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Mass. Treasurer Will Remove Wells Fargo from List of Approved Debt Underwriters.

Massachusetts Treasurer Deborah Goldberg said Wells Fargo will be banned from handling the state's main bond issues for one year, after four members of the state's Congressional delegation asked her to cut off business with the troubled banking giant.

In a letter released by US Representative Stephen Lynch's office Monday, the South Boston Democrat and colleagues James McGovern, Michael Capuano, and Katherine Clark said Goldberg should cut off dealings with Wells Fargo because "Massachusetts has a long history of protecting consumers and instilling trust in our financial services sector."

Chandra Allard, a spokeswoman for Goldberg, said in response the treasurer is removing the bank from the list of approved underwriters for general obligation bond issuances, which the state uses to finance big expenditures.

It is difficult to project how much business the Massachusetts move will cost Wells Fargo. The company was one of more than 20 approved underwriters for general obligation bonds. The underwriters are compensated based on the size of given bond issuances and whether they are the lead underwriter on a deal. The Treasurer's office estimated the bank could miss out on as much as \$1.5 million per deal.

The Boston Globe

By Adam Vaccaro

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