



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## Statement from California Treasurer John Chiang on Wells Fargo Board of Directors Changes

**SACRAMENTO** – “I am encouraged by these latest steps taken by Wells Fargo and hope they will prove helpful in beginning to put the wheels back on the bank’s trademark stagecoach.”

“For months I have been calling for a total reboot of this California-based bank with its storied history reaching back to the Gold Rush. Today, at last, we may be seeing that occurring. In April, I called for the ouster of seven members of the bank’s board of directors – John D. Baker, Lloyd H. Dean, Enrique Hernandez, Cynthia Milligan, Frederico Pena, Stephen W. Sanger and Susan G. Swenson.

“Wells Fargo has announced that three of those members – Milligan, Sanger and Swenson -- will be gone in December.

“But it is not enough.

“The seven directors, five of whom served on its corporate responsibility committee, are the people ultimately responsible for the bank’s assets, culture, and behavior. Yet they were MIA as a parade of scandals formed on their watch. They must be held accountable for allowing greed to time and again trump integrity and for failing to protect their customers and the banking public.

“Therefore, I am renewing my call for the additional directors to leave, or be replaced. The still growing list of wrongs perpetrated by the bank against consumers exposed since 2016 include:

- The bank pursued a sales quota scheme that resulted in the opening of 3.5 million phony accounts in the names of customers. In July it was revealed the practice may have begun as long as a decade ago.
- The bank attempted to block customers from filing lawsuits over the phony accounts, forcing them instead into arbitration citing terms of agreements they signed with the bank when they opened their actual accounts.
- Also in July, news broke that as many as 800,000 consumers were forced by the bank to buy “lender-placed” car insurance they did not need, tipping a quarter of a million

Wells Fargo customers into delinquency and triggering 25,000 wrongful vehicle repossessions.

- In August, a new and different auto insurance fraud scandal broke in which the bank is being accused of failing to make refunds to consumers who paid off their loans early.
- Only a week ago Wells Fargo agreed to pay \$108 million to settle a lawsuit that claimed it overcharged veterans under a federal mortgage refinancing program.
- A federal judge in San Francisco recently refused to throw out a lawsuit accusing Wells Fargo of denying loans to immigrants who came to the United States as children and who have been allowed to stay here.

“The record now shows that as the light of public scrutiny has grown brighter and brighter, new scandals have scurried out of the dark corners of Wells Fargo’s culture of callousness toward customers.

“Until that culture is changed I will continue to call for more to be done.”

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