

FDIC News

The Federal Deposit Insurance Corporation Employee Newsletter

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Commercial Real Estate Conference Highlights Market Conditions, Fintech, and the Lending Environment

By ROBERT DiCHIARA AND JOSE TORRES, Division of Insurance and Research

Market conditions, fintech's growing presence in commercial real estate, and the lending outlook were the major themes of the FDIC's "Commercial Real Estate Conference: Fundamentals, Fintech, and the Future," held November 6 in New York City.

Conference attendees included executives from FDIC-insured institutions, representatives from trade associations, financial industry analysts, and federal and state regulators.

The conference was held at a time of elevated multifamily property construction, significant commercial real estate price appreciation, and an all-time high level of commercial real estate loans held by FDIC-insured institutions. Today, FDIC-insured institutions hold \$2.4 trillion in commercial real estate loans, well-above the \$1.9 trillion heading into the banking crisis a decade ago. "Because of the prevalence of commercial real estate lending in the banking indus-



Chairman McWilliams delivers the keynote address, highlighting the importance of monitoring commercial real estate as the economic cycle matures.

try, among both large banks and smaller community banks, the FDIC is interested in discussions like today's to learn from experts in the field," said Division

see Conference page 2, column 1

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COMMERCIAL REAL ESTATE CONFERENCE

Conference, from page 1

of Insurance and Research (DIR) Associate Director Shayna Olesiuk.

FDIC Chairman Jelena McWilliams delivered the keynote address. Chairman McWilliams said that the economic cycle is in its later stages and that based on historical “boom and bust” cycles, commercial real estate is a risk as the current cycle matures. She also cited risky financing activities in past economic cycles that resulted in unfavorable results as expansions ended. Chairman McWilliams encouraged attendees to review commercial real estate research in publications such as the FDIC’s 2019 Risk Review and Crisis and Response: An FDIC History, 2008-2013.

Chairman McWilliams encouraged attendees to review commercial real estate research in publications such as the FDIC’s 2019 Risk Review and Crisis and Response: An FDIC History, 2008-2013.

The conference featured three panel discussions, which covered broad aspects of the commercial real estate industry. In the first panel, DIR New York Regional Manager Robert DiChiara led a discussion of current market conditions with key players in the analytical, investment, and academic community. Supply and demand dynamics across property types, transformation of the retail sector, and shifting consumer preferences were among the major themes discussed. Overall, panelists viewed supply and demand fundamentals as balanced. Speakers mentioned that conditions in the office and multi-family sectors are favorable, although demand shifts favor highly amenitized working and living spaces. The panelists said spillover of weakness in the retail sector into other industries is unlikely, and concerns of overbuilding in multi-family are likely manageable. Panelists agreed that future demand for multi-family housing will likely continue to be significant in cities. This trend is expect-

ed to be driven by rural depopulation and city-competitiveness, as efficient public transportation systems continue to attract firms and labor.

DIR Assistant Director Kathy Kalser led the second panel on how technology is influencing the commercial real estate industry. Technological investments, increased data volume, and flex space were among the major themes discussed. Panelists from real estate firm JLL Spark, data vendor CoStar, and Moody’s discussed notable investment flows into property technology, or “proptech,” and the increased use of data throughout the industry. Real estate has lagged other industries in adopting technology, but use of data is accelerating. Data gains in real estate are being leveraged for finance, underwriting, vacancy monitoring, and tenant behavior. Flex space is a fast-growing segment of the real estate market; however, panelists stated that business models need to be designed carefully through cost management, expansion planning, and efficient processes.

After a luncheon, the conference turned to commercial real estate lending trends. Division of Risk Management Supervision Deputy Regional Director Marianne Hatheway led a panel

discussion on several issues including trends in delinquent loans, the credit outlook, best practices in portfolio monitoring, and underwriting standards. Panelists discussed the relaxation of loan covenants in the current competitive lending environment. Declining loan yields are consistent with falling interest rates and increased risk taking, and panelists stated that excess capital is chasing yield in the financial system. In some cases, refinancing is becoming a favored exit strategy.

DIR Assistant Director Kathy Kalser led the second panel on how technology is influencing the commercial real estate industry.

DIR is committed to holding similar conferences in the future. “We appreciate the opportunity to hold these discussions, and look forward to continuing to support the Chairman’s goal of communication to the financial industry on key risk topics,” said DiChiara.

The agenda, slide deck, and video replay of the conference can be found at <https://www.fdic.gov/bank/analytical/cre/index.html>. 🏠



A panel of experts discusses the market landscape. From left are Robert DiChiara, DIR Regional Manager (Moderator); Dr. Sam Chandan, Dean of the NYU School of Real Estate; Jim Costello, Senior Vice President of Real Capital Analytics; Lauren Gilchrist, Senior Vice President of Jones Lang LaSalle; and Julie Whelan, Senior Director of Research at CBRE.

DIR Unveils Regional Economic Dashboard

By CLAYTON BOYCE
 Division of Insurance and Research

The FDIC has a new tool for supervision, analysis, and research: the Regional Economic (RECON) Dashboard. Development of the RECON Dashboard was an interdivisional effort leveraging an array of data and technology. It delivers specific information about county, metropolitan statistical area, state, and national level economic conditions in an easy-to-use format.

Senior Financial Analyst Brian Webb and Regional Economist Stephen Kiser developed the Dashboard content. DIR’s Data Strategy Section managed the project, and DIR unveiled it in October in an FDIC-wide webinar.

“The RECON Dashboard is a great example of interdivisional collaboration that benefits the entire Corporation,” said Regional Operations Branch Asso-

ciate Director Shayna Olesiuk.

The RECON Dashboard is available to all FDIC employees. It allows users to quickly find information about a variety of economic indicators such as labor markets, housing, income, exports, GDP, population, and migration, and associated trends. Instructional videos and written documentation are available for users learning the tool on the RECON Dashboard page.

The dashboard’s basic functionality finds economic data for an area. You can also print out a dashboard, download data, and share a dashboard image. You can also subscribe to email updates for an area that you select and set up email alerts to notify you if an economic variable crosses a threshold that you select.

A unique feature of the Dashboard is that the data is automatically updated

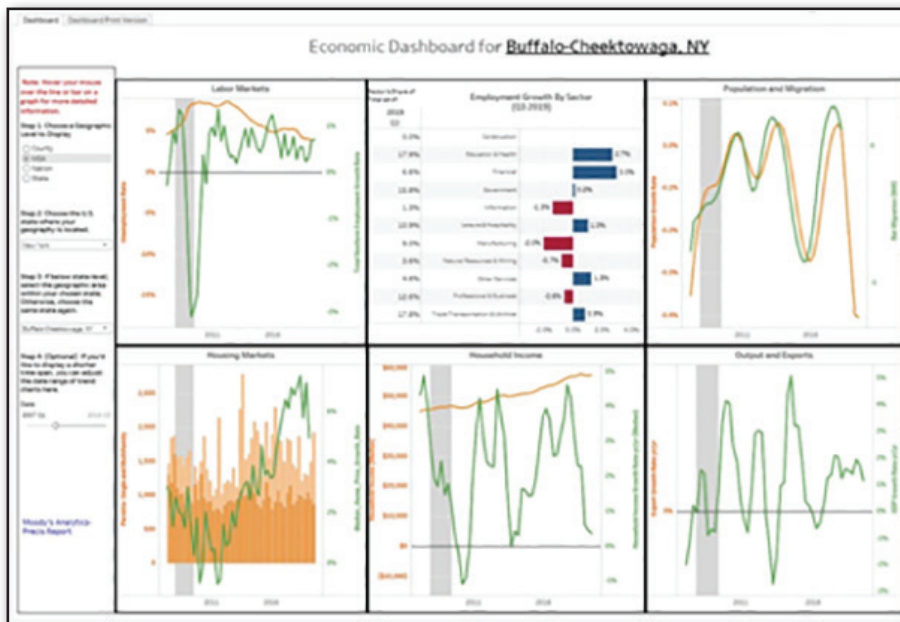
early every morning with current economic information by a system called RMS CFI Scheduler. Senior Complex Financial Institution Analyst Michael Williams of the Division of Complex Institution Supervision and Resolution helped DIR automate that process. “The DIR team leveraged our automation framework to easily realize their business and technological objectives without reinventing the wheel,” Michael said.

Data from Moody’s feeds into the RECON Dashboard. The dashboard’s automation and use of Tableau spare staff the time and effort of gathering and massaging Moody’s data.

The RECON dashboard is a user-defined tool. A survey of examiners and other beta testers helped shape the dashboard. The team continues to refine it to meet examiner and analyst needs, so if you have suggestions for improvements, please email the team.

The RECON Dashboard is on the FDIC Intranet here. This is the second Tableau dashboard that DIR has created. “The RECON Dashboard could be considered broad, and the CRE Dashboard could be considered deep, a more in-depth look at commercial real estate data,” said Data Strategy Section Chief Chad Boggan. Chad’s section managed the development of the RECON dashboard and the Large Data Management Section has taken over responsibility for maintaining it.

There is more to come. “We have talked about expanding the offerings. An energy dashboard for tracking oil and gas price movements is on the drawing board,” Brian said. And Michael is eager to share the automation framework for other projects in the Corporation. 🏠



Screen shot of the RECON Dashboard.

FDIC PROFILE

FDIC Chief Accountant Bob Storch To Conclude Distinguished 46-year Career

By SALLY J. KEARNEY
Office of Communications

While it may be true that no one is indispensable, it may also be true that Bob Storch is the exception that proves the rule. As the FDIC's Chief Accountant, Storch is widely known for his comprehensive knowledge of accounting and accounting policy and is regarded by members of the accounting community as one of the foremost experts in his field. When Storch renders an opinion—whether, for example, on Call Report policy before the Federal Financial Institutions Examination Council (FFIEC) or a complex accounting issue confronting banking institutions—colleagues in the financial institution regulatory agencies, both in the U.S. and internationally, listen closely. Storch's technical mastery, command of detail, razor-sharp recall, and adherence to facts and analysis more often than not make his the definitive word on a subject.

Storch has served as a key advisor to a number of FDIC Chairmen and Board members. Over the years, he has made innumerable contributions to accounting standards and reporting requirements that impact the financial services industry. For all of these reasons, Storch's upcoming retirement after more than 46 years with the FDIC marks a significant milestone.

While at Wharton, Storch concentrated on finance and accounting, a move that sent him down a different path.

When the young Storch joined the FDIC in Philadelphia in 1973, there was little to suggest that he would pursue a career in accounting. Rather, a future as an examiner would have been more likely. One event changed all that. "While I was in Philadelphia, I was given permission to take two extended leave-without-pay absences so I could attend the University of Pennsylvania's Wharton School to earn an MBA," Storch recalled. "I continued as an FDIC em-

ployee during these periods, but I undertook the degree on my own."

While at Wharton, Storch concentrated on finance and accounting, a move that sent him down a different path. "I received most of my accounting education in grad school," he said. "When I first came to the FDIC, I had the minimum accounting I needed to be hired as an examiner."

Storch graduated from Wharton in 1977 and resumed his work as an examiner. He became a commissioned examiner in 1978 and transferred to the Baltimore, Maryland, Field Office in 1979. Two years later, in 1981, he moved to Washington, D.C., as a financial analyst in what was then the Securities Registration and Disclosure Section in the former Division of Bank Supervision (DBS). "That was a rather narrow specialty," he recalled. "It wasn't a policy position."

But Storch began to expand into accounting policy when he transferred in 1982 to the Planning and Program Development Section (PPD) in DBS. "There was a group within the section that dealt with accounting policy issues, and it was headed by Paul Sachtleben," he recalled. When Sachtleben left Washington, D.C., in 1984 for a position in Dallas, Storch became head of the accounting group.

Storch steadily advanced. When a reorganization in 1988 resulted in the accounting policy function splitting off from the Planning and Program Development Section into a section of its own, Storch became its Chief. Next, the accounting policy section's portfolio expanded when it merged in 2002 with the securities registration and disclosure function. Storch's title expanded accordingly, to Chief of the Accounting and Securities Disclosure Section. In 2003, his title changed once again to what it would remain: Chief Accountant. While he still functioned as the Chief of the section, the simplicity of the title facilitated interactions with outside parties for Storch. "When dealing with auditors, bankers, and standard setters, there is more meaning and stature to the



FDIC Chief Accountant Robert Storch has served with the FDIC for more than 46 years, during which time he has set an impeccable standard of excellence in the accounting and regulatory fields, gained the admiration of colleagues, served the FDIC's mission with great distinction, and generously and thoughtfully carried on a legacy to countless others who follow his example.

title 'Chief Accountant,'" he said.

Is Storch happy with the turn his career has taken? "Yes, I have enjoyed it," he said. "Accounting is always evolving, with new and revised accounting standards. There are interesting accounting issues that come up at banks, where we may—through the examination process—question whether management has properly accounted for a transaction. Sometimes we conclude that they have, and other times, we conclude that they haven't." Furthermore, changes in accounting standards and questions about acceptable accounting practices affect all of the federal financial institution regulatory agencies. Storch noted that the agencies' Chief Accountants and their staffs have developed strong collaborative working relationships and are in frequent contact.

Since moving into accounting policy in 1982, Storch has devoted much of his time to issues related to the Call Report. "There is so much accounting that is tied to the whole preparation of Call Reports by banks, because these reports are essentially a form of regulatory financial statements," he said.

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FDIC PROFILE

Storch, from page 4

When Sachtleben left for Dallas in 1984 and Storch took over leadership of PPD's accounting policy group, he simultaneously assumed Sachtleben's responsibilities as a member of the FFIEC Task Force on Reports, which oversees the Call Report and other interagency FFIEC reports. Impressed with Storch's depth of knowledge and leadership, the other Task Force members asked him to serve as Chairman. "I ended up serving continuously as the Chairman of the Task Force on Reports from early 1986 through the first quarter of 2018," he said. "As a result, I have long worked with staff from the other agencies and have found that to be a very enjoyable process. There have been good people from the other agencies as well as good people from across the FDIC who have participated in the Task Force's discussions and deliberations, so it has been a thoroughly cooperative effort to address reporting issues over many years."

As Chairman of the Task Force, Storch recently led an FFIEC project that streamlined regulatory reporting requirements on smaller, less complex institutions by introducing a new report applicable to those banks, which initially reduced the number of pages in the report by 25 percent and the number of data items by 40 percent.

Storch has also served on the Basel Committee on Banking Supervision's Accounting Experts Group since its inception in 1997 and has participated on other subgroups and task forces within the Basel family.

Not surprisingly, Storch has been recognized with many awards from the FDIC and FFIEC and was honored by both the American Institute of Certified Public Accountants and the Financial Accounting Standards Board this year for his contributions to the accounting profession.

Storch has been as dedicated in mentoring and teaching others as he is in all aspects of his work, whether it is members of his staff, FDIC regional accountants, or accountants from other domestic and foreign banking agencies. He has also taught many examiners through lectures and training sessions over the years going back to the era when the FDIC's Training Center was in the Rosslyn section of Arlington.



At a March 27, 2018, Federal Financial Institutions Examination Council (FFIEC) meeting, the FFIEC recognized FDIC Chief Accountant Robert Storch for his more than 30 years of service as Chairman of the Task Force on Reports. Honoring Storch at the meeting, from left: Greg Gonzalez, Chairman, State Liaison Committee, and Commissioner, Tennessee Department of Financial Institutions; Joseph Otting, Comptroller of the Currency, Office of the Comptroller of the Currency; Mick Mulvaney, then-Acting Director, Consumer Financial Protection Bureau; FDIC Chief Accountant Robert Storch; Martin Gruenberg, then-Chairman, Federal Financial Institutions Examination Council, and then-Chairman, Federal Deposit Insurance Corporation; Randal Quarles, Vice Chairman for Supervision, Board of Governors of the Federal Reserve System; and J. Mark McWatters, then-Chairman, National Credit Union Administration.

Unfailingly modest, Storch said he is grateful that the FDIC has been open to his ideas. "I always felt that my supervisor at the time—whoever that may have been—and the division leadership were very supportive of the work I've done and the policy recommendations

Storch has been as dedicated in mentoring and teaching others as he is in all aspects of his work, whether it is members of his staff, FDIC regional accountants, or accountants from other domestic and foreign banking agencies.

I've made," he said. "That makes you feel like you're making valuable contributions."

So what is next for Bob Storch? "My wife and I would like to do some traveling, although we have no specific plans at this point," he said. "We have a condo in Myrtle Beach, and I would like to spend more time there in the winter and the summer, when I won't be tied to my desk here!"

Storch also plans to spend more time with his children and grandchildren, who live within 30 minutes of his home in Virginia. "I also would like to do genealogy research into my family history," he said. "I have always loved history. I have a short paper my uncle wrote with some of the family history on the Storch side that should provide a starting point."

Storch has also undoubtedly found a good starting point for his new life. 🏠

HONORING BOB STORCH

Colleagues Pay Tribute to Bob Storch

“Bob is an institution within the FDIC and the broader accounting community. He is renowned for his accounting expertise and deep regulatory knowledge, and his strong commitment to public service with more than 46 years at the FDIC. While we will miss him tremendously, we wish him the very best in his well-earned retirement!”

—Doreen Eberley, RMS Director

“Bob Storch is one of the nation’s premier accounting experts. He is also highly regarded internationally for his unmatched knowledge of bank accounting. Bob has smoothly and professionally navigated FDIC examiners through emerging accounting concepts that have evolved over time, as financial transactions have grown in complexity and scope. He has been invaluable in addressing not only the proper accounting treatment of assets and liabilities but also the overall safety and soundness of banking practices. He will be sorely missed for his sense of humor, kindness, and openness to listening and considering new banking practices and providing insightful guidance to others. I wish Bob a wonderful retirement and all the best in his future endeavors.”

—James Watkins, Senior Deputy Director, Supervisory Examinations, RMS, Headquarters

“Bob Storch has been a role model for many, both inside and outside the FDIC, including myself. He paved the way for FDIC examiners who have a proficiency in accounting. For example, he supported the creation of the Regional Accountant position more than 20 years ago, which continues to be a vital position providing examination support. I am grateful for his patience in explaining complex accounting issues, his attention to detail, his extensive knowledge that often helps to answer the ‘Why?’ questions, and his commitment to excellence, which are the qualities the RMS Accounting and Securities Disclosure Section will work diligently to uphold.”

—Shannon Beattie, Chief, Accounting and Securities Disclosure Section, RMS

“I think if there was ever a revered ‘know-it-all,’ it is Bob Storch. His technical expertise, ability to recall even the slightest of details, and unrivaled dedication to his work have fascinated and educated those of us in the bank accounting world for years. I am grateful to have observed him in the audience of numerous conferences and to have had the opportunity to work with him in the Accounting and Securities Disclosure Section for the last year-and-a-half. He is truly an icon in the banking world!”

—Michelle Haslett, Examination Specialist (Bank Accounting), RMS, Headquarters

“Bob Storch is a consummate professional who is generous with both his time and knowledge.”

—Alison L. Clark, Chief Accountant, National Credit Union Administration

“You will never meet a person who has a bad word to say about Bob. He is so knowledgeable, and so efficient, but at the same time, his kindness and openness to lead and teach have touched literally generations of examiners. He is, literally, an FDIC treasure that we are so lucky to have had.”

—Rae-Ann Miller, Associate Director, Risk Management, RMS, Headquarters

“I have worked with Bob for many years. He has always been the consummate professional, and he is unmatched in his knowledge and experience with bank accounting and regulatory reporting issues. For as long as I have been attending conferences where Bob is presenting, he is affectionately introduced as ‘the Dean of the Chief Accountants.’ He has earned the esteem and respect not just of his colleagues at the FDIC, but also across the banking agencies and among the larger community of bankers with whom he has interacted over the years.”

—Ed Christovich, Chief, Data Collection and Analysis, DIR, Headquarters

“After an eight-year absence working with a local accounting firm, I returned to the FDIC in November 2007 as a commissioned examiner. I was promoted to the Regional Accountant position in September 2009. Getting back up to speed and shifting my accounting focus back to bank regulation was initially challenging. Working with Bob Storch and witnessing his analytical abilities and skills toward solving complex bank accounting issues has been a tremendous asset to me. This has made me a better accountant and examiner. I will forever miss his kindness, patience, and overall support!! Happy Retirement, Bob!! Well deserved!!”

—Angela Bee Shipp, Regional Accountant, Memphis Area Office, RMS

“I’ve worked with Bob for the past nine years. Bob was always patient with those of us who did not possess his encyclopedic knowledge of accounting. I remember one time I called him regarding troubled debt restructurings and consumer loans. Not only did he answer my question, he quoted the paragraph in relevant FASB Statement verbatim. His knowledge is unsurpassed. Frankly, he is an irreplaceable resource at the FDIC. He will be sorely missed.”

—Robert Coleman, Regional Accountant, San Francisco Regional Office, RMS

“Working with Bob Storch has been one of the highlights of my career. I learn something new every time that I am in meetings or have conversations with him. His perspective and depth of knowledge have been invaluable to me in my career.”

—Jennifer Smith, Examination Specialist (Bank Accounting), RMS, Atlanta Regional Office

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FDIC Retirees Return to Keystone on 20th Anniversary of Historic Failure

By SALLY J. KEARNEY
Office of Communications

The 1999 failure of First National Bank of Keystone in Keystone, West Virginia, represents a landmark in the history of bank failures. The bank, which at the time of its September 1, 1999, closing, had approximately \$1.1 billion in assets, was incongruously located in a town of about 600 people. Fueled by the sale of subprime home equity loans, Keystone in its heyday became the largest bank in the country with depositors nationwide. The fraud perpetrated by the bank's officers was equally massive: examiners determined that the bank reported on its books \$500 million more than it actually had. And, in a bizarre attempt to hide bank records, boxes of documents were thrown onto a truck, driven to a ranch owned by one of the officers, and buried in a trench. Keystone's illicit rise and spectacular fall brought financial ruin to many depositors and essentially gutted the town's economy.

For the FDIC examiners, claims agents, resolutions specialists, attorneys, press spokesperson, ombudsman, and others who spent days and weeks onsite at the bank, the experience may well be remembered as highly unusual. For three women who were members of that team, Keystone became something more: a haunting memory.

Lesylee Hodge, Diana Chatfield, and Lynette Martin had served together as claims agents at Keystone. For three weeks that year, the women met with depositors and delivered the terrible news for many that much of their savings had been lost. Hodge, who served as Claims Agent in Charge, recalled how

the news was received. "The townspeople were caught totally off guard," she said. "They had no idea that their bank was in trouble. Many of these people were uninsured. When we were working on the insurance determinations, we asked ourselves, 'Why are these people thinking that their accounts were insured separately?' The answer was that they had been misled and lied to by the bank's employees. When we talked to the people, they said, 'That's what the bank told me.' We had to give them the bad news and tell them that they probably would never recover their uninsured funds."

Many of the depositors who lived in Keystone—once a booming coal-mining town—were recipients of black lung compensation, and in some cases, the money constituted their entire savings. "It really tugged at our hearts," Hodge said. "It was so sad, especially when a depositor isn't a rate chaser. They're just banking at their local community bank."

Hodge, who served as Claims Agent in Charge, recalled how the news was received. "The townspeople were caught totally off guard," she said. "They had no idea that their bank was in trouble."

What struck Hodge, Chatfield, and Martin was the attitude of many of the depositors. "Nobody got angry," Hodge said. "Many were widows who



A group repainted the Keystone Water Tower—now a source of pride for local residents. On their return visit, from left: Lynette Martin, Diana Chatfield, and Lesylee Sullivan-Hodge.

had relied on black lung compensation for their retirement or their children's college tuition. Person after person told us, 'My life has always been hard.' Their dignity in the face of such catastrophic loss was almost incomprehensible. It really spoke to the character of the people of Keystone and to the hardships they had endured."

Former Counsel Chris Hencke, now retired, who was onsite at the bank, had dealt with black lung settlements before joining the FDIC. "Chris offered legal counsel on black lung claims, which was helpful," Hodge said.

The women were also moved by the level of poverty they observed and by

see Keystone, page 8, column 1

Tribute, from page 6

"It's been my pleasure to work with Bob on Call Report matters for a very long time. His intelligence is obvious, but what I will always admire and respect him for is his willingness to help, his work ethic, and, above all, his humility. Bob is an absolute credit to his family and the FDIC."

—Michael McPherson, Financial Analyst, DIR, Headquarters

"Bob's technical knowledge and recall of complex and rare accounting items is truly inspiring and remarkable. More personally, Bob has always been a role model for me with his knowledge and ability to synthesize complex accounting matters in understandable terms, which continues to motivate me to eventually get to his level."

—Bryan Jonasson, Senior Examination Specialist (Bank Accounting), RMS, Headquarters

LIFE OUTSIDE THE FDIC

Keystone, from page 7

the town's reliance on the bank for its economy. "When you drove down into the town, which is situated in a hollow, you saw dilapidated homes," Martin said. "When you reached the town, you realized that except for the bank, there was not much there. It was a Depression-era town that never really took off."

During their stay, Hodge, Chatfield, and Martin felt a strong connection to the Keystone community. In the years that followed, they remained in contact with a few of the families. "We exchanged Christmas cards. We also took up a collection for gym clothes and sent some coats," Hodge said.

Memories of Keystone still weighed heavily on the women's minds when Hodge and Martin flew from Arkansas and Ohio, respectively, to reunite with Chatfield in San Diego in May 2019. Chatfield reminded her friends that September marked the 20-year

anniversary of their time in Keystone. After some consideration, the women decided to make a return visit. "We had often remarked that we wanted to see how the town was faring," Chatfield said. "We especially wanted to know how the kids were doing."

On September 13, the women returned to Keystone. "It was definitely emotional," Martin said. "The town was more run down than I remembered, and a lot of buildings were boarded up."

On September 13, the women returned to Keystone. "It was definitely emotional," Martin said. "The town was more run down than I remembered, and a lot of buildings were boarded up. The bank building now housed City of Keystone offices, the police department, and a doctor's office."

Before the trip, the women had contacted a local reporter, Caity Coyne of

the *Charleston Gazette-Mail*, who met them on their arrival and introduced them to former Keystone Mayor Elwin Thomas. "We learned that the town's school had closed because it could not sustain enrollment," Chatfield said. "The school district had been consolidated, and the students are now bussed to Welch, a town about 20 minutes away."

"During our time at the closing, the team donated funds to enable the town's children to purchase clothes to wear during gym class," Hodge recalled. "For our return trip, we wanted to do something special again for the children, but internet searches did not list any youth charities in Keystone or the surrounding area. We collected \$500 and hoped to find a worthwhile charity to donate to while in town. Mr. Thomas, the former mayor, knew just the organization we could help and introduced us to Carlotta Young the founder of W.A.T.T. (We Are The Teachers). We learned that the opioid crisis had impacted the area and positive role models were sorely missing. The mission of W.A.T.T. is to provide opportunities for Keystone youth ages 5-12 to meet with former residents who overcame obstacles to achieve their goals. Our \$500 donation provided the seed money to fund the charity's start-up costs."

Looking back on the visit, Hodge said: "There are probably hundreds of small coal-mining towns scattered across Appalachia. What makes Keystone special? The people. Our presence rocked their world, not in a good way, but we were treated with respect. The townspeople will always hold a special place in our hearts." 🏠



Aerial view of Keystone.

ASSOCIATION OF FDIC ALUMNI

AFDICA Holds Third Annual Meeting at Virginia Square

By SALLY J. KEARNEY
Office of Communications

To get a sense of the mission of the Association of FDIC Alumni, Inc. (AFDICA), look no further than the organization's motto: "Fellowship, Education, Charity." These three broad categories represent the intent, focus, and activities of AFDICA, which was founded in 2016 and has since grown to an organization of 270 members. AFDICA members are made up of former FDIC or RTC employees.

For fellowship, AFDICA organizes social events around the country; for education, AFDICA members volunteer to teach the Money Smart curriculum; and for charity, AFDICA donates funds to college scholarships and matches donations that members make to their favorite charities.

AFDICA also has an important mission that relates to the FDIC. The association keeps a working list of members willing to return to the FDIC during a financial crisis or similar emergency situation.

AFDICA held its third annual meeting on October 28, 2019, at Virginia Square. AFDICA President Fred Selby opened by welcoming attendees and providing highlights of recent association activities. Since the association's last meeting, AFDICA has donated \$5,000 to the JumpStart coalition to fund four scholarships and has also do-

nated \$1,000 to the Army Scholarship Foundation. A key goal going forward is to increase membership, he said.

Deputy to the Chairman and Chief Operating Officer Arleas Upton Kea delivered remarks on behalf of Chairman Jelena McWilliams, who was unable to attend the meeting. "Congratulations on your third meeting," COO Kea said. "I am honored to represent our Chairman. She regrets not being able to be here. She wanted to thank you for your hard work in support of your organization."

COO Kea added that Chairman McWilliams has "a clear vision for the FDIC's role" and wants to make sure that the FDIC is "ready and relevant." Initiatives include the standing up the new FDIC Tech Lab whose focus is to help the FDIC adopt innovative and transformative technologies both internally and throughout the financial services sector.

COO Kea said that she is excited about the changes that will take the FDIC into the future. One thing that has not changed, however, is the dedication to the FDIC's mission. She paid tribute to AFDICA's community spirit and contributions. She also expressed support for the association's involvement with the Money Smart curriculum and members' willingness to share their wealth of knowledge and experience.

A panel of Deputies to the FDIC

Chairman included Arthur Murton, Deputy to the Chairman for Financial Stability; Bret Edwards, Deputy to the Chairman and Chief Financial Officer; and Chad Davis, Deputy to the Chairman for External Affairs. AFDICA Director at Large Gail Verley served as moderator.

Murton offered a summary of the FDIC's responsibilities under Title I and II of the Dodd-Frank Act. He described the development of a single-point-of-entry strategy in the event a large bank fails and the FDIC exercises its authorities under Title II. The FDIC has developed relationships with other jurisdictions, including the United Kingdom (UK) and the European Union (EU), with respect to the orderly liquidation of a large bank, he added. The EU has since created a single resolution board to resolve large firms.

Edwards reported on the Bank Insurance Fund, noting that it is "doing great" with a balance of \$104 billion. As of his reporting, there were 56 problem banks. The FDIC's budget has declined for nine years. Since being named CFO earlier this year, Edwards has conducted a listening tour to find out what employees like and dislike about the programs under the CFO. On innovation and technology, he noted that there has been significant improvement in the

see AFDICA, page 10, column 1



The third annual meeting of AFDICA drew a significant number of members from around the country.

ASSOCIATION OF FDIC ALUMNI

AFDICA, from page 9

way finance is practiced, not just in the finance sector but in government.

Davis described his responsibilities overseeing FDIC communications, legislative affairs, and the Ombudsman's Office. A key element of Chairman McWilliams's outreach is a 50-state listening tour, he said, noting that the Chairman has already reached the halfway mark. He also discussed agricultur-

al issues, bitcoin, and examiner surveys.

Other panels included a "Life After the FDIC" discussion, Business Updates, and an FDIC Roundtable with three division directors as panelists. New Board members were elected and inducted into office, and departing Board members were recognized. President Selby announced that the late FDIC Vice Chairman and Acting Chairman Andrew C. "Skip" Hove, Jr., is the second recipient of the AF-

DICA Life Long Achievement Award, which he had presented to Vice Chairman Hove's son Chris at an October 7 FDIC service of remembrance. Selby concluded the meeting with closing remarks.

New Board Members: Val Baker, Marybeth Bannon, Blake Clemens, Mike Hill, and Fred Selby.

Departing Board Members: Ed Butler, Leslie Crawford, Karen Gasset, and Sherry Whitaker. 🏠

FROM THE FIELD

Boston South Field Office Donates Lunches to Local Homeless Shelter

By IAN KRELL

FINANCIAL INSTITUTION EXAMINER
Boston South Field Office

Members of the Boston South Field Office recently teamed up to help fight the battle against hunger and homelessness in our community. On November 25, several examiners from the RMS and DCP Boston South staff assembled bag lunches for donation to a local homeless shelter. The staff solicited donations of lunch items to be included in 50 prepared lunches delivered to Father Bill's Mainspring located in Brockton, Massachusetts. The effort was a true reflection of the generosity and charitable spirit of the office staff. 🏠



Boston South staff members gather with prepared lunches before delivery to a local homeless shelter. From left: Eileen Smith, Kevin Clark, Erin Skillman, Bethany Manning (FOS), Brianne DiBiase, Madison Boette, Alex Meyers, Courtney Altenburger, Tom Golden, Jonathan Babineau, Jenny Casey, Ian Krell, and Deb Dean.

TRANSITION

John F. Vogel was named Deputy Director Operations and Chief of Staff in the Division of Risk Management Supervision (RMS). Vogel previously served as Regional Director for the New York Region. Replacing him as Regional Director is Frank R. Hughes, who previously served as Deputy Regional Director for the New York Region.

Vogel fills the vacancy created by the promotion of Maureen Sweeney earlier this year to Director of the Division of Resolutions and Receiverships (DRR). In his new position, Vogel provides leadership and direction for RMS's operations and executive office over-

sight, including examiner training, knowledge management, community bank technical assistance initiatives, community bank outreach, budgeting, financial management and reporting, strategic planning, personnel administration, internal controls, management information reporting systems, and technology services.

Vogel has nearly 30 years of service with the FDIC. Early in his career, he served as a Bank Examiner and Supervisory Examiner in offices throughout New England. From 2004 through 2006, he served as Special Assistant to former FDIC Board Member Thomas J. Curry

in Washington, D.C., and then returned to New England to serve as the Field Supervisor for the Southern New England Field Territory. In August 2009, he became an Assistant Regional Director in New York, subsequently served as Deputy Regional Director for Risk Management, and was named Regional Director in 2012.

He holds a Bachelor of Arts in Business Management from Keene State College in Keene, New Hampshire, and is a graduate of the Stonier Graduate School of Banking at Georgetown University in Washington, D.C. 🏠

Frank Hughes was selected as Regional Director for the New York Region. Most recently, Hughes served as Deputy Regional Director for the New York Region, a position he was appointed to in 2018 after serving as Assistant Regional Director for four years.

Hughes joined the FDIC in 1989 in the Baton Rouge, Louisiana, Field Office, where he served as a Bank Examiner. He subsequently served as a Team Leader, Case Manager, Supervisory Examiner, Senior Capital Markets and Securities Specialist, and Senior Examination Specialist in the FDIC's Kansas City Region.

Outside of the FDIC, Hughes has served as President and Board member of a community bank in Kansas City, Missouri, and as a Senior Examiner with the Federal Housing Finance Agency, where he was primarily assigned to the Federal Home Loan Bank of Topeka, Topeka, Kansas.

Hughes has a Bachelor of Science degree in Finance from Arizona State University, Tempe, Arizona; holds a Chartered Financial Analyst designation; and is a graduate of the Graduate School of Banking, University of Colorado, and the Executive Potential Program, Graduate School USA. 🏠



Frank Hughes

Claire Lam joined the FDIC in August 2019 as Chief of the Diversity and Business Inclusion Branch in the Office of Minority and Women Inclusion (OMWI).

In this position, Lam manages programs associated with the requirements of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. She leads a team to ensure the fair representation of minority- and women-owned businesses and small disadvantaged businesses in the FDIC's procurement of goods and services; to ensure that the FDIC's contractors are promoting the inclusion of minorities and women in their and their subcontractors' workforce; and to assess the diversity policies and practices of the

FDIC-regulated financial institutions. Lam's team also administers the FDIC's Minority and Women Outreach Program (MWOP).

Lam's federal sector experience spans 25 years with the Department of Defense, Department of State, the U.S. Forest Service, and most recently with the Office of the Comptroller of the Currency, where she led a broad range of Human Resources and Diversity and Inclusion programs.

When Lam is not advancing the diversity and inclusion agenda, she enjoys her other passion: exploring and experiencing unique cultures and foods from all around the world. She is also an amateur chef/baker and a loyal fan of her alma mater, the Virginia Polytechnic Institute



Claire Lam

& State University. 🏠

TRANSITION

Bill White recently joined the FDIC as Deputy Director and Chief Human Capital Officer in the Division of Administration (DOA) at Virginia Square.

Most recently, White was Chief Human Capital Officer for the Government Accountability Office (GAO), where he served as an executive champion for diversity and inclusion efforts and led hiring flexibility initiatives. While there, White implemented a Talent Management Advisory Committee composed of management officials across GAO to solicit input on the acquisition, retention, and development of talent, and to enhance strategic partnerships and management-client relationships between the Human Capital Office and GAO's mission teams.

On December 12, White was recognized with the Comptroller General's Award for 2019 for his outstanding contributions to the GAO. Comptroller General Gene Dodaro presented the award.

Before his GAO service, White spent 10 years with the Department of Homeland Security (DHS), where he focused on building organizational capacity and sustainability for headquarters and operational component entities. At DHS,

he handled complex human capital, financial, and organizational change management issues for several DHS offices in order to address serious systemic problems while simultaneously improving the day-to-day delivery of services to a diverse customer base.

Previously, White was tapped to provide agency-wide direction and leadership in setting up a comprehensive administrative program for the Federal Motor Carrier Safety Administration, a new agency established in the Department of Transportation. His achievements in succeeding with this mandate were recognized by then-DOT Secretary Norman Mineta, who presented White with the Secretary's Award for Team Excellence.

White also spent eight years in the communications and legislative affairs offices of the Equal Employment Opportunity Commission (EEOC), where he focused on developing aggressive coalition-building strategies with the White House, Congress, and advocacy groups to facilitate enhanced visibility and support for agency goals. He also served as the EEOC's Acting Senior Executive Service Director of Communications and Legislative Affairs on two



Bill White

occasions in the absence of a named political appointee.

White began his federal government career as a Policy and Planning Specialist with the National Endowment for the Arts (NEA), where he was recruited out of graduate school to develop and assess diverse, novel, and sensitive cultural policy options at a time when congressional pressure was being exerted to eliminate the NEA.

White holds a Master of Arts degree in Business Management and a Bachelor of Music degree in clarinet performance. ♣

MOVING ON

Name: Christine Rahn

Most recent position: Compliance Examiner

Division: DCP

Location: Tampa, Florida, Field Office

When and where joined the FDIC: September 2010, Philadelphia Field Office

Career highlights: Was able to travel

throughout much of the Eastern U.S.

Retirement date: December 31, 2019

Plans for retirement: Volunteer work at various organizations until grandchildren come along.

Comments and thoughts: Wish I had joined the FDIC earlier in my 40-plus years in the banking industry. ♣



Christine Rahn

MOVING ON

Name: Rich Thompson

Most recent position: Senior Examiner (IT)

Division: RMS

Location: Des Moines, Iowa, Field Office (but I could be most anywhere depending on the week).

When and where joined the FDIC: I started in the Kansas City Region at the Urbandale, Iowa, Field Office in January 1989.

Career highlights: I spent a significant part of my early career in examinations on either coast during the real estate downturn of the early '90s, serving in a variety of roles. I enjoyed my time as a capital markets expert and PC coordinator (in the distant past before Field Office Representatives—FORs—walked the earth) and have found that a well-rounded understanding of banking and the financial industry is critical in performing our jobs.

I've been involved in IT oversight in some fashion for most of my career, from \$10 million community banks to numerous Significant Service Providers, regional Technology Service Providers and payment providers, and payment networks. This involved numerous regional and national details,

including a stint authoring a Financial Institution Letter and another helping manage the region's Y2K efforts.

I have been involved in the creation, revision, and instruction of the Information Technology Examination Course and its predecessors for 20 years, as well as numerous IT outreach events. I've always enjoyed the challenge of taking subjects that can be intimidating and technical and making them understandable to the audience.

Retirement date: December 31, 2019

Plans for retirement: I started my family a little later in life, so I'm looking forward to spending time with my three teenage kids. I have a project list that's probably more than 20 pages long to keep me busy, and I look forward to being able to more actively participate in tasks for my church, school, and community. Having dealt with technology for the dominant portion of the last 20+ years, I'm hoping to unplug and go off the grid as much as possible. Somewhere down deep is still the kid that grew up on a farm and loved helping things grow and working with my hands.

Comments and thoughts: Despite the travel associated with my position and



Rich Thompson

having to deal with bureaucracy at times, the FDIC has been very good to me and to my family. I'll miss the people more than anything. I would encourage folks new to this line of work to always keep the big picture in focus and that everything needs to be considered in context. You don't need a sledge hammer to kill a bug, you can't boil the ocean, preventative maintenance pays dividends, and common sense (while it can confuse some people and get you in trouble) is a true ally. 🙏

Name: Jayne Perry

Most recent position: Legal Technician

Division: Legal Division

Location: Dallas Regional Office

When and where joined the FDIC: 1991 in the Atlanta Regional Office; transferred to Dallas in 1997

Career highlights: Working with a great group of people.

Retirement date: January 3, 2020

Plans for retirement: Work part-time as a Licensed Professional Counselor.

Comments and thoughts: I am looking forward to this next phase of life. 🙏



Jayne Perry

Name: Diana Hurtt

Most recent position: Administrative Assistant

Division: RMS

Location: Gainesville, Florida

When and where joined the FDIC: August 25, 2003, in my current position

Career highlights: Surviving the 2008 crash and the influx of employees as the timekeeper.

Retirement date: December 31, 2019

Plans for retirement: Start an internet business.

Comments and thoughts: I have loved working in this position. In my 50+ years, working the last 16 have been my favorite. Since Gainesville is a satellite office, I worked alone most of the time, but I have found this a peaceful environment. 🙏

IN MEMORIAM

Bettie J. Powers

Former Administrative Officer

Former Division of Insurance

Former FDIC Division of Insurance employee, Bettie J. Powers, died on July 21, 2019. She was 87.

Bettie was born on September 13, 1932, and raised on a farm in Hampton, Iowa, population 3,500. She made her way in the world at age 14 when she left home to work. In her early years, she was a waitress, airline ticket agent, film processor, and wallpaper hanger, among other occupations. Later, after complaining about the conditions in her apartment building, she was offered the position of resident manager, becoming D.C. developer Howard Polinger's right-hand person opening luxury apartment buildings in the D.C. area for another decade.

Bettie worked at the Montgomery County Office of Consumer Protection, followed by a stint advancing the accreditation of Maryland state prisons. Her first federal job was with the Federal Home Loan Bank Board in 1988, an agency that folded into the Office

of Thrift Supervision after the passage of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). Bettie joined the Resolution Trust Corporation (RTC) in the Office of Contract Management Oversight shortly thereafter. As RTC was winding down, she helped start up the new Division of Insurance at the FDIC and worked there until her retirement in 2002. During most of her years at the RTC and FDIC, she worked Saturdays and Sundays supporting seniors in an assisted-living facility.

As RTC was winding down, she helped start up the new Division of Insurance at the FDIC and worked there until her retirement in 2002.

Bettie was a friend to all people—from security guard, cafeteria worker, human resource officer, to Board Member. Bettie's system for acknowledging the birthday of every person she met was flawless. But her holiday cookie

baking efforts were truly legendary. She began acquiring supplies in mid-November and proceeded to deliver more than 200 baskets of homemade cookies to employees and contractors at FDIC Headquarters.

Bob Russell, former Deputy to the Vice Chairman, now retired, said: "Bettie always greeted me with a wonderful, warm smile."

Alan Deaton, Associate Director, Statistics, Division of Insurance and Research (DIR), shared his recollections. "Bettie was a close colleague who quickly became a close friend," he said. "As was her nature, Bettie went out of her way to help me out when I first moved to Washington, D.C., even helping me to find my first apartment. She had high expectations of herself and of others, and never failed to show gratitude for a kind gesture or a job well done."

Bettie had three children, two of whom predeceased her. She is survived by her son, John Powers, and her granddaughter Maribeth Powers. Countless friends cherish her kindness. 🏠