

Where is your county treasurer depositing taxpayer money?

Your county treasurer handles large amounts of money – taxpayer money. As the county’s banker, the county treasurer has the responsibility to deposit the county’s funds in banks. The county treasurer is responsible for determining in which financial institutions to hold the county’s money and which institutions that provide banking services. It is only reasonable and prudent that the taxpayer’s money be deposited in an institution of high repute. Banks that have engaged in such questionable behavior that they have been penalized should not be used to hold the county’s financial resources.

Do you know where your treasurer deposits that money? You can find out by calling your county treasurer. Alternatively, the Iowa Association of County Treasurers has a web site where you can enter a support question for your county treasurer. See <https://www.iowatreasurers.org/support.php>



Do you know if any local banks handle that money?

Local main street banks help keep the local economy strong, by supporting your neighbors and friends and their personal and business needs. What’s more, the local bank might be willing to negotiate interest rates.

Is any of that money deposited in a bank that has been found guilty of fraud? Fraud includes violations of federal or state law. Engaging in fraud is established when the institution pays or is held liable for any fines, penalties, or settlement of federal or state government probes of the institution’s practices related to fraud. It only makes sense that the county treasurer shall not utilize any institution that has engaged in fraud as depository for funds, as a custodian for funds, as a provider of banking services.

Ask Your County Treasurer to Withdraw Taxpayer Money from Financial Institutions Engaged in Fraud

Wells Fargo

One of the most prominent banks that has been found to have engaged in fraud is Wells Fargo. Wells Fargo has a checkered history that includes fraudulent activity. An alphabet soup of regulators has investigated the wrong-doing – Consumer Finance Protection Bureau, Office of the Comptroller of the Currency, City and County of Los Angeles, Department of Justice, Federal Reserve, City of Sacramento, Securities and Exchange Commission. The bank has paid billions of dollars in fines and settlement fees with the regulators. A sampling of the wrong-doing follows:¹

¹ Ethan Wolff-Mann, “Every Wells Fargo consumer scandal since 2015: A timeline”, Yahoo! Finance, August 18, 2018. See <https://finance.yahoo.com/news/every-wells-fargo-consumer-scandal-since-2015-timeline-194946222.html>

and

Jackie Wattles, Ben Geier, Matt Egan and Danielle Wiener-Bronner, “Wells Fargo’s 20-month nightmare”, CNN Business. April 24, 2018

- In December, 2018, Attorney General Tom Miller announced that the State of Iowa would be receiving \$6.2 million, which was part of a \$575 million settlement, from Wells Fargo. This settlement resolves claims that Wells Fargo violated consumer protection laws.²
- In August, 2018, Wells Fargo paid 2.09 billion dollars to settle a federal probe into its practices of creating faulty mortgages, packaging them as securities, and selling them to unwitting investors.³
- Additionally, in May, 2018, Wells Fargo paid 480 million dollars to settle a class-action lawsuit that claimed Wells Fargo misled investors about its fake account scandal.⁴
- In 2016, Wells Fargo paid 185 million dollars in restitution and fines related to Wells Fargo employees opening savings and checking accounts and creating credit card accounts that were not authorized by customers.⁵
- Also in 2016, the federal Department of Justice and Wells Fargo reached a settlement that resulted in Wells Fargo paying \$24 million for illegally repossessing cars belonging to military service members. Wells Fargo did not have court orders authorizing the repossession, which violates federal law.
- Then in 2017, Wells Fargo admitted to illegally repossessing more cars from service members than it reported in 2016. Consequently Wells Fargo had to pay an additional 5.4 million dollars in fines.
- In 2017 regulators forced Wells Fargo to return 3.4 million dollars to brokerage customers for a scam that involved selling securities that were likely to lose their value.

Bank of America

Bank of America has a storied history of inappropriate actions.⁶

- In July 2023, Bank of America was required to reimburse customers for more than \$100 million and was required to pay \$150 for fines as a result of opening accounts without customer consent, withholding award bonuses on credit cards, and double-dipping on overdraft fees.⁷
- In May, 2022, Bank of America was required to pay a \$10 million civil penalty for unlawful garnishments.
- Also in 2022, Bank of America was assessed \$225 million for inappropriately disbursing state unemployment benefits. That penalty also required Bank of America to pay money to its customers who were affected by its activities.
- In 2014, Bank of America was ordered to pay victims \$727 million as a result of illegal credit card activities.

² “Wells Fargo to pay \$575 million settlement with states”, *Cedar Rapids Gazette*, December 28, 2018

³ *Bloomberg News*, “Wells Fargo to pay \$2.09B”, *Cedar Rapids Gazette*, August 2, 2018

⁴ Matt Egan, “Wells Fargo will pay \$480 million to settle securities fraud lawsuit”, *CNN Business*, May 4, 2018, <https://money.cnn.com/2018/05/04/news/companies/wells-fargo-securities-fraud-settlement/index.html>

⁵ “Iowa State Treasurer won’t suspend activity with Wells Fargo”, *Cedar Rapids Gazette*, October 4, 2016

⁶ “CFPB Takes Action Against Bank of America for Illegally Charging Junk Fees, Withholding Credit Card Rewards, and Opening Fake Accounts”, Consumer Financial Protection Bureau, News release, July 11, 2023

⁷ “Bank of America receives big fines”, *Cedar Rapids Gazette*, July 12, 2023