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New York State's Financial Regulator Says He Is Leaving

By **BEN PROTESS** and **JESSE MCKINLEY** OCT. 27, 2015

Anthony J. Albanese, the top financial regulator in New York State, announced his pending departure in an internal memorandum on Tuesday, seeking to dispel recent reports that he was resigning over a feud with the office of Gov. Andrew M. Cuomo.

In the memo, a copy of which was reviewed by The New York Times, Mr. Albanese informed his staff at the State Department of Financial Services that he “recently accepted an opportunity outside of government and will be stepping down from my current position in the near future.”

Mr. Albanese, who expects to remain the acting superintendent until December, added that “it was a very hard decision, but it is the right career move for me.”

Mr. Albanese's resignation comes several months after his high-profile predecessor, Benjamin M. Lawsky, announced he was leaving the Cuomo administration to start his own law and consulting firm. Mr. Lawsky, whose hard-charging style earned him fans and critics alike, was known for having a close relationship with Mr. Cuomo, a Democrat who created the department in 2011 to better regulate Wall Street.

In a separate statement to The Times, Mr. Albanese challenged a report of his departure in The Wall Street Journal that implied he was stepping down amid tension with the governor's office about the independence of his agency.

One aide to Mr. Cuomo has in recent months sought to intervene in some of the agency's business, according to people briefed on the matter, who spoke on the condition of anonymity because they were not permitted to discuss the private conversations. The aide, Brendan Fitzgerald, the deputy secretary for general government and financial services, asked to review and possibly edit requests that the agency sent to financial institutions, the people said.

Mr. Fitzgerald's attempts were broad and not specific to any one company, the people also said, but they irritated Mr. Albanese, causing some tension.

Mr. Albanese disputed that the aide's actions had any impact on the agency, saying in the statement that "the decision of whether or not to issue a subpoena has always been made solely by D.F.S."

In his statement, Mr. Albanese added, "My decision to depart in the near future is due solely to the fact that I received a new opportunity in the private sector; it is not related to the governor's office," noting that he would have remained as acting superintendent had another position not been offered to him.

Interference from the governor's office has been the subject of an inquiry by the United States attorney for the Southern District of New York, Preet Bharara, related to the governor's decision to close down an ethics panel called the Moreland Commission charged with investigating public corruption.

Mr. Cuomo's sometimes heavy-handed governing style has often irritated other leaders and lawmakers in Albany, and occasionally in his own party. But Dani Lever, a spokeswoman for the governor, characterized his oversight of the financial agency as commonplace.

"It is not unusual in a period of transition that the temporary head of an agency would work more closely with the second floor's deputy secretary overseeing that agency to ensure continuity and the same high standard of performance," Ms. Lever said. A request for comment from the deputy secretary, Mr. Fitzgerald, was forwarded to Ms. Lever.

The spokeswoman added that Mr. Albanese had always been expected to hold the position of superintendent for only a short time, “with the understanding that a permanent replacement would then be appointed.”

Mr. Albanese is the second high-ranking official whose departure from the administration was revealed this week: On Monday, administration officials confirmed that Joseph Percoco, the governor's executive deputy secretary and a longtime Cuomo loyalist, would leave to pursue better pay in the private sector. He earned \$175,828, according to the state comptroller's office.

In remarks on Monday, the governor said that Mr. Percoco — who traveled with Mr. Cuomo to Kansas City, Mo., to attend the first game of the World Series — was making “a personal life decision” influenced by family issues.

“Life can get very practical at one point,” the governor said. “And his family needed time and attention and resources.”

Mr. Albanese is not the only official leaving the financial services agency. Mr. Lawsky's spokesman, Matt Anderson, had agreed to stay on temporarily while Mr. Albanese remained at the agency, and has told the governor's office that he, too, intends to leave, very likely late this year or early next.

Mr. Anderson told colleagues in recent days that his departure was long planned and unrelated to the governor's office, the people briefed on the matter said.

For his part, Mr. Albanese praised Mr. Cuomo in the internal memo and in his statement to The Times, saying he was “eternally grateful” to the governor.

“I have known the governor my whole life,” he said in his memo. “And it has been an honor to be a part of his administration.”

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