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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

December 22, 2016

Board of Directors

c/o Stephen W. Sanger, Chairman
Wells Fargo & Company
420 Montgomery St.
San Francisco, CA 94104

Dear Board of Directors:

We write to submit requests to you, as Wells Fargo's Board of Directors, for documents and information that we requested from Wells Fargo's then-CEO and Chairman Mr. John Stumpf, and that Wells Fargo has failed to provide to us. As you know, continued failure to answer questions – especially basic questions – about the causes and consequences of the fraud that Wells Fargo permitted for many years does nothing to restore the trust of Wells Fargo's customers and shareholders, many of whom are our constituents.

Mr. Stumpf and Wells Fargo management have avoided answering central questions relating to the fraud in the three months since the Consumer Financial Protection Bureau, the Office of the Comptroller of the Currency, and the Los Angeles City Attorney announced their settlement with Wells Fargo on September 8, 2016. On September 20, Mr. Stumpf testified before the Senate Banking Committee, failing to answer many questions about Wells Fargo's business practices and basic details as to senior management and Board awareness about the widespread opening of unauthorized accounts for Wells Fargo customers and the termination of thousands of employees. On September 29, Mr. Stumpf testified before the House Financial Services Committee, again failing to answer many questions.

As you all may be aware, on September 28, all 10 Democratic members of the Senate Banking Committee submitted to Wells Fargo questions that were not answered by Mr. Stumpf and questions related to issues discussed at the hearing. Wells Fargo responded on November 15, again failing to answer many questions in whole or in part, often citing the ongoing internal independent investigation that you launched on September 27.¹ CEO Tim Sloan's remark on CNBC on October 12 – that “[Wells Fargo] felt like there was more answers that [Wells Fargo] could have provided” during the Senate and House hearings – makes the Company's slow and incomplete responses to our requests all the more frustrating.²

Since senior management is unwilling to provide us the information we requested pertaining to the unauthorized accounts and terminations of employees, we are requesting information that specifically relates to the Board's conduct, decisions, and documents in these matters. Below are questions about the independent investigation that you are leading, as well as the questions that Wells Fargo did not respond to that we believe you are equipped to answer. We ask that you provide complete responses to the following questions:

¹ https://www.wellsfargo.com/about/press/2016/independent-directors-investigation_0927/.

² <http://www.cnbc.com/2016/10/12/cnbc-exclusive-cnbc-transcript-new-wells-fargo-ceo-tim-sloan-speaks-with-cnbc-wilfred-frost-on-fast-money-tonight.html>.

1. Please identify the members of the Special Committee of Independent Directors who are leading the independent investigation. Please provide the criteria used to select them.
2. Please describe the reason(s) why the Board did not launch an independent investigation earlier into the Company's retail banking sales practices and related matters.
3. Please describe the investigation's scope (including the time period, the document custodians, and matters covered) and the rationale for the scope.
4. Please explain how you will provide us, your customers, your shareholders, and the American public with sufficient transparency into and details of the independent investigation so that we can all be confident in the integrity and thoroughness of the process.
5. Please describe the involvement the Board, or some of its members, had in preparing or reviewing the Wells Fargo responses dated November 15, 2016 before they were submitted to the Senate Banking Committee. If you had no involvement, please state so.
6. In the response to the Democrats' question "Are you confident that this type of fraudulent activity does not exist in other Wells business lines?" Wells Fargo said, "We believe that the activity at issue here was limited to certain team members within the Community Banking Division." We now know that is not accurate, and that fraudulent insurance policies were written for Wells Fargo customers.³ When did you become aware that these activities were not limited to deposit and credit card accounts, and is the independent investigation looking into this issue across products and business lines at Wells Fargo?
7. At the hearing, Mr. Stumpf stated that he did not learn of the systemic fraud occurring at Wells Fargo until late 2013, after interventions at lower levels of the company had failed to stem the creation of fraudulent accounts. Please provide a detailed timeline, from 2007 to present, of when the Board, or members of the Board, learned about the illegal practices occurring at Wells Fargo, what the Board or Board members discussed (and with whom), and what actions the Board, Board Committees, or Board members took to understand and address the problem. Please also provide a list of the members in attendance at each of these meetings.
8. Please provide the committee with all Board minutes, emails, and materials related to these activities provided to members of the Compensation, Risk, and Audit and Exam Committees, as well as the full Board, for all meetings for the period 2007 to the present. This includes but not limited to any reports prepared by consultants related to these matters, (e.g. PwC, Accenture, and Skadden studies), and documents related to compliance, bank secrecy /anti-money laundering, audit or human resources functions.
9. Please provide the date on which Wells Fargo disclosed the unacceptable sales practices to investors and a description of the disclosure (e.g., SEC filing).

³ <http://mobile.nytimes.com/2016/12/09/business/dealbook/wells-fargo-accusations-sham-insurance-policies.html?smprod=nytcore-iphone&smid=nytcore-iphone-share&referer>

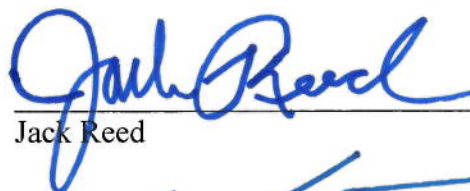
10. To the extent applicable, please provide the date on which Wells Fargo's auditors raised the unacceptable sales practices (or a related issue) with a Board member.

We believe answers to these questions are necessary for us to fully evaluate the events and practices that occurred causing millions of Wells Fargo customers to question the trustworthiness of Wells Fargo. In our view, waiting until spring 2017 to provide more documents and information to our questions is not diligence.⁴ Please respond to our request by Friday, January 6, 2017. We believe your cooperation is in the interest of your customers and shareholders. Thank you for your cooperation.

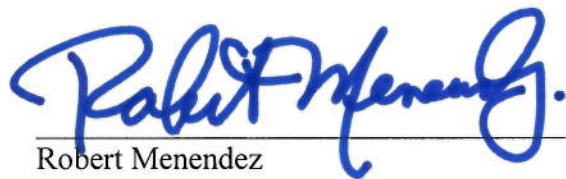
Sincerely,



Sherrod Brown



Jack Reed



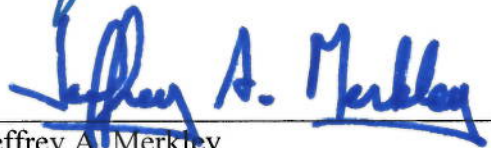
Robert Menendez



Jon Tester



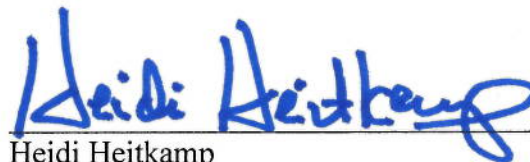
Mark Warner



Jeffrey A. Merkley



Elizabeth Warren



Heidi Heitkamp



Joe Donnelly

cc:

John D. Baker II
Elaine L. Chao
Lloyd H. Dean
Elizabeth A. Duke
Susan E. Engel
Enrique Hernandez, Jr.

Donald M. James
Cynthia H. Milligan
Frederico F. Peña
James H. Quigley
Susan G. Swenson
Suzanne M. Vautrinot

⁴ <http://money.cnn.com/2016/11/21/investing/wells-fargo-independent-board-review-spring/index.html>