

United States Senate  
WASHINGTON, DC 20510

July 27, 2017

The Honorable Steve Mnuchin  
Secretary of Treasury  
Department of the Treasury  
1500 Pennsylvania Ave, NW  
Washington, D.C. 20220

Dear Secretary Mnuchin:

We are writing to request that as Chair of the Financial Stability Oversight Council (FSOC), you provide us with information on FSOC member contacts with Carl Icahn related to FSOC's possible de-designation of American International Group (AIG) – a company in which Mr. Icahn has a substantial investment.

On December 21, 2017, President Trump named Mr. Icahn “special adviser to the President on issues relating to regulatory reform.”<sup>1</sup> Despite this role, Mr. Icahn continues to retain his massive business interests, including a stake as “one of the largest investors” in AIG, one of the world’s largest insurance companies.<sup>2</sup>

AIG’s “impending collapse” in 2008 – which ultimately required a \$182 billion bailout from the Federal Reserve and U.S. taxpayers<sup>3</sup> – caused the financial crisis to reach “seismic proportions.”<sup>4</sup> In July 2013, FSOC voted to designate AIG as a nonbank systemically important financial institution (SIFI), which subjected the company to heightened oversight and regulation.<sup>5</sup>

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<sup>1</sup> Wall Street Journal, Trump Names Carl Icahn as Adviser on Regulatory Overhaul (Dec. 21, 2016) (<https://www.wsj.com/articles/trump-to-name-icahn-as-adviser-on-regulatory-overhaul-1482354552>)

<sup>2</sup> Bloomberg, Icahn Said to Ease Off Demand for AIG Breakup Under New CEO (Jun. 29, 2017) (<https://www.bloomberg.com/news/articles/2017-06-29/icahn-said-to-ease-off-demand-for-aig-breakup-after-ceo-switch>).

<sup>3</sup> Congressional Oversight Panel, June Oversight Report: The AIG Rescue: Its Impact on Markets and the Government’s Exit Strategy (June 10, 2010) (<https://www.gpo.gov/fdsys/pkg/CPRT-111JPRT56698/pdf/CPRT-111JPRT56698.pdf>).

<sup>4</sup> Financial Crisis Inquiry Commission, THE FINANCIAL CRISIS INQUIRY REPORT at xvi, xx (Jan. 2011) available at <http://www.gpo.gov/fdsys/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf>.

<sup>5</sup> See Financial Stability Oversight Council, Basis of the Financial Stability Oversight Council’s Final Determination Regarding American International Group, Inc., July 8, 2013 (<http://www.treasury.gov/initiatives/fsoc/designations/Documents/Basis%20of%20Final%20Determination%20Regarding%20American%20International%20Group.%20Inc.pdf>).

This status presented a concern for Mr. Icahn. In October 2015, Mr. Icahn first disclosed that he owned a stake in AIG,<sup>6</sup> and wrote a letter to then-CEO Peter Hancock arguing that AIG is “Too Big to Succeed” and should split itself into insurance companies that are “small enough to avert the increased capital requirements and regulations associated with non-bank SIFI status.”<sup>7</sup>

But last month, Mr. Icahn reportedly began “easing off his demands for a breakup of” AIG.<sup>8</sup> Public reports indicate Mr. Icahn’s change of heart was the result of new leadership at the company, but it is unclear how the change of leadership could have addressed his concern about the costs of SIFI designation.

During the nomination hearing for SEC Chairman Jay Clayton – who is a member of FSOC – we learned that Mr. Clayton and Mr. Icahn met following his nomination. Although Mr. Clayton indicated that the meeting was about “the importance of activist investors in driving performance at companies,”<sup>9</sup> there is ample evidence that Mr. Icahn will not hesitate to discuss and advocate for positions that benefit him personally, even with Administration officials with whom he has interacted with in his “Special Adviser” role.<sup>10</sup>

Given Mr. Icahn’s recent modification of his position on the breakup of AIG, and his past interactions with Administration officials, we write to seek assurances that Mr. Icahn has not provided input on or received information on the pending FSOC decision on AIG’s SIFI status.

We therefore ask that you provide us with answers to the following questions:

1. What protections does FSOC have in place to ensure that individuals with an interest in pending FSOC decisions do not inappropriately influence or attempt to influence FSOC officials who will be deciding these matters? Were these policies and procedures followed by all FSOC members in the AIG case?
2. Are any FSOC members subject to recusal on AIG matters as a result of potential conflicts of interest related to or interactions with Mr. Icahn? If yes, which FSOC members? Did they appropriately recuse themselves from these matters?
3. Has Mr. Icahn, or any individual working for or on behalf of Mr. Icahn, had any contact with any FSOC official, or any staff member for any FSOC official, regarding AIG or any other companies in which Mr. Icahn is an investor? If so, please list all

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<sup>6</sup> Wall Street Journal, AIG Faces Push to Break Up (Oct. 28, 2015) (<https://www.wsj.com/articles/icahn-says-he-has-taken-large-stake-in-aig-encourages-company-to-split-1446038362>)

<sup>7</sup> Letter from Carl Icahn to Peter Hancock, Chief Executive Officer, AIG (Oct. 28, 2015) (<http://carlicahn.com/aig-ceo-letter/>).

<sup>8</sup> Bloomberg, Icahn Said to Ease Off Demand for AIG Breakup Under New CEO (Jun. 29, 2017) (<https://www.bloomberg.com/news/articles/2017-06-29/icahn-said-to-ease-off-demand-for-aig-breakup-after-ceo-switch>).


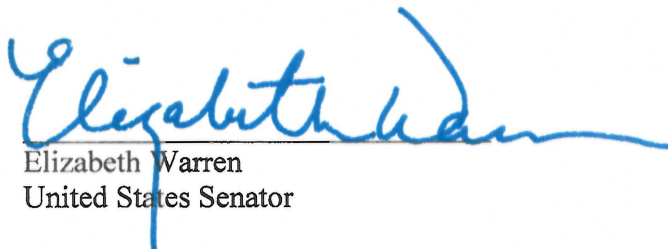
<sup>9</sup> Washington Post, Democrats Skeptical about SEC Nominees Ties to Wall Street (Mar. 23, 2017) ([https://www.washingtonpost.com/news/wonk/wp/2017/03/23/sec-nominee-to-face-tough-questions-on-wall-street-connections/?utm\\_term=.2814f9797836](https://www.washingtonpost.com/news/wonk/wp/2017/03/23/sec-nominee-to-face-tough-questions-on-wall-street-connections/?utm_term=.2814f9797836)).

<sup>10</sup> See, e.g., Bloomberg Businessweek, Trump Adviser Carl Icahn Lobbies for Rule Change That Benefits Icahn (Mar. 16, 2017) ([https://www.warren.senate.gov/files/documents/2017\\_05\\_09\\_Icahn\\_CFTC\\_SEC\\_EPA.pdf](https://www.warren.senate.gov/files/documents/2017_05_09_Icahn_CFTC_SEC_EPA.pdf)).

contacts, and describe the nature of any discussions with Mr. Icahn or his representatives.

We ask that you provide us with answers to these questions no later than August 11, 2017.

Sincerely,



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Elizabeth Warren  
United States Senator

Sheldon Whitehouse  
United States Senator