

United States Senate

WASHINGTON, DC 20510

March 2, 2022

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500-0005

Dear President Biden:

We write to you today to express our continued concerns regarding the nomination process that has unfolded for Ms. Sarah Bloom Raskin, your selection for the vacant Vice-Chair of Supervision position on the Board of Governors (Board) of the Federal Reserve System.

As you are aware, members of the United States Senate Committee on Banking, Housing, and Urban Affairs (Banking) were compelled to deny a quorum for the markup scheduled for February 15, 2022, due to the simple fact that Ms. Raskin has continually failed to produce forthright answers to questions posed by committee members. To be explicitly clear, our actions were aimed solely at Ms. Raskin, as we offered to advance the nomination process for all other nominees scheduled for the markup. This offer, which was communicated to Chairman Brown well before the markup, would have allowed the Committee to vote to discharge five other nominations, including four for the Federal Reserve Board.

Unfortunately, Chairman Brown rejected this reasonable offer and refused to de-link the other five nominees, a path which ensured no other nominees advanced.

Likewise, our actions to deny a quorum were not the result of Ms. Raskin's radical public comments and beliefs about using federal financial supervisory powers to advance climate change policy. Rather, it was the continual evasion and lack of candor about her time on the board of Reserve Trust, a fintech trust company, where Ms. Raskin was a director from 2017 to 2019.

As the ethics pledge authored by your administration states, "*I commit to ethical choices of post-Government employment that do not raise the appearance that I have used my Government service for private gain, including by using confidential information acquired and relationships established for the benefit of future clients.*"¹ Your pledge goes on to rightly identify this "revolving door" between government and the private sector as a phenomenon ripe for abuse.

¹ <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-ethics-commitments-by-executive-branch-personnel/>

Despite the clear intent of this pledge, Ms. Raskin has continually provided vague or nonresponsive answers to committee questions regarding her past use of the “revolving door.” Her lack of candor raises the question of whether Ms. Raskin leveraged her past experience and relationships within the Federal Reserve System to obtain preferential treatment for Reserve Trust. Specifically, Reserve Trust had its first application for a Federal Reserve Master Account denied, but subsequently approved following a phone call from Ms. Raskin to the president of the Federal Reserve Bank of Kansas City.

Notable among Ms. Raskin’s obfuscations on this topic are the following:

- Ms. Raskin failed to list her time and compensation at Reserve Trust on her committee questionnaire, a document intended to provide committee members with a thorough and exhaustive account of a nominee’s background for vetting purposes.
- Ms. Raskin claimed not to recall how she was hired to the board of Reserve Trust, a position she held from 2017 to 2019, despite Reserve Trust’s founder and former board chairman publicly stating that he has known Ms. Raskin and her husband for decades².
- Ms. Raskin failed to answer repeated questions in her nomination hearing and in questions for the record (QFRs) about potential activities she undertook while at Reserve Trust to help the company obtain a Federal Reserve Master Account.
- Ms. Raskin continues to claim she does not recall engaging in a phone conversation with the Federal Reserve Bank of Kansas City on behalf of Reserve Trust, despite Esther George, the Federal Reserve Bank of Kansas City President, and other individuals confirming that such a call took place.
- Ms. Raskin responded to thirty-six questions in QFRs following her nomination hearing by stating she was “unaware of” or could “not recall” the answer on her past “revolving door” activities.
- A call between Ms. Raskin and committee staff, which was scheduled to clear up these lingering questions after the hearing and the QFR deadline, was cancelled and has not been rescheduled.

Through your administration’s ethics pledge, you rightly recognize the need to ensure “revolving door” influence peddlers are not nominated to senior government positions. Likewise, as a former committee chairman, you understand the importance of properly vetting nominees under the Advice and Consent powers of the United States Senate. Given these facts, we ask the following:

² <https://www.wsj.com/articles/why-republicans-stalled-raskins-bid-for-top-fed-post-climate-views-business-ties-11645093800>

- Your administration directs Ms. Raskin to provide proper answers to our questions regarding her tenure and actions while at Reserve Trust.
- Your administration gives additional information on the process that it used to investigate the background of Ms. Raskin when nominating her to a senior government position in light of her revolving-door role at Reserve Trust after serving on the Board of Governors of the Federal Reserve.

We share the same goal of honesty and transparency in government, especially among those nominated to the highest positions of your administration. However, without greater insight into Ms. Raskin's past activities, we cannot, in good faith, support the advancement of her nomination process. We appreciate your attention and response on this matter.

Sincerely,



Thom Tillis
United States Senator



Pat Toomey
United States Senator



Richard Shelby
United States Senator



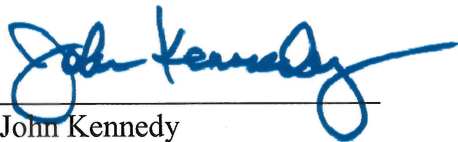
Mike Crapo
United States Senator



Tim Scott
United States Senator



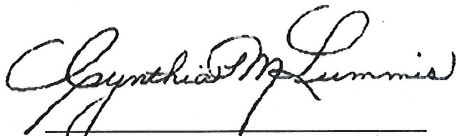
M. Michael Rounds
United States Senator



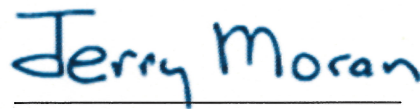
John Kennedy
United States Senator



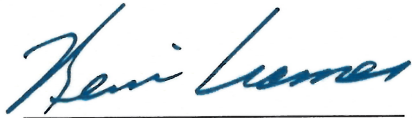
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United States Senator



Cynthia M. Lummis
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Jerry Moran
United States Senator



Kevin Cramer
United States Senator



Steve Daines
United States Senator