

Bank of America defends immigrant card program

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By Jonathan Stempel

NEW YORK (Reuters) - Bank of America Corp. is defending its decision to offer credit cards to people who don't have U.S. Social Security numbers, amid criticism that the program effectively endorses illegal immigration.

The bank's pilot program, revealed last week, focuses on Hispanics in the Los Angeles area.

It has spurred opposition in Congress and from grass-roots groups who say many illegal immigrants could benefit, and that the program might foster identity theft, money laundering and terrorism.

Bank of America Chief Executive Kenneth Lewis defended the program on Thursday in The Wall Street Journal. This came after some groups called for a boycott of the No. 2 U.S. bank by assets. They say their efforts are bearing fruit.

William Gheen, director of the National Illegal Immigration Boycott Coalition, said his group has collected hundreds of e-mails from people vowing to cancel accounts and move mortgages. The group said it has more than 11,000 signatures on its petition calling for a boycott of Bank of America.

"What Bank of America is doing is illegal, or should be," Gheen said.

For its part, Bank of America has not seen "any unusual business activity" resulting from responses to the pilot program, spokeswoman Alexandra Trower said.

"Some (customers) are very supportive, while others are not supportive," she said. "That is why we undertake pilots."

The Pew Hispanic Center estimated there were 11.5 million to 12 million illegal immigrants nationwide a year ago.

That's up from the Census Bureau's 8.7 million estimate for 2000. The total population is 301.2 million, the bureau said.

CEO RESPONDS

Bank of America's roots date to San Francisco in 1904. That year, Amedeo Giannini, a son of Italian immigrants, founded the Bank of Italy to serve "the little guys," including immigrants that other banks wouldn't touch.

In his Thursday opinion piece, Lewis admitted it is not pleasant to be caught a century later in the "heated" national immigration debate, and that he was "feeling the passion."

Still, he pledged to continue the card program, which he said complies with the USA Patriot Act and other laws.

Lewis said illegal immigrants can obtain cards at many U.S. banks and businesses, and that Bank of America requires other identification to open accounts.

He also agreed with former U.S. Treasury Secretary John Snow that the government could better enforce money laundering and terrorist financing laws by encouraging foreign national consumers to enter the "financial mainstream."

James Angel, a professor at Georgetown University's McDonough School of Business, said: "From a homeland security perspective, we want undocumented workers in the financial system, so they can be tracked."

Lewis said his bank's program can help people build credit histories -- and perhaps become long-term customers.

"Let me be clear: Bank of America does not deliberately market financial products and services to illegal immigrants," he wrote.

Nearing the end of his sixth year at the bank's helm, Lewis has faced criticism before, including for spending \$82 billion to buy FleetBoston Financial Corp. and card issuer MBNA Corp. Wall Street now views those acquisitions as successes.

Lewis has led Bank of America's evolution from a regional bank into by far the largest U.S. bank by branches and deposits.

The bank is near a regulatory cap that bars acquisitions giving it more than 10 percent of U.S. deposits. It must focus on adding new customers and selling products to existing ones.

Some may need encouragement. The bank often gets mediocre scores in customer surveys, including this week's American Customer Satisfaction Index from the University of Michigan.

On Sunday's Academy Awards show, Bank of America will launch a new advertising campaign, with a "Bank of Opportunity" tagline replacing the 4-year-old "Higher Standards" slogan.

OPPOSITION

Some Republicans in the Democratic-controlled Congress say Bank of America is pursuing one opportunity too many.

"After September 11th, we were told that money was the lifeblood of terrorists, and that we should do everything possible to block their access to financial resources," Rep. Tom Tancredo, a Colorado Republican and prominent illegal immigration opponent, said Thursday in a statement.

"Today we are hearing a far different message," he continued. "I hope the (Bush) Administration will shut down this reckless and illegal program."

Meanwhile, CNN host Lou Dobbs, another illegal immigration opponent, has called the card program "outrageous," and the idea that Bank of America isn't marketing to illegal immigrants "fundamentally, absolutely and unequivocally a lie."

Bank of America's Trower said it is premature to say whether the card program will expand.

"We will analyze the results from the Los Angeles pilot, from a business and environmental perspective, to determine our next steps with this program," she said.

(Additional reporting by John Poirier in Washington, D.C.)

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