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April 26, 2024

The Honorable Erika McEntarfer
Commissioner, Bureau of Labor Statistics
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Ms. McEntarfer:

I write to you regarding reports of a Bureau of Labor Statistics (BLS) economist providing confidential, non-public, market-moving information to individuals from prominent financial institutions including JPMorgan Chase and BlackRock.¹ According to reports, a BLS economist provided details about BLS' methodology for calculating the Consumer Price Index (CPI) for the housing market to a list of roughly 50 so-called "super users."² This same economist is also reported to have provided non-public methodological details about forthcoming changes to BLS's calculations for used car prices.³ This conduct is unacceptable. Given BLS' stated mandate as a neutral fact-finding agency responsible for safeguarding statistical information, it is unacceptable that a BLS employee leaked confidential information with market-moving implications to a select, exclusive group of Wall Street insiders.⁴

According to reports, following BLS' release of the January CPI information, and in response to multiple inquiries regarding a sudden spike in housing costs, a BLS economist emailed a group of Wall Street analysts and economists dubbed "super users" confidential, technical changes to BLS' methods for calculating housing figures in the CPI.⁵ According to one Wall Street economist, as soon as Wall Street received the BLS information, "[i]t had an immediate impact" on trading and

¹ Matthew Boesler, *US Labor Department Confuses Analyst With Email on CPI Factor*, BLOOMBERG (Feb. 28, 2024), <https://www.bloomberg.com/news/articles/2024-02-28/us-labor-department-sows-confusion-with-email-on-consumer-prices>; Ben Casselman and Jeanna Smialek, *Email 'Mistake' on Inflation Data Prompts Questions on What is Shared*, THE NEW YORK TIMES (Mar. 19, 2024), <https://www.nytimes.com/2024/03/19/business/economy/bls-housing-inflation-email.html>; Rocio Fabbro, *JPMorgan and Other Wall Street Giants Were on a Government Economist's 'Super User' List*, QUARTZ (Apr. 10, 2024), <https://qz.com/bls-cpi-super-users-list-jpmorgan-blackrock-1851401301>.

² *Id.*

³ Ben Casselman and Jeanna Smialek, *New Questions on How a Key Agency Shared Inflation Data*, THE NEW YORK TIMES (Apr. 5, 2024), <https://www.nytimes.com/2024/04/05/business/economy/labor-statistics-super-users.html>.

⁴ *About the U.S. Bureau of Labor Statistics*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/bls/about-bls.htm> (last modified April 11, 2024).

⁵ *Id.*

sent those analysts not on the “super users” list looking to get access to it.⁶ Reports further indicate that traders made trading decisions on this information for over an hour until BLS released a statement asking Wall Street to “disregard the email” from its economist, and promising to provide more information on its housing data soon.⁷

Roughly two weeks later, BLS hosted an online seminar in which it explained the changes it previously made for calculating housing inflation.⁸ This presentation made clear that, not only was the economist’s disclosure inappropriate, but the information provided was misleading, at best.⁹ It also raised serious questions about the accuracy of information that BLS economists provide to the public—in addition to the confidentiality of the information BLS maintains.

BLS has tried to write this disclosure off as a “mistake,” but additional reports show this is not true. In fact, on January 31, before disclosing the non-public housing data, the same economist provided a three-page document to the same “super users” list detailing the calculations BLS used for car prices. While BLS announced the change to this calculation in a January press release, the agency did not publish additional details to the public until two weeks after the economist’s January 31 email.¹⁰

It is clear that these incidents are not mere “mistakes,” as Associate Commissioner Emily Liddel initially claimed. There is little doubt that these were intentional disclosures of market-moving information, and that the information was immediately used by the “super users.” It is also clear that these disclosures were a breach of the Standard BLS Confidentiality Pledge,¹¹ the Department of Labor’s policy to “ensure[] the equitable and timely dissemination of statistical information,”¹² and of the trust the American public places in BLS. The Agency must deal with these breaches seriously and immediately.

BLS has publicly committed to “tak[ing] this opportunity to reinforce [BLS’] customer service standards and training across the Bureau,” but has not provided any specific details about what it has done or will do to rectify this incident.¹³ Restoring public trust in BLS’ mission will take more than mere words. Given your commitment to my staff during your nomination to remain a non-partisan economist intent on providing reliable statistical data to the American people, you must

⁶ Ben Casselman and Jeanna Smialek, *Email ‘Mistake’ on Inflation Data Prompts Questions on What is Shared*, THE NEW YORK TIMES (Mar. 19, 2024), <https://www.nytimes.com/2024/03/19/business/economy/bls-housing-inflation-email.html>.

⁷ *Id.* (stating that the two-year Treasury yield rose in the hours after the economist’s email went out, and returned after BLS’s email telling Wall Street to disregard the information).

⁸ *Id.*

⁹ *Id.*

¹⁰ Ben Casselman and Jeanna Smialek, *New Questions on How a Key Agency Shared Inflation Data*, The New York Times (Apr. 5, 2024), <https://www.nytimes.com/2024/04/05/business/economy/labor-statistics-super-users.html>.

¹¹ *Confidentiality Pledge and Laws*, U.S. BUREAU OF LABOR STATISTICS, [https://www.bls.gov/bls/confidentiality.htm#:~:text=552a%20\(b\)%20prohibits%20a.social%20security%20number%20in%20confidence](https://www.bls.gov/bls/confidentiality.htm#:~:text=552a%20(b)%20prohibits%20a.social%20security%20number%20in%20confidence) (last modified Apr. 3, 2020).

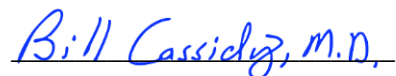
¹² *Announcing Discontinuation of the DOL Lock-Up Facility for Participating News Media Organizations With Pre-Release Access to Statistical Information*, 85 Fed. Reg. 31810 (May 27, 2020).

¹³ Ben Casselman and Jeanna Smialek, *Email ‘Mistake’ on Inflation Data Prompts Questions on What is Shared*, THE NEW YORK TIMES (Mar. 19, 2024), <https://www.nytimes.com/2024/03/19/business/economy/bls-housing-inflation-email.html>.

take the necessary steps to restore BLS' reputation as a truly objective fact-finder. To understand what actions BLS is currently taking to address this unacceptable behavior and to ensure it will not be repeated in the future, I ask that you answer the following questions, on a question-by-question basis, by close of business on May 13, 2024.

1. In response to the allegations, what corrective actions has the agency taken against the employee in question? Please include the following in your response:
 - a. The corrective action taken against the economist who sent the "super users" email;
 - b. The date on which any corrective action was taken; and
 - c. Any actions the agency has taken or plans to take to ensure all employees understand their obligations to maintain the confidentiality of BLS data and methodology.
2. Has BLS become aware of other "super user" lists or similar incidents in which BLS employees have provided non-public information to an exclusive group of individuals? If so:
 - a. What information was publicly disclosed?
 - b. What corrective and/or disciplinary actions were taken against those individuals?
 - c. What proactive steps has the agency taken to disband all use of any "super users" lists?
3. Regardless of whether BLS has discovered any additional super-user-type lists, detail all actions BLS has taken or will take to ensure no similar lists are created in the future.
4. Produce all communications associated with the "super user" list and with the economist who sent the "super users" email regarding this matter.
5. Produce all policies and procedures in place regarding public disclosure of BLS information.
6. Produce all documents and information related to any training BLS has conducted for employees regarding public disclosure of BLS methods, statistics, or other confidential, non-public information.

Sincerely,



Bill Cassidy, M.D.

Ranking Member

U.S. Senate Committee on Health,
Education, Labor, and Pensions