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## Senators ready to grill treasury secretary nominee

Jack Lew will be asked about his time at Citigroup.

By Kasia Klimasinska February 13,

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WASHINGTON — Treasury secretary nominee Jack Lew faces questions about his work at Citigroup and an investment in a Cayman Islands fund from senators who also will ask him about ways to cut Medicare spending and the country's debt.

Lew, picked by President Barack Obama last month to succeed Timothy Geithner, will testify before the Democratic-controlled Senate Finance Committee today.

“Republicans aren't exactly thrilled with him, but, at the same time, they weren't thrilled with Geithner either,” said Mark Calabria, director of financial-regulation studies at the Cato Institute in Washington.

If confirmed, Lew immediately would be at the forefront of talks between Obama and Congress over the \$1.2 trillion in spending reductions that are set to take effect on March 1. He also would become a key player in longer-term projects such as revising the federal tax code.

“We have a tremendous amount of work to do over the next couple months to get our fiscal house in order,” Finance Committee Chairman Max Baucus, a Democrat from Montana, said in a statement on Feb. 6. “It is my hope that — after a thorough vetting process — Jack Lew will be quickly confirmed so he can help tackle our country's pressing economic issues.”

Lew, 57, Obama's former chief of staff and ex-director of the Office of Management and Budget, worked as a Citigroup executive from 2006 until joining the Obama administration at the State Department in 2009. His tenure at New York-based Citigroup overlapped with the U.S. government's \$45 billion bailout during the 2008 global crisis. Citigroup later repaid the government funds.

“We need a better understanding of his role at Citigroup, what his knowledge is of financial markets, whether he supports reforming our tax code,” Sen. Orrin Hatch of Utah, the top Republican on the Finance Committee, said in a Feb. 6 statement. “I will not decide whether or not to support his nomination until those questions are answered.”

Lew also will be questioned about his investment in a Cayman Islands fund located in a building known as a home for offshore tax havens that Obama criticized during his 2008 campaign, Sen. Charles Grassley, R-Iowa, said on Friday. Lew had between \$50,001 and \$100,000 in the Citigroup fund based in Uglan House, according to a 2009 financial disclosure form.

“Jack Lew paid all of his taxes and reported all of the income, gains and losses from the investment on his tax returns,” White House spokesman Eric Schultz said.