

11/19/2024 06:30:00 [BN] Bloomberg News

Wall Street's Top Cop Plans to Exit Before Trump Takes Power

- Damian Williams plans to leave SDNY post before inauguration
- Former regulator, lawyer Jay Clayton is Trump's pick for SDNY

By Ava Benny-Morrison and Myles Miller

(Bloomberg) -- The top US prosecutor in Manhattan has privately told people he'll step down before Donald Trump is inaugurated in January, marking the end of his tenure aggressively prosecuting crimes across Wall Street.

Damian Williams, who has served as US Attorney for the Southern District of New York since 2021, has shared his plans with associates following Trump's election this month, according to people familiar with the conversations. Trump last week announced that he would tap Jay Clayton, who served as head of the Securities and Exchange Commission until 2020, to serve as Williams' successor.



Damian Williams

The preemptive move will see Williams depart the office on his own terms while Deputy US Attorney Ed Kim temporarily steps into the top role. Williams, along with many other US Attorneys around the country appointed by President Joe Biden, was all but certain to be replaced once Trump entered the White House. Most US Attorneys stay on until they are formally asked to leave.

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The first Black prosecutor to be SDNY US Attorney, Williams steered the office through a relentless stretch bringing

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high-profile cases on Wall Street and beyond. With a mandate to move swiftly and aim high, federal prosecutors rolled out indictments at a rapid clip against onetime billionaires FTX CEO Sam Bankman-Fried and Archegos Capital Management founder Bill Hwang, accused of causing billions of dollars worth of losses when their respective empires imploded.

Williams' office also prosecuted the lion's share of crypto fraud following the industry turmoil in 2022 and led a yearlong probe into block trading practices that reverberated across the finance industry.



Sam Bankman-Fried exits federal court in New York in January 2023.

Little Fanfare

Trump has vowed to crack down on immigration-related and violent crime, signaling a realignment of Justice Department priorities. That could lead to a reallocation of resources in SDNY, potentially challenging its focus on corporate and financial crime.

Friends and colleagues say Williams would prefer to go quietly and with little fanfare, avoiding the potential for political drama that played out between the office and the first Trump Administration. A spokesman for the US Attorney's Office declined to comment.

The departures of Williams' two predecessors were anything but quiet. Geoff Berman was forced out in 2020 after refusing to support Trump and pursue his critics. Preet Bharara, the Obama appointee who cultivated a reputation going after Wall Street, had hoped to stay on at SDNY during the Trump administration. But he was fired in 2017 as part of a purge of nearly 50 US attorneys nationwide and despite, he says, being asked by Trump to stay on.

A Sigh of Relief

With that in mind, current and former prosecutors were anxious about who Trump would select this time around to run SDNY, widely regarded as the most important law enforcement job outside Washington.

Congressman Matt Gaetz's surprise nomination for Attorney General hours earlier had left many in the SDNY community unnerved about how Trump's vow to reshape the Justice Department would impact the office's independent streak and reputation as the Sheriff of Wall Street.

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While many hoped for an alum of the office – as is tradition – Clayton was viewed as the next best thing even though he has no experience as a federal prosecutor. Regarded by former colleagues as a talented leader and responsible regulator, his nomination was largely met with relief.



Jay Clayton

Clayton, who is on Apollo Global Management's board of directors, was thought to be in the mix for attorney general or Treasury secretary. It is the second time Clayton has been put forward for the Manhattan US Attorney position. He missed out on the job four years ago when he was caught in a political stand-off between Berman, the then-US Attorney, and former Attorney General Bill Barr.

SDNY has often had a fraught relationship with its DC-counterpart – referred to as Main Justice – and how Clayton would handle that relationship remains to be seen. As SEC chair under Trump, Clayton steered clear of ideological fights and cast himself as a public servant focused on protecting small-time investors from fraud.

New Priorities

White-collar investigations will be driven by what happens in financial markets, SDNY's Securities and Commodities Task Force co-chief Scott Hartman said last week. But resources could shift.

"I think you probably will see some of the president's priorities that he has announced being enacted through reallocation of resources," Hartman said at a conference in New York. "I don't have a tonne of people right now so I hope they don't trim it even more than what I have."



Bill Hwang exits federal court in New York on July 10, 2024.

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Defendants in two of the more high-profile cases prosecuted during Williams' tenure - FTX co-founder [Gary Wang](#) and Archegos's Hwang - are due to be sentenced this week, marking a fitting bookend to Williams' 12-year career inside the storied institution.

A former law clerk to former federal judge and current Attorney General [Merrick Garland](#), Williams was widely seen as a contender for a promotion in Washington had [Kamala Harris](#) won the presidency. It's unclear where Williams will go next, though many former US attorneys end up at prominent law firms or eventually, back in government.

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