

## Wells Fargo: Regulator can Check Next CEO's "Character" and Must Reject Anyone Unfit, Says Senator Warren in Letter

Bank regulators can reject a proposed Wells Fargo (WFC) CEO and officials should only accept an executive who can change the bank's culture, Senator Elizabeth Warren wrote in a letter on Wednesday seen by *The Capitol Forum*.

Officials waived their right to scrutinize Wells Fargo executives when former CEO Tim Sloan was named in 2016, but if regulators assert themselves this time, the bank could face a prolonged executive search.

Wells Fargo cannot name a new CEO without an explicit blessing from the bank's day-to-day regulator, the Comptroller of the Currency (OCC), according to an [April 2018 agreement](#).

Another [statute](#) expects the OCC to check that a proposed CEO has sufficient "competence, experience, character, or integrity." Such a review could take weeks and the OCC must have 90 days to review the fitness of a proposed executive, according to the same statute.

The OCC waived its right to scrutinize Wells Fargo executives when a phony accounts scandal broke in September 2016. The OCC eventually [reversed course](#), but Sloan was appointed during the lapse.

"Had the OCC conducted a review of Mr. Sloan's 'competence, experience, character, or integrity,' it may have concluded that Mr Sloan's tenure... disqualified him from becoming CEO at a time when Wells Fargo was in need of drastic reform," Warren wrote in a letter reviewed by *The Capitol Forum*.

Warren asked Joseph Otting if the OCC plans to use its authorities to scrutinize any proposed Wells Fargo CEO.

Congress gave regulators broad powers to scrutinize problem banks after the Savings and Loan Crisis wiped out hundreds of lenders in the 1980s.

Incoming executives can face a fingerprint check and the OCC can reject a proposed executive who "would not be in the best interest of... the public."

The OCC has routinely waived those powers in recent years and did so when Wells Fargo first faced scrutiny in September 2016.

The OCC [reclaimed its right](#) to scrutinize Wells Fargo executives and payments to outgoing bank officials in November 2016.

But the OCC has wide discretion on when to enforce or waive its powers to scrutinize bank executives.

Wells Fargo and the OCC did not immediately respond to a request for comment.