Center for Political Accountability Urges Wells Fargo to Hold Vote on Political Disclosure Resolution

Washington, DC—The Center for Political Accountability (CPA), a public interest group, urged Wells Fargo & Co.’s CEO today to let shareholders vote on a landmark political disclosure resolution. The meeting is scheduled for Wednesday, April 27, in San Francisco, California.

Originally filed by the International Brotherhood of Teamsters General Fund, the resolution had been withdrawn recently for technical reasons. A Wells Fargo attorney told CPA yesterday that the bank did not intend to bring up the resolution for a vote at the annual meeting.

“We believe the bank’s disclosure in an amended proxy statement filed on March 19, 2004, that it incorrectly claimed that it did not make political contributions with corporate funds makes it critical that the resolution be considered,” Bruce F. Freed and John C. Richardson, CPA directors, wrote Richard M. Kovacevich, the San Francisco bank’s CEO.

“We appreciate that allowing a vote on a resolution that has been withdrawn is an extraordinary action,” Freed and Richardson wrote to Kovacevich. “But we believe that the bank’s extraordinary disclosure makes it even more important that shareholders be given the opportunity to vote on the political disclosure at next week’s annual meeting.”

The resolution is part of a national initiative CPA is mounting to bring transparency and accountability to corporate political contributions. Companies currently do not have to report those donations.

“In opposing political contribution disclosure, Wells Fargo claimed in its initial proxy statement that it was company policy not to make corporate contributions to candidates,” Freed and Richardson said. “However, it was forced to issue a revised statement in late March when it discovered that one of its subsidiaries had donated $41,350 in corporate funds to political committees and candidates in 2003. A policy of full disclosure would have saved the company this embarrassment.”

“When companies make political gifts, it is critical that their shareholders know where that money is going and what the corporate purpose they continued. “Clearly, these decisions are critical for Wells Fargo’s future success. Shareholders need to monitor management to ensure acting wholly in the company’s interest.”

“Given the current level of distrust among shareholders, there should be no secrecy about corporate political giving,” said Freed and Richardson.

Disclosure of corporate contributions can be fragmented, untimely, and difficult to understand. The fact that Wells Fargo was forced to revise its proxy statement reinforces the need to tell its shareholders about its contributions and the factors it considers when deciding to make donations with corporate assets, which corporate officers make those decisions, or how they will further the company’s business interests.

“This is all about expanding transparency and accountability to corporate political giving,” Freed and Richardson said.

Created last fall, the Center (www.politicalaccountability.net) is pressing companies to disclose their political contributions and the business reasons for them. Today, shareholders are largely uninformed about corporate political donations. This lack of information allows corporate officials to use a firm’s resources for political purposes that do not necessarily serve the companies, their shareholders and other critical stakeholders.

Shareholders will be voting on similar resolutions at 26 companies over the next month.

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