

# [***Burgeoning Sex Scandal Pits Biden Against His Biggest Backers At Critical Moment***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6C09-8KP1-JBFB-H00H-00000-00&context=1516831)

The Daily Caller

May 8, 2024 Wednesday 06:59 PM EST

Copyright 2024 The Daily Caller, Inc. All Rights Reserved

**Section:** ***POLITICS***

**Length:** 1052 words

**Byline:** Reagan Reese, White House Correspondent, [*reagan@dailycaller.com*](mailto:reagan@dailycaller.com)

White House Correspondent

[*Author Image*](https://cdn01.dailycaller.com/wp-content/uploads/2023/09/IMG_4173-3.jpg)

**Body**

[*Link to Image*](https://cdn01.dailycaller.com/wp-content/uploads/2024/05/2024-05-07T184901Z_283953685_RC2UL7ARE1M3_RTRMADP_3_USA-BIDEN-ROMANIA-scaled-e1715186160772.jpg)

A new report sheds light on a pervasive culture of sexual harassment plaguing a major federal entity under the watch of President Joe Biden.

Law firm Cleary Gottlieb Steen & Hamilton was tasked with investigating the workplace at the Federal Deposit Insurance Corp. (FDIC) in 2023, and released its [*234-page report*](https://www.fdic.gov/sites/default/files/2024-05/cleary-report-to-fdic-src.pdf) on Tuesday. Throughout the investigation, 500 individuals, close to one-in-ten employees at the entire FDIC, reported “experiences of sexual harassment, discrimination, and other interpersonal misconduct” in the workplace to the firm's tip line.

The incidents reported to the firm, the report said, “did not occur in a vacuum,” and were rather the result of a “misogynistic,” “patriarchal,” “insular” and “outdated” workplace. In its executive summary, the firm pulled out specific accounts of such sexual harassment that it discovered during its investigation.

“Women in one field office recounted how, to their dismay, it became routine to hear their supervisor talk about their breasts and legs and his sex life,” the report stated.

“A woman examiner reported on the shock of receiving a picture of an FDIC senior examiner's private parts out of the blue while serving on detail in a field office, only to be told later by others in that field office that she should stay away from him because he had a 'reputation,'” the firm reported.

Other examples of harassment in the workplace revolved around discrimination and bullying, the report notes.

“Individuals reported that an employee with a disability was being made fun of by a supervisor, including being called 'Pirate McNasty,' the report says.

“Certain employees from underrepresented groups reported on how demoralizing it was to be told by colleagues that they were 'only hired' because they were a member of an underrepresented group and were 'token' employees hired to fill a quota,” the firm writes.

As a part of the report, the firm detailed how the FDIC was handling concerns of harassment in the workplace and its processes to administer discipline. The first step, the report notes, is to issue an employee a warning.

[*Link to Image*](https://cdn01.dailycaller.com/wp-content/uploads/2024/05/2012-04-03T000000Z_1149103231_GM1E8440B8001_RTRMADP_3_USA-scaled.jpg)

Martin Gruenberg, acting chairman of the Federal Deposit Insurance Corp., departs a meeting of the Financial Stability Oversight Council in Washington April 3, 2012. REUTERS/Joshua Roberts (UNITED STATES - Tags: ***POLITICS***)

For unionized employees, however, that option is neutered, the report states.

“For bargaining unit employees, counseling or warning letters may not be used as evidence for progressive discipline, and are normally removed from an employee's file no later than one year after the date of issuance absent a legitimate administrative need,” according to the report. Such union protocols appear to make it harder to discipline or remove employees who face harassment allegations, the Wall Street Journal Editorial Board [*wrote*](https://archive.ph/HVvql).

“[A]ccording to the FDIC's own public reporting, of the ninety-two harassment complaints made through its Anti-Harassment Program in the nine year period from 2015 to 2023, not a single one resulted in removal, reductions in grade or pay, or any discipline more serious than a suspension,” the report stated, adding that of those harassment complaints, two suspensions, two letters of reprimand, and twelve warnings were administered. The rest apparently did not result in punishment.

Throughout the process of the investigation, the firm was required to follow union protocols put in place at the FDIC.

“For bargaining unit employees, we informed them whether they were being interviewed as potential subjects or witnesses, of their right to union representation at the interview should they reasonably believe the interview may result in disciplinary action against them, and that the interview would be scheduled to allow them an opportunity to seek the counsel of a union representative if they wished to do so,” the report notes.

Breaking: Sexual harassment, bullying and discrimination have pervaded the Federal Deposit Insurance Corp., with perpetrators often receiving reassignments and even promotions, a report on the banking regulator's culture found [*https://t.co/gqauCmXysq*](https://t.co/gqauCmXysq) [*https://t.co/gqauCmXysq*](https://t.co/gqauCmXysq)

- The Wall Street Journal (@WSJ) [*May 7, 2024*](https://twitter.com/WSJ/status/1787875920717435190?ref_src=twsrc%5Etfw)

Through the 2024 election, union support has been the [*backbone*](https://dailycaller.com/2024/01/24/biden-uaw-endorsement-union-jobs-2024-election/) of Biden's campaign pitch. The president has attended several union events to receive endorsements and has [*gone*](https://dailycaller.com/2023/09/26/biden-detroit-strike-trump-union-auto/) to the picket line to support striking union auto workers. [***(RELATED: Unionization Rate Falls To Record Low Despite Biden's Efforts To Bolster Organized Labor)***](https://dailycaller.com/2024/01/23/unionization-rate-falls-to-record-low-joe-biden-organized-labor/)

During his administration, Biden has [*supported*](https://www.pbs.org/newshour/politics/biden-signs-law-curbing-nondisclosure-agreements-that-block-victims-of-sexual-harassment-from-speaking-out) legislation that supports victims of sexual harassment in the workplace. The president signed a bill into law in December 2022 that axed confidentiality agreements which previously prohibited victims from publicly discussing sexual harassment they experienced in the office.

FDIC Chairman Martin J. Gruenberg released a [*statement*](https://www.fdic.gov/news/press-releases/fdic-chairman-addresses-independent-third-party-report-message-employees) in response to the internal report, pledging to implement the recommendations made by the firm to ensure an improved workplace. Gruenberg was named in the report for having a reputation for his temper, as some employees recounted times he “chewed [them] out” and threw papers against the wall in anger.

“As you know, the detailed Action Plan we released last December begins to address many of the issues outlined in the report-providing more support to victims, in-person training for all FDIC employees, strengthening procedures for reporting, and improving accountability for anyone who is found to engage in misconduct, including separation from the agency,” he wrote in a press release. “In many instances, our Action Plan goes beyond the recommendations in the report. We will spare no effort to create a workplace where every employee feels safe, valued, and respected.”

Some of the firm's recommendations included providing mental health resources, retaining a third party watchdog to ensure the culture is changed and frequent performance reviews.

The White House responded to the report in a statement on Tuesday.

“He apologized and has committed to the recommendations that have been provided by the independent report and going to further fix the longstanding issues, obviously, that are in the report,” White House press secretary Karine Jean-Pierre said in a [*statement*](https://archive.fo/4YWq4) to Bloomberg.

**Graphic**

U.S. President Joe Biden meets Romanian President Klaus Iohannis in the Oval Office at the White House in Washington, U.S., May 7, 2024. REUTERS/Evelyn Hockstein

**Load-Date:** May 8, 2024

**End of Document**