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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
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September 20, 2016

Preet Bharara
U.S. Attorney's Office for the Southern District of New York
1 St. Andrew's Plaza
New York City, NY 10007

Dear Mr. Bharara,

I am writing you as Chairman of the Senate Committee on Small Business and Entrepreneurship to request, as part of your investigation into Wells Fargo's fraudulent banking activities, that you look into their impact on small business owners.

As you are aware, the Consumer Financial Protection Bureau (CFPB), in conjunction with the Office of the Comptroller of the Currency (OCC) and the Los Angeles City Attorney (LACA), recently levied a series of substantial penalties and fines against Wells Fargo, the nation's third largest bank and SBA's largest participating lender, for fraudulent consumer banking activity by its employees. This included the unauthorized opening of deposit or credit card accounts, a failure to apprise customers these accounts had been opened, the transfer of funds from authorized, existing accounts to unauthorized accounts as a means to meet internal quotas set by the bank's management, and the imposition of unwanted fees and other negative financial consequences related to these accounts.

Recent reports have indicated that your offices are currently investigating Wells Fargo in order to determine if civil or criminal charges should be filed and, if so, against whom. While the recent actions against Wells Fargo were a welcome step in bringing an end to the fraud committed against consumers by its employees, I have been concerned by the lack of information available on the impact of these activities on small business owners, particularly in light of claims that Wells Fargo employees would often use consumer information to open accounts under fictitious business names. Small business owners rely on their incoming cash flow and personal credit in order to fund and operate their businesses, often operating their businesses through their personal accounts. Wells Fargo's position as the largest participant in the Small Business Administration's 7(a) lending program, with nearly 21,000 active loans totaling \$7.14 billion, only heightens my concern over the potential that not only small businesses, but the American taxpayer, have been defrauded by Wells Fargo's fraudulent activity. That is why I request that, as you undertake your investigation, you look into the impact Wells Fargo's activities have had on small business owners.

As the Chairman of the Senate Committee on Small Business and Entrepreneurship, I have a responsibility to ensure that small business owners are duly assisted in their efforts to start and maintain their businesses, and thank for your help in carrying out that duty. If you have any questions, feel free to contact Devon Redfield at (202) 224-5175.

Sincerely,

A handwritten signature in blue ink that reads "David Vitter". The letter "D" is significantly larger than the other letters and has a large loop on its left side. The rest of the name "avid Vitter" is written in a cursive, flowing style.

David Vitter
Chairman