Weekly Write-Up #1

How often have you walked into a bank and had an employee ask if there was anything else you needed? A credit card or investments, perhaps? How about a certificate of deposit? Banks offer a variety of ways to earn kudos, awards and extra cash in the form of bonuses for new leads, sales and upselling. Just over a week ago news broke that employees of Wells Fargo had been using customer identities to create fake accounts. According to an article by *Ars Technica* employees boosted their sales numbers by a total of one to two million new deposit and credit card accounts without informed consent – where users were unaware of what their information was being used for. A total of 5,300 employees since 2011 were involved in the identity theft that caused customer accounts to be drained, fees to be added and credit reports to be ruined. There are many privacy and fraud violations both at the Federal and the State level, but those consequences didn’t seem to stop these employees from using information in a harmful way to enrich themselves.

Banks and other financial institutions have always been entrusted with our information. Even before the use of computers on a large scale this information was kept on paper in large record stores. In my opinion, based on my 18 years of experience in the Information Technology field, banks had more physical controls placed on them than the computer systems do today. In today’s world, corporations conduct data mining, which is used to collect, analyze, and store massive amounts of data on their customers. Most people today are still unaware of the data that they are unwittingly entrusting to organizations all over the world, often until it’s too late.
By creating these sales goals that require employees to push products as much as possible, Wells Fargo and its employees have clearly shown that there is a conflict of interest – which as we learned recently, creates a conflict in a person’s personal and professional interests. The financial industry today seems full of competing interests, an issue which is typically not given a second thought. A person must be savvy in the areas of finance to ensure that the companies their places their money and trust are acting in the customer’s best interests.

Now that the cat is out of the bag, Wells Fargo has fired 5,300 employees for their unethical and illegal actions. According to a statement from Wells Fargo it “is committed to putting our customers’ interests first 100 percent of the time,” as quoted in the Ars Technica article. A clear indication that Wells Fargo wishes to earn the trust from this massive conflict of interest issue facing the bank. Additionally, Wells Fargo has agreed to pay one of the largest fines levied by the Consumer Financial Protection Bureau (CFPB) at $100 million dollars. With numerous statements both on the air and in print Wells Fargo is trying to show it is doing all it can to accept full responsibility and make restitution to all of its customers with a total of $2.6 million dollars to the harmed customers.

One wonders what other logical fallacies were at play here during the last five years while the fraud was ongoing. I would expect that with the number of employees involved at all levels from the tellers on up to management. The possibility exists that they felt comfortable and had a diffusion of responsibility – feeling that their responsibility was lessened because no one else felt responsible, maybe even going so far as to feel this was a victimless crime. As we can see with the amount of accounts and the money involved there were many victims.

Finally, these types of sales quotas and bonus structures for sales remind me of the lessons in class related to Rousseau, which I typically subscribe to, where “man is naturally
good, and society corrupts him.” With the mountains of information at our fingertips, the temptation is stronger than ever to stick our hand in the cookie jar for just one more cookie.

Work Cited