

Resolution 2017 - 29

Calling Upon Legislators to Protect California Consumers from Banks that Commit Fraud and Identity Theft

WHEREAS, at least 3,500 Wells Fargo employees opened approximately 1.5 million bank accounts and approximately 565,000 credit cards without the consent of their customers, targeting vulnerable populations like immigrants who spoke little English, older adults with memory problems, college students opening their first bank accounts, and even small businesses owners with several lines of credit (1); according to the Consumer Financial Protection Bureau ([CFPB](#)), “employees took part in these illegal acts to enrich themselves;” and in February 2012, Wells Fargo started using forced arbitration clauses in all of its customer checking and savings account agreements, shortly after evidence began to emerge that it was defrauding its customers, and;

WHEREAS, customers have been trying to sue Wells Fargo over fraudulent accounts since [at least 2013](#), but the bank forced those customers into secret, binding arbitration by invoking fine print in consumers’ legitimate account agreements to block them from suing over fake accounts, thus helping to keep Wells Fargo’s massive fraud out of the spotlight and evade accountability and transparency for at least five years, and;

WHEREAS, the 2016 platform of the California Democratic Party, which codifies our shared values, unequivocally states that “we believe that justice for all requires constant vigilance and a thorough examination of laws and governmental actions that disproportionately impact diverse segments of society (2),” and that California Democrats “support a strong and accessible civil justice system to defend public health, safety and the environment, and to vindicate the rights of consumers, injured persons, employees, and all of our citizens equally (3).” Our elected officials are responsible for upholding these values in their work representing the people of California, particularly those who call themselves Democrats, and;

WHEREAS, the 2016 platform of the California Democratic Party also states that “to reverse these attacks on the rights of our citizens to seek full and fair justice through the courts, California Democrats will: Oppose forced arbitration and support passage of the Arbitration Fairness Act that provides that ‘no predispute arbitration agreement shall be valid or enforceable if it requires arbitration of an employment dispute, consumer dispute, or civil rights dispute (4);” and SB 33 (Dodd) as currently written meets many of these goals for Californians by ensuring that fraudulent acts arising out of the wrongful use of personal information or identity theft be tried publically in court to protect consumers from widespread deceit that threatens public trust in our financial institutions.

THEREFORE, be it *RESOLVED* that the Democratic Party of Sacramento County (DPSC) reaffirms our commitment to a strong, robust and accessible civil justice system, and we call upon the members

of the California Assembly to join their colleagues in the state Senate in demonstrating a commitment to Democratic values by passing SB 33 (Dodd).

Copies of this Resolution shall be mailed by the Secretary of the DPSC to the four Democratic Assemblymembers that represent Sacramento County, and the DPSC shall submit a letter of support to the bill's author.

(1) New York Times: *'Lions Hunting Zebras': Ex-Wells Fargo Bankers Describe Abuses.*

<https://www.nytimes.com/2016/10/21/business/dealbook/lions-hunting-zebras-ex-wells-fargo-bankers-describe-abuses.html>

(2) California Democratic Party Platform: Preamble.

<https://www.cadem.org/our-california/platform/2016-platform-preamble>

(3) California Democratic Party Platform: Civil Justice.

<https://www.cadem.org/our-california/platform/2016-platform-civil-justice>

(4) Ibid.

(5) SB 33 Supporters: Alliance of Californians for Community Empowerment; Bet Tzedek Legal Services; Black Women Organized for Political Action; CALPIRG; California Labor Federation; California Reinvestment Coalition; California Advocates for Nursing Home Reform; California Alliance for Retired Americans; California Board of the Amalgamated Transit Union; California Conference of Machinists; California Dispute Resolution Council; California Employment Lawyers Assn.; California Low-Income Consumer Coalition; California National Organization for Women; California Teamsters Public Affairs Council; California Reinvestment Coalition; California Commission on Aging; California Professional Firefighters; California College Democrats; Cal Berkeley Democrats; Coalition for Humane Immigrant Rights of Los Angeles; Consumer Action; Consumer Attorneys of California (co-sponsor) Consumer Federation of California (co-sponsor); State Treasurer John Chiang (co-sponsor); Consumers Union; Consumer Watchdog; Consumers for Auto Reliability and Safety; Courage Campaign; Cruz Reynoso Bar Association; East Bay Community Law Center; Engineers and Scientists of California, IFPTE Local 20, AFL-CIO; Evolve California; Housing and Economic Rights Advocates; International Longshore and Warehouse Union; The Justice & Diversity Center; Latino Democratic Club of S.F.; Law Foundation of Silicon Valley; Mexican American Bar Assn. of L.A.; National Association of Consumer Advocates; National Consumer Law Center; Our Family Coalition; Professional and Technical Engineers, IFPTE Local 21, AFL-CIO; Public Counsel; Public Law Center; Privacy Rights Clearinghouse; ReFund America Project; Sacramento Central Labor Council, AFL-CIO; South Asian Network; Student Senate for California Community Colleges; The Justice & Diversity Center; Utility Worker Union of America; Veterans Democratic Club of Sacramento; Voices for Progress; Watsonville Law Center; West LA Democratic Club; Town & Country Democratic Club; JFK Democratic Club of Sacramento County; Del Norte Democratic Central Committee; Fresno County Democratic Central Committee; San Diego County Democratic Central Committee; Harry S. Truman Democratic Club of Greater Sacramento.

(6) California Legislative Information.

http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB33