Did Wells Fargo Bank Commit Identity Theft? California AG Wants to Know!

October 20, 2016 - If you have been watching or reading any financial news over the last few weeks, there's a pretty good chance that you know about the trouble at Wells Fargo Bank. The lender has been under a lot of pressure from states and congress over a scheme dreamed up by the bank to open new accounts for existing customers without their permission. Those accounts then generated millions of dollars in fees that were paid to the bank. The bank ended up firing 5,000 employees who participated in the scheme and last week the bank's CEO resigned. Now the California Attorney General wants to know if the bank violated state laws regarding identity theft.

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California's investigation could lead to prosecution on bank employees who participated in the scheme. Identity theft occurs when someone steals your personally identifiable information and uses for purposes such as establishing credit, opening bank accounts or making purchases without your permission. There is absolutely no doubt at this point that customers of Wells Fargo had their information used to establish new lines of credit and to open bank accounts. Furthermore, the bank has already acknowledged that this was done without the permission or knowledge of its customers. I'm not an attorney but that sounds like theft to me.

From what we know of the scheme, management at Wells Fargo placed inordinate pressure on branch bank employees to increase revenues well beyond normal growth numbers. Those lower level employees are the ones that were actually responsible for creating new accounts without client permission. It is widely believed that bank middle and executive management was well aware of what was going on.

If the AG's investigation produces concrete results, many of those involved in the scheme could be facing fines and criminal prosecution. On October 5th, the bank was served with a search warrant for documents and computer records

relating to the investigation. Wells Fargo has announced that they are cooperating but will not issue further comment.
byJim Malmberg
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