

D.C. Federal Court Judge Blocks Efforts to Dismantle the CFPB

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On Friday, Judge Amy Jackson of the United States District Court for the District of Columbia [granted](#) a preliminary injunction sought by the National Treasury Employees Union, over efforts by Acting Director Russell Vought to shutter the agency. The union, which represents the Bureau's employees, had sought an injunction that would have stopped Vought from eliminating jobs and contracts at the agency, and protect key CFPB functions from being shut down while the litigation was in progress.

In her [opinion](#), Judge Jackson stated that the union had made a convincing case for emergency relief. She noted that the "defendants were fully engaged in a hurried effort to dismantle and disable the agency entirely – firing all probationary and term-limited employees without cause, cutting off funding, terminating contracts, closing all of the offices, and implementing a reduction in force that would cover everyone else." She stated that "[t]hese actions were taken in complete disregard for the decision Congress made 15 years ago, which was spurred by the devastating financial crisis of 2008 and embodied in the United States Code, that the agency must exist and that it must perform specific functions to protect the borrowing public." She concluded that if the defendants were not enjoined, "they will eliminate the agency before the Court has the opportunity to decide whether the law permits them to do it, and as the defendants' own witness warned, the harm will be irreparable."

The preliminary injunction bars Vought from deleting agency records, firing employees without cause or seeking to "achieve the outcome of a work stoppage."

Putting It Into Practice: The decision is a major win for CFPB employees and their union. Many employees fired by the Acting Director were put back on the CFPB's payroll earlier this month, under a temporary restraining order issued in a separate Maryland court case brought by the City of Baltimore (see our discussion [here](#)). Judge Jackson's preliminary injunction seems to require the rehiring of the remainder. We will continue to monitor this case for new developments.

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National Law Review, Volume XV, Number 87

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