

Criminally Evil Wells Fargo Tumbles As DOJ Launches New Probe After Review Found Widespread "Document Altering"

Profile picture for Tyler Durden

by Tyler Durden

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Another day, another scandal involving Warren Buffett's favorite bank.

According to [the WSJ](#), the DOJ is now probing whether employees committed fraud in Wells Fargo's wholesale banking unit as a result of revelations that employees improperly altered customer information. This follows a prior WSJ report that some employees in the unit added information on customer documents, **such as Social Security numbers and dates of birth, without their consent.**

Meanwhile, the bank's own review discovered in recent months that in its wholesale banking group the problems were more widespread than previously thought: problems with altered documents initially centered in the part of the wholesale banking business called the business banking group, which focuses on companies with annual sales of \$5 million to \$20 million. **Wells Fargo has found similar problems in its commercial banking division, which primarily serves middle-market companies,** and its corporate trust services group, which helps with the administration of securities issued by companies and governments, one of the people said.

According to the Journal, employees altered the customer documents as Wells Fargo was rushing to meet a deadline to comply with a 2015 consent order from the Office of the Comptroller of the Currency.

The regulator had ordered the bank to beef up its anti-money-laundering controls, including its processes for ensuring that there are proper identification documents and that the bank has the ability to see client activities across a common database.

When the OCC issued the consent order, Wells Fargo had more than 100,000 customer accounts it needed to verify, the Journal previously reported. Wells Fargo in May formally asked the OCC for an extension beyond the initial June 30, 2018, deadline.

As a result, over the past year, the bank has been reaching out to thousands of clients requesting updated documentation on information such as relevant client addresses or dates of birth. Banks must have certain information, known as “know your customer” regulatory requirements, in order to keep banking their clients.

In other words, there was *fraud everywhere*, and then **there was fraud to cover up the fraud..**

As the WSJ adds, the Justice Department is trying to learn if there is a pattern of unethical and potentially fraudulent employee behavior **tied to management pressure.** The employees in the wholesale banking unit, the side of the bank that deals with corporate customers, **mishandled the documents last year and earlier this year.**

The latest probe adds to the problems at Wells Fargo, whose reputation has been crushed since a sales scandal in its consumer bank imploded two years ago.

It also underscores how bad behavior has emerged throughout the bank and has continued even after the 2016 blow-up over sales practices. The bank's problems have cascaded since then, with issues related to lofty sales goals and improper customer charges emerging across all of its major business units, prompting a range of other federal and state investigations.

The news of the latest probe sent Wells stock tumbling as investors wonder just how "low can Fargo go."

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