

## Wells Fargo: Bank Faced Extensive Anti-Money Laundering Compliance Issues as Fake Signature Problem Emerged

A Wells Fargo (WFC) [slide deck](#) sent to branch managers from the bank's compliance team in early February 2018 provides a glimpse into how Wells Fargo struggled to satisfy anti-money laundering controls even before a bigger problem came to light—that compliance paperwork wasn't just sloppy, but often tainted with faked customer signatures.

In February 2018, the bank had already been working for two years to build a reliable library of Beneficial Ownership Certificates (BOCs)—paperwork required of all small businesses that allows regulators to monitor possible money laundering and terrorist financing.

That work was supposed to be completed by May 2018, but Wells Fargo told branch managers that the bank was behind schedule and had found errors as it hurried to meet the deadline.

Wells Fargo employees commonly listed themselves as the owner of the company due to some confusing language on the BOC form. In other instances, the BOC forms did not include the legal name of the company. Often, the forms were not signed by the business owners.

By February 2018, Wells Fargo had been searching for faulty BOCs for about 12 months without notifying customers, according to the slide deck. The bank planned to reach out to customers and get corrected BOCs in the weeks before the May deadline. Customer accounts that did not include a valid BOC would be closed.

*The Capitol Forum* has [reported](#) that bank employees faked client signatures in a misguided attempt to satisfy BOC rules. Wells Fargo learned of the fake signature problem around the same time the compliance team sent the February 2018 slide deck.

The bank's Wholesale Division serves small business clients and Tim Sloan, Wells Fargo's CEO, led the unit when regulators [faulted the bank for anti-money laundering failures](#) there in 2015. Sloan continued to lead Wholesale through October 2016 as the bank began updating BOCs.

Wells Fargo said that while the slide deck does point to compliance flaws, those problems were detected and addressed as the bank worked to harden its anti-money laundering controls.

“Every new small business account that is opened in one of our branches is routed to a dedicated back-end team for careful review, ensuring all of the application elements are complete and accurate,” the bank said in a statement. “If there is an error or missing information, this dedicated

team works with the branch or directly with the customer to ensure proper documentation is in place. Any small business account applications with errors that cannot be resolved are closed.”