

BUDGET AND FINANCE COMMITTEE REPORT relative to an investigation of the City's accounts with Wells Fargo Bank.

Recommendations for Council action, pursuant to Motion (Krekorian - Koretz - Wesson - et al.):

1. INSTRUCT the Treasury Division of the Office of Finance to begin an investigation into the City's bank accounts and ascertain whether Wells Fargo also engaged in the creation of false accounts under the City's contract.
2. INSTRUCT the City Administrative Officer (CAO), with the assistance of the City Attorney and the Office of Finance, to report with additional terms in Requests for Proposals for the City's future banking and financial institution contracts to ensure that the City may take remedial action against a financial institution contractor that is fined by the Consumer Financial Protection Bureau, the Securities and Exchange Commission, the Federal Reserve or any other banking regulator, including forfeiting bank fees on the City's accounts for the remaining duration of such a contract.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

#### SUMMARY

At a regular meeting held on October 31, 2016, the Budget and Finance Committee considered Motion (Krekorian - Koretz) relative to an instruction to the Office of Finance's Treasury Division to conduct an investigation into the City's accounts with Wells Fargo Bank to determine whether the bank also engaged in the creation of false accounts, and an instruction to the CAO, with assistance from the City Attorney and Office of Finance, to report with terms to include in future Request for Proposals for banking and financial institution contracts to ensure that the City may take remedial action against a financial institution contractor that is fined by banking regulators.

After providing an opportunity for public comment, the Committee approved the recommendations in the Motion. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
MARTINEZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	ABSENT

REW  
10/31/16  
FILE NO. 16-1126

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**