



## 23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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### **FOR IMMEDIATE RELEASE**

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### **Budget and Finance Committee receives report from Wells Fargo**

**WINDOW ROCK** – The Budget and Finance Committee received a report on Tuesday from Wells Fargo representatives concerning issues with recent alleged improper sales practices, the bank’s relationship with the Navajo Nation, and concerns regarding fees assessed on chapter payroll and payment checks.

In Nov. 2016, Wells Fargo representatives first met with BFC members to explain the bank’s improper sales practices, in which it was alleged that over 2 million bank accounts and credit cards were opened or applied for without the customer’s knowledge or permission from May 2011 to July 2015. The Consumer Financial Protection Bureau reported the misconduct in Sept. 2016.

Aaron Lemke, Wells Fargo vice president and senior relationship manager for the Arizona Regional Commercial Office, provided a written report to the BFC addressing their concerns.

In Lemke’s statement, he reported that “No [Navajo] community members in Arizona and New Mexico were harmed, and no Wells Fargo team members who worked at bank branches located on the Navajo Nation lands were terminated,” as a result of improper sales practices.

BFC vice chair Council Delegate Dwight Witherspoon (Black Mesa, Forest Lake, Hardrock, Pinõn, Whippoorwill) expressed disappointment in Lemke’s statement and said that members from the Salt River Pima-Maricopa Indian Community located near Scottsdale, Arizona were targeted to open new accounts, more so than non-tribal members.

“Native American citizens would go to Wells Fargo [in Scottsdale] to cash their per capita checks they receive from casino revenues, and some of the bank managers took advantage of that opportunity. I find it hard to believe when you say it’s absolute that no one was hurt on the Navajo Nation as well,” said Delegate Witherspoon.

Delegate Witherspoon added that Wells Fargo employees were encouraged to convince tribal members to open up credit card accounts and take out bank loans, as well as recommended products that they may not need, resulting in an excess of fees and charges to their bank accounts.

In response, Wells Fargo senior vice president and regional manager Donald Diegel said that the company was well aware of what took place in Scottsdale and investigated each purported incident. He assured committee members that the practice was not condoned and was corrected through reeducation of its banking employees.

“As far as the trust level, we absolutely know we have to rebuild trust. When I speak for Wells Fargo, I speak for Wells Fargo as a whole. No one was more disappointed than those of us in other business lines—even though it did not occur in our world—it impacted us,” said Diegel, adding that the incident did not affect their commercial banking with the Navajo Nation.

BFC chair Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí, Rock Springs, Tsayatoh) raised concerns regarding the Navajo Nation Division of Community Development’s report that Navajo chapters must pay check processing fees ranging anywhere from \$3-6 per check, which goes toward payroll services and tax liabilities.

“Right now we have 66 certified chapters, so we have roughly 44 chapters that have to go through this process for payroll processing with Wells Fargo. Each one of these chapters are on a limited budget, and the extra fees can be detrimental,” said Delegate Damon.

Delegate Damon added that Wells Fargo should recognize that Indian nations are unique and have their own sovereign status, have sovereign immunity, and have different organizational methods that require a distinctive banking program just for Native Americans because they do not have the same status as non-tribal members.

“So when we go to the bank, we don’t have a deed to our lands to use as collateral when we want to get a bank loan. We need to have a tribal banking program that works with tribes,” said Delegate Damon.

He added that the fact that the U.S. Supreme Court ruled in 1832 that Native Americans could not be landowners on their own land—which continues today—makes it very difficult for tribal members to obtain loans and open credit lines with banking institutions.

BFC members requested that the Wells Fargo representatives provide an additional report on March 7 to address the committee’s concerns regarding fees assessed to chapters, and how they are able to strengthen their relationship to meet the needs of the Navajo Nation and its citizens.

BFC members voted 4-1 to accept the report.

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