

STATE OF NEW YORK
COMMISSION ON PUBLIC INTEGRITY

In the Matter

of

CRANE & VACCO, LLC
POWERS, CRANE & COMPANY, LLC
CRANE CONSULTING, LLC
and
JAMES CRANE, II

EXAMINATION UNDER OATH of WILLIAM POWERS on
November 14, 2008 at approximately 1:00 p.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.

A P P E A R A N C E S:

For the Commission:

RALPH P. MICCIO, ESQ.
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A P P E A R A N C E S: (Continued)

FOR WILLIAM POWERS:

CLAYMAN & ROSENBERG
Attorneys at law
Madison Avenue
New York, N.Y. 10165
BY: SETH L. ROSENBERG, ESQ.

ALSO PRESENT: WILLIAM POWERS, in person

ALEXI ASSOCIATES
COURT REPORTING SERVICES, LLC
(518) 798-6109

1 WILLIAM POWERS,
2 having been first duly sworn by the notary public, was
3 examined and testified as follows:

4 EXAMINATION BY

5 MR. MICCIO:

6 Q Mr. Powers, thank you for being here today.

7 MR. MICCIO: I'll put on the
8 record that Mr. Powers is here voluntarily.
9 He's represented by Seth Rosenberg. And again,
10 we're happy that he's appearing with us today.

11 Q This is in regard to matters originally before
12 the New York State Temporary Commission on Lobbying.
13 They involve Powers, Crane & Company for possible
14 violations of the Legislative Law, commonly known as
15 the Lobbying Act, for possible false filings of
16 bimonthly reports regarding three clients, which we'll
17 go through one at a time, if we have to.

18 Again, this is a standard matter,
19 but it's also something which is of some importance.

20 Let me go through this from the
21 beginning:

22 Mr. Powers, would you state your
23 name, home address and business address for the
24 record, please?

25 A Yeah. Bill Powers, 90 State Street, Albany,

1 New York. Home address is Box 561, West Stockbridge,

2 Massachusetts. I really did move.

3 Q Okay. What is your present occupation and

4 title?

5 A Managing member of Powers & Company.

6 Q Okay. In 2003, were you also a registered

7 lobbyist?

8 A Yes.

9 Q Okay. What lobbying firm were you associated

10 with at that time?

11 A Powers, Crane, Vacco.

12 Q It was also Powers, Crane & Company?

13 A Powers, Crane & Company.

14 Q LLC?

15 A LLC.

16 Q Okay. Who else was a principal of that firm?

17 A Connie Crane, Jim Crane and Dennis Vacco.

18 Q In 2003?

19 MR. ROSENBERG: 2003?

20 THE WITNESS: No. That came

21 after.

22 Q Any other parties registered as lobbyists for

23 that lobbying firm at that time, do you know? If you

24 know.

25 A Connie Crane, Judy Klein, Andrea Kosier,

1 Matthew Powers, myself.

2 Q Okay. Were you also formally the chairman of
3 the New York State Republican Party?

4 A Yes.

5 Q When was that?

6 A 1991 to 2001.

7 Q Okay. You became a lobbyist after your tenure
8 as chairman of the party?

9 A Yes.

10 Q Okay, and when did you form Powers, Crane &
11 Company?

12 A Shortly after I left, by joining my son and
13 Connie Crane, who were working together.

14 Q Okay. So part of your leaving the chairmanship
15 was getting into lobbying at that point and creating
16 this firm with your son and Connie Crane?

17 A Yes.

18 Q That was Powers, Crane & Company?

19 A Yes.

20 Q Was that the first lobbying firm you were
21 associated with after your chairmanship?

22 A Yes.

23 Q Were you familiar with the clients of Powers,
24 Crane & Company in 2003?

25 A Generally. I probably would know most of them,

1 uh-huh.

2 Q Did you personally work with all of the clients
3 of Powers, Crane & Company in 2003, or were there
4 select numbers that you worked with and some you
5 didn't?

6 A I probably think more in general terms. I
7 didn't really do a lot of specific work for, you know,
8 a number of them. I -- the Yankees, Verizon.

9 Q Verizon. Who did most of the work with
10 clients?

11 A The lobbyists.

12 Q The parties you mentioned?

13 A Yes. Matt, Connie.

14 Q How was that determined as to who worked with
15 what clients? Was there any method to that or --

16 A Probably determined by their strengths, who
17 could do well with what client. I was more the meet
18 and greeter and business development type person, and
19 I didn't spend a lot of time on the hill.

20 Q How was it decided what lobbyist would work
21 with what client, or was it just whoever was available
22 at the time?

23 A No, I think it was probably preconceived by
24 them as to who had a better personal relationship with
25 what clients.

1 Q Preconceived by "them" meaning the clients or
2 lobbyists?

3 A I would probably think with Jim and more of a
4 day to day manager in Connie, Matthew.

5 Q Okay. Now, as a lobbyist and as, you know, a
6 former party chairman, would you say you have a good
7 working knowledge of lobbying and Election Law?

8 MR. ROSENBERG: I think that
9 you're asking -- asking him --

10 MR. MICCIO: What he thinks his
11 knowledge is of the Election Law and the
12 Lobbying Law. As a lobbyist, he's supposed to
13 have knowledge of the Lobbying Law.

14 MR. ROSENBERG: He's read it.

15 MR. MICCIO: He's read it.

16 BY MR. MICCIO:

17 Q And the Election Law as well?

18 A We had a lot of election lawyers.

19 Q You were involved in a lot of Election Law
20 matters, is that right, as chairman?

21 A Yes.

22 Q Are you familiar with the New York State
23 Laborers' PAC?

24 A Yes.

25 Q Do you know James Melius?

1 A Yes.

2 Q How and when did you meet Mr. Melius, if you
3 remember?

4 A Probably, 20 years.

5 Q Do you recall how you came to meet him
6 originally?

7 A Event driven. State committee had a lot of
8 events. A lot of people I'd meet at events.

9 Q So while you were state chairman, you met
10 Mr. Melius at a state event, political event?

11 A I would guess.

12 MR. ROSENBERG: If you know, you
13 know. If you know. I mean, let's not guess.

14 Q Yeah, if you know.

15 MR. ROSENBERG: Do you remember
16 meeting him for the first time? Do you
17 remember where it was?

18 THE WITNESS: No.

19 MR. ROSENBERG: Okay. There you
20 go.

21 MR. MICCIO: Okay.

22 MR. ROSENBERG: Don't guess.

23 BY MR. MICCIO:

24 Q Did Mr. Melius represent the Laborers' PAC?

25 A Yes.

- 1 Q Was he, in fact, their administrative officer?
- 2 A I don't know.
- 3 Q Okay. Did you deal with Mr. Melius with regard
- 4 to lobbying matters for the Laborers' PAC?
- 5 A Do I?
- 6 Q Did you in 2003 in particular?
- 7 A No.
- 8 Q Did you have any conversations with Mr. Melius
- 9 concerning lobbying matters in 2003 for the Laborers'
- 10 PAC?
- 11 A Not that I recall.
- 12 Q Okay. Is it possible that you could have had
- 13 meetings with Mr. Melius about lobbying issues with
- 14 the Laborers' PAC in 2003?
- 15 A I don't recall specific meetings and issues
- 16 with them. I'd see him in the office. I'd see him at
- 17 an event. I still go to events. I see him out, but I
- 18 didn't -- I didn't work with him on a daily basis.
- 19 Q Do you recall any details of how the Laborers'
- 20 PAC became a client of Powers, Crane & Company?
- 21 A No.
- 22 Q Do you know when they became a client?
- 23 A No.
- 24 Q They were a client in 2003, is that correct?
- 25 A Yes.

1 Q Do you recall any conversations you may have
2 had with James Melius relative to Powers, Crane &
3 Company providing lobbying representation for the
4 Laborers' PAC?

5 A No.

6 Q Do you recall any conversations with Mr. Melius
7 concerning any billing that was done by Powers, Crane
8 & Company for services rendered to the Laborers' PAC?

9 A No.

10 Q In 2003, did you or anyone employed by your
11 firm provide any lobbying services to the Laborers'
12 PAC? Do you recall?

13 A I don't recall.

14 Q Put it another way. If your firm billed the
15 Laborers' PAC for services --

16 A I'm sure we did work for them.

17 Q You would agree that that was a very distinct
18 possibility, you performed some sort of work for them.
19 Fine.

20 Did you ever perform any work for
21 the Laborers' PAC beyond lobbying?

22 MR. ROSENBERG: He personally?

23 MR. MICCIO: Well, the firm. The
24 firm.

25 A Not to my knowledge.

1 Q All right. Do you know Noreen Pettalino?
2 A Was the accountant and bookkeeper that worked
3 for Jim Crane.
4 Q Did she ever do any work at your direction at
5 Powers, Crane & Company?
6 A Worked for Jim Crane.
7 Q She was never an employee of Powers, Crane &
8 Company?
9 A Yes.
10 Q She was.
11 A Yes.
12 Q Okay.
13 A I paid her for the work that she did while she
14 was working for Jim Crane. I paid her a stipend
15 for -- she worked -- shall I explain?
16 MR. ROSENBERG: Let me just think
17 for a second.
18 (Discussion off the record.)
19 MR. ROSENBERG: Okay. I think we
20 have the simple answer.
21 MR. MICCIO: Okay. I'll take it.
22 A Let me back up, if I can remember it. She
23 worked for Jim Crane.
24 BY MR. MICCIO:
25 Q Okay.

1 A At Crane Law Firm.

2 Q Okay.

3 A When she would do work for Powers, Crane &
4 Company, Powers, Crane & Company would also pay her a
5 stipend.

6 MR. ROSENBERG: And she did that
7 work under Jim Crane's supervision.

8 THE WITNESS: Right.

9 BY MR. MICCIO:

10 Q Okay. Was she ever on Powers, Crane & Company
11 payroll?

12 MR. ROSENBERG: If you know.

13 A I don't know.

14 Q Would you have any employment records that
15 would indicate whether she was on Powers, Crane &
16 Company payroll?

17 A No.

18 Q May I ask why you wouldn't have such records?

19 A We have payroll records?

20 Q Yes.

21 A I'm sure our payroll service company would have
22 them, yes.

23 Q Okay. Can I ask that if, in fact -- well,

24 maybe I should rephrase that.

25 Is it your testimony that she was

1 not on your payroll, "your payroll" meaning Powers,
2 Crane & Company?

3 MR. ROSENBERG: I think he doesn't
4 know whether she was.

5 A I don't know.

6 Q Okay. Could you check with your payroll as to
7 whether or not she was ever paid on your payroll,
8 meaning Powers, Crane & Company payroll? Would you do
9 that for us?

10 MR. ROSENBERG: We'll consider the
11 request.

12 MR. MICCIO: Okay. We can also
13 subpoena the records.

14 MR. ROSENBERG: I understand that.
15 I'll get back to you on it. There will be a
16 list of things you're going to want. We'll
17 take a look at it and figure out what to do
18 with it. I don't see any reason not to get it
19 for you at the moment, but we'll just leave it
20 on the table.

21 BY MR. MICCIO:

22 Q Do you know exactly what she did, what Noreen
23 Pettalino did for Powers, Crane & Company?

24 A She worked for Jim Crane doing our books,
25 preparing billings, but worked for Jim Crane at the

1 administrative side.

2 Q Okay. I'd ask you to look at --

3 MR. MICCIO: Let's mark this as

4 Number 1, please.

5 (Commission Exhibit 1 was marked for

6 identification.)

7 MR. MICCIO: Back on the record.

8 BY MR. MICCIO:

9 Q Mr. Powers, Exhibit 1 marked for evidence,
10 would you identify what that is, as far as you can
11 tell?

12 Let me ask it again. Is that
13 letterhead that is used -- was used in 2003 by Powers,
14 Crane & Company?

15 A Yes.

16 Q Is that letterhead that came from your office?

17 A Yes.

18 MR. ROSENBERG: If you can tell.

19 Q And did Noreen Pettalino sign that as business
20 manager of --

21 A Yes.

22 Q -- Powers, Crane & Company? Under what
23 authority did she use that title?

24 A By Jim Crane.

25 Q Okay. What was Jim Crane's authority to allow

1 her to do that?

2 A Business manager, business partner, a lot of
3 different titles.

4 Q What was his title? What was his relationship
5 with regard to Powers, Crane & Company?

6 A Business manager.

7 Q Okay. Was he a partner as well?

8 MR. ROSENBERG: You mean, was he a
9 member, a legal member of the LLC?

10 MR. MICCIO: Yes. Or illegal
11 member, if you want. You know.

12 MR. ROSENBERG: If you know.

13 A No, I don't know.

14 Q Why don't you know?

15 A Well, I don't know.

16 Q It's your firm. It was created by you.

17 A In my name.

18 Q Okay, and you don't know who the principals
19 were of the firm?

20 A Yes.

21 Q What are the principals?

22 A Me.

23 Q Yes.

24 A Connie and Matthew.

25 Q That's all?

1 A That's all.

2 Q Now, again, what was Jim Crane's role and
3 position within that firm?

4 A Business manager.

5 Q Okay, and what did that give him authority to
6 do?

7 A He handled the billings, the money, the checks,
8 the income. Business manager.

9 Q Okay. So this letter that was signed by Noreen
10 Pettalino, Exhibit 1, are you saying she used the
11 title business manager because Mr. Crane allowed her
12 to?

13 MR. ROSENBERG: I think that's a
14 "yes." He can't record that -- he can't take
15 that down.

16 A Yes.

17 Q Okay, and the principals of Powers, Crane &
18 Company allowed Mr. Crane to have that authority?

19 A Yes.

20 Q Where -- who did the actual billing in 2003 for
21 Powers, Crane & Company? What I mean by that is who
22 actually physically prepared the invoices?

23 A Jim Crane.

24 Q And Noreen Pettalino?

25 A Noreen.

- 1 Q Together they did it?
- 2 A Together they did it, right.
- 3 Q Okay.
- 4 A Their -- can I make -- their offices were on a
5 different floor. They're on the 15th floor. We're on
6 the 14th floor.
- 7 Q But she had access to your letterhead, right?
- 8 A Yes.
- 9 Q Okay. Did you provide Noreen Pettalino or Jim
10 Crane with the information they needed to create these
11 invoices for Powers, Crane & Company clients when you
12 billed them?
- 13 A Yes.
- 14 Q Okay. Could you explain the billing process of
15 Powers, Crane & Company in 2003 with regard to
16 lobbying clients? Let's say one of your lobbying
17 clients, in particular; the Yankees, for example.
- 18 A All of the billing of all of the lobbying
19 clients was done by Jim Crane.
- 20 Q Based on what?
- 21 A Based on his knowledge as an attorney, as an
22 expertise in doing whatever it is that he did.
- 23 Q How would he know what to charge for a fee, for
24 example?
- 25 A He had all the records.

1 Q So --

2 A The statements, the monthly statements, the
3 records.

4 Q Okay. Did he have access --

5 MR. ROSENBERG: Including the
6 contracts.

7 Q -- to the contracts for lobbying?

8 A Yes.

9 Q Showing the fees?

10 A Yes.

11 Q How about --

12 MR. ROSENBERG: One more second.

13 (Recess taken.)

14 A He was involved as a lawyer running that end of
15 the business.

16 Q Which end?

17 MR. ROSENBERG: He was negotiating
18 the contracts with the clients. At times he
19 was overseeing the contracting process for many
20 of the clients.

21 Q Okay.

22 A Thank you.

23 Q With regard to the billing process again, the
24 monthly or whenever it was billed, when there were
25 expenses to be charged to a client, and there were,

1 let's say, for example, your expenses or some other
2 lobbyists in your firm's expenses, how did Mr. Crane
3 know those expenses or how did Noreen Pettalino know
4 of those expenses to invoice them to the client?

5 A I don't know. I would assume --

6 MR. ROSENBERG: Don't assume.

7 Tell him what you know.

8 Q Let me ask you another question: If you took a
9 trip for a client and you expected to be reimbursed
10 for that trip, the expenses of that trip --

11 A Right.

12 Q -- what process would you follow to be sure
13 that that expense was on the next invoice to the
14 client?

15 A Noreen would come to the office every day and
16 pick up expense vouchers or expense records. She
17 would make a sweep through the office on a daily
18 basis.

19 Q Okay. What would those vouchers or records
20 include, do you think, if you had a travel expense,
21 for example?

22 A If I had a travel expense, it would be a stub
23 of a train ticket. That would be about it.

24 Q Any credit card information?

25 A If I needed to use a credit card, it would be a

1 copy of a credit card receipt.

2 Q Did Powers, Crane & Company have its own credit
3 card for the company?

4 A Yes.

5 Q How many people in the organization had those
6 credit cards?

7 A All the lobbyists.

8 Q Anybody else?

9 A Not to my -- not that I'm aware of, no. I
10 think Jim had one.

11 Q So Jim Crane also had one as well?

12 MR. ROSENBERG: He thinks he did.

13 He's not sure.

14 Q That gets to another point. Did Jim Crane ever
15 act as a lobbyist while with Powers, Crane & Company?

16 A No.

17 Q He never represented a client of Powers, Crane
18 & Company for a legislative purpose or for a rule or
19 regulation issue, he never met with public officials
20 for that purpose at all in 2003?

21 A I don't recall. I don't know.

22 Q You don't know. So it isn't no. You don't
23 know.

24 A I don't know.

25 Q Okay. Getting back to the credit card: What

1 company or bank was the credit card with, do you know?

2 A American Express.

3 Q And how was the account started?

4 A By who?

5 Q Well --

6 A By Crane, by Jim Crane for business purposes.

7 Q Okay. Did you play any part in the creation of

8 that credit card account?

9 A I had one.

10 Q That's it. You didn't sign an application?

11 A Yes, I signed an application.

12 Q Okay. Did anyone else sign the application

13 that you know of?

14 A I don't know.

15 Q Are you able to get the records from the credit

16 card company for charges made on that credit card by

17 Powers, Crane & Company?

18 MR. ROSENBERG: Do you mean go

19 back to the credit card company to see?

20 MR. MICCIO: Yes. In 2003.

21 MR. ROSENBERG: We can find out.

22 MR. MICCIO: Off the record for a

23 second.

24 (Discussion off the record.)

25 MR. MICCIO: The Commission would

1 like to get copies of the credit card records
2 for Powers, Crane & Company for the year 2003.
3 We're requesting that Mr. Powers present those
4 to us if he can get them for us.

5 MR. ROSENBERG: We'll consider
6 this with any and all other requests that arise
7 out of this proceeding and we'll respond
8 promptly to the Commissioner. Thank you.

9 BY MR. MICCIO:

10 Q What part did Jim Crane play in securing that
11 credit card?

12 A Would you ask me that again, please?

13 Q Yeah. What part did Jim Crane play in securing
14 the credit card for Powers, Crane & Company?

15 A A major role. A business manager role.

16 Q Okay. And again, he had a credit card himself?

17 MR. ROSENBERG: And he said he
18 believes he had, but he's not sure.

19 Q Okay. Was there any particular reason given by
20 Mr. Crane why he needed a credit card --

21 A I don't recall.

22 Q -- for the firm? And I have to ask this
23 question, so please bear with me, if you would:
24 Either do you or any lobbying firm, of which you have
25 ever been associated with, retain, store, possess or

1 control any credit card records relating to credit
2 cards used by Powers, Crane & Company, its members or
3 employees from 2003 until such account was closed or
4 to the present time.

5 In other words, do you hold -- do
6 you have those records, is really the question I'm
7 asking?

8 A I don't know.

9 Q Okay. But we've asked --

10 MR. ROSENBERG: You made the
11 request. As I say, we'll consider it and get
12 back to you promptly.

13 Q Okay. When these invoices were being prepared,
14 did you have knowledge of what clients were being
15 billed at the time that they were being billed?

16 A No. All I got -- no.

17 Q Did you ever review invoices being sent to
18 clients that you were working with?

19 A No.

20 Q Didn't even check your own clients' invoices?

21 A No.

22 Q And did any clients ever contact you after they
23 received the invoice regarding questions about the
24 invoice?

25 A No.

1 Q Okay. Did anyone besides Jim Crane and Noreen
2 Pettalino review the invoices that were sent for
3 Powers, Crane & Company?

4 A No.

5 MR. ROSENBERG: At least not to
6 his knowledge.

7 THE WITNESS: Right.

8 Q All right. Let's get back to 2003 and the
9 Laborers' PAC.

10 MR. MICCIO: Let me pull this out.
11 Would you mark that for identification, please,
12 Number 2?

13 (Commission Exhibit 2 marked.)

14 MR. MICCIO: Back on the record.

15 BY MR. MICCIO:

16 Q Okay. We have this -- would you look at this
17 item marked Exhibit 2? Can you identify that for the
18 record, please?

19 A A statement.

20 MR. ROSENBERG: Dated?

21 THE WITNESS: July 1, 2003. To
22 Jim Melius, Laborers' PAC.

23 MR. ROSENBERG: From?

24 Q From Powers, Crane?

25 A Powers, Crane.

1 Q Okay. You believe that's a fair representation
2 of an invoice that was sent to that client?

3 MR. ROSENBERG: He never saw the
4 invoice, so I don't know how he could know. He
5 has no reason to think that it wasn't.

6 Q Okay. What I'll ask you to do, however, is to
7 again look at this invoice, and can you tell me, do
8 you know who prepared that invoice in 2003?

9 A I would imagine Noreen.

10 Q Noreen Pettalino?

11 A Yes.

12 Q Did you or anyone in Powers, Crane & Company's
13 employ provide information used in preparing that
14 invoice of Noreen Pettalino?

15 MR. ROSENBERG: Do you know?

16 A I don't know.

17 Q Do you know who may have provided the
18 information to Noreen Pettalino that would fit that
19 invoice?

20 A She came down every day and took the mail and
21 took the stuff and went back upstairs.

22 MR. ROSENBERG: All right.

23 Q Specific issues here, okay. Bring you back
24 again, if you would. Please read the last three items
25 on that invoice, and could you read those for the

- 1 record, please, what they say?
- 2 A Consulting fee for period commencing on July --
- 3 Q No, the last three.
- 4 MR. ROSENBERG: These.
- 5 Attended --
- 6 Q The last three. Yeah, attended.
- 7 A "Attended a Senator Spano event in New York,
- 8 June 25, 2003."
- 9 Q And the amount?
- 10 A \$500. "Attended a Senator Balboni event in New
- 11 York on June 30, 2003, \$500. Assemblyman Gianaris
- 12 event in New York July 10, \$500."
- 13 Q Thank you. Do you know the nature of those
- 14 events that are listed on that invoice?
- 15 A No.
- 16 Q Do you know who attended those events from
- 17 Powers, Crane & Company?
- 18 A No.
- 19 Q Did you attend any of those events for Powers,
- 20 Crane & Company?
- 21 A No.
- 22 Q Would it be unusual for you to attend a
- 23 political event?
- 24 A It would have been unusual for me to attend an
- 25 event.

1 Q I was just wondering, you know, with your
2 background as being former chairman, you wouldn't be
3 going to any of these events yourself?

4 A Most of the time if I -- no.

5 MR. ROSENBERG: Well, there are
6 different kinds of events, I think we're
7 talking about.

8 A If Senator Bruno had an event, I'd go. If
9 Governor Pataki had an event, I'd go. If Mayor Rudy
10 Giuliani had an event, I'd go.

11 Q I gotcha, okay. How would you characterize
12 these listed events? What were they, do you know?

13 What do they appear to be, let me
14 put it that way?

15 A Fund raisers.

16 Q Fund raisers. Political fund raisers?

17 Political fund raisers?

18 A Yes.

19 Q Again, you know nothing specifically about any
20 of these events?

21 A No.

22 Q Whether they're invitations or not?

23 A No.

24 Q Did you ever have a conversation with Jim
25 Melius concerning these expenses that were listed on

1 this invoice?

2 A I have no knowledge of that.

3 Q No. No knowledge of that? He never asked you
4 about what they were or whether they were proper
5 expenses to be reimbursed?

6 A I don't recall.

7 Q Okay. Do you know if, in fact, they were -- if
8 they were political fund raisers, let's assume they
9 were at this point, would it be proper to be
10 reimbursed for those expenses from a client?

11 A I don't know what the law on that is.

12 Q Well, do you know whether a political donation
13 can be given by one person when it is not their money?

14 MR. MICCIO: Mr. Rosenberg, you
15 really shouldn't be consulting before he gives
16 his answer. He hasn't given an answer, if
17 that's what you're doing.

18 MR. ROSENBERG: Actually, what
19 we're doing is privileged.

20 MS. HOLOHAN: Actually, it's not.
21 If there's a question pending, communication
22 you're having, until that question is answered,
23 is not privileged.

24 MR. ROSENBERG: That's actually
25 not how the law of privilege applies.

1 MS. HOLOHAN: Well, I can go get
2 some cases.

3 MR. ROSENBERG: We're not here to
4 debate that, in any event. I'm trying to make
5 sure that you get accurate testimony.

6 MR. MICCIO: Okay.

7 MR. ROSENBERG: That's all we're
8 here for.

9 MR. MICCIO: Okay.

10 BY MR. MICCIO:

11 Q So, you know, your background in politics, your
12 knowledge, whatever it may be, of the Election Law, do
13 you think you know or do you believe that the giving
14 of a donation by one person where it's actually paid
15 for by someone else is a proper, legal donation?

16 A I would refer that to one of our counsel. I
17 don't know.

18 Q So you don't know. Okay, that's fine. That's
19 fine.

20 Let's move on to Duane Reade, Inc.
21 Did you ever meet with or communicate or correspond
22 with any representative of Duane Reade, Inc. in 2003?

23 A No.

24 Q Okay. Was Duane Reade, Inc. a client of
25 Powers, Crane & Company in 2003?

1 A Yes.

2 Q And did you ever engage in lobbying for Duane
3 Reade in 2003?

4 A No.

5 Q By that I mean your firm.

6 A I believe the firm did.

7 Q Do you know who in your firm did the lobbying
8 for Duane Reade, Inc?

9 A Connie Crane.

10 Q Connie Crane? Okay, did you have any part in
11 the preparation of any bill or invoices submitted to
12 Duane Reade, Inc. in 2003 for lobbying services and
13 expenses of Powers, Crane & Company?

14 A No.

15 Q Do you know who did?

16 A Jim Crane.

17 Q Okay.

18 MR. MICCIO: Would you mark this,
19 please, number 3.

20 (Commission Exhibit 3 marked.)

21 BY MR. MICCIO:

22 Q Mr. Powers, I ask you to look at Exhibit 3, if
23 you would, and would you identify that document, for
24 the record, if you would.

25 A Invoice dated 7/1/03 to Duane Reade, invoice

1 processing from Powers, Crane & Company.

2 Q Okay. Any reason to believe this was not a
3 copy of an invoice sent by Powers, Crane & Company to
4 Duane Reade, Inc?

5 A Right.

6 Q Would you please read the last two entries in
7 that invoice?

8 A Attended Senator Balboni event in New York on
9 June 30, '03, and attended Assemblyman Gianaris' event
10 in New York on July 10, in '03.

11 Q And what's the amount of each of those, please?

12 A \$1,000.

13 Q Again, do you know who from Powers, Crane &
14 Company attended these events?

15 A No.

16 Q It wasn't you?

17 A No.

18 Q And how would you characterize the nature of
19 the events? The same events you testified about
20 before, so are these the same events?

21 A Yes.

22 Q Political fund raisers, in all likelihood?

23 A In all likelihood.

24 Q Okay, and you don't know who from Powers, Crane
25 & Company may have attended?

1 A No.

2 Q Again, do you have any problem with or any
3 question about reimbursing -- getting reimbursed for a
4 political expense?

5 A I refer that to counsel.

6 Q Okay. Please bear with me. Did you have any
7 part in the preparation of that invoice?

8 A No.

9 Q Can I ask you, did you ever see the original of
10 this invoice any time prior to today?

11 A No.

12 Q I'd ask you to look at this again, if you
13 would, just for a second. Was this invoice -- seem to
14 be prepared in the close time proximity to the
15 Laborers' PAC invoice that we identified as number 2,
16 Exhibit Number 2? Would you look at the date?

17 A Both July 1, July billing.

18 Q They're both billed on the same date, is that
19 correct?

20 A Correct.

21 Q Okay. The Balboni event on June 30th, '03 and
22 the Gianaris event on July 10, '03 are they the same
23 events that appear on the Laborers' PAC invoice on the
24 same date? If you want to look.

25 MR. ROSENBERG: I don't know how

- 1 he can know.
- 2 Q Well, they appear to be the same event?
- 3 MR. ROSENBERG: Yeah.
- 4 Q Same date, same event? Do you have any idea
- 5 why one billing is a 500 charge and the other billing
- 6 is a \$1,000 charge for the same events?
- 7 A No.
- 8 Q I'd ask you if, in fact, an expense for \$500,
- 9 would be proper to have two clients reimburse that
- 10 same expense?
- 11 A I would refer those questions to counsel.
- 12 Q You wouldn't know whether that would be correct
- 13 or not? I'm just talking generally about expenses.
- 14 If you had the same expense, could you bill two
- 15 clients for the same expense, the same full amount?
- 16 Would you do that?
- 17 A Would I do that?
- 18 Q Yes.
- 19 A Never.
- 20 Q Why not? Why not?
- 21 A Wouldn't dawn on me.
- 22 Q Why not? I don't want to lead you on, but do
- 23 you think it's illegal?
- 24 A I'm not a lawyer.
- 25 Q Not a lawyer, okay.

- 1 MR. ROSENBERG: Probably agree
2 with you that it's wrong.
3 (Commission Exhibit 4 marked.)
4 BY MR. MICCIO:
5 Q Mr. Powers, I'd ask you to identify that
6 Exhibit Number 4 for the record, please.
7 A March 1, '03, Duane Reade, Exhibit 4.
8 Q And is that an invoice that appears to have
9 been issued by Powers, Crane & Company?
10 A Yes.
11 Q Please read the last two items appearing on
12 that invoice, please, and the amounts.
13 A "Disbursement, attended Senator Meier event on
14 February 24, '03 in Albany, New York, \$500.
15 "Disbursement, attended Senator
16 Maziarz event February 24, '03 in Albany, New York,
17 \$500."
18 Q How would you categorize those two events if
19 you were to categorize those events based on this
20 invoice?
21 A Fund raisers.
22 Q The \$500 amount, that would not be travel
23 expense, would it?
24 A No.
25 Q It was Albany event?

- 1 A Right.
- 2 Q You weren't traveling very far -- not you.
- 3 Powers, Crane & Company was not traveling very far to
- 4 get to this event.
- 5 A No.
- 6 Q Okay. Before today have you ever seen this
- 7 invoice?
- 8 A No.
- 9 Q You had no part in preparing this invoice?
- 10 A No.
- 11 Q You did not attend these events?
- 12 A No.
- 13 Q Do you know if Constance Crane or James Crane
- 14 attended any of the events we've discussed on these
- 15 invoices?
- 16 A I don't know.
- 17 Q Do you know if anyone else in particular
- 18 attended any of the events that are on these invoices
- 19 for Powers, Crane & Company?
- 20 A No.
- 21 Q Did you make any political contributions to the
- 22 election committees of either or both of the senators
- 23 whose events are listed on that invoice?
- 24 MR. ROSENBERG: Did he personally?
- 25 Q Personally. If you know.

- 1 A In that year?
- 2 Q Yes, in 2003.
- 3 A No.
- 4 Q Okay. Do you know if Constance Crane or James
5 Crane made any personal contributions to those
6 clients --
- 7 A I don't know.
- 8 Q -- in 2003? Did the firm, Powers, Crane &
9 Company, make any donations to those parties in 2003?
- 10 A I don't know.
- 11 Q Again, I have to ask this question again: If
12 this amount, these two amounts of \$500 on this invoice
13 are, in fact, political contributions, who made those
14 contributions? Was it a client? Was it Powers, Crane
15 & Company? Was it some individual in the company? Do
16 you know who made those donations?
- 17 A I don't know.
- 18 Q Would it generally be a reimbursable expense if
19 a lobbyist were to make a political contribution?
- 20 A I would refer that question to an attorney.
- 21 (Commission Exhibit 5 marked.)
- 22 BY MR. MICCIO:
- 23 Q Mr. Powers, I ask you to look at Exhibit 5 and
24 please identify that for the record, please, if you
25 would.

- 1 A July 1, '03, Duane Reade, Exhibit 5.
- 2 Q And can I see that for a second, please? Thank
3 you. I'd ask you to read the item checked off as
4 expense, please, if you would.
- 5 A "Travel expense, attended Senator Spano event
6 in New York, New York on June 25, '03, \$210.79."
- 7 Q Okay. I'd ask you to look at Commission
8 Exhibit 2 with regard to the Senator Spano event, and
9 would you tell me if that's the same date on that
10 invoice as Exhibit 5?
- 11 A Yes.
- 12 Q Thank you. Did you have any part in the
13 preparation of Exhibit 5, the invoice to Duane Reade
14 that was -- that you just looked at?
- 15 A No.
- 16 Q Okay. Did you ever review it before it was
17 sent to your client?
- 18 A No.
- 19 Q Did you provide any information that was part
20 of that invoice?
- 21 A No.
- 22 Q Did you ever provide any backup material, such
23 as cancelled checks, credit card receipts, cash
24 receipts, or other documentation of any expenses that
25 you may have billed to any client while you were a

1 lobbyist with Powers, Crane & Company?

2 A No.

3 Q In preparation of an invoice?

4 MR. ROSENBERG: Didn't we answer
5 that one?

6 MR. MICCIO: I don't think so.

7 MR. ROSENBERG: That they were
8 collected all the time?

9 MR. MICCIO: Well --

10 MR. ROSENBERG: Every day?

11 Q So you never provided directly. They just came
12 to your office and swept your office?

13 A Right.

14 Q So you did not actually provide these
15 documents, but you had, as a rule --

16 A If I did --

17 Q -- documents to do that? Yes?

18 A If I had invoices, I would turn them in.

19 MR. MICCIO: Bear with me a
20 minute, please.

21 One more, if you would please mark
22 that, please.

23 (Commission Exhibit 6 marked.)

24 BY MR. MICCIO:

25 Q Mr. Powers, I ask you to look at Exhibit 6,

- 1 please, and would you identify that for the record.
- 2 A An invoice dated May 1, '03, Exhibit Number 6,
3 Duane Reade.
- 4 Q On Powers, Crane & Company invoice?
- 5 A Yes.
- 6 Q On that invoice, would you look at the two
7 items marked "expense" and please read those two.
- 8 A "Expense, attended Senator DeFrancisco event in
9 Albany, New York on March 24, '03, \$500."
- 10 Q Okay. Down at the bottom?
- 11 A "Attended Senator Morahan's fund raiser in
12 Albany, New York, April 8, 2003, \$350."
- 13 Q Okay. Did you attend either of these events?
- 14 A Not that I recall.
- 15 Q Okay. Were these also political fund raisers,
16 as far as you can tell?
- 17 A Yes.
- 18 Q Doesn't, in fact, the Morahan --
- 19 A It says "event" --
- 20 Q Doesn't the Morahan --
- 21 A It says fund raiser specifically, yes.
- 22 Q Thank you. And again, you were not a party to
23 making this?
- 24 A No.
- 25 Q You were never in a position as a principal of

1 this company to request or review -- request backup
2 documentations or review invoices to clients?

3 MR. ROSENBERG: You're asking him
4 if he could, if he wanted to, and if it
5 occurred to him to do so?

6 MR. MICCIO: Both. I'm asking him
7 first --

8 Q You know, did you have the authority to do so,
9 and did you ever do so, review invoices before they
10 went out or check backup documentation --

11 A No.

12 Q -- to clients who were being --

13 MR. ROSENBERG: Let's make sure he
14 understands.

15 MR. MICCIO: Okay.

16 MR. ROSENBERG: I'm not sure he
17 actually understands.

18 BY MR. MICCIO:

19 Q When a bill goes out to a client, okay? When a
20 bill went out to a client.

21 A If it was my client.

22 Q Yes. Would you be sure that it was billed
23 correctly?

24 A Absolutely.

25 Q So therefore you'd be sure that there was

- 1 backup material for the way the client wanted it?
- 2 A Absolutely.
- 3 Q And that they weren't being overbilled or a
4 mistake was being made?
- 5 A No.
- 6 Q So you're pretty sure none of these bills were
7 created by you?
- 8 A None of them were me. None of them were mine.
- 9 MR. MICCIO: Okay. Make it short
10 and sweet now. Number 7, please.
- 11 (Commission Exhibit 7 marked.)
- 12 BY MR. MICCIO:
- 13 Q Mr. Powers, I ask you to read number 7. Would
14 you identify that for the record, please?
- 15 A Invoice dated June 1, '03, Duane Reade.
- 16 Q From Powers, Crane & Company, LLC?
- 17 A Yes.
- 18 Q Okay. The last two items listed on that
19 invoice, would you please read those for the record,
20 please, and the amounts?
- 21 A "Attend Assemblyman Gromack event in Albany,
22 New York on May 27, '03, \$500.
- 23 "Attend Senator Morahan event in
24 Albany on June 3, '03, for \$500."
- 25 Q Thank you. Again, I'll ask, how would you

1 characterize those items? What were they, do you
2 think?

3 A Fund raisers.

4 Q Fund raisers, okay. You were not a party to
5 this invoice whatsoever?

6 A No.

7 Q You didn't provide any information that was
8 used in preparation of this invoice?

9 A I don't recall.

10 Q Is it your testimony that all the billing was
11 created through Jim Crane and prepared by Nancy or
12 Noreen Pettalino, I'm sorry, at Jim Crane's direction?

13 A Yes.

14 Q How were you aware that was the situation?

15 THE WITNESS: Can I explain?

16 MR. ROSENBERG: Why not.

17 A Our offices were on the 14th floor. Theirs
18 were on the 15th floor. I don't even remember her
19 name, would come down every day, pick up all the
20 bills, pick up all the receipts, take them up to Jim.
21 Jim would go through them and produce the bills. Just
22 did it.

23 Q And you never saw anything from the time you
24 got back to the office until --

25 A I felt good that we would get the checks mailed

1 to us, and we would get those most of the time.

2 Q Let's talk about that for a second. When
3 Powers, Crane & Company received payment, payment came
4 to Powers, Crane & Company at the 14th floor?

5 A Yes.

6 Q At your office?

7 A Yes.

8 Q Did you check those checks against invoices?

9 A No. Noreen would pick them up and bring them
10 up to the 15th floor. My point was at least they came
11 there.

12 Q So you didn't even process the checks. You
13 simply received them, and Noreen Pettalino picked them
14 up, brought them back upstairs, and then what happened
15 to them?

16 A Processed the check.

17 Q What does that mean? What did she do with
18 them? Deposit them?

19 MR. ROSENBERG: Let's hope.

20 A Let's hope.

21 Q Did you ever check whether or not they were
22 deposited?

23 A We had accounting procedures, but I have no
24 knowledge what they were.

25 Q Do you have any doubt that all the checks were

1 deposited?

2 A Hindsight is 20/20.

3 Q Okay. Was it the policy of Powers, Crane &
4 Company at the lobbying firm to have their personnel
5 document their expenses when they had expenses for
6 clients, in other words, keep receipts?

7 A Yes.

8 Q Okay. Let me ask you again. Right now Powers,
9 Crane & Company or any successor to Powers, Crane &
10 Company, which is now Powers & Company, does not
11 retain those records? I mean, do they still have
12 those records?

13 MR. ROSENBERG: From 2003?

14 MR. MICCIO: Yes.

15 A I don't know.

16 Q Is there any reason why you would not have the
17 receipts, the credit card receipts, cancelled checks
18 that relate to these invoices in your possession at
19 this time?

20 MR. ROSENBERG: I think his
21 position is he doesn't know if he has them.

22 A I don't know.

23 Q I would ask again that you check to see if you
24 have any of those documents that would back up the
25 invoices that were here, and we'd appreciate if you

1 could provide those to us -- copies of them, at least,
2 if you have them?

3 MR. ROSENBERG: So you want
4 backup --

5 MR. MICCIO: Documentation on 2003
6 invoices.

7 MR. ROSENBERG: Backup for
8 expenses.

9 MR. MICCIO: Expenses, right.

10 MR. ROSENBERG: For these three
11 clients or --

12 MR. MICCIO: Yes. So far.

13 MR. ROSENBERG: '03 invoices
14 for -- are there more? Duane Reade --

15 MR. MICCIO: Yes, there's one
16 more.

17 MR. ROSENBERG: We've only done
18 two, and I know there are three. Laborers'
19 PAC.

20 MR. MICCIO: And the third is?
21 Delaware North.

22 MR. ROSENBERG: Okay. We'll add
23 that to the consideration list.

24 MR. MICCIO: Okay. Again, I
25 appreciate your patience. I know this is

1 tedious, but we have to do this.

2 BY MR. MICCIO:

3 Q Again, you don't know who attended the Morahan
4 event on June 3, '03?

5 A I don't -- I don't recall.

6 Q And you did not at -- as far as you know, you
7 don't recall who attended. Okay, that's fine.

8 MR. MICCIO: Mark this number 8,
9 please.

10 (Commission Exhibit 8 marked.)

11 BY MR. MICCIO:

12 Q Mr. Powers, I ask you to look at Commission's
13 Exhibit 8, and would you identify that for the record,
14 please?

15 A Invoice dated July 1, '03, Powers and Comp --
16 Powers, Crane & Company, Delaware North.

17 Q Okay. Would you read the last two items on
18 that invoice, please?

19 A "Attend Senator Balboni event in New York on
20 June 30, '03, in the amount of \$500.

21 "Attend Assemblyman Gianaris event
22 in New York on July 10, '03 for \$500."

23 Q Okay. And again, do you have any reason to
24 doubt that this was an invoice generated out of
25 Powers, Crane & Company through Jim Crane and Noreen

1 Pettalino? Do you believe that's the case?

2 A I believe that's the case.

3 Q Okay. Do you know who attended these events?

4 I'll ask you again. You testified to that already,

5 but do you know who attended these events?

6 A No, sir, I don't.

7 Q Okay. These appear to be the same events that

8 were also invoiced on Exhibit 2 and Exhibit 3

9 previously submitted for your identification?

10 MR. ROSENBERG: Off the record.

11 (Discussion off the record.)

12 MR. MICCIO: Back on the record.

13 BY MR. MICCIO:

14 Q They appear to be the same event billed on all

15 three invoices?

16 A Appears to be.

17 Q Okay. Thank you.

18 And again, did you have any part

19 in preparing this invoice?

20 A No.

21 Q Did you attend any of these events?

22 A I don't believe so.

23 Q Okay. Is it your belief that Noreen Pettalino,

24 at the direction of James Crane, prepared this

25 invoice?

1 A I believe so.

2 Q And you did not review this invoice prior to it
3 being sent to a client?

4 A No.

5 Q Do you have any explanation for the apparent
6 multiple billings of different clients of Powers,
7 Crane & Company for the same events?

8 A No.

9 Q Okay. Did there come a time in the 2003, 2004
10 period, in that area, when Powers, Crane & Company had
11 a change in its membership, partnership or structure?

12 A Yes.

13 Q Okay. Can you describe why that happened? I
14 don't need a lot of details.

15 A Okay, because I'm still in litigation on that.

16 Q I understand.

17 A I just was not comfortable with the -- the
18 people, my partners. I was not comfortable with the
19 business.

20 Q Okay. And there may have been many issues
21 involved with that. Did billing of clients have any
22 part of that, do you know of, at the time?

23 A I think more general terms.

24 Q Now, at the time of the change of the nature of
25 the business, when Constance Crane left, I guess -- is

1 that what happened? She left?

2 A She left, Judy Klein left, Andrea left,
3 everybody left.

4 Q And Jim Crane was no longer the business
5 manager at that point? He left?

6 A They all went and joined him upstairs.

7 MR. ROSENBERG: There's some steps
8 here that you may want -- do you want to know
9 the chronology? Because there's sort of
10 some --

11 MR. MICCIO: Well, if you want to
12 give me, you know, a detailed background of how
13 this happened, if you think it's going to be
14 helpful for us to understand what's going on
15 for your purposes, feel free to do so.

16 I -- you know, I don't need it myself.

17 MR. ROSENBERG: You don't. Okay.
18 Then fine.

19 MR. MICCIO: Okay.

20 MR. ROSENBERG: Off the record.

21 (Discussion off the record.)

22 MR. MICCIO: Back on the record.

23 BY MR. MICCIO:

24 Q So you continued to maintain the lobbying firm
25 after Connie Crane was out of the picture, basically?

- 1 A Yes.
- 2 Q And what was the name of that firm?
- 3 A Powers & Company.
- 4 Q Okay. Did Connie Crane continue to lobby after
5 she left your firm?
- 6 A Did who?
- 7 Q Did Connie Crane continue to lobby after she
8 left your firm?
- 9 A I believe so.
- 10 Q Do you know the name of her firm?
- 11 A Crane & Vacco.
- 12 Q Did any of the clients of Powers, Crane &
13 Company leave Powers & Company to go to Crane & Vacco?
- 14 A Yes.
- 15 Q Was Duane Reade one of those?
- 16 A Yes.
- 17 Q Was Delaware North one of those?
- 18 A Yes.
- 19 Q How about the records of Powers, Crane &
20 Company relative to all clients, but in particular the
21 ones that went with Constance Crane? Were they
22 maintained by Powers & Company or were they taken by
23 Crane -- Connie Crane to Crane & Vacco, if you know?
- 24 A I do know a little bit of it. A lot of them
25 were taken.

- 1 Q Do you know which ones?
- 2 A No.
- 3 Q Do you know William Bissett?
- 4 A I know Bill Bissett.
- 5 Q B-I-S-S-E-T-T?
- 6 A I know who he is.
- 7 Q Bill Bissett, who is he?
- 8 A Vice president of Delaware North, I believe.
- 9 Q Do you recall when Delaware North first became
- 10 a client of Powers, Crane & Company?
- 11 MR. ROSENBERG: You mean the date
- 12 or circumstances?
- 13 MR. MICCIO: Circumstances.
- 14 Circumstances.
- 15 MR. ROSENBERG: Do you remember of
- 16 the circumstances under which --
- 17 THE WITNESS: I'm trying to think,
- 18 and I don't.
- 19 BY MR. MICCIO:
- 20 Q Would it be possible that Mr. Bissett was
- 21 looking for someone who had lobbying value with the
- 22 Senate Majority at that time?
- 23 A Yes.
- 24 Q Would that have been you?
- 25 A It could be. I don't recall.

1 Q I mean, do you know -- did you have a
2 conversation with him prior to or upon his becoming a
3 client which indicated to you that your relationship
4 to the Senate Majority was a positive thing in getting
5 you as a lobbyist for his company?

6 A I don't recall that specific conversation. I
7 just don't recall it.

8 Q Okay. Is that conceivable?

9 A Probably.

10 Q And why do you think it's conceivable? I mean,
11 did you have any other conversations along the way
12 that indicated that was a factor?

13 A I had lunch with my friend every week.

14 Q And I would take it that, without getting into
15 any kind of particular area, that what was discussed
16 was your ability to possibly assist his company in
17 getting legislation passed through the Senate.

18 A Probably.

19 Q Okay. Nothing wrong with that, that's fine.

20 So when, in fact, the breakup came between Powers,
21 Crane & Company or, yeah, Powers, Crane & Company and
22 Crane & Vacco, let's say?

23 A Uh-huh.

24 Q Delaware North went with Crane & Vacco?

25 A Uh-huh.

1 Q Is that correct?

2 A Yes.

3 Q Some reason why that happened that you know of?

4 A I'd go off the record.

5 Q I'd like you to answer the question, if you
6 would.

7 A Huh?

8 Q I'd like you to answer the question if you
9 would. I don't think there's any privileged
10 information here.

11 MR. ROSENBERG: I can't imagine
12 that it's privileged, but I would answer it as
13 succinctly as you can.

14 Q Let me restate the question first: Would you
15 say when Delaware North first became a client of
16 Powers, Crane & Company that they were your client,
17 Bill Powers' client?

18 A I wouldn't categorize it like that. I would
19 categorize it like I brought them in, but then
20 somebody else took it over to do the work.

21 Q Okay. But you were the rainmaker, and that's
22 one of the reasons they came to your firm originally?

23 A Yes.

24 Q If not the primary reason?

25 A Yes.

1 Q So why did they leave when you broke up? You
2 were still there.

3 A Probably liked her better,

4 Q And is there any particular reason that you
5 know of that you can tell us about, why he liked her
6 better?

7 MR. ROSENBERG: I think she
8 actually serviced the account while they were
9 with -- I don't mean to put it that way. She
10 was the rep -- the PC representative who dealt
11 with the account.

12 MR. MICCIO: Okay.

13 MR. ROSENBERG: Let's put it that
14 way.

15 THE WITNESS: Now my face is red,
16 and that takes a lot.

17 BY MR. MICCIO:

18 Q So she established a relationship with the
19 client over the year or two that that happened?

20 A Yes.

21 Q Okay. Let's see. You communicated with
22 Mr. Bissett like weekly, correct?

23 MR. ROSENBERG: I don't think he
24 was referring to Bissett.

25 MR. MICCIO: No?

- 1 MR. ROSENBERG: No.
- 2 BY MR. MICCIO:
- 3 Q Who were you referring to?
- 4 MR. MICCIO: Withdraw the
- 5 question. I'll withdraw the question.
- 6 A Thank you.
- 7 Q I'll ask this one more time because we're near
- 8 the end. Was there ever an occasion when you
- 9 discussed a billing question with any client of
- 10 Powers, Crane & Company?
- 11 MR. ROSENBERG: Can I just tidy
- 12 that up a little? Clearly he discussed such
- 13 billing items as what the fee was going to be
- 14 and that it would be paid.
- 15 MR. MICCIO: I'll make it more
- 16 specific.
- 17 MR. ROSENBERG: Issues with
- 18 invoices?
- 19 MR. MICCIO: Yes.
- 20 BY MR. MICCIO:
- 21 Q Were there ever any situations where a client
- 22 after they were invoiced asked to discuss the invoice
- 23 with you?
- 24 A Not that I recall.
- 25 Q Okay. Let's change it a little bit. Did you

1 ever attend any political fund raising events in 2003?

2 I don't want a list. Did you ever attend any fund

3 raising events in 2003?

4 A Occasionally.

5 Q Occasionally, okay. In what capacity did you

6 attend these events?

7 A Mostly I was a guest.

8 Q Whose guest?

9 A Whoever hosted the event. There was still a
10 period of time when you're a bit of a draw, and they
11 would ask you if you would please come and attend an
12 event, say a few words.

13 Q Did you ever a political event in 2003 as a
14 lobbyist?

15 A I don't recall.

16 Q You don't recall. Did anyone or any entity pay
17 for your attendance at a political event in 2003?

18 A Not to my knowledge.

19 Q Did anybody reimburse you for attending a
20 political event in 2003?

21 A Not to my knowledge.

22 Q Did the firm ever pay for your attendance at a
23 political event?

24 A I don't recall.

25 Q Have you or anyone associated with any firm you

1 have been a part of as a principal or a lobbyist ever
2 prepared a draft semiannual report for a client?

3 MR. ROSENBERG: Did he or --

4 MR. MICCIO: -- anyone in his
5 firm ever prepare a draft, semiannual report,
6 for a client.

7 I'll explain later.

8 MR. ROSENBERG: Semiannual
9 lobbying report?

10 MR. MICCIO: Lobbying report, yes.

11 A What's the dates? Right up until last week?

12 Q Any time that Powers, Crane & Company was
13 representing clients, okay, and filing reports.

14 A I don't know.

15 Q Who would know if that were the case?

16 A Jim Crane.

17 Q Jim Crane, okay. He handle all billing, all
18 reporting?

19 A Yes. Yeah. John, Nadine. John Greenwald.

20 Q Who are they?

21 A Worked for Jim Crane.

22 Q And what was their role in this billing
23 process?

24 A Nadine had a lot of different titles. I think
25 John was more of an accountant, just transposed

1 numbers.

2 MR. MICCIO: I'm going to ask my
3 associates if they have any questions they want
4 to follow up with.

5 EXAMINATION BY

6 MS. HOLOHAN:

7 Q How many lobbyists were in the Powers, Crane &
8 Company firm?

9 A Seven or eight. And then there was always a
10 distinction --

11 Q Always a distinction?

12 A Sometimes lawyers claimed that they could ask
13 questions that could -- did not need to be registered
14 as lobbyists. I would hear that occasionally from
15 guess who?

16 MS. HOLOHAN: Nothing else.

17 MR. MICCIO: Okay. Any questions?

18 MS. CALNERO: Yes.

19 EXAMINATION BY

20 MS. CALNERO:

21 Q You mentioned names of several individuals --
22 you stated the names of a few individuals who were
23 lobbyists in PCC?

24 A Uh-huh.

25 Q Would they -- to your knowledge, would they

1 have been contacted by clients if there was a
2 discrepancy about a certain bill?

3 A Yes.

4 Q They would have.

5 A Yes. More hands-on management with the client.

6 Q Because I was confused as to -- I think Ralph
7 had asked a question asking if Jim Crane was the sole
8 contact for any kind of discrepancy, but basically
9 what you're saying is that those individual lobbyists
10 had contacts?

11 A Who had those particular groups.

12 MS. CALNERO: Thank you.

13 EXAMINATION BY

14 MR. MICCIO:

15 Q Do you know if that ever happened, if there was
16 ever any question on an invoice that was directed to
17 the lobbyist?

18 A It happened to me with the Yankees. I think
19 you recall that.

20 Q Yeah. Okay. Anything else?

21 MS. CALNERO: No.

22 MR. MICCIO: I have nothing
23 further at this time, Mr. Powers. I thank you
24 very much for being here. I appreciate your
25 patience, Mr. Rosenberg.

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Thank you for your patience.

MR. ROSENBERG: Thank you.

MR. MICCIO: Likewise. And we'll
go off the record.

(Time noted: 2:20 p.m.)

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CERTIFICATION

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

WILLIAM POWERS

Sworn to before me
this ____ day of
____, 2008.

Notary Public

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1 STATE OF NEW YORK :
2 COUNTY OF COLUMBIA:
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4

5 I, JOSEPH A. ADAMKIEWICZ, C.S.R.,
6 Certified Shorthand Reporter and Notary Public of the
7 State of New York, do hereby certify that the
8 foregoing is a true and accurate transcript of the
9 proceedings reported by me, to the best of my
10 knowledge and belief, in the matter held on November
11 14, 2008.

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Joseph A. Adamkiewicz, C.S.R.

EXHIBIT 1



POWERS, CRANE & COMPANY, LLC

BILLS
F PCC

August 12, 2003

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

Re: Outstanding Disbursements

Dear Dr. Melius:

In reviewing this month's statements, I realized that the disbursements reflected on the attached invoices remain outstanding. They aggregate the sum of \$3,021.60.

Please call me at (518) 432-8000 if you have any questions.

Very truly yours,

POWERS, CRANE & COMPANY, LLC

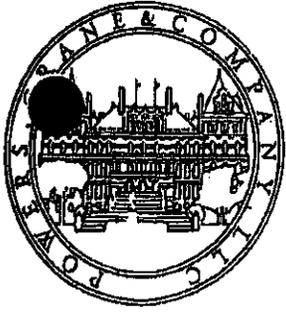
Noreen E. Pettalino

Noreen E. Pettalino
Business Manager

Enclosures

EXHIBIT
ID EVD11/14/03
Joseph A. Adamkiewicz, Certified Shorthand Reporter

EXHIBIT 2



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

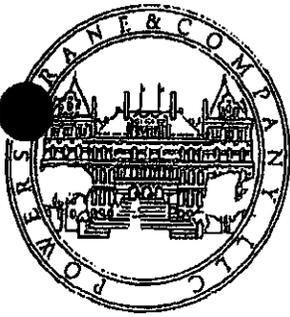
Invoice

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
Total	\$24,248.40

EXHIBIT 3



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

Invoice

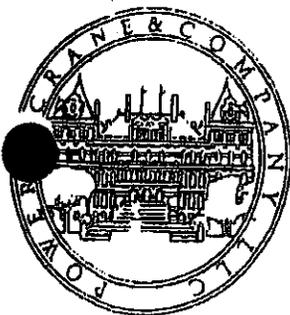
DATE	INVOICE #
7/1/2003	DR-993

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
Total	\$5,485.94

EXHIBIT 4

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

Invoice

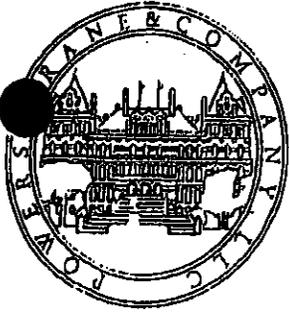
DATE	INVOICE #
3/1/2003	DR-808

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
Long Distance Telephone	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
Total	\$4,332.65

EXHIBIT 5



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

Invoice

DATE	INVOICE #
7/1/2003	DR-993

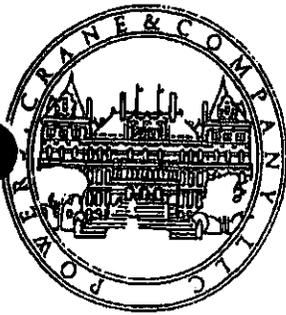
BILL TO

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
Total	\$5,485.94

EXHIBIT 6

Invoice



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

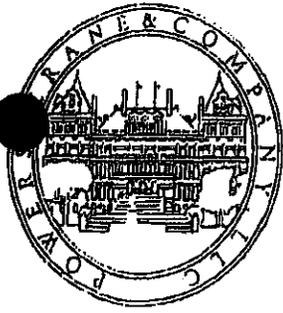
DATE	INVOICE #
5/1/2003	DR-903

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
Total	\$4,387.82

EXHIBIT 7



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

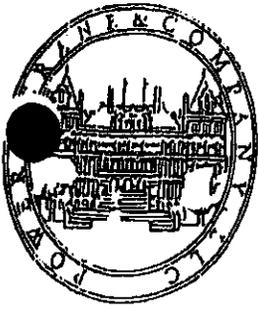
Invoice

DATE	INVOICE #
6/1/2003	DR-948

BILL TO
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
Total	\$4,463.43

EXHIBIT 8



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
Log 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
Total	\$11,194.60