



Déjà Lew

Obama Has Spent Two Campaigns Railing Against Everything That Treasury Secretary Nominee Jack Lew Represents

OBAMA ASSAILED THE REVOLVING DOOR BETWEEN WALL STREET AND WASHINGTON, THEN NOMINATED LEW

Obama's Selection Of Lew For Treasury Secretary Raises Questions About The Continuing Revolving Door Between Wall Street And Government. "It makes sense that Lew would have been thinking ahead to his next career move when he joined Citigroup in 2006. It's also understandable that Citigroup sought to discourage Lew from joining a competitor. Why no mention of other kinds of public service, say a city hall job or returning to teaching? Why reward him for landing only a high-level U.S. government post, but not jobs such as those, which also are of high social importance? We don't know the whole story, except that Lew's agreement clearly attached unique value to the possibility that he might get a top U.S. government position someday. Should that be of concern to the public? It ought to be." (Johnathan Weil, "Citigroup's Man Goes To The Treasury Department," [Bloomberg](#), 2/21/13)

- **Jack Lew Was Chief Operating Officer Of Citigroup's Alternative Investments Arm In 2008.** "Don't take his liberalism to mean that Lew is a wild-eyed socialist though. In fact, he's a former banker. In 2008, he served as chief operating officer of Citigroup Alternative Investments, a division of the Wall Street behemoth. That group was involved in controversial practices like proprietary trading, and was involved in shorting the housing market as the economy lurched toward collapse." (David A. Graham, "Who Is The New White House Chief Of Staff Jack Lew?," [The Atlantic](#), 1/9/12)

FLASHBACK: In 2007, Obama Promised To "Launch The Most Sweeping Ethics Reform In History To Make The White House The People's House And Send The Washington Lobbyists Back To K Street." "So there's more cleaning up to do in Washington and Congress needs to start doing it so we can finally take action on the big challenges that demand solutions. But we need to clean up both ends of Pennsylvania Avenue. I believe that the responsibility for a people's politics begins with the person who sits in the Oval Office. That is why on my very first day as President, I will launch the most sweeping ethics reform in history to make the White House the people's house and send the Washington lobbyists back to K Street." (Senator Barack Obama, [Remarks At A Campaign Event](#), Manchester, NH, 6/22/07)

FLASHBACK: Obama In 2007: "When I Am President, I Will Make It Absolutely Clear That Working In An Obama Administration Is Not About Serving Your Former Employer, Your Future Employer,

Or Your Bank Account - It's About Serving Your Country, And That's What Comes First." (Senator Barack Obama, [Remarks At A Campaign Event](#), Manchester, NH, 6/22/07)

OBAMA ASSAILED OFFSHORE INVESTMENTS BEFORE HE NOMINATED LEW

Obama Assailed The Very Type Of Offshore Investments During The 2012 Campaign That Jack Lew Held Prior To Joining The Administration, But According To Obama, "That Was Then." "Last year, the Obama campaign waged an all-out assault on Mitt Romney for his offshore investments—a 'guy with a Swiss bank account,' with 'millions in the Cayman Islands, who refused to release his tax returns,' as Joe Biden put it. That was then. Now the Obama administration expects Jack Lew to be confirmed as Treasury secretary—despite his having invested \$56,000 in a Cayman Islands-based private equity fund during the career political operative's lucrative dip into the private sector." (Lloyd Green, "Jack Lew And The Obama Administration's Finance-Friendly Status Quo," [The Daily Beast](#), 2/19/13)

Obama Treasury Secretary Nominee Jack Lew Invested In A Citigroup Venture Capital Fund Registered In The Cayman Islands' Uglad House. "Republicans also want to ask Lew about a \$56,000 investment he once had in a Citigroup venture capital fund registered in the Cayman Islands. Lew lost \$1,582 when he had to divest his position in the fund to serve as Obama's budget chief. The CVCI Growth Partnership II fund's registered office is listed as the Uglad House, according to a securities filing, a Cayman Island office building with thousands of companies registered that has become a symbol of offshore tax evasion. Uglad House was criticized by Obama when he was campaigning for president." (Rachel Younglai and Anna Yukhanov, "Jack Lew Senate Hearing Will Question His Budget Policies, Citigroup Bonus," [Reuters](#), 2/10/13)

- Lew's Cayman Islands Investment - Which He Held As Recently As 2010 - "Is Coming To Light As Mr. Obama And Congressional Democrats Are Zeroing On Taxes Lost To Off-Shore Entities."** "As recently as 2010, Jack Lew, President Obama's nominee to be the next secretary of the Treasury, had \$56,000 invested in a CitiGroup venture capital fund based in the Cayman Islands' notorious Uglad House, a building whose mailboxes are home to nearly 19,000 corporate entities, many of them tax shelters. The investment has been in public documents for years and drew no attention when Mr. Lew was confirmed to be deputy secretary of state in 2009 and director of the White House Office of Management and Budget in 2010. But the fund is coming to light as Mr. Obama and Congressional Democrats are zeroing on taxes lost to off-shore entities, including hedge funds, as a way to stave off \$1 trillion in across-the-board spending cuts set to begin March 1." (Johnathan Weisman, "Lew's Cayman Islands Fund A Likely Issue At Confirmation Hearings," [The New York Times' The Caucus](#), 2/8/13)
- Despite Attacking His 2012 Opponent For Such Investments, "Now That One Of Obama's Cabinet Nominees Is Defending His Own Cayman Account, Democrats Are Suddenly Silent On The Matter."** "President Barack Obama's reelection campaign famously trolled Mitt Romney for having bank accounts in the Cayman Islands throughout 2012, with campaign spokesman Ben LaBolt calling it proof that the Republican 'bets against America.' It's a line that was echoed during the election by Governor Martin O'Malley, the Democratic National Committee, and several web ads on Obama's own YouTube channel, which featured at least 20 videos mentioning Romney's Cayman accounts. A search for Cayman Islands on the Obama campaign's website brings back more than 1,200 results. But now that one of Obama's cabinet nominees is defending his own Cayman account, Democrats are suddenly silent on the matter." (Andrew Kaczynski, "Obama's Cayman Island Attacks Come Back To Bite Him," [BuzzFeed](#), 2/11/13)

FLASHBACK: In October 2012, Obama Criticized Those Who "Use Offshore Accounts." OBAMA: "But

as we saw last night, the five-point plan really boils down to one point: folks at the very top get to play by a different set of rules than you do. So they can pay lower taxes. They can use offshore accounts. They can buy a company, load it up with debt, lay off the workers, strip away the pensions, send the jobs overseas, and still make a big profit doing it. It's the same philosophy that's been squeezing middle class families for over a decade. It's the same philosophy that got us into this mess. And I have seen too much pain and struggle here in Ohio and all across the country to let us go down that path again." (President Barack Obama, [Remarks At A Campaign Rally](#), Athens, OH, 10/17/12)

- **Obama Bemoaned Gov. Romney's Economic Plan As One In Which Folks At The Very Top Get To "Keep Their Money In Offshore Accounts."** OBAMA: "Folks at the very top get to play by a very different set of rules than you do. They can keep paying lower tax rates than you do, keep their money in offshore accounts." (President Barack Obama, [Remarks At A Campaign Rally](#), Davenport, IA, 10/24/12)

FLASHBACK: During The 2008 Democrat Primary Debates, Obama Suggested That A Building That Houses 12,000 Companies In The Cayman Islands Is "Either The Biggest Building Or The Biggest Tax Scam On Record." SEN. BARACK OBAMA: "That's why I have proposed specific tax relief now, immediately, so that we would offset some of the payroll tax, that we would immediately put some additional dollars in the pockets of American families, working families typically making \$75,000 a year or less, to not only stimulate the economy, but also to balance out a tax code. And I would pay for it very specifically by closing tax loopholes and tax havens. You've got a building in the Cayman Islands that supposedly houses 12,000 corporations. That's either the biggest building or the biggest tax scam on record." ([Democrat Primary Debate](#), Manchester, N.H., 1/5/08)

- [Watch Obama Call Cayman Investments Like Jack Lew's "The Biggest Tax Scam On Record"](#)

FLASHBACK: Obama Again Brought Up The Uglad House As President In 2009 During Remarks On International Tax Policy Reform, Reiterating That "This Is The Largest Building In The World Or The Largest Tax Scam In The World." OBAMA: "For years, we've talked about shutting down overseas tax havens that let companies set up operations to avoid paying taxes in America. That's what our budget will finally do. On the campaign, I used to talk about the outrage of a building in the Cayman Islands that had over 12,000 business -- businesses claim this building as their headquarters. And I've said before, either this is the largest building in the world or the largest tax scam in the world." (President Barack Obama, [Remarks By The President On International Tax Policy Reform](#), Washington, D.C., 5/4/09)

- **Obama Criticized The Legality Of Tax Havens In The Tax Code, Saying "That Makes It Perfectly Legal For Companies To Avoid Paying Their Fair Share."** OBAMA: "And yet, even as most American citizens and businesses meet these responsibilities, there are others who are shirking theirs. And many are aided and abetted by a broken tax system, written by well-connected lobbyists on behalf of well-heeled interests and individuals. It's a tax code full of corporate loopholes that makes it perfectly legal for companies to avoid paying their fair share. It's a tax code that makes it all too easy for a number -- a small number of individuals and companies to abuse overseas tax havens to avoid paying any taxes at all. And it's a tax code that says you should pay lower taxes if you create a job in Bangalore, India, than if you create one in Buffalo, New York." (President Barack Obama, [Remarks By The President On International Tax Policy Reform](#), Washington, D.C., 5/4/09)
- [Watch Obama Attack Cayman Investments Like Jack Lew's In 2009](#)

OBAMA ASSAILED PRIVATE EQUITY BEFORE HE NOMINATED LEW

Lew's Alternative Investments Group Was A \$54 Billion Proprietary Trading, Hedge Fund And Private Equity Unit. "Though Lew is a longtime public servant who's spent nearly 30 years in various positions throughout government, it is his few years at Citi -- in particular the one year he spent at its then-\$54 billion proprietary trading, hedge fund and private equity unit -- that's likely to raise the most eyebrows in the coming weeks as Lew faces a Senate confirmation hearing." (Shahien Nasiripour, "Jack Lew: Obama's OMB Pick Oversaw Citigroup Unit That Shorted Housing Market," [The Huffington Post](#), 7/14/10)

FLASHBACK: In May 2012, Obama Bemoaned Private Equity As An Industry Whose Biggest Priority Is Simply To "Maximize Profits," Saying That It's "Not Always Going To Be Good For Communities Or Businesses Or Workers." OBAMA: "Now, I think my view of private equity is that it is set up to maximize profits. And that's a healthy part of the free market; that's part of the role of a lot of business people; that's not unique to private equity. And as I think my representatives have said repeatedly, and I will say today, I think there are folks who do good work in that area. And there are times where they identify the capacity for the economy to create new jobs or new industries, but understand that their priority is to maximize profits. And that's not always going to be good for communities or businesses or workers." (Barack Obama, [Remarks At NATO Press Conference](#), Chicago, IL, 5/21/12)