



Reasoning with Ethics

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A Project of The School for Ethical Education

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*Ethics in action
creates
character*

Use this blog to:

1. *Lead class discussions in social studies, civics, ethics or advisory classes.*
2. *Teach students skills to analyze cases with core values.*
3. *Teach students about the four-components of ethical functioning*

5,300 Fired for Fraud

Wells Fargo Bank is in the news for all the wrong reasons. About 5,300 employees (mostly low salaried sales people) have been fired over the discovery that two million accounts were opened without the knowledge of their customers. The Bank has been fined \$185 million for the fraud. Opening the fraudulent accounts led to increased income fees for the bank and stock evaluations and bonuses in executive compensation.



Carrie Tolstedt, the executive department head responsible for selling the fraudulent accounts, will reportedly receive almost \$125 million in compensation at her retirement later this year. CEO John Stumpf (pictured at recent Congressional hearing) is said to earn \$22 million/year and has accepted responsibility, but not resigned. In addition, a lawsuit has been filed by past employees who claim they were improperly fired for not meeting sales goals and refusing to participate in the fraud.

Students face a challenge in this case if they place themselves in this scenario. Assuming they are hired for a Well's Fargo sales position as their first professional opportunity, what core values would they choose to demonstrate in the face of a work culture that pressured employees to meet sales goals and tolerated cheating? A corollary question, is this case much different from students under intense pressure to earn good grades and recognizing many of their peers are cheating?

SEE welcomes students to respond to this case on our website at - <http://bit.ly/SEEethicsblog> where more information and a video exchange can be viewed between Wells Fargo CEO Stumpf and Senator Elizabeth Warren.

Contact information

The School for Ethical Education is a not for profit teaching agency in Milford, CT with the mission to advance strategies of placing ethics in action to create character. As a non-sectarian 501(C)3, SEE is supported by fees for service, grants and donations. For more information visit our website at www.ethicsed.org

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