

THE IG FIRING THAT MAY MATTER: FHFA

Yesterday, Reuters reported that the Inspector General for FHFA, which oversees Fannie and Freddie, got fired by the White House yesterday.

The ouster of Joe Allen, FHFA's acting inspector general, follows the agency's director, Bill Pulte, becoming an outspoken voice in support of the Trump administration. Across the government, the Trump administration has so far fired or reassigned close to two dozen agency watchdogs, who police waste, fraud and abuse. It has also defunded the group that supervises those offices.

The report attracted little notice; Reuters even notes that this is just one among dozens of IG firings. But this firing may blow up sooner rather than later.

That's because Allen was preparing to share information with EDVA prosecutors.

Lindsey Halligan, the interim U.S. attorney for the Eastern District of Virginia who was hand-picked for the job by Trump, subsequently indicted James after her predecessor declined to do so, citing a lack of evidence.

Allen received notice of his termination from the White House after he made efforts to provide key information to prosecutors in that office, according to four sources. The information he turned

over was constitutionally required, two of them said, while a third described it as being potentially relevant in discovery.

His ouster also came about as he was preparing to send a letter to Congress notifying lawmakers that the FHFA was not cooperating with the inspector general's office, three of the sources said. These individuals said the FHFA director would typically have been notified of such a letter. Reuters was unable to independently determine whether Pulte was informed.

By the end of the day, the Loaner AUSA in the Letitia James case had submitted a letter stating they would not comply with Judge Jamar Walker's order, issued during the arraignment, that they turn over evidence on selective and vindictive prosecution.

A grand jury returned a two-count indictment against Defendant on October 9, 2025. Doc. 1. Defendant's Initial Appearance and Arraignment occurred on October 24, 2025. Doc. 24. At that hearing, the Court ordered Defendant to file her motion to dismiss based on vindictive/selective prosecution by November 7, 2025. Hear'g Tr., 23:18-20. It also indicated its expectation "that the discovery associated with this potential first motion needs to be frontloaded" Id. at 23:14-16. Consistent with this Court's instruction, the Government provided newspaper articles to Defendant's counsel. Defendant's counsel also indicated that he intends to request substantial discovery from the Government.

The Government provides notice of its intent not to provide vindictive/selective prosecution-related

discovery prior to Defendant's motion because the law does not "allow[] a defendant to have discovery on the government's prosecutorial decisions [until] the defendant . . . overcome[s] a significant barrier by advancing objective evidence tending to show the existence of prosecutorial misconduct. The standard is a 'rigorous' one." Wilson, 262 F.3d at 315 (quoting Armstrong, 517 U.S. at 468). Until Defendant meets her threshold requirements, the Court's instruction to produce any vindictive/selective prosecution-related discovery is premature.

The letter specifically describes that Rule 16 discovery does not include internal government reports made by government agents in connection with the case – something that would be covered by any review that FHFA's IG did of this and other Bill Pulte referrals.

FED. R. CRIM. P. 16(a)(2) underscores the limitation to "defense" as it "exempts from defense inspection 'reports, memoranda, or other internal government documents made by the attorney for the government or other government agents in connection with the investigation or prosecution of the case.'"

The filing is not dissimilar from a letter prosecutors sent in the LaMonica McIver case, telling *McIver's attorneys* they would not abide by Judge Jamal Semper's August 26 order to meet and confer about selective and vindictive evidence.

The Government has reviewed your letter of September 3, 2025 detailing the specific discovery requests sought in conjunction with your client's motion to dismiss based on selective prosecution

and enforcement, and vindictive prosecution. As we discussed during our Zoom call yesterday, we believe that the discovery sought in your September 3rd letter is not covered by Rule 16. Discovery in support of selective prosecution and selective enforcement claims is not provided as a matter of right, and we do not believe your client has satisfied the applicable threshold evidentiary showings required by *Amstrong/Bass* and *Washington* to compel discovery. We therefore believe that Judge Semper should first rule on your client's motion for discovery, which we will oppose, and we will revisit the discovery demands outlined in your letter should the Court grant her request.

And while Semper ruled that prosecutors have to provide McIver the communications from Delaney Hall to her, they otherwise appear to have gotten away with this stance.

But two things may lead to a different outcome here.

First, by firing Allen, the White House has made the firing itself an issue, not unlike the Erez Reuveni firing did in the Kilmar Abrego case. At the very least, this news report will add to the bases to claim vindictive prosecution.

But also because Attorney General James shares an attorney, Abbe Lowell, with Lisa Cook. No one has charged Lisa Cook yet – maybe they never will; but nevertheless she has a date at the Supreme Court in January. And that may have the effect of putting several issues before the Court at once (the lawsuit by a bunch of Inspectors General fired at the beginning of Trump's term is stayed pending all these other cases).

None of that's to say that SCOTUS will reverse course on letting presidents (or at least this

one) fire everyone put in place to exercise some oversight.