

## Carl Levin, US senator, 1934-2021

### Michigan Democrat's congressional inquiries held global financiers to account



Carl Levin together with his committee focused attention on tax evasion, money laundering and other financial malfeasance © Tom Williams/CQ Roll Call/Getty

Gary Silverman

AUGUST 6, 2021

Financial Times

[https://www.ft.com/content/d5afa662-5f19-4ada-9b4a-9a4321cc3db1?accessToken=zwAAAXscEvKokdPVr6ZiXxlK2tObSppDIcw9sQ.MEUCIQCcfIiE3PCb\\_uIt8p-omGhz6a3gy3xXILJ14XvBK9mFHgIgaIJHr\\_49p2AIm9Q2W8c2AO1CmMIK8w5oXPfy6tmKY58&sharetype=gift?token=fb345fd4-e009-48c8-86e2-6e12787babbf](https://www.ft.com/content/d5afa662-5f19-4ada-9b4a-9a4321cc3db1?accessToken=zwAAAXscEvKokdPVr6ZiXxlK2tObSppDIcw9sQ.MEUCIQCcfIiE3PCb_uIt8p-omGhz6a3gy3xXILJ14XvBK9mFHgIgaIJHr_49p2AIm9Q2W8c2AO1CmMIK8w5oXPfy6tmKY58&sharetype=gift?token=fb345fd4-e009-48c8-86e2-6e12787babbf)

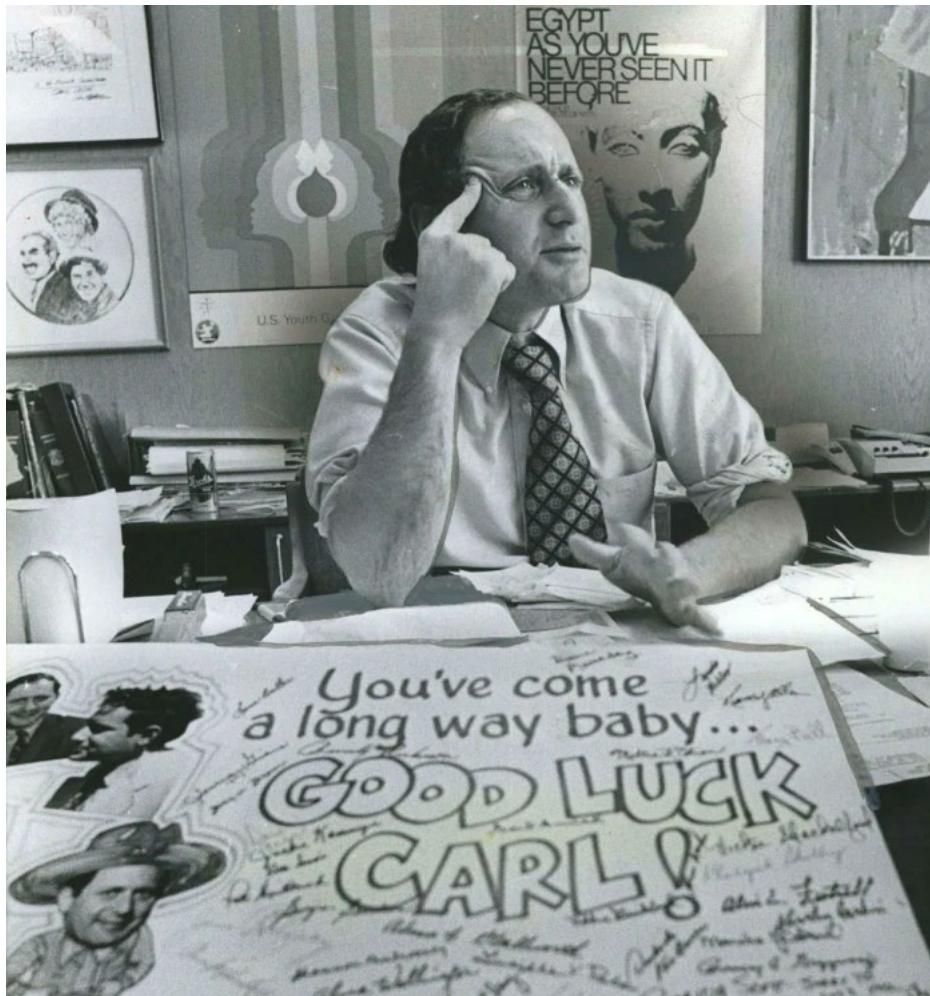
Carl Levin was a US senator like no other. Using his power to name and shame, he carved out a role as a supranational financial regulator who held the world's most powerful economic actors to account at hearings that had as much impact on Zurich and London as Wall Street and Silicon Valley.

The Michigan lawmaker, who died on July 29 at 87, wielded his authority as the senior Democrat on the Senate permanent subcommittee on investigations (PSI), an oversight panel that traces its roots to then-Senator Harry Truman's hearings on profiteering during the second world war and gained infamy for its communist witch hunts in the 1950s under Joseph McCarthy.

From 1999 until his retirement in 2015, Levin focused attention on tax evasion, money laundering and other financial malfeasance, making a seat before his committee the "scariest" place in Washington for a corporate executive, as Politico once [quipped](#).

Levin's subcommittee pushed Swiss banks, such as UBS and Credit Suisse, to shed the cloak of secrecy they used to help US customers dodge taxes, detailed the \$6.2bn derivatives [trading loss](#) suffered by JPMorgan Chase's "London whale" and showed how Apple and Microsoft used havens to shield billions of dollars in income from US revenue collectors.

"He really was focused on cleaning up our own backyard here in the US . . . which often had international repercussions," says Elise Bean, a former PSI staff director and chief counsel who served alongside Levin for three decades. "His work to curb money laundering through US banks and tax dodging by US multinationals sparked worldwide conversations about how to better tackle those problems."



Carl Levin Levin was said to be uninterested in an investigation unless it was complicated. His staff would work for months on a single probe © Detroit Free Press/USA Today/Reuters

Levin, a Detroit native who served six terms in the Senate, was a populist of the old school, inspired by the Jewish teaching — tikkun olam — to heal the world. Educated at Swarthmore

and Harvard Law School, he drove a cab and worked on a factory assembly line during his summers, earning him a 1953 union card that he carried in his wallet.

On Capitol Hill, Levin cut a distinctly different figure to the well-heeled witnesses he grilled. [Chuck Schumer](#), the Democratic Senate leader, says many of Levin's colleagues remember him as "disheveled" — his suits rumpled, his glasses precariously perched on the tip of his nose. But Schumer says Levin's "intellect was fierce, a sharpened blade" that could "cut through the unimpressive answers of a witness in front of his committee".

"He knew how to use that process to maximum effect," says one financial executive who appeared before the subcommittee. "He was good — he was good at his job."

Fireworks at a Levin hearing were to be expected. In a 2010 hearing on the role of Goldman Sachs in the financial crisis, Levin read [an email](#) sent by one bank executive calling a collateralised debt obligation it marketed a "shitty deal". Putting aside customary congressional decorum, Levin repeatedly used the characterisation in his questioning.



Carl Levin, left, stands next to US President Jimmy Carter. Levin, a Detroit native, served six terms in the Senate © AP

"What do you think about selling securities which your own people think are crap?" [he asked Lloyd Blankfein](#), Goldman's chief executive. "Does that bother you?" Blankfein responded that "there are a lot of opinions about how a security will perform" and "investors that we are dealing with on the long side or on the short side know what they want to acquire".

The length of the Goldman hearing attested to the rigour of Levin's PSI. It went on all day, with Blankfein subjected to a three-and-a-half-hour interrogation that stretched past the dinner hour. Levin was said to be uninterested in an investigation unless it was complicated. His staff would work for months on a single probe. Its reports ran to hundreds of pages.

Results often followed. When Levin summoned UBS to explain why it was helping Americans open Swiss accounts to avoid paying taxes, the bank pledged at a [2008 hearing](#) to stop providing such services without telling the Internal Revenue Service. It turned out to be a pivotal moment in the decline of Swiss banking secrecy that played out over the ensuing years.

In other cases, Levin's influence was wielded behind the scenes. After a PSI investigation during the 1990s into Citicorp's role in helping Raul Salinas, brother of former Mexican president Carlos Salinas, move tens of millions of dollars out of the country, Bean recalls that an official of the bank told her it had come up with a new strategy for dealing with Levin. "The person said they had a rule that if we called up about any account, they would close it."

[gary.silverman@ft.com](mailto:gary.silverman@ft.com)