

# Corporate Criminal WELLS FARGO

One year after taxpayers poured billions of dollars into banks that were “too big to fail,” the Bailout Bandits have run away with our money. The banks are on a corporate crime spree giving outrageous bonuses, foreclosing on people’s homes, gouging consumers and spending millions to lobby against any new laws to hold them accountable.

## PROFILE:

- Chairman : Richard Kovacevich, compensation: \$26.6 million
- Cash bonuses (top 5 execs) last 10 years: \$254.9 million
- Amount Received in Taxpayer bailouts: \$25.0 billion



## Crimes against workers:

- Wells Fargo CEO John Stumpf sits on the board of directors and executive committee of the Financial Services Roundtable, which lobbied against the Employee Free Choice Act in every quarter of 2008.
- Wells Fargo has refused to extend credit to viable companies while they struggle through dips in orders due to the slow economy, causing hundreds of workers to face layoffs.

## Crimes against homeowners:

- The NAACP brought a lawsuit against Wells Fargo and HSBC in March 2009, alleging “systemic, institutionalized racism” in their subprime lending. According to the lawsuit, the banks gave subprime rates to African-American borrowers even though they qualified for better rates.
- Wells Fargo has been convicted in several states, and is being investigated by the Justice Department, for charging undue fees and for sending misleading and inaccurate account statements.

## Crimes against consumers:

- In 2006, the last year before the subprime bubble started to burst, Wells originated or co-issued \$74.2 billion worth of subprime loans, making it one of the top subprime lenders in the country.
- As recently as September 2008, Wells still held \$48 billion worth of subprime mortgages in its servicing portfolio, making it the nation’s sixth largest subprime servicer.

## Crimes against taxpayers:

- Amidst popular outcry, Wells was forced to cancel a Las Vegas junket in February that included 12 nights at the expensive Wynn and Encore Las Vegas for its top mortgage officers.
- Wells Fargo spent \$690,000 on lobbying in the 4th quarter of 2008, including on the Mortgage Reform and Anti-Predatory Lending Act (H.R. 3915), the Foreclosure Prevention Act (S. 2636), the Consumer Overdraft Protection Fair Practices Act (H.R. 946), the Credit Card Fair Fee Act (H.R. 5546), and legislation that would let judges modify mortgages to help homeowners avoid foreclosure (H.R. 3609).
- Wells Fargo’s John Stumpf was the only CEO of a leading bank who had not voluntarily agreed to forgo his 2008 bonus before the February 11<sup>th</sup>, TARP CEO Congressional hearing. His compensation for 2008 was valued at \$13.8 million.

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