



POLITICO New York

SECTIONS

PRO

Post-Lawsky rift led to resignation at Cuomo's financial services department



Andrew Cuomo. (Office of the Governor of New York)



By JIMMY VIELKIND 5:28 a.m. | Oct. 28, 2015

ALBANY — The problem with Anthony Albanese was that he was no Ben Lawsky.

Albanese, who [resigned last week](#) as the acting superintendent of the state's Department of Financial Services after five months as its leader, clashed frequently with aides in Gov. Andrew Cuomo's executive chamber who tried to rein in the agency, according to four people familiar with the operation of the agency.

The largest source of tension was Albanese's continuation of an arrangement that Lawsky, the previous department head whose working relationship with the governor himself stretches to 2007, set up in the four years since the department was created.

Lawsky limited his agency's interactions with Cuomo's aides on the Second Floor of the Capitol, refusing to file weekly reports and directing subordinates to channel all requests from the administration through him.

MORE ON POLITICO

- POLITICO New York Education: Community school group pushes de Blasio
- Albany Pro: Casino ad wars; Post-Lawsky tumult at DFS

While this caused friction with some gubernatorial aides, including former deputy secretary for financial services George Haggerty, Lawsky, the department's first superintendent, was given latitude as the agency reaped billions of dollars in settlements from foreign banks that boosted the state

Research-based biopharmaceutical companies invested **\$553 million** in clinical trials in **New York** in 2013 alone.



Learn more at FromHopeToCures.org

FROM HOPE TO **cures**

MOST POPULAR

- 1 **Post-Lawsky rift led to resignation at Cuomo's financial services department**
- 2 **NRG explores a new option for keeping a coal plant open**
- 3 **Lago joins casino ad war, prompting 'race card' accusation**
- 4 **Clinic owner pleads guilty in \$55 M. fraud**
- 5 **Schneiderman and Lawsky file restraining order against Lyft**

■ POLITICO New York Real Estate:
Flatbush market renovation



budget and [cultivated his own public profile](#) as a sheriff of Wall Street.

“Albanese thought he would have the Lawsky leash, and he didn't,” said one person familiar with the dynamics of the situation.

Haggerty and Albanese also clashed frequently, in part because Haggerty — a real estate lawyer who was [a childhood friend](#) of the governor's — was one of several people who sought to succeed Lawsky as commissioner. Haggerty [resigned in August](#).

His successor, Brendan Fitzgerald, asked to discuss any subpoenas DFS might issue to expand its enforcement powers, and was pushing for an in-person sit-down between Albanese and other members of the administration when he quit. The Wall Street Journal [reported](#) that Albanese's resignation was prompted primarily by the subpoena issue and a feeling that he was being micromanaged by Albany.

“After four years at DFS, I decided it was time to return to the private sector and I have accepted another opportunity outside of government,” Albanese said in a statement. “This was always intended to be a temporary position to help smooth the transition process.”

Matt Anderson, the agency spokesman, will also be leaving, but said he stayed longer than planned to help with the agency's transition. Both he and Albanese plan to remain in their positions for at least another month.

Lawsky and Haggerty declined to comment.

Dani Lever, a spokeswoman for Cuomo, said in a statement: “Ben Lawsky was a longtime and valued member of this administration who worked collaboratively and helped build DFS into a highly respected regulatory body. It's not unusual that in a period of transition 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.”

All the turnover has left a skeleton crew at DFS, which was created from the 2011 merger of the state's departments of Insurance and Banking. The agency currently has no superintendent, no chief of staff (Albanese's prior title), [no general counsel](#), [no executive deputy for insurance](#), no one leading its property bureau and more than three dozen other vacancies.

Ellen Melchionni, president of the New York Insurance Association, said the thinned ranks are “unfortunate” for her group and have hindered their efforts to advance policy ideas.

“It's unfortunate for our industry that we have had to deal with these multiple departures and increasing vacancies at DFS,” she said. “We look forward to new leadership being put in place and moving forward filling the vacancies that are open and moving quickly and smoothly for the industry.”

Cuomo has been searching for a permanent leader for the agency for months. Lawsky telegraphed his departure at the end of 2014, and [announced in May](#) that he was leaving to start a consulting firm. At one point officials were [considering Sean Coffey](#), a prominent litigator and former candidate for attorney general, for the position, but were concerned he would be too independent to run the agency, two people familiar with the selection process said.

MORE: [ALBANY](#) [ANDREW CUOMO](#) [ANTHONY ALBANESE](#) [BEN LAWSKY](#) [BRENDAN FITZGERALD](#) [CAPITOL MOVES](#) [GEORGE HAGGERTY](#) [NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES](#)



Author: [JIMMY VIELKIND](#)

[MORE IN ALBANY](#)

POLITICO New York Education: Community school group pushes de Blasio

AROUND THE WEB

More From The Web

Sponsored Links by Taboola



The Golden Age is Over: Billionaires Dumping American Companies

Money Morning Report
Subscription



Brilliant Trick To Save Up To 70% On Electric Bill

Sunzy Solar



Here's Everything Leaving Netflix In October

Refinery29



Worst Exercise For Middle Age -- Ages You Faster

MAX Workouts Fitness Guide

MORE FROM POLITICO



Cuomo lauds Watkins Glen's five-year deal with NASCAR



Regent suggests that panel reach out to Heastie



'Lost cause' Astorino to raise money in New Jersey



Common Core task force to hear from educators, opt-out activist