

United States Senate

WASHINGTON, DC 20510

June 5, 2012

Mr. Richard Cordray
Director
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

Dear Director Cordray:

We write to request information on how the Bureau of Consumer Financial Protection ("CFPB") will address the problems with the CFPB's internal controls and accounting procedures identified by a recent Government Accountability Office (GAO) report.

On May 21, 2012, the GAO issued a report entitled "*Management Report: Opportunities for Improvement in the Bureau of Consumer Financial Protection's Internal Controls and Accounting Procedures*." In that report, the GAO describes the internal control and accounting procedure issues it identified during its audit of the CFPB's 2011 financial statements. The GAO lists seven issues that it believes warrant attention by the management of the CFPB, including the lack of fully documented and finalized accounting policies and procedures; an insufficient process for assessing the effectiveness of the CFPB's internal controls over financial reporting; and the absence of an agency-wide information security program. The GAO warns that "these issues increase the risk of the CFPB not preventing or promptly detecting and correcting (1) misappropriation of assets because of reliance on insufficient internal controls; (2) unauthorized access, modification, or both of its data; and (3) misstatements in its financial statements." The GAO also provides ten recommendations on how the CFPB should strengthen its internal controls and accounting procedures.

We believe the CFPB should promptly address the issues identified by the GAO. The CFPB will have unprecedented access to confidential data, including private, personally identifiable consumer information and commercially sensitive information. Accordingly, the CFPB needs to have the strongest possible information security systems in place to protect data provided to it by market participants and consumers. In addition, effective internal controls and accounting procedures guard against the misallocation of government resources.

Given the risks created by the issues identified by the GAO, we request that the CFPB provide us with a written plan to promptly remedy the problems with its internal controls and accounting procedures. The plan should describe in detail how the CFPB plans to address each issue identified by the GAO and specify when the CFPB expects each issue to be resolved. In addition, please indicate which of the GAO's recommendations the CFPB will implement and,

for any recommendation that the CFPB will not implement, the reasons it has decided not to follow the GAO's recommendation.

Please provide the requested information no later than July 6, 2012. We appreciate your attention to this matter, and we look forward to your response.

Sincerely,

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Senator Mike Johanns

A handwritten signature in blue ink, reading "Richard C. Shelby", written over a horizontal line.

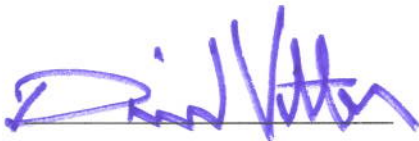
Senator Richard C. Shelby

A handwritten signature in blue ink, reading "Mike Crapo", written over a horizontal line.

Senator Mike Crapo

A handwritten signature in blue ink, reading "Jerry Moran", written over a horizontal line.

Senator Jerry Moran

A handwritten signature in blue ink, reading "David Vitter", written over a horizontal line.

Senator David Vitter