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WELLS FARGO AND THE UNAUTHORIZED CUSTOMER ACCOUNTS: A CASE STUDY

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Abstract

The case discusses the controversial sales practices at one of the largest financial institutions in the country that led to unprecedented penalties by the Federal Reserve. The case exposes students to corporate governance policies within an organization, especially the ethical responsibilities of those charged with governance. The case can be used in an undergraduate or advanced auditing class and students can utilize the Committee on Sponsoring Organization or COSO framework to formulate responses. The COSO framework defines internal control, including corporate governance, and provides a systematic approach to internal control evaluation and assessment. The case can also be used in a management course that discusses leadership and/or corporate governance issues. The case is designed to be taught in one class period and is expected to require approximately two hours of outside preparation by students. The case is based on real events as reported in various media outlets.

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