**Ethical Issues in Business: Preliminary Research Table**

**Your Selected Business:** \_\_\_\_\_\_Well’s Fargo\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Instructions:** Provide an APA reference note for each source and an explanation of how each resource will help you address the topics in the Benchmark - Ethical Issues in Business: Final Report and Analysis assignment. At least one source is required for each topic; multiple sources may help to facilitate more complete coverage in the final report.

| **#** | **Topic** *(Report Responsibilities)* | **APA Citation** *(for your References Page)* | **Rationale** *(How does this resource support you in addressing the topic?)* |
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| **1** | **Company Background:**  Summarize relevant information regarding the business and its history. | The West rides again at Wells Fargo. (1989). *Financial Executive*, *5*(4), 14-15.  History of Wells Fargo. (n.d.). Retrieved May 20, 2018, from <https://www.wellsfargo.com/about/corporate/history/> | Wells Fargo, founded in 1852 in San Francisco, was the first banking and express company established  Through the 20th Century Wells Fargo rebuilt from just one office in San Francisco. By 1923 Wells Fargo served the entire west.  Wells Fargo has had to step back and check their business standards. They have had to re-evaluate their sales culture and goals, and now are rebuilding trust back with the customers. |
| **2** | **Crisis Details:** Summarize the ethical crisis. What stakeholders were involved? What actions did they take? What were the results of those actions? | Cavico, F. J., & Mujtaba, B. G. (2017). Wells Fargo's Fake Accounts Scandal and its Legal and Ethical Implications for Management. *SAM Advanced Management Journal (07497075)*, *82*(2), 4-19.  Where Wells Fargo Goes From Here. (n.d.). Retrieved May 20, 2018, from <http://business-ethics.com/2016/12/10/where-wells-fargo-goes-from-here/> | When being surveyed Wells Fargo along with six other banks was rated poorly on the risk management, responsible lending, compensation and political spending. The team that surveyed the banks reached out to try to help the banks fix the issues that were caught Wells Fargo did not take the help.  Some of the smaller shareholders were appalled when the scandal hit and thought that Wells Fargo was running on high ethical standards. The shareholders ran an audit and realized that Wells Fargo had some ethical breaches and talked to them about fixing their culture. Other shareholders did not ask as they were happy with the increase in revenue. |
| **3** | **Ethical Issues:**  Explain the ethical issues surrounding the crisis. Include any related legal issues. | Cavico, F. J., & Mujtaba, B. G. (2017). Wells Fargo's Fake Accounts Scandal and its Legal and Ethical Implications for Management. *SAM Advanced Management Journal (07497075)*, *82*(2), 4-19. | Based on the facts of the case, legal and ethical analyses are provided, and discussed in all areas of the banking industry how to be ore ethically sound in the business that is conducted.  Employees stated that managers encouraged the employees to falsely open the accounts. Training programs were introduced with questionable sales tactics.  The bank paying about $185 million fine because of the bank’s sales practices and the bank also refunded $2.6 million to customers.  Five “whistleblowers” were trying to explain the opening of unauthorized accounts and all five reported to be let go.  The ethical meltdown of the principle that were supposed to be within Wells Fargo caused down falls with customers and example of the ethics are, “We strive to be recognized by our stakeholders as setting the standard among the world’s greatest companies for integrity and principled performance.” |
| **4** | **Influencing Factors:**  Describe pertinent information related to the wider scope of the ethical issue. What elements in the company's culture, the external environment, or other factors influenced the ethical crisis? If it was portrayed in the media, how was it portrayed? | McLean, B. (2017, June 30). How Wells Fargo's Cutthroat Corporate Culture Allegedly Drove Bankers to Fraud. Retrieved May 20, 2018, from <https://www.vanityfair.com/news/2017/05/wells-fargo-corporate-culture-fraud> | Kovacevich’s lingo, bank branches were the stores of the bank and the bankers need to cross sell as many items as they could this was the business model and culture that he expected people to follow. With this culture is where the ethical dilemma started to happen. Bankers had huge sale goals. Banker were starting to open large loans that customers did not need, selling customer products that they did not need, and the biggest scandal within the smaller ones was falsely opening accounts.  Dreydy Metelin, a personal banker stated, “Management made it clear that no employee was allowed to complain about the unethical practices that were going on within the branch.” |
| ***References for the following topics must be from peer-reviewed academic/scholarly resources only.*** | | | |
| **5** | **Recommendation:**  Propose how the company could have handled the crisis differently and the impact on the stakeholders discussed in the **Crisis Details** topic. | Cavico, F. J., & Mujtaba, B. G. (2017). Wells Fargo's Fake Accounts Scandal and its Legal and Ethical Implications for Management. *SAM Advanced Management Journal (07497075)*, *82*(2), 4-19. | The company could have realized when numerous employees were complaining on how they had they unreachable goals, the upper members of Wells Fargo should have listened to the other workers when they were telling them they were going against the values that were taught to them by the company. Some of the stakeholders felt lied and cheated because they thought that Wells Fargo were not holding up their end of the agreement as they were opening fraudulent accounts and putting the bank at high risk. |
| **6** | **Business Impact:** Describe what other businesses can learn from the ethical crisis of the business you selected. If the situation was handled well, what could other businesses learn and why are these lessons valuable? If the situation was handled poorly, what could other businesses learn and why are these lessons valuable? | Cavico, F. J., & Mujtaba, B. G. (2017). Wells Fargo's Fake Accounts Scandal and its Legal and Ethical Implications for Management. *SAM Advanced Management Journal (07497075)*, *82*(2), 4-19. | The situation was handled very poorly. Other businesses should learn that when you are hearing not just one internal personal company of what is happening and how they are forced to go above the values that are instilled in them by the company than the business should look at the situation not just assume those workers are not are not telling the truth. The other thing is that all businesses want to grow their businesses but should think how the business should grow. Other businesses should learn to stay ethically sound and not try and make short cuts and listen to others including the customers. |

<https://abcnews.go.com/Business/timeline-wells-fargo-accounts-scandal/story?id=42231128>