



Who's Afraid of Rohit Chopra?

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**REVOLVING
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Big Business Attacks Biden's Best Regulator

It's boom times for Big Business in America, but corporations are playing the victim yet again.

This summer, the U.S. Chamber of Commerce – America's largest corporate lobbying group – declared war on Consumer Financial Protection Bureau (CFPB) Director Rohit Chopra, launching a six-figure ad blitz to attack Chopra as an “out-of-control, radical bureaucrat.”

Chopra's crime? In Chamber-speak, he's supposedly pursuing an “ideologically driven agenda to radically change the nature of America's financial services industry.”

In plain English? Chopra is doing his job and enforcing *existing* law.

Since taking office nearly a year ago, Chopra has used the CFPB's enforcement powers to take on companies that charge excessive “junk fees”, abuse consumer data, and repeatedly break consumer protection and anti-fraud laws. The blitz of regulatory and enforcement actions unleashed by Chopra has seen corporate titans like TransUnion and Bank of America held accountable for ripping off consumers for the first time in years.

Naturally, this is unacceptable to the business lobby, which has grown accustomed to the hands-off treatment it received from revolving-door regulators like Steven Mnuchin, Eugene Scalia, and Scott Pruitt. Under Trump's part-time CFPB Director Mick Mulvaney (who once called the Bureau's very existence [“a joke, in a sick, sad kind of way”](#)), the CFPB's major enforcement and regulatory efforts [ground to a halt](#). When he left the CFPB to become Trump's Chief of Staff, Mulvaney's protege Kathy Kraninger [continued his legacy](#) of defanging the agency. What was once [“Washington's most feared financial regulator”](#) became a shadow of its former self, taken apart piece by piece by Trump, Mulvaney, and Kraninger. Corporate criminals were ecstatic.

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But now, with Chopra at the reins, a new day has dawned at the CFPB. Corporate criminals and their allies – namely the Chamber – understand this better than anyone. They're spooked, and they should be.

Let's take a closer look at what's really driving the Chamber's smear campaign against Chopra.

The Chamber of Commerce Thinks You Are A Moron

The most glaring thing about the Chamber's anti-Chopra campaign is how little respect it has for the American public's intelligence.

The clearest illustration of how intellectually bankrupt the Chamber's case against Chopra comes from a [June 2022 press release](#), in which the lobbying group objects to three things Chopra has said:

1. "Repeat offenses" are "par for the course" for many dominant firms in the economy. [Lecture at UPenn Law, Rohit Chopra, [3/28/22](#)]
2. Many recent financial regulators have been "clueless and often corrupt lawyers and economists... auditioning for a future job [in the private sector]". [Lecture at UPenn Law, Rohit Chopra, [3/28/22](#)]
3. Several dominant firms use legal products to collect "junk fees" and "exploitative income streams" from consumers. [CFPB Press Call, Rohit Chopra, [1/26/22](#)]

The Chamber assumes most Americans would agree with them that Chopra's views are extreme or inaccurate. But that only shows how wildly out of touch the Chamber is with average Americans' experience of the economy.

First, breaking federal law is absolutely par for the course among dominant firms. [A 2019 report](#) from Public Citizen's Rick Claypool found that 38 major corporations that broke the law and entered Deferred- or Non-Prosecution Agreements with the federal government – including Credit Suisse, Deutsche Bank, JPMorgan Chase, and Merrill Lynch – went on to face subsequent federal criminal enforcement actions. Data compiled by the [Good Jobs First Corporate Violations Tracker](#) similarly finds that financial titans Bank of America, Wells Fargo, and Citigroup are among the top repeat-offenders of consumer protection law, with violations as recent as last year. Chopra's agency is

specifically charged with consumer protection against rogue companies and lenders in the financial marketplace. Far from the Chamber's characterization, having a strong CFPB couldn't be more important right now.

Second, this repeat law-breaking has been encouraged in many cases by government officials who refused to penalize or prosecute offending corporations, and then immediately went on to score lucrative jobs in the very industries they were tasked with regulating. Consider the fates of the Obama officials who favored no-strings-attached Wall Street bailouts instead of prosecutions after the 2008 crash: Tim Geithner is now president of private equity giant Warburg Pincus, whose portfolio firm Mariner Finance [now faces predatory lending accusations of its own](#). Larry Summers advises Citigroup and [sits on the board of several predatory lending and crypto firms](#) – in other words, his income is tied to the types of companies the CFPB regulates. Former DOJ Criminal Division heads [Lanny Breuer](#) and [Leslie Caldwell](#) (who passed on prosecuting the architects of the 2008 crash) are high-powered attorneys for BigLaw firms Covington & Burling and Latham & Watkins. Breuer states on his firm's bio page that he [has](#) counseled global financial institutions, government contractors, and even [scandal-plagued auto manufacturing companies like Takata](#) in DOJ criminal investigations. Caldwell – who has boasted of [“advising numerous Fortune 500 corporations”](#) and providing [“expert legal advice to companies and executives facing government investigations and enforcement actions”](#) – has largely kept her client list under wraps, save for her defense of [a Taiwanese semiconductor manufacturer](#) accused by the DOJ of stealing trade secrets from American firms. Chopra was already clearly an independent-minded public servant, but if these ex-regulators are his comparison point, then it's obvious the financial regulatory system has had a glut of leaders who are arguably clueless, corrupt, or both. Chopra represents a much-needed return to form.

The Chamber's third gripe is the most revealing, as they are noticeably vague when discussing Chopra's campaign against “junk fees”. Examples of these fees that Chopra has provided – and which the Chamber has deliberately left out of its press release – are among consumers' most-reviled: checking account overdraft charges, Ticketmaster service fees, and hidden fees on phone, cable, and hotel bills. The Chamber preemptively

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refers to these fees (without providing examples of what they are) as “legal products with well-disclosed terms” – a comically-vague defense that recognizes consumers would take Chopra’s side if given the slightest shred of detail.

Does anyone actually think that confusingly-written fee information buried in a subsection of a subsection on page 48 of a contract no one reads before clicking “I agree to the terms and conditions” counts as a “well-disclosed term?” In some cases, such as Ticketmaster, users may *have* to click through without reading if they want to secure their seats before the system voids their attempted purchase. These service fee disclosures can fail even on their own absurd terms.

It should come as no surprise, then, that the Chamber is trying to beat Chopra by masking the truth under layers of spin. Their press release pivots immediately to claiming Chopra will “limit consumer choice and diminish competition” (laughable hypocrisy from the lobbying arm for America’s biggest corporate monopolies), a time-tested right-wing talking point against any form of business regulation. The Chamber’s allies in the [Murdoch press empire](#) have also portrayed Chopra as a power-hungry bureaucrat, hoping to turn the public against a Big Government bogeyman. As The American Prospect’s [Robert Kuttner](#) and my colleague [Max Moran](#) have written, this is also total nonsense.

The Chamber’s pivoting to friendlier rhetorical ground ultimately gives their game away: most Americans [don’t share the Chamber’s view that big corporations](#) are the “real victims”, so the Chamber needs to lie and obfuscate to win.

The TransUnion Connection

There may also be an ulterior motive to the Chamber's campaign against Chopra – one that most news outlets covering the story have hardly broached. **Multiple Chamber executives – including its CEO – have personal ties to lawbreaking corporations against which Chopra has taken enforcement actions.**

Credit reporting giant TransUnion is the most conspicuous example here. In 2017, the bureau fined the company over \$16 million for deceptively marketing its credit scores and credit-related products to consumers. Since then, TransUnion has been caught twice violating its legal consent order with the CFPB and continuing its illegal behavior. In response, Chopra sued TransUnion and top executive John Danaher – who hatched the company's plan to flout the CFPB order – this April for multiple violations of federal law. When the Chamber rolled out its tirade against Chopra's purported "out-of-control behavior" two months later, it failed to disclose that **Chamber CEO Suzanne Clark has served on TransUnion's Board since June 2017** (six months *after* TransUnion first admitted to duping consumers!). This means that Clark not only joined the company *after* it was exposed for breaking the law, but has been involved in governing the firm the whole time it was flagrantly violating the CFPB's consent order.

Clark is also far from the only Chamber executive tied to a lawbreaking corporation in Chopra's crosshairs:

- Infosys CEO [Ravi Kumar](#), a Chamber board member, also [serves](#) on TransUnion's board.
- U.S. Bank EVP [Elliot Jaffee](#) serves on the Chamber's board. This summer, Chopra's CFPB fined U.S. Bank [\\$37.5 million](#) for illegally accessing its customers' credit reports and opening sham accounts, credit cards, and lines of credit without customers' permission.
- [Stephanie Ferguson](#) and [John Drake](#) – both alums of Amazon's public policy practice – are currently senior executives for the Chamber. Chopra [has ordered](#)

[Big Tech firms](#) like Amazon to turn over information on how they manage personal user data related to payments. He was an outspoken proponent of antitrust enforcement against Big Tech during his time as an FTC Commissioner.

- [Erin Egan](#), Facebook's Chief Privacy Officer, is on the Chamber's Board. [Facebook is another target](#) of Chopra's probe into Big Tech payment systems, and he [issued a blistering dissent](#) to the FTC's 2019 consent decree with Facebook (which failed to hold the company accountable over the Cambridge Analytica scandal) while serving on the Commission.
- [Steve Van Andel](#), Chairman of the [infamous multi-level marketing firm Amway](#), is a Chamber board member. While serving as an FTC Commissioner, [Chopra pushed](#) to include MLMs like Amway in the FTC's Business Opportunity Rule, [which aims to prevent scams](#) by setting strict requirements for people trying to get others involved in a business opportunity.

While the Chamber does not officially disclose its membership list, [its board is littered](#) with executives from all sorts of scandal-plagued oil, pharmaceutical, tech, banking, and insurance companies.

One thing seems clear: lawbreaking corporations are using business lobbies like the Chamber to push their agendas and launder influence while avoiding a PR backlash. Put simply, the Chamber is nothing more than a front for corporate criminals.

The Real Rohit: What the Chamber of Commerce Doesn't Want You to Know

Since the Chamber is dead-set on smearing Chopra as the enemy of consumers, I thought I'd set the record straight.

Below are some major consumer protection actions that Chopra has taken since he was sworn in last October – almost all of which involve lawbreaking companies being ordered to cease their predatory behavior and compensate the consumers they ripped off:

- [8/10/22](#): Fined fintech company Hello Digit \$2.7 million for using a faulty algorithm that charged customers excessive overdraft fees, after the company promised customers a “no overdraft guarantee.”
- [7/28/22](#): Fined U.S. Bank \$37.5 million for illegally exploiting customers' personal data to open unauthorized accounts, credit cards, and lines of credit.
- [7/27/22](#): Fined Trident Mortgage over \$22 million for illegally discriminating against qualified families seeking homeownership in minority neighborhoods in Philadelphia.
- [7/26/22](#): Fined Hyundai \$19 million for illegally tarnishing credit reports for millions of borrowers, including by falsely reporting them to credit reporting companies as being delinquent on their loans and leases.
- [7/14/22](#): Fined Bank of America \$100 million for using a faulty fraud detection program to freeze people's unemployment benefits at the height of the pandemic and failing to give recipients recourse.
- [7/12/22](#): Sued payday lender ACE Cash Express – a repeat offender – for extracting over \$240 million in re-borrowing fees from struggling borrowers who were eligible for free repayment plans.
- [4/21/22](#): Sued repeat offender MoneyGram, one of the largest remittance providers for immigrants and refugees in the U.S. and their families abroad, for holding up customers' funds.

- [4/12/22](#): Sued TransUnion and its longtime executive John Danaher for violating a 2017 law enforcement order issued to stop the company's deceptive and predatory marketing practices.
- [4/7/22](#): Proposed rule to protect survivors of human trafficking by preventing consumer reporting agencies from including negative abuse-related information on their credit reports.
- [3/30/22](#): Ordered student-loan servicer Edfinancial Services to pay \$1 million penalty and provide accurate information to borrowers, after the company misled borrowers about their eligibility for the Public Service Loan Forgiveness (PSLF) Program.
- [1/18/22](#): Banned payment processor BrightSpeed Solutions and its founder Kevin Howard from multiple consumer financial industries for scamming older adults into purchasing expensive and unnecessary software through fraudulent telemarketing schemes.
- [1/10/22](#): Sued debt collectors United Debt Holding, JTM Capital Management, and United Holding Group for illegal debt collection practices, including knowingly using third-party collectors that made false and illegal threats and statements to consumers.
- [12/21/21](#): Shuttered lending operations by LendUp Loans – which received venture capital funding from Google Ventures, Andreessen Horowitz, and PayPal Holdings – due to the company's repeated use of illegal and deceptive marketing tactics.
- [12/17/21](#): Took action against Access Funding for preying on lead-paint poisoning victims who had received settlement payments.
- [11/12/21](#): Sued pawn lenders FirstCash Inc. and Cash America West for charging over 200 percent interest on loans issued to military families and requiring borrowers to sign away their ability to sue.
- [10/22/21](#): Fined Trustmark National Bank over \$5 million for discriminating against Black and Hispanic people in Memphis by deliberately not marketing, offering, or originating home loans to consumers in majority-Black and Hispanic neighborhoods.

- [10/19/21](#): Fined prison financial services company JPay \$6 million for charging formerly incarcerated people excessive fees to access taxpayer-supported benefits intended to help with their transitions out of the corrections system and back into society.

This is the truth about Chopra's record – the truth that the Chamber of Commerce (or more accurately, the predatory, repeat-offender corporations that make up the Chamber) doesn't want you to know.