

NEAL WOLIN WAS SEATED AT HIS DESK AS Deputy Counsel to President Barack Obama in early 2009 when a call came from Rahm Emanuel.

“Get the @&!% over to Treasury,” said Mr. Emanuel, the President’s Chief of Staff.

Only a few weeks earlier, Mr. Wolin had moved from Connecticut to Washington to join the new administration as Deputy Counsel to President Obama for economic policy and Deputy Assistant to the President. This being the winter of 2009, he was not surprised to be dispatched to the Department of Treasury. The financial sector as well as the economy required urgent attention.

In the following weeks, Mr. Wolin kept one desk at the White House and another at Treasury, each with separate calendars and email accounts.

Then on a Sunday afternoon he received a call from Timothy F. Geithner, Secretary of the Treasury, asking Mr. Wolin to serve as Deputy Secretary. The call lasted 30 seconds.

At a moment when the survival of the financial system required emergency action, Mr. Wolin

Thrust into a lead role at Treasury during the financial crisis, Brunswick CEO NEAL WOLIN helped shape the policies that restored the US economy.

brought to the job a law degree from Yale, a graduate degree in economics from Oxford University, a decade of experience as a high-level government attorney and a prosperous run in the C-suite at The Hartford. During his previous stint in government, Mr. Wolin had served as General Counsel to the Treasury, working with Mr. Geithner – then a senior Treasury official focused on international economic policy – on financial crises in Mexico, Russia and Asia.

Their boss back then, Secretary of the Treasury Larry Summers, was now serving as President Obama’s Director of the National Economic Council. The three of them, competitors on the tennis court since the Clinton administration, now belonged to a chorus of experts debating how to reverse the scariest economic downturn of their lives.

“The fact that many of us knew each other

The Call of DUTY



PHOTOGRAPH: COURTESY OF THE US DEPARTMENT OF THE TREASURY

turned out to be very important,” Mr. Wolin recalls. “Naturally there was lots of back and forth, different perspectives on how to move forward and even a fair amount of tension. But it was all undergirded by a set of long relationships and a deep sense of trust.”

When Mr. Wolin arrived at Treasury that February, Congress was demanding that the agency limit executive pay at firms that had partaken of the \$700 billion bailout fund the US government had established the previous fall. Outrage over Wall Street pay was a huge distraction from efforts to strengthen the economy, fix the banking system and restore confidence.

Mr. Wolin had the idea of taking that focus off of Treasury by hiring a “special master” to oversee compensation at firms that had received bailouts. Mr. Wolin also knew exactly whom to hire: Kenneth Feinberg, a mediator who, among other experiences, had served as Special Master of the US government’s September 11th Victim Compensation Fund.

Mr. Wolin’s recommendation turned out to be crucial. “The suggestion to largely remove Treasury from individual decisions about executive compensation helped insulate President Obama and then-Treasury Secretary Timothy F. Geithner from one of the most polarizing facets of the crisis response,” said a 2013 Washington Post story.

Mr. Wolin proceeded to play the role of arbiter between Mr. Feinberg and Herbert Allison, the head of the government bailout fund, whose responsibilities included retaining top-level management at firms now owned in part by the government. “Herb and Ken would have very different perspectives on how to treat executives’ compensation,” says Mr. Wolin. “I’d tell Herb, ‘Ken’s job is to make sure that compensation is at appropriate levels given that companies have taken in a lot of taxpayer money.’ And I’d tell Ken, ‘These companies have taken in a lot of taxpayer money, and we can’t constrain pay to the extent that it impairs the ability of these companies to perform.’”

Besides working to repair the proper functioning of the financial system, the Treasury was under pressure to help design legislation to decrease the probability of future systemic failures. Mr. Wolin played a central role in producing the 122-page white paper that eventually became the 2,200-page Dodd-Frank Wall Street Reform and Consumer Protection Act.

“We started by saying to ourselves, ‘What do we think is right? What do we think the moment calls for? What are the things that government policy makers must have in order to best avoid another financial crisis? What are the tools the government would need to deal with a crisis if it were to happen again – which we assume it will?’”

The process of creating and lobbying for that legislation required Mr. Wolin and his team to negotiate with a vast array of parties: the White House, both houses of Congress, consumer advocates, the heads of other financial regulatory agencies and of course leaders of industry. “We had input from the big banks, the community banks and every other piece of the financial sector,” Mr. Wolin recalls.

At one point, the passage of Dodd-Frank was threatened by a splinter group of Congressional Democrats. “The centrist New Democrat Coalition, which had some members with close ties to the financial industry, threatened to block (Dodd-Frank) unless we barred states from passing consumer regulations tougher than federal rules,” Mr. Geithner wrote in his bestselling 2014 memoir, *Stress Test*. “They backed down after Neal Wolin deftly brokered some compromise language.”

It helped that Mr. Wolin had credibility on both sides of the aisle. He began his federal government career during the George H.W. Bush administration as counsel to two CIA directors, both Republicans.

“Wolin was instrumental in finding compromises with difficult members of both House and Sen-

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ate on issues that had to be resolved before Dodd-Frank could be enacted,” wrote Robert Kaiser, the veteran Washington Post Editor, in *Act of Congress*, his 2013 book on the making of Dodd-Frank. “A round-faced, jovial man with curly dark hair, his relaxed talent for dealing with people disguised an intensely competitive personality. He was one of the few Obama administration officials involved in financial regulatory reform who had actual experience working in the financial sector. He was smart and floridly profane. His colleagues loved him.”

“It was a team effort,” says Mr. Wolin. He starts to cite names – Michael Barr, Diana Farrell, Austan Goolsbee, Cass Sunstein – but the list is too long. “You put 40 people in that cauldron at that moment in time and none of us will ever forget it. It was intense. It was morning, noon and night. But it was a pretty well-oiled machine. Not to be melodramatic about it, but it felt like the stakes were pretty high.”

As Deputy Treasury Secretary, Mr. Wolin generally stayed behind the scenes, though when he did appear in public he displayed a penchant for humor. “Mr. Wolin is relentlessly cheerful,” said a New York Times story in 2010. “He laughs at his penchant for legalese. At a recent press briefing, he said the White House would resist efforts to weaken consumer finance protections. ‘A carve-out for auto dealers would be sort of a paradigmatic example of such a weakening move,’ he said.

“‘It would be a what example?’ one reporter asked.

“‘A good example,’ he replied.”

During his long stint as Deputy Secretary – the longest in Treasury history – Mr. Wolin served as Chief Operating Officer, essentially managing the department, including a unit charged with combating terrorist financing. That responsibility sent him to places like Pakistan, Yemen and West Africa. When Mr. Wolin proposed pressuring Afghanistan to monitor and regulate Kabul Bank, the nation’s largest bank, much of the federal government resisted, citing the bank’s close ties to Afghanistan President Hamid Karzai, a US ally. But President Obama backed Mr. Wolin, who met with Mr. Karzai to start a process that led to reforms of the bank.

In 2013, with the recovery in its fourth year, Mr. Geithner left the Treasury. In the acknowledgments section of the memoir he published the next year, Mr. Geithner wrote: “Neal Wolin, who parachuted in at a fraught time as deputy secretary, was my closest adviser on the most important challenges we faced, all while helping to manage the vast Treasury empire. He ably represented Treasury



around the world and across the street in the White House Situation Room, where the National Security Council met constantly.”

Mr. Wolin was planning to leave the Treasury around the same time. But President Obama asked him to stay on to serve as acting Secretary of the Treasury until Jack Lew was confirmed as the next secretary. When Mr. Wolin left the Treasury later that year, President Obama said in a statement to the Washington Post that Mr. Wolin’s “deep knowledge and excellent judgment helped us ... pass tough new Wall Street reform, strengthen our financial system, foster growth here at home, and promote economic development around the world.”

Looking back at his decision to leave The Hartford for the Obama administration, Mr. Wolin says the terrifying state of the economy at that moment was part of the attraction. “If you have public policy or public service as part of your DNA, it was an irresistible moment to go serve,” he says.

Mr. Wolin says the experience helped prepare him for his current role as CEO of Brunswick, a firm that offers crisis counsel. “Government is a good training

Treasury Secretary Timothy Geithner, right, talks with his deputy, Neal Wolin, at the Treasury building in July, 2010. Mr. Wolin joined Brunswick as CEO in February, 2018.

ground for crisis,” says Mr. Wolin. “You’re under a lot of time pressure. You’re under a lot of scrutiny. There are vast numbers of stakeholders each with their own perspectives on what ought to be the right answer or the preferred path. And the domains of policy, politics and communications are necessarily deeply intertwined.”

Since leaving government, Mr. Wolin hasn’t spoken much publicly about his Treasury experience, though in 2015 he delivered a speech about it to seniors at his alma mater, Evanston Township High School, just north of Chicago. Student blogger Ben Osterlund, writing about the speech, outlined Mr. Wolin’s message and his legacy in a few words: “His perspective included details on what it was like to handle the financial crisis while working in the Treasury. Wolin and others at Treasury acted to put in place policy that would avoid a complete meltdown, and set the economy on a healthy path so such a crisis wouldn’t happen again.” ♦

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