

'It was a real eye-opener for council'

BANKING continued from front page

ergy Transfer Partners' controversial Dakota Access Pipeline project in North Dakota.

The project became a public battle last year between Native American water protectors and the Standing Rock Sioux Nation and oil pipeline workers and local law enforcement. Tribal nations throughout the United States, including the Confederated Tribes of Grand Ronde, expressed support for the Standing Rock Sioux Tribe's efforts to ensure clean water now and for future generations.

Other problems arose at Wells Fargo that were public enough to also show up on the Tribe's radar.

In September 2016, Wells Fargo was fined \$185 million after it was discovered by the Consumer Financial Protection Bureau, the Los Angeles City Attorney and the Office of the Comptroller of the Currency that employees created fake bank and credit card accounts for more than 2 million customers without their knowledge or approval between May 2011 and July 2015.

Five days after the fine was announced, Wells Fargo issued a statement ending its employee sales program, which the bank said was the reason for the fraud. The Los Angeles City Attorney alleged Wells Fargo sales staff opened accounts without customers' permission to meet corporate sales goals and earn personal financial

rewards.

On Oct. 12, Wells Fargo Chairman and Chief Executive Officer John Stumpf retired and Tim Sloan was promoted from within to replace Stumpf as CEO. Stumpf forfeited his bonuses and planned severance compensation upon leaving Wells Fargo.

Sloan admitted in January that several employees were fired in retaliation for bringing the bank's fraudulent practices to light.

In November, Wells Fargo announced in regulatory filings that its sales practices were being investigated by the Securities and Exchange Commission. There are still several active investigations related to the banking scandal.

Leno said that he has shared his concerns about Wells Fargo's recent transgressions with bank representatives and that he was assured that the Tribe's governmental, casino and Grand Ronde Station accounts are separate from the retail division, which had such public problems.

The Tribe's accounts with Wells Fargo are used to hold money only for short periods and are used to pay bills, Leno said.

Representatives for Wells Fargo, which has 6,200 banking locations in 39 states and has been in business since 1852, told Leno and Tribal Council that the problems it experienced were on the retail side with personal accounts. Bank officials said that there is no overlap of division management and

that individuals responsible for problems on the retail side are not involved with commercial account oversight.

"Council has listened to the membership and we are looking at it all," said Tribal Council Chairman Reyn Leno. "One of the big issues for our Tribe is when you are dealing with the Tribe's money you have to make sure you are taking care of it. One of the big issues is how many banks can collateralize the type of money that we have."

Reyn Leno said Tribal Council learned much from looking into the issue.

"It was a real eye-opener for council to find out that there are only a certain amount of banks that can collateralize that kind of money," Reyn Leno said. "If you are a Tribe trying to make money and you are investing money to make money to keep building your endowments, you have to have that money collateralized."

Tribal Council member Kathleen George echoed Reyn Leno on the need for the Grand Ronde Tribe to conduct its financial business with one of the nation's larger banks to ensure protection of the Tribes' resources. She also said she agreed that the Tribe needed to look at its relationship following Wells Fargo's public tribulations.

"It's good business practice and it is certainly important to us as a Tribal government to be responsive to our Tribal members when they tell us that they have very legitimate concerns about the banks that we do business with," said George. "This bank is invested in the DAPL, so I think it is in the Tribal members' interest to invest our business with corporations that are not investing in projects that are going to harm Tribal people."

"It happens to be good timing for us to look at who our business partners are. We will certainly do that at this time with that lens. I'm very glad we are doing this. From a Tribal Council perspective, one thing that is kind of challenging is that with the kind of significant accounts that our Tribal government has at this time, there are only a certain number of large banks that can collateralize the amount of money that just through our business operations that we have to cover."

Chris Leno said that although the Tribe's commercial accounts were not affected, he said that he was aware that individual Tribal members could have been affected by the fraudulent practices at Wells Fargo. He said those issues and the concerns brought about by the bank's involvement in the controversial pipeline project were enough to get the Tribe asking important questions.

"It is very important for us to

respond to our members so we brought that up in our meeting with them on Tribal accounts," said Chris Leno. "We have 5,500 Tribal members across the country that could be impacted by the issues on the retail side."

Tribal Council member Chris Mercier said he wants the Tribe to adopt a "green" policy regarding essentially all Tribal business, even banking and investing services.

"I think it needs to be a philosophy of the organization and a practice going forward, not just have it be specifically in response to public pressure from membership," said Mercier. "We should look at that in all facets of what we do. Whatever it is, I just think it needs to be something that we are consistent on and I think our goal as leadership is to make that our practice going forward."

Chairman Reyn Leno said he thinks one of the most important issues for all Tribes to examine after the Standing Rock situation is who is looking after their money and asking questions of the people who invest Tribal resources.

"I think the biggest thing to come out of Standing Rock, not necessarily for Standing Rock, but for other Tribes is when you invest money, what are those investors investing in? And then you look at it and decide is that all right; is that not all right? ... People are asking where that money is invested. So I think that result benefits not only the Native American Tribes but the United States in general. Businesses are now looking into where their money is invested."

Reyn Leno said it is Finance Officer Chris Leno's job to give leadership choices at this point.

"We've had conversations with council. We know that the membership is concerned by that project and Wells Fargo's association with that project, and I felt it was prudent as the Finance Officer recognizing that to at least go out at that point and put out an RFP where we could solicit proposals from Wells Fargo and other financial institutions," said Chris Leno.

"That RFP not only gives us an opportunity to look at banking services and fees and all the things that go along with an RFP, it allows us to talk to not only Wells Fargo, but any of these financial institutions about some of the questions we hadn't asked before on philosophical issues. It gives us an opportunity to have those conversations."

Mercier said Tribes are in a position to make a difference with their financial resources and that the decisions the Grand Ronde Tribe makes will be noticed.

"Tribes are in a position where they can raise the visibility of those issues," said Mercier. ■

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