



VIA EMAIL

Los Angeles City Council
Eric Garcetti, Mayor
Mike Feuer, City Attorney

Re: Responsible Banking Monitoring Program CF 09-0234-S3

Dear Mayor Garcetti, LA City Council Members, and Mike Feuer, City Attorney:

On behalf of the 700,000 members and officers of the Communications Workers of America (CWA), I am writing to urge you to support new standards that promote consumer protections and responsible banking in the Responsible Banking Ordinance (RBO) by requiring a sales goals disclosure requirement in the Banking Service RFP for banks that want to bid for the banking service contract with the City of Los Angeles. As our elected officials you have an obligation to promote integrity and transparency in the banks that do business with the City of LA. With the sales goals disclosure requirement, the City will ensure that there is transparency in how the banks provide their products and services to consumers.

Recent reports have made clear that the opening of two million unauthorized accounts by Wells Fargo resulted in significant part from pressure put on frontline bank workers to meet aggressive sales quotas, as can be seen in this [New York Times story](#). Unfortunately, the reality is that these practices are not confined to Wells Fargo—they are pervasive across the consumer banking industry. **Furthermore, the use of sales goals has gone beyond the opening up of unauthorized accounts. Bank workers have testified that they are being pushed to target senior citizens, immigrants, students and low-income workers with unnecessary and complicated financial products.**

Our local economy must be protected from such predatory banking practices. As shown in [this report](#) by the National Employment Law Project, usage of aggressive sales quotas creates problems at numerous banks across the country. The report finds that "many workers say they enjoy helping people and working in a customer service role, [but] they find that these functions too often have to take a back seat to moving various banking "solutions" in order to meet their goals and earn critical incentive pay." The end result is that frontline bank workers, who often make less than \$15 per hour and are frequently forced to utilize public assistance programs to make ends meet, are put between a rock and a hard place in deciding whether to treat customers fairly or to be able to pay their own bills. The use of predatory sales goals in banks has a

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detrimental effect on frontline bank workers because it creates a toxic work environment that fosters and encourages unethical and fraudulent banking practices.

We urge the Council to support a sales goals disclosure requirement in the Banking Service RFP as part of the bidding process for the banking service contract. The importance of integrating transparency in the selection process to one of the City's most lucrative contracts worth billions in order to restore trust in the City's ability to select the bank that best serves the interest of the City and its residents. We are asking that the RFP require that banks disclose how their sales goals are structured and implemented.

We appreciate your time and consideration on this very important issue. Thank you for your leadership on this matter.

Victor Serrano

Victor Serrano
District Organizing Coordinator
District 9, Communications Workers of America, AFL-CIO

VS:mc