

CFPB whistleblower alleges falsification of examination documents by CFPB

Tuesday, December 19, 2017

A former CFPB examiner [has written U.S. Attorney General Jeff Sessions](#) claiming that CFPB officials falsified examination reports in connection with a CFPB examination of ACE Cash Express that led to the CFPB extracting \$10 million of restitution and penalties from ACE. At the time the CFPB forced ACE to enter into this consent order, even in the absence of any allegations of fraud on the part of the CFPB, [we sharply criticized the CFPB](#) for its treatment of ACE.

The July 2014 order between the CFPB and ACE, one of the country's largest payday lenders, was based on supposed ACE collection problems. It required ACE to pay \$5 million in restitution and another \$5 million in civil monetary penalties.

We observed at the time that the CFPB had extracted this relief without providing any context to its actions or explaining how it determined the monetary sanctions. We found it particularly troubling that, despite the infrequency of collection misconduct observed by ACE's independent expert, best practices followed by ACE, and the limited criticism of ACE policies, procedures and practices within the four corners of the consent order, former CFPB Director Cordray added insult to injury by accusing ACE of engaging in "predatory" and "appalling" tactics, effectively ascribing occasional misconduct by some collectors to ACE corporate policy.

Now, former CFPB examiner Cassandra Jackson raises serious questions as to the integrity of the exam report giving rise to the consent order. Ms. Jackson states that she participated in the CFPB examination and was instructed by her superiors "to change, remove, and otherwise falsify documents connected with the examination." According to Ms. Jackson, the requests to falsify documents were made by the Examiner in Charge (EIC) of the ACE exam and "others in Management positions."

Ms. Jackson states that:

- She was specifically told (1) to cite ACE for a violation despite her verification that ACE was in compliance with the law; (2) to state that ACE had failed to provide exonerating documents; and (3) to remove such documents from case file folders.
- When she refused, the EIC changed information in her report and signed off on the final report, which was reviewed and accepted by a CFPB Field Manager.
- The CFPB used the falsified report to garner the consent order with ACE.
- Her refusal to falsify information resulted in her being told that she was not performing at an acceptable level and was subject to disciplinary action.

Ms. Jackson urges Attorney General Sessions to initiate an investigation of this matter. Of course, we cannot assess the validity of Ms. Jackson's claims. However, we can say that an investigation is in order.

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