Former Wells Fargo Employees Sue Bank For $2.6B, Claiming Wrongful Termination

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Days after lawmakers urged the Department of Labor to investigate Wells Fargo's actions against employees after workers of the banking giant claimed they were fired and otherwise mistreated if they failed to meet strict sales quotas that ultimately resulted in the opening and closing of two million unauthorized consumer accounts, some former employees have come together to file a class action lawsuit against the company.

The lawsuit [PDF], filed in California last week, seeks $2.6 billion in damages for all Wells Fargo employees who were penalized for not making sales quotas over the past 10 years.

According to the lawsuit, Wells Fargo engaged in wrongful termination and unlawful business practices by failing to pay wages, overtime, and penalties to these employees.

The two former employees who filed the lawsuit claim that managers of the bank required them to meet quotas of 10 accounts per day, submit progress reports several times daily, and reprimanded workers who fell short.

"The biggest victims of Wells Fargo's scam [are] the class of victims that were fired because they did not meet these cross sell quotas by engaging in the fraudulent scam that would line the CEO's pockets," the suit claims. "Thousands of employees who failed to resort to illegal tactics were either demoted or fired as a result."

The suit claims that employees were unable to meet the "unrealistic" and "impossible" sales goals without resorting to fraud.

Employees who did attempt to meet these goals without opening unauthorized accounts or engaging in other fraudulent behavior lost wages and benefits, as well as suffered anxiety, humiliation, and embarrassment, the complaint claims.

"Wells Fargo employees who did not engage in unfair, unlawful, and fraudulent conduct to meet quotas were all similarly, systematically, and routinely demoted, terminated, and made as an example of so that all other employees would learn that they must engage in these fraudulent actions in order to meet the unrealistic sales quotas or else lose their jobs," the lawsuit states.

The former employees claim that the directives to reprimand workers for failing to meet goals — thus reinforcing the need to fraudulently open accounts — came from Wells Fargo executives.

"Wells Fargo knew that their unreasonable quotas were driving these unethical behaviors that were used to fraudulently increase their stock price and benefit the CEO at the expense of the low-level employees," the lawsuit said.

The company announced earlier this month that it had fired some 5,300 employees for opening as many as two million accounts in customers' names without their authorization.

Wells Fargo has been party to several lawsuits from customers, investigations by federal agencies, and scrutiny from lawmakers since the Consumer Financial Protection Bureau order the bank to pay $185 million in refunds and penalties to resolve allegations that the bank's sales quotas and incentives pushed employees to open millions of unauthorized accounts.