



U.S. Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581

Rostin Behnam
Commissioner

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Via Electronic Mail

Ms. Sarah Summerville
Director
Office of Minority and Women Inclusion
United States Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Ms. Summerville:

I write to request information regarding the current representation of minorities and women on staff at the Commodity Futures Trading Commission (“Commission” or “CFTC”) and programmatic efforts and initiatives aimed at increasing diversity, especially in management level positions. Our country’s diversity is one of its greatest assets, and I believe it is important that public and private sector workplaces reflect this diversity. Surveys and interviews with leading businesses and their executives have found that diversity in knowledge, perspectives, ideas and experiences fosters innovation, and has had a positive effect on an organization’s success and financial performance.¹

The CFTC’s Equal Opportunity Employer & Diversity Statement recognizes that workplace diversity and inclusion are critical to the agency’s success,² and espouses a commitment to supporting the recruitment and maintenance of a truly diverse CFTC workforce. Current data suggest that the Commission may be falling short on those commitments, and in turn, undermining the agency’s success. This is especially true with respect to management-level positions. For example, according to the most recent publicly-available CFTC Management

¹ Forbes Insights, “GLOBAL DIVERSITY AND INCLUSION: FOSTERING INNOVATION THROUGH A DIVERSE WORKFORCE” (July 2011), https://i.forbesimg.com/forbesinsights/StudyPDFs/Innovation_Through_Diversity.pdf; Anna Powers, *A Study Finds That Diverse Companies Produce 19% More Revenue*, FORBES, June 27, 2018, <https://www.forbes.com/sites/annapowers/2018/06/27/a-study-finds-that-diverse-companies-produce-19-more-revenue/#2e09fe6a506f>.

² CFTC, Equal Opportunity Employer and Diversity Statement, <https://www.cftc.gov/WebPolicy/EEOStatement/index.htm>.

Directive 715 Report, as of fiscal year (“FY”) 2017, among the CFTC’s 705 employees, 298 were women (42%), 117 were African-American (17%), 69 were Asian-American (10%), 18 were Hispanic-American (3%), and 6 were considered “Other” (1%).³

The employee breakdown is considerably less diverse at management levels. In FY 2017, the CFTC’s 148 senior level employees (Grades 15 and above) included 49 women (33%), 14 African-Americans (10%), 10 Asian-Americans (7%), and 5 Hispanic-Americans (3%).⁴

The underrepresentation of minorities and women at the CFTC is consistent with the findings in various reports that document the lack of diversity in the financial services industry and federal financial agencies. In 2017, the U.S. Government Accountability Office (“GAO”) published a study on trends in management representation of minorities and women in the financial services industry.⁵ GAO found the following:

- Although overall minority representation increased from approximately 17 percent to 21 percent at financial services firms from 2007 through 2015, representation of African-Americans decreased during this period.
- From 2007 through 2015, representation of women in senior management at financial services firms remained stagnant at 29 percent.

In addition, the Democratic Staff of the U.S. House Committee on Financial Services published a report on diversity at certain financial services agencies in 2015 (“Report”).⁶ The Report found that, at these agencies, minorities and women were underrepresented in their workforces and “significantly underrepresented” at the senior management level in proportion to their overall participation rates.

³ CFTC Management Directive 715 Report for FY17 (Table A1), <https://www.cftc.gov/sites/default/files/2018-06/md715reportfy17.pdf>. The “Other” category includes Native Hawaiian or Pacific Islander, Native American or Alaska Native, and “two or more races.”

⁴ CFTC Management Directive 715 Report for FY17 (Table A3-1), available at: <https://www.cftc.gov/sites/default/files/2018-06/md715reportfy17.pdf>.

⁵ U.S. Government Accountability Office, FINANCIAL SERVICES INDUSTRY: TRENDS IN MANAGEMENT REPRESENTATION OF MINORITIES AND WOMEN AND DIVERSITY PRACTICES, 2007-2015, Nov. 2017, <https://www.gao.gov/products/GAO-18-64>.

⁶ Dem. Staff Report, Comm. On Fin. Serv., THE DODD-FRANK ACT FIVE YEARS LATER: DIVERSITY IN FINANCIAL SERVICES AGENCIES, (Nov. 5, 2015), https://financialservices.house.gov/uploadedfiles/fsc_dems_-_staff_report_-_dodd-frank_five_years_later_-_diversity_in_the_financial_services_agencies_-_final.pdf. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) and the Housing and Economic Recovery Act of 2008 (“HERA”) included provisions to address the lack of women and minority representation in the public and private sectors of the financial services industry. Section 342 of the Dodd-Frank Act directed the establishment of Offices of Minority and Women Inclusion (OMWIs) across most of the Federal financial services agencies, and required the OMWIs to develop standards to promote diverse employment within the agencies, increase participation of minority and women-owned businesses that enter into contracts for services with the agencies, and assess the diversity policies and practices of entities that are regulated by the agencies. Pursuant to this section, the agencies required to establish an OMWI are: (A) the Departmental Offices of the Department of the Treasury; (B) the Federal Deposit Insurance Corporation; (C) the Federal Housing Finance Agency (FHFA); (D) the 12 regional Federal Reserve Banks; (E) the Federal Reserve Board of Governors; (F) the National Credit Union Administration; (G) the Office of the Comptroller of the Currency; (H) the Securities and Exchange Commission; and (I) Consumer Financial Protection Bureau. Pub. L. No. 111-203, § 342, 124 Stat. 1376, 1541 (2010). Similarly, Section 1116 of HERA required the FHFA to establish an OMWI or a functional equivalent. Pub. L. No. 110-289, §1116 (2008). The CFTC’s OMWI is not required by the Dodd-Frank Act.

The importance of a diverse and inclusive work environment to recruitment, retention and career development cannot be overemphasized. In February, the CFTC received a \$19 million dollar increase in appropriations bringing its FY 2019 budget to \$268 million. With this appropriations increase, the CFTC is able to augment its diversity and recruitment efforts, and hire individuals for newly-created positions or mission critical positions that have been vacant for some time. With that said, I would like to work with your office on diversity and inclusion initiatives to improve the statistics set forth above. In order to do so effectively, I ask that you respond to this letter by May 17, 2019 with answers to the following questions:

1. What are the CFTC's current recruitment and retention initiatives to ensure and increase racial, ethnic, and gender diversity and inclusion in its workforce? How does the CFTC track and evaluate the success of these initiatives? How does the CFTC communicate these initiatives throughout the agency, and in particular, to officials in recruitment and hiring positions?
2. Does the CFTC have a strategic plan for encouraging racial, ethnic, and gender diversity and inclusion throughout its workforce? If so, what are the objectives, performance goals, targets and time horizons for diversity and inclusion efforts? Does the plan include mandatory unconscious bias training? What metrics does the Commission use to evaluate the effectiveness of its plan? Under these metrics, how effective has the plan been with respect to diversity and inclusion?
3. Do the CFTC's current initiatives include career planning assistance for and development of lower to mid-level employees (grades 14 and below) aimed at advancement within the agency? If so, do these initiatives endeavor to promote diversity at the management level?
4. In addition to workforce diversity and workplace inclusion, the OMWI offices mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") are responsible for increasing the participation of minority- and women-owned businesses in contracts for services with the agencies and assessing the diversity policies and practices of entities that are regulated by the agencies. Does the CFTC currently have a program for increasing the participation of minority- and women-owned businesses that enter into contracts for services with the agency? If so, please describe the program, what metrics are used to evaluate its effectiveness, and how effective the program has been under any such metrics.
5. The CFTC's OMWI is not mandated by the Dodd-Frank Act. Would statutory establishment of the CFTC's OMWI, putting it on par with the OMWIs of the other financial services agencies, better enable the CFTC's OMWI to increase workforce diversity, workforce inclusion, and participation of minority and women owned businesses in contracts for services with the CFTC? If so, how?
6. How has the OMWI performed compared to the OMWIs of the other financial services agencies? If the performance is different, what accounts for the differences?
7. How will the CFTC's OMWI benefit from the recent increase in the CFTC's annual appropriation? Will OMWI be able to fund new diversity and inclusion initiatives? If so, what are they?

Thank you for your attention to this important matter.

Respectfully,

A handwritten signature in black ink, appearing to read "R. Behnam". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rostin Behnam