

March 23, 2023

Mr. James Dimon  
Chairman and CEO  
J.P. Morgan Chase & Co.  
383 Madison Avenue  
New York, NY 10179-0001

Dear Mr. Dimon:

As state financial officers responsible for public funds that include ownership in J.P. Morgan Chase, we write to convey our concern that the bank is engaged in what appears to be politically motivated de-banking of certain industries, individuals, and groups. In light of this concern, we urge Chase to immediately take steps to identify and address internal drivers of political or anti-religious bias that could undermine its fiduciary obligations and impair the freedom of its customers to access financial services without fear of discrimination.

*First*, J.P. Morgan Chase has demonstrated an apparent pattern of political bias in numerous key policy and operational decisions. Several states have previously raised concerns regarding the possibility that the bank is moving to severely limit business relationships with the fossil fuel industry.<sup>1</sup> While you indicated before Congress that defunding fossil fuels would be “the road to hell for America,”<sup>2</sup> Chase remains a member of the Net-Zero Banking Alliance which seeks to, as part of its core mission, “dramatically (reduce) their (member banks) carbon financing and investment activities.”<sup>3</sup> In effect, this entails limiting fossil fuel producers’ access to capital for reasons unrelated or even contrary to the bank’s fiduciary duty to shareholders.

---

<sup>1</sup> Matt Frey, [Treasurer Allison Ball Announces List of Restricted Financial Companies](#), Kentucky.gov (Jan. 3, 2023); Steven Mufson, [Republicans threaten Wall Street over climate positions](#), The Washington Post (Jul. 12, 2022, 3:21 pm).

<sup>2</sup> Mike Scott, [Reality bites as finance firms row back on their climate pledges](#), Reuters (Dec. 20, 2022, 6:08 am)

<sup>3</sup> Elizabeth Dilts Marshall, [Top fossil fuel lender JPMorgan joins UN climate action finance plan](#), Reuters (Oct. 8, 2021, 8:23 pm).

We are similarly concerned that the bank’s apparent move to discriminate against politically disfavored industries is spilling over into its other activities. Recently, Chase closed the National Committee for Religious Freedom’s (NCRF) account without explanation.<sup>4</sup> After repeated requests to reinstate the account, Chase informed NCRF that it would only consider doing so if the non-profit agreed to disclose detailed information about its donors and the criteria used to decide which political candidates it supports.<sup>5</sup>

This is not the first time Chase has engaged in questionable incidents of de-banking. In 2021, WePay, a subsidiary of Chase, denied ticket payment processing services for a mainstream republican event hosted by the non-profit, Defense of Liberty.<sup>6</sup> As justification, WePay cited a policy that barred payment processing services in connection with “hate . . . racial intolerance . . . or items or activities that encourage, promote, facilitate, or instruct others regarding the same.” Such vague and ambiguous terms can easily be used to hide viewpoint-based discrimination.

There are other similar cancellation incidents that raise the specter of viewpoint bias. In 2021, Chase cancelled a credit card account connected to former general Michael Flynn for questionable reasons.<sup>7</sup> That same year, Chase terminated the Arkansas Family Council’s account because the organization was deemed “High Risk,” even though they had done business with the bank for over two years.<sup>8</sup>

While Chase maintains that such decisions are not driven by any underlying political motives, its questionable pattern of de-banking coupled with its lack of transparency is cause for concern. According to former Chase senior executive, Cleo McDougald, the bank practices “red dotting,” whereby a “red flag is placed on internal records.... (alerting) different divisions in the bank not do any business with (certain clients).”<sup>9</sup> These flags are often triggered by “reputational” or “social” “risk” policies and “can be generated from concerns over negative media coverage,” even if such coverage is frivolous or politically biased.<sup>10</sup>

This pattern is particularly troubling in light of Chase’s poor rating of 15% on the 2022 Viewpoint Diversity Score Business Index, which is the first comprehensive benchmark assessing whether scored companies respect free speech and religious freedom across forty-two key performance indicators.<sup>11</sup>

---

<sup>4</sup> Jon Brown, [Chase Bank allegedly shuts bank account of religious freedom nonprofit, demands donor list](#), Fox Business (Oct. 13, 2022).

<sup>5</sup> Sam Brownback, [Are big banks chasing away religious organizations?](#) Washington Examiner Presents (Oct. 6, 2022, 6:00 am).

<sup>6</sup> [Letter from MO Treasurer Scott Fitzpatrick to Jamie Dimon, CEO, JP Morgan Chase](#) (November 17, 2021).

<sup>7</sup> Luke Gentile, [Chase Bank apologizes for Michael Flynn credit card cancellation letter sent in “error”](#), Yahoo News (September 1, 2021).

<sup>8</sup> Jerry Cox, [Chase Bank Cancels National Committee for Religious Freedom’s Account Two Years After Canceling Ours](#), Family Council (Oct. 19, 2022).

<sup>9</sup> [Morning Wire: Bank Cancels Religious Non-Profit & New Tax Rules – Transcripts](#), Steno, (Dec. 26, 2022) at 00:04:31.

<sup>10</sup> *Ibid*; at 00:04:31 – 00:05:03.

<sup>11</sup> [JPMorgan Chase](#), Viewpoint Diversity Score.

The company's score breakdown revealed a troubling lack of transparency related to internal decision-making on service cancellations, and respect for diverse viewpoints in its corporate governance.<sup>12</sup> The Business Index also identified vague and imprecise policies that afford Chase broad discretion to deny or restrict service for arbitrary reasons.<sup>13</sup> Despite these warning signs, Chase has not disclosed any steps it takes to guard against political or anti-religious bias that could adversely impact clients and harm the company.

**Second**, this pattern of apparent internal political bias at Chase poses risks for public funds invested in the Company as well as for the millions of individuals, businesses, and non-profits who rely on its services. A large number of our pension funds are direct shareholders of Chase, and as stewards of our states' investment dollars, we are concerned that the company's recent pattern of apparent politically motivated de-banking constitutes a breach of its fiduciary duty. Under the law, you and the other officers of the company must act to maximize profit and must not subordinate the company's long-term financial well-being to extraneous personal or political ends.<sup>14</sup> Chase's questionable practice of selective de-banking improperly subordinates financial well-being to other factors and places the company's business interests at risk.

In addition to sacrificing profitable investment opportunities (e.g., fossil fuels) for political reasons, the appearance of politicized de-banking harms the company's reputation with its customers. The freedom to bank and access financial services without fear of viewpoint-based discrimination is fundamental to maintaining the trust of people and institutions in a diverse and pluralistic society. The public backlash against Chase's questionable moves indicates growing public distrust of the company and invites heightened regulatory scrutiny that could substantially impact its financial performance.<sup>15</sup>

**Third**, in light of the foregoing concerns, we call on Chase to immediately take steps to identify and address internal drivers of political or anti-religious bias that could undermine its fiduciary obligations and impair the freedom of its customers to access financial services without fear of discrimination based on their political or religious views. One significant step forward would be an equal commitment to transparency concerning the policies and procedures Chase follows to prevent politically biased decision-making. Mere claims that Chase does not cancel accounts for political and religious reasons will no longer suffice.

When Chase's shareholders recently requested that it participate in the survey component of the Viewpoint Diversity Score Business Index—by completing a questionnaire about internal policies and practices that impact the civil liberties of all customers and employees—the bank refused.<sup>16</sup> Chase, however, discloses detailed information regarding a host of other issues

---

<sup>12</sup> Staff, [How they Scored: JP Morgan Chase Bank](#), Viewpoint Diversity Score (Sep. 22, 2022).

<sup>13</sup> *Ibid.*

<sup>14</sup> *eBay Domestic Holdings, Inc. v. Newmark*, 16 A. 3d 1, 34 (Del. Ch. 2010) (“[h]aving chosen a for-profit corporate form . . . the directors are bound by the fiduciary duties and standards that accompany that form.”); see also *Guth v. Loft, Inc.*, 5 A.2d 503, 510 (Del. 1939).

<sup>15</sup> [Letter from U.S. Senator Marco Rubio to Jamie Dimon, CEO, JP Morgan Chase](#) (Oct. 25, 2022).

<sup>16</sup> Scott Shepard, [Is Jamie Dimon Aware of the Partisan Double Standard Inside His Bank?](#) Real Clear Markets.

including climate change,<sup>17</sup> and diversity, equity, and inclusion.<sup>18</sup> It participates in the Human Rights Campaign’s Corporate Equality Index,<sup>19</sup> and even publicly celebrates its ranking.<sup>20</sup> And you personally extolled transparency in your 2020 letter to investors, writing that “(u)nlike many companies...banks must necessarily turn customers down or enforce rules that a customer may not like...This makes open and transparent dealings even more important.”<sup>21</sup> Yet, when provided with an opportunity to practice equal transparency on an issue of concern and import to a large number of your shareholders and customers, Chase has thus far been unwilling.

For these reasons, we, the undersigned state officials, demand that J.P. Morgan Chase demonstrate good faith in addressing these concerns, first, by completing the transparency questionnaire it received in connection with the Viewpoint Diversity Score Business Index, and second, by implementing recommended best practices to prevent internal political and anti-religious bias moving forward.

Sincerely,



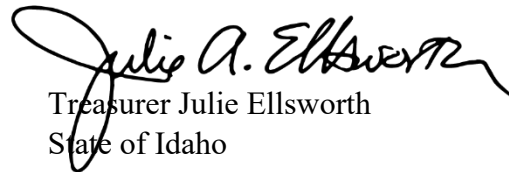
Treasurer John Murante  
State of Nebraska



Commissioner of Revenue Adam Crum  
State of Alaska



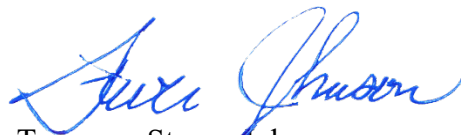
Auditor Dennis Milligan  
State of Arkansas



Treasurer Julie Ellsworth  
State of Idaho



Treasurer Dan Elliott  
State of Indiana



Treasurer Steven Johnson  
State of Kansas

---

<sup>17</sup> [2022 Climate Report](#), JPMorgan Chase & Co. (p.4).

<sup>18</sup> [2021 Environmental Social & Governance Report](#), JPMorgan Chase & Co.

<sup>19</sup> [CEI 2022, Appendix A: Employer Ratings](#) (Receiving 100% on the CEI requires the company complete a questionnaire provided by HRC).

<sup>20</sup> Stuart Richardson, [Human Rights Campaign sets new standard for ‘Best Places to Work for LGBTQ+ Equality](#), NBC News (Jun. 9, 2022, 9:51 am).

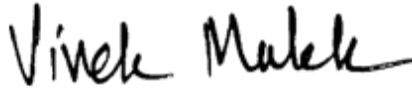
<sup>21</sup> [JPMorgan Chase & Co. Annual Report 2020](#).



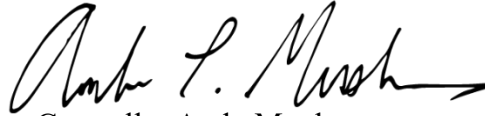
Treasurer David McRae  
State of Mississippi



Auditor Scott Fitzpatrick  
State of Missouri



Treasurer Vivek Malek  
State of Missouri



Controller Andy Matthews  
State of Nevada



Treasurer Thomas Beadle  
State of North Dakota



Treasurer Todd Russ  
State of Oklahoma



Treasurer Curtis M. Loftis, Jr.  
State of South Carolina



Treasurer Marlo Oaks  
State of Utah