

December 6, 2018

The Honorable Maxine Waters  
United States House of Representatives  
2221 Rayburn House Office Building  
Washington, DC 20515

Dear Incoming-Chair Waters:

We commend your recent announcement that you will conduct oversight into the corrupt and predatory actions of Wells Fargo Bank. Congress has failed to properly investigate the widespread scams Wells Fargo perpetrated against consumers while hundreds of thousands of consumers are still being harmed as a result of their fraudulent actions. Zeroing in on Wells Fargo's harmful actions as the first order of business as you take over as chair of the Financial Services Committee will benefit consumers across the United States and reinforce the standards we expect our financial institutions to maintain.

As you initiate your inquiry, we urge you to investigate the role of Secretary of Transportation Elaine Chao during the six years she served as a Director on the Wells Fargo Board. Secretary Chao resigned from the Board to re-enter government in 2017, but she continues to be awarded compensation for her time as a member of the Board.

During her tenure on Wells Fargo's Corporate Responsibility Committee, Credit Committee, and Finance Committee, Secretary Chao and other members of leadership there were asleep at the wheel while the company preyed on vulnerable customers. She and her fellow board members failed to ensure that Wells Fargo met the highest ethical standards expected of an American corporation. As a result, Wells Fargo committed widespread fraud against millions of Americans, while Secretary Chao made over \$2.2 million (awarded in [2017](#), [2016](#), [2015](#), [2014](#), [2013](#), [2012](#), and [2011](#)) -- with an additional estimated total payout of [\\$1 to \\$5 million](#) in continued benefits through 2021. Meanwhile, Wells Fargo's victims are still trying to recover their lost income.

The Wells Fargo Board of Directors has yet to face public scrutiny about whether they knew customers were being preyed upon -- and if they didn't know, why they weren't aware of what was happening within the company. It's of particular concern that Secretary Chao's involvement with Wells Fargo has not been scrutinized, yet she has been trusted with leading a major federal agency that touches the lives of every single American.

Leading up to and throughout Secretary Chao's tenure on the Wells Fargo board:

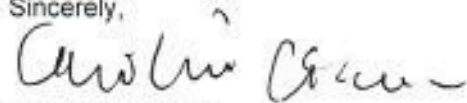
- Wells Fargo created 3.5 million fake accounts without consumer knowledge or approval and targeted first-time banking customers, non-English speakers, and elderly customers with memory problems.
- U.S. military service members' cars were improperly repossessed while Chao oversaw lending policies.
- The board ignored employee whistleblowers for years and delayed changing the sales goals they knew were leading to fraud.

Bipartisan oversight by Congress could further expose how Wells Fargo was able to engage in predatory actions that hurt millions of Americans. Those overseeing Wells Fargo's predatory actions should be subject to bipartisan oversight by Congress. American families were harmed as a result of

mismanagement and a culture of corruption at Wells Fargo. Now, Secretary Chao leads another powerful institution in charge of allocating billions of taxpayer dollars. It will take years for victims of Wells Fargo to receive proper compensation, while Chao continues to receive payouts from the corporation.

Attached you will find a new report issued today by Restore Public Trust, an organization established to encourage accountability and transparency in government to root out corruption and malfeasance, which details the numerous instances where Wells Fargo took advantage of its customers during Secretary Chao's time on the Board. We look forward to Congress's exploration of this issue and commend your continued efforts to hold corporate and government wrongdoers accountable to the American people.

Sincerely,

A handwritten signature in black ink, appearing to read "Caroline Ciccone", with a stylized flourish at the end.

Caroline Ciccone  
Executive Director  
Restore Public Trust