



## Levin in 'real hope' of fresh Goldman probe

[Print](#)

By Tom Braithwaite in Washington

Published: May 19 2011 00:08 | Last updated: May 19 2011 00:08

Carl Levin, chairman of the Senate investigative subcommittee, said there was "real hope" law enforcement authorities would act on his panel's report accusing Goldman Sachs of misleading investors and Congress.

The Senate report criticised rating agencies, regulators and other banks. But Goldman has drawn particular focus. Eric Holder, attorney-general, said this month the justice department was looking at the report "that deals with Goldman".

The possibility of more legal and regulatory issues at the bank has weighed on its stock in recent weeks. Dick Bove, analyst at Rochdale Securities, wrote last week that "pressure on the justice department to bring a criminal lawsuit against Goldman [appeared to be] building to a high pitch".

Mr Levin added to that in an interview with the Financial Times on the Senate report, which examined Wall Street practices in the run-up to the crisis. The senator was confident officials were taking it seriously. "There's real hope here that there's going to be a good scrub by a number of law enforcement entities, so I am not pessimistic about this."

The senator said Goldman's payment of \$550m to settle fraud allegations from the Securities and Exchange Commission in connection with the marketing of one structured debt product did not preclude other allegations. He said Goldman executives misled his committee but suggested they might have stopped short of lies with "wiggly words".

"They obviously spent a lot of time parsing words," he said, adding he was "not going to judge whether they committed perjury".

He said even large settlements were not satisfactory without admissions of guilt. "If you're the SEC getting half a billion dollars – if that's the biggest settlement they've ever got – it looks like progress and accountability," he said. "If you're out there in the world getting stung by the activity as individuals, or if you're the public looking at how much money these firms made during this period of time for which a settlement of that size isn't particularly even a major reduction in their profits, it comes across as being less than accountability."

Goldman said: "While we disagree with Senator Levin's statements, including with respect to the transactions, we take seriously the issues explored by the subcommittee."

The bank added it was committed to "enhance standards for the review, approval and suitability of complex instruments" and would "continue our work on behalf of our clients across the US and beyond in helping them grow their businesses, create jobs and help strengthen economic recovery".

The justice department declined to comment.

*Additional reporting by Kara Scannell in New York*

Copyright The Financial Times Limited 2011. Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others.