



STUDYDADDY

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1. According to the case materials the following number of unauthorized customer accounts and credit cards were opened at the Wells Fargo Community Bank: (Pick one.)
 - a. 5,300
 - b. 1 million
 - c. 2 million
 - d. 5 million
 - e. 185 million

2. Unwanted and/or unauthorized accounts were opened for many customers, however, there was no actual harm to any customers. (Pick one.)
 - a. True
 - b. False

3. Which of the following COSO Internal Control Components (refer to one side of the COSO cube) had weaknesses in design or implementation at Wells? (Pick as many as may apply.)
 - a. Control Environment
 - b. Risk Assessment
 - c. Control Activities
 - d. Information & Communication
 - e. Monitoring Activities

4. “Eight is great” referred to the following: (Pick one.)
 - a. Eight quarters in a row of revenue growth
 - b. The number of independent directors on the Board
 - c. The number of new products that Wells wanted to invent each year
 - d. The target for average number of financial products sold per household

5. In 2010, Michael Loughlin became the CRO for Wells in the second line of defense. Do you view the organizational design for his role as a strong or a weak form implementation of the three lines of defense? By organizational design, consider, for example, reporting lines of group risk officers into the Wells CRO (solid or dotted), authority to enforce changes on the lines of business, clarity about which executive had responsibility for risk management. (Pick one as the better description.)
 - a. Strong form
 - b. Weak form

6. The Wells Community Bank culture could be characterized as: (Pick the best one.)
 - a. Sales-centered
 - b. Focused on quality
 - c. Control oriented

7. Which of the following metrics if tracked and reported to management could have been used as key risk indicators of the growing sales misconduct problems at Wells? (Pick as many as apply.)
 - a. Customer complaints

- b. The funding rate
- c. Employee complaints
- d. Employee turnover rate

8. What were some important **specific** control weaknesses and/or failures that allowed the fraudulent activity at Wells to develop and continue at such a large scale? (List the top three in your opinion.)

- a. _____
- b. _____
- c. _____

9. Did the Board of Directors adequately perform their fiduciary duties? (Pick one and provide your rationale.)

- a. Yes
- b. No

Rationale: _____

10. Who was primarily responsible for the fraudulent behavior at Wells? (Pick three and provide your rationale.)

- a. Management
- b. Employees
- c. Board
- d. Customers
- e. Regulators
- f. External Auditors

Rationale: _____



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