

Our Man in London



The retired Chicago businessman **Louis Susman** recently became the U.S. ambassador to the United Kingdom, an appointment widely regarded as the prize for his ferocious fundraising on behalf of the Obama campaign. Derided by the British press as the “vacuum cleaner,” Susman is only the most prominent example of a continuing—and questionable—American tradition



By Carol Felsenthal Illustration by Roberto Parada

"It's a major job with major issues," says the Obama-bundler-turned-ambassador Louis Susman of his post.



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ast February, three months after raising more than half a million dollars for Barack Obama's presiden-

tial campaign, the retired Chicago investment banker Louis Susman took a call from the White House. Susman won't say who was on the line—it was likely David Jacobson, the Chicago lawyer who worked for Obama during the campaign and went to Washington as Obama's special assistant for presidential personnel—but Susman will repeat the question he was asked: "The president has an intent to nominate you [to be ambassador to the United Kingdom], and, if he does, would you accept?"

Susman didn't even pause to check with Marjorie, his wife of 50 years. "I accepted on the spot," he recalled in a telephone interview from their new home in London.

No surprise that he didn't need to think it over. Ambassador Extraordinary and Plenipotentiary to the Court of St. James's—the official title—is widely considered the most coveted of the 185 ambassadorships the president has to offer. Susman's predecessors include John Adams, who presented his credentials to King George III in 1785. Five envoys to England went on to become president, four vice president, and ten secretary of state.

Today, Lou and Margie Susman are settling into the 35-room, red brick, neo-Georgian Winfield House in Regent's Park, surrounded by a private garden second in size only to the one at Buckingham Palace. The posting is as safe as it comes—no worries about a mob storming the embassy—and the one language required is the one language Susman speaks.

By American political standards, Susman, 72, earned the appointment. For 40 years, he has worked the phones tirelessly for Democrats, sucking up cash from friends and associates with such ferocity that he earned the nickname the Vacuum Cleaner or, for short, the Hoover. In 2004, as national finance chairman for John Kerry—they were friends from Nantucket, where both own vacation homes—Susman was said to have been in line for a cabinet position had Kerry won. For the 2008 election, a roster of ambitious Democrats sought Susman's golden touch. "I've had calls from every potential candidate," he told me in May 2006. A few months later, Susman threw in with the new Illinois senator, Barack Obama, even though the smart money was then touting Hillary Clinton. In all, Susman bundled \$247,000 for Obama's presidential campaign and another \$300,000 for his inauguration. The Obama miracle of 2008 marked the first time Susman



(From left) Susman with his wife, Marjorie, on the day of his ceremonial induction last October at Buckingham Palace; face to face with Queen Elizabeth II

PHOTOGRAPHY: (LEFT TO RIGHT) U.S. DEPARTMENT OF STATE, JOHNNY GREEN/PA WIRE

Winners' Row

Matching key campaign backers with first-class embassies is nothing new, and the practice has continued under the Obama administration. After overseeing the process of matching donors with embassies, David Jacobson—a Chicago lawyer (Sonnenschein, Nath & Rosenthal) and Obama fundraiser (deputy to the national finance chair, Penny Pritzker)—matched himself with his own prize: U.S.

ambassador to Canada. Sheila Krumholz, executive director of the Center for Responsive Politics, a nonprofit that tracks money in U.S. politics, calls the American political tradition of giving diplomatic posts to big contributors “a donor rewards program.” Here’s a sample of bundlers for Obama who are now ambassadors posted abroad.

—C. F.



CHARLES RIVKIN

Los Angelino by way of Chicago, producer of children's television (Muppets, *Yo Gabba Gabba!*), more than \$800,000: **France.**



FAY HARTOG LEVIN

Chicago attorney, consultant, and wife of The Habitat Company chairman and East Bank Club developer Daniel Levin, \$73,850 to Obama and other Democrats in 2008: **the Netherlands.**



PHILIP D. MURPHY

Former Goldman Sachs executive, former DNC national finance chair, and contributor of nearly \$1.5 million to Democrats at the national level: **Germany.**



HOWARD W. GUTMAN

Partner in the influential D.C. law firm Williams & Connolly, \$500,000: **Belgium.**



BARRY WHITE

A Boston lawyer, more than \$200,000: **Norway.**



ALAN SOLOMONT

A Boston businessman, \$800,000: **Spain.**



DONALD S. BEYER JR.

A Virginia Volvo dealer and the state's former lieutenant governor, \$500,000: **Switzerland.**



JOHN V. ROOS

A Silicon Valley tech lawyer, \$500,000: **Japan.**



LAURIE S. FULTON

A Williams & Connolly Washington, D.C., partner, between \$100,000 and \$200,000: **Denmark.**



BRUCE J. ORECK

The Boulder, Colorado, lawyer and Oreck vacuum cleaner heir, \$500,000: **Finland.**

had backed a presidential winner—and, hence, the first time he and Margie could reap the reward.

But the position has come with a tarnish. Susman's appointment kicked up the long-standing argument over awarding diplomatic positions to top fundraisers. The London press dripped disdain. “Ultimate Prize for ‘Vacuum Cleaner,’” blared *The Daily Telegraph*. Why, the Brits demanded, does the United Kingdom (UK) so often get stuck with a buckraker, while almost always dispatching professional diplomats to its embassy in Washington? “We are the only major power that sends nonprofessionals regularly,” says Ronald Neumann, president of the American Academy of Diplomacy and former U.S. ambassador to Afghanistan. “We’re the only one who thinks this is amateur hour.”

The tradition dates to President Andrew Jackson, but didn't Obama promise change? “I think that President Obama, as all presidents, choose who they think is the most qualified and deserving person to become an ambassador,” Susman told me last October. “The qualifications are the first order of business, and I think, if it's relevant, the second order of business would be if they're deserving.”

Susman is good on the second count; it's the first that bears watching.

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hough the Susman appointment wasn't officially announced until May 2009, Marshall Bouton, president of the Chicago Council on Global Affairs, says Obama's choice was “an open secret” around Chicago. At Susman's request, before the 2008 election, he and Bouton had met several times to discuss foreign affairs; Bouton calls the retired Citigroup executive an “excellent” choice. In July, Susman zipped through his confirmation hearings before the Senate Foreign Relations Committee—that Citigroup had just received \$45 billion in bailout money didn't merit a question—and Hillary Clinton, the secretary of state, swore him in on July 29th. Next came courses for both Lou and Margie at the Foreign Service Institute in Arlington, Virginia. Susman had “about a month of various consultations with so many people I couldn't even begin to tell you,” he recalled.

Arriving in London on August 17th, Susman presented his credentials to the British Foreign Office. Less than two months later, on October 13th, Queen Elizabeth II sent carriages to the American Embassy in Grosvenor Square to deliver Susman, wearing morning dress (coat with tails) and a top hat, to Buckingham Palace to present his “ceremonial credentials.”

“I have been fully briefed both by the embassy protocol office and the Buckingham Palace protocol office,” Susman had told me, gravely, a week before the big day. After executing the appropriate bows as he (*continued on page 136*)

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(continued from page 65) crossed the carpet to greet the queen (she wore a long-sleeved blue dress, pearls, and carried a black handbag on her left arm), he and his party returned to the embassy, where “it is protocol and tradition that the new ambassador provides the carriage driver and the footman with a thimble of brandy,” Susman had explained previously. “And you then have to feed the horses carrots and sugar, and you retreat to your embassy, and you have a reception.”

The pomp, the prestige, the quirky traditions—who wouldn’t thrill at the posting? But Susman can’t hide his sensitivity to the charge that he bought his position. When asked if he had a conversation with Obama about the possibility of an ambassadorship, he snaps, “Of course not, it’s against the law.” (A 1980 law states: “Contributions to political campaigns should not be a factor in the appointment of an individual as a chief of mission.” The law’s weak wording seems, over the years, to have negated its impact.)

Susman leaves the impression that he never gave a moment’s thought to what he might gain should Obama win. Several friends tell another story. “I had known for a long time of his interest in getting an ambassadorship,” says William Singer, a Chicago lawyer, who calls Susman “one of my closest friends” and adds that London was Susman’s first choice.

“When it turned out that he raised as much as he did, he began to think, Wow, I bet I can get an ambassadorship if this guy’s elected,” says Barbara Eagleton, who has known Susman since he worked on the 1968 U.S. Senate race of her late husband, Tom, in Missouri. “I think [the Susmans] thought that they were going to get a nice [ambassadorship], but I don’t think they dreamed of getting London.”

Another Missouri friend, Senator Claire McCaskill, offers a different take: “I think it’s unfair to assume that his preoccupation, almost obsession, from sunup to sundown, with getting Barack Obama elected president had anything to do with what was in it for him. . . . I don’t think there has ever been a quid pro quo or a transactional nature to the heart of Lou Susman.”

Like it or not, though, Susman became Exhibit A in the debate over the virtues of naming political appointees (approximately 30 percent of appointments in recent years) as opposed to foreign-service professionals to ambassadorships. To many in Britain and to members of the diplomatic corps, London was a test case of Obama’s campaign criticism of turning donors into ambassadors. They expected “that the London ambassador would be a heavyweight,”

says Raymond Seitz, an ambassador to the UK under George H. W. Bush and (for more than a year) Bill Clinton, and the only trained foreign-service professional ever to hold the UK post, “somebody of substance, not necessarily a professional foreign-service officer, but a former senator or a former general or former governor, somebody with political weight and a recognizable profile.”

Both the American Foreign Service Association and the American Academy of Diplomacy had lobbied the candidates during the 2008 campaign to limit political appointments to about 10 percent of the 185 total ambassadorships. Based on Obama’s early appointments, Ronald Neumann predicted that Obama “is ticking to be worse in numbers [than George W. Bush].” In fact, they’re about even. At presstime, 29.7 percent of Obama’s appointments had been political, compared with Bush’s eventual total of approximately 30 percent.

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“Why is [President Obama] letting the political appointments office downstairs in the basement of the West Wing hand out these prizes to a bunch of people who have no qualifications whatsoever to do these jobs?” asks Seitz. “As far as they are concerned it’s payoff time. . . . Do they think this approach to foreign policy . . . is good for this country?”

Even the professionals, however, point out that the debate should not be between professional and political but between competent and incompetent. “Who were our early diplomats?” asks Neumann. “Adams, Jefferson, Franklin”—all political appointees. “It’s competence that’s the question.”

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SUSMAN’S FRIENDS INSIST THAT’S NOT AN issue with him. A graduate of the University of Michigan (’59) and Washington University Law School (’62), Susman brings to

the job years of legal and banking experience, with deep knowledge of global finance. Senator McCaskill argues that the diplomatic corps benefits from a mix of professional and political appointees—the latter “bring a different kind of experience that is very helpful.”

Marshall Bouton says that while he would not want to see a political appointee in Pakistan, “in the bigger European posts, . . . the ambassador is sitting there to be a channel of communication and influence back and forth.”

On that front, Susman got off to a rocky start. In his first major interview, published by the *Financial Times* a bit more than a month after his arrival in London, Susman explained that the United States wanted to turn the page from the days when the Brits saw the Americans as a “dumb” and “bullying” country. And he contrasted the “unquestioning” relationship that the prime minister Tony Blair had with the Bush administration to the close working relationship between Obama and Blair’s successor, Gordon Brown. “To compare it to the previous relationship, well, some people might say that relationship wasn’t healthy,” Susman said.

The retired diplomat Ronald Spiers, a former ambassador to Turkey, Pakistan, and the Bahamas, told me, “I don’t think a career person would ever say anything like that.”

Writing in the conservative British weekly *Spectator*, Irwin Stelzer asked, “Is it really necessary for [Susman] to follow the Obama practice of including an attack on America in his press interviews?”

“I’ve never made any comment ever, any place, anywhere about Tony Blair,” Susman huffed when I asked him about the interview. “I don’t think you saw that right. Never, ever.” (Here’s the link to the *Financial Times* article: <http://www.ft.com/cms/s/0/bb368bfa-a6ec-11de-bd14-00144feabdc0.html>.)

As I was reporting this story, I heard repeatedly, “We’re sending Susman to London; it’s not like he’s going to Baghdad.”

“It’s sort of like saying, ‘It’s okay, what harm can he do?’” says Raymond Seitz. “I mean, really, how insulting—to Mr. Susman.”

British reporters kept the insults coming. News that the embassy was advertising for a speechwriter with “a deep knowledge of British politics, media and society” prompted *The Daily Telegraph*’s Tim Walker to suggest that a professional was needed “to at least make the . . . Chicago lawyer sound ambassadorial.” *The Independent*’s David Osborne reduced the appointment to cronyism at its worst: Susman’s reward for helping to get Obama elected was “a

very fancy house and equally fancy title in the heart of London.”

If the reporters seemed snappish, perhaps it was because the press secretly had hoped for more celebrity wattage. Among the names that had been loosely mentioned as possible candidates for the ambassadorship were Oprah Winfrey; Anna Wintour, the editor of *Vogue*; and Caroline Kennedy (whose Nazi appeaser grandfather, Joseph Kennedy, had served as ambassador to the UK). Any of them would have been a preposterous choice—Susman looks like Henry Kissinger by comparison.

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LOUIS SUSMAN HAS LIVED AND WORKED in Chicago for 20 years, but his roots go back to Missouri. The son of a successful industrial cloth maker who founded Susman Wiping Materials Company in 1930, Lou grew up in the St. Louis suburb of Clayton. Later, he and Margie raised their daughter and son in the exclusive suburb of Ladue. For 27 years, Susman practiced law in St. Louis, boasting clients such as Bear, Stearns & Co. and August A. Busch Jr., the patriarch of the Anheuser-Busch companies and the owner of the St. Louis Cardinals. (Susman served as a member of the Cardinals’ board and management committee.) Susman’s hometown colleagues were not surprised in 1989 when he accepted an offer from Salomon Brothers to head its Chicago office. “He’s all investment banker,” one lawyer told the *St. Louis Post-Dispatch* at the time, “full sails, glad hands, deals—he’s always got his eye on the big picture.”

Lou and Margie bought an Astor Street condo, and he got to work making deals. In 1996 Salomon promoted him to vice chairman of the investment banking division in New York, but he kept his office in Chicago. After Salomon Brothers became part of Citigroup in 1998, Susman worked his way up to the position of vice chairman of Citigroup’s corporate and investment banking. Two of the deals Susman worked on here would not win him the “Mr. Chicago” title. In 1990, Susman negotiated the sale of Marshall Field’s to his client, Dayton Hudson, for \$1.04 billion. In 1995, his client LG, a Korean company, took over another local institution, Zenith Electronics.

His close friend of 35 years, the Chicago businessman Andrew McKenna, attributes Susman’s success as a banker to his “very, very good instincts” and “understanding of human nature, so he’s able to build on interpersonal relationships”—qualities, says McKenna, that will translate well to his new job.

Since his early days as a lawyer in Missouri, Susman had kept a hand in politics. “He just kind of appeared one day [in



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1968] and said that he'd like to work on [Tom Eagleton's Senate] campaign," recalls Barbara Eagleton. The candidate stuck the young lawyer with the job nobody wanted—putting the arm on others to write checks. Eagleton won that race and went on to win two more, always with Susman raising the money.

Presidential hopefuls soon came calling—Ted Kennedy in 1980, Dick Gephardt in 1988, Bill Bradley in 2000, John Kerry in 2004. Susman got to know Barack Obama in 2002, at a time when hardly anyone outside Chicago had heard of him. That year, Susman introduced Obama to John Kerry—the introduction, says Susman, that led to Obama's keynote speech at the Democratic National Convention in 2004 and "launched Barack Obama into the national spotlight."

While Susman thought Obama would run for president some day, he did not expect it in 2008. But by late summer 2006, expectations had shifted. William Singer recalls Susman at that time as being "wildly enthusiastic. He thought [Obama] was the right guy at the right time."

The title of national finance chair went to the Chicago billionaire Penny Pritzker, a close personal friend of the Obamas and today a member of the administration's Economic Recovery Advisory Board. Susman became a key player, serving on the National Finance Committee and bringing in many vets of the 2004 Kerry race.

Much has been made of Obama's touch in raising small sums from millions of ordinary people via the Internet. But winning the presidency in this political era would be impossible without the Susmans of the country, the big players who have the business and social contacts to bundle—the campaign term for gathering up individual contributions, which are limited to \$2,300 per election. Susman moves at the apex of Chicago's social world—his friends include major players such as the Manilows and the Crowns—and he has immersed himself in the tiptop of Chicago philanthropy, serving as a trustee of the Art Institute of Chicago, a board member of the Lyric Opera, a governing member of the Chicago Symphony Orchestra, a trustee of Children's Memorial Hospital, a trustee of the Lincoln Park Zoo, vice chairman of the Economic Club, and a member of the Civic Committee of the Commercial Club of Chicago.

Still, were Susman only a bundler, the London job might have proved elusive. William Singer points out that Susman "was involved at different levels, well beyond fundraising." Without that game-changing 2004 keynote speech that Susman helped finesse, Obama today would

likely be finishing his first term as a U.S. senator. Susman earned a reputation in 2004 for "'strong-arming' prominent Missouri Democrats to endorse . . . Kerry," the *St. Louis Post-Dispatch* reported. He repeated that performance for Obama. "Nobody bird-dogged me more trying to get me to endorse Barack Obama," Senator McCaskill recalls, "than Lou Susman." She was not an easy sell. "[A] lot of . . . my supporters were very much in the Clinton camp. As a woman, I had obviously mixed emotions about not supporting the first viable woman candidate for president." Early in 2008, McCaskill endorsed Obama.

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TYPICALLY, THE COURT OF ST. JAMES'S requires deep-pocketed ambassadors. Susman's immediate predecessors under George W. Bush were rich, big donors. William Farish, a multimillionaire horse breeder, got on well with the queen because

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SUSMAN," RECALLS
SENATOR CLAIRE
MCCASKILL.

of their shared love of horses, "but diplomacy," says Ronald Spiers, who twice served as acting ambassador in London, "is not chatting with the queen about horses." Robert Tuttle, owner of one of the largest auto dealerships in America, was often dismissed as a car salesman (he was, among other accomplishments, chairman of the Los Angeles Museum of Contemporary Art), but he got good reviews here and abroad for being active and visible. "Both he and his wife were important figures on the scene," says Raymond Seitz. "That's part of an ambassador's job, too." During their time at Winfield House, the Tuttles entertained more than 25,000 people.

Susman—who has "made a lot of money since he left [St. Louis]," according to Barbara Eagleton—will be expected to spend from his own account to entertain. Friends say he will get plenty of help on the social front from Margie, who is smart, disciplined, and meticulous—a crack fundraiser for Chicago's Museum of Contemporary

Art and for the Lupus Foundation (she suffers from the disease)—and a master at throwing parties. Senator McCaskill calls her "a big, big part of Louis's success."

Still, Winfield House will be a challenge, even for Margie Susman. Built in 1936 on a \$4.5-million plot by Barbara Hutton, the Woolworth heiress, the mansion sustained extensive German bomb damage during World War II. Hutton sold it to Harry Truman for \$1 in 1946 with the understanding that it would be home to the American ambassador, as it has been since 1955.

Margie "can't stand any sort of mess," says Eagleton. The new ambassador's wife quickly decided that the private quarters were not up to snuff and "redecorated everything in like three weeks." Margie's taste, adds Eagleton, is "very minimalist. . . . Everything is monochromatic." (Louis Susman's spokesman would not comment on whether Susman personally paid for the redecoration.)

No one who knows Susman thinks he'll simply be America's host in London. He's not "a guy who does very well at ceremonial," says McCaskill. "This is a man who is going to try to see . . . how he can assist Secretary Clinton and President Obama with the foreign policy goals of the U.S."

In our phone interview in October, I asked Susman to describe a typical workday, and he proceeded to drop some impressive names. "You're constantly involved in all of the strategic objectives of the United States. I have met with General Petraeus, I've met with [the Middle East Envoy] George Mitchell, I've met with Chairman Bernanke, I've met with Treasury Secretary Geithner. I just finished a meeting with General Stanley McChrystal. I've met with the prime minister, I've met with his secretary of state and his chancellor. I've met with the opposition party leader, David Cameron, and his chief shadow foreign secretary. . . . So it's a major job with major issues."

His daily task, he said, is "maintaining and strengthening and nourishing the special relationship" between the United States and Great Britain. Nightly "are dinners, receptions, consultations, pretty well booked between Monday and Friday.

"It's been like drinking from a fire hose, there's so much going on," he said. "I miss golf at my golf clubs." He also misses the pizza at Mario's (on Goethe and Dearborn) and "I miss Gibsons Steakhouse a lot."

Still, as we finished our interview, Susman reflected, "I think that I got the best job in the world. It's just the highest possible ranking representative in this country and our closest and most dependable ally . . . so I feel very lucky." ■