

financialservices.house.gov

Rep Cmte Financial Services

Contact:

Committee Opens Investigation of Wells Fargo

Washington, Sep 16 -

WASHINGTON -- Financial Services Committee Chairman Jeb Hensarling (R-TX) said today the committee has launched an investigation into alleged fraud that led to the opening of unauthorized customer accounts at Wells Fargo and the role of Washington regulators in monitoring and investigating this activity.

As part of its investigation, the committee will be calling John Stumpf, the company's Chairman and CEO, to testify at a hearing later this month. In addition, the committee is requesting that Wells Fargo and regulators provide internal documents relating to the discovery and timing of these practices, and is asking company officials to appear for transcribed interviews. Chairman Hensarling said the committee will consider further actions, including subpoenas, as warranted.

In letters sent today to the heads of the Bureau of Consumer Financial Protection and the Office of the Comptroller of the Currency (OCC), the committee said it is requesting all records related to the allegations of fraudulent or improper activity by Wells Fargo employees, as well as any documents or communications between the Bureau and OCC employees in the course of their review of the bank's sales practices.

The committee sent a separate letter today to James Strother, the Senior Executive Vice President and General Counsel of Wells Fargo, requesting "all records relating to the questionable sales practices" that the bank produced or made available to the OCC, the Los Angeles City Attorney's office, or the Bureau. In addition, the committee asked that corporate officers be made available for transcribed interviews.

Below is the text of the letters sent by Chairman Hensarling:

September 16, 2016

James M. Strother
Senior Executive Vice President, General Counsel
Wells Fargo & Company
420 Montgomery Street
San Francisco, CA 94163

Dear Mr. Strother:

On September 8, 2016, Wells Fargo & Company (Wells Fargo) reached agreements with the Office of the Comptroller of the Currency (OCC), the Office of the Los Angeles City Attorney (LACA), and the Consumer Financial Protection Bureau (CFPB), regarding allegations that Wells Fargo enrolled and charged certain retail customers for products and services not authorized by the customers.

The Committee is very concerned by these serious allegations and is investigating Wells Fargo's questionable sales practices and corresponding agreements with federal regulators in order to evaluate the application, administration, execution, and effectiveness of Federal laws. Accordingly, to allow the Committee to carry out its oversight responsibilities under the House Rules, the Committee requests all records relating to the questionable sales practices that Wells Fargo produced or made available to the OCC, LACA or the Bureau. Please produce all responsive records by not later than September 23, 2016.

Additionally, please make available the following corporate officers for transcribed interviews with Committee staff during the month of September:

1. John Shrewsberry, Senior Executive Vice President and Chief Financial Officer;
2. Timothy Sloan, President and Chief Operating Officer;
3. Michael Loughlin, Senior Executive Vice President and Chief Risk Officer; and
4. Carrie Tolstedt, Senior Executive Vice President for Community Banking.

Please promptly contact the Committee to schedule dates for these interviews.

Sincerely,

Jeb Hensarling
Chairman

cc: The Honorable Maxine Waters, Ranking Member

September 16, 2016

The Honorable Richard Cordray
Director
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, D.C. 20552

Dear Director Cordray:

Last week, the Consumer Financial Protection Bureau (Bureau) levied a \$100 million civil penalty against Wells Fargo Bank, N.A. (Wells Fargo) “for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.” According to the Bureau’s Consent Order, Wells Fargo employees opened 1,534,280 potentially unauthorized accounts that resulted in the imposition of fees in excess of \$2 million on unsuspecting consumers. It has since been reported that these actions have been attributed to aggressive “cross-selling,” mostly in Wells Fargo’s Community Banking division, where over 5,000 employees have been fired, and that allegations of this misconduct first surfaced as early as 2011, and were “widely revealed in 2013.”

The Committee is very concerned by these serious allegations and is investigating Wells Fargo’s sales practices and corresponding agreements with the Bureau and the Office of the Comptroller of the Currency to evaluate the application, administration, execution, and effectiveness of Federal laws. Accordingly, to allow the Committee to carry out its oversight responsibilities under the House Rules, please produce the following records by not later than Friday, September 23, 2016:

- (1) All records relating to aforementioned allegations of fraudulent or improper activity by Wells Fargo and/or its officers, employees, or directors;
- (2) Any documents or communications including, but not limited to, e-mails, between CFPB and Wells Fargo employees, officers, and/or directors, in the course of the CFPB’s review of Wells Fargo’s sales practices; and
- (3) Any documents detailing supervisory policies and procedures of the CFPB that were in force while Wells Fargo was initially alleged to have engaged in the fraudulent or improper activity in 2011, which were designed to detect such fraudulent or improper activity from occurring.

Sincerely,

Jeb Hensarling
Chairman

cc: The Honorable Maxine Waters, Ranking Member

September 16, 2016

The Honorable Thomas J. Curry
Comptroller of the Currency
400 7th Street, SW
Washington, D.C. 20219

Dear Comptroller Curry:

Last week, the Office of the Comptroller of the Currency (OCC) levied a \$35 million civil penalty against Wells Fargo Bank, N.A. (Wells Fargo), for unsafe and unsound sales practices, including “the unauthorized opening of deposit or credit card accounts and the transfer of funds from authorized existing accounts to unauthorized accounts.” The Consumer Financial Protection Bureau (Bureau) reported that Wells Fargo employees opened 1,534,280 potentially unauthorized accounts that resulted in the imposition of fees in excess of \$2 million on unsuspecting consumers. It has since been reported that these actions have been attributed to aggressive “cross-selling” by employees mostly in Wells Fargo’s Community Banking division, where over 5,000 employees have been fired, and that allegations of this misconduct first surfaced at least as early as 2011, and were “widely revealed in 2013.”

The Committee is very concerned by these serious allegations and is investigating Wells Fargo’s sales practices and corresponding agreements with the OCC and the Bureau to evaluate the application, administration, execution, and effectiveness of Federal laws. Accordingly, to allow the Committee to carry out its oversight responsibilities under the House Rules, please produce the following records by not later than Friday, September 23, 2016:

- (1) All records relating to aforementioned allegations of fraudulent or improper activity by Wells Fargo and/or its officers, employees, or directors;
- (2) Any documents or communications including, but not limited to, e-mails, between OCC and Wells Fargo employees, officers, and/or directors, in the course of the OCC’s review of Wells Fargo’s sales practices; and
- (3) Any documents detailing supervisory policies and procedures of the OCC that were in force while Wells Fargo was initially alleged to have engaged in the fraudulent or improper activity in 2011, which were designed to detect such fraudulent or improper activity from occurring.

Sincerely,

Jeb Hensarling
Chairman

cc: The Honorable Maxine Waters, Ranking Member

###