



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

THE INSPECTOR GENERAL

March 26, 2026

Jennifer L. Fain
Inspector General
Federal Deposit Insurance Corporation
Office of Inspector General
3501 Fairfax Drive
Arlington, Virginia 22226

Ref: Final External Inspection and Evaluation Peer Review Report

Dear Inspector General Fain:

We reviewed the system of quality control for the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG) in effect for the year ended September 30, 2025. A system of quality control includes multiple aspects of an organization, including, but not limited to, policies and procedures designed to provide reasonable assurance of complying with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) *Quality Standards for Inspection and Evaluation*, December 2020 (Blue Book).

In our opinion, the system of quality control for the FDIC OIG in effect for the year ended September 30, 2025, has been suitably designed and complied with to provide the FDIC OIG with reasonable assurance of performing and reporting in conformity with the Blue Book.

Inspection and Evaluation (I&E) organizations can receive a rating of pass, pass with deficiencies, or fail. The FDIC OIG has received an External Peer Review rating of pass.

Letter of Comment

We have issued a letter dated March 26, 2026, that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report.

Basis of Opinion

This required external peer review was conducted in accordance with CIGIE's *Guide for Conducting External Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspector General* (July 2023) and the Memorandum of Understanding between the Offices of the Inspectors General of the U.S. Department of Education Office of Inspector General (ED OIG) and the FDIC OIG, entered into on December 4, 2025.

During our review, we obtained an understanding of the nature of the FDIC OIG's I&E function and the design of the FDIC OIG's system of quality control sufficient to assess the risks implicit in its I&E function. Based on our assessments, we selected I&E reports and administrative files to test for conformity with Blue Book standards and compliance with the FDIC OIG's system of quality control.

In performing our review, we obtained an understanding of the system of quality control for the FDIC OIG's I&E function. In addition, we tested compliance with the FDIC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the FDIC OIG's policies and procedures on selected I&E reports. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with FDIC OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the I&E reports we reviewed.

The FDIC Inspector General provided a response to our Peer Review Report (Enclosure 2) in which she agreed with our overall rating.

Responsibilities and Limitations

FDIC OIG is responsible for establishing and maintaining a system of quality control designed to provide the FDIC OIG with reasonable assurance that the organization and its personnel comply in all material respects with Blue Book standards. Our responsibility is to express an opinion on the design of the system of quality control and the FDIC OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate.

Closing

We appreciate the cooperation and assistance provided by your staff. The timeliness of their responses to our questions was extremely helpful in completing this review.

Sincerely,



Mark Priebe
Acting Inspector General

Enclosures

Enclosure 1: Report Selection

FDIC OIG issued four I&E reports during the period October 1, 2024, through September 30, 2025. Two of the I&E reports were performed by FDIC OIG, and two were performed in whole by contractors with FDIC OIG oversight. We selected all four reports for review as shown below.

Report No.	Report Date	Report Title	Contracted
EVAL-25-02	12/10/2024	FDIC Readiness to Resolve Large Regional Banks	No
REV-25-01	12/18/2024	Special Inquiry of the FDIC’s Workplace Culture with Respect to Harassment and Related Misconduct – Part I	No
EVAL-25-01	11/12/2024	Material Loss Review of Republic First Bank	Yes
EVAL-25-03	09/26/2025	The FDIC’s Information Security Program – 2025	Yes

For the two I&E reports performed by contractors, FDIC OIG did not communicate responsibility for the contractors’ findings and conclusions and reported negative assurance regarding the contractors’ compliance with the Blue Book. As a result, we reviewed documentation of FDIC OIG’s oversight activities and confirmed that FDIC OIG followed its internal policies and procedures for contractor oversight.

We conducted the peer review remotely from September 2025 through March 2026.

Enclosure 2: FDIC OIG Comments to Draft Peer Review Report



Federal Deposit Insurance Corporation
Office of Inspector General

March 12, 2026

Mark Priebe
Acting Inspector General
Department of Education
Office of Inspector General
400 Maryland Avenue, S.W.
Washington, DC 20202

Subject: Federal Deposit Insurance Corporation Office of Inspector General Response to the
External Inspection and Evaluation Peer Review Report

Dear Acting Inspector General Priebe:

Thank you for the opportunity to comment on the draft External Inspection and Evaluation Peer Review Report regarding the evaluation function of the Federal Deposit Insurance Corporation Office of Inspector General in effect for the year ending September 30, 2025.

We are pleased the independent review resulted in a *Pass* rating and with your conclusion that our system of quality control provides reasonable assurance of performing and reporting in conformity with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*, December 2020. We have provided a separate response to your letter of comment. We value your recommendations to further strengthen our evaluation function.

We also appreciate the Peer Review Team for their professionalism demonstrated during this review. Should you have any questions, please do not hesitate to contact me or Daniel Battitori, Planning and Operations Manager, Office of Audits, at (703) 810-9683.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. L. Fain', written in a cursive style.

Jennifer L. Fain
Inspector General