

United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

September 12, 2016

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington DC 20552

Dear Director Cordray,

As disclosed in the settlement that the Consumer Financial Protection Bureau (CFPB) recently reached with Wells Fargo & Co., bank employees illegally opened 1.5 million accounts and applied for 565,000 credit cards that were not authorized by customers. Transferring funds to these new accounts resulted in customers being charged for insufficient funds or overdraft fees. The scope of this fraudulent behavior is absolutely shocking, as is the fact that the practice occurred over five years.

We commend the work of the Bureau and its employees for detecting this illegal and fraudulent practice. As part of the settlement between the CFPB and Wells Fargo, the bank will set aside \$5 million to compensate customers for any unnecessary charges or fees they incurred. Wells Fargo has additionally agreed to provide electronic notice to customers when a new bank account or credit card is opened in their name.

As the Chairman and Ranking Member of the Senate Special Committee on Aging, we have concerns about the impact this activity has had on our nation's senior population, especially those who do not conduct their financial business on the Internet. According to Pew Research Center, just 56 percent of adults over age 65 use the Internet. Fewer than half of all seniors who use the Internet conduct their banking services online. Because these individuals are less likely to be tech savvy or to even be active on the Internet, they are more susceptible to all types of fraud. This Committee for years has examined any number of frauds and scams perpetrated against this population, and we are eager to learn more about new ways seniors are being victimized so that we can better educate the public about scams and develop ways to stymie this activity.

Therefore, we respectfully request answers to the following questions:

- 1) Has the Bureau identified the number of Wells Fargo victims who are over the age of 65?
- 2) Did the investigation of Wells Fargo uncover any characteristics about the victims in terms of who was more likely to be targeted?
- 3) How will the Bureau ensure that the victims without Internet access are notified of owed restitution payments?
- 4) In what way will Wells Fargo ensure that notices to customers about newly opened accounts reach individuals who lack Internet access?
- 5) Has the Bureau worked with other branches of government to pursue civil or criminal penalties against the perpetrators of this fraud?
- 6) How did the Bureau learn of the fraud in this case, and has it investigated whether employees at other financial institutions have participated in similar fraudulent activity?

We request a meeting with our staff to address these matters. Please contact Mark LeDuc at 202-224-5364 or Joel Eskovitz at 202-224-0185. Thank you for your assistance.

Sincerely,


Susan Collins
Chairman


Claire McCaskill
Ranking Member