

Wells Fargo: Senator Warren Says Wells Fargo CEO Must Go in Light of *Capitol Forum* Report

The Federal Reserve should not allow Wells Fargo (WFC) to grow its balance sheet until CEO Tim Sloan is replaced, Senator Elizabeth Warren said on Friday, citing a new [report](#) of abuse from *The Capitol Forum*.

“This recent report provides more evidence that Wells Fargo is fundamentally broken, and there is no evidence whatsoever that these problems can be fixed under Mr. Sloan’s watch,” the Massachusetts Democrat [wrote](#) to Fed Chairman Jay Powell.

Last week, *The Capitol Forum* reported that Wells Fargo employees routinely would fill in the clients’ signatures and would otherwise doctor paperwork in order to satisfy anti-money laundering rules.

Employees filled in signatures themselves rather than burden clients from 2016 through at least early 2018, sources said.

Signatures were often doctored for small business owners that are served by the Wholesale Banking division—a unit that Sloan ran until October 2016 when the problem of phony signatures had begun.

Sloan is so closely tied to operations in the Wholesale Banking division that he must be replaced before the Fed allows Wells Fargo to grow again, Warren wrote.

The Capitol Forum report “provides further evidence that the Wells Fargo Board of Directors cannot comply with this requirement as long as Mr. Sloan serves as President and CEO,” Warren wrote.

Wells Fargo now has more than 400 workers analyzing hundreds of thousands of client files to detect bogus signatures and that effort will likely continue for most of the year, the sources said.

The doctored forms, known as Beneficial Ownership Certification (BOC), are a tool for investigators to detect terrorist financing.

The Justice Department, Securities and Exchange Commission and the Wells Fargo’s primary regulator, the Comptroller of the Currency, are investigating.

Wells Fargo last week declined to discuss how the bank is trying to detect phony signatures. In a prepared statement, the bank said “We take all issues relative to documentation very seriously.”

The Federal Reserve last year banned Wells Fargo from growing its business as punishment for past customer abuses, and Fed officials are closely monitoring the investigations. Wells Fargo won’t be allowed to grow its balance sheet until the bank proves it can detect and quickly resolve future scandals, the Fed has said.