

STATE OF NEW YORK  
COMMISSION ON PUBLIC INTEGRITY

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IN THE MATTER OF  
CRANE & VACCO, LLC  
POWERS, CRANE & COMPANY, LLC  
CRANE CONSULTING, LLC and  
JAMES CRANE, II

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COPY

EXAMINATION UNDER OATH of JAMES B. CRANE, II on  
September 25, 2008 at approximately 10:00 a.m. at the  
Commission on Public Integrity, 540 Broadway, Albany, New  
York 12207, before Joseph A. Adamkiewicz, Certified  
Shorthand Reporter and Notary Public in and for the State  
of New York.

APPEARANCES:

FOR THE COMMISSION:

RALPH P. MICCIO, ESQ.  
Special Counsel  
BRIDGET HOLOHAN, ESQ.  
Associate Counsel  
LAWRENCE J. MURELLO  
Associate Confidential Investigator  
Commission on Public Integrity  
Broadway  
Albany, New York 12207

FOR THE RESPONDENT:

DREYER BOYAJIAN  
Columbia Street  
Albany, New York 12210  
BY: WILLIAM J. DREYER, ESQ.  
ALEXY ASSOCIATES  
COURT REPORTING SERVICES, LLC  
(518) 798-6109

1 JAMES B. CRANE, II,

2 Called as a witness, being duly sworn, was examined and  
3 testified as follows:

4 EXAMINATION BY MR. MICCIO:

5 Q State your name and home address and business  
6 address, for the record.

7 A My name is James B. Crane, II, residence address  
8 7 Chestnut Hill Road North, Loudonville, New York  
9 12211; business address, Crane, Parente & Cherubin, 90  
10 State Street, Suite 1515, Albany, New York 12207.

11 Q Before we start questioning, would you like to  
12 make any statement or make any representations with  
13 regards to the referrals that were issued in September  
14 regarding your lobbying activities?

15 MR. DREYER: Well, maybe we'll  
16 reanswer questions, and then, if there's an  
17 opportunity at the end, we can confer. We'll  
18 make a statement at the end.

19 MR. MICCIO: Okay.

20 BY MR. MICCIO:

21 Q Mr. Crane, what's your present occupation and  
22 title?

23 A I'm the president of Crane, Parente & Cherubin,  
24 PC, a law firm based in Albany, New York.

25 Q Any other business associations?

1 A I don't receive income from anyplace else other  
2 than there, no.

3 Q Are you a registered lobbyist?

4 A Yes.

5 Q For what firm?

6 A Crane, Sanders, LLC.

7 Q Any other firm?

8 A Not to my knowledge.

9 Q Okay.

10 A I mean, that's a successor to Crane, Vacco &  
11 Sanders, which is to Crane and Vacco, so I believe all  
12 the registrations are up to snuff.

13 Q Let's go to 2005, if we can, okay? In 2005 were  
14 you a principal, a member, a partner, a lobbyist or  
15 additional lobbyist, listed as such for any registered  
16 lobbyist or lobbying organization in New York State?

17 MR. DREYER: In 2005?

18 MR. MICCIO: 2005.

19 A I believe I was listed as a lobbyist or an  
20 additional lobbyist with -- I believe it was then Crane  
21 & Vacco.

22 Q Is that the only firm that you were listed as a  
23 lobbyist or additional lobbyist for in 2005?

24 A I don't recall -- I mean, what was the year  
25 that, you know, Crane and Vacco was formed and Crane --

1 Powers, Crane ended. I don't recall what year that  
2 was. So, I mean, I -- before the formation of Crane &  
3 Vacco I was listed as an additional lobbyist, I  
4 believe, for certain clients of Powers, Crane &  
5 Company.

6 Q So you were listed as an additional lobbyist for  
7 certain clients of Powers, Crane & Company?

8 A I believe so, yes.

9 Q Were you also a practicing attorney at that  
10 time?

11 A Yes.

12 Q Okay. In 2005, did you or any firm you were  
13 associated with ever provide legal services to any of  
14 the lobbying firms that you have identified?

15 A Yes.

16 Q What services did you provide those entities as  
17 a legal representative or otherwise?

18 A Well, I provided them with what I would describe  
19 as general, you know, business advice, you know,  
20 relating to -- and again depending on the year -- you  
21 know, the formation of the firm, you know, certain  
22 questions pertaining to, you know, the method by which  
23 they did their business.

24 We also provided legal services to certain of the  
25 lobbying clients of those firms. And so, to the extent

1 that that would be responsive to your question, we  
2 provided legal representation to clients which may have  
3 overlapped with our legal representation of the firm.

4 Q With regards to Crane & Vacco, LLC -- you don't  
5 mind if I refer to them as Crane and Vacco? Is that  
6 okay?

7 A Yeah. Sure.

8 Q In 2005, did you provide or did your law firm  
9 provide, either one, you or your law firm, provide that  
10 lobbying firm any resources, such as copying, fax,  
11 telephone, Internet, secretarial, bookkeeping or any  
12 other resources from your law firm?

13 A They -- in 2005 Crane & Vacco Company was a  
14 tenant of ours. And yes, they -- basically we provided  
15 them with what I would describe administrative  
16 backbone. So, yes, they had access to all of the  
17 things you would typically expect to find in a firm of  
18 that type, copying machines, computers, postage meter.

19 Q Was the lobbying firm of Crane & Vacco  
20 physically located within the law firm's offices?

21 A Yes.

22 Q And the law firm and Crane & Vacco, the  
23 lobbyist, shared those administrative resources such as  
24 telephone, fax, copy machines, personnel as well?

25 A Not so much personnel. I mean, you know,

1 essentially -- well, let's say it this way: I'm sure  
2 that at times secretaries at the firm occasionally  
3 provided services to Crane & Vacco. Crane & Vacco had  
4 separate administrative staff, their own employees,  
5 their own payroll, for the people that did, you know,  
6 the predominant work, secretarial type work for the  
7 firm.

8 But on occasion employees of the law firm did provide  
9 services to the lobbying firm.

10 Q Can you identify any particular time when that  
11 may have happened?

12 A All the time.

13 Q Any particular service in particular that the  
14 law firm's personnel may have performed for the  
15 lobbying firm?

16 A Pretty much everything that was asked they would  
17 do to the extent that there was, you know, overlap,  
18 overload with the secretarial personnel at Crane &  
19 Vacco, our people would provide it.

20 Q Okay. So would the personnel at your law firm,  
21 they would work under your direction, is that correct?

22 A Not just mine, but yes. They would work under  
23 mine and the other attorneys in our firm.

24 Q Okay. Fine. Were other attorneys in your firm  
25 associated with Crane & Vacco, the lobbying firm?

1 A Dennis Vacco.

2 Q Okay. Anyone else?

3 A "Associated with," meaning what?

4 Q Did they work as lobbyists as well as lawyers?

5 A No.

6 Q Any personnel, secretarial people work in both  
7 firms?

8 A Other than the extent to answer your question  
9 previously, no.

10 Q They were under two payrolls, in other words?  
11 There was no individual who had two paychecks from  
12 different firms?

13 A I don't think so, no.

14 Q Okay. Did you or anyone at your direction  
15 secure credit cards for use by Crane & Vacco personnel?

16 A I don't know. What's your question?

17 Q Did you or anyone at your direction secure  
18 credit cards for the use by Crane & Vacco personnel,  
19 partners, members, anyone associated with Crane &  
20 Vacco?

21 A Crane & Vacco has an American Express account.  
22 Who actually established the account and got the cards,  
23 I couldn't tell you.

24 Q You don't know?

25 A I don't know.

- 1 Q Could it have been you?
- 2 A Yes.
- 3 Q Could it have been anybody else?
- 4 A Sure.
- 5 Q Who?
- 6 A Could have been Dennis Vacco. Could have been  
7 Connie Crane.
- 8 Q Do you know what they did?
- 9 A No.
- 10 Q Did you maintain a credit card in your name for  
11 the Crane & Vacco account?
- 12 A Yes.
- 13 Q And for what purposes did you maintain that  
14 credit card?
- 15 A For, you know, business expenses incurred on  
16 behalf of that firm.
- 17 Q Are you familiar with the organization called  
18 the Cable Telecommunications Association of New York?
- 19 A Yes.
- 20 Q Cable New York it's called as well?
- 21 A CTANY.
- 22 Q How are you familiar with CTANY?
- 23 A Both our law firm and the firm of Crane & Vacco  
24 represent them.
- 25 Q Okay. Do you still represent them?

1 A Yes.

2 Q Are you familiar with Richard Alteri?

3 A Yes.

4 Q What was his relationship with CTANY?

5 A He was the president.

6 Q Anything else?

7 A Not to my knowledge.

8 Q Okay. In 2005, were you aware that CTANY was a  
9 lobbying client of Crane & Vacco?

10 A Yes.

11 Q Did you attend a late lunch on November 30, 2005  
12 at Amo La Bella Restaurant at which Richard Alteri and  
13 public officials were participants?

14 A A late lunch?

15 Q A lunch sometime in the afternoon of November  
16 30, 2005?

17 A I believe so, yes.

18 Q Who paid for that meal at Amo La Bella on  
19 November 30, 2005?

20 A I believe Mr. Alteri and I split the expense.

21 Let me go back to answer your question. My answer is  
22 framed in part by, you know, the response to the  
23 subpoena I was served.

24 Q Sure.

25 A I can't represent to you that there were any

1 public officials there. I'm not saying there weren't  
2 any public officials there. I know Mr. Alteri  
3 represented there were. So it's likely there were. I  
4 want to make sure that my specific recollection -- I  
5 don't have any specific recollection, frankly, of the  
6 lunch, but I mean Mr. Alteri and I have lunch quite  
7 frequently.

8 Q I got you. Did you use a credit card to pay for  
9 that portion of the lunch?

10 A Again, you know, based on my review of -- in  
11 response to your earlier subpoena, yes.

12 Q Did you agree with Richard Alteri on the manner  
13 in which this meal would be paid for?

14 A We both threw our credit cards on the table.  
15 When it came back, we got a check for half the bill and  
16 we signed for our share. We may have consulted on the  
17 tip, too. I don't recall.

18 Q So you split the cost of the meal with  
19 Mr. Alteri?

20 A Yes.

21 Q Do you know how much this bill was with the tip?

22 A Can I consult?

23 Q Sure.

24 A The portion of the meal which I paid was 209.85,  
25 so I would guess it's double that.

1 Q So somewhere in the neighborhood of \$419?

2 A Yes.

3 Q Do you know how many people took part in that  
4 meal?

5 A No.

6 Q Is it conceivable -- do you know if, in fact --  
7 let me withdraw the question.

8 Would the per-person cost be in excess of \$75 per person?

9 A No.

10 Q How do you know that?

11 A Well, I don't know that. I should say it  
12 differently. It would have been my normal practice, if  
13 lobbying activity had occurred at that lunch, to have  
14 reported that expense as part of the, you know, regular  
15 bimonthly reporting process. So, you know, I don't  
16 believe any lobbying occurred at that lunch.

17 It's also not my practice to violate the law when it  
18 comes to the \$75 limit so that, you know, the answer is  
19 no. And that's why I say no, although, like I said to  
20 you earlier, I can't specifically recall this lunch or  
21 who was at the lunch.

22 Q But you did say Mr. Alteri recognized there were  
23 public officials at that lunch. So I understand.

24 A Based on my review of the paperwork surrounding  
25 this, I have come to understand that, yes.

1 Q Okay. And you paid for your share of this meal  
2 with a credit card from the lobbying firm?

3 A I don't know that. I assume that's the case.

4 Q You don't know that?

5 A I don't know that. I mean, yes, I did. Yes.  
6 And the reason I was unsure was that I've got a law  
7 firm credit card, too, so...

8 Q Who was responsible for filing Crane & Vacco's  
9 lobbying reports in 2005?

10 A Andrea Kosier, whose name is -- her name now is  
11 Andrea Debow. Andrea Kosier Debow K-O-S-I-E-R,  
12 D-E-B-O-W.

13 Q And how did Ms. Kosier obtain the information  
14 necessary to file such reports?

15 A She would be provided with copies of the bills  
16 and would, you know, base her preparation on that. The  
17 bills, meaning the monthly bills sent to their clients,  
18 to Crane & Vacco's clients.

19 Q Okay. I'm going to just change the pace for a  
20 second and I'm going to move back to 2003, if I can.  
21 Okay.

22 A Now, in 2003, what was the nature of your  
23 relationship to a registered lobbying firm known as  
24 Powers, Crane & Company, LLC?

25 I was a lawyer to them. My wife was a principal in the

1 firm. We shared certain clients with them, meaning we  
2 provided legal work for certain of their clients, not all  
3 of them. And I believe that with respect to those  
4 clients, I was listed as an additional lobbyist.

5 Q Okay. So the Crane whose name appears in  
6 Powers, Crane & Company, LLC was your wife, Constance  
7 Crane, is that correct?

8 A Correct.

9 Q What was her exact position within that firm?

10 A She was a member of the firm, and she had a 44  
11 percent equity interest in the firm.

12 Q Did you or any law firm you were associated with  
13 in 2003/2004 represent the firm Powers, Crane & Company  
14 as its counsel?

15 A Yes.

16 Q Do you know Noreen Pettalino?

17 A Yes.

18 Q Who is she?

19 A She was our former law firm administrator.

20 Q So she worked within the law firm?

21 A Yes.

22 Q Okay. Was the law firm and Powers, Crane &  
23 Company located in the same offices?

24 A No.

25 Q Same building?

1 A Yes. Different floors.

2 Q Different floors, okay. Exactly what were her  
3 duties for the law firm?

4 A You know, it's a relatively small law firm, so  
5 she was, you know, kind of the go-to person for the  
6 staff. So she was responsible for coordinating human  
7 resources. She administered the billing process. You  
8 know, I mean if the staff had an issue, she was the  
9 person they were directed to go to.

10 Q Okay. Did she prepare or type invoices to be  
11 submitted to lobbying clients of Powers, Crane &  
12 Company?

13 A Yes.

14 Q How did she get the information she needed to  
15 prepare those invoices?

16 A I gave it to her.

17 Q And in what office was she located when she  
18 performed that task?

19 A Physically?

20 Q Yes.

21 A The law firm.

22 Q When you say you gave her the billing  
23 information, how did you do that?

24 A The billing process, you know, which is a  
25 monthly process, was triggered, you know, by the

1 receipt of the monthly American Express bill for the  
2 firm. Ms. Pettalino made copies of the American  
3 Express bill. She circulated the American Express bill  
4 to, you know, people who held cards, which was, you  
5 know, pretty much everybody in the firm, with the  
6 exception of purely secretarial people. There were  
7 probably seven or eight people who had American Express  
8 cards.

9 And they returned -- they were directed to indicate what  
10 clients, if any, should be billed for expenses listed on  
11 the cards.

12 Q Are these lobbying personnel you're talking  
13 about?

14 A Yes. Entirely lobbying personnel.

15 Q But she did not work for the lobbying firm?

16 A No. I mean, I couldn't tell you with certainty  
17 that they didn't pay her something. She may have been  
18 paid something.

19 Q But she was your employee?

20 A Yes. Her principal job was to be the firm  
21 administrator of the law firm.

22 Q Do you know if she had any contact with any  
23 Powers, Crane & Company clients?

24 A She may have. I don't know. I mean, she would  
25 not -- it would not be typical of her day-to-day

1 activities, but it's possible that she did on occasion.

2 Q Did you ever direct her to have any contact with  
3 Powers, Crane & Company clients?

4 A Not that I recall.

5 Q Would that be normal for her to have contacts  
6 with Powers, Crane & Company clients?

7 A Wouldn't be abnormal, but it wouldn't be  
8 regular.

9 Q All right. Did you provide her with the  
10 information she needed to create the invoices for the  
11 Powers, Crane & Company clients?

12 A Yes.

13 Q What was the process in which you communicated  
14 with her as to what should be included in any invoices  
15 to Powers, Crane & Company?

16 A I just put a legal pad on her desk with the  
17 information on it. She couldn't read my handwriting.  
18 She asked me what it said.

19 Let me go back and complete the question you asked  
20 earlier. You indicated in addition -- in addition to,  
21 you know, the American Express bill triggering a  
22 distribution, it was at that time of the month that if  
23 there were any other expenses that, you know, needed to  
24 be disbursed to the clients that the -- you know, the  
25 lobbyist included that information.

1 That information all came back to me. I collated the  
2 information. If I had questions about it, as an example,  
3 let me give you an example of the kind of question that  
4 might have occurred. I believe on an annual basis six or  
5 seven people from the firm attended a fund-raiser that  
6 Governor Pataki had at South Street Seaport.  
7 Everybody, you know, was authorized to use the American  
8 Express card to cover their meals, to cover their hotel  
9 expenses, you know, the usual expenses you'd incur in a  
10 trip to New York City.

11 I would get back from those six or seven people their  
12 information about, you know, how much they incurred, what  
13 the trip was for, etc., and I would communicate with the  
14 principals at Powers, Crane & Company, namely Bill  
15 Powers, Matt Powers, Connie Crane, to ask them, you know,  
16 how those sums should be allocated, what clients should  
17 be billed.

18 I mean, typically, for example, with that kind of an  
19 exercise there would be four, five, maybe six different  
20 clients who paid a portion of the expense. But they  
21 would tell me how to allocate it. I organized it on a  
22 piece of paper, couple pieces of paper, and would leave  
23 it on Noreen's desk.

24 Q Basically what Noreen had to work with was your  
25 handwritten notes?

1 A Entirely.

2 Q Okay. Did you ever meet or communicate in any  
3 way with any Powers, Crane & Company clients in 2003 or  
4 2004?

5 A Sure.

6 Q Explain who and when and why.

7 A Well, my wife's a full-time lobbyist. You know,  
8 there's a lot of, you know, social events surrounding  
9 the business of lobbying, and so I would frequently  
10 attend those with her. So I knew probably all of their  
11 clients in some capacity.

12 In addition, as I said earlier, our law firm provided  
13 legal services to certain of the clients. In connection  
14 with my representation of them, I knew them.

15 Q Did Powers, Crane & Company have a credit card  
16 account?

17 A Yes.

18 Q And with what company or bank?

19 A American Express.

20 Q How was that account started?

21 A Don't know.

22 Q Nothing to do with creating that account?

23 A I'm not saying I didn't. I just said I don't  
24 know.

25 Q Did you have a credit card with Powers, Crane &

1 Company?

2 A Yes.

3 Q Can I ask why you had a credit card with Powers,  
4 Crane & Company?

5 A I would frequently attend events with my wife  
6 and she preferred that I paid. Chivalry.

7 Q Is it possible also that you may have contacted  
8 the credit card company to create the account for  
9 Powers, Crane & Company?

10 A It's possible.

11 Q Is it possible that the signatory to create that  
12 account for that credit card was you?

13 A Sure.

14 Q You weren't a member of Powers, Crane & Company?

15 A No.

16 Q Do you have the credit card records from that  
17 credit card account?

18 A No.

19 Q Why not?

20 A They're their records. Why would I have them?

21 Q Well, if you created the account, as far as the  
22 credit card company is concerned, it's your account.

23 A The answer to your question is no.

24 Let me give you a couple of points of reference here.

25 You know, Powers, Crane & Company, while not technically

1 a legal successor to Crane Consulting, my wife -- the  
2 first lobbying firm that my wife formed was a firm called  
3 Crane consulting. It was a firm that she was 100 percent  
4 equity interest owner in. She was a one-man band for a  
5 number of years.

6 At some point in time she hired Matthew Powers. I think  
7 she actually hired Andrea Kosier first, but at some point  
8 in time she hired Matthew Powers. Matthew Powers was  
9 both an employee of our law firm, and an employee of my  
10 wife's lobbying firm, you know.

11 My wife's not the most organized person in the world, so  
12 I'm sure I set up the American Express account for that  
13 company. At some point in time, Mr. Powers and my wife  
14 and Matt Powers decided to form a firm.

15 Q By Mr. Powers, you mean Bill Powers?

16 A William Powers, right. And so, you know, none  
17 of those three individuals were particularly good at  
18 administrative detail, and so it kind of fell to me to  
19 make sure that the trains ran on time.

20 Q Okay. Did you or any law firm or lobbying firm  
21 which you have been -- ever been associated with  
22 retain, store, possess, control any credit card records  
23 relating to credit cards used by Powers, Crane &  
24 Company, its members or employees, from 2003 till such  
25 account was closed or until the present time?

1 A Not to my knowledge.

2 Q Your law firm never retained the records?

3 A No, not to my knowledge.

4 Q You never retained the records?

5 A No, not to my knowledge.

6 Q Who would have knowledge of that, do you know?

7 A Someone from the Powers firm.

8 Q Okay.

9 A I know they represented that to you, but we've  
10 done a thorough search of our entire office. We've  
11 done a thorough search of all -- of all archived  
12 records, and we have no American Express records of  
13 that firm.

14 Q You don't recall ever having them?

15 A No.

16 Q Okay. Did Powers, Crane & Company cease to  
17 function as a lobbying firm?

18 A No.

19 Q Well, what was the history of the lobbying firm  
20 as of 2004/2005? Powers, Crane & Company, I'm speaking  
21 of.

22 A My wife withdrew as a member of the firm in  
23 April or May. I can't recall the exact date. She and  
24 Dennis Vacco formed a new firm called Crane & Vacco.  
25 Vacco had been a member of a firm which I think was

1 called Powers, Crane & Vacco, which Crane and Vacco had  
2 some equity interest in, and Vacco had some equity  
3 interest in. The firm Powers, Crane & Company, after  
4 my wife's withdrawal, changed their name to Powers &  
5 Company, and some of the clients went with Crane &  
6 Vacco, some stayed with Powers & Company.

7 Q And when did this take place, approximately?

8 A April or May, whatever year it was.

9 Q '04?

10 A Don't know. Don't recall. It's a matter of  
11 public record.

12 Q Did you or Constance Crane ever discuss the  
13 creation of a new lobbying firm with any clients of  
14 Powers, Crane & Company during this period of time when  
15 Powers, Crane & Company was changing its membership?

16 A No. Not to my knowledge.

17 Q Did you and/or --

18 A I can only speak for myself. I don't know what  
19 my wife.

20 Q Did you and/or Constance form a new lobbying  
21 firm in 2004?

22 A As I said, I think that date's correct. My wife  
23 did, yes.

24 Q Okay. Only one firm?

25 A Only one firm.

1 Q Can you identify again for the record who the  
2 members, partners and listed lobbyists were for such  
3 firm?

4 A The members, the principals were my wife,  
5 Constance Crane, who had 50 percent, and Dennis Vacco  
6 with 50 percent. I believe in 2004 the additional  
7 lobbyists would have been myself, Andrea Kosier, Jamie  
8 King, and I think that's it.

9 Q Let me ask, for the record, who is Dennis Vacco?

10 A Dennis Vacco -- excuse me. How shall I answer  
11 that?

12 Q Any way you like.

13 A Dennis Vacco is the former Attorney General of  
14 New York State, and he was a principal in the  
15 consulting firm, Crane & Vacco.

16 Q And how did he come to be a partner or member of  
17 Crane & Vacco?

18 A He was a member of Powers, Crane and Vacco  
19 previous to that.

20 MR. MICCIO: Okay. Can I have that  
21 marked.

22 (Commission Exhibit 1 marked.)

23 BY MR. MICCIO:

24 Q Mr. Crane, are you familiar with New York State  
25 Laborers' Political Action Committee?

- 1 A Yes.
- 2 Q And can you identify who they are?
- 3 A Well, they were a client of Powers, Crane &  
4 Company.
- 5 Q In 2003?
- 6 A Yes, I believe. I don't have a good --
- 7 Q All right. We have this photocopy of an  
8 invoice. Could you identify that, read it, review it,  
9 identify it, if you would?
- 10 A Appears to be a July 1, 2003 invoice issued by  
11 Powers Crane & Company issued to the New York State  
12 Political Action Committee.
- 13 Q Who prepared that invoice, do you know?
- 14 A Probably Noreen Pettalino.
- 15 Q Was that from the notes you provided her?
- 16 A Yes. That would be the -- I can't say  
17 specifically, but that would be normal practice.
- 18 Q Okay. Please read the last three items in full  
19 that appear on that invoice, if you would?
- 20 A Attend Senator Spano event in New York, New York  
21 on June 25, 2003. And there's an entry of \$500.  
22 Attend Senator Balboni event in New York, New York on  
23 June 30, 2003, \$500.  
24 Attend Assemblyman -- it says Gianardis, but it's  
25 Gianaris -- event in New York, New York on July 10, 2005,

1 \$500.

2 Q You know what the nature of those last three  
3 items are? Do you know what they are refer to?

4 A No.

5 Q No idea?

6 A No.

7 Q Okay. Do you know who attended these events  
8 from Powers, Crane & Company?

9 A No.

10 Q Did you ask who attended these events?

11 A At the time?

12 Q Yes.

13 A I don't know that I asked. I'm sure that this  
14 is a result of, as I described to you earlier, the  
15 monthly billing process. Someone wrote down on a piece  
16 of paper that information.

17 Q Now, you are familiar with political fund  
18 raisers, is that correct?

19 A Yes, I am.

20 Q How are you familiar with those?

21 A I attend them frequently.

22 Q Would you categorize these as fund-raising  
23 events?

24 A Yes.

25 Q Now, these political fund-raising events, the

1 amounts paid for them are usually considered political  
2 contributions, correct?

3 A The amount paid for the ticket to the event?

4 Q Yes.

5 A Yes.

6 Q Okay. Did you attend any of these events  
7 listed?

8 A Not that I recall.

9 Q Do you know if Connie did?

10 A I don't know. The Laborers' PAC was a client  
11 which was more, you know, oriented to the Powers firm.  
12 You know, Sam Fersina (phonetic) and Jim Melius were  
13 Bill Powers' relationships, so -- but I don't know.  
14 She could have.

15 Q Do you know if there was any invitation to these  
16 events?

17 A That would be normal practice.

18 Q Do you know what the price of the attendance  
19 ticket was?

20 A No.

21 Q Okay. Who paid for these tickets or these  
22 events?

23 A Don't know.

24 Q Well, were they expenses of Powers, Crane &  
25 Company?

1 A I assume so.

2 Q They were billed as such, weren't they?

3 A Yes, they were.

4 Q So is it reasonable to assume that they were  
5 paid by Powers, Crane & Company?

6 A I don't assume anything.

7 Q Well, would you allow expenses to be billed to a  
8 client that weren't paid?

9 A It wasn't my place to judge what should be or  
10 shouldn't be. I just collated information provided to  
11 me.

12 Q You were the attorney for Powers, Crane &  
13 Company.

14 A Did not provide them legal representation in  
15 connection with matters such as that.

16 Q Can I ask why not?

17 A They didn't ask me to.

18 Q Didn't you provide information and advice with  
19 regard to lobbying issues?

20 A If they asked me.

21 Q So you, as their attorney, when you thought they  
22 may have been doing something which is not proper, you  
23 allowed it to happen?

24 A Absolutely not. If I thought they were doing  
25 some thing improper, I would tell them that they

1 shouldn't be doing it.

2 Q Was there anything improper with this?

3 A I have no idea.

4 Q You have no idea? Okay.

5 MR. DREYER: At this juncture --

6 MR. MICCIO: Yes.

7 MR. DREYER: -- because we've  
8 raised it in previous correspondence with you,  
9 do you have a waiver from Powers, Bill Powers,  
10 anybody else, concerning any communications that  
11 you might be asking about between Mr. Crane and  
12 him and their legal --

13 MR. MICCIO: If he wants to bring  
14 up any kind of privilege.

15 MR. DREYER: When we get to an  
16 issue that -- you haven't yet.

17 MR. MICCIO: We're fine so far.

18 MR. DREYER: All right.

19 MR. MICCIO: You know. No.

20 THE WITNESS: That's a good place  
21 for me to interject, just for the record, that,  
22 you know, the withdrawal of my wife from the  
23 Powers, Crane firm was and remains very  
24 acrimonious. There's civil litigation still  
25 pending with respect to that breakup, as you're

1 probably aware from reading the papers.

2 Mr. Powers is the subject and target of  
3 at least two different federal investigations,  
4 and so that we don't have a good relationship.  
5 So I'm a little circumspect about where I draw  
6 the line in terms of attorney-client  
7 communications.

8 Having said that, I'm going to try to --  
9 I've educated myself on what it means, and I  
10 think I understand it now.

11 Bill will stop me if I'm treading in the  
12 wrong way.

13 MR. MICCIO: Can I have that back?

14 THE WITNESS: Yes.

15 BY MR. MICCIO:

16 Q Let's move on to the client Duane Reade.

17 A Yes.

18 Q Did you ever meet with, communicate or  
19 correspond with any representatives of Duane Reade,  
20 Inc., in 2003?

21 A Yes.

22 Q Who did you contact, do you know?

23 A I believe in 2003 -- I mean, certainly Gary  
24 Charbonneau was at Duane Reade at that time, and I  
25 believe that Michelle Bergman had joined the firm at

1 that time, but I can't say that for certain. But  
2 certainly Gary Charbonneau.

3 Q In what capacity did you have contact with Duane  
4 Reade, Inc. in 2003?

5 A Duane Reade is a firm which our law firm has  
6 provided legal advice to and which Powers, Crane &  
7 Company was a registered lobbyist, so I interacted with  
8 them.

9 Q Did you ever engage in any lobbying activity for  
10 any interests of Duane Reade in 2003?

11 A Not that I can say for certain, although I may  
12 have been listed as an additional lobbyist. It was our  
13 normal practice when we shared a client to list me as  
14 an additional lobbyist and err on the side of caution  
15 when it came to disclosure.

16 I never received any compensation from that firm, but it  
17 was thought that to the extent I was attending a meeting  
18 with a lobbyist, even though the advice I may be giving  
19 and my role there was principally legal, it was better to  
20 list me as an additional lobbyist for the purpose of  
21 public disclosure.

22 Q Did you or your law firm or any employee of  
23 yours or any law firm you are associated with in 2003  
24 provide any services of any type to Powers, Crane &  
25 Company in reference to Duane Reade, Inc.?

1 A No. We represented Duane Reade, Inc.

2 Q So in 2003 Powers, Crane & Company was located  
3 within your law firms offices, is that correct?

4 A No, I don't believe so.

5 Q I thought that was your earlier testimony, but I  
6 could be mistaken?

7 MR. DREYER: Crane & Vacco.

8 A Crane & Vacco.

9 Q I'm sorry, you're right. I apologize.

10 A Different floor.

11 Q Right.

12 A Same building, same computer.

13 Q Did anyone in your law firm prepare any invoices  
14 for Powers, Crane & Company with regard to Duane Reade?

15 A Noreen Pettalino.

16 Q Was that done in the same manner as you  
17 described earlier?

18 A Yes.

19 Q That's the -- your notes on the yellow pad  
20 delivered to her for preparation of the invoice, is  
21 that correct?

22 A Yes.

23 (Commission Exhibit 2 marked.)

24 BY MR. MICCIO:

25 Q I ask you to review that copy of an invoice, if

1 you would.

2 A Yes.

3 Q Could you identify it?

4 A It's a July 1, 2003 invoice from Powers, Crane &  
5 Company to Duane Reade, Inc.

6 Q And this is an invoice that was prepared during  
7 Noreen Pettalino's employment with your law firm, is  
8 that correct?

9 A I believe so, yes.

10 Q And probably -- I shouldn't say -- excuse me,  
11 and provided -- the information provided there was  
12 given to Noreen Pettalino by you?

13 A Yes.

14 Q Was it prepared in close proximity timewise with  
15 the July 1, 2003 invoice to the New York State Laborers  
16 PAC previously identified?

17 A Yes.

18 Q Same date?

19 A In all likelihood.

20 Q There is two matters at the bottom of that  
21 invoice?

22 A Yes.

23 Q Would you read those, please?

24 A Yes. Attend Senator Balboni event in New York,  
25 New York on June 30, 2003. The amount's \$1,000.

1 Attend Assemblyman -- and again, its Gianardis -- event  
2 in New York, New York on July 10, 2003, \$1,000.

3 Q Okay. The Balboni event of June 30, '03 and the  
4 Gianardis event of July 10, '03, are they the same  
5 events that appear on the Laborers PAC invoice  
6 previously identified?

7 A I don't know, but I assume so.

8 Q Same date?

9 A Same date.

10 Q Same event?

11 A Same event. I assume so, yes.

12 Q The amounts are different, however, \$1,000 each  
13 event on this invoice and \$500 on the Laborers PAC  
14 invoice.

15 Can you explain that?

16 A No.

17 Q Did you ask for an explanation?

18 A No.

19 Q When you were given the information to prepare  
20 these invoices, did you have any question about those  
21 things at that time?

22 A No.

23 Q Why not?

24 A That wasn't my role.

25 Q So no matter what you were given for

1 information, you just allowed it to be invoiced?

2 A Yes.

3 Q Okay.

4 (Commission Exhibit 3 marked.)

5 BY MR. MICCIO:

6 Q I ask you to review this copy of an invoice and  
7 identify it, if you would.

8 A It is a March --

9 MR. DREYER: Is that number 3?

10 THE WITNESS: Yes.

11 A March 1, 2003 invoice, Powers, Crane & Company  
12 to Duane Reade.

13 Q Okay. And could you read the last two items on  
14 that invoice, please?

15 A Disbursement, attend Senator Meier event on  
16 February 24, 2003 in Albany, New York, \$500.

17 Disbursement, attend Senator Maziarz event on  
18 February 24, 2003 in Albany, New York, \$500.

19 Q Okay. Did you prepare or assist in any way with  
20 the preparation and creation of this invoice?

21 A Same way we described previously.

22 Q Okay.

23 A I believe.

24 Q Do you know the nature of the events that are  
25 listed on the invoice?

1 A I'm sure -- I'm not sure, but they're likely o  
2 be political fund-raisers.

3 Q Do you know who attended these events?

4 A No.

5 Q Did you attend these events?

6 A I don't know.

7 Q Did Constance Crane attend these events?

8 A I don't know.

9 Q Did you make any political contributions to the  
10 election committees of either or both of the senators  
11 whose events are listed on these invoices?

12 A I don't know. It's a matter of public record.  
13 I make a lot of political contributions.

14 Q Do you know if Powers, Crane & Company made any  
15 contributions to these senators at this time?

16 A I don't know. It's a matter of public record.

17 Q Again, if you could, can you tell us what the  
18 \$500 that's listed there for these events represents?

19 A I don't know.

20 Q What would you think they represent as someone  
21 who's familiar with these events?

22 A It is either a contribution or a travel expense.  
23 Those would be --

24 Q Travel expense?

25 A Those would be the two possibilities, yeah.

1 Q Where did the event take place?

2 A Albany.

3 Q So it's a \$500 travel expense to Albany?

4 A Could be. I don't know what it is, Ralph. I  
5 told you that already.

6 Q You didn't question --

7 A Did not question.

8 (Commission Exhibit 4 marked.)

9 BY MR. MICCIO:

10 Q Okay. Mr. Crane, I ask you to review Commission  
11 Number 4. Would you identify that for us, please?

12 A It's a May 1, 2003 invoice from Powers, Crane &  
13 Company to Duane Reade.

14 Q And could you read expense -- two expense items  
15 there, please? These are listed as expense --

16 A Shall I guess which two you want me to --

17 Q Well, what is the expense?

18 A Okay. Expense: Attend Senator DeFrancisco  
19 event in Albany, New York, March 24, 2003, \$500.

20 Expense: Attend Senator Morahan fund raiser in Albany,  
21 New York on April 8, 2003, \$350.

22 Q Again, did you have a part in creating these  
23 invoices?

24 A To the same extent we previously discussed, yes.

25 Q Through Noreen Pettalino?

1 A Yes.

2 Q And again, from your experience with these  
3 events, could you identify what they may have been?

4 A They were probably political fund raisers.

5 Q Okay. All right. Is it fair to say that  
6 Powers, Crane & Company paid these amounts that were  
7 being listed as expenses to their clients?

8 A I don't know.

9 Q Well, would they expense things they didn't pay  
10 for?

11 A I don't know.

12 Q Would you have advised your client that that was  
13 the wrong thing to do if they did that?

14 A Yes, if I was aware of it.

15 Q Were you aware of this?

16 A Aware of what?

17 Q Of these expenses.

18 A Only to the extent that they crossed my desk  
19 from here to there.

20 Q Okay. Okay.

21 MR. MICCIO: Let's see. Here's  
22 another one.

23 (Commission Exhibit 5 marked.)

24 BY MR. MICCIO:

25 Q I ask you to review Commission Number 5 and

1 identify it, if you could.

2 A It's a June 1, 2003 invoice from Powers, Crane &  
3 Company to Duane Reade.

4 Q And would you read the last two items there,  
5 please?

6 A Attend Assemblyman Gromack event, Albany, New  
7 York, May 27, 2003, \$500.

8 Attend Senator Morahan event, Albany, New York on June 3,  
9 2003, \$500.

10 Q And would it be fair to say that this invoice  
11 was prepared in the same manner as the others we've  
12 already discussed?

13 A Yes.

14 Q Did you provide information to Noreen Pettalino  
15 who created the invoice or to somebody in your office  
16 to create this invoice?

17 A Noreen Pettalino.

18 Q Was there any backup documents, cancelled  
19 checks, credit card receipts or records, cash receipts  
20 of any kind, any other documents that were used to  
21 verify the expenses listed on these invoices?

22 A I don't know.

23 Q You did not ask for any?

24 A No.

25 MR. DREYER: Are there any or were

1           there any? I mean --

2                           MR. MICCIO: Were there any?

3    A        I don't know, and I don't know.

4    Q        Okay. Is it possible that there was backup  
5    material for these expenses?

6    A        Is it possible that there were?

7    Q        Yes.

8    A        Certainly.

9    Q        Do you know where they might be if you don't  
10   have it?

11   A        I wouldn't have it. It would be at Powers &  
12   Company.

13   Q        Okay. Did you attend either of the events  
14   listed on this invoice, the one to Assemblyman Gromack  
15   and Senator Morahan?

16   A        I don't know.

17   Q        You don't know?  
18   Do you know who did?

19   A        No.

20   Q        Do you know if anybody from Powers, Crane &  
21   Company attended those events?

22   A        I don't.

23   Q        Did you personally receive any reimbursement  
24   from Powers, Crane & Company or this client for  
25   attending any of these events?

1 A Not to my knowledge.

2 (Commission Exhibit 6 marked.)

3 BY MR. MICCIO:

4 Q Mr. Crane, are you familiar with Delaware North  
5 Companies?

6 A Yes.

7 Q And who are they?

8 A They're a Buffalo-based corporation who is  
9 presently a client of Crane Sanders and before that was  
10 a client of Crane & Vacco and before that was a client  
11 of Powers, Crane & Company.

12 Q Okay. I'd like you to look at Commission Number  
13 6, please, review and identify that, if you would?

14 A July 1, 2003 Powers, Crane & Company invoice to  
15 Delaware North Companies.

16 Q Would you please read the last two items listed  
17 on that invoice?

18 A Attend Senator Balboni event in New York, New  
19 York on June 30, 2003, \$500.

20 Attend Assemblyman Gianaris event in New York, New York  
21 on July 10, two -- it says '03, I assume it's 2003 --  
22 \$500.

23 Q Are they the same two events listed to the Duane  
24 Reade invoice and the Laborers PAC invoice we had  
25 before?

- 1 A I don't know.
- 2 Q They all have the same date?
- 3 A Yes.
- 4 Q Are they the same event?
- 5 A I don't know.
- 6 Q The same party?
- 7 A It's likely.
- 8 Q Are they identified as the same event?
- 9 A Pardon me?
- 10 Q Does the invoice list them as -- in the same  
11 way, same name? Do you want to look at the other -- go  
12 ahead.
- 13 A Yes. The words are the same.
- 14 Q So would you assume they're the same event?
- 15 A It's a reasonable assumption.
- 16 Q Thank you.
- 17 This invoice was created in the same manner as the others  
18 we've discussed?
- 19 A Yes. That would be our normal practice.
- 20 Q Do you know any explanation for the apparent  
21 multitudes of billings of different clients of Powers,  
22 Crane & Company for what appears to be the same  
23 expense?
- 24 A No.
- 25 Q As counsel, did you advise your client, Powers,

1 Crane & Company, of the possible legal issues involved  
2 in its -- if its billings were inaccurate or worse?

3 MR. DREYER: Let me object to that.  
4 That's a lawyer-client privileged area.

5 MR. MICCIO: Okay. I accept that.

6 A The answer is no.

7 Q Were other lobbying clients of Powers, Crane &  
8 Company multiply billed for the same expenses including  
9 these or any others?

10 A I don't know.

11 Q In 2003, did you participate in creating or  
12 producing all invoices issued by Powers, Crane &  
13 Company to their lobbying clients?

14 A Yes.

15 Q Were all invoices of Powers, Crane & Company  
16 clients generated out of your then law office?

17 A Just so we're precise about this, you know,  
18 Powers, Crane & Company and part of the administrative  
19 service we provided with them is, you know, they had a  
20 separate, you know, space which was locked out from  
21 access by the law firm on our -- you know, on our  
22 computer system, so -- which they paid us for. So  
23 technically, I suppose, they owned that part of the  
24 computer.

25 Q But it came out of your law office?

1 A Describe that. I mean --

2 Q Physically.

3 A Where was it printed? I don't know. It could

4 have been printed on the 14th floor or the 15th floor.

5 I don't know that.

6 Q Where was it generated?

7 A Could have been generated anywhere, for that

8 matter.

9 Q Well, who typed it?

10 A Noreen Petalino, I believe, in these cases.

11 Q In your office?

12 A I don't know that. Could have been downstairs.

13 I don't know.

14 Q Do you know if she ever did any kind of work

15 outside of your office for the Powers, Crane & Company

16 lobbying firm?

17 A When you say "outside of our office" --

18 Q Physically outside of your office.

19 A Certainly.

20 Q Where might that have been?

21 A In their office.

22 Q You think that she did that?

23 A Yes.

24 Q Okay. Okay. Now, can you give us a

25 circumstances of Constance Crane's leaving Powers,

1 Crane & Company in 2004?

2 MR. DREYER: Do you mean, when you  
3 say the circumstances, you mean --

4 MR. MICCIO: Why she left.

5 A Yeah, I can tell you that.

6 MR. DREYER: It's a matter of  
7 record on the lawsuit, but go ahead.

8 A Yeah, I think I can tell you. I can tell you  
9 what she's told me.

10 Mr. Powers decided sometime in, you know, December of the  
11 previous year -- I don't have the years right, but that  
12 after -- Mr. Vacco had joined the firm or -- I just want  
13 to make sure I'm precise here -- Mr. Vacco had become a  
14 part of the firm called Powers, Crane and Vacco which, as  
15 I explained earlier, was owned partially by Mr. Vacco and  
16 partially by Powers, Crane & Company in roughly October  
17 or November of that year.

18 At that point in time my relationship with Mr. Powers had  
19 become strained, in part because he had made some sexual  
20 advances to my wife.

21 Mr. Powers went to Mr. Vacco one night and said, "I don't  
22 think you should join Jim Crane's law firm, of counsel.  
23 We don't need Jim Crane. We'll start our own law firm.  
24 You and Matt can have your own firm, and that's what  
25 we'll do."

1 And when my wife learned that Mr. Powers was actually  
2 looking for space for that law firm, she decided that was  
3 the time to leave.

4 Q Okay. And when she left, what happened with  
5 regard to the creation of another lobbying firm or law  
6 firm or both?

7 A What she -- well, my recollection is that  
8 sometime in January she actually relocated. We gave  
9 her an office to use upstairs on the 15th floor. That  
10 firm stayed in existence for another three or four  
11 months while we tried to make it work. It was a very  
12 profitable firm. They made lots of money.

13 Q Who were the members of that firm?

14 A Which firm?

15 Q The one just created in January?

16 A It wasn't created in January. It wasn't created  
17 until May.

18 Q You said that she moved into these offices in  
19 January.

20 A She moved upstairs, but remained a member of  
21 that firm. She didn't withdraw until May.

22 Q And so Powers, Crane & Company was -- had two  
23 offices at that point.

24 A I mean -- I guess, technically, yeah. They did  
25 one office, but we let her use an office.

1 Q And what happened about creation of a new firm,  
2 the law firm and new lobbying firm that resulted from  
3 this?

4 A You know, at some point, you know, it became  
5 clear that there was not going to be any way to, you  
6 know, reconcile their differences. You know, Mr. Vacco  
7 was very upset with Mr. Powers, and I think it was he  
8 who suggested to my wife that they form a firm, and  
9 they did.

10 Q Okay. Did you likewise form a firm with  
11 Mr. Vacco?

12 A No.

13 Q At any time since 2004?

14 A Did I form a firm with him?

15 Q Yes.

16 A No. He's of counsel to our law firm.

17 Q How about a lobbying firm? Did you have any  
18 lobbying firm you are now a member of or partner of  
19 that Mr. Vacco is a party to?

20 A No.

21 Q Any firm you are listed as a lobbyist for that  
22 Mr. Vacco is a partner or member of?

23 A Crane & Vacco.

24 Q Is there any firm in which Mr. Vacco is a  
25 partner or member?

1 A He's not anymore, but he was.

2 Q In which you are or were listed as a lobbyist?

3 A Just to be precise, Mr. Vacco -- the answer to  
4 your question is for a period of time, I was listed as  
5 an additional lobbyist for Crane & Vacco, which is the  
6 firm that was formed after my wife's departure from  
7 Powers, Crane & Company.

8 Mr. Vacco, in roughly -- I don't know, April of this  
9 year, I can't recall, sometime during this calendar  
10 year -- Mr. Vacco withdrew from the lobbying firm. He's  
11 now the general counsel of a financial services firm. He  
12 remains of counsel to our law firm.

13 But I have been listed as an additional lobbyist for that  
14 firm. I have played a more active role in that firm in  
15 part because my wife suffered a very serious illness  
16 shortly after the formation of Crane & Vacco. So I've  
17 played a more active role in that firm.

18 But I'm not a member and receive no compensation from  
19 them.

20 Q Okay. Crane Consulting Group, LLC is another  
21 firm in which you are connected, correct?

22 A In the same way, I suppose. My wife's firm.

23 Q Are you listed as an additional lobbyist in that  
24 firm?

25 A I probably was, yes. That preceded Powers,

1 Crane & Company.

2 Q But it still exists today, is that correct?

3 A Legal entity, I believe so, yes.

4 Q Do you know if it's registered as a lobbyist  
5 today?

6 A I don't know.

7 (Commission Exhibit 7 marked.)

8 BY MR. MICCIO:

9 Q Mr. Crane, I'm just going to ask you to review  
10 this and identify it, if you would.

11 A It's a August 1, 2004 invoice from Crane & Vacco  
12 to Delaware North Companies.

13 Q And is there listed on there a meal in the  
14 amount of 154.69?

15 A Yes.

16 Q Is it an expense that was paid by Crane & Vacco  
17 to be reimbursed by the client?

18 A Yes.

19 Q Did you attend that meal?

20 A I don't know. I may be able to consult this and  
21 tell you.

22 What's the question?

23 MR. DREYER: Did you attend?

24 Q Did you attend that dinner?

25 A I don't know.

1 Q Okay. Did you have any part in preparing that  
2 invoice, that you recall?

3 A To the same extent that the previous invoice  
4 procedure we've discussed has been described, yes.

5 Q So you presented the information to someone on  
6 your staff and they prepared the invoice, is that  
7 correct?

8 A Yes.

9 Q Okay. Who prepared the bimonthly reports for  
10 Crane & Vacco in -- what year, two thousand --

11 A Andrea Kosier.

12 Q -- three.

13 Did Crane & Vacco, if you know, report that expense on  
14 its May, June 2004 or any other bimonthly report filed  
15 with the New York State Commission on Lobbying?

16 A I don't know. I mean, it's a matter of public  
17 record. So do you have a copy of it there?

18 Q Actually, I don't, because it wasn't reported.

19 A Okay. Well, there you go.

20 Q Okay?

21 A Okay.

22 MR. MICCIO: All right. Can we  
23 take a little break, if possible?

24 (Recess taken.)

25 MR. MICCIO: Back on.

1 BY MR. MICCIO:

2 Q Something new now. Did you or any firm you're  
3 associated with entertain two public officials in 2004,  
4 namely Assemblyman Gromack and Senator Morahan and pay  
5 for their dinner at Cafe Capriccio?

6 A Yes.

7 Q June 15, 2004?

8 A Yes.

9 Q How many people had dinner on that occasion?

10 A I don't know, but I can consult this and see if  
11 that will be helpful.

12 The date again was?

13 Q June 15, 2004.

14 A The information that I submitted with my  
15 affidavit indicates that it was Morahan, Gromack plus  
16 six.

17 Q So total of eight?

18 A Yes.

19 Q Okay. How much did you list as an expense for  
20 that dinner to Crane & Vacco lobbying client Delaware  
21 North on a previously identified invoice, which I'll  
22 find for you?

23 A I've got it right here. 263.75.

24 Q What was the total cost of that meal at Cafe  
25 Capriccio on June 15, 2004?

- 1 A 473.49.
- 2 Q The amount of the meal was not the same amount  
3 that you expensed to Delaware North?
- 4 A Correct.
- 5 Q Is that correct?
- 6 A Correct.
- 7 Q Did you expense half of it to Delaware North?
- 8 A Yes. And half to another client.
- 9 Q And half to another client?
- 10 A Yes. Southern Tier.
- 11 Q Southern Tier. Okay. And they're a client of  
12 what firm?
- 13 A They're not a client of any firm anymore.
- 14 Q Who were they a client of when you billed them?
- 15 A I don't know.
- 16 Q Could it have been Crane Consulting?
- 17 A Could have been, yes.
- 18 Q Do you know the purpose and cost of that meal?
- 19 A 473.49 divided by eight.
- 20 Q And you're sure it was eight?
- 21 A That's what this indicates, yes.
- 22 Q And have you checked any other documents about  
23 that?
- 24 A No.
- 25 Q Did you get a copy of the actual meal --

1 A No.

2 Q -- bill from Cafe Capriccio?

3 A Did not.

4 Q Are you sure you want to say it was eight people  
5 participating in that?

6 A What I'm saying is this indicates Morahan  
7 Gromack plus six.

8 Q What is that you're looking at?

9 A This is a copy of the American Express bill,  
10 which would have been made, you know, reasonably  
11 contemporaneously with the event in question.

12 Q And what does it show in terms of the amount?

13 A 473.49. I was tipping particularly generously  
14 that night, it looks like.

15 Q What was the amount of the actual bill, do you  
16 know?

17 A I imagine 473.49.

18 Q Does it show a tip on that?

19 A Yes.

20 Q What was the tip?

21 A \$80.

22 Q Okay.

23 MR. MICCIO: Have this marked,  
24 please.

25 (Commission Exhibit 8 marked.)

1 BY MR. MICCIO:

2 Q Mr. Crane, I'll show you what claims to be a  
3 bill from Cafe Capriccio. Does that bill reflect the  
4 meal you had on June 15, 2004?

5 A It appears to be, yes.

6 Q And does it indicate how many meals were served  
7 on that bill?

8 A Says calamari, risotto, double raw, four steaks,  
9 five desserts.

10 Q Okay.

11 A And a bunch of other things, which must be  
12 coffee, I guess.

13 Q And it's your testimony that this represented  
14 eight people?

15 A My testimony is that in looking at the record  
16 that was maintained contemporaneously it indicates  
17 eight people.

18 Q Who maintains that record?

19 A This would have been generated by me.

20 Q Upon looking at the bill from Cafe Capriccio, do  
21 you have any different opinion as to how many people  
22 were at that meal?

23 MR. DREYER: I'll talk to you in a  
24 minute. I just want to write down the date.

25 A No.

1 Q So it's your contention eight people were at  
2 that meal?

3 A What I'm saying is that the records I kept  
4 contemporaneously or reasonably contemporaneously  
5 indicates eight. I don't know what it means. Maybe  
6 someone had calamari for their meal?

7 Q Okay. Somebody have risotto for a meal?

8 A Could have.

9 Q Could, sure. Okay.

10 Did the amount of this meal exceed the limitations  
11 existing at that time for gifts given to public officials  
12 under the lobbying act?

13 A Not to my knowledge.

14 Q Did you attempt to conceal the existence of this  
15 gift by reporting one half of the actual expense on one  
16 client's bimonthly report and reporting the remaining  
17 half on the cost of a different client's bimonthly  
18 report?

19 A Absolutely not.

20 Q Okay.

21 A Both clients had matters involving racing and  
22 wagering. Mr. Gromack was chairman of the Racing &  
23 Wagering Committee, and so it was appropriate that they  
24 both pay and reimburse half the expense.

25 Q Can you name who attended that meal with you?

1 A Other than Gromack and Morahan, no. I can  
2 recollect Morahan has kind of a -- he's got a driver  
3 who always comes, so other than that, I can't tell you.

4 Q Anybody else?

5 A No, I can't tell you anybody else.

6 Q But there were other people?

7 A Yes.

8 Q No one that you can identify?

9 A No. Could have been a Gromack staffer. My wife  
10 may have attended. Other people from the firm may have  
11 attended. I don't know. May have bought someone  
12 across from me a bottle of wine, as I've done with my  
13 counsel here many times.

14 Q But that's not on the bill, though.

15 A I don't know. The bill doesn't reflect any  
16 alcohol, which can't be possible.

17 Can I see that again?

18 I don't know if the four steaks were 100 or 200. It says  
19 beverage, 166, but doesn't list the beverage.

20 Q Got you. Do you work closely with Connie Crane  
21 with regard to lobbying clients that you represent?

22 A Say that again.

23 Q Do you work closely with Connie Crane with  
24 regard to lobbying clients that either of you  
25 represent?

1 A What's that mean?

2 Q Do you work together with clients?

3 A Yes. I'm close.

4 Q Does your wife have a history of health  
5 problems?

6 A Yes. Well, history, well, yes.

7 Q Did you or do you assist her in dealing with her  
8 clients when she's not feeling well?

9 A Yes.

10 Q Did you ever assist her with her clients for any  
11 reason when she was a principal of Powers, Crane &  
12 Company?

13 A I mean, "assist" is a pretty broad term. I'd  
14 have to say yes.

15 Q When Crane & Vacco company was established and  
16 leading up to its establishment and upon Connie leaving  
17 Powers, Crane & Company, that was happening through a  
18 period from the end of '03 to sometime in March of '04?

19 A Yeah. May, I think.

20 Q May of '04. Did you or did Connie, to your  
21 knowledge, contact any clients at Powers, Crane &  
22 Company soliciting them for the new lobbying firm to be  
23 created?

24 A Not to my knowledge.

25 Q Under what circumstances did Duane Reade became

1 a client of Crane & Vacco?

2 A Duane Reade had been the client of Crane  
3 Consulting prior to the formation of Powers, Crane &  
4 Company. Connie was the principal contact with that  
5 firm, and when she started the new firm, they elected  
6 to go with her.

7 Q Did you have any contact with Gary Charbonneau  
8 from Duane Reade concerning Duane Reade keeping their  
9 business with Crane & Vacco for lobbying?

10 A Not to my recollection. It was sort of an  
11 evolving process. I mean, it was not a -- the Times  
12 Union, I think, at the time reported that Connie moved  
13 her office from the 14th to the 15th floor, so that all  
14 the clients and most of Albany was aware that the  
15 relationship with Mr. Powers was strained.

16 Q Let's go back to Delaware North Companies, Inc.  
17 Who represents Delaware North Companies, Inc. today as  
18 a lobbyist?

19 A Crane Sanders.

20 Q And what is your relationship to Crane Sanders?

21 A I don't have any formal relationship. I'm  
22 listed as an additional lobbyist for all their clients.

23 Q That is a formal relationship. You're an  
24 additional lobbyist listed on the filings. I just want  
25 to point that out.

- 1 A Okay. That's my relationship.
- 2 Q Do you know William Bissett?
- 3 A Yes.
- 4 Q How often do you communicate with Mr. Bissett?
- 5 A Depends. Sometimes hourly, sometimes not for  
6 months.
- 7 Q Were there any communications with Delaware  
8 North or Mr. Bissett about Delaware North becoming a  
9 client of Crane & Vacco?
- 10 A Again, other than to the extent that it was well  
11 known to the general public and to all the clients at  
12 Powers, Crane & Company that there was a deep strain in  
13 the relationship between Mr. Powers and my wife, no.
- 14 Q Did you ever contact James Melius from the  
15 Laborers PAC concerning joining the Crane & Vacco firm?
- 16 A Did I?
- 17 Q Yes.
- 18 A Not to my recollection.
- 19 Q Okay.
- 20 A They didn't. If I did, I wasn't successful.
- 21 Q Have you ever discussed or explained lobbying  
22 expenses billed by any firm of which you had any  
23 association as counsel, additional lobbyist, member,  
24 partner or otherwise, have you ever discussed the  
25 billing process or any billing issues with Gary

1 Charbonneau from Duane Reade?

2 A Duane Reade is a client of my law firm, and the  
3 answer is I have no recollection of that, but if I had,  
4 I wouldn't disclose it, but I don't have any  
5 recollection of it.

6 Q I'm not asking in the context of an attorney.  
7 Did he ever contact you with regard to lobbying  
8 expenses that were being charged to him by anybody you  
9 were associated with?

10 A No.

11 Q How about Mr. Bissett from Delaware North?

12 A Not that I recall. I did become aware there was  
13 an inquiry going on because Delaware North retained  
14 separate counsel in connection with the inquiry, and  
15 that attorney contacted both Powers and myself.

16 Q Jim Melius from the Laborers PAC, did he ever  
17 question any of the expenses?

18 A Not that I recall.

19 Q Did anyone from any of the firms mentioned,  
20 Delaware North, Duane Reade or Laborers PAC, ever  
21 question expenses charged to them by their lobbyists  
22 that you were associated with?

23 A Not that I recall.

24 Q Okay. Have you personally ever attended any  
25 political fund-raising events in 2003, 2004, or 2005?

1 A In all likelihood, yes. Yes. I mean, yes.

2 Q Did anyone or any entity pay for your attendance  
3 at any of these political events in '03, '04 or '05 or  
4 reimburse you for attending any of these events?

5 A Well, I believe that on many occasions the --  
6 you know, Powers, Crane & Company, if that was in  
7 effect at the time, you know, paid for admission, yes.

8 Q And expensed it to the client?

9 A Not to my knowledge.

10 Q Well, didn't you prepare the bills for attending  
11 these events, in some cases?

12 A Yes, but not to my knowledge.

13 Q What wasn't to your knowledge?

14 A What's your question? Go back and read the  
15 question.

16 Q Did they reimburse expenses?

17 A I don't know.

18 Q Do you know what the election law speaks to with  
19 regard to reimbursing political donations?

20 A No.

21 Q You're not familiar with the election law, New  
22 York State Election Law.

23 A If I was asked if I'd have to pick the book up,  
24 the answer is yes. The answer is no, I'm not familiar  
25 with it. I know there's a law, but I have to consult

1 the book.

2 Q So I'm not clear on this answer, so I'll ask it  
3 again. Did Powers, Crane & Company ever pay for your  
4 attendance at a political event?

5 A Probably.

6 Q And do you know if they billed clients for that  
7 expense?

8 A I don't know that answer.

9 Q Okay.

10 A It was -- just so we clarify this, you know, it  
11 was -- it's a fairly common practice that in many of  
12 these events, they don't actually collect checks. I  
13 mean, you know, people who are sort of in the lobbying  
14 community just show up and, you know, oftentimes no one  
15 calls to say, "Hey, where's your check?"  
16 I say that by way of explanation in that on many  
17 occasions I believe that Powers, Crane & Company would  
18 buy a ticket for my wife to attend an event and I would  
19 attend with her, but I wouldn't -- either, you know,  
20 myself or anybody else -- write a check for that.

21 Q But is it possible that you had a ticket paid  
22 for by Powers, Crane & Company to attend those kind of  
23 events?

24 A Possible, yes.

25 Q Did Crane & Vacco ever pay for your attendance

1 at a political event?

2 A It's possible.

3 Q Would you know?

4 A Crane & Vacco has purchased tickets to political  
5 events that I attended.

6 Q Do you know if Crane & Vacco expensed those  
7 tickets to clients?

8 A I don't believe so.

9 Q Do you know if any client of Powers, Crane &  
10 Company, Crane & Vacco, Crane Consulting Group ever  
11 invoiced or billed as a reimbursable expense for the  
12 attendance of anyone associated with any of those firms  
13 at any political event where any client of theirs was  
14 ever billed for that?

15 A I do not know.

16 Q Have you or anyone associated with any firm  
17 you've been a part of as a principal lobbyist or  
18 counsel ever prepared draft semiannual reports for a  
19 client?

20 A Have I?

21 Q Or anyone who works for you.

22 A No.

23 Q Anyone who works with you?

24 A Well, you know, Andrea -- until approximately, I  
25 don't know, 18 months ago Andrea Kosier, who was an

1 employee of Crane & Vacco and before that Powers, Crane  
2 & Company, prepared those.

3 MR. MICCIO: Bridget, do you have  
4 any questions?

5 EXAMINATION BY MS. HOLOHAN:

6 Q Correct me if I'm wrong, but you testified that  
7 you didn't know whether a client was billed for the  
8 expense of attending a fund raiser, correct?

9 A Correct.

10 Q Who would know, then, from Powers & Crane?

11 A You know, it could be anybody worked there.  
12 William Powers, Matthew Powers, Connie Crane. Probably  
13 were seven or eight people there on a fairly regular --  
14 you know, with some regularity attended events.

15 Q And generally speaking, what would be the cost  
16 of attending one of these fund-raising events?

17 A It varied substantially. I mean, as an example  
18 there's something called Senate Roundtable that cost  
19 \$25,000 to attend and, I mean, I guess the lowest  
20 ticket you write these days is probably 250, at least,  
21 for the State Legislature for those people.  
22 I'd say there aren't many of those left.

23 Q I'm going to show you what's been marked as  
24 Commission Exhibit 1.

25 A Yes.

1 Q And it says attend Senator Balboni event in New  
2 York City on June 30, 2003.

3 A Yes.

4 Q And it also says \$500, correct?

5 A Yes.

6 Q So it's your understanding that the event would  
7 have cost more than \$500 to attend?

8 A No. I don't have any understanding at all what  
9 the event would have cost.

10 MR. MICCIO: Mr. Crane, if you want  
11 to put anything on the record right now, any  
12 statement, any explanation, anything else you  
13 want to add to the record, please do so.

14 THE WITNESS: No, I'm fine.

15 MR. MICCIO: If not, I thank you  
16 for coming and we'll be in touch.

17 (Time noted: 11:40 and we're done)

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## I N D E X

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3 WITNESS

PAGE

4

5 JAMES B. CRANE, II

6 EXAMINATION BY MR. MICCIO

2

7 EXAMINATION BY MS. HOLOHAN

63

8

9

## EXHIBITS

10

11 EXHIBIT

PAGE

12 1 Invoice dated 7/1/03 to NYS Laborers' PAC 23

13 2 Invoice dated 7/1/03 to Duane Reade, Inc. 31

14 3 Invoice dated 3/1/03 to Duane Reade, Inc. 34

15 4 Invoice dated 5/1/03 to Duane Read, Inc. 36

16 5 Invoice dated 6/1/03 to Duane Reade, Inc. 37

17 6 Invoice dated 7/1/03 to Delaware North 40

18 Companies

19 7 Invoice dated 8/1/03 to Delaware North 48

20 Companies

21 8 Dinner check from Cafe Capriccio 52

22

23

24

25

1 I have read the foregoing record of my  
2 testimony taken at the time and place noted in the  
3 heading hereof and I do hereby acknowledge it to be a  
4 true and accurate transcript of same.

5

6

7

8

---

JAMES B. CRANE, II

10

11 Sworn to before me

12 this \_\_\_\_\_ day of

13 \_\_\_\_\_, 2008.

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17 Notary Public

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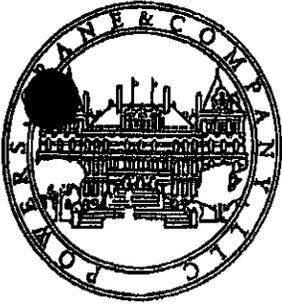
1 STATE OF NEW YORK:  
2 COUNTY OF COLUMBIA:

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I, JOSEPH A. ADAMKIEWICZ, C.S.R., Certified  
Shorthand Reporter and Notary Public of the State of New  
York, do hereby certify that the foregoing is a true and  
accurate transcript of the proceedings reported by me, to  
the best of my knowledge and belief, in the matter held  
on September 25, 2008.

Joseph Adamkiewicz  
Joseph A. Adamkiewicz, C.S.R. 

# EXHIBIT 1



Powers, Crane & Company, LLC  
90 State Street  
Albany, NY 12207  
TEL: (518) 431-0720

# Invoice

DATE	INVOICE #
7/1/2003	NYSPAC-...

BILL TO
Dr. James Melius NYS Laborers' Political Action Committee 18 Corporate Woods Boulevard Albany, New York 12211

DESCRIPTION	AMOUNT
Consulting fee for the period commencing July 1, 2003 and concluding September 30, 2003	22,500.00
Long Distance Telephone	71.27
Attend dinner with Assemblywoman John & Staff in Albany, New York on June 3, 2003	177.13
Attend Senator Spano Event in New York, New York on June 25, 2003	500.00
Attend Senator Balboni Event in New York, New York on June 30, 2003	500.00
Attend Assemblyman Gianardis Event in New York, New York on July 10, 2003	500.00
<b>Total</b>	<b>\$24,248.40</b>

# EXHIBIT 2



Powers, Crane & Company, LLC  
90 State Street  
Albany, NY 12207  
TEL: (518) 431-0720

# Invoice

DATE	INVOICE #
7/1/2003	DR-993

BILL TO
Duane Reade Inc. - Invoice Processing P.O. Box 2251 New York, New York 10116

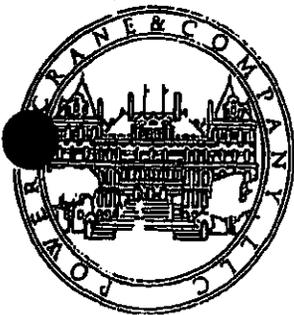
DESCRIPTION	AMOUNT
Consulting fee for the period commencing July 1, 2003 and concluding July 31, 2003	3,000.00
Legislative Reporting Service	83.33
Long Distance Telephone	71.27
Travel Expenses - Attend Republican Campaign Committee Event in New York, New York on June 12, 2003	331.34
Attend Senator Balboni Event in New York, New York on June 30, 2003	1,000.00
Attend Assemblyman Gianardis Event in New York, New York on July 10, 2003	1,000.00
<b>Total</b>	<b>\$5,485.94</b>

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**EXHIBIT 3**

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Powers, Crane & Company, LLC  
90 State Street  
Albany, NY 12207  
TEL: (518) 431-0726

# Invoice

DATE	INVOICE #
3/1/2003	DR-808

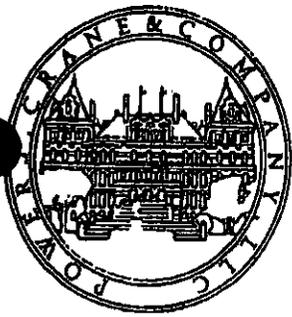
**BILL TO**

Duane Reade Inc. - Invoice Processing  
P.O. Box 2251  
New York, New York 10116

DESCRIPTION	AMOUNT
Consulting fee for the period commencing March 1, 2003 and concluding March 31, 2003	3,000.00
Legislative Reporting Service	83.33
Long Distance Telephone	65.92
Lunch Expense - Lunch with Senate Finance Staff on January 22, 2003 in Albany, New York	100.40
Lunch Expense - Lunch with Governor's Staff on January 27, 2003 in Albany, New York	83.00
Disbursement - Attend Senator Meier Event on February 24, 2003 in Albany, New York	500.00
Disbursement - Attend Senator Maziarz Event on February 24, 2003 in Albany, New York	500.00
<b>Total</b>	<b>\$4,332.65</b>

---

**EXHIBIT 4**



Powers, Crane & Company, LLC  
90 State Street  
Albany, NY 12207  
TEL: (518) 431-0726

# Invoice

DATE	INVOICE #
5/1/2003	DR-903

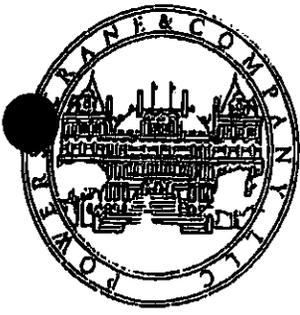
**BILL TO**

Duane Reade Inc. - Invoice Processing  
P.O. Box 2251  
New York, New York 10116

DESCRIPTION	AMOUNT
Consulting fee for the period commencing May 1, 2003 and concluding May 31, 2003	3,000.00
Legislative Reporting Service	83.33
Long Distance Telephone	69.30
Expense - Attend Senator DeFrancisco Event in Albany, New York on March 24, 2003	500.00
Dinner Expense - Dinner with Assembly Staff in Albany, New York on April 1, 2003	385.19
Expense - Attend Senator Morahan Fundraiser in Albany, New York on April 8, 2003	350.00
<b>Total</b>	<b>\$4,387.82</b>

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**EXHIBIT 5**



Powers, Crane & Company, LLC  
90 State Street  
Albany, NY 12207  
TEL: (518) 431-0720

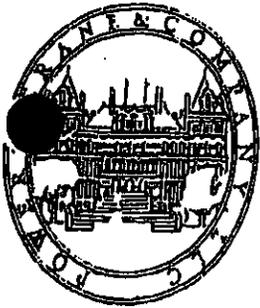
# Invoice

DATE	INVOICE #
6/1/2003	DR-948

<b>BILL TO</b>
Duane Reade Inc. - Invoice Processing P.O. Box 2251 New York, New York 10116

DESCRIPTION	AMOUNT
Consulting fee for the period commencing June 1, 2003 and concluding June 30, 2003	3,000.00
Legislative Reporting Service	83.33
Long Distance Telephone	74.64
Travel Expenses - Attend Governor's South Street Seaport Event in New York, New York on May 2, 2003	305.46
Attend Assemblyman Gromack Event in Albany, New York on May 27, 2003	500.00
Attend Senator Morahan Event in Albany, New York on June 3, 2003	500.00
<b>Total</b>	<b>\$4,463.43</b>

**EXHIBIT 6**



Powers, Crane & Company, LLC  
90 State Street  
Albany, NY 12207  
TEL: (518) 431-0720

# Invoice

DATE	INVOICE #
7/1/2003	DN-992

**BILL TO**

Mr. William Bissett  
Delaware North Companies, Inc.  
40 Fountain Plaza  
Buffalo, New York 14202

DESCRIPTION	AMOUNT
Consulting fee for the period commencing July 1, 2003 and concluding July 31, 2003	10,000.00
Legislative Reporting Service	83.33
Long Distance Telephone	71.27
Express Courier Service	40.00
Attend Senator Balboni Event in New York, New York on June 30, 2003	500.00
Attend Assemblyman Gianardis Event in New York, New York on July 10, 2003	500.00
<b>Total</b>	<b>\$11,194.60</b>

# EXHIBIT 7

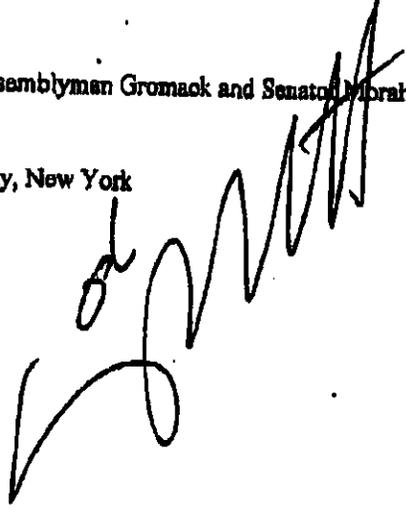
**CRANE & VACCO, LLC**

90 State Street  
 Suite 1507  
 Albany, NY 12207

**Invoice**

Date	Invoice #
8/1/2004	DN-03

Bill To
Delaware North Companies, Inc. 40 Fountain Plaza Buffalo, NY 14202 Attention: Vice President

Description	Amount
Consulting fee for period commencing August 1, 2004 and concluding August 31, 2004	10,000.00
Legislative Reporting Service	83.33
Long Distance Telephone	58.77
Dinner meeting on June 15, 2004 with Assemblyman Gromack and Senator Morahan in Albany, New York	236.75
Dinner meeting on June 24, 2004 in Albany, New York	154.69
	
<b>Total</b>	<b>\$10,533.54</b>

**EXHIBIT 8**

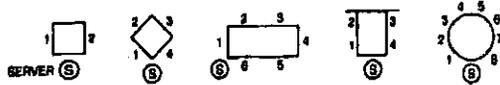
CAFE CAPRICIO  
49 GRAND ST  
ALBANY, NY 12202  
518-255-4411

Sale

DEBIT	80.00
CASH	47349
Totals	47349



TAKE ORDER  
LEFT TO RIGHT -  
CLOCKWISE



Server <b>PS</b>	Table <b>112</b>	Guests	Date <b>6-15</b>	<b>763696</b>
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	APPT	SOUP/SAL	ENTREE	VEG/POT	DESSERT	BEV
1						
2			<i>Carriacat</i>			<i>10.00</i>
3			<i>Risotto</i>			<i>20.00</i>
4			<i>Double Pan</i>			<i>20.00</i>
5						
6	<i>4</i>		<i>steaks</i>			<i>100.00</i>
7						
8			<i>cap 11</i>			<i>7.00</i>
9			<i>Delux 1</i>			<i>37.5</i>
10			<i>coffee</i>			<i>17.5</i>
11						
12	<i>5</i>		<i>desserts</i>			<i>35.00</i>
13						
14						
15		Coffee	Tea	Milk		

<b>Thank You!</b>  <b>\$ 393.<sup>49</sup></b>	Food	<i>197.50</i>
	Beverage	<i>166.00</i>
	Subtotal	<i>363.50</i>
	Tax	<i>29.99</i>
	<b>Total</b>	<b><i>393.49</i></b>

Date	Amount	Guests	<b>763696</b>
<i>Guest Receipt</i>			