

Monday, March 9, 2020

The Honorable Maxine Waters
Chairwoman
House Committee on Financial Services
2129 Rayburn House Office Building
Washington DC 20515

The Honorable Patrick McHenry
Ranking Member
House Committee on Financial Services
2129 Rayburn House Office Building
Washington DC 20515

Re: Committee Hearing with Wells Fargo Board Should Include Sec. Elaine Chao

Dear Chairwoman Waters and Ranking Member McHenry:

In just days, the House Committee on Financial Services will be holding a hearing to examine the role Wells Fargo's Board of Directors played in the bank's systematic consumer abuse. We applaud the endeavor and hope that it finally leads to accountability for some of those directly involved. To that end, we hope that you will consider expanding the focus of the hearing beyond the post-scandal compliance issues of 2017-19 to include those who served on the Board while the bank committed large scale fraud against its customers.

From fake accounts¹ and mistaken foreclosures² to overcharging veterans³ and defrauding auto-loan borrowers⁴, Wells Fargo took advantage of millions of Americans who trusted it with their futures. And how did the Trump administration respond? They rewarded the bank with a massive tax cut of nearly \$4 billion⁵. They fined it only \$3 billion⁶ – an amount paid by shareholders, not the bank's executives who have also escaped criminal charges.

The Trump administration further rewarded Wells Fargo by appointing one of its most high profile board members as Secretary of Transportation. Elaine Chao served on⁷ the bank's board at the time of the scandal, and despite her failure to properly oversee the bank's operations, she continues to receive stock payments long after joining the President's cabinet.

As a member of the board from 2011 to 2017⁸, Chao raked in more than \$2 million⁹ while overseeing Wells Fargo's ethics and fair corporate practices and even sat on the bank's Corporate Responsibility and Credit and Finance committees¹⁰ — all while it defrauded millions of customers.

¹ Reuters, Wells Fargo to pay \$3 billion to U.S., admits pressuring workers in fake-accounts scandal, [2/21/20](#)

² Reuters, Homeowners sue Wells Fargo over glitch that led to foreclosures, [2/19/19](#)

³ Reuters, Wells Fargo to pay U.S. \$108 million over veterans' loans, [8/4/17](#)

⁴ Reuters, Wells Fargo will pay customers \$386 million over unwanted auto insurance, [6/7/19](#)

⁵ Washington Post, With its 2018 tax cut, Wells Fargo could pay its \$1 billion fine 3 times and still have cash to spare, [4/20/18](#)

⁶ Reuters, Wells Fargo to pay \$3 billion to U.S., admits pressuring workers in fake-accounts scandal, [2/21/20](#)

⁷ LA Times, Wells Fargo reaches \$240-million settlement in accounts-scandal lawsuits, [3/1/19](#)

⁸ Wells Fargo, 2017 Proxy Statement, [3/15/17](#)

⁹ Wells Fargo - Securities and Exchange Commission, [2017](#); Wells Fargo - Securities and Exchange Commission, [2016](#); Wells Fargo - Securities and Exchange Commission, [2015](#); Wells Fargo - Securities and Exchange Commission, [2014](#); Wells Fargo - Securities and Exchange Commission, [2013](#); Wells Fargo - Securities and Exchange Commission, [2012](#)

¹⁰ Wells Fargo, Annual Report, [2011](#)

Secretary Chao may have left the Wells Fargo boardroom for Trump's Oval Office, but millions of Americans are still trying to put their lives back together years after the bank's abuse was first uncovered.

It is for these reasons that we call on the House Committee on Financial Services to expand the focus of its hearing "examining the role of the Board of Directors in [Wells Fargo's] egregious pattern of consumer abuses" ¹¹ and to specifically call Secretary Chao as a witness.

Respectfully,

Kyle Herrig
Accountable.US

¹¹ U.S. House Committee on Financial Services - Hearings - "Holding Wells Fargo Accountable", [3/11/20](#)