



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

File #: SOr2016-540, Version: 1

SUBSTITUTE ORDER

WHEREAS, the City of Chicago is a home rule unit government pursuant to the 1970 Illinois Constitution, Article VII, Section 6 (a); and

WHEREAS, pursuant to its home rule power, the City of Chicago may exercise any power and perform any function relating to its government and affairs including protecting the health, safety and welfare of its citizens; and

WHEREAS, the financial welfare and stability of the City of Chicago's investments is a priority of the City Council of Chicago; and

WHEREAS, over the past five years, it has been revealed that Wells Fargo Bank employees created over two million unauthorized bank and credit card accounts affecting millions of customers throughout the United States; and

WHEREAS, while perpetrating this fraud, Wells Fargo benefited from the collection of fees from these illegally created accounts increasing their bank revenues, and encouraged the continuation of these fraudulent practices by rewarding managers and senior executives with multi-million dollar bonuses; and

WHEREAS, it appears that senior management of Wells Fargo was aware of these practices, with Wells Fargo CEO John Stumpf admitting that he first learned of employees opening unauthorized accounts in 2013; and

WHEREAS, Wells Fargo has agreed to pay \$185 million dollars, the largest penalty ever imposed by the Consumer Financial Protection Bureau, to settle claims that it defrauded its customers; and

WHEREAS, in addition to agreeing to paying the settlement, Wells Fargo terminated over 5300 employees, most of them being the lowest-paid workers in the corporation; and

WHEREAS, with the recent revelations of massive widespread misconduct of Wells Fargo Bank employees, the City Council must ensure that we do not engage in business with a banking institution that has deceived, defrauded and duped its customers; now therefore

BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

The City Council of the City of Chicago hereby orders the Chief Financial Officer, the City Comptroller, the City Treasurer and/or all other appropriate City of Chicago corporate officers, to cease conducting business with Wells Fargo Bank, and its subsidiaries, for a period of twelve (12) months.

BE IT FURTHER ORDERED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

The Chief Financial Officer, the City Comptroller, the City Treasurer, and/or all other appropriate City of Chicago corporate officers, are prohibited from including Wells Fargo, or any of its subsidiaries, as a Municipal Depository, from serving as an underwriter for any and all City of Chicago Municipal bond issuances, from serving as a trustee in any Loan or Redevelopment Agreement, from serving as a broker to buy investments on the City's behalf, from serving as a financial advisor or in any other capacity or relationship with respect to the City. Additionally, the City should encourage its Pension Funds to divest all of their investments with Wells Fargo Bank, and any of its subsidiaries.

CHICAGO October 5, 2016

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An order mandating the Chief Financial Officer, the City Comptroller, the City Treasurer and/or all other appropriate City of Chicago corporate officers to cease conducting business with Wells Fargo Bank and its subsidiaries.

Having had, the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed XDrder Transmitted Herewith

**This recommendation was concurred in by
of members of the committee with**

(a(viva voce vote

dissenting vote(s):

Chairman

Respectfully submitted