agency for International Development employees who were put on leave, as was ordered by the court late last week. The workers' testimonies came in a new filing in the Washington, DC, federal court.
- **Freezing federal aid:** Earlier on Monday, in a different case, a federal judge in Rhode Island found that the administration violated the "plain text" of an order unfreezing billions of dollars in federal aid. The judge, for the second time, told the Trump administration it can't cut off grant and loan payments, after several Democratic-led states complained that the administration wasn't obeying previous court orders and was still withholding federal funds from some groups.
- **Federal "buyout":** Another federal judge extended a pause on the deadline set by the Trump administration for federal workers to accept a deferred resignation and temporarily prohibited the government from soliciting more so-called buyouts. The temporary restraining will stay in place until the judge decides if he should indefinitely pause the offer's deadline pending further court proceedings.
- **Public health research:** A federal judge paused cuts that the Trump administration had made to funding for public health research, but Monday's temporary restraining order will only apply in the 22 Democratic-led states that brought a lawsuit challenging the reduction in funding. The states argued the proposed cuts would halt "countless life-saving health research and cutting-edge technology initiatives," according to the lawsuit.
- **Birthright citizenship:** A third federal judge on Monday blocked Trump's executive order ending birthright citizenship for the children of people who are in the US illegally. The ruling from a US district judge in New Hampshire comes after two similar rulings by judges in Seattle and Maryland. At least nine lawsuits have been filed to challenge the birthright citizenship order.

- **Treasury payment systems:** The Trump administration is fighting a court order from Saturday that restricts political appointees from accessing a critical Treasury Department payment system responsible for processing trillions of dollars in federal funds. Tom Krause, the top political appointee at Treasury and a key ally of Elon Musk, wrote to a judge that he had never had "direct or personal" access, but he can view data being accessed by Treasury employees who did have access to the system.

7:49 p.m. EST, February 10, 2025

Some lawmakers defend role of federal courts as judges issue orders on Trump actions

From CNN's Elise Hammond, Manu Raju, Haley Talbot, Ali Main, Ted Barrett and Aileen Graef

As court rulings have blocked some of the Trump administration's agenda, some lawmakers are weighing in on the role of the judiciary.

Judges issued recent court orders for several of Donald Trump's recent actions, including the deadline for mass federal resignations, a bid to end birthright citizenship, and a move to place thousands of workers at the US Agency for International Development on leave.

It all comes after Vice President JD Vance questioned whether judges can block any of Trump's agenda.

> "If a judge tried to tell a general how to conduct a military operation, that would be illegal," Vance said in a post on X over the weekend. "If a judge tried to command the attorney general in how to use her discretion as a prosecutor that's also illegal. Judges aren't allowed to control the executive's legitimate power."

Here's how some lawmakers are reacting:

- **House Speaker Mike Johnson** said he hadn't kept up on the latest litigation, but "obviously we have systems that have to work," when asked if the Trump administration should comply with federal court orders, including one over the weekend ordering the destruction of some downloaded information from a Treasury Department payment system.
- **Senate Majority Leader John Thune** defended the role of courts, saying they are "the branch of our government that calls balls and strikes, and referees, and I think that they've got an important role to play." He said he expects federal courts to continue to play "the important role of ensuring that you know that the laws in the country are followed."

important role of ensuring that you know that the laws in the country are followed.

- **Republican Sen. Susan Collins** said "the administration has to follow the court rulings. I would note that President Biden did not do so when it came to the student loan program." The former president set a "very unfortunate precedent," she said.
- **GOP Sen. John Cornyn** said he does not think there is a risk that President Donald Trump's administration will ignore federal court rulings against them, referring to the 1805 case of Marbury vs Madison that established judicial review of the other two branches of government. Asked if Trump can dismantle federal agencies without Congress' OK, he didn't directly answer, but said "I think all this stuff is going to end up going to courts."
- **Senate Judiciary Chairman Chuck Grassley** pushed back on the idea from Vance's tweet that judges cannot check the executive branch's power: "I'm a member of the legislative branch, and I'll let the executive branch speak for themselves, but we got a system of checks and balances, and that's what I see working."
- **Republican Sen. Josh Hawley** said that he believes the Trump administration will ultimately comply with court rulings, and he believes they should. "When the judge issues a binding order within their jurisdiction, then that needs to be followed. And even if it's frustrating, part of that, you can follow and still say you think it's wrong," he said.
- **Sen. John Kennedy**, a Republican who sits on the Senate Judiciary, defended the legitimacy of the federal judiciary and said if you don't like a decision "that's why God made the courts of appeal." He added that he supports "the process, and I support the legitimacy of the federal judiciary."

7:07 p.m. EST, February 10, 2025

Johnson said he won't talk timeline on budget, but maintains they are close

From CNN's Lauren Fox

House Speaker Mike Johnson stops to speak with reporters as he arrives at the US Capitol on Monday. Francis Chung/Politico/AP

House Speaker Mike Johnson declined to lay out a timeline for when House Republicans would ultimately unveil a budget resolution — warning that every time he does so, reporters call him out when it moves.

> "Stay tuned. I am not going to project timelines and deadlines because you all call me on it and say I missed it," Johnson said.

He also said that freedom caucus gave him a heads up they were going to unveil their own budget resolution earlier tonight, a sign that Republicans are deeply divided even amongst their own ranks about one bill vs. two.

Johnson also argued he and Senate Budget Chairman Lindsey Graham aren't far apart despite the fact that Graham is marching ahead with his own budget blueprint in the Senate later this week that tackles only border and defense and leaves taxes for later in the year.

"There is no daylight between us. We all have exactly the same objectives … there are different ideas of how to get there," Johnson said. "The reality is the House really needs to drive the process because it's more complex what we have to do on our side."

7:00 p.m. EST, February 10, 2025

Trump urges Israel to cancel truce deal if hostages aren't

freed by Saturday – and "let all hell break out"

From CNN's Donald Judd

President Donald Trump speaks after signing an executive order in the Oval Office of the White House in Washington, DC, on Monday. Kevin Lamarque/Reuters

President Donald Trump on Monday urged Israel to cancel its ceasefire deal with Hamas and "let all hell break out" if Hamas does not return all the hostages still being held in Gaza by noon Saturday.

Trump's comments come after Hamas threatened to postpone Saturday's hostage release "until further notice," accusing Israel of breaking the ceasefire deal earlier Monday.

> "As far as I'm concerned, if all of the hostages aren't returned by Saturday at 12 o'clock — I think it's an appropriate time — I would say, cancel it and all bets are off and let hell break out," the president told reporters in the Oval Office.

Pressed on what "all hell" might entail in Gaza, Trump demurred, saying, "You'll find out, and they'll find out. Hamas will find out what I mean."

Trump's Middle East envoy, Steve Witkoff, was involved in negotiating the ceasefire between Israel and Hamas, which was secured in the waning days of President Joe Biden's administration.

But since taking office, Trump has suggested he wasn't sure the ceasefire would hold. A proposal to permanently displace Palestinians from Gaza and for the United States to "own" the Strip has injected yet more uncertainty into the process.

Trump is expected to meet with Jordanian King Abdullah II on Tuesday, who, along with his counterparts in Egypt and other Arab nations, has flatly rejected Trump's Gaza plan.

7:04 p.m. EST, February 10, 2025

Trump names Doug Collins interim head of watchdog agencies

From CNN's Michael Williams

Doug Collins be the Secretary of the Department of Veterans Affairs, testifies during his Senate Veterans' Affairs Committee confirmation hearing on January 21, 2025 in Washington, DC. Samuel Corum/Getty Images/File confirmation hearing on January 21, 2025 in Washington, DC. Samuel Corum/Getty Images/File

President Donald Trump on Monday named Veterans Affairs Secretary Doug Collins as the interim head of the offices of the Special Counsel and Government Ethics after he removed the previous leader of the government watchdog agencies.

Collins' interim appointment comes after Trump dismissed David Huitema, the OGE director who had been confirmed to his post by the Senate in November, and Hampton Dellinger, the federal government's Special Counsel, in a purge of government oversight agencies.

The OGE oversees the executive branch's ethics program while the Special Counsel handles whistleblower complaints.

CNN's Fredreka Schouten and Katelyn Polantz contributed to this report.

6:53 p.m. EST, February 10, 2025

Trump ousts top government ethics czar

From CNN's Fredreka Schouten

David Huitema, Director of the Office of Government Ethics, sits down with Reuters for his first interview on the job, at his office in Washington, on January 2. Evelyn Hockstein/Reuters

President Donald Trump is removing the head of the Office of Government Ethics from his post, the agency said Monday — the latest example of the president acting against a government watchdog.

The agency's director, David Huitema, was confirmed to the post by the Senate in November. He had been nominated by President Joe Biden but had languished for more than a year in the Senate before lawmakers confirmed him by a 50-46 vote during a post-election lame-duck session.

In an interview with CNN, Huitema said he was notified of his removal by the Presidential Personnel Office through an email that had been sent Friday night.

Huitema said he was unaware of any specific agency action that would have precipitated Trump's decision.

> "My sense is that the president doesn't want OGE, or really anyone with an independent voice, to address concerns that are raised," he said.

CNN has reached out to the White House for comment.

It was "disappointing," the 53-year-old said, to have his job end so quickly and "without any explanation or notice." He previously served as a State Department ethics official and said he has worked for the federal government for 19 years.

OGE directors typically serve 5-year terms — allowing them to overlap administrations as part of an attempt to reduce partisanship. On Monday, a statement on the agency website read: "OGE has been notified that the President is removing David Huitema as the Director of OGE. OGE is reverting to an Acting Director."

Read more details here about Huitema's ouster

This post has been updated with comments from Huitema.

6:54 p.m. EST, February 10, 2025

Department of Justice directs Southern District to drop corruption case against New York Mayor Adams

From CNN's Paula Reid and Gloria Pazmino

The Department of Justice is directing the Southern District of New York to drop its current case against New York City Mayor Eric Adams, according to a memo obtained by CNN.

The memo, which was sent by Acting Deputy Attorney General Emil Bove — who is former SDNY prosecutor himself — instructed the Acting United States Attorney for the Southern District to dismiss the charges "as soon as is practicable," subject to several conditions including a review by the Southern District after the November 2025 mayoral election.

The Southern District of New York brought public corruption charges against the mayor last year in the first prosecution of a sitting mayor in the city's modern history. The case was scheduled to go to trial this spring.

6:44 p.m. EST, February 10, 2025

Senate breaks filibuster on Gabbard's nomination, clearing way for confirmation vote

From CNN's Morgan Rimmer

The Senate voted 52-46 to break a filibuster on Tulsi Gabbard's nomination to be director of National Intelligence.

This sets up a confirmation vote on her nomination as late as 12:34 a.m. ET Wednesday, if Republicans and Democrats cannot cut a time agreement to vote any earlier.

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Exhibit H

Russell Vought Orders Consumer Protection Bureau's Headquarters Closed for a Week

The order to shutter the agency's headquarters follows another order issued Saturday by Mr. Vought, who also leads the Office of Management and Budget, telling agency employees to halt nearly all their work.

By Stacy Cowley
Consumer finance reporter

Feb. 9, 2025

Employees at the Consumer Financial Protection Bureau received an email on Sunday saying the bureau's headquarters would be closed for the coming week.

"Employees and contractors are to work remotely unless instructed otherwise from our Acting Director or his designee," said the notice, a copy of which was reviewed by The New York Times.

Russell Vought, who now leads the Office of Management and Budget, was appointed late Friday as the consumer bureau's acting director. Mr. Vought was an architect of Project 2025, the conservative blueprint for radically remaking the federal government.

The order to shutter the agency's headquarters follows another order that Mr. Vought issued Saturday, telling agency employees to halt nearly all their work, including their regulatory supervision of banks and other financial companies.

The union that represents the bureau's employees filed a lawsuit against Mr. Vought on Sunday night. Granting Mr. Musk's team access to employee records violated the Privacy Act, the 1974 law regulating how the government handles individuals' personal information, the union said in its complaint, which was filed in federal court in Washington.

Agency workers fear their employment data could be used for online harassment or "to blackmail, threaten or intimidate them," the complaint said. Workers are also concerned about disclosure of their personal health or financial details, the union added.

The union filed a second lawsuit against the acting director over his efforts to freeze the agency's work. Mr. Vought's orders illegally infringe, the union said, on "Congress's authority to set and fund the missions" of the consumer bureau.

The consumer protection agency, created by Congress in 2011 as a financial industry watchdog, cannot be closed without congressional action, but its director can freeze most of its actions by halting enforcement, weakening or repealing regulations and softening its supervision of banks and other lenders.

Stacy Cowley is a business reporter who writes about a broad array of topics related to consumer finance, including student debt, the banking industry and small business. More about Stacy Cowley

Exhibit I

Democracy Dies in Darkness

Consumer Financial Protection Bureau to shutter for a week

The closure of the independent watchdog follows a visit Friday by members of Elon Musk's U.S. DOGE Service team.

February 9, 2025

3 min 317

By Lauren Kaori Gurley and Ian Duncan

The Trump administration is closing the offices of the Consumer Financial Protection Bureau for the coming week, according to an email viewed by The Washington Post, casting further doubt on the future of an agency tasked with protecting the public against predatory lending practices.

Russell Vought, director of the White House budget office, who became the acting head of the federal government's financial industry watchdog agency on Friday, sent an email to staff Saturday ordering them to "cease all supervision and examination activity" and "cease all stakeholder engagement," according to the email.

In a separate email sent Sunday morning, also viewed by The Post, Adam Martinez, the CFPB's chief operating officer, informed staff that the agency's Washington headquarters would be closed from Monday through Friday.

Also Sunday, staffers reported that the agency's office was already locked, and that security had informed those inside to leave.

The closure of the office follows a visit Friday by members of Elon Musk's U.S. DOGE Service team, which has been probing data at federal agencies with a mission to cut costs. The CFPB has been a target of Musk's since before President Donald Trump took office, and on Friday he posted to his X page saying "CFPB RIP" with the tombstone emoji.

The same day, Trump installed Vought as the bureau's acting director.

Even before this weekend, the bureau's future was unclear. Trump had fired its director, Rohit Chopra, who had used the agency's powers to crack down on predatory lending and serve as a watchdog for the financial arms of large tech firms. After Chopra's dismissal, the bureau's new leaders ordered staff to halt their work and blocked the implementation of rules finalized in the late days of the Biden administration.

The freeze on work at the CFPB has parallels with efforts at a number of other federal agencies that Trump's team has an eye on dismantling or paring back. They include the U.S. Agency for International Development, the Education Department and the Federal Emergency Management Agency. In each case, it's not clear that the White House has the legal authority to unilaterally shut the agencies.

"This is hugely unprecedented and deeply concerning for all of the folks here," said a CFPB staffer on Sunday, who spokes on the condition of anonymity because they feared retaliation for speaking to the news media. "It certainly seems to be consistent with what they're doing at USAID."

Congress created the CFPB after the 2008 financial crisis to serve as an independent consumer watchdog over banks and other institutions. In recent years, the bureau has enacted new protections for Americans from medical debt; expanded access to banking services; and cracked down on financial institutions that levy high fees. These measures have long drawn fire from Republicans, who have accused the agency of overreach.

What readers are saying

The comments overwhelmingly criticize the Trump administration's decision to close the Consumer Financial Protection Bureau (CFPB), viewing it as a move that benefits wealthy individuals and corporations at the expense of ordinary consumers. Many commenters express concern that... Show more

This summary is AI-generated. AI can make mistakes and this summary is not a replacement for reading the comments.

Exhibit J

NEWSLETTER

On Politics: Musk's Washington

When Musk's Team Shows Up at Your Doorstep

The upheaval at the Consumer Financial Protection Bureau offers a glimpse into the playbook that Elon Musk and other Trump allies seem to be writing in real time.

By Jess Bidgood

Feb. 12, 2025

You're reading the On Politics: Musk's Washington newsletter. A close-up look at how Elon Musk is trying to transform the federal government.

At first, things at the Consumer Financial Protection Bureau seemed eerily calm.

The Biden-appointed director of the agency, which was created after the 2009 financial crisis to regulate banks and other lenders, was not immediately fired by President Trump. The lawyers at the agency continued with their business. In late January, they said a remittance company was misleading customers about its fees and ordered it to pay a $2.5 million fine.

And then the chaos began.

On the morning of Feb. 1 — a Saturday — the director was dismissed, as my colleague Stacy Cowley, who has followed every twist and turn of this story, reported. By the next Friday, Feb. 7, Russell Vought, the director of the Office of Management and Budget and a close Trump adviser, was installed as the C.F.P.B.'s acting director. Representatives from the new Department of Government Efficiency, which is led by Elon Musk and is not a formal executive-branch department, arrived and got access to the computer systems.

Musk posted a message on his X account: "CFPB RIP."

Musk's cost-cutting team has been operating with little transparency. Members don't announce what they're doing, who's doing it or how. So it's worth understanding what's happening at the C.F.P.B., both because of the direct impact on the agency's work and because it's a glimpse into the playbook that Musk and his team, working with Trump officials like Vought, seem to be writing in real time.

The panic strategy

Russell Vought on Capitol Hill this week. Haiyun Jiang for The New York Times

Last Saturday, Vought ordered the nearly 1,700 people who work at the agency to stop much of their work. The edict prompted widespread fear and deep concern about the agency's future. People worried that their work phones and computers were being tracked. One employee I spoke with, who asked not to be identified out of fear of retaliation, felt panic, and then remembered that Vought had spoken in 2023 of his intent to demoralize workers in the civil service.

"We want the bureaucrats to be traumatically affected," Vought had said.

Some employees tried to plug away at their jobs. Two of them told me that after they saw Musk's post on X about his team's preference for working on weekends, when federal offices are closed, they decided they would do the same. On Saturday, they saw three employees from Musk's team in the bureau's basement, working in conference rooms with the windows papered over.

The confusion

Those two employees, who also spoke with me on the condition of anonymity for fear of retribution, returned to the office on Sunday, about an hour and a half after the agency's chief operating officer sent an email informing the staff that the offices would be closed for the week.

By 4:30 p.m., security officers in the lobby were telling employees who showed up that they wouldn't be allowed inside. The two employees and others who were already inside worked to collect personal belongings that people worried they might not be able to access again. As their colleagues who weren't in the office messaged about what they needed, the employees gathered clothes, family photos and a breast pump.

Upstairs, some of the employees who were already inside stuck signs in the window. "CFPB fights for you," one said.

Dismissals and departures

A White House spokesman did not respond to a request for comment about the C.F.P.B. The agency was founded in 2011 after Elizabeth Warren, now a Democratic senator from Massachusetts, pressed President Obama to tighten controls on banks as part of a sweeping financial reform bill in 2010. Republicans and the financial industry have targeted it for years, arguing that it is unaccountable and has overstepped its mandate.

Tracking Trump's First 100 Days ›

The Trump administration's previous actions on C.F.P.B.

Feb. 21	Canceled the lease of the Consumer Financial Protection Bureau's headquarters ›
Feb. 10	Denounced the Consumer Financial Protection Bureau ›
Feb. 7	Named Russell Vought acting director of the Consumer Financial Protection Bureau ›
Feb. 3	Ordered Consumer Financial Protection Bureau to stop most work ›
Feb. 3	Named Scott Bessent acting director of Consumer Financial Protection Bureau ›
Feb. 1	Fired director of Consumer Financial Protection Bureau ›

See every major action by the Trump administration ›

Musk has his own connection to the agency. The bureau has a database containing hundreds of complaints about his car company, Tesla. The agency also regulates digital payment platforms — something Musk is developing at X, my colleagues noted today.

For now, employees have been told not to do "any work task" and the agency's enforcement work is frozen. The enforcement division received an email on Monday telling it to stand down on any continuing work because there would be "new enforcement priorities."

On Tuesday, two key leaders at the agency resigned. Recently hired employees — those still in their "probationary" period — found they could no longer access their email or other work systems.

One of them was Taylor Sonne, 27, a compliance examiner living in Houston who had learned about the bureau in college and made it his mission to work there. Five minutes after he realized was locked out, he received a message to his personal email address saying he had been fired because, according to the letter, the agency had found he was "not fit for continued employment." Other probationary employees were fired, too.

Sonne had just been promoted, he said, and had only one month to go before his probationary period was over. He said his termination seemed to take even his direct supervisor by surprise.

"It was demeaning," he told me. "At the end of the day, I just want to do my job."

It's not clear what will happen next. Trump has nominated a new director. But the disruption has created lingering questions about the future of the agency and its mission.

AGENCY REPORT

Accidental access at Treasury

After Musk's team got access to a payment system at the Treasury Department, the Trump administration claimed the staff members could only see the data, not alter it.

But my colleague Andrew Duehren reported yesterday that a young ally of Elon Musk and former Treasury Department appointee had been accidentally given the ability to make changes to a sensitive payment database.

A court filing revealed that, on Feb. 6, Treasury officials found that Marko Elez had been given "read/write" permissions to one of the payment databases. Elez, a 25-year-old former employee of X, resigned from the team last week after being linked to racist social media posts.

That access was revoked, according to the filing, and the incident is being investigated.

More on government agencies

- Layoffs have been ordered at the General Services Administration, two people with knowledge of the situation told our reporters.
- Musk's cost-cutting team is at the Department of Labor — and that could really matter for the U.S. economy, according to Politico.

MEANWHILE ON X

Musk vs. the courts

Musk rarely does interviews, but he is using his X account as a megaphone. My colleague Kate Conger, the co-author of a book called "Character Limit: How Elon Musk Destroyed Twitter," guides you through his most important messages in recent days.

Right now, the strongest check on Musk's power may be the federal courts. Looking at his feed on X, Musk seems to understand this.

In recent days, as courts have blocked some of this work, Musk has called for some judges to lose their jobs.

On Wednesday, Musk reposted a message from Senator Mike Lee, Republican of Utah, calling for "corrupt" judges to be impeached. Musk added an American flag emoji. He shared several other messages from X users that accused the judges of activism and overreach.

He also started a poll, asking his followers to reply "yes" or "no" to the prompt: "Federal judges who repeatedly abuse their authority to obstruct the will of the people via their elected representatives should be impeached."

Musk has bristled at judicial oversight in the past, and gone to great lengths to avoid scrutiny from the courts. He focused particular ire at a Delaware judge who has overseen several lawsuits against him and his businesses, using his posts on X to accuse her of corruption. He also reincorporated several of his businesses in Texas to avoid being dragged into her courtroom as part of future litigation.

Other notable posts:

- Musk has been celebrating his rising power. On Wednesday, he shared photos and videos of himself in the Oval Office with President Trump. Musk is walking a fine line with Trump, who doesn't like to be overshadowed by his aides. Musk's feed suggests his strategy to this dilemma is effusive flattery. "I love @realDonaldTrump as much as a straight man can love another man," he recently posted.
- He also celebrated a milestone when, for the first time, he had more than 217 million followers on X.

— Kate Conger

BY THE NUMBERS

The head count

My colleagues are tracking the numbers behind Trump and Musk's attempts to shrink the government payroll. Their regularly updated tally is here.

Federal employees targeted for cuts

Type of cut	Employees affected
Targeted for agency dismantling	At least 8,700
D.E.I. workers	At least 280
Jan. 6 and Trump investigators	At least 33
Government watchdogs	At least 22
Other staff	At least 224

Data shown is as of Feb. 11, 2025. | By The New York Times

Got a Tip?
The Times offers several ways to send important information confidentially.

MUSK'S WORLD

An origin story

Antonio Gracias, a Silicon Valley investor who is one of Musk's closest friends, recently pulled back the curtain a bit on the earliest days of the Department of Government Efficiency. His description reveals Musk's immediate frustration with government accounting.

On the "All-In" podcast, Gracias said he was at Mar-a-Lago with Musk during the transition, "trying to track through how does the money actually flow."

"No one could tell us how it actually flows. Where is it going out? People didn't know."

"How can the government not know how much money it's spending?" he asked, bewildered. "Just hit the button on the computer and figure it out. The problem is — that button doesn't exist." (According to the Treasury Department, the federal government spent $6.75 trillion last year.)

Gracias said he was still somewhat involved in Musk's project. "I'm in and out a little bit, and trying to help where I can, but I'm not there full time," he said.

— Theodore Schleifer

YOU SHOULDN'T MISS

How Musk is redefining 'doxxing'

Elon Musk in Palm Beach, Fla., last year. Haiyun Jiang for The New York Times

My colleague Ken Bensinger takes a sharp look at how Musk and other Trump allies have suggested that journalists who report on their work are "doxxing." Ken writes:

> For years, journalists have written about the social media posts of government employees to help reveal the positions, motivations and actions of public officials.
>
> But when a journalist recently trained that same lens on Elon Musk's new government efficiency program, the billionaire suggested that the reporting might be illegal, joining other powerful figures connected to the Trump administration who have made similar claims in recent weeks.

Ken notes that First Amendment groups are pushing back, pressing one Trump official to explain what laws were violated.

Read more here.

Jess Bidgood is a managing correspondent for The Times and writes the On Politics newsletter, a guide to the 2024 election and beyond. More about Jess Bidgood

Exhibit K

POLITICS

Secrecy preceded the shutdown of the consumer protection agency's Washington headquarters

BY CHRIS MEGERIAN
Updated 6:32 PM EST, February 10, 2025

▶ Follow live updates on President Donald Trump and his new administration.

WASHINGTON (AP) — Over the weekend, some staff members at the Consumer Financial Protection Bureau saw a sign of trouble to come.

Windows in two basement conference rooms were covered with brown paper and blue painter's tape, concealing their occupants. Voices could be heard inside discussing cuts to government agencies. When the door was cracked open, there were young people with temporary badges.

It was fresh evidence that the agency, which was created to protect Americans from financial fraud, abuse and deceptive practices, was the newest target of Elon Musk and his Department of Government Efficiency, known as DOGE. Now the Washington headquarters is shut down for the week, and there are fears that it will be gutted like the U.S. Agency for International Development.

Pictures of the conference rooms were viewed by The Associated Press, and the scene was described by two current employees who spoke on the condition of anonymity because they feared retaliation. The secrecy contradicts insistence by the White House that Musk is transparently fulfilling President Donald Trump's goal of downsizing the federal government.

Trump defended his administration's broadside against the Consumer Financial Protection Bureau, or CFPB, saying it was "set up to destroy people."

RELATED STORIES

Americans brace to feel impact of Trump actions halting CFPB's work

Trump fires Rohit Chopra, Consumer Financial Protection director

The head of a federal agency for consumers has packed up his office. But will Trump fire him?

"We did the right thing," he told reporters in the Oval Office on Monday.

Demonstrators gathered outside the bureau to criticize Trump and Musk, who has faced escalating scrutiny as DOGE spreads its reach across the federal government.

"Elon Musk, where are you?" said Rep. Maxine Waters, a California Democrat. "We're not afraid of you."

The White House is considering opportunities for Musk to talk publicly about his work for the first time since the billionaire entrepreneur joined the administration as [a special government employee](), according to an official who spoke on the condition of anonymity about internal discussions.

So far, Musk has only defended himself on social media, saying he's confident that the American people will support DOGE's efforts. He also responded to accusations that he's improperly accessed sensitive information through government databases, saying "I'm 1000% more trustworthy than untold numbers of deep state bureaucrats and fraudsters."

Russ Vought, Trump's budget chief, is serving as the CFBP's acting director after the previous director, Rohit Chopra, was fired by Trump. Vought sent an email to employees on Monday morning saying they should "not perform any work tasks." They were directed to contact the top lawyer for the Office of Management and Budget "to get approval in writing" before doing anything.

Vought's message followed one on Saturday evening that ordered the bureau to "cease all supervision and examination activity."

There are indications that the bureau's website is being disrupted. The homepage displays a "404: Page not found" message, although other parts still work.

The National Treasury Employees Union, which represents more than 1,000 workers at the bureau, filed a lawsuit saying that Vought's order illegally exceeded his authority.

"It is substantially likely that these initial directives are a precursor to a purge of CFPB's workforce, which is now prohibited from fulfilling the agency's statutory mission," the lawsuit said.

The CFPB, was created after the 2008 financial crisis and subprime mortgage-lending scandal. Officials said that it has obtained nearly $20 billion in financial relief for U.S. consumers since its founding in the form of canceled debts, compensation and reduced loans.

"This is a fight between millions of hardworking people who just don't want to get cheated and a handful of billionaires like Elon Musk, who wants the chance to cheat them," said Sen. Elizabeth Warren, a Massachusetts Democrat who helped create the CFPB.

In recent years, the agency had passed rules capping bank overdraft fees, removing medical debt from consumer credit reports, regulating "buy now, pay later" loans, and requiring disclosures on short-term loans known as earned wage access. It has sued banks for misleading consumers and employers for misleading workers, with a particular focus on curbing junk fees and predatory lending under President Joe Biden's administration.

Banks and industry groups have sued to block some of these rules, claiming the agency has exceeded its regulatory authority. Conservatives and their financial backers have long targeted the bureau, contending it lacks sufficient supervision. However, the bureau's funding and oversight model was upheld by the Supreme Court in May.

On Friday night, Musk posted "CFPB RIP" on X, his social media platform. He added an emoji of a tombstone.

When another person expressed approval of the plan, Musk wrote "they did above zero good things, but still need to go."

Since Congress created the CFPB, it would need to pass additional legislation to formally eliminate it. However, agency leadership can decide what enforcement actions to take.

Democrats and progressives expressed outrage over the Trump administration's decision to target the CFPB.

"Elon Musk and Russ Vought aren't just testing the limits of the law — they're shattering them, daring anyone to stop them," said Leah Greenberg, co-executive director of the activist group Indivisible. "This attack on the Consumer Financial Protection Bureau is illegal, unconstitutional, and a blatant power grab by billionaires who want to rig the system even further in their favor."

Associated Press writers Cora Lewis and Christopher Rugaber contributed to this report.

CHRIS MEGERIAN
Megerian covers the White House for The Associated Press. He previously wrote about the Russia investigation, climate change, law enforcement and politics in California and New Jersey.

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Exhibit L

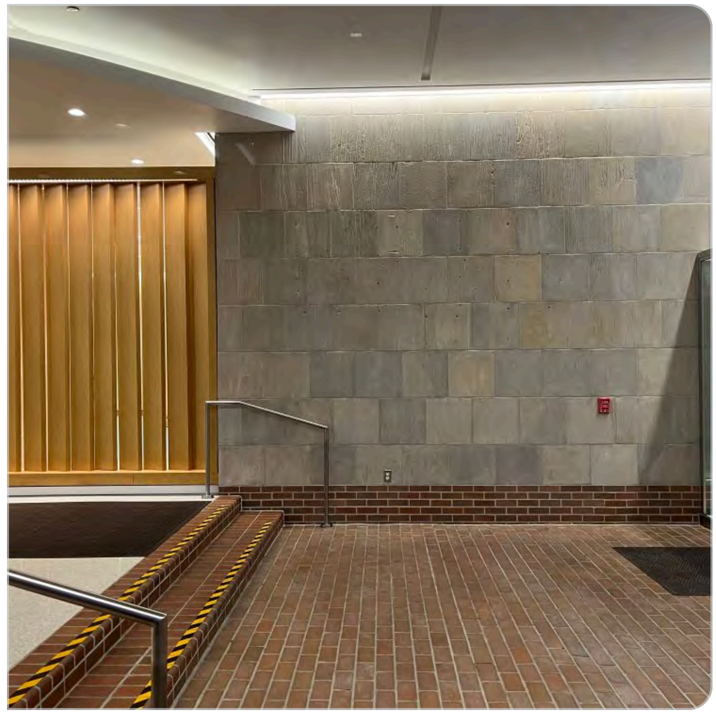
Post

Douglas Gillison
@dgillison.bsky.social

Follow

Seems today the Trump admin removed the signage from the front door and lobby of the #CFPB....

Photos taken 2 weeks apart



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1 5 2

Exhibit M

Feb. 21, 2025, 10:02 p.m. ET
Stacy Cowley Consumer finance reporter

A consumer bureau is told to vacate its Washington office as its lease is canceled.

The Consumer Financial Protection Bureau's lease was terminated by the Department of the Treasury, which owns the building in Washington. Al Drago for The New York Times

Employees at the Consumer Financial Protection Bureau have been told that the agency's lease on its Washington headquarters has been canceled and that the bureau has 30 days to vacate the building, according to three people with knowledge of the agency's internal discussions.

The consumer bureau's headquarters are controlled by the Treasury Department, which once used the building for its Office of Thrift Supervision. That agency, a bank regulator, closed in 2011, the same year the consumer bureau opened.

Representatives from the Treasury Department and the consumer bureau did not respond to requests for comment.

Russell Vought, the Office of Management and Budget director, was named the acting director of the consumer bureau' two weeks ago. He immediately began shutting down what he called "a woke & weaponized agency," ordering its headquarters closed and its staff to halt all work. Nearly 200 employees — those who were probationary hires or who worked on fixed-term contracts — were fired, and those who remained were forbidden from entering the agency's offices.

The consumer bureau cannot be officially abolished without action from Congress, which created the agency in the aftermath of the Great Recession to regulate consumer products like mortgages, auto loans, credit cards and bank accounts. The bureau has twice survived Supreme Court cases that aimed to eliminate it.

But firing nearly all the bureau's staff — as Mr. Vought intends, according to litigation in federal court in Washington that is aimed at curtailing his actions — and eliminating its physical premises would functionally be a death knell.

Employees will be assigned a 15-minute window in which they can return to the agency's headquarters to pick up their personal effects, according to two people who were told of the shutdown plan.

Among the many open questions are what will happen to the agency's records, some of which are subject to "litigation holds" and cannot legally be destroyed. A plan to transfer papers to a storage facility is being developed, but several employees said they worried about what would happen to the vast array of agency records held by cloud software providers. If the contracts with those providers are canceled, irreplaceable data risks being deleted.

Judge Amy Berman Jackson, of the U.S. Court for the District of Columbia, issued an order last week that temporarily prevents the consumer bureau from deleting any agency data, which includes records located on the agency's "premises, on physical media, on a cloud server, or otherwise."

That order will last until Judge Jackson rules on a request for a restraining order sought by lawyers representing the consumer bureau's staff union and other parties. A hearing on that request is scheduled for March 3.

While Judge Jackson's order has paused some of the unwinding of the agency's staff and infrastructure, the physical dismantling of its premise has begun. Workers this week removed the signage on its Washington headquarters.

Show less

Feb. 21, 2025, 9:27 p.m. ET
Chris Cameron Reporting from Washington

Exhibit N

Post

Reply

Philip Melanchthon Wegmann
@PhilipWegmann

Signs for the CFPB have been removed from the now shuttered bureau headquarters.

2:26 PM · Feb 25, 2025 · **7,440** Views

5 12 34 1

Replying to @PhilipWegmann

Exhibit O

MAKENA KELLY DHRUV MEHROTRA POLITICS FEB 11, 2025 10:41 PM

Dozens of CFPB Workers Fired in After-Hours Blitz

Some affected employees of the Consumer Financial Protection Bureau were notified with an email that addressed them as [EmployeeFirstName] [EmployeeLastName], [Job Title], [Division].

The US Consumer Financial Protection Bureau headquarters in Washington, DC. PHOTOGRAPH: GETTY IMAGES

SAVE

Dozens of Consumer Finance Protection Bureau employees were terminated on Tuesday evening, sources tell WIRED.

The cuts largely targeted contractors and so-called probationary employees, workers who have served less than two years at the agency. Sources tell WIRED that the CFPB's enforcement division was hit hard, but it's unclear how many employees were let go.

Workers were informed that they had been fired with a frenetic email delivered around 9 pm ET on Tuesday. An evidently failed mail merge meant that some affected employees were addressed as [EmployeeFirstName][EmployeeLastName], [Job Title], [Division].

"This is to provide notification that I am removing you from your position of [Job Title] and federal service consistent with the above references," the email from acting chief human capital officer Adam Martinez says. "Unfortunately, the Agency finds that that [sic] you are not fit for continued employment because your ability, knowledge and skills do not fit the Agency's current needs."

The firings follow a tumultuous few days at the CFPB. On Friday, staff for Elon Musk's Department of Government Efficiency shut down a portion of the agency's homepage after a day of struggling to obtain access to the CMS and other systems. WIRED reported last week that three DOGE staffers, including Gavin Kliger and Nikhil Rajpal, were given access to the CFPB's HR, procurement, and financial infrastructure. The DOGE workers were later granted access to all of the agency's systems on Friday, Bloomberg reported this week, including bank examination and enforcement records.

Later on Friday evening, Russell Vought—President Trump's newly confirmed director of the Office of Management and Budget—took over as the acting administrator for the CFPB late Friday evening, as first reported by The Wall Street Journal. Soon after, DOGE staff began sending out email requests asking CFPB managers to give Kliger additional access to agency systems, including physical access control system, payroll processing systems, and the ability to edit the CFPB's website, sources tell WIRED.

Just before 10:30 pm ET on Friday, sources say, someone who appeared to have administrative privileges accessed the agency server using Secure Shell, a protocol that allows remote control of a computer over a network. Bypassing the content management system, they unpublished the homepage file, causing a portion of the CFPB homepage to display a "404: Page not found" notice typical of a website that has been deleted or is otherwise missing. The remainder of the site was functional, including submission forms for industry whistleblowers and consumer complaints.

Around 11 pm on Friday, the CFPB's X account disappeared, and shortly after, according to a CFPB staffer, DOGE left the building.

CFPB sources who spoke to WIRED described being blindsided by the DOGE staffers. "They said they would follow protocol but repeatedly did not," one says, noting that the level of access these staffers have could allow them to lock others out of the building, take down the website, and "obstruct the bureau's ability to carry out its mandate."

Got a Tip?

Are you a current or former government worker with insight into what's going on? We'd like to hear from you. Using a nonwork phone or computer, contact the reporters securely using a personal device on Signal at makenakelly.32 and dmehro.89.

One source at CFPB on Friday says they saw two young DOGE staffers wandering through the halls of the building trying to open doors.
"DOGE pulled a Darth Vader in cloud city where they came in promising to respect our rules and ask for read access and then tonight [Friday] at 6 they took a heel turn and demanded website access," another CFPB source told WIRED at the time.

In a pair of emails sent Saturday and Monday, Vought effectively ordered all work at the agency to stop, freezing various enforcement efforts and work on regulations that would affect payment programs run by Big Tech companies.

The CFPB has long been a target of both Elon Musk and conservatives more broadly; the Project 2025 chapter on financial regulatory agencies describes it as "a highly politicized, damaging, and utterly unaccountable federal agency" and calls to have it abolished. Musk wrote "RIP CFPB" with a gravestone emoji in an X post Friday afternoon. In November, he posted "Delete CFPB." There are around 1,700 employees in total at the agency.

The CFPB was established by the 2010 Dodd-Frank Act, a sweeping piece of legislation that imposed significant regulatory reform in the wake of the 2008 financial crisis. Its remit is to protect consumers from unfair or deceptive financial practices, and the agency claims to be responsible for $19.7 billion in consumer relief since its inception, as well as $5 billion in civil penalties.

Some of those wins have come against payment processors including Block, which last month was ordered to pay $175 million in penalties for allegedly failing to sufficiently protect users of its Cash App from fraud. The CFPB also has an active lawsuit against JPMorgan Chase, Bank of America, and Wells Fargo for similar alleged failures on their shared payment app Zelle. Elon Musk will soon be in the peer-to-peer payments business as well, after X entered a partnership with Visa in late January.

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Makena Kelly is a senior writer at WIRED focused on the intersection of politics, power, and technology. She writes the *Politics Lab* newsletter that helps you make sense of how the internet is shaping our political reality—**sign up here**. She was previously at The Verge, CQ Roll Call, and the ... Read more

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Dhruv Mehrotra (he/him) is an investigative data reporter for WIRED. He uses technology to find, build, and analyze data sets for storytelling. Before joining WIRED, he worked for the Center for Investigative Reporting and was a researcher at New York University's Courant Institute of Mathematical Sciences. At Gizmodo, he was ... Read more

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TOPICS DOGE ELON MUSK GOVERNMENT WEBSITES CONSUMER PROTECTION

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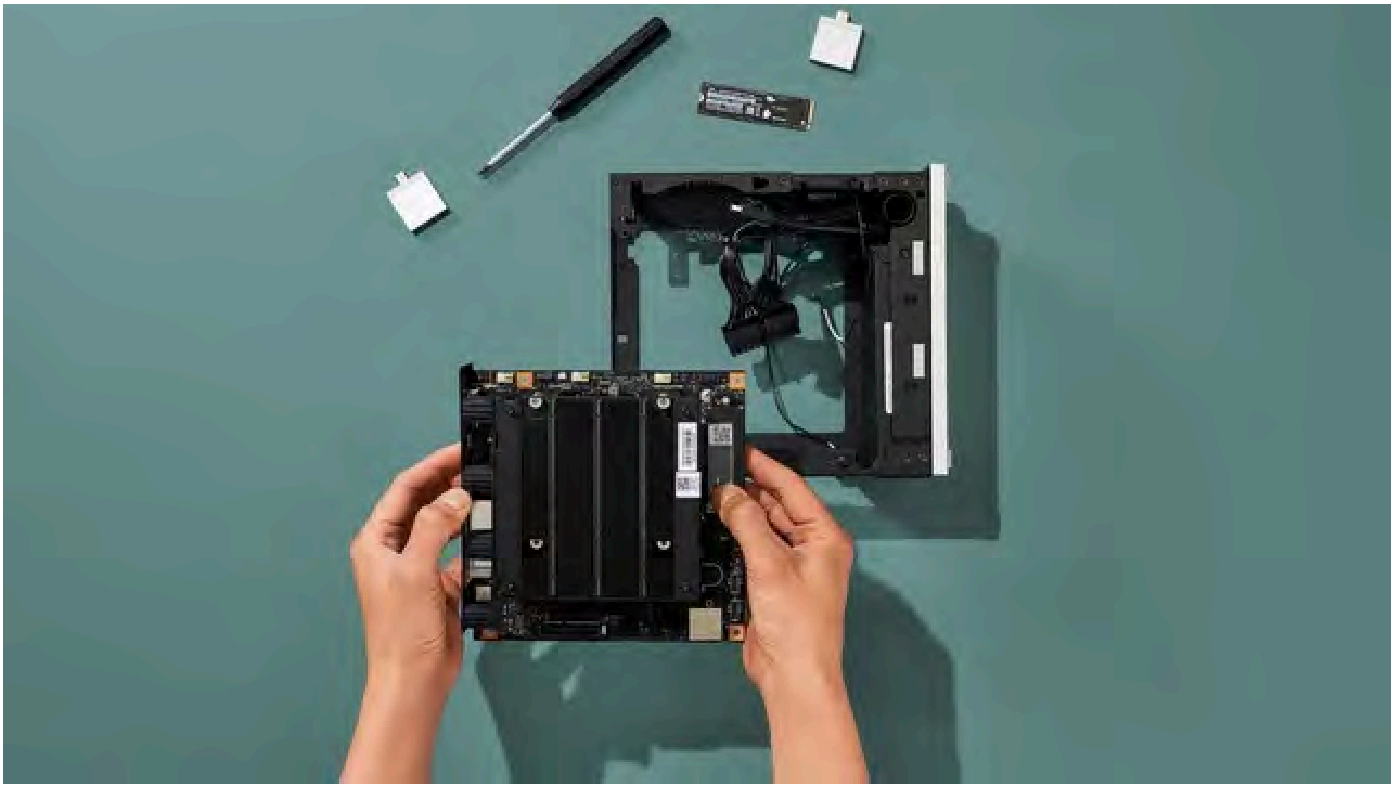


Framework's First Desktop Is an Xbox-Sized Mini Gaming PC

This powerful 1440p-capable gaming and workstation computer fits inside a case the size of a small game console.

ANDREW CUNNINGHAM, ARS TECHNICA

The Best Hair Dryers That Put Your Old One to Shame

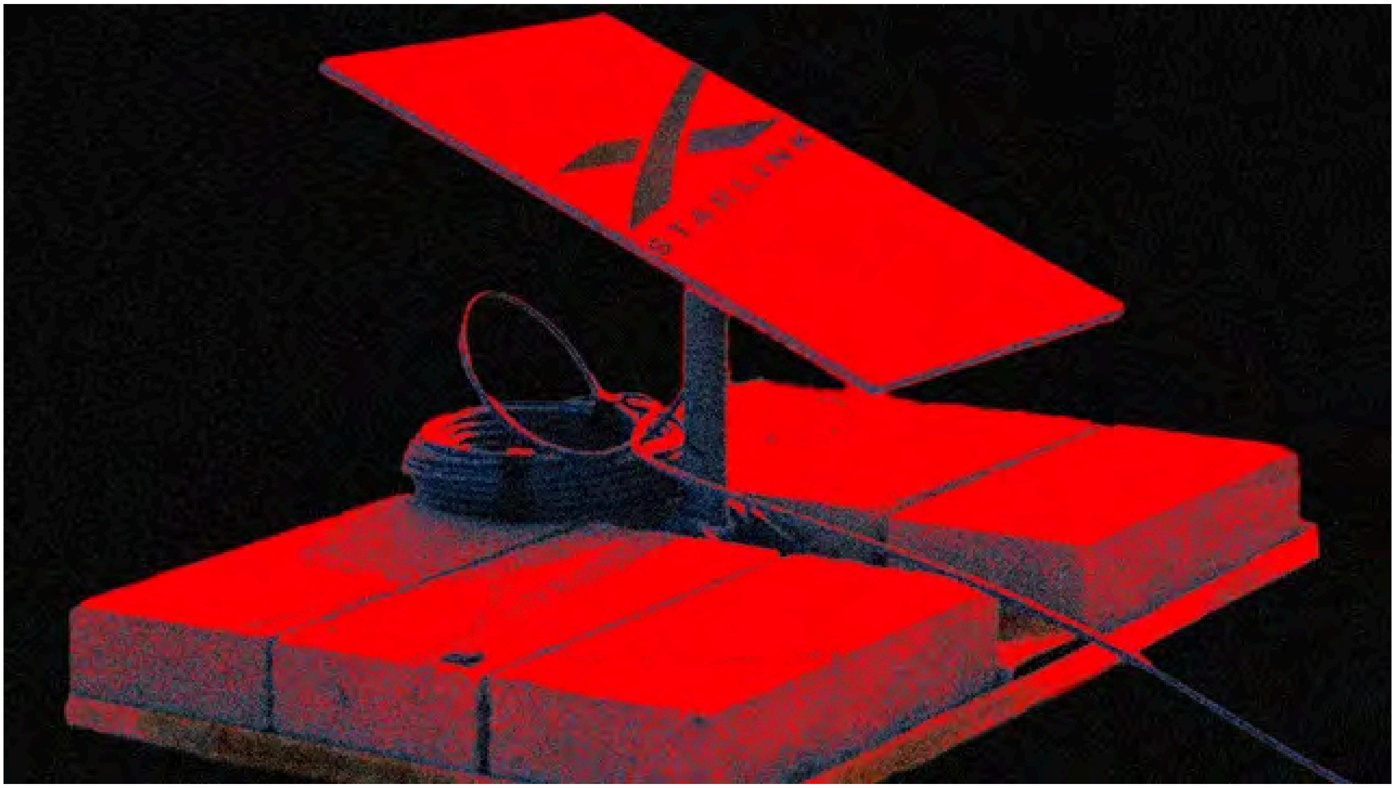
Ready to ditch your clunky hair dryer? These top-tier models bring the heat without the damage.

BOUTAYNA CHOKRANE

DOGE's Chaos Reaches Antarctica

Daily life at US-run Antarctic stations has already been disrupted. Scientists worry that the long-term impacts could upend not only important research but the continent's delicate geopolitics.

LEAH FEIGER



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AARIAN MARSHALL

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MOLLY HIGGINS

A Deadly Unidentified Disease Has Emerged in the DRC

More than 50 people have died in the Democratic Republic of the Congo, most within 48 hours of the onset of symptoms. Initial analysis suggests neither Ebola nor Marburg is the cause.

MARTA MUSSO

DOGE Staffers at HUD Are From an AI Real Estate Firm and a Mobile Home Operator

Elon Musk's men at HUD come from the real estate sector. They have access to vast stores of personal and financial data—and control over who can access which HUD systems.

VITTORIA ELLIOTT

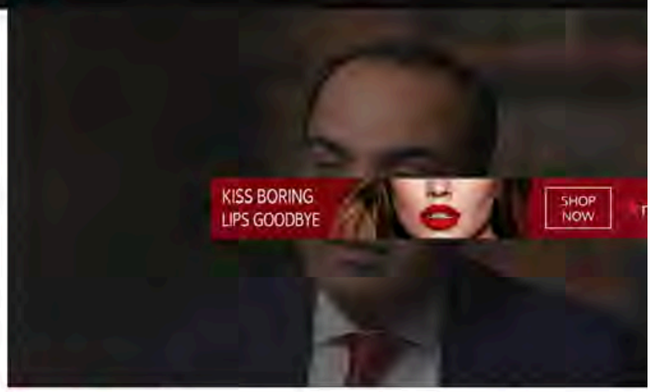
PRIVACY CONFIGURATIONS

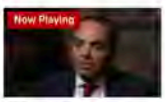
Exhibit P

60 MINUTES OVERTIME

Why the Consumer Financial Protection Bureau is being targeted by Trump, DOGE

By Lesley Stahl, Aliza Chasan, Shachar Bar-On, Jesus Jung
February 23, 2025 / 7:00 PM EST / CBS News





CFPB under fire by President Trump, DOGE

In the weeks since President Trump's return to office, the Consumer Financial Protection Bureau, a target of conservatives, landed in the crosshairs of Elon Musk's DOGE, or Department of Govern Efficiency.

As a watchdog agency, the Consumer Financial Protection Bureau, or CFPB, is tasked with protecti consumers from financial fraud and shady lending practices. Musk has criticized the agency, whic would oversee one of his new ventures. Now its head has been fired and workers have been told to stay home. Doors have been locked and all work has ceased.

Rohit Chopra, the fired head – who previously served at the Federal Trade Commission under Mr. Trump during his first term in office – said he sees the targeting of the CFPB as "suspicious"; It's a s agency that oversees some of the biggest and most powerful companies out there, including big ba and tech companies moving into financial technology.

"They would want a situation where the agency is a lapdog rather than a watchdog," Chopra said.

A conflict of interest for Musk?

Mr. Trump, in the Oval Office earlier this month, said it was his goal to fully eliminate the CFPB "because we're trying to get rid of waste fraud and abuse." Getting rid of waste, fraud and abuse is : the president handed to Musk and DOGE.

But eliminating an agency that regulates tech companies creates a potential for conflicts of interest Musk, especially given the secrecy around DOGE – something Musk refutes.

"I don't know of a case where an organization has been more transparent than the DOGE organization," Musk said in the Oval Office on Feb. 11.

He said it would be obvious if he was doing something that would benefit one of his companies. However, it's not obvious or transparent to many. A team of young men – connected with DOGE – given wide access to the bureau's computers, but the American public doesn't know what they're looking for or what they're doing with the access to these files.

Hanna Hickman, who was a bureau attorney until she was fired less than two weeks ago, said she's heard DOGE workers are camped out in the CFPB basement.

"They've got papers up on the windows to keep people from looking in. And they've been accessin data, certainly," she said.

What's on the computers being accessed by DOGE

In recent years the bureau started aggressively policing digital banking companies and products. S has a lot of information on its computers about them, which is potentially relevant to Musk becaus announced that he's starting a new digital payment platform, X Money.

"He's potentially able to gain access to files of his competitors like Venmo and Cash App. He is able take out the regulator that would've been the watchdog for his company," Hickman said. "I guess it easier to fire us than it is to beat us in court."

A senior White House official told 60 Minutes that Musk is not in the inner workings of the DOGE operations at CFPB. The team working there take their orders from the acting director of the bure The official declined to comment on what specifically the team of young men was doing at the bur

But according to several sources, the team was granted unprecedented access to the CFPB data systems, including to sensitive bank records – access that normally requires training and backgrou checks.

Hickman said every employee at CFPB has to go through an extensive background check.

"It includes a detailed run of our background, fingerprints, talking to neighbors and friends to mak sure we are who we say we are," she said. "It's a process that takes at least a couple of months befo you're hired."

The CFPB's chief operating officer gave a sworn declaration saying the DOGE team members were "provided privacy and cyber security training" and signed non-disclosure agreements.

In response, the CFPB's chief technologist, who just resigned, wrote that the training alone would insufficient, noting that there was also "no mention of DOGE employees undergoing a background investigation."

Lorelei Salas and Eric Halperin, among the highest-ranking civil servants at the CFPB to leave the bureau, said they were horrified by the idea of people rummaging through the bureau's confidenti files. After they were placed on administrative leave, both resigned.

"I'm worried about your account number, your social security number being out there," Salas said.

Halperin, who was in charge of all the bureau's lawsuits on behalf of defrauded consumers, said companies would want the information the CFPB has to stay private.

"We do have information - both proprietary business information, trade secret information and personal identifiable information for consumers that we collected in the course of our work, that v necessary to do our work," Halperin said.

Salas ran a team of nearly 600 inspectors who examined the books of banks and other financial institutions. She pointed toward the development of artificial intelligence tools used by companies make decisions about whether or not to give someone a loan. Those algorithms are in the CFPB system, Salas said.

"I think that companies that gave us their financial information and even trade secrets, they will probably be harmed if that information fell into the hands of competitors," Salas said.

What's happening at CFPB now

Three hours after the DOGE team swept in on Feb. 7, Musk posted "CFPB RIP" on X, alongside a pic of a gravestone. Mr. Trump appointed Russ Vought, an ardent critic of the bureau, as its acting director. Vought announced on X he would stop funding the agency.

"This spigot, long contributing to CFPB's unaccountability, is now being turned off," Vought said.

Soon, the firings started. Hickman and nearly 200 of her colleagues found out through a mass ema

"We virtually shut down the out-of-control CFPB, escorting radical-left bureaucrats out of the build and locking the doors behind them," Mr. Trump said last week. "What they were doing was so terri Where they were spending the money was so terrible."

Late last week, workers took down the signage at CFPB's headquarters, even though a federal judg imposed a temporary restraining order to stop budget cuts at the bureau and any more firings. A hearing is set for March 3.

The judge's order does not cover those already fired, like Hickman, who says she did not receive ar severance pay.

"Under the normal regulations governing a government layoff, we should receive at least 60 days' notice, severance, benefits to help us transition into a new role," Hickman said. "It's shocking."

Hickman said her union is fighting back.

"We are looking for all legal avenues to pursue this," Hickman said. "At the end of the day, the administration thinks they can get away with it because they don't think we have any recourse. So hoping to prove them wrong."

Should the CFPB exist?

The watchdog agency, created by Congress after the 2008 financial crisis, was the brainchild of Se Elizabeth Warren, who's now leading the uphill fight to keep the bureau alive.

"For every person who wants to buy a home without getting scammed, this fight is your fight," she at a recent protest.

Norbert Michel, of the Libertarian Cato Institute, agrees with the president that there are too many financial regulatory agencies. He said there are enough regulatory agencies out there and doesn't believe CFPB should have ever been created.

"Consumer protection existed long before we had a CFPB," Michel said. "And if we got rid of it and everything back to the way that it was, we would still have consumer protection."

Functions assigned to the bureau could be assigned under the Federal Trade Commission, he said.

"Their motto is literally on the website, 'Protecting America's consumers,'" Michel said.

Still, the bureau, in its short existence, has recovered over $20 billion for consumers.

As of now, CFPB investigations and nearly all lawsuits brought by the agency are frozen. And Chop says no refund checks to defrauded consumers are going out. He doesn't even know if the bureau really exists right now.

"All I know is that a lot of employees are being told to stay silent and stay home," Chopra said.

He also doesn't know where Congress is in all the chaos around the agency. He argues only Congre has the legal authority to shut down an agency it created.

"You can't just say, 'We're gonna pass these laws to protect consumers,' and then act like the agency dead fish," he said. "That's not how the Constitution works."

More from CBS News

This is who the White House says is the DOGE acting administrator

21 DOGE staffers, whose employment predated Musk agency, resign

DOGE releases updated "wall of receipts" with more discrepancies

Elon Musk to retired air traff controllers: Please come bac to work

In: DOGE Elon Musk Donald Trump Consumer Financial Protection Bureau

Lesley Stahl

One of America's most recognized and experienced broadcast journalists, Lesley Stahl has been a 60 Mi correspondent since 1991.

Exhibit Q

Justice Dept. insists 'there will continue to be a CFPB'

nationalmortgagenews.com

February 25, 2025

National Mortgage News

Section: Vol. 1; No. 1

Length: 1244 words

Byline: Kate Berry

Body

The Trump administration said in a court filing that the Consumer Financial Protection Bureau will continue to exist - albeit with a reduced budget and lower headcount - and blamed the bureau's closure on protests that occurred after the agency was shuttered.

In a legal brief filed Monday, the Justice Department defended the actions of acting CFPB Director Russell Vought, who this month fired 170 temporary and short-term employees, shut the agency's headquarters in Washington D.C., and placed the bureau's remaining 1,500 employees on administrative leave.

"As acting director Vought noted in a letter to the Federal Reserve, the 'Bureau's new leadership will run a substantially more streamlined and efficient bureau,'" the Justice Department said in its40-page brief. "The predicate to running a 'more streamlined and efficient bureau' is that there will continue to be a CFPB."

The brief also stated that the CFPB under Vought "is committed to performing its statutory obligations," and the bureau "will " do its part to reduce the federal deficit."

The Justice Department filed the brief in opposition to a request for a preliminary injunction by the National Treasury Employees Union and other groups that asked the court to stop mass firings of CFPB employees and halt the removal or deletion of data covered by the Federal Records Act. A hearing on the preliminary injunction has been set for March 3.

On Feb. 14, U.S. District Judge Amy Berman Jackson of the U.S. District Court for the District of Columbia ordered the CFPB and Vought to not fire any CFPB employee, except for cause, and not to destroy or remove any CFPB data.

The Justice Department said Vought's actions were part of the Trump administration's efforts to pause the bureau's work while it reevaluates policies made during the Biden administration.

Vought issued astop-work orderalmost immediately afterbeing appointedto temporarily lead the CFPB agency on Feb. 7. His primary job is running the Office of Management and Budget. Vought ordered CFPB staff not to take regulatory actions, open new instigations into regulatory entities, enter into settlements, or take other actions that could represent policy decisions "inconsistent with new leadership's views on the most desirable way for CFPB to meet its statutory responsibilities."

"Defendants' decision-making fits comfortably within this Executive Branch practice of short-term pauses in order to determine how best to implement programs consistent with the President's policy objectives and underlying law, and therefore is not violative of separation of powers principles," the brief states.

The Justice Department also falsely claimed that it closed the CFPB's Washington D.C. headquarters in response to protests by employees - even though theprotestshappened only after the office was shuttered.

The Justice Department said that the protests involved "large and disruptive gatherings" outside of the CFPB headquarters building. It claimed that Vought's arrival at the CFPB "coincided with a series of episodes of an extraordinary and disruptive nature," including a meeting that was disrupted between CFPB management and the Department of Government Efficiency.

"Several protestors followed and questioned other CFPB staff members, making them feel harassed," the brief said. "Given these disruptive protests involving the CFPB's own staff, CFPB leadership has closed the CFPB Headquarters Building and tightened staff supervision, making sure that they are focused only on aspects of the mission that are, in fact, urgently required by law, as determined by the Chief Legal Officer."

Several CFPB employees, who spoke on the condition of anonymity for fear of retribution, said they did not find the government's claims to keep the bureau operating reassuring. Some said they found it laughable that Vought and other Trump administration employees were frightened by the protestors.

The Trump administration said it plans to cancel the lease on the CFPB's headquarters, which has not yet happened, and the bureau "will have thirty days to move out." CFPB leaders will "evaluate options for alternative office space once the Bureau has ascertained the amount of office space it will need to carry out its more streamlined operations, such as those required by statute and those for which physical office space is necessary."

The government's brief was signed by Deputy Assistant Attorney General Eric J. Hamilton,

Special Counsel Brad P. Rosenberg, and Trial Attorney Liam C. Holland of the Justice Department's civil division.

The Justice Department did not respond in the brief to major questions raised by the NTEU's lawyer Deepak Gupta about whether CFPB data has been accessed by Trump advisor Elon Musk and the Department of Government Efficiency, a rebranded version of the U.S. Digital Service. The Justice Department's brief repeatedly referred to a declaration by Adam Martinez, the CFPB's chief operating officer and the most senior career official, that DOGE members followed procedures and received privacy and cyber-security training before accessing data.

Gupta, the founding principal of the law firm Gupta Wessler, told Berman Jackson earlier this month that the risks to CFPB data are far-reaching and that Musk and DOGE employees gained access to all data involving bank and payment contracts, the consumer complaint database and personal financial information on the bureau's employees. He is expected to argue that a preliminary injunction is warranted because there is no way of knowing whether CFPB employees were locked out of the agency's headquarters to gain access to sensitive data, including bank trade secrets that could be used for commercial purposes. DOGE was created by executive order soon after Trump was sworn in in January, and is aimed at reducing federal spending to pay for an extension of Trump's 2017 tax bill.

Banking experts said the legal brief combined with the Senate Banking Committee's hearing this Thursday to confirmJonathan McKernanas the permanent CFPB director as signs that the agency will not be shut down.

"Our expectation is that the CFPB will continue to operate and will look similar this term to the way it looked during the first Trump administration, and it is consistent with Jonathan McKernan being the nominee and having a hearing this week," said Chris Willis, a partner at the law firm Troutman Pepper Locke LLP.

The union has claimed that Vought was illegally appointed acting CFPB director under the Federal Vacancies Reform Act because former CFPB Director Rohit Chopra did not die, resign, or become "unable to perform the functions and duties of the office," but rather was fired by President Trump.

The Justice Department said in the brief that the claim "is difficult to square" with the statute.

"The Government's position is simple: Removal is an event that would render an officer 'unable to perform the functions and duties of the office,'" the brief states.

The Trump administration sought to portray the NTEU's lawsuit as primarily a challenge to policy decisions governing federal employees. It claims that disputes about federal employment must be adjudicated through an administrative process - either before the Merit Systems Protection Board for employment disputes or the Federal Labor Relations Authority for labor disputes."

"Plaintiffs here do not allege any concrete harm," the brief stated, and referred to harm as "the risk of criminal or civil penalties."

https://www.nationalmortgagenews.com/news/justice-dept-insists-there-will-continue-to-be-a-cfpb

Load-Date: February 26, 2025

Exhibit R

Feb. 21, 2025, 5:46 p.m. ET
Stacy Cowley Consumer finance reporter

The federal consumer protection bureau abandons a case against an online lender.

Russell Vought, the acting director of the Consumer Financial Protection Bureau, has fired more than 70 probationary employees at the agency, leaving dozens of its cases in disarray. Haiyun Jiang for The New York Times

The Consumer Financial Protection Bureau on Friday dropped its litigation against the online lender SoLo Funds, the first time since President Trump took office that the agency — which has been all but shut down by the leaders he appointed — ended one of its enforcement cases.

The bureau, which is meant to protect consumers from unfair and deceptive financial practices, sued SoLo last year in federal court in Los Angeles, where SoLo is based, over the company's peer-to-peer lending platform. SoLo has advertised its small-dollar loans as "no interest" and "0% A.P.R.," but steered customers toward making "donations" for its services and paying "tips" to its lenders.

Less than 1 percent of borrowers obtained a loan without paying the lender a fee, and the costs to borrowers added up to more than $20 million, the bureau said in its complaint.

"SoLo has had repeated run-ins with state regulators, and we are putting a stop to their fake tipping scheme," Rohit Chopra, the Biden-era director of the bureau, said when the agency filed its lawsuit. Mr. Chopra was ousted this month.

SoLo paid fines and consumer refunds in 2023 and 2024 to settle actions brought against it by state officials in California and Pennsylvania and local officials in Washington, D.C.

Russell Vought, the director of the Office of Management and Budget director, was named the consumer bureau's acting director two weeks ago. He immediately closed its building and told its staff to halt all of their work, including appearing in court cases for any purposes other than to seek a delay in the proceedings.

Following instructions from Treasury Secretary Scott Bessent, who was the agency's acting director for less than a week before Mr. Vought replaced him, the bureau asked for a pause in its case against SoLo on Feb. 3, but Judge Gary Klausner of the U.S. District Court for the Central District of California denied the request. The bureau then missed two deadlines to file court papers.

Mr. Vought has fired more than 70 probationary employees, including prosecutors, leaving dozens of cases in disarray. And Mr. Vought's broad instruction to employees to "not perform any work tasks" has stopped the bureau's lawyers from advancing their active cases.

Consumer advocates released a memo this week tracking the status of more than three dozen cases that they feared would now be abandoned, including the one against SoLo.

The legal agreement to dismiss the case against SoLo was signed by Mark Paoletta, who listed himself as the consumer bureau's chief legal officer. Mr. Paoletta is also the general counsel at the Office of Management and Budget, a role he held during Mr. Trump's first administration.

Travis Holoway, the chief executive of SoLo Funds, said in a statement that he was "relieved" to be freed of the consumer bureau's lawsuit.

The company will now "refocus our efforts on growing our business and expanding our impact," he said.

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Exhibit S

NATIONAL

New CFPB chief closes headquarters, tells all staff they must not do 'any work tasks'

UPDATED FEBRUARY 10, 2025 · 10:47 AM ET

Laurel Wamsley

Russell Vought, seen on Jan. 22, is now in charge at the United States' consumer finance watchdog. Vought is one of the architects of the conservative policy agenda Project 2025 and was recently confirmed as director of the Office of Management and Budget.
Kayla Bartkowski/Getty Images

Staff and contractors at the Consumer Financial Protection Bureau have been told they cannot "perform any work tasks," according to an internal email obtained by NPR on Monday.

The new directive from the CFPB's acting director, Russell Vought, on Monday comes after the agency closed the bureau's Washington headquarters for the week and told staff to work remotely. No reason was given for the building's closure.

"Employees should not come into the office. Please do not perform any work tasks," Vought said in an email to CFPB staff on Monday.

Representatives of Elon Musk's Department of Government Efficiency team were seen at the headquarters on Friday, according to the union representing CFPB staff, and have been granted access to key systems, stirring concerns about the fate of the vast amount of sensitive information maintained by the bureau.

The bureau's staff was informed over the weekend that Vought is now acting director of the CFPB, the United States' consumer protection watchdog. Vought was an architect of the conservative policy agenda Project 2025 and was confirmed last week as director of the Office of Management and Budget.

In a separate email to staff on Saturday night, Vought had directed staff to stop virtually all their work, including the supervision that the agency does to check whether companies are following the law. It also instructed staff to cease any pending investigations.

That edict followed an earlier order to halt most of the agency's work, including suspending the effective dates of all rules that have been issued but haven't yet gone into effect.

CFPB staff members warn that Vought's moves will leave American families exposed to financial abuse.

POLITICS

Who is part of Elon Musk's DOGE, and what are they doing?

Vought posted on his X account on Saturday evening: "Pursuant to the Consumer Financial Protection Act, I have notified the Federal Reserve that CFPB will not be taking its next draw of unappropriated funding because it is not 'reasonably necessary' to carry out its duties. The Bureau's current balance of $711.6 million is in fact excessive in the current fiscal environment. This spigot, long contributing to CFPB's unaccountability, is now being turned off."

In leading the bureau, Vought replaces Treasury Secretary Scott Bessent, who was named acting director of the bureau on Monday.

The Consumer Financial Protection Bureau was instrumental in the Biden administration's work to address deceptive or predatory business practices. The CFPB filed lawsuits against big banks and payment platforms, and it made rules that included capping overdraft fees and removing medical bills from credit reports.

NEWS

Musk's team takes control of key systems at Consumer Financial Protection Bureau

Musk's DOGE members stoke fear inside the agency

As NPR reported Friday, members of Musk's Department of Government Efficiency team — which is not a true government department but, rather, a group of staff members tasked with ensuring that President Trump's priorities are enacted across the government — has gained access to internal computer systems that manage the agency's human resources, procurement and finance systems.

Musk's representatives have also taken control of the CFPB's website, which now shows an error message on its homepage. The rest of the site appears to be functioning normally. DOGE staffers also took control of the bureau's social media accounts and deleted them.

Musk posted on his personal X account on Friday: "CFPB RIP" — though it is not clear there have been any reductions or changes to the agency's staff yet. In November, Musk posted, "Delete CFPB."

Elon Musk arrives on Capitol Hill in Washington, D.C., with his son on Dec. 5, 2024.
Anna Moneymaker/Getty Images

DOGE's actions inside the bureau are stoking fears that Musk will try to virtually dismantle the agency to the extent possible, as he aims to do at the Department of Education and the U.S. Agency for International Development.

The moves appear to echo the abrupt changes at USAID, where staff members were given a stop-work order, then the USAID headquarters were closed and eventually all but a small number of "essential" staff members were put on administrative leave. The gutting of USAID was temporarily ordered to be paused by a federal judge on Friday.

The union representing CFPB workers, NTEU 335, said Friday that Musk's lieutenants entering the agency was "a clear attempt to attack union workers and defang the only agency that checks the greed of payment providers, as well as auto lenders like Tesla." Musk — who Trump said Monday would be kept from working on areas where "there is a conflict or problem" — is the CEO of Tesla and runs at least five other companies, some of which have lucrative contracts with the federal government.

NATIONAL

Treasury Secretary Bessent, tapped to run CFPB, orders staff to halt work

The union also noted that the bureau collects and maintains vast amounts of sensitive information about individuals and businesses, including banks and other financial institutions. It expressed concern that "such legally-protected, sensitive data of businesses and individuals will be exposed and used in inappropriate ways."

"For example, the CFPB has gathered a wealth of proprietary information from big tech payment platforms that could be exploited by someone with a conflict of interest to corner the payments industry," the union said, pointing to a newly announced partnership between Musk's X and Visa.

The CFPB has long been a target of criticism among Republicans, the banking sector and some in Silicon Valley for its investigations, enforcement actions and fines in consumer protection cases.

The organization is an independent bureau within the Federal Reserve System. It is funded outside the congressional appropriations process, and its funding comes from the Fed.

The bureau would on its face appear to be an unlikely target for cost-cutting, given its return on investment.

The budget slated for 2025 for the CFPB was $823 million. Since its creation in 2011, the CFPB has handled millions of consumer complaints and returned $20.7 billion back to consumers.

Correction

Feb. 8, 2025

An earlier version of this story misstated the name of the Consumer Financial Protection Bureau as the Consumer Finance Protection Bureau.

cfpb consumer financial protection bureau russell vought

More Stories From NPR

Exhibit T

Reuters My News

US consumer watchdog broadens layoffs beyond probationary staff, sources say

By **Douglas Gillison**, **Nupur Anand**, **Chris Prentice** and **Pete Schroeder**

February 14, 2025 11:46 AM EST · Updated 13 days ago

Signage is seen at the Consumer Financial Protection Bureau (CFPB) headquarters in Washington, D.C., U.S., August 29, 2020. REUTERS/Andrew Kelly/File Photo Purchase Licensing Rights

Summary

'Term' employees are on contracts, entitled to job protections
Fresh round of dismissals comes after CFPB was told to stop work
Firings come same day employee union, NAACP sue administration

NEW YORK, Feb 13 (Reuters) - A new category of employees at the U.S. Consumer Financial Protection Bureau received termination notices on Thursday, according to five sources and termination letters, in a sign that the Trump administration was going beyond probationary employees as it looks to fire federal staff.

Notices to dozens of so-called "term employees," full-time workers on contracts with end dates, began arriving Thursday evening, letting them know they were being terminated the same day, according to the sources and copies of two termination notices sent to employees that were reviewed by Reuters.

Some staff discovered they had lost access to the agency's IT systems before receiving their termination letters, two of the sources said.

The Office of Management and Budget, which is also run by the CFPB's acting director Russell Vought, and the CFPB, did not respond immediately to requests for comment.

Reuters could not immediately ascertain how many employees were fired.

The firings are part of a sweeping effort by President Donald Trump and his aide, billionaire entrepreneur Elon Musk, to scale back the federal bureaucracy. Trump has said the government is bloated and too much money is lost to waste and fraud. Firings had also begun elsewhere in the federal government, including at the Department of Education and the Small Business Administration.

But the Trump administration's actions are increasingly being challenged. Critics have questioned the administration's approach and experts have flagged concerns about the legality of the firings, as most civil service employees can be fired only for bad performance or misconduct.

Earlier on Thursday, a CFPB employee union and organizations including the National Association for the Advancement of Colored People filed a federal lawsuit asking a court to block the Trump administration's efforts to kill the agency.

TERM EMPLOYEES

The latest termination letters to CFPB employees, dated February 13, were sent by Adam Martinez, acting chief human capital officer at the agency.

Term employees have contracts of more than one year and up to four years, which can be extended, according to federal regulations. Their first year of service is a trial period, when they can be terminated by the agency at any point. The two notices reviewed by Reuters were for employees who had been at the agency for more than one year.

"The purpose of this memorandum is to notify you that your employment will be terminated effective at the close of business on February 13, 2025," Martinez wrote.

The memos told employees they could seek recourse if they believed their firings were the result of discrimination based on race, religion, sex or other factors, or the result of whistleblower activities.

The latest round of notices came after CFPB fired scores of probationary staff on Tuesday as part of a larger effort to gut the agency.

The CFPB, which has been a lightning rod for conservatives and the industry since it was established by Congress in 2010, was hobbled over the weekend, when Vought ordered staff to cease all "supervision and examination activity."

On the social media platform X, Erie Meyer, the CFPB's chief technologist, said that a group of private-sector technologists she had hired were now gone.

"They were looking into big tech. Trump just fired them. All of them," she wrote.

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Reporting by Chris Prentice, Douglas Gillison, Nupur Anand and Pete Schroeder; Editing by Paritosh Bansal and Michael Perry

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Exhibit U

The Verge

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POLICY

The technology team at financial regulator CFPB has been gutted / The terminations leave a gaping hole in the oversight of financial institutions and tech firms venturing into financial technology.

by Lauren Feiner
Feb 14, 2025, 9:20 AM EST

| 94 Comments (94 New)

Image: Cath Virginia / The Verge

Lauren Feiner is a senior policy reporter at The Verge, covering the intersection of Silicon Valley and Capitol Hill. She spent 5 years covering tech policy at CNBC, writing about antitrust, privacy, and content moderation reform.

Around 20 technologists at the Consumer Financial Protection Bureau were fired on Thursday evening, gutting a team that specialized in understanding Big Tech's entrance into financial products, three sources familiar with the matter tell *The Verge*.

It follows an earlier round of layoffs of mostly contractors and probationary employees on Tuesday, as reported by *Wired*, representing the latest cuts to an agency with oversight over a field that one of Elon Musk's companies is trying to enter. Musk, who now leads the Department of Government Efficiency (DOGE), has announced plans for his company X to enter the payments business, which is an area the CFPB oversees for potential consumer harm.

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In a copy of a termination letter obtained by *The Verge*, the CFPB acting chief human capital officer Adam Martinez references President Donald Trump's executive order instructing the Musk-run Department of Government Efficiency to help cull the federal workforce. Around 7 PM Eastern Time on Thursday, members of the technology team received the termination notices in their personal emails. One member of the team — who like others in this story spoke on background to candidly share their experiences — said the email didn't come until about 20 minutes after they noticed they were locked out of Teams and Outlook on their work phone.

"We can't investigate firms or supervise firms if we don't understand the technology we're investigating."

"The people on this team were the kind of senior people — sometimes at Big Tech firms, sometimes at premier universities — that hiring teams fight tooth and nail surprised to learn that emails to her former colleagues announcing their termination on Thursday still copied her now-defunct work email.

Meyer, who previously worked at the Federal Trade Commission and before that co-founded the US Digital Service — the group that Trump has refashioned into DOGE — hired technologists to the CFPB that could embed across the agency and lend their expertise in everything from research to enforcement. "When I arrived at the bureau, it became immediately clear that Big Tech's expansion into consumer financial products and services was a trend we needed to be extremely careful to address before it became a crisis," she says. "We can't investigate firms or supervise firms if we don't understand the technology we're investigating."

Now that expertise has been ravaged from the agency in one night, and the agency's former technologists fear that consumer complaints will go unanswered, and companies will be able to get away with shady practices by obscuring them with understands the databases, who understands the technology at hand is really crucial to being able to push back."

The CFPB technologists' backgrounds in the private sector also helped them understand where to look for information in technical systems, says another former staffer. "When you're a regulatory agency of 1,500 people trying to find out information about hundreds of companies, and each company is ten times your size, the amount of information that is conceivably there, and the techniques available to shroud the useful evidence are so enormous, that having the specific experience of developing the kind of technology that you're investigating means that you can get the evidence more quickly, you can understand what it means very efficiently, " they say. "And, you can push back if a big company tries to steamroll an investigation or tries to misrepresent what is actually happening to consumers."

This is especially helpful when it comes to looking at tech firms, which have entered the financial services sector and often already have a vast array of data on users that could potentially be combined with their spending habits. "I would say a single one of these Big Tech firms is bigger than the top five big banks combined," Meyer says. The CFPB has managed to take on some of these massive companies. It fined Apple and Goldman Sachs $89 million for allegedly misleading iPhone consumers about interest-free payment options and sued Zelle and the three banks that own it for allegedly enabling more than $870 million in consumer fraud.

DOGE has gained an unusual level of access to agency data

In the course of investigating, the CFPB collects vast amounts of information on companies, which now may be at risk of being accessed by DOGE staff. A recent lawsuit by a federal workers' union claims that Trump administration official

What kind of information does the CFPB maintain? A document provided to congressional staffers briefed on the CFPB this week notes that the agency has information on enforcement actions and investigations, as well as market research that could include business plans. If that data is accessed without appropriate guardrails, the document warns, it could create unfair competitive advantages for a company like Musk's X, which plans to move into payments services. The information would include sensitive consumer data, regulatory compliance information on other financial institutions, and insider information that could be used unfairly, the document notes. The White House has insisted that Musk would step back from any work that presented a conflict of interest, but his business dealings are so vast that X's payments project presents just one example of how his interests could intertwine with the agencies DOGE is trimming down.

When the CFPB collects confidential information during an investigation, companies provide it with the understanding it won't be shared publicly, says one of the former staffers. "Absolutely there is information that we have that would be beneficial to someone who might be launching a company in the payment space," they say.

Consumers will also likely feel the hit, now that former staffers say the portal for consumer complaints is likely not being monitored anymore. The agency would receive complaints when consumers were locked out of their bank accounts after data breaches, for example, and could often get their issues addressed within days, the former staffer says. "There is nowhere else" for consumers to go, they say. "They could potentially go to the state attorney generals, but they just don't have the same capacity."

Asked if they would take back their job if it came back on the table, the second former technology worker said they would. "I took this job because it was by far the best opportunity I had to help as many people as possible, as much as I possibly help others at their own expense is embedded in almost every federal worker, and there are still plenty of those folks kicking around."

94 COMMENTS (94 NEW)

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Exhibit V

Feb. 21, 2025, 10:02 p.m. ET
Stacy Cowley Consumer finance reporter

A consumer bureau is told to vacate its Washington office as its lease is canceled.

The Consumer Financial Protection Bureau's lease was terminated by the Department of the Treasury, which owns the building in Washington. Al Drago for The New York Times

Employees at the Consumer Financial Protection Bureau have been told that the agency's lease on its Washington headquarters has been canceled and that the bureau has 30 days to vacate the building, according to three people with knowledge of the agency's internal discussions.

The consumer bureau's headquarters are controlled by the Treasury Department, which once used the building for its Office of Thrift Supervision. That agency, a bank regulator, closed in 2011, the same year the consumer bureau opened.

Representatives from the Treasury Department and the consumer bureau did not respond to requests for comment.

Russell Vought, the Office of Management and Budget director, was named the acting director of the consumer bureau' two weeks ago. He immediately began shutting down what he called "a woke & weaponized agency," ordering its headquarters closed and its staff to halt all work. Nearly 200 employees — those who were probationary hires or who worked on fixed-term contracts — were fired, and those who remained were forbidden from entering the agency's offices.

The consumer bureau cannot be officially abolished without action from Congress, which created the agency in the aftermath of the Great Recession to regulate consumer products like mortgages, auto loans, credit cards and bank accounts. The bureau has twice survived Supreme Court cases that aimed to eliminate it.

But firing nearly all the bureau's staff — as Mr. Vought intends, according to litigation in federal court in Washington that is aimed at curtailing his actions — and eliminating its physical premises would functionally be a death knell.

Employees will be assigned a 15-minute window in which they can return to the agency's headquarters to pick up their personal effects, according to two people who were told of the shutdown plan.

Among the many open questions are what will happen to the agency's records, some of which are subject to "litigation holds" and cannot legally be destroyed. A plan to transfer papers to a storage facility is being developed, but several employees said they worried about what would happen to the vast array of agency records held by cloud software providers. If the contracts with those providers are canceled, irreplaceable data risks being deleted.

Judge Amy Berman Jackson, of the U.S. Court for the District of Columbia, issued an order last week that temporarily prevents the consumer bureau from deleting any agency data, which includes records located on the agency's "premises, on physical media, on a cloud server, or otherwise."

That order will last until Judge Jackson rules on a request for a restraining order sought by lawyers representing the consumer bureau's staff union and other parties. A hearing on that request is scheduled for March 3.

While Judge Jackson's order has paused some of the unwinding of the agency's staff and infrastructure, the physical dismantling of its premise has begun. Workers this week removed the signage on its Washington headquarters.

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Feb. 21, 2025, 9:27 p.m. ET
Chris Cameron Reporting from Washington

Exhibit W

Advertiser disclosure

R.I.P. CFPB? What's At Stake If the Watchdog Agency Goes Dark

Advocates fear consumers could be left to fend for themselves in a complicated financial marketplace.

Updated Feb 21, 2025 1:54 p.m. PST · 7 min read

Fact Checked

Written by Taryn Phaneuf
Lead Writer & Content Strategist

Edited by Rick VanderKnyff
Senior Assigning Editor

Stalled lawsuits. Halted supervision and oversight. Suspended workforce. The Consumer Financial Protection Bureau is in the midst of a complete overhaul that could cripple its ability to act as the consumer finance watchdog it was designed to be.

While the fate of the **CFPB** remains unclear, recent actions by the **Trump administration** indicate that, if it survives, it'll be a much smaller and weaker agency than before. Advocates and public policy experts fear that without the bureau, consumers could be left to fend for themselves in a complicated and ever-evolving financial marketplace where unfair and deceptive practices go unchecked.

"We think the activities of the CFPB are broadly popular with the American people and it's hard to see how we can just leave consumers completely unprotected in the very large financial services economy that we have," Chuck Bell, program director for advocacy at Consumer Reports, **told NerdWallet**. "And I think that any government that doesn't try to protect customers on some of these issues is going to have a lot to answer for."

What's happening at the CFPB?

The CFPB was thrown into turmoil soon after former director Rohit Chopra was fired on Feb. 1. Temporary leaders — first, Secretary of the Treasury Scott Bessent, and now Russell Vought, director of the Office of Budget and Management — took swift steps to halt operations at the bureau, including closing its headquarters for a week. And other signs of the bureau's dismantling began to show.

- The Department of Government Efficiency, an unofficial department run by billionaire Elon Musk, became embedded in the CFPB. On Feb. 7, Musk tweeted, "CFPB RIP."
- Acting director Vought took to social media to announce plans to cut off the agency's funding.
- The bureau's X account was deleted and its homepage shows an error message, "404: page not found," though its research, published rules, complaints database and education material are still available.
- Also on X, Vought confirmed a new tipline was set up to give companies a place to report CFPB employees who violate his stop-work order.
- A series of layoffs affecting roughly 150 CFPB workers appeared to be just the beginning of a much larger workforce reduction. A lawsuit filed Feb. 13 by the union representing CFPB workers alleges that Vought planned to dismiss more than 95% of the agency's staff. In response, a federal judge in Washington, D.C., blocked any additional layoffs and will hold a hearing on the suit on March 3.

President Donald Trump has said explicitly that his goal is to get rid of the bureau. Nevertheless, he nominated Jonathan McKernan on Feb. 11 to become its permanent director. McKernan previously served as a board member of the Federal Deposit Insurance Corporation. He'll have to be confirmed by the Senate.

The CFPB was created in 2010 in response to the financial crisis that triggered the Great Recession. Since Congress established the bureau, it would take an act of Congress to fully dissolve it. Without that, the administration's efforts to prevent it from fulfilling its Congressional mandate could be deemed illegal. Lawsuits like the one filed by the National Treasury Employees Union are an attempt to use the courts to thwart those efforts.

Sen. Elizabeth Warren, the primary architect behind the CFPB's creation, has been vocal in its defense. "I fought to create the Consumer Financial Protection Bureau for the same reason I'm fighting to defend it: big banks shouldn't be able to cheat people," she posted on X this week.

What if the CFPB goes away?

Before the CFPB, federal consumer protection laws were enforced by a variety of federal **regulators** — an "unusual patchwork system" that proved not only inefficient but ineffective, says Mallory SoRelle, assistant professor at the Sanford School of Public Policy at Duke University and author of the 2020 book "Democracy Declined — The Failed Politics of Consumer Financial Protection."

Those existing regulators were created to look out for banks' interests, so the added consumer protection mandates created tension in their jobs, SoRelle says. On top of that, spreading out consumer protection across multiple agencies required a level of coordination that was hard to achieve.

"What ended up happening was really weak consumer financial protections," SoRelle says. "That led in no small part to the financial crisis."

The CFPB was set up to be a centralized rulemaker. Multiple regulators still coordinate, but now there's an obvious, expert authority with a singular goal to protect consumers in the financial space. Congress further insulated the bureau from political pressure by funding it through the Federal Reserve instead of Congressional appropriation — an unusual arrangement that the Supreme Court upheld in 2024.

As a result, the CFPB is more efficient than the previous consumer protection system, SoRelle argues. And that's made it an effective watchdog. Since it was established, and especially under the Biden administration, the bureau has reformed many aspects of the consumer financial space, penalized companies that broke the law and refunded billions of dollars to consumers who lost money as a result of unfair or illegal practices.

"The idea that it's duplicative or inefficient is simply not true," SoRelle says, adding that a diminished CFPB could bring back the environment that existed before the agency was created.

Active and robust consumer protection

The CFPB operates in a consumer finance marketplace that includes not only traditional banking and loan products — including those for major purchases like cars or houses — but also credit reporting that can influence a person's financial opportunities and technology that's never been seen before.

As a result, the CFPB has been active on many fronts. It supervises and investigates companies, pursues consumer complaints, makes and enforces rules and studies trends and common practices in the industry, among other activities.

SoRelle says without a functioning CFPB, consumers risk losing "active and robust" consumer protection. The impact of its enforcement efforts alone have been substantial. Since its inception, the CFPB netted consumers $19 billion in refunds, principal reductions, canceled debts and other consumer relief, while imposing $5 billion in civil penalties on companies and individuals who broke consumer protection laws.

Some examples of those enforcement actions include:

Keeping credit bureaus in check. The CFPB protects consumers from negligence that could harm their credit scores. For example, in January 2025, the CFPB took separate legal actions against Experian and Equifax for not properly investigating disputes and removing incorrect information from consumers' credit reports. The bureau filed a lawsuit against Experian. And Equifax was ordered to pay $15 million in civil penalties.

Penalizing banks for creating fake accounts. Wells Fargo paid the CFPB a $100 million initial fine in 2016 for opening about 1.5 million deposit accounts without customers' consent. These fake accounts helped bankers meet aggressive sales goals and resulted in charging fees to customers who were unaware of these accounts. The CFPB later penalized Bank of America in 2023 and Fifth Third Bank in 2024 for also opening fake bank accounts or credit cards and charging customers fees.

Rooting out harmful private student loan lenders and federal servicers. In 2024, CFPB banned Navient from federal student loan servicing and ordered it to pay a $120 million settlement, including $100 million in redress to borrowers who were harmed by its "wide-ranging student lending failures," including illegally or inappropriately steering borrowers toward costly forbearance instead of income-driven repayment plans. Some private Navient loan borrowers also had the chance to apply for **private student loan forgiveness** — a rare opportunity.

Investigating discriminatory lending practices. CFPB files lawsuits against mortgage lenders that violate fair lending laws. Most recently, the CFPB has sued Rocket Homes for alleged home buyer steering and Vanderbilt Mortgage & Finance for allegedly failing to properly consider borrowers' ability to repay loans. It recently proposed a settlement with Fairway Mortgage over **redlining**.

Stopping wrongful auto repossessions. In those cases, the **repossessions** occurred after borrowers had made timely payments or secured loan extensions. In one related case, the CFPB sued USASF Servicing for using kill switches to illegally disable vehicles, ending with a $42 million penalty against USASF.

Ordering refunds for defrauded customers. The CFPB has gone after owners of digital payment systems that didn't sufficiently safeguard customers against fraud. In January, it ordered Block, which owns **Cash App**, to pay refunds and penalties of up to $175 million for maintaining poor security protocols that hurt its users. In December, it sued the operator of Zelle and three of its owners — Bank of America, JPMorgan Chase and Wells Fargo — alleging that its failures led to $870 million in losses for customers.

What happens to pending cases, rules?

The Zelle lawsuit is one example of CFPB actions that are in limbo under the new administration. The current order to stop work at the bureau has prevented attorneys from arguing its cases or defending its rulemaking in courts. Another pending legal matter involves a lawsuit that seeks to stop a CFPB rule to reduce **credit card late fees**. It was one of several rules designed to eliminate **junk fees** that consumers are forced to pay across a variety of services.

"Consumers could lose hundreds of millions of dollars in restitution and relief if the CFPB does not pursue those lawsuits and the cases to defend its regulations," Bell says.

Similar uncertainty surrounds rules that have been finalized by the CFPB but haven't yet taken effect. Vought's stop-work order at the bureau suspended the effective dates of those rules, including one that would **remove medical debt from credit reports** and another that would reduce **overdraft fees** charged by major banks. Separately, a resolution introduced Feb. 13 in the House Financial Services Committee seeks to roll back the overdraft rule.

Highly visible consumer advocate

In addition to enforcement and rulemaking, SoRelle says the CFPB also serves as a highly visible consumer advocate, demonstrating the link between personal finances and government accountability that helps consumers know there's someone in their corner.

For example, the Student Borrower Protection Center credits the CFPB with supporting **U.S. Department of Education** efforts to cancel $188.8 billion of student debt for 5.3 million borrowers during the Biden administration. It's worth noting the administration has **threatened to dismantle the Education Department**, as well.

It's common for consumers to encounter the CFPB in paperwork they receive when they take on a new mortgage or Google search results while they're researching answers to financial questions.

Additionally, the CFPB gives consumers a place to submit **complaints about banks**, credit card companies, lenders, debt collectors and others. It receives roughly 25,000 per week, according to its website. The bureau shares each complaint with the company named by the consumer (or with another federal agency if the complaint falls outside the CFPB's scope) and calls on the company to respond.

The bureau maintains a public complaint database, which helps consumers get information about institutions or products and makes it clear which tend to cause the most trouble. In all, the bureau has received more than 6.8 million consumer complaints, with most related to credit reporting. Other common topics of complaint include debt collection, **credit cards**, checking or savings accounts, mortgages and **student loans**.

"They have made the complaint-making process much easier than it used to be," SoRelle says. "They've managed to get both financial and nonfinancial remedies much more frequently."

If not the CFPB, then who?

If the CFPB is eliminated or effectively neutralized over the next four years, it could leave a gap in monitoring the consumer financial industry.

"Presumably regulatory oversight would be returned to other regulators or handed over to the state," SoRelle says. But it's not clear what happens to the rules it made. "Do other agencies enforce them? Do they get wiped off the books?"

That uncertainty is being felt in pockets of the financial services industry, as well. Some industry leaders have chafed under its supervision, decrying its heavy-handed rulemaking and enforcement. Others, including some bankers, fintech leaders and mortgage lenders, support its role as a centralized regulator, telling news reporters recently that getting rid of it entirely would be a mistake.

“When you tear it all down, you potentially lose what had been good regulatory policy,” Phil Goldfeder, the chief executive of the American Fintech Council, told Politico’s Morning Money. “When operated correctly and bereft of ideological drive, the CFPB could be a valuable tool for responsible regulation.”

Additionally, the CFPB has a leading role in monitoring a number of new financial products or technologies that could lose oversight if the bureau were shuttered. And that could have implications for consumers that use them.

For example, data suggests that people who use **buy now, pay later** loans are more financially vulnerable than the general population, according to studies by the CFPB and Federal Bank of New York. They have higher credit card balances, take out more unsecured loans and may not be able to get approved for credit elsewhere. In May 2024 the CFPB introduced new protections for users of the popular BNPL products.

The CFPB also started to regulate earned-wage access products, which serve the same purpose as **payday loans**, as well as peer-to-peer payment systems — including the kind Elon Musk hopes to integrate with X. As lawsuits filed by the CFPB have indicated, those payment systems have exposed many customers to fraud.

“The biggest thing is nobody quite knows what happens next,” SoRelle says.

NerdWallet writers Anna Helhoski, Amanda Barroso, Lauren Schwahn, Sara Rathner, Jackie Veling, Eliza Haverstock, Shannon Bradley, Spencer Tierney and Kate Wood contributed to this report.

(Photo by Jemal Countess/Getty Images for MoveOn)

About the author

Taryn Phaneuf

Taryn Phaneuf is a lead writer and content strategist covering personal finance news and other topics. She joined NerdWallet in 2022 after reporting on business, education and public policy for more than a decade. **See full bio.**

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Exhibit X

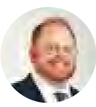
USA TODAY

POLITICS

Donald Trump Add Topic

Thousands of consumer complaints unanswered after Trump CFPB purge, Dems say

Since its founding, the CFPB has returned more than $21 billion to consumers who were victims of fraud or scams.



Joey Garrison
USA TODAY

Published 11:26 a.m. ET Feb. 25, 2025 | **Updated 12:33 p.m. ET Feb. 25, 2025**

WASHINGTON – Thousands of complaints submitted by Americans to the Consumer Financial Protection Bureau alleging fraud or scams from private companies are going unanswered following President Donald Trump's efforts to dismantle the agency, Senate Democrats argue in a new report.

Their conclusion is based on publicly available data detailed in an analysis released Tuesday by Democrats on the Senate Committee on Banking, Housing and Urban Affairs led by ranking member Sen. Elizabeth Warren, D-Mass.

The CFPB's Consumer Complaint Program – established in the 2010 Dodd-Frank Act that created the agency – serves as a clearinghouse for consumers to submit complaints online, by phone or mail about financial products and services. After the CFPB screens the complaints, they are sent to companies for a response.

Since its founding, the CFPB has returned more than $21 billion to consumers who were victims of fraud or scams.

More: No more consumer protection? What the CFPB shutdown means for you.

During the final three months of former President Joe Biden's administration, the CFPB uploaded and publicized a daily average of 10,609 complaints received by consumers. During the same period, the CFPB submitted an average of 10,596 complaints to the companies that were named, according to data on the bureau's website.

But the processing has dropped significantly under Trump.

The agency uploaded a daily average of 7,853 consumer complaints over the 10 days after Treasury Secretary Scott Bessent on Feb. 3 ordered the bureau's staff to stop much of its work. Five days later on Feb. 8, Russ Vought, director of the Office of Management and Budget and acting director of the bureau, ordered CFPB staff to "cease all supervision and examination activity" and "cease all stakeholder engagement."

Since Feb. 13 – following mass firings at the CFPB pushed by Vought – the bureau has uploaded just 2,234 complaints a day, according to the report. Historically, the CFPB receives about 350,000 monthly complaints – a pace far greater than the number processed so far this month.

More: US consumer watchdog signs come down at Washington HQ

Between Feb. 3 and Feb. 13, the CFPB submitted a daily average of 7,519 complaints to companies. The daily average of complaints submitted to companies has dropped to 2,067 since Feb. 13, a decline of 80% from the pre-Trump rate.

"Consumers in need of help are seeing their complaints go unanswered," the report says.

Spokespeople for the OMB did not respond to a message from USA TODAY seeking comment.

The report's release comes ahead of a forum of Democratic senators Warren is convening Tuesday to highlight the consequences of Trump's efforts to eliminate the CFPB. Top Trump advisor Elon Musk, who has vowed to destroy the bureau through his Department of Government Efficiency, was invited to the forum but is not expected to attend.

Warren, who led the CFPB after it was created during the 2007-2009 Great Recession, requested information Tuesday in a letter to Vought on the number of bureau employees responsible for keeping the complaint database, as well as potential terminations of those involved in the processing of complaints and a tally of the overall complaints the agency has received since its dismantling began.

More: Judge blocks mass layoffs at consumer protection agency targeted by Trump

"With work at the agency effectively halted, it is unclear whether the CFPB still has the staff,financial, technological, and other resources necessary to keep its Consumer Complaint Program operational," Warren said in the letter co-signed by Sen. Andy Kim, D-N.J., who also sits on the baking committee.

"We are deeply concerned about the implications of your efforts to gut the CFPB onour constituents, who rely on the CFPB and its partner agencies to advocate on their behalf," the letter says.

The bureau's biggest enforcement action was in 2022, when it ordered Wells Fargo to pay $3.7 billion in penalties and restitution for what it said was widespread mismanagement of mortgages and accounts that cost customers their homes and cars and locked people out of their own bank accounts - with more than 16 million consumers affected.

The CFPB, formed to protect consumers against fraud, has long drawn criticism from Republicans and the financial industry. Efforts to dismantle the agency come as the DOGE, led by multibillionaire Musk, has worked aggressively to cut government spending and reduce the federal workforce.

Trump this month said it's his goal to full eliminate the CFBP, alleging "waste fraud and abuse" in the agency. A federal judge on Feb. 14 ordered the Trump administration to halt the firing of CFPB employees for now until the court takes up a request for a temporary injunction from unions seeking to stop the purge.

Reach Joey Garrison on X @joeygarrison.

Exhibit Y

BUSINESS DONALD TRUMP

What Cuts to the CFPB Could Mean For Consumers

9 MINUTE READ

Protesters rally outside the Consumer Financial Protection Bureau (CFPB) on February 10, 2025 in Washington, DC. Anna Moneymaker/Getty Images

BY ALANA SEMUELS

FEBRUARY 13, 2025 12:34 PM EST

For a long time, Misty Castaneda had terrible credit. Even though she had health insurance, the hair stylist from Colorado owed a hospital around $20,000 for a $200,000 open-heart surgery in 2010 that had been necessary to keep her alive, she says.

Castaneda's credit was so bad that she stayed in a bad relationship for more than a decade, she says, because she knew that without her husband's credit score, she wouldn't be able to rent an apartment, buy a car, or take out a credit card.

So when she recently heard that the Consumer Financial Protection Bureau (CFPB) had finalized a rule that would keep medical debt off personal credit reports, she knew she had to advocate on behalf of it. "It would just open the doors for so many people like me," says Castaneda, now 47 and divorced.

Although the rule keeping medical debt off credit reports was finalized on Jan. 7, it may be on the chopping block as Elon Musk's Department of Government Efficiency (DOGE) turns its sights to the CFPB. It's not clear what powers the bureau will retain after Musk and his allies in the Trump Administration are through with it.

Trump has fired the CFPB's director. Its acting replacement, Office of Management and Budget director Russell Vought, ordered all employees to stop work earlier this week, effectively suspending much of the bureau's bread-and-butter activities. In an email, employees were told to not approve or issue rules or guidance and that they should suspend the effective date of rules that had not yet become effective, which includes the medical debt rule. Employees were also told to cease any pending investigations and not issue any public communications of any type. Vought said on X on Feb. 8 that he would be notifying the Federal Reserve that the CFPB would not be taking its next funding draw "because it is not 'reasonably necessary' to carry out its duties."

"CFPB RIP," Musk wrote on X on Feb. 7.

[redacted]

From: CFPB_WeeklyDigest
Sent: Tuesday, February 4, 2025 12:15 PM
To: CFPB_WeeklyDigest
Cc: _DL_CFPB_AllHands; _DL_CFPB_AllHands_Contractors
Subject: Message from the Acting Director, Prohibited Holdings, and more

Compliance training due March 17

cfpb

FEBRUARY 4, 2025

Weekly Digest

Message from the Acting Director | Checklist | Professional development | Breakroom

MESSAGE FROM THE ACTING DIRECTOR

Updated from Feb. 3 email:

Colleagues,

Secretary of the Treasury Bessent has been named Acting Director of the CFPB, effective January 31, 2025. As Acting Director, Secretary Bessent is committed to appropriately stewarding the agency pending new leadership. In order to promote consistency with the goals of the Administration, effective immediately, unless expressly approved by the Acting Director or required by law, all employees, contractors, and other personnel of the Bureau are directed:

- Not to approve or issue any proposed or final rules or formal or informal guidance.
- To suspend the effective dates of all final rules that have been issued or published but that have not yet become effective.
- Not to commence, take additional investigative activities related to, or settle enforcement actions.
- Not to issue public communications of any type, including publication of research papers.
- Not to approve or execute any material agreements, including related to employee matters or contractors.
- Not to make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings.
- Not to initiate supervisory designation proceedings or designate any nondepository institution for supervision.

Screenshot of email sent to all CFPB employees on Feb. 4, 2025 Filed as part of 2/12 motion to intervene in medical debt case

It doesn't look like the bureau is going away entirely. On Feb. 12, President Trump reportedly nominated FDIC board member Jonathan McKernan to be director of the CFPB. But the Administration's moves are a massive blow to consumers, advocates say, and will leave holes in enforcement and regulation that could allow companies to take advantage of consumers.

"The CFPB was established to take the side of ordinary people when Wall Street banks and big corporations rip you off, when they tank your credit report, when they push you into foreclosure," says Lauren Saunders, associate director at the National Consumer Law Center, a nonprofit that works on behalf of low-income consumers. "Getting rid of the CFPB will just let Wall Street banks and corporate predators run amok."

The White House and DOGE did not respond to requests for comment.

What the CFPB does

The CFPB, which was created in 2010 in the wake of the financial crisis, has three key assignments: it supervises banks and financial institutions, writes rules that protect consumers, and enforces the law. But there are other functions it performs that no other agency can or would do if it were eliminated, consumer advocates say.

The CFPB employs bank supervisors around the U.S., who go into financial institutions periodically to check books and prevent problems from occurring. It enforces 18 consumer financial laws that Congress transferred to the agency when it passed the Dodd-Frank Act, which established the bureau. It runs a complaint database, to which consumers can submit reports of problems with certain companies. The agency has received nearly 7 million complaints from consumers since Dec. 2024.

The CFP also prosecutes companies that it says fail to protect consumers. In December, it filed a lawsuit against the operator of Zelle and three of the nation's largest banks for allegedly failing to safeguard consumers from fraud. In January, it sued the credit reporting agency Experian for allegedly failing to investigate consumer disputes.

Perhaps most importantly, the CFPB writes rules to help consumers. It recently finalized a rule that would cap overdraft fees from banks, which the bureau said would add up to $5 billion in overdraft fee savings for consumers. In January it finalized the rule that would remove medical debt from people's credit reports, which it said would remove $49 billion in medical bills from about 15 million Americans' credit reports. These rules are the product of months or sometimes years of on-the-record discussion, to which anybody can submit comments and try to sway regulators.

Read More: *Here's Where China's Retaliatory Tariffs On the U.S. Could Hit Hardest.*

"They have really done a lot in the last six months, and many of those accomplishments are being contested," says Adam Rust, director of financial services at the Consumer Federation of America, a nonprofit association of nearly 250 pro-consumer groups.

It's possible the Trump Administration will try to move the responsibilities of the CFPB to another agency in its efforts to cut government spending. In a November post on X, Musk wrote, "delete CFPB. There are too many duplicative regulatory agencies."

But the CFPB was created precisely because the old system didn't work, says Julie Margetta Morgan, the associate director of research, monitoring, and regulations at the CFPB in the Biden Administration. "Many of the responsibilities that CFPB had," she adds, "came from the fact that these other agencies were not adequately protecting consumers."

How DOGE could neutralize the CFPB

Some of the consumers who might be first affected by the Trump Administration's moves to limit the CFPB's power are those like Castaneda, who have medical debts ruining their credit scores, or those who say that banks have charged them too much on overdraft fees. That's because the rules recently finalized by the CFPB are facing lawsuits from trade associations that the agency, under new leadership, may not defend against, says Rust.

Instead of fighting the suits, the CFPB has instead asked for a pause in the proceedings and has reportedly instructed its lawyers not to make appearances in the matters. The effective date of the final rule on medical debt has now been postponed from March 7 to June 15. But the CFPB could drop its defense of the case before then. On Feb. 12, a group of nonprofit organizations filed a motion to intervene in the medical debt case so that they could continue to defend the rule.

Even some consumers who support DOGE's cost-cutting attempts are skeptical that the medical debt rule should go. Gloria Austin, a 67-year-old Chicago resident, says her credit score was hit by medical bills from when she contracted shingles—twice—in 2020, when she did not have health insurance. Austin supports efforts to cut back government spending, and says she believes there is a huge amount of fraud and waste that should be eliminated. She's struggling under the burden of inflation and hopes that cost-cutting in government could lessen her expenses and taxes.

Read More: *How Trump's Tariffs Could Affect Consumers.*

But she also says the CFPB's rule on medical debt would help consumers like her who are saddled with bills they can't avoid. "It was either keep the lights on and buy groceries or pay my medical bills," she says. Creditors have continued to hound Austin, she says. When she had to buy a car, the only loan she could get had an interest rate near 30%. "No medical debt should appear on a credit report," she says. "People are struggling enough already."

In general, consumer advocates say they expect the new Administration to take a much less aggressive approach to holding companies accountable. It could try to drop lawsuits against companies like Experian, or stop looking for new enforcement efforts to bring. "I don't have a lot of optimism that the CFPB is going to continue to prosecute enforcement actions," says Saunders, of the NCLC.

Already, visitors to the CFPB's website, consumerfinance.gov, are greeted with a new error message: "404: Page not found." An email from TIME to the CFPB's press office was not returned.

Not the first attack on the CFPB

The CFPB has been under fire before. It was first envisioned by now-Sen. Elizabeth Warren, then a professor at Harvard, and created after President Obama proposed a financial agency to focus on consumer protection in the wake of banks' role in the financial crisis.

Many Republicans opposed the creation of the bureau, insisting it had burdensome regulations that would hamper consumers' ability to access credit. When the CFPB opened its doors in 2011, it did not have a director because the U.S. Senate would not confirm President Obama's appointee. (President Obama used a recess appointment to install Richard Cordray as the agency's chief.) Some Republicans have been trying to get rid of the agency ever since. In 2015, Sen. Ted Cruz introduced a bill to abolish the CFPB.

One of the biggest challenges to the agency came in a series of lawsuits opposing its statutory authority and funding structure that ultimately reached the Supreme Court. The CFPB emerged from the challenges intact, with one exception. In 2020, the Supreme Court ruled that the CFPB's director could be fired for cause. That allowed Trump to get rid of former director Rohit Chopra on Feb. 1.

In 2024, the Supreme Court upheld the CFPB's funding structure, saying it could draw money from the earnings of the Federal Reserve. But Vought appears disinclined to do so. "This spigot, long contributing to the CFPB's unaccountability," he wrote on X, "is now being turned off."

Exhibit Z

Under Trump, consumer watchdog drops case against online lender

By **Douglas Gillison**

February 21, 2025 6:04 PM EST · Updated 6 days ago

Aa

Signage is seen at the Consumer Financial Protection Bureau (CFPB) headquarters in Washington, D.C., U.S., August 29, 2020. REUTERS/Andrew Kelly/File Photo Purchase Licensing Rights

Feb 21 (Reuters) - The U.S. Consumer Financial Protection Bureau, which President Donald Trump has moved to abolish, told a court on Friday it was dropping a lawsuit against the online lending platform Solo Funds, which the agency had earlier accused of deceiving borrowers about the cost of loans.

The case, which the CFPB filed less than a year ago in federal court in Los Angeles, appeared to be the first to be withdrawn since the Trump administration took over the consumer watchdog agency earlier this month, freezing activities, firing scores of workers and removing the agency's insignia from its Washington headquarters.

Since 2023, several state attorneys general had also taken action against the agency over similar allegations.

Representatives for the CFPB and Solo Funds did not immediately respond to requests for comment.

According to the CFPB, the company misrepresented the costs of loans, tricked them into making "donations" that were actually optional, made false threats and attempted to collect funds customers did not actually owe, among other allegations -- claims the company rejected in court papers.

A motion that both sides filed together on Friday said the action would be completely dismissed, with each side covering their own legal costs.

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Reporting by Douglas Gillison; Editing by Alistair Bell

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Business >

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Technology · February 27, 2025 · 4:28 PM EST · 8 min ago

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Exhibit AA

Banking Law
Feb. 11, 2025, 6:22 PM EST; Updated: Feb. 11, 2025, 7:43 PM EST

CFPB Cuts Over $100 Million in Contracts Amid DOGE Probe (1)

Exclusive

- **Elon Musk's DOGE team has access to CFPB procurement data**
- **CFPB had budgeted $224 million in 'other contractual services'**

The Consumer Financial Protection Bureau is canceling more than $100 million in vendor contracts as part of a cost-cutting maneuver by the agency's new leadership, potentially putting its cybersecurity efforts at risk.

The cuts come as Elon Musk's Department of Government Efficiency pores over the CFPB's internal finance and procurement data and while the agency is at a virtual standstill under an order from acting Director Russell Vought. Musk is currently developing his X social media platform into a payments platform.

Cybersecurity contracts and other internal management systems weren't included on a list of "essential" contracts obtained by Bloomberg Law, meaning they're vulnerable to cuts.

Vought also serves as the director of the Office of Management and Budget.

"Acting Director Vought is wasting no time getting to the bottom of the waste, fraud, and lavish spending at this rogue and weaponized agency and in bringing it to heel," an OMB spokesperson said in a statement to Bloomberg Law. "We are in the process of canceling hundreds of wasteful and unnecessary contracts worth over $100 million."

The agency budgeted more than $224 million for "other contractual services" in fiscal 2024, according to its annual performance plan and budget overview released in February 2024.

CFPB Contracts

Any cuts to cybersecurity and software system contracts could threaten the security of highly confidential information provided by banks and other companies the CFPB supervises, as well as customer data and employee information.

Among the cuts were 102 vendor contracts for the CFPB's enforcement division, 33 contracts linked to the director's office, and 16 contracts for the agency's supervision unit, according to a Tuesday evening email from CFPB acting Senior Procurement Executive Joshua Galicki obtained by Bloomberg Law.

The email didn't say how much those contracts were worth.

The CFPB's list of essential contracts included spending on security guards with the Whitestone Group, a mailroom system from NewView Oklahoma, janitorial services from Didlake, and facilities maintenance from EML, according to a Monday email obtained by Bloomberg Law.

Contracts for the CFPB's service desk, a contact center, and management of the agency's civil penalty fund were also listed as essential.

The email didn't indicate how much those contracts were worth.

The agency obligated $18.9 million in fiscal 2024 for "enterprise-wide cloud hosting infrastructure, system administration and related IT support services," according to its financial report.

Another $8.1 million went to e-discovery and litigation services and $7.9 million for information technology data platform engineering and support, the fiscal 2024 financial report said.

The CFPB also agreed to pay $7.6 million to Salesforce Inc. for program support in fiscal 2024, the financial report said. The CFPB's Supervision Examination System, a digital platform for the bureau's examination force, is a Salesforce platform.

DOGE Cuts

The cuts come as DOGE moves through several government agencies, such as the US Department of Education and the US Agency for International Development, looking to eliminate grants and other spending it deems wasteful or inefficient.

In most cases, the spending DOGE and its teams are targeting at other agencies is appropriated by Congress. Federal judges have started blocking some of Trump's efforts to cut programs, although the administration has indicated it may disregard court orders.

The CFPB cuts are different.

Because the CFPB is funded through the Federal Reserve, none of its spending is allocated by Congress. So Vought has a freer hand to slash the agency's spending.

Vought on Feb. 8 announced he wouldn't be requesting the CFPB's next scheduled funding draw from the Fed, noting the consumer finance watchdog has more than $700 million in reserves.

To contact the reporter on this story: Evan Weinberger in New York at eweinberger@bloombergindustry.com

To contact the editor responsible for this story: Michael Smallberg at msmallberg@bloombergindustry.com

Exhibit BB

BUSINESS

'We're about to get annihilated': Musk, DOGE descend on consumer bureau

BY JULIA SHAPERO - 02/11/25 6:00 AM ET

The Trump administration is moving rapidly to gut the Consumer Financial Protection Bureau (CFPB), halting the agency's work, cutting off its funding and shutting down its headquarters.

The push is not unlike the effort launched in the early years of President Trump's first term to defang the agency, which has faced staunch opposition from Republicans throughout its brief existence.

However, as Elon Musk's Department of Government Efficiency (DOGE) sweeps into one agency after another with the directive to slash wide swaths of government funding, the new assault on the CFPB has sparked concerns from consumer advocacy groups and Democratic lawmakers about just how far the administration will go this time.

"I think everyone assumes this is the USAID playbook, and I think everyone's operating off of the assumption that we're about to get annihilated, the way that they were annihilated," a CFPB employee told The Hill, referring to the U.S. Agency for International Development.

The moves at the CFPB have drawn parallels with USAID, where staff were also told to stay out of headquarters and cease work before the Trump administration attempted to place thousands of employees on administrative leave. The effort was put on hold by a federal judge Friday night.

"There is precedent for certain action, for certain ways in which they took CFPB off the beat during the first Trump administration," said Graham Steele, former assistant secretary of financial institutions at U.S. Treasury under former President Biden.

"The idea of trying to basically shut the agency down in all but name is a step farther," he added. "It's an escalation."

The Trump administration launched its blitz attack on the agency over the weekend, shortly after newly confirmed Office of Management and Budget (OMB) Director Russell Vought was appointed acting CFPB director on Friday.

He took the place of Treasury Secretary Scott Bessent, who had been named acting director just days earlier. Bessent had reportedly directed staff to halt work on enforcement actions, rulemaking and litigation.

Vought similarly ordered employees to "cease all supervision and examination activity" and "stakeholder engagement" Saturday, according to The Washington Post. That same day, he announced he would not take its next drawdown of funding from the Federal Reserve.

"The Bureau's current balance of $711.6 million is in fact excessive in the current fiscal environment," Vought wrote in a post on the social platform X. "This spigot, long contributing to CFPB's unaccountability, is now being turned off."

The agency's chief operating officer, Adam Martinez, reportedly told staff Sunday that its headquarters would be closed for the week. On Monday, Vought ordered employees to "stand down from performing any work task," according to Business Insider.

The CFPB's X account has since been deleted, and the homepage of its website shows a note that says "404: Page not found," although the site remains functional.

Employees affiliated with Musk's DOGE have also gained access to CFPB's data systems, according to Bloomberg News. Despite initially receiving limited access, they now have access to the full scope of information stored at the agency, including sensitive bank examination and enforcement records.

Sen. Elizabeth Warren (D-Mass.), the top Democrat on the Senate Banking Committee, slammed Musk and Vought in a video posted to X on Monday for attempting to "kill" the CPFB, calling it "another scam."

"So, why are these two guys trying to gut the CFPB?" Warren asked. "It's not rocket science: Trump campaigned on helping working people, but now that he's in charge, this is the payoff to the rich guys who invested in his campaign and who want to cheat families — and not have anybody around to stop them."

Rep. Maxine Waters (D-Calif.), ranking member of the House Financial Services Committee, took aim at Musk in particular.

"Why the richest man in the world is working to gut the agency that has returned $21 billion to harmed American consumers is simple," she said in a statement Saturday.

She pointed to the billions of dollars' worth of government contracts held by Musk's companies, as well as his plans to turn X, which he owns, into a digital payment platform.

"Such a platform would be regulated by — you guessed it — the CFPB," Waters said. "So, in addition to having access to the consumer data of millions of Americans, Musk can now illegally steal sensitive business information about other American companies in the same industry. It doesn't get any more corrupt and anti-American than that."

Musk's large network of companies, including Tesla, SpaceX and X, have increasingly raised questions about conflicts of interest, particularly as his DOGE team burrows into every part of the executive branch.

DOGE-affiliated employees have rapidly moved from one agency to the next, with a focus on gaining access to technological infrastructure.

At the Treasury Department, DOGE staff received access to a sensitive federal payment system, sparking outcry from Democrats and prompting several lawsuits. A federal judge ultimately blocked Musk and his DOGE team from accessing the system late Saturday.

The National Treasury Employees Union filed two separate lawsuits against Vought over the CFPB push Sunday. The first case seeks to prevent the push to dismantle the agency, while the other seeks to block DOGE's access to CFPB employees' personal information.

The Trump administration's efforts to target the CFPB are not entirely surprising, given the GOP's history with the agency.

"It's no surprise that there was going to be an interest in trying to effectively gut the CFPB, one way or another, pretty early on into the Trump administration," Steele said. "The CFPB has been the bête noir of conservatives for a long time."

Conservatives have opposed the CFPB since its creation in 2010, in the wake of the 2007-08 financial crisis. They argue the agency has overstepped its regulatory authority and the bounds of the Constitution, and have frequently leveled such arguments against the CFPB in court, without much success.

As the CFPB cannot be eliminated without an act of Congress, appointees in Trump's first administration set about attempting to limit the agency's power.

Former OMB director and acting CFPB director Mick Mulvaney instituted a freeze on hiring and new rulemaking when he took control of the agency in 2017. Much like Vought, he also requested a budget of zero dollars from the Fed.

"This is a déjà vu situation," said Joe Lynyak, a financial services partner at the law firm Dorsey & Whitney. "But I would say that Mr. Vought is probably a more astute tactician in terms of his utilization of authorities."

In the second Trump administration, they have taken things a "step farther," in a way that could expose them to lawsuits if they fail to fulfill certain statutorily required duties, Steele said.

"I think it is a more dramatic shift that raises some of these core legal questions about the separation of powers, Congress telling agencies what to do and the agencies faithfully executing the laws, which is what they're supposed to be doing," he told The Hill.

Lynyak warned that the push to effectively dismantle the CFPB could be met "more forcefully" than the response to the DOGE's efforts to shutter USAID.

"If the CFPB is effectively defunded and prevented from standing up for consumers, the consequences could be severe," Delicia Hand, senior director, digital marketplace at Consumer Reports, said in a statement.

"Consumers will end up paying the price if the CFPB is sidelined and will be more likely to fall victim to predatory practices, hidden fees, and data privacy violations," she continued. "Without an active cop on the beat looking out for consumers in the financial marketplace, the administration is essentially saying consumers are on their own."

TAGS CFPB CFPB CONSUMER FINANCIAL PROTECTION BUREAU CONSUMER FINANCIAL PROTECTION BUREAU DEPARTMENT OF GOVERNMENT EFFICIENCY DOGE DOGE DOGE CFPB DOGE FUNDING DONALD TRUMP ELIZABETH WARREN ELON MUSK ELON MUSK FINANCIAL REGULATION MAXINE WATERS SCOTT BESSENT TRUMP MUSK

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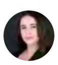
NEWS

Trump admin pulls hundreds of videos from CFPB's YouTube channel / Its X and Facebook accounts are down, too, and its website is partially 404ing.

by Lauren Feiner
Feb 14, 2025, 6:15 PM EST

| 19 Comments (19 New)

Image: Cath Virginia / The Verge



Lauren Feiner is a senior policy reporter at The Verge, covering the intersection of Silicon Valley and Capitol Hill. She spent 5 years covering tech policy at CNBC, writing about antitrust, privacy, and content moderation reform.

Nearly 400 videos that were posted on the Consumer Financial Protection Bureau's YouTube page have been removed, as the Trump administration continues to pare back the agency, including its team of skilled technologists.

The CFPB YouTube page, which has 15,000 subscribers and was created in 2011, has had every one of its videos removed as of Friday. An archived version of the page shows that as recently as February 8th, it hosted 386 videos. The archived page shows videos with titles like "Five tips for when you can't pay your bills," "How do I dispute an error on my credit report?" and "How can I improve my credit scores?"

Facebook and X accounts for the agency have also been taken down, although it's unclear when. The homepage of the CFPB website delivers a 404 error message, though other pages on the site are still active.

The removals seem to be part of a larger dismantling of the agency, which oversees consumer protection issues in financial service. That's an area that's increasingly come to include tech players, including X; X is owned by Department of Government Efficiency (DOGE) head Elon Musk, who's been leading the charge on slashing the federal workforce. About 20 technologists in the bureau were suddenly terminated on Thursday evening, *The Verge* reported, ravaging a team that provided deep expertise to help hold companies accountable for their financial technology services.

Across several agencies, the government has hurriedly removed webpages to comply with President Donald Trump's flurry of executive orders at the start of his term. Many pages that hosted health information were brought back online this week to comply with a court order. Later, the Trump administration updated those pages with a disclaimer against "gender ideology," noting it was forced by a court to restore the information.

There could be a brief reprieve for the CFPB after a new court order. On Friday evening, a judge put a pause on further firings of CFPB staff without cause, and ordered the agency not to delete agency records or data at least until a hearing on March 3rd.

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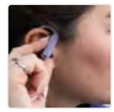

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BUSINESS

Trump administration orders consumer protection agency to stop work, closes building

BY CHRISTOPHER RUGABER
Updated 3:56 PM EST, February 9, 2025

▶ Follow live updates on President Donald Trump and his new administration.

WASHINGTON (AP) — The Trump administration has ordered the Consumer Financial Pr
stop nearly all its work, effectively shutting down an agency that was created to protect c
2008 financial crisis and subprime mortgage-lending scandal.

Russell Vought, the newly installed director of the Office of Management and Budget, directed the CFPB, in a Saturday night email confirmed by The Associated Press, to stop work on proposed rules, to suspend the effective dates on any rules that were finalized but not yet effective, and to stop investigative work and not begin any new investigations. The agency has been a target of conservatives since President Barack Obama pushed to include it in the 2010 financial reform legislation that followed the 2007-2008 financial crisis.

The email also ordered the bureau to "cease all supervision and examination activity."

On Sunday, administration officials also said that the CFPB's headquarters in Washington, D.C. would be closed the week of Feb. 10 through Feb. 14, according to an email obtained by The Associated Press. No reason was given for closure.

RELATED STORIES

What's going on at the Consumer Financial Protection Bureau?

Americans brace to feel impact of Trump actions halting CFPB's work

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"Employees and contractors are to work remotely unless instructed otherwise," the email to headquarters workers said.

The order follows similar efforts by the White House to dismantle the U.S. Agency for Int
Development.

Since the CFPB is a creation of Congress, it would require a separate act of Congress to f
But the head of the agency has discretion over what enforcement actions to take, if any.

Yet Elon Musk commented, "CFPB RIP" on social media site X on Friday. And the CFPB h
Internet was down Sunday, replaced by a message reading "page not found."

Also late Saturday, Vought said in a social media post that the CFPB would not withdraw its next round of funding from the Federal Reserve, adding that its current reserves of $711.6 million is “excessive.” Congress directed the bureau to be funded by the Fed to insulate it from political pressures.

“This spigot, long contributing to CFPB’s unaccountability, is now being turned off,” Vought said on X.

The CFPB says that it has obtained nearly $20 billion in financial relief for U.S. consumers since its founding in the form of canceled debts, compensation, and reduced loans. Last month, the bureau sued Capital One for allegedly misleading consumers about its offerings for high-interest savings accounts — and “cheating” customers out of more than $2 billion in lost interest payments as a result, the bureau said.

Dennis Kelleher, president of Better Markets, an advocacy group, said, “that’s why Wall Street’s biggest banks and Trump’s billionaire allies hate the bureau: it’s an effective cop on the finance beat and has stood side-by-side with hundreds of millions of Americans — Republicans and Democrats — battling financial predators, scammers, and crooks.”

The administration’s move against the CFPB also highlights the tensions between Trump’s more populist promises to lower costs for working-class families and his pledge to reduce government regulation.

During the campaign, Trump said he would cap credit card interest rates at 10%, after they had soared to record levels above 20%, on average, as the Federal Reserve lifted interest rates in 2022 and 2023. The CFPB had started work on how that proposal would be implemented.

The bureau can still take complaints, but it can’t conduct exams or pursue existing investigations, according to a person familiar with the agency who insisted on anonymity to discuss CFPB business. The memo is also interpreted as blocking it from communicating with companies it regulates, consumer advocates or other outside groups.

Musk’s team would also have access to complaints, investigations and regulatory oversight data. The access raises uncomfortable questions if Musk’s company X launches a payments system as the CFPB has data on competitors such as Cash App, the person said.

Vought’s email follows a similar directive from Treasury Secretary Scott Bessent Feb. 3 and is the latest move by the Trump administration to rapidly curtail the work of federal agencies that they have deemed excessive.

Contacting The Associated Press

The Associated Press is an independent global news organization dedicated to factual, nonpartisan journalism. We are reporting on changes within the U.S. government under the new administration. **If you are a former or current government worker** who would like to share information with us, please message us on Signal at *TheAP.1846*

Obama spearheaded the creation of the bureau in the wake of the 2007-2008 housing bubble and financial crisis, which was caused in part by fraudulent mortgage lending. It was the brainchild of Massachusetts Democratic Sen. Elizabeth Warren and has attracted lawsuits from large banks and financial industry trade associations.

"Vought is giving big banks and giant corporations the green light to scam families," Warren said.

Last week, Warren called on Trump to work with the bureau to protect Americans from de-banking, the practice of banks shutting down customer accounts because they believe they pose financial, legal or reputational risks to the banks.

"I know that the Consumer Financial Protection Bureau is a favorite whipping boy of Republicans on this Committee, but the CFPB is the main agency in our government that is actively working to stop unfair de-banking," she said at a hearing of the Senate Banking, Housing and Urban Affairs Committee.

Vought's email said that President Donald Trump had made him acting director of the CFPB on Friday. Trump fired the previous director of the bureau, Rohit Chopra, on Feb. 1. Vought was an architect of Project 2025, a policy blueprint for the Trump White House that Trump tried to disavow during last year's campaign.

Under Chopra, the CFPB approved rules to cap overdraft fees by banks, limit junk fees, a restrictions on data brokers selling personal information such as Social Security numbers

AP Writers Josh Boak and Chris Megerian contributed to this report. AP Writer Holly Ramer contributed from Concord, New Hampshire.

CHRISTOPHER RUGABER

Rugaber has covered the Federal Reserve and the U.S. economy for the AP for 16 years. He is a two-time finalist for the Gerald Loeb award for business reporting.

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Exhibit EE

NATIONAL

New CFPB chief closes headquarters, tells all staff they must not do 'any work tasks'

UPDATED FEBRUARY 10, 2025 · 10:47 AM ET

Laurel Wamsley

Russell Vought, seen on Jan. 22, is now in charge at the United States' consumer finance watchdog. Vought is one of the architects of the conservative policy agenda Project 2025 and was recently confirmed as director of the Office of Management and Budget.
Kayla Bartkowski/Getty Images

Staff and contractors at the Consumer Financial Protection Bureau have been told they cannot "perform any work tasks," according to an internal email obtained by NPR on Monday.

The new directive from the CFPB's acting director, Russell Vought, on Monday comes after the agency closed the bureau's Washington headquarters for the week and told staff to work remotely. No reason was given for the building's closure.

"Employees should not come into the office. Please do not perform any work tasks," Vought said in an email to CFPB staff on Monday.

Representatives of Elon Musk's Department of Government Efficiency team were seen at the headquarters on Friday, according to the union representing CFPB staff, and have been granted access to key systems, stirring concerns about the fate of the vast amount of sensitive information maintained by the bureau.

The bureau's staff was informed over the weekend that Vought is now acting director of the CFPB, the United States' consumer protection watchdog. Vought was an architect of the conservative policy agenda Project 2025 and was confirmed last week as director of the Office of Management and Budget.

In a separate email to staff on Saturday night, Vought had directed staff to stop virtually all their work, including the supervision that the agency does to check whether companies are following the law. It also instructed staff to cease any pending investigations.

That edict followed an earlier order to halt most of the agency's work, including suspending the effective dates of all rules that have been issued but haven't yet gone into effect.

CFPB staff members warn that Vought's moves will leave American families exposed to financial abuse.

POLITICS

Who is part of Elon Musk's DOGE, and what are they doing?

Vought posted on his X account on Saturday evening: "Pursuant to the Consumer Financial Protection Act, I have notified the Federal Reserve that CFPB will not be taking its next draw of unappropriated funding because it is not 'reasonably necessary' to carry out its duties. The Bureau's current balance of $711.6 million is in fact excessive in the current fiscal environment. This spigot, long contributing to CFPB's unaccountability, is now being turned off."

In leading the bureau, Vought replaces Treasury Secretary Scott Bessent, who was named acting director of the bureau on Monday.

The Consumer Financial Protection Bureau was instrumental in the Biden administration's work to address deceptive or predatory business practices. The CFPB filed lawsuits against big banks and payment platforms, and it made rules that included capping overdraft fees and removing medical bills from credit reports.

NEWS

Musk's team takes control of key systems at Consumer Financial Protection Bureau

Musk's DOGE members stoke fear inside the agency

As NPR reported Friday, members of Musk's Department of Government Efficiency team — which is not a true government department but, rather, a group of staff members tasked with ensuring that President Trump's priorities are enacted across the government — has gained access to internal computer systems that manage the agency's human resources, procurement and finance systems.

Musk's representatives have also taken control of the CFPB's website, which now shows an error message on its homepage. The rest of the site appears to be functioning normally. DOGE staffers also took control of the bureau's social media accounts and deleted them.

Musk posted on his personal X account on Friday: "CFPB RIP" — though it is not clear there have been any reductions or changes to the agency's staff yet. In November, Musk posted, "Delete CFPB."

Elon Musk arrives on Capitol Hill in Washington, D.C., with his son on Dec. 5, 2024.
Anna Moneymaker/Getty Images

DOGE's actions inside the bureau are stoking fears that Musk will try to virtually dismantle the agency to the extent possible, as he aims to do at the Department of Education and the U.S. Agency for International Development.

The moves appear to echo the abrupt changes at USAID, where staff members were given a stop-work order, then the USAID headquarters were closed and eventually all but a small number of "essential" staff members were put on administrative leave. The gutting of USAID was temporarily ordered to be paused by a federal judge on Friday.

The union representing CFPB workers, NTEU 335, said Friday that Musk's lieutenants entering the agency was "a clear attempt to attack union workers and defang the only agency that checks the greed of payment providers, as well as auto lenders like Tesla." Musk — who Trump said Monday would be kept from working on areas where "there is a conflict or problem" — is the CEO of Tesla and runs at least five other companies, some of which have lucrative contracts with the federal government.

NATIONAL

Treasury Secretary Bessent, tapped to run CFPB, orders staff to halt work

The union also noted that the bureau collects and maintains vast amounts of sensitive information about individuals and businesses, including banks and other financial institutions. It expressed concern that "such legally-protected, sensitive data of businesses and individuals will be exposed and used in inappropriate ways."

"For example, the CFPB has gathered a wealth of proprietary information from big tech payment platforms that could be exploited by someone with a conflict of interest to corner the payments industry," the union said, pointing to a newly announced partnership between Musk's X and Visa.

The CFPB has long been a target of criticism among Republicans, the banking sector and some in Silicon Valley for its investigations, enforcement actions and fines in consumer protection cases.

The organization is an independent bureau within the Federal Reserve System. It is funded outside the congressional appropriations process, and its funding comes from the Fed.

The bureau would on its face appear to be an unlikely target for cost-cutting, given its return on investment.

The budget slated for 2025 for the CFPB was $823 million. Since its creation in 2011, the CFPB has handled millions of consumer complaints and returned $20.7 billion back to consumers.

Correction

Feb. 8, 2025

An earlier version of this story misstated the name of the Consumer Financial Protection Bureau as the Consumer Finance Protection Bureau.

cfpb consumer financial protection bureau russell vought

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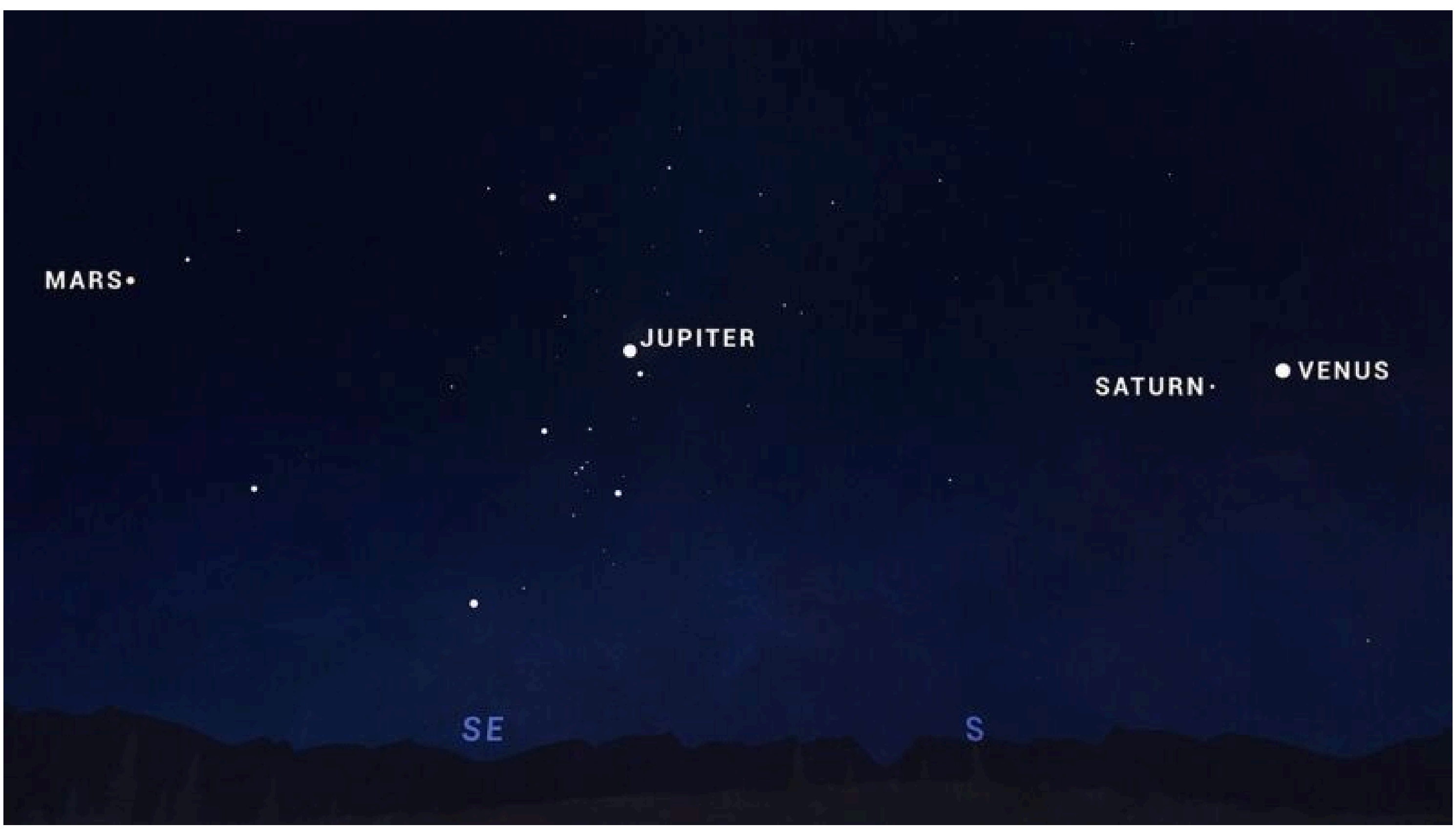

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Exhibit FF

CONSUMER

What's at stake for consumers as Trump officials target the CFPB

The Consumer Financial Protection Bureau's recent rules on overdraft and credit card late fees are in jeopardy, while others face uncertain futures.

The Consumer Financial Protection Bureau has been a target of GOP and Wall Street critics since it began in 2011. Al Drago / Bloomberg / Getty Images

Feb. 10, 2025, 6:36 PM EST / Updated Feb. 12, 2025, 10:32 AM EST

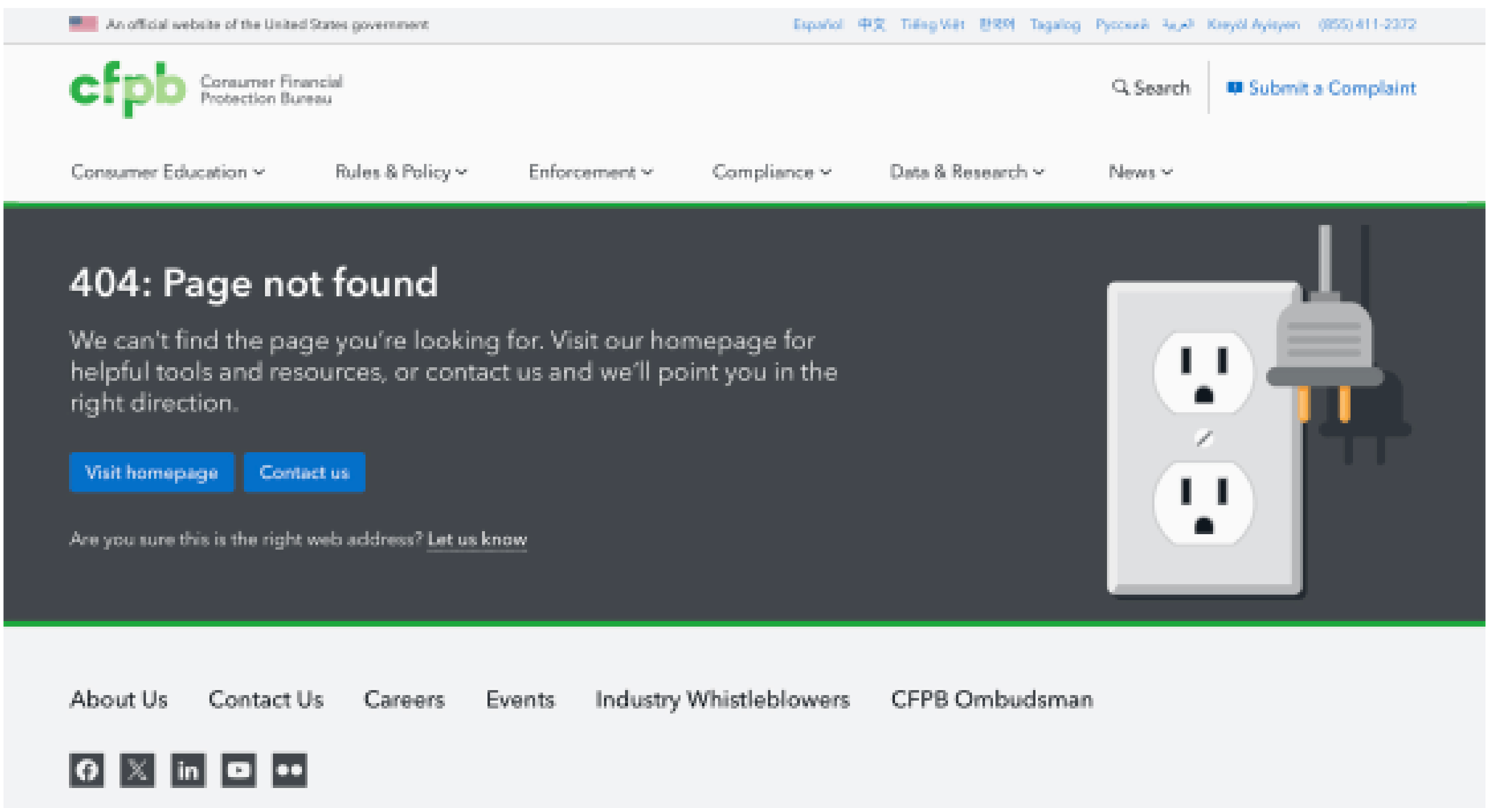
By J.J. McCorvey

The Trump administration's efforts to dismantle the Consumer Financial Protection Bureau risk leaving Americans' nearly $18 trillion in consumer debt with less supervision or regulation.

One CFPB staffer said Monday that every meeting and work item on their calendar, including reviewing investigative actions, had been deleted.

"I think at some point, the machinery is going to start to jam up," said the employee, who asked to speak anonymously out of fear of reprisal. "What is industry going to do on its own?"

As of Monday evening, the CFPB's homepage said "404: Page not found," though other parts of the site appeared to be working.



— The CFPB homepage displayed an error message Monday.

The confusion comes after a turbulent weekend at the CFPB, whose acting director, Russell Vought, told employees late Saturday to stop most work activities and on Sunday not to report to the office for the rest of this week. He also said in a post on X that the agency "will not be taking its next draw of unappropriated funding because it is not 'reasonably necessary' to carry out its duties."

Meanwhile, staffers at the Elon Musk-led Department of Government Efficiency project have sought access to CFPB personnel information, part of efforts driven by the world's richest person to remake or eliminate entire federal agencies from the Education Department to the nation's main foreign aid body.

Both moves targeting the CFPB have already drawn lawsuits from a federal union.

The CFPB has been a target of GOP and Wall Street critics since its inception in 2011. That includes Vought, a co-author of Project 2025, a conservative blueprint for President Donald Trump's second term that calls for abolishing the bureau altogether. The independent agency, a brainchild of Sen. Elizabeth Warren, D-Mass., was set up by the Federal Reserve in the wake of the 2008 financial crisis. Last year it survived a business-backed challenge to its funding that wound up before the Supreme Court.

In his first term, Trump installed Mick Mulvaney as the agency's director, who had previously called the CFPB a "joke" and stripped the agency's ability to pursue discrimination cases. He also dropped a lawsuit against payday lenders and fired the agency's 25-member consumer advisory board.

The bureau is again under fire from Trump officials after an aggressive four-year run during the Biden administration, by the conclusion of which the CFPB estimated it had clawed back nearly $20 billion in consumer relief.

Congress granted the CFPB the power to supervise banks with more than $10 billion in assets and to regulate lending by nonbank entities, including mortgage, auto, payday and private student loan issuers. In addition to writing and enforcing rules for making consumer financial products fair and efficient, the agency also solicits, tracks and publishes consumer complaints.

One of the agency's biggest recent wins over industry players has been limiting overdraft or insufficient funds fees. After years of CFPB scrutiny of these surcharges, many banks started dropping the fees on their own. In fact, the revenue banks derived from overdraft fees dropped more than $6 billion between 2019 and 2023. That agency push culminated in a final rule in December that would have capped overdraft fees at large banks to $5, but its fate is now uncertain.

Consumer advocates told NBC News shortly after the election that the popularity of the CFPB's overdraft crackdown might lead Trump officials to leave those protections in place. But last week, the Republican-led House Financial Services Committee presented a draft resolution to overturn the bureau's overdraft rule.

The CFPB issued a separate rule last March that appears to be all but defeated. That move slashed the typical credit card late fee from $32 to $8, drawing swift legal pushback from card issuers. A federal judge in Texas recently rejected the CFPB's request to lift an injunction barring the rule, and it's unlikely that the agency will submit further appeals under Vought's leadership.

"I wonder if the new approach is just, 'We're not going to even bother to formally change the effective [rule] dates,'" the CFPB staffer said. "We'll just not do anything, and we expect the industry to also know that we're not going to do anything."

Russell Vought, the acting director of the CFPB, has instructed agency staffers to halt most work activities. Al Drago / Bloomberg / Getty Images

Some relief for cardholders could come legislatively, though that path is steeper and narrower than the CFPB's typical rulemaking process.

Earlier this month, Sens. Bernie Sanders, I-Vt., and Josh Hawley, R-Mo., introduced a bill to cap credit card interest rates at 10%, echoing one of Trump's campaign promises. However, the measure is expected to meet fierce opposition in Congress and from the financial industry. Lindsey Johnson, president and CEO of the Consumer Bankers Association, said in a statement that the effort reflected "Socialist-type pricing policies" that are "the best way to drive up costs for consumers."

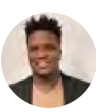
The agency has made other strides in protecting borrowers' credit health, including surfacing violations made by student loan services and uncovering errors in medical debt reporting.

In 2023 – following a CFPB report on medical debt complications – the three major reporting bureaus announced they were wiping medical collections under $500 from consumers' credit reports, causing an estimated 22.8 million people to see at least one medical bill dropped from their files. Last month, the agency finalized a rule that would remove an estimated $49 billion in medical bills from the credit reports of around 15 million consumers.

Consumer advocates have pointed out that the medical debt rule, like the rule capping credit card fees, is vulnerable to being overturned by Congress.

Under the Biden administration, the CFPB had also been positioning itself as a watchdog of Big Tech and artificial intelligence, as the industries crept deeper into consumers' wallets. It created guardrails around "buy now, pay later" installment loans and increased its scrutiny of tech companies that have expanded into digital payments.

Musk himself, who called to "Delete CFPB" following Trump's win, has participated in the latter trend. In January, his social media platform X announced a deal with Visa, the largest U.S. credit card network, allowing X users to move money between bank accounts and make peer-to-peer payments.



J.J. McCorvey

J.J. McCorvey is a business and economy reporter for NBC News.

Exhibit GG

With CFPB Closed, Open Banking Awaits Next Steps

BY **PYMNTS**
FEBRUARY 10, 2025

The Consumer Financial Protection Bureau is shuttered — at least for now.

In the wake of Russell Vought — head of the Office of Management and Budget — moving to the acting director role at the CFPB, supervisory and examination activities were halted Sunday (Feb. 9).

On Monday (Feb. 10), news came that Vought sent an email to CFPB staffers that said, "Employees should not come into the office. Please do not perform any work tasks."

Online, much of the CFPB website is hobbled, with a 404-error message, job postings scrubbed, and links to past rulemaking and enforcement actions here and there.

The debate over the agency's funding is likely to rage, and it's no secret that the President Donald Trump administration and Republicans in

Congress are targeting the structure wherein the CFPB gets its money from the Federal Reserve.

Open Banking Rule Hangs in the Balance

If future rulemaking is indeed dead in the water and existing rules could be cut back, the sweeping moves would presumably include the October issuance of the final rule that would shape how personal financial data is handled, and by extension, how open banking evolves.

For now, the final rule took effect last month, and banks must eye a phased-in approach to compliance.

The rule, which is based on Section 1033 of the Dodd-Frank Act, mandates that banks, credit unions and other financial institutions must make consumers' financial data available upon request to consumers and authorized third parties. This data includes information about transactions, costs, charges and usage related to consumer deposit accounts, credit cards and payment services, data in payment apps and digital wallets as well as bank accounts.

The rule also establishes strict guidelines for third parties seeking to access consumer data, including data security measures.

For banks, there's a requirement for standardized API development and a ban on institutions from charging fees for data access.

As for the timeline, the rule is being implemented in phases, with larger providers subject to the rule sooner than smaller ones, per the CFPB. The largest banks will have to comply by April 1, 2026, while the smallest institutions will have until April 1, 2030. Certain small banks and credit unions are not subject to the rule.

What Happens Next?

The new, 119th Congress will likely wield much power in scuttling rules, as the Congressional Review Act lets lawmakers overturn rules stretching back over six months through joint resolutions of the Senate and House.

The banks themselves, through the Bank Policy Institute and the Kentucky Bankers Association, filed a lawsuit against the CFPB in October, alleging that the rule "seeks to cut off that private development and replace it with a complicated, expensive, mandatory regulatory framework that Congress never authorized."

The lack of fee structure also disallows banks to recoup costs while adding to the operational burden of compliance (as financial institutions would bear liability for breaches), the lawsuit said.

If the rule is struck down, it's possible that banks will re-examine their open banking efforts and strike FinTech partnerships that are economically advantageous to both sides of the provider equation as data is shared. There are already aggregators that act as a data-transfer bridge between banks and FinTechs.

The organic, market-based approach would bring more momentum to embedded finance and other services. The PYMNTS Intelligence report "Consumer Sentiment About Open Banking Payments" found that 46% of consumers surveyed would be "highly willing" to use open banking options for bill payments and financial services. However, only 11% of consumers in the United States have used open banking payment options, which leaves 89% of a thus-far untapped market.

Although the compliance deadlines put forth by the CFPB are months away, the technical and operational lifts required to implement the rule are heavy. Will banks push to meet those deadlines even as the fate of the CFPB is being determined, or will they find their own avenues to innovate with FinTechs to share and protect data in the spirit of the rule?

Plaid is an example here, as the data connectivity platform enables customers to store their verified identity and account information with Plaid and reuse it across other Plaid-powered apps. This reduces sign-up time for new services by as much as 90% in some cases and improves the conversion rate as well as the overall consumer experience.

In an October interview with PYMNTS on open banking, Brian Dammeir, head of payments for Plaid, said that the rule offers a roadmap.

"Fraud liability in bank-based payments, particularly on the ACH rail, is well-established," he said. "But as we move to a real-time world, those rules will need to evolve, and consumers will need to understand their protections."

"The banks that see this as an opportunity rather than a compliance obligation will be the ones to succeed," Dammeir said.

RECOMMENDED

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Target Teams With Warby Parker for in-Store Eyewear Shopping

BY **PYMNTS**
FEBRUARY 27, 2025

Target is opening a series of "shop-in-shops" in partnership with eyewear maker Warby Parker.

The collaboration, announced Thursday (Feb. 27), will bring five "Warby Parker at Target" outposts to stores around the country, and comes at a time when Target and other retailers are dealing with consumer pullbacks.

"We've long offered our guests well-designed products at a value, and our latest shop-in-shop partnership with Warby Parker continues that tradition," Christina Hennington, Target's executive vice president and chief strategy and growth officer, said in a news release.

"Warby Parker at Target reflects both brands' commitment to style, affordability, quality and convenience. As we test and learn with this new partnership — bringing Warby Parker's expertise into select stores — we're enticing new consumers to discover more of Target."

The first five shop-in-shops will open at stores in Pennsylvania, New Jersey, Minnesota, Ohio and Illinois in the second half of the year, with more locations to follow in 2026. The partnership is geared toward stores that don't offer the Target Optical program, the release added.

The partnership is happening at a moment when retailers are dealing with a number of stressors, including tariffs, inflation and weak consumer demand, as PYMNTS wrote Thursday.

"Uncertainty seems to be the buzzword of earnings calls," Neil Saunders, managing director of retail at research firm GlobalData, said in an interview with PYMNTS.

"Going into this year, a lot of retailers are very nervous about various aspects of policy, particularly tariffs. They fear both the cost implications for their businesses and the dampening impact higher prices would have on spending. We are seeing this come out in guidance."

"Consumers feel the pinch of inflation, shifting their focus to essentials like groceries and health products while cutting back on discretionary items like apparel and electronics," added RetailBoss founder and CEO Jeanel Alvarado. "For shoppers, this means fewer splurges and more strategic spending."

Research by PYMNTS Intelligence shows some of the strain facing consumers, with two-thirds saying they depend on their next paycheck to cover their bills.

Both Walmart and Amazon, the report noted, were cautious during their earnings calls recently.

2

Amazon's projected revenue of $151 billion to $155.5 billion for the first quarter fell short of the $158 billion forecast, while Walmart's projected Q1 sales growth in the United States of 3% to 4% came in under analyst expectations.

RECOMMENDED

Target Teams With Warby Parker for in-Store Eyewear Shopping

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2

Exhibit HH

THE AMERICAN PROSPECT IDEAS, POLITICS & POWER

Vought Restores CFPB Procedure That Sustains Mortgage Markets

The situation reveals that sometimes, even arsonists need the building they're burning down to stay upright.

BY DAVID DAYEN FEBRUARY 11, 2025

JACQUELYN MARTIN/AP PHOTO

OMB Director Russell Vought appears before the Senate Budget Committee during a nomination hearing on Capitol Hill in Washington, January 22, 2025.

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There's an old saying about the dog that caught the car: They don't know what to do next. Let me tell you the case of the dog that caught the Consumer Financial Protection Bureau.

Russ Vought is an own-the-libs kind of guy, an ideological warrior who delights in watching the world burn. Shutting down the CFPB is his idea of paradise; now the rugged capitalists can get back to work making America great again without interference from meddling bureaucrats determined to punish success.

Then he heard about the APOR tables.

APOR stands for the "average prime offer rate," and it's a little tool that keeps the mortgage market running. It involves public servants, every week, going in and calculating it. Those staffers work at the CFPB, and if they're locked out, you have no APOR tables. And over time, if you have no APOR tables, you have no mortgage market, or at least an uncertain and economically damaging mess.

In the face of this, tough guy Vought blinked, and in so doing revealed why even the most John Galt-ian banker needs the government every now and again.

More from David Dayen

Let me explain: In the 2008 financial crisis, mortgage lenders signed up anyone who could fog a mirror for a loan. As a result of this mountain of fraud and the dire consequences, the Dodd-Frank Act set up a standard for mortgages, requiring lenders to verify the ability to repay.

There is an exception to this rule for so-called "qualified mortgages" (QMs), which are considered compliant with the ability to repay standard. Lenders who offer QMs do not have to show their work of determining ability to repay and cannot be sued if the loan goes bad.

What's critical to being designated a qualified mortgage? APOR. The interest rate on the loan must be within a narrow bound that doesn't exceed APOR by a certain level. This keeps some of the more exotic loans out of the market, because of the regulatory burden and litigation risk. It has worked tolerably well since the crisis.

Of course, knowing what interest rate to offer to qualify for QM rules is a moving target: The average mortgage rate changes, and someone has to calculate it, so everyone in the market knows what is covered. Secondary-market mortgage purchasers, the lifeblood capital providers for the mortgage industry, need to know what mortgages are QMs as they are doing the purchases. If they are unsure, they could balk at making mass purchases, and that could seize up the entire mortgage market.

You know who makes sure that doesn't happen? The CFPB.

The agency updates the APOR tables every week, using survey data for eight different mortgage products. The survey data comes primarily from Freddie Mac, one of those secondary-market giants. But it's CFPB's job to manually calculate and publish the APOR tables to keep the mortgage market humming. (Under Rohit Chopra, CFPB actually strengthened reporting of the APOR tables with a new methodology that was more redundant and less susceptible to the failure of outside providers to send the data.)

Yesterday, I started hearing from people worried that with the CFPB in shutdown mode, they wouldn't publish the APOR tables. Per the statute, lenders could use the last published rate as a guideline in the short term, but if mortgage rates rose, those would quickly become obsolete. They could try to calculate APOR themselves, but that might not have any legal sanction.

Georgetown Law professor Adam Levitin explained the stakes in a post late Monday night. Lenders would either not make loans at risk of coming in above APOR, or would raise rates on loans below APOR to compensate, costing borrowers potentially tens of thousands of dollars in financing. Home values could get skewed, and credit access could be cut for many borrowers. "In other words, shutting down the CFPB does not *reduce* regulation. It actually *increases* it because it results in the [APOR tables] being miscalibrated," Levitin wrote.

So I asked CFPB whether their stop-work order covered the APOR tables. Spokesperson Rachel Cauley got back to me: "Yesterday, CFPB Chief Legal Officer Mark Paoletta directed Jason Brown, the Assistant Director of Research at the CFPB to continue all necessary functions, including the publication of the APOR on a weekly basis indefinitely."

Contrary to the timing professed by CFPB, sources tell the *Prospect* that as of Tuesday morning, the individuals who calculate and publish the APOR tables hadn't been carved out from the stop-work order. So this came together fairly quickly.

And it's an example of the importance of small details in markets, and government's role. Regulation is essentially setting the rules for structuring markets. They can be used to promote fairness, competition, or maximum profits; they can guard against risk or nudge participants toward aggression. In the hands of self-interested actors, markets are structured to their advantage; this is regulation by the C-suite. But democratic regulation has a greater interest in mind. Something tiny like publishing the APOR tables is a big part of that; ultimately, that procedure is about making sure there aren't insane loans floating around of the kind that crashed our economy in 2008.

APOR tables don't show up on a to-do list for the lords of deregulation. They are moving fast and breaking things, and they don't even know when they are getting close to the support beams that uphold the entire economy. And when they find out, they quietly put those beams back in place.

Other small details at the agency keep moving forward. For example, the bureau's consumer complaint database hasn't been shut down. People can still file complaints, and the automated process that responds and shares with other regulators is still operative. The database of complaints remains active as well. At least someone in charge recognizes that shutting down the database would make it harder to identify patterns and would close off what has been a valuable service to millions of ordinary people.

I'm not going to wear a smiley face here. The CFPB's heads of supervision and enforcement just resigned today, and it's not because they think the agency will miss them so much that they'll beg for their return. They know that the next four years will feature the bare minimum, if any, supervision and enforcement, even under the best possible scenario where lawsuits are won and everyone goes back to work. This is going to be four years of open season on consumers, and it's particularly dangerous because tech platforms want to transform the financial services sector with lightly regulated offerings, from Elon Musk's payment app to Trump Media investment products.

But the APOR tables episode reveals that even the most hardened enemy of the administrative state eventually realizes that they need it every now and again. The unlawful attempted deletion of the agency, none of which represents any structural change, is an effort to demoralize federal workers and the public, to intimidate them into getting used to life without a dedicated consumer protection agency. The problem is that even Vought understands that the agency is needed, and so should we. That's what will sustain the fight for its survival.

DAVID DAYEN

David Dayen is the Prospect's executive editor. His work has appeared in The Intercept, The New Republic, HuffPost, The Washington Post, the Los Angeles Times, and more. His most recent book is 'Monopolized: Life in the Age of Corporate Power.'

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Exhibit II

ALM | Credit Union Times

News

CFPB Credit Union Council Disbanded

The abrupt end to the group removes an “essential channel” for credit union issues.

By **Michael Ogden** | February 20, 2025 at 04:32 PM

Consumer Financial Protection Bureau headquarters in Washington, D.C.

Since 2018, the CFPB's Credit Union Advisory Council (CUAC) has been disbanded or dissolved twice. The second dissolving of the eight-member group came Thursday with this one sentence posted on the CFPB's website: "Effectively immediately, the Consumer Financial Protection Bureau (CFPB) has dissolved this council."

In both iterations of the Trump Administration, the CUAC and all other CFPB councils have been dissolved. Thursday's abrupt announcement, while not completely unexpected, served as a reminder of how important it is for credit unions to be able to connect with government officials and agencies.

Head of Regulatory Affairs with America's Credit Unions, James Akin, issued the following response to the council's elimination.

"The CUAC provided a critical forum for credit unions to share their expertise with CFPB leadership, to help them understand the real-world impacts on the 140 million Americans who rely on credit unions," Akin said. "While credit union expertise was not always heeded, eliminating this council removes an essential channel for dialogue. In the absence of the CUAC, we will increase our direct engagement with the CFPB. Our industry's mission, to prioritize people over profit, remains unchanged, and we will continue to push for policies that protect the cooperative financial system."

According to the official charter of the CUAC, members submitted "advice and recommendations to the Bureau relating to the activities and operations of credit unions, which shall be non-binding on the Bureau."

According to the last update from the CFPB, members of the CUAC included:

- Chad LaFlash, associate vice president of research and product strategy at UW Credit Union in Madison, Wis.
- Floyd Rummel, III, CEO at Northern Hills Federal Credit Union in Sturgis, S.D.
- Suzanne Weinstein, president/CEO at Orlando Credit Union in Orlando, Fla.
- Shawn Wolbert, president/CEO at GHS Federal Credit Union in Binghamton, N.Y.
- Deb Wreden, EVP of product and delivery strategy at Virginia Credit Union in Richmond, Va.
- Michael Daugherty, president at Community Plus Federal Credit Union in Rantoul, Ill.
- Jeff Ivey, president/CEO at River City Federal Credit Union in San Antonio.
- Michael J. Levy, vice president/general counsel at Travis Credit Union in Vacaville, Calif.

Exhibit JJ

TECHNOLOGY

Elon Musk's DOGE takes aim at agency that had plans of regulating X

FEBRUARY 12, 2025 · 5:00 AM ET

HEARD ON ALL THINGS CONSIDERED

Bobby Allyn

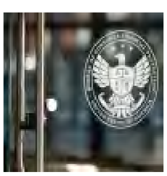
3-Minute Listen   PLAYLIST   TRANSCRIPT

The exterior of the Consumer Financial Protection Bureau headquarters in Washington, D.C. Employees of the CFPB were notified that the headquarters would be closed and that employees were to work from home.
Anna Moneymaker/Getty Images

Elon Musk made a big leap late last month toward his long-shot goal of turning X into an "everything app," a service that could encompass a broad range of services, including the ability to transfer money, similar to Venmo or PayPal.

X, formerly Twitter, announced it had struck a deal with Visa to soon offer a mobile payments service, cementing the card giant as the first major partner in a feature called "X Money Account."

This service would be directly regulated by the Consumer Financial Protection Bureau under expanded oversight powers it had finalized late last year allowing the agency to police things like privacy issues, fraud and how disputed transactions are handled at mobile payment apps like Apple Pay, Google Wallet, PayPal, Cash App — and X's money service.



BUSINESS

The Trump administration has stopped work at the CFPB. Here's what the agency does

Now, the CFPB is in Musk's crosshairs as the latest target of a group of young operatives tasked with President Trump's marching orders to cut federal government spending at the same time the agency was poised to oversee his grand plan of morphing X into a financial services juggernaut.

"The fact that Musk is now engaged in payment businesses that would be regulated by the CFPB at the same time he's trying to tear down the CFPB puts in sharp relief the conflicts of interests here and how much this disserves the general public," said Richard Cordray, who led the CFPB under President Barack Obama. "The whole situation is rife with conflicts of interest."

The White House and Musk did not return requests for comment.

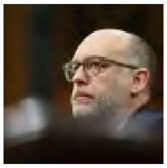
The CFPB has long faced opposition from Republicans and industries, including Wall Street and Silicon Valley.

Weeks after the bureau announced finalized rules for becoming a watchdog on digital wallets, TechNet and NetChoice, two groups backed by Big Tech, sued the CFPB, arguing that the agency does not have "free rein in choosing which nonbank entities to supervise."

During Trump's first term, the scope of the agency's work was significantly narrowed. But now, under acting Director Russ Vought, nearly all of the bureau's work has been ordered to be stopped, with Vought saying he will not be asking for any more funding for the agency.

"CFPB RIP," Musk wrote on X last week with an emoji of a gravestone.

NATIONAL



New CFPB chief closes headquarters, tells all staff they must not do 'any work tasks'

New questions about Musk's potential conflicts of interest

Since Musk's role leading the Department of Government Efficiency, or DOGE, became clear, his critics have been quick to point out just how entangled some of his six companies, including Tesla and SpaceX, are with the federal government.

Through contracts, tax breaks, loans and other ways, the federal government has supported Musk's business empire to the tune of billions of dollars, while at least 11 federal agencies have more than 30 investigations into Musk's companies, according to a count by *The New York Times*. The newspaper reported on Tuesday that Musk's push to whittle down, or completely dismantle, agencies has "thrown into question the progress and outcomes of many of those pending investigations."

As a special government employee, Musk is required by law to recuse himself from any matters that could have an impact on his financial interests. President Trump has vowed to remove Musk from any government business that intersects with one of his companies.

"If we thought that, we would not let him to do that segment, or look in that area, if we thought there was a lack of transparency or conflict of interest," Trump said from the Oval Office on Tuesday alongside Musk. "We watch that."

Sen. Elizabeth Warren, D-Mass., speaks as congressional Democrats and CFPB workers hold a rally to protest the closing of the Consumer Financial Protection Bureau and a work-from-home order outside its headquarters on Monday in Washington, D.C.
Jemal Countess/Getty Images

In the same appearance, Musk told reporters in the White House that DOGE is operating transparently, pointing to the unit's account on X, which posts regularly celebrating the canceling of various federal contracts.

"Transparency is what builds trust," Musk said. "And you can see, am I doing something that is benefiting one of my companies or not? It's totally obvious."

But if there is a problem, the public may never know.

The White House confirmed to NPR that Musk's financial disclosures will remain confidential, a level of secrecy that is permitted under law. Trump officials added that Musk received an ethics training this week to ensure Musk's work with DOGE does not create ethical conflicts.

In taking a hatchet to the CFPB, Musk is not only potentially clearing regulatory oversight of new money services on X, but delivering a win to other Silicon Valley giants, which have for years been fighting against the bureau, according to lawmakers and advocacy groups that rail against Big Tech.

At a protest outside the CFPB headquarters on Monday, Sen. Elizabeth Warren, D-Mass., who helped conceive of the agency, told rallygoers that Musk wants to wipe out the agency as a way of boosting his own bottom line.

"This is like a bank robber trying to fire the cops," Warren said. "And turn off the alarms just before he strolls into the lobby."

Have information you want to share about the ongoing changes at CFPB or across the federal government? Bobby Allyn is available via the encrypted messaging app Signal at ballyn.77

consumer financial protection bureau   elon musk   doge

Exhibit KK

Reuters

My News

Financial firms hated US consumer watchdog, but rapid unraveling creates limbo

By **Douglas Gillison**, **Nupur Anand**, **Pete Schroeder** and **Isla Binnie**

February 13, 2025 11:39 AM EST · Updated 14 days ago

Aa

A special police member monitors a protest, while inside the Consumer Financial Protection Bureau (CFPB) building, the day after members of Elon Musk's Department of Government Efficiency...
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Feedback

Summary Companies

CFPB's abrupt halt leaves consumer finance unsupervised

Industry fears patchwork state regulation post-CFPB

Regulatory void raises concerns over consumer vulnerability

Feb 13 (Reuters) - At a JPMorgan (JPM.N) townhall meeting on Wednesday, CEO Jamie Dimon was asked whether the Trump administration's decision to abruptly stop work at the Consumer Financial Protection Bureau (CFPB) and question its existence was good news for the industry.

Dimon told his employees that it was hard for the bank when "policies flip back and forth" and that he preferred consistent policies. The CFPB had some good consumer protection rules, especially when it came to areas like payday lenders, he said, according to a recording of the meeting that

Reuters reviewed, which has not been previously reported. Still, he was not mourning the dismantling of the agency.

"The only good I'll say about the CFPB is there are consumer protection rules that are good," said Dimon. He added that the agency had "massively overstepped their authority" and used an expletive to describe the former CFPB director, Rohit Chopra, a Democrat who led an aggressive enforcement campaign against the industry. JPMorgan was among three banks the CFPB sued in December, alleging "widespread" fraud on the Zelle payment service.

JPMorgan declined to comment. A spokesperson for Chopra declined to comment.

Established in 2010 to protect consumers after lax mortgage rules and other shoddy industry practices led to the financial crisis of 2008, the CFPB has been reviled by conservatives and the industry, which has accused it of overreach and overzealous enforcement actions.

Even so, its abrupt undoing over a weekend by the Trump administration, including by the Elon Musk-led Department of Government Efficiency (DOGE), is causing upheaval among those it regulates, according to half a dozen people who either advise or work at banks or financial technology firms regulated by the CFPB.

The sudden halt of work has a swath of consequences: it leaves much of consumer finance, from mortgage companies to payment apps, unsupervised, and removes a venue where consumers could file complaints about their providers. It also leaves many investigations hanging in the balance, according to the industry advisers as well as several current and former CFPB staffers.

In the industry, which has had a flurry of conversations to assess the impact of the CFPB's neutering, concern is emerging that a patchwork of state regulators could take on issues the CFPB had led, potentially leaving them with even more onerous requirements, the industry insiders said.

Some executives also raised concerns during industry calls about DOGE's access to their proprietary data that CFPB collects and questioned who Musk's team was accountable to, given the billionaire entrepreneur's plans for his own competing payments business

Musk and President Donald Trump have both said the entrepreneur's role at DOGE does not present any conflict of interest.

The CFPB holds vast amounts of data, including confidential supervisory reports, examination findings, investigative records and compliance records that include personal information for customers, their accounts, transaction histories and product preferences.

Industry executives said they were worried about the seeming lack of a plan in place.

"That's something banks have always been concerned about -- patchwork regulation as opposed to knowing who you are dealing with," said James Ballentine, a former lobbyist with the trade group American Bankers Association who now runs his own consulting firm. "It's easy to say, 'Let's get rid of something,' but there has to be a plan in place."

Spokespeople for the White House, CFPB, and DOGE did not respond to requests for comment. Musk did not respond to a request for comment.

REGULATORY VOID

Whether the agency continues to exist in some form and what its function would be is still to be seen. The White House nominated Jonathan McKernan, a former member of the Federal Deposit Insurance Corporation, as full-time director of the CFPB, leading some analysts to suspect the administration does not want to eradicate it entirely. McKernan did not respond to a request for comment.

The industry's mixed feelings of relief and concern underscore how the Trump administration's sweeping remake of the federal government is likely to lead to consequences that are not fully understood.

On Tuesday, Federal Reserve Chair Jerome Powell told Congress that no other federal regulator was enforcing several consumer finance laws in its absence. Some experts said the regulatory void could leave everyday Americans vulnerable to predatory practices, especially from the lightly regulated parts of the financial industry and erode trust overall.

"Banking is about trust, and it's an industry that disfavors regulatory uncertainty," said Matthew Biben, who co-heads law firm King & Spalding's global financial services group. "So the longer-term question is, 'What impact will the new direction have on consumer trust and regulatory certainty for market participants?'"

BOOKS CLOSED, LAPTOPS LEFT BEHIND

While the writing was on the wall for the CFPB, the speed of events has left the industry and staffers stunned.

On Feb 7, a Friday night, Trump appointed Russell Vought as the acting director of the CFPB. Vought, who is also Trump's budget director, was one of the architects of Project 2025, a conservative manifesto published by the Heritage Foundation that called for the CFPB's abolition.

A spokesperson for the Office of Management and Budget, which Vought leads, did not respond to a request for comment.

Vought quickly ordered a temporary closure of the agency. One of the CFPB staffers said they had such little warning that many employees had left their laptops and personal effects, such as family photos, kids' artwork and potted plants, on their desks.

Another staffer said hundreds of bank examiners who were set to go and examine the books at banks and other financial firms on Monday had to change travel plans. Enforcement attorneys turned off their computers mid-way through document reviews on investigations, this person said.

This week, those challenging or facing action from the CFPB were trying to figure out whether they would have to continue to pursue or defend against those cases. Cases are pending against companies including Capital One (COF.N), which was accused of cheating customers in high interest accounts; Meta, which said it was being probed about advertising financial products; and Experian, which faces a lawsuit alleging it mishandled complaints.

Meta declined comment. Experian and Capital One did not respond to requests for comment.

Feedback

"There are a lot of organizations that are currently under investigation that are wondering what it means ... and if potentially, the investigations will be closed," said Anastasia Stull, a partner at Stinson law firm, which represents financial clients including some involved in lawsuits with the CFPB.

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Reporting by Douglas Gillison, Pete Schroeder, Nupur Anand, Hannah Lang and Isla Binnie; additional reporting by Lananh Nguyen and Tatiana Bautzer Writing by Megan Davies; Editing by Paritosh Bansal and Anna Driver

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Thomson Reuters

Nupur Anand is a U.S. banking correspondent at Reuters in New York. She focuses on JPMorgan Chase, Wells Fargo and regional banks. Anand covered banking and finance in India for more than a decade, chronicling the collapse of major lenders and turmoil at digital banks and cryptocurrencies. She has a degree in English literature from Delhi University and a postgraduate diploma in journalism from the Indian Institute of Journalism & New Media in Bangalore. Anand is also an award-winning fiction writer.

Pete Schroeder
Thomson Reuters

Covers financial regulation and policy out of the Reuters Washington bureau, with a specific focus on banking regulators. Has covered economic and financial policy in the U.S. capital for 15 years. Previous experience includes roles at The Hill newspaper and The Wall Street Journal. Received a Master's degree in journalism from Georgetown University, and an undergraduate degree from the University of Notre Dame.

Isla Binnie
Thomson Reuters

Isla Binnie reports on how company directors and executives manage stakeholder and shareholder interests, with a focus on compensation, corporate crises, dealmaking and succession. She also covers how politics, regulation, environmental issues and the broader economy affect boardroom discussions. Isla previously covered business, politics and general news in Spain and Italy. She trained with Reuters in London and covered emerging markets debt for the International Financing Review (IFR).

Feedback

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Kurdish militant chief's peace call prompts hope, scepticism in Turkey

Middle East · February 27, 2025 · 2:11 PM EST · a min ago

Kurdish militant leader Abdullah Ocalan's call from prison for his Kurdistan Workers Party (PKK) to lay down arms sparked both hope and scepticism in Turkey on Thursday, while analysts linked it to a possible bid to overcome presidential term limits.

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Exhibit LL

Politics

Musk Team's Blitz on Consumer Financial Agency Unsettles Trump Allies

- Agency goes dark amid DOGE's whirlwind government overhaul
- Rapid-fire gutting of CFPB faces legal challenge in court

The US Consumer Financial Protection Bureau headquarters in Washington, DC. *Photographer: Al Drago/Bloomberg*

By Nancy Cook and Joshua Green

February 22, 2025 at 10:00 AM EST
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From the moment the Consumer Financial Protection Bureau opened its doors in the summer of 2011, powerful critics have wanted to rein it in – and the regulator was one of the very first targets of Elon Musk's scorched-earth overhaul of the US government.

Since Musk vowed to "delete" the agency, hundreds of its workers have lost their jobs. Enforcement activity has ground to a halt. President Donald Trump boasted that his administration had "virtually shut down CFPB."

Yet some Trump aides and advisers fear that Musk's Department of Government Efficiency is moving too fast and breaking too many things.

Trump allies including Russell Vought, the head of the Office of Management and Budget and acting director of the CFPB, were seen as concerned that DOGE's lack of discipline could undermine efforts to neuter the agency, according to three people briefed on the situation who weren't authorized to speak publicly. The worry is that the Musk team's haphazard actions could be challenged in court – and allow a muscular CFPB to live on.

Russell Vought *Photographer: Al Drago/Bloomberg*

"You can't just close an agency Congress created," said Norbert Michel, who leads the policy group on financial regulation at the libertarian Cato Institute, in regard to Musk's effort to permanently eliminate the agency. "You won't win that fight in the end."

A spokesperson for Vought denied any tensions exist, stating, "this story is false and another ax-to-grind story against DOGE."

Musk's team has been engaged in a rapid-fire reshaping of the US government since Trump's inauguration. DOGE workers have fanned out across the federal bureaucracy, firing thousands of workers, terminating contracts and pulling the plug on programs that they say are out of step with the president's agenda.

The Heritage Foundation's Project 2025, a conservative roadmap laid out before the presidential election, called for Congress to abolish the agency, though DOGE's chaotic takeover has cut out lawmakers.

Working out of the basement of CFPB headquarters in Washington, DOGE employees have spent the past two weeks combing through the agency's contracts, asking a handful of CFPB employees which are required by congressional statute, as they seek to cut costs and then publicize those efforts, according to people familiar with the effort.

When DOGE employees showed up at CFPB, they left staffers with the impression that they weren't sure what the agency did, according to people familiar with the matter. The DOGE team has questioned whether CFPB needs to keep its office leases, including for its headquarters down the street from the White House. The CFPB signage is now gone from that building.

"Defunding the police that watches over Wall Street and Big Tech will cost consumers billions of dollars," said former CFPB Director Rohit Chopra. "The only ones who benefit from shutting down the CFPB are companies that break the law."

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Work Stopped

So far, Musk's team has fired roughly 200 of the CFPB's 1,700 employees, according to people familiar with the agency. Vought instructed remaining staff not to do any work unless cleared through a lawyer for the Office of

Management and Budget, according to emails included in court filings by the National Treasury Employees Union.

The CFPB has paused all litigation and enforcement actions. Recently, the agency's consumer call line, which fields more than 1 million complaints a year, was offline briefly as DOGE started to dig more into the bureau, according to people familiar with the agency.

"There are no cops on the beat now," said Julie Morgan, a former associate director of research, monitoring, and regulations at the agency who resigned last month. "From where I sit, consumers are left completely unprotected."

Elon Musk *Photographer: Will Oliver/EPA/Bloomberg*

On Feb. 11, shortly after Vought took over, three top CFPB officials were placed on administrative leave and ordered to halt work: Deputy Director Zixta Martinez; Lorelei Salas, assistant director for supervision policy; and Eric Halperin, assistant director for the Office of Enforcement. Salas and Halperin subsequently resigned.

CFPB workers have been left with the impression that the Trump administration's goal is to turn CFPB into a shell of itself, with only a handful of officials left as required by law, according to people familiar with DOGE's work at the agency.

On Feb. 13, the bureau eliminated a team of roughly two dozen market and policy fellows, many recruited from Wall Street firms and fintech companies, including Morgan Stanley, JPMorgan Chase & Co., and Credit Karma Inc. Several of the former employees said they often worked directly with CEOs and other top executives to maintain transparency and design policies to avoid unnecessary complications.

"The bureau was designed with the idea that a modern regulatory agency needs to be financially literate and savvy about markets," said Doug Simons, a former managing director at UBS and Credit Suisse who served as a senior markets and policy fellow at the CFPB and was among those terminated from the agency last week. "We spent a lot of time talking to executives, understanding how their products and businesses worked."

CFPB officials who left after Trump's election say the summary dismissal of the private-sector market experts could also have negative effects for small and mid-sized businesses.

"A core part of their work was doing outreach with industry to discuss market developments, areas where industry wanted more guidance, and to hear about challenges small and nascent firms were experiencing," said Jan Singelmann, Chopra's former chief of staff.

In Limbo

Musk, the world's richest man and CEO of automaker Tesla Inc., has indicated that he plans to offer digital payments through his social media platform, X, and he has repeatedly criticized the CFPB, which oversees payment firms, for interfering with private-sector companies.

Read more: DOGE-Backed Halt at CFPB Comes Amid Musk's Plans for 'X' Digital Wallet

The CFPB, which was the brainchild of Massachusetts Senator Elizabeth Warren, flexed its muscles under Biden, pursuing cases against major companies ranging from retailer Walmart Inc. to credit-card giant Capital One Financial Corp. Now, the bureau and its remaining staff are in limbo.

Following Vought's stop-work order, the agency's supervision division – which oversees consumer financial activities at the country's biggest banks and financial technology companies – was told to stand down. Much of the CFPB's research has also been put on hold, including analysis of the credit-card industry and work on the housing market and risky mortgages.

The CFPB's former chief technologist alleged in a legal filing that the Trump administration is on the verge of deleting a database with sensitive financial information. A judge temporarily blocked the deletion of any files, and also barred the administration from dismissing any additional workers until early March.

Warren, the ranking Democrat on the Senate Banking Committee, plans to hold a hearing on Tuesday to highlight the agency's consumer protection work. She has invited Musk to attend the hearing and learn about the agency's accomplishments. By Friday evening, he had not RSVP'd.
– With assistance from Paige Smith

(Updates with more context in paragraph 5)

Exhibit MM

Trump administration

US economy 'less safe', experts say, as Trump hobbles consumer watchdog

Former officials say Americans more likely to be ripped off and scammed as CFPB targeted by Musk 'efficency' blitz

People rally in support of the Consumer Financial Protection Bureau in Washington DC on 10 February 2025. Photograph: Craig Hudson/Reuters

Callum Jones *in New York*

Wed 26 Feb 2025 06.00 EST

Millions of Americans are more likely to be ripped off by scammers and thieves as a result of a bid by the Trump administration to defang the top US consumer watchdog, former officials have warned.

Donald Trump has indicated he wants to eliminate the Consumer Financial Protection Bureau (CFPB), which was set up after the financial crisis to shore up oversight of consumer financial firms, prompting critics to accuse him of setting the stage for "one of the biggest cons" in modern memory.

The billionaire tycoon Elon Musk, engaged in a government-wide "efficiency" blitz with the president's blessing, has suggested the agency is already dead. Only in a court filing late on Monday did Russell Vought, the CFPB's acting director, clarify it would continue to exist - albeit in a "more streamlined and efficient" form - under the new administration.

With the CFPB incapacitated by layoffs, work stoppages and widespread confusion over its future, the Massachusetts senator Elizabeth Warren, who played a key role in setting up the agency, held a forum on its future on Capitol Hill on Tuesday alongside other Senate Democrats.

Lorelei Salas, who resigned as the CFPB's director of supervision earlier this month, came with a stark message for consumers: the agency is "no longer able" to defend them. The threat of another financial crisis has risen, she cautioned.

"You, your family and the economy itself has become less safe, secure and stable," said Salas. "Your parents are more likely to see their retirement threatened by scammers and fraudsters. Your kids are more likely to be ripped off, or given the runaround by their student loan company.

"Your sick spouse is more likely to be harassed by a debt collector for a medical bill they do not even owe. Your nephew who's getting ready to be deployed overseas is more likely to be targeted by a predatory lender that sees them as just another dollar sign in a uniform.

"These are hard things to hear, but it is the truth. Millions of Americans are more likely to get ripped off because the CFPB was essentially fired from doing the job Congress gave it."

The White House and the CFPB were approached for comment.

The CFPB has returned more than $21bn to consumers since 2011. But the agency attracted critics on the right, who accused it of overreach. "We're trying to get rid of waste, fraud and abuse," Trump told reporters earlier this month.

The way Trump officials are treating the CFPB "could be one of biggest cons in recent history", claimed Warren, who described it as "the theft of billions of dollars from American consumers".

The agency is processing thousands fewer complaints each day since Trump took office, according to analysis released by Democrats on the Senate banking committee.

"Elon Musk and Donald Trump are going all out to kill the Consumer Financial Protection Bureau and make it easier to cheat people out of their hard-earned money," said Warren. "President Trump ran on lowering costs for families on 'Day One' - those were his words.

"But instead of trying to lower costs, he and his co-president Elon Musk are putting an end to the millions of dollars this little agency delivers every single day for working people. For everyone who gets scammed or cheated because the CFPB cops have been taken off the beat, costs have gone up - not down."

In interviews with the Guardian, former insiders questioned why Musk's so-called "department of government efficiency" (Doge) had targeted the agency. "I think it's basically a waste of taxpayer money, to throw out what's been built all these years," said Peggy Twohig, a veteran federal official who helped establish the CFPB.

Recent layoffs "will have serious consequences on the bureau's ability to do its work", David Silberman, a former associate director of the CFPB, said. "If they want to keep the CFPB functioning, it's going to be a whole lot harder without the people and the contractors they've let go."

Twohig, who worked for decades in government and was assistant director for supervision policy at the CFPB until 2021, said she struggled to understand how an agency created to stand up for individual consumers had become such a target for conservative figures.

"It's protection for the little guy against the big overreaches," she said. "I believe in the fair market system, and competitive practices, but often in the race for profits there is a push or overreach."

In the early 2010s, Congress decided "there is a role for a regulator whose mission is to focus on consumer protection and to prevent markets from running amok", said Silberman. "I personally share that view."

But "reasonable people" can debate the merits and pitfalls of its actions over the years, added Twohig, who noted that different administrations can shift the CFPB into new directions.

"That's very different to completely shutting down the agency, which I would argue is a complete waste to all this effort over the past years to create this agency which has brought a very good change to the regulatory landscape to help protect consumers."

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