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Following Revelations About Fraud at Wells Fargo, Sen. Warren Writes to Fed Chair: Don't Remove Growth Cap Until Tim Sloan is Fired

On now-CEO Tim Sloan's watch, the Wells Fargo Wholesale Bank broke money laundering laws and then forged signatures, falsified documents to fake compliance with OCC-ordered fixes.

[Text of the Letter \(PDF\)](#)

Washington, DC - Today, United States Senator Elizabeth Warren (D-Mass.) wrote to Federal Reserve Chairman Jerome Powell once again urging him not to lift growth cap restrictions on Wells Fargo until Tim Sloan is removed from his role as CEO.

Her letter comes in the wake of a deeply troubling [new report](#) in Capitol Forum that reveals that, beginning in 2016, employees in the Wholesale Banking division of Wells Fargo "routinely falsified clients' signatures and otherwise doctored paperwork" in order to comply with a legal settlement with the Office of the Comptroller of the Currency (OCC) related to violations of anti-money laundering laws.

Sloan led the Wholesale Bank during the money laundering violations that were the subject of the OCC settlement. The new report reveals that he was also in charge

while documents were doctored by the bank to falsely represent that it was complying with the terms of that settlement.

In February 2018, the Federal Reserve Board of Governors imposed a growth restriction as part of a consent order that requires Wells Fargo to maintain total consolidated assets below the level it reported at the end of 2017. The settlement requires Wells Fargo to "ensure senior management 's ongoing effectiveness in managing the Firm 's activities and related risks and promoting strong risk management across the Firm" as a condition for the Fed to lift the growth cap.

Based on this new evidence that Sloan not only presided over the Wholesale Bank while it got caught breaking money laundering laws, but also had its employees doctor paperwork to cheat on the terms of its settlement with the OCC, Senator Warren renewed her call to the Fed to require that the Wells Fargo board dismiss Sloan before lifting the growth cap on the bank. Sloan's abysmal leadership at the Wholesale Bank makes it impossible for the board to trust his ability to manage the bank's "activities and related risks."

Senator Warren first [called](#) on the Fed to require that Sloan be fired in October 2018, arguing that Sloan's long tenure in senior positions at Wells Fargo during a string of illegal activities made him unable to fulfill the terms of the settlement.

In today's letter, she wrote, "This latest report of Wells Fargo misconduct, if true, provides evidence the bank, under Mr. Sloan's leadership, failed to comply with anti-money laundering laws and then falsified documents to cover up non-compliance with a government order when the company got caught...The Federal Reserve should take no action to remove the growth cap until Wells Fargo replaces Mr. Sloan as CEO."

Senator Warren has led the charge to hold Wells Fargo senior management accountable since the fake-accounts scandal came to light, and has called for stronger consumer protections:

- On September 20, 2016, Senator Warren [called on former Wells Fargo CEO and Chairman John Stumpf to resign for his role](#) in the fake accounts scandal. Mr. Stumpf resigned on October 12, 2016.
- On June 19, 2017, Senator Warren [sent a letter](#) to then-Fed Chair Janet Yellen urging her to remove 12 Wells Fargo board members following the fake accounts scandal.
- At a Senate Banking Committee hearing on July 13, 2017, Senator Warren [again called on](#) Chair Yellen to remove implicated Wells Fargo board members.
- Later in July 2017, Senator Warren [renewed her call](#) for the Fed to remove Wells Fargo board members after it was reported that more than 800,000 Wells Fargo customers were charged for auto insurance they did not need.
- On August 16, 2017, Senator Warren [again called for the removal of Wells Fargo board members](#) amid new evidence that the bank failed to refund money owed to car loan customers, that it overcharged small businesses for credit card transactions, and that it billed certain mortgage customers for unexpected, optional services.
- On February 2, 2018, Chair Yellen [announced in response to Senator Warren](#) that the Fed would freeze the growth of Wells Fargo and push out four of the board members responsible.
- During a March 1, 2018 Senate Banking Committee hearing, Senator Warren [urged Fed Chair Jerome Powell](#) to hold a public vote by the Federal Reserve Board on lifting growth restrictions for Wells Fargo instead of delegating it to staff. She also asked for the public release of the third-party review of how Wells Fargo is implementing reforms. Senator Warren followed up in April and again [pressed](#) Chair Powell to change course.
- In a [response](#) to Senator Warren on May 10, 2018, Chair Powell reconsidered and announced he would require a Fed Board vote on whether to lift Wells

Fargo's growth restrictions. He also said he would consider releasing as much of the third-party review as possible.

- On January 17, 2019, Senator Warren [questioned](#) Tim Sloan on excessively high fees Wells Fargo charged college students.

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