United States Senate

WASHINGTON, DC 20510-0908

October 24, 2025

The Honorable Jerome H. Powell
Chair of the Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551

Dear Chairman Powell:

Earlier this month, a bipartisan majority of senators voted to support our legislation to create a truly independent inspector general (IG) at the Federal Reserve (Fed). As you may know, the inspector general of the Federal Reserve (Fed), Michael Horowitz, has recently visited offices on Capitol Hill to advocate against our bipartisan bill to establish an independent inspector general at the Fed.[1] Mr. Horowitz also reached out to us personally to share his concerns about our legislation. These actions continue a troubling pattern set by your previous inspector general, who wrote an open letter expressing disapproval of our bill. In light of these visits, we write to request an answer, in writing and to be made public, as to whether you or any other Federal Reserve staff in any way directed or suggested that Mr. Horowitz come to Congress to advocate against the creation of a truly independent inspector general at the Federal Reserve.

It is concerning and perplexing that some of your employees of the Federal Reserve would devote significant time and energy advocating against legislation that would implement healthy oversight and ensure the Fed and its employees are held accountable. It is also concerning that the Fed's inspector general, who is meant to serve as an ethics watchdog at the agency on behalf of the American people, would advocate against this legislation, which aims to fix the existing reporting structure that currently incentivizes him to overlook violations, do the bidding of you and the Federal Reserve Board, and shield bad actors.

Our goal with this bill is to strengthen trust in the Fed and hold Fed employees accountable for the many reported accounts of misconduct, mismanagement, and conflicts of interest[2] – a goal that any independent inspector general should support. However, instead of supporting legislation that creates true independence for the Fed IG and allows this accountability, the current inspector general is working to maintain

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[1] https://www.rickscott.senate.gov/2025/5/sens-rick-scott-elizabeth-warren-lead-push-for-independent-inspector-general-at-the-federal-reserve

[2] www.banking.senate.gov/imo/media/doc/20250506_letter_to_powell_re_fed_ig_warren_scott_final.pdf

the status quo–making it easier for the Fed and its IG to shield bad actors and those at the Fed who may abuse their power and insider knowledge at the expense of the American people.

Allowing the Fed's inspector general to be appointed by the Federal Reserve Board, report to the Federal Reserve Board, and be paid by the Federal Reserve Board is a clear conflict of interest.

With that in mind, and to help us fulfill our legislative responsibilities in ensuring appropriate oversight of the Federal Reserve, we are requesting that you, as chairman of the Federal Reserve, provide an explanation in writing and to be made public, as to why you and some of your employees are so opposed to the presence of a truly independent inspector general at the Federal Reserve and other such efforts to bring accountability to the central bank, and whether you or your staff had any conversations with Mr. Horowitz or his staff that encouraged or directed Horowitz to speak out against these efforts

The American people deserve a Federal Reserve that is committed to proper oversight, accountability, and transparency. That goal should be shared by the Federal Reserve's employees.

Sincerely,

Rick Scott
United States Senator

Elizabeth Warren
United States Senator

Cynthia Lummis
United States Senator