

State's financial regulator hiring, promoting 'like mad'

By Rick Karlin



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More staff likely will be needed at the state Department of Financial Services as the department takes on additional responsibilities in areas such as cryptocurrency.

NEW YORK — Anyone looking for a job in finance might consider applying to the state Department of Financial Services.

The agency, which oversees state-chartered banks as well as investment firms and insurance companies, is on a hiring spree.

“We are hiring and promoting like mad,” DFS Superintendent Adrienne Harris said this week during a talk before the Citizens Budget Commission, a New York City-based government spending watchdog group.

Since January, DFS has hired 95 people and promoted 95 more, Harris said. Some of the promotions were long overdue, she said. The agency has 270 job openings.

Harris was sworn in as DFS superintendent in January. She is the first African American woman in the job and came to New York after working in Silicon Valley and on Wall Street.

She said she spent the first six months on the job conducting a staff analysis, prompting her to conclude that the agency is understaffed, especially considering its regulatory reach.

For example, her agency regulates 77 percent more domestic-based insurance companies than California. But its insurance unit is half of California’s size.

The need for staff will likely grow as the department takes more areas on, including cryptocurrency.

Those who are selling or dealing in cryptocurrency in the state are required to get a license and that has bothered some upcoming crypto firms that have complained about the length of time it takes to get a license, Harris said.

Part of the slow licensing process is due to staff shortages. But part of that is on purpose as regulators need to ensure that consumer protections are in place for this relatively new form of finance, she said.

Moreover, the recent crash of cryptocurrency prices, which had been fueled by speculation, proves that “speed is not the right metric,” when gauging how effective a licensing process is.

Cryptocurrency is digital money that is used as a form of payment for goods and services, rather than dollars or other government-backed currency.

It changes hands using a blockchain, or a digital, online ledger that keeps track of crypto transactions.

Promoters say it is the money of the future, and a potential hedge against inflation as the U.S. and other governments have “printed” or put out more money in recent years, thereby reducing its value.

Detractors range from those who view cryptocurrency as a techno-fad to those who note that the price of various cryptocurrency such as Bitcoin have fluctuated wildly and recently lost much of their value.

Bitcoin is perhaps the best-known brand of cryptocurrency.

The price of a single Bitcoin has gone from a high of almost \$69,000 per last November, to about \$19,000 as of Wednesday.

Other cryptocurrencies have fallen in value as well, prompting some analysts to say the industry is in a “crypto winter.”

Harris alluded to that as well, saying several potential crypto firms were in line to be licensed, but they have since gone out of business.

If license speed was the only goal of DFS, they might have licensed some of those firms only to see them go broke once they were dealing with consumers, Harris said.

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