

## Alexandria Ocasio-Cortez and Elizabeth Warren question whether Trump's Treasury secretary helped illegally strip Sears of billions and broke ethics rules

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Business insider, May 23, 2019

Rep. Alexandria Ocasio-Cortez and Sen. Elizabeth Warren, two of the most outspoken progressives in Congress, demanded that Treasury Secretary Steven Mnuchin provide more information about his work for Sears during its decline into bankruptcy [in a letter on Thursday](#).

The New York democratic socialist and the 2020 presidential candidate wrote that they're "deeply concerned by the financial engineering and potentially illegal activity" that went on at Sears, once the largest retailer in the world, while Mnuchin served on its board from 2005 until December 2016.

In [a lawsuit filed last month](#) against Sears CEO Eddie Lampert, Sears accused Mnuchin of helping Lampert, a longtime friend and former college roommate of Mnuchin's, illegally strip the retail giant of \$2 billion in assets before it [filed for bankruptcy](#) in October 2018.

The treasury secretary worked with Lampert at Goldman Sachs before he served on the boards of Sears and of Lampert's hedge fund, ESL Investments.

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"Had defendants not taken these improper and illegal actions, Sears would have had billions of dollars more to pay its third-party creditors today and would not have endured the amount of disruption, expense, and job losses resulting from its recent bankruptcy filing," the lawsuit reads.

Ocasio-Cortez called Mnuchin a "walking example of what happens when rich and powerful people put other rich and powerful people into power" in [a video](#) the two lawmakers released on Thursday.

Warren, a former law professor and bankruptcy law expert, accused Mnuchin of "raking in cash for himself at the expense of hundreds of thousands of Sears employees" during his 11 years on the board, prior to becoming Treasury secretary.

The lawmakers asked Mnuchin to explain how he advised Lampert and the company's leaders, whether he discussed Sears' underfunded pensions while he was a board member of the federal agency that regulates private pension plans, and whether he's complied with ethics regulations concerning his involvement with the company while serving in the Trump administration.

Lampert and ESL have denied all the allegations in the lawsuit, [calling them](#) "misleading or just flat wrong."

Last year, [President Donald Trump said](#) Sears had "obviously" been "improperly run for many years," but the president didn't mention that his Treasury secretary had been instrumental in the company's management.

Warren weaved her personal story into the video, explaining how her mother [took a minimum wage job at Sears](#) in the early 1960s to support her family after Warren's father had a heart attack.

"Today it's a very different Sears," Warren said before Ocasio-Cortez accused Lampert and Mnuchin of driving the company "into the ground."

***Read more:*** [Sears, once the largest retailer in the world, has narrowly avoided liquidation. Here's how its downfall played out.](#)