

# Levine testimony to name others in insider trading

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Dennis Levine, the former managing director of Drexel Burnham Lambert who led federal investigators to Ivan Boesky, has been cooperating with a House probe and will give testimony two weeks from now that will implicate others in the burgeoning insider trading scandal, a congressional investigator said yesterday.

Levine will appear before the House Energy and Commerce Committee's subcommittee on oversight and investigation on May 6 and will reveal new information about illegal activities on Wall Street, how the illegal trading system worked and how it went awry, according to Peter Stockton, a subcommittee investigator.

Mr. Stockton said Boesky, who was sentenced yesterday, and Martin Siegel, a vice president at the brokerage firm of Kidder Peabody & Co. who was convicted of insider trading along with Boesky, would also be giving frank testimony.

"We have the same situation worked out with Ivan Boesky, and Siegel, who was head of mergers and acquisitions at Drexel, as well," he said.

"They're all in this one chain. Levine turns in Boesky. Boesky turns in others. Levine turns in others. Siegel names others."

Three subcommittee investigators interviewed Levine on April 16 in a conference room at the federal prison in Lewisburg, Pa., where he is serving a two-year sentence for insider trading.

"As soon as Levine was sentenced, he was our guy," Mr. Stockton said.

The Energy and Commerce Committee, chaired by John Dingell, Michigan Democrat, has oversight responsibility for the Securities and Exchange Commission, which together with the Justice Department has been investigating the insider trading scandal.

According to Mr. Stockton, Levine intends to blow the whistle on others involved in insider trading and present evidence the SEC and the U.S. attorney have not uncovered.

Investigators will spend more

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time talking to Levine before the hearing date, Mr. Stockton said.

"He was very cooperative," Mr. Stockton said.

According to the SEC, Levine made \$12.6 million over a six-year period by trading in the securities of at least 54 companies while in the possession of illegal insider information. Levine obtained the information through his professional contacts as an investment banker.

After the SEC filed its charges in May 1986, Levine the following month pleaded guilty to one count of securities fraud, two counts of income tax evasion and one count of perjury. He also agreed to pay back \$11.6 million in illicit profits and to be barred from the securities industry.

On Feb. 20, Levine was sentenced to two years in prison and fined \$362,000. He is cooperating with federal authorities in their continuing investigation of insider trading.

● *David Sellers contributed to this report from New York.*