

# US Bank gets use of state funds, but nicks unemployed with ATM fees

Service Employees International Union (SEIU) Local 503 went public last month with an effort to shame US Bank for charging ATM fees to unemployed workers and single parents.

US Bancorp has a contract with the State of Oregon to make unemployment benefits and court-ordered child support payments available to recipients via ReliaCard — a reloadable VISA debit card that carries the US Bank logo. Over 350,000 Oregonians currently hold a ReliaCard, and last year just over \$1 billion in funds were deposited into US Bank for beneficiaries of the two programs. Just like with other deposits, US Bank has the use of those funds until recipients withdraw them.

ReliaCards are treated just like other debit cards, and users can get cash back, without paying fees, where merchants allow that. But US Bank charges ReliaCard users \$1.50 per transaction for using its own ATMs, after two free withdrawals per month. And when users withdraw funds from non-US Bank ATMs, those ATM owners charge a fee, and US Bank adds its own \$1.50 charge, after the first two transactions. Most unemployment and child support recipients avoid these fees by choosing direct deposit into their own bank accounts — instead of ReliaCard. But many of them opt for ReliaCard because they lack bank accounts. In other

words, SEIU says, the State of Oregon is letting US Bank nickel-and-dime some of the poorest Oregonians when they access state-managed unemployment insurance and child support — funds that they're legally entitled to receive.

Local 503, which represents 22,500 state employees, delved into the issue after several members who work at the Oregon Employment Department flagged the ATM fees as a needless abuse. But the effort also fits into a longer-term nationwide campaign by SEIU — to scrutinize the big banks that are responsible for the financial crisis, and to hold banks accountable when they do business with the public.

Funds for court-ordered child support come through the Oregon Department of Justice, while the unemployment insurance funds come from the Employment Department. But it's the state treasurer's office that negotiates the contract with US Bank.

Local 503 leaders met with State Treasurer Ted Wheeler to argue against allowing ATM fees. On March 15, the union sent a letter to state legislators suggesting close review of the US Bank contract. Then on March 18, Local 503 members picketed outside 15 branches of US Bank in 14 towns and cities around Oregon, with signs bearing slogans like, "Families in need can't afford



SEIU Local 503 member Cynthia Barrick of the Oregon Department of Education in Salem pickets outside a US Bank March 18 to protest the financial institution charging ATM fees to Oregonians collecting unemployment benefits. The State of Oregon contracts with the bank to handle unemployment payments.

US Bank greed." Picketers also collected 2,485 signatures on petitions calling on US Bank to stop charging the fees, and to negotiate a fair contract with the state of Oregon. [The petitions are also available online at a campaign web site, [faireconomyoregon.org](http://faireconomyoregon.org). That site is also collecting stories from people who've used ReliaCards, which will

be shared as the campaign continues.]

In California, Bank of America has a contract for a similar program, but charges no fees to use its ATMs, says Local 503 political organizer Melissa Unger. In fact, SEIU found that in eight other states where US Bank has the ReliaCard contract — South Dakota, Ohio, Idaho, North Dakota, Arkansas, Ne-

braska, Wyoming and Minnesota — users pay no fees when they make withdrawals at US Bank ATMs. So why does Oregon let US Bank charge fees to some of Oregon's neediest residents?

Oregon Treasury spokesperson James Sinks said US Bank would prefer to offer unlimited free withdrawals at its own ATMs, and charge a fee for ATM withdrawals from other banks. But Sinks said many unemployed Oregonians don't live near a US Bank branch, and thus the treasurer's office prioritized getting US Bank to not charge fees for the first two out-of-network ATM transactions.

The direct deposit and ReliaCard programs save the state millions of dollars by reducing the need to print, mail and process checks. Of the nearly \$2.5 billion Oregon paid out in unemployment benefits last year, 38 percent was deposited in ReliaCard, 57 percent was directly deposited to bank accounts, and 5 percent was paid in the form of a check. [The Employment Department mails a check for the first week of benefits.] US Bank covers all costs associated with creating and mailing the cards to recipients. ReliaCard holders include 298,068 unemployment insurance beneficiaries and 59,831 parents receiving court-ordered child support from the other parent.

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