



Executive Summary, 2024-SR-C-002, January 8, 2024

The CFPB Can Enhance Certain Aspects of Its Enforcement Investigations Process

Findings

We found that the Consumer Financial Protection Bureau can enhance certain aspects of its enforcement investigations process. Specifically, the Office of Enforcement should track the timing expectations described in its internal guidance. Enforcement has not met its goal to file or settle 65 percent of its enforcement actions within 2 years of the investigation opening date in any of the 5 years since fiscal year 2017. Although various factors, including some that may be outside its control, have affected Enforcement's ability to meet the 2-year investigative timeline, we believe that tracking timing expectations for key steps in the enforcement process may help to identify inefficiencies and mitigate delays during enforcement investigations.

Additionally, Enforcement should reinforce the documentation requirements for its matter management system. Enforcement uses the system to monitor and track the progress of investigations. We found that Enforcement staff did not consistently document complete information in the system. We believe that providing training on the documentation requirements outlined in current guidance will help reinforce the requirements and better enable Enforcement to maintain accurate, complete, and uniform documents pertaining to investigations.

Recommendations

Our report contains recommendations designed to enhance certain aspects of the CFPB's enforcement investigations process. In its response to our draft report, the CFPB concurs with our recommendations and outlines actions to address them. We will follow up to ensure that the recommendations are fully addressed.

Purpose

We conducted this evaluation to assess the CFPB's process for conducting enforcement investigations. Specifically, we focused on the efficiency of CFPB Enforcement's process for conducting enforcement investigations, including the timeline of the investigation process, and we reviewed Enforcement's practices for tracking and monitoring matters.

Background

Enforcement is one of three offices in the CFPB's Division of Supervision, Enforcement and Fair Lending. Enforcement relies on various sources, such as consumer complaints, the CFPB's whistleblower hotline, referrals from federal regulators and other agencies, market intelligence, and the results of CFPB supervisory examinations, to identify potential violations of federal consumer financial laws that may warrant an investigation.

Enforcement opens investigations to determine whether further action by the CFPB could address conduct that potentially violates federal consumer financial laws. According to the CFPB's *2022 Annual Performance Plan and Report, and Budget Overview*, "filing enforcement actions in a timely manner is an important measure of the CFPB's effectiveness as it increases deterrence and provides consumers with greater protections of law." In 2015, the CFPB implemented a performance measure to file or settle 65 percent of the agency's enforcement actions within 2 years of the investigation opening date.