

NEW YORK STATE
COMMISSION ON PUBLIC INTEGRITY

In the Matter of

Powers, Crane and Company, LLC

and

James Crane, II,

ORIGINAL

As lobbyists for the New York State Laborers PAC

INTERVIEW OF A WITNESS, JAMES MELIUS, M.D.,
returnable September 9, 2008, commencing at 9:00 a.m.
at the offices of the NYS Commission on Public
Integrity, 540 Broadway, Albany, New York 12207, before
Kyle Alexy, a Shorthand Reporter and Notary Public in
and for the State of New York.

APPEARANCES:

FOR THE STATE OF NEW YORK:

Commission on Public Integrity
540 Broadway
Albany, New York 12207
BY: RALPH P. MICCIO, ESQ., of Counsel

FOR THE WITNESS:

James Melius, M.D., Pro se

1 J A M E S M E L I U S, M.D.,
2 having been first duly sworn by the notary public, was
3 examined and testified as follows:

4 BY MR. MICCIO:

5 Q Okay, can I call you Dr. Melius for the record?

6 A Dr. Melius is fine. Whatever is --

7 Q Dr. Melius, as you know, my name is Ralph
8 Miccio. I'm special counsel to the Commission on
9 Public Integrity. And this is the matter of Powers,
10 Crane and Company and James Crane, as lobbyists for the
11 New York State Laborers PAC. And I have informed you
12 of that fact --

13 A Yes.

14 Q -- before we came in?

15 A Yes.

16 Q Okay.

17 A Yes.

18 Q If that's the case, let me just ask you a couple
19 of questions, if I can.

20 A Yeah, sure.

21 Q I know you've given your name and address
22 already. For the record, would you give us your name,
23 address and title as it applies to the PAC, please?

24 A Yeah. My name is James Melius, M-E-L-I-U-S. I
25 am the administrator of the New York State Laborers

1 PAC. Our address is 18 Corporate Woods Boulevard,
2 Albany, New York 12211.

3 Q Okay, and what is the New York State Laborers
4 PAC?

5 A It's a political action committee that was
6 established, I believe almost 15 years ago by the New
7 York State Laborers Union, which is made up of at that
8 time roughly 40 local unions in New York State that
9 formed a statewide political action committee.

10 Q Okay. Has the PAC ever retained a lobbyist?

11 A Yes. I don't know -- it predates my time with
12 the PAC, but they have retained a lobbyist, I believe
13 about someplace between 12 and 15 years ago.

14 Q Okay.

15 A One firm, yes.

16 Q Can you tell me who or what firm did the PAC
17 retain as its lobbyist in the years 2003, 2004?

18 A 2003 and 2004, Meyers, Suozzi, English and
19 Klein.

20 THE COURT REPORTER: Can you spell
21 that please?

22 THE WITNESS: Yeah, M-E-Y-E-R,
23 S-U-O-Z-Z-I, and Klein, K-L-E-I-N.

24 A And then I believe around the same time period
25 is when we also hired Powers and Crane as the second

1 lobbying firm.

2 Q Powers, Crane and Company, LLC.

3 A Right, correct.

4 Q Okay. With regard to Powers, Crane and Company,
5 was there a particular reason why you retained that
6 firm?

7 A Yes. We had -- the Political Action Committee
8 had decided that we wanted to have a second firm,
9 particularly a firm with more ties to the Republican
10 party.

11 Q Okay.

12 A To help us, you know, on a number of legislative
13 issues.

14 Q Okay. When did you first meet Bill Powers?

15 A Oh, I had met Mr. Powers probably almost 10 or
16 11 years ago. It was when I was first working for the
17 laborers in New York and met him at -- I can't
18 remember -- various events and so forth. And talked to
19 him in my position originally with the Laborers and
20 then in my position with the New York State Laborers
21 PAC.

22 Q Who is Bill Powers?

23 A At that time I first met him he was the chairman
24 of the New York State Republican party. I believe my
25 first meeting with him was at the state Republican

1 party headquarters.

2 Q Was he also a principal of Powers, Crane and
3 Company when you retained that firm?

4 A At the time we retained him, yes. He had left
5 the state Republican party and he had set up this firm.

6 Q Do you know what his position was with the firm?

7 A He's one of the principals with the firm. I
8 don't know the exact corporate structure of the firm,
9 but he was certainly the principal name, as well as one
10 of the principals of the firm.

11 Q Okay. Do you know who Constance Crane is?

12 A Yeah. Constance Crane was a lobbyist that was
13 also working with Mr. Powers in that firm, and she was
14 also one of the senior lobbyists and I believe also a
15 principal of some sort in the firm. As I said, I don't
16 know the exact corporate structure, partnership
17 structure.

18 Q Do you recall the first time you met her?

19 A I believe the first time I met her was at the
20 time when we were in the process of retaining Powers
21 and Company as our lobbyists, and I was introduced to
22 her, I believe, in their offices.

23 Q Can you tell us who else you met in that
24 meeting?

25 A I can't remember that specific meeting. I had

1 had previous contact meetings with Matthew Powers, also
2 works in the firm. And over that same time period from
3 when we first -- I met Mr. Powers before this, Matthew
4 Powers. And then the time period that we had brought
5 on Powers and Company as a lobbyist, I met a number of
6 the other people in the firm.

7 Q Okay.

8 A Other sort of more junior lobbyists and staff.

9 Q Did you have any other contact with Constance
10 Crane from the first time you met her to the present
11 time?

12 A Yes. While we were working, first working with
13 Powers and Company, she was our chief day-to-day
14 contact with that firm. She coordinated the lobbying
15 that we did with that firm, so I was in contact with
16 her probably once or twice a week during that time
17 period.

18 Q And do you know James Crane?

19 A Yes, I do.

20 Q When did you first meet him?

21 A First met him probably in the time period 2001,
22 2002. We had retained, through a separate entity --
23 through our labor management cooperation fund, we had
24 retained his law firm to do some work with us on a
25 specific legal issue having to do with prevailing wage.

1 And so I met him at the time and a person named Clem
2 Parente, P-A-R-E-N-T-E, who also works with Mr. Crane's
3 law firm, not -- I don't believe Clem Parente works
4 with the lobbying firm.

5 Q What is Jim Crane's relationship to the lobbying
6 firm?

7 A I don't know. He had some involvement with it
8 as -- I believe as an attorney. I don't know to what
9 extent he was involved with lobbying or other
10 activities with that firm. I know he had some
11 involvement. Again, I don't know the exact structure
12 of the firm to know --

13 Q Do you know whether James Crane ever did any
14 lobbying for the PAC?

15 A I don't believe -- I'm not aware of any that he
16 did.

17 Q Okay.

18 A Though, I believe I've seen him with Constance
19 Crane at political events, but again I don't know his
20 role. He was not someone we had any contact with in
21 terms of political issues.

22 Q Okay.

23 A And we had no -- the issue -- the matter we were
24 dealing with his law firm on, we had brought to a
25 close, so we were no longer in contact with him through

1 the law firm.

2 Q Okay. How often did you meet or speak with him
3 from 2003 to the present time, actually?

4 A I would imagine I would see him once a month or
5 once a quarter. I mean I still see him occasionally at
6 fund raisers or other political events and usually in
7 the Albany area.

8 Q Okay.

9 MR. MICCIO: Hey, Bridget, how are
10 you?

11 (Bridget Holohan, Esq., enters
12 proceedings.)

13 (Discussion was held off the record.)

14 Q So did you ever have any conversations with
15 James Crane concerning any lobbying issues?

16 A Not that I recall.

17 Q Okay.

18 A I can't say he wasn't standing by when we were
19 talk -- when I was talking with Constance Crane about
20 some lobbying issues but -- or, for that matter,
21 Mr. Powers, but I don't recall specifically.

22 Q Okay. With regard to billing of the PAC for
23 lobbying services --

24 A Um-hum.

25 Q Okay? -- how is the PAC usually billed?

1 A We bill -- we have a quarterly retainer with the
2 Powers firm. And at that same time that we receive the
3 quarterly retainer bill, we would receive a bill for
4 expenses for that previous quarter, essentially, and so
5 we would usually pay both the retainer and those
6 expenses at the same time.

7 Q Okay, and this is in the form of an invoice?

8 A Yes, correct.

9 Q And again what items were you usually on the
10 invoice?

11 A There usually were --

12 Q In general.

13 A Oh, in general? Oh, in general there was a
14 retainer --

15 Q Amount?

16 A -- amount that was listed, and then there would
17 be expenses related to travel and to other expenses
18 associated with lobbying -- telephone, other office
19 type of expenses, courier services, things like that.

20 Q Did you pay Powers, Crane and Company any other
21 expenses beyond lobbying expenses?

22 A Well, other than those expenses and so forth,
23 and then they had billed us for some political events
24 that they had attended.

25 Q Okay, we'll get back to those in a minute, if I

1 could.

2 A Yeah.

3 Q So, but these expenses that you paid were
4 reimbursing them for expenses that they were outlaying?

5 A Correct.

6 Q Okay. Did you ever ask for or did you ever
7 receive any back-up material for expenses that were
8 being billed to you -- to the PAC, I should say?

9 A I don't believe so. The expenses were usually
10 relatively straight forward. You know, for example, we
11 would hold a -- our PAC sometimes would hold meetings
12 out of the State as part of other meetings that the
13 union has, so there would be expenses for plane trips.

14 Q Right.

15 A And, you know, if they were -- on the face of
16 them, looking, if they were reasonable, then we would
17 reimburse them.

18 Q Okay.

19 A So I don't ever recall having to question a
20 travel expense.

21 Q Okay.

22 MR. MICCIO: Could I have this
23 marked?

24 (Exhibit 1 was marked for
25 identification.)

1 Q Dr. Melius, look at this document, if you would.

2 A Um-hum.

3 Q Can you identify it?

4 A Yes, I can.

5 Q Can you tell us what it is?

6 A Yes. It's an invoice that was dated September
7 1, 2003. It's an invoice from Powers, Crane and
8 Company, LLC. It is the -- it includes the consulting
9 fee or retainer for the quarter from July 1 to
10 September 30, 2003, and then it has a series of other
11 expenses listed on it.

12 Q Okay. Is that July 1 or September 1?

13 A It's July 1 --

14 Q July 1.

15 A -- 2003. The retainer goes forward. The
16 expenses are for the prior quarter.

17 Q Okay.

18 A April to the end of June quarter.

19 Q Okay. This invoice has three items listed at
20 the bottom -- excuse me, back on the record. Let me
21 withdraw that. This is a copy of the invoice you
22 received at the PAC, is that correct, as far as you can
23 tell?

24 A As far as I can tell, correct. It has my
25 address to me.

1 Q Yes.

2 A And it certainly looks familiar.

3 Q Okay, good. This invoice has three items listed
4 at the bottom of the document. Would you please read
5 that portion of the invoice, please?

6 A Yes. The first item, the third from the bottom,
7 is attend Senator Spano event in New York, New York on
8 June 25, 2003. The amount there is \$500. Attend
9 Senator Balboni event in New York, New York on June 30,
10 2003, and attend -- and that's also for \$500. And then
11 attend Assemblyman Generis event in New York, New York
12 on July 10, 2003.

13 Q Okay. As far as you know, these are lobbying
14 expenses?

15 A These were billed to us as lobbying expenses.
16 These were ones I actually had questions about at the
17 time.

18 Q You asked someone at Powers, Crane and Company
19 about these?

20 A I asked Constance Crane about these because I
21 didn't understand what they were for.

22 Q What did she tell you they were for?

23 A Well, I had asked her -- I wasn't sure whether
24 they were the tickets or, you know, for attending the
25 events themselves, or whether they were travel expenses

1 in some way that, you know, might have been split in
2 different ways or something. They were only billing us
3 for, you know, part of the travel expenses at the time.
4 So I questioned those -- that billing.

5 Q And what was the response?

6 A Her response was that they were for tickets to
7 attend the event. They were attending the event on
8 behalf of the New York State Laborers PAC. I don't
9 recall whether they were for a single ticket to the
10 event, or two tickets, or what the cost of the event
11 was, but that was what -- that was what -- that is what
12 she told me.

13 Q Okay. Your understanding, being involved with
14 the PAC, is that these kinds of events are considered
15 political donations, is that correct?

16 A Correct, and that I was concerned about that. I
17 was also concerned because our political action
18 committee had a policy that any events and any
19 political contributions made to a political campaign
20 are made by PAC members or by the business managers,
21 essentially, the people that lead our local unions or
22 district councils around New York State. We do not
23 make contributions through our lobbyists. Lobbyists
24 may attend a meeting or be at an event, but the checks
25 and the contributions are always made through the local

1 union or district councils or through the state PAC
2 members.

3 Q So did the PAC pay these three \$500 amounts?

4 A We paid them. They -- we had just started
5 working with Crane at the time and or -- and with the
6 firm of Powers and Company, and so we were sort of put
7 up -- it's a misunderstanding. They had attended the
8 event on our behalf. They had assumed that they were,
9 you know, doing on our behalf that -- I assumed it was
10 their practice to do this. I'd only had experience
11 with one other lobbying firm and -- who did not bill
12 like this, so we put it down just as, you know, the way
13 they -- their practice was. And it was something that,
14 as we were, you know, getting used to working with this
15 new firm, that we would have to reach a future
16 understanding on, if they had made -- attended this
17 event on our behalf in good faith and we thought we
18 were obligated to pay that; it was not something that
19 we wanted to do in the future with that.

20 Q Okay. So based on representations that the firm
21 gave you -- that is the Powers, Crane and Company firm
22 gave you regarding these billings -- you paid them.
23 The PAC paid them.

24 A Correct.

25 Q They were made payable to Powers, Crane and

1 Company, LLC.

2 A Correct.

3 Q Did you or any representative of the PAC attend
4 any of the events listed?

5 A I don't believe so. I don't recall at the time,
6 because I don't think we -- if we were attending the
7 events, we would have written a check ourselves and
8 given it directly to the member of the PAC or the
9 business manager who was attending the event.

10 Q Okay. Do you know who from Powers, Crane and
11 Company attended the event, any of the events?

12 A I don't recall. I believe it was Constance
13 Crane because she was the one working with us at the
14 time, but I just don't recall.

15 Q Do you know if your PAC was reported as a donor
16 by any of the campaign committees of the elected
17 officials listed on the invoice relative to your
18 lobbyist attendance at these events? In other words,
19 were you credited with this donation?

20 A I don't recall. I normally don't -- I always
21 check our state election board filing. I usually don't
22 match that up against what the candidates report,
23 simply because it's confusing and because of
24 differences in time and so forth. So I didn't check
25 these particular contributions and so forth. And also

1 it wasn't clear to me whether these were contributions
2 made on from Powers, Crane and Company or whether they
3 were contributions that were -- somehow were being
4 attributed to us.

5 Q Okay.

6 A I had concerns about that two-fold -- one, the
7 issue of us making a contribution through a third-party
8 and how to report that, and, secondly, the issue of the
9 campaign contribution limits --

10 Q Okay.

11 A -- which we could, you know, potentially run
12 into with some of these people.

13 Q Do you know the legality of making donations to
14 a third-party?

15 A I believe it would -- that it is not correct to
16 do that.

17 Q Okay.

18 A Unless it is somehow attributed back to you in
19 terms of expenses for an event or something like that.

20 Q And do you know if that was done in this case?

21 A I don't know.

22 Q Do you think it was?

23 A I don't know.

24 Q Okay. Did you ask?

25 A I believe I assumed that they were reporting it

1 on their behalf.

2 Q Any particular reason why you assumed that?

3 A That -- one is that, in our meetings with us,
4 Mr. Powers, when we first hired them, he was very
5 concerned about making sure we understood that they
6 needed to -- working for us as a lobbying firm, that
7 they needed to very carefully follow all the rules,
8 regulations and the law.

9 Q Okay.

10 A In fact, we were having a political conference
11 at the time, and he had suggested that we actually
12 bring in an outside attorney to come in and brief our
13 membership, our leaders of our political organization
14 about, you know, what could be correctly asked of
15 candidates and how both the lobbying and the political
16 contributions worked.

17 Q Did your PAC receive information on this point
18 with regard to the experts you brought in to talk about
19 it?

20 A We did. I believe we actually had an expert
21 scheduled in, and he couldn't make it. I can't
22 remember the details of it, but we hold a yearly
23 conference in Albany, a political conference, and I
24 believe we had one scheduled and something came -- fell
25 through at the last minute with that.

1 Q Okay. Okay. It's your understanding now that
2 political contributions to a third-party are not legal?

3 A Correct.

4 Q Now, did the PAC file a client's semi-annual
5 report with the New York Temporary State Commission on
6 Lobbying in 2003?

7 A Yes.

8 Q Okay.

9 A We reported ever since it has been required, so
10 I don't know -- if we don't, you let us know.

11 Q Oh, yeah, we do, usually. Sometimes, anyway.

12 A Most of the time.

13 (Exhibit 2 was marked for
14 identification.)

15 Q Dr. Melius, I ask you to look at Exhibit 2, and
16 could you identify that document, please?

17 A Yeah. This is our New York State Laborers PAC,
18 our client -- our semi-annual report for, I believe,
19 January to June 2003.

20 Q Okay. On that report under the section entitled
21 "Other Lobbying Expenses," do you report the expenses
22 paid by the PAC to Powers, Crane and Company during the
23 period January to June 2003?

24 A Yes, we do.

25 Q And could you tell us what that is please, what

1 you reported?

2 A We reported expenses of \$201 for -- it's listed
3 generally as expenses.

4 Q Okay.

5 A It doesn't say any specifics on that. And then
6 we also list an expense on May 1, 2003 that's for
7 entertainment which is for \$519.

8 Q Do you know what that was for exactly?

9 A I don't recall specifically.

10 Q Did you get any back-up on that?

11 A No. I knew we had paid them that amount in
12 expenses --

13 Q Okay.

14 A -- over the time period. I don't recall whether
15 I double checked that or not. Again, if it's something
16 that looks reasonable and I think that's within, you
17 know, something that they billed us for in some way or
18 would fit expenses -- certainly, it doesn't always
19 match up with what we get for Political Action
20 Committee, because -- expenses from a lobbying firm
21 because there are also expenses for other political
22 expenses, and so for that that are non-lobbying that
23 they bill us, so I usually don't do a direct comparison
24 that way.

25 Q Well, this is entitled "entertainment," correct?

1 A Correct.

2 Q Would that in any way include any of these \$500
3 items that were listed on Exhibit 1?

4 A I would doubt it that that would fall under
5 entertainment. It certainly could include one of the
6 other expense items, which would be attend dinner with
7 Assemblyman John and staff in Albany on June 3, 2003.
8 That was an expense for 177.13.

9 Q Okay, that's fine.

10 A Yeah.

11 Q Now, one more.

12 (Exhibit 3 was marked for
13 identification.)

14 Q Dr. Melius, this document, Exhibit No. 3, could
15 you identify it please?

16 A Yes. This is our client semi-annual report for
17 the New York State Temporary State Commission -- excuse
18 me, the New York Temporary Commission on Lobbying for
19 July to December 2003.

20 Q Okay, and then that report under the same
21 section "other lobbying expenses," do you report the
22 expenses paid by the PAC to Powers, Crane and Company
23 during the period July, December 2003?

24 A Yes, we do. And there is a single expense
25 that's listed there, which is on July 1, 2003. It says

1 for social event, and it's for \$177.

2 Q So that would not include any of the items on
3 Exhibit 1 of \$500 only?

4 A No, it would not.

5 Q Okay. With regard to compensation on these
6 semi-annual reports -- Exhibit 2 as well -- is that the
7 retainer that you actually reported with regard to
8 Powers, Crane and Company and nothing else?

9 A Correct. That is only -- our agreement with
10 them at that time was for -- retainer was for \$90,000
11 per year to be paid quarterly at the beginning of the
12 quarter.

13 Q So on the semi-annual reports that you
14 identified, the amount of compensation listed reflects
15 the retainer agreement, is that correct?

16 A Correct.

17 Q Okay, and there was no additional compensation
18 paid that you're aware of?

19 A Correct, no.

20 Q Okay, let me see. Is there some reason why the
21 \$500 on Exhibit 1 -- the \$500 items on Exhibit 1
22 weren't reported on the semi-annual reports as either
23 compensation or expenses?

24 A I rely on the information that's provided us by
25 the two lobbying firms. We take those and combine

1 those in putting together our reports to the --

2 Q Okay.

3 A -- Lobbying Commission at the time. And so I
4 was relying on what they were sending me, and then I
5 would combine from the two firms and put that, because
6 at that time I don't believe we had any other expenses
7 for these quarters.

8 Q So, in other words, Powers, Crane and Company
9 would send you a summary of compensation and expenses
10 for the semi-annual report to be made by you?

11 A Yeah. What they would do is both Powers and
12 Company and Meyers Suozzi would send us basically a
13 form like this that was completed, a draft form. And I
14 would take the two forms and combine the information,
15 eliminate duplications which were common on the bill
16 numbers and so forth. And I would add up the expenses
17 less than 75 and combine that. So I was relying on
18 what they were reporting to me to fill out the form.

19 Q Okay, so you didn't check information they sent
20 you in summaries by calling that, the actual invoices
21 you received?

22 A I wouldn't. I mean I was certainly at the time
23 aware of what was -- generally aware what was on the
24 invoices, so if something had been totally out of --
25 sort of out of the ballpark in terms of an expense or

1 something that we hadn't been billed for, or one that
2 was, you know, was sort of -- you know, an example, if
3 they hadn't included their retainer fee, I would have
4 noticed something like that. I was, you know, trusting
5 them to report the correct amounts in terms of expenses
6 and so forth that were reportable as for lobbying
7 purposes.

8 Q Okay, but the items on Exhibit 1, the invoice,
9 the \$500 items, those, as far as you were concerned,
10 were lobbying expenses. That's how they were explained
11 to you?

12 A They were explained to me as lobbying, that they
13 needed to attend those events. In terms of lobbying,
14 it was not clear to me whether they should have -- they
15 were reporting them as lobbying on these forms or
16 whether they were reported as political contributions
17 on --

18 Q Okay.

19 A -- any forms they would submit on the basis of
20 that.

21 Q Okay. Did you have any other further discussion
22 with anyone from Powers, Crane and Company concerning
23 the reporting of these expenses either on your
24 semi-annual report or anywhere else? I'm talking about
25 the expenses on the invoice, Exhibit No. 1.

1 A We certainly have asked them to stop attending
2 to -- stop doing the checks to political campaigns on
3 our behalf, that we requested that that was not our
4 practice to stop. I believe it may have happened one
5 more time. I don't recall specifically, but those did
6 stop, and it was something that was not -- as I said,
7 it was not our -- our policy was not to allow our
8 lobbyists to do that.

9 Q So upon your questioning about that or asking
10 them not to do it, it didn't happen subsequent to this
11 as far as you know?

12 A It certainly stopped after the following year.
13 I can't remember if there is one more instance or not.

14 Q Okay.

15 A -- looked through the invoices in quite a while.

16 Q Okay. Sometime around 2004, Powers, Crane and
17 Company changed its makeup. Do you recollect that
18 occurrence?

19 A I did -- do.

20 Q Was there an explanation given to you by anyone
21 about what was going on about what happened?

22 A Yes. We met with Mr. Powers, I believe both
23 William Powers and with Matthew Powers, to discuss it,
24 what would be the implications for us and -- in terms
25 of the firm. The firm was, as I recall, at the time

1 was splitting up, that the Crane's were setting up a
2 separate firm, I believe, with Dennis Vacco, a separate
3 lobbying firm, and that some of the staff was going
4 with the Crane's, and some of the staff was staying
5 with Mr. Powers. Also, I had discussions with
6 Constance Crane at the time -- called me up to ask
7 whether which firm we were going to go with, I think
8 fully expecting we would stay with the Powers side of
9 the firm, which we did.

10 Q Okay. Was there any further explanation as to
11 what caused the break-up of the firm?

12 A All I recall was that there was some discussion
13 that there was some internal disagreement about how the
14 firm was run in the direction of the firm, but I don't
15 think we ever -- I ever heard any specifics beyond
16 that.

17 Q Did it involve James Crane in any way?

18 A I think that my recollection at the time that it
19 was to do with the relationship with Dennis Vacco and
20 some internal disagreements over that, but I don't
21 recall the specifics of it. And I know it was
22 acrimonious at the time and that James Crane was
23 involved in that acrimony, but again I don't recall the
24 details.

25 Q Okay.

1 A I don't believe we were ever -- I was ever told
2 the specifics of what was going on.

3 Q I believe you mentioned the Crane's decided to
4 go. I mean the plural, meaning Constance and James.

5 A Correct.

6 Q Again, I'm just wondering how James got involved
7 in the break-up of the firm if he wasn't a principal in
8 the first firm or what his involvement was that would
9 make him influence the break-up.

10 A My recollection is that he was the -- somehow at
11 some association with the firm, but -- from the
12 beginning, but I don't recall specifically, and I
13 don't -- again, I used to see James and Constance Crane
14 together all the time, so I guess it didn't surprise me
15 that he was involved, so -- at the time, but it was --
16 again, I think that when we met with Mr. Powers, he
17 just said there was a disagreement, and we figured it
18 wasn't necessarily our business to inquire because it
19 didn't -- it didn't affect us or affect what was going
20 on. And we were reassured that our lobbying interests
21 would be taken care of.

22 Q Okay. Do you know who physically made your
23 invoices, created your invoices on a regular basis,
24 actually prepared them?

25 A It changed all the time. The -- I don't.

1 Excuse me, I actually misspoke. The person who sent us
2 the temporary statement -- the lobbying reports changed
3 all the time. The invoices, I don't know. I don't
4 know where they came from specifically. As I said, I
5 would -- if I had questions I would talk to Constance
6 Crane about them at the time. The Lobbying Commission
7 reports changed. The person doing that changed all the
8 time. Some of that just had to do with turn-over in
9 the firm. Blocking out her last name.

10 Q Noreen? Noreen Pettalino, does that ring a
11 bell?

12 A No.

13 Q Okay.

14 A There was someone named Judy --

15 Q Okay.

16 A -- that was with the firm and left. I forget
17 her last name. She was working sort of as a lobbyist
18 working for Constance. She did at times. Other people
19 did over a time period.

20 Q Okay. You say you were solicited. By
21 solicited, you were at least approached by both firms
22 that came about to have you -- have the PAC remain with
23 them as the client?

24 A Correct. As I said, I think Constance Crane
25 expected us to be -- to be staying with Powers because

1 of our, you know, relationship with him and people in
2 our organization who had known him for a long period of
3 time. But, you know, it was more reassuring that we,
4 you know, sort of stay on a friendly basis. And she
5 just, I believe, at the time explained that there were
6 disagreements within the firm and that they could no
7 longer go on working together. And I had periodic
8 contact with both her and James Crane. Since that time
9 I see James Crane at a few events and, you know, and
10 socially, friendly, and says hello. And Constance, I
11 believe, has been out ill or other personal issues.
12 I've talked to occasionally. She'll call me up and
13 talk. I don't think I've seen her in a couple years,
14 though.

15 Q Did Jim Crane ever try to personally approach
16 you on joining his new firm?

17 A No, he did not. It was only Constance that
18 talked to me. As I said, she was not expecting us to.

19 Q I want to thank you for being here. Is there
20 anything you wish to clarify or state for the record?
21 Are there any questions you want to --

22 A I don't believe so.

23 MR. MICCIO: Anything you want to
24 ask?

25

1 BY MS. HOLOHAN:

2 Q You mentioned that they provided drafts of the
3 semi-annual reports from Powers and Crane?

4 A Yeah.

5 Q Did you retain copies of those?

6 A May have. I often attached them to the copy
7 that was in our files. I mean I can check for you.

8 MR. MICCIO: Interesting
9 correspondence with those.

10 THE WITNESS: Yeah.

11 A I'll, I'll see. Actually, when your staff
12 obtained these, they should have been in the same
13 folders, but it may have been the way they asked. I
14 just don't recall that, but I'll look at the folders
15 again and see if they were included in there. They may
16 or may not have been, I just don't know, but I'll be
17 glad to look for them, do that.

18 MR. MICCIO: Okay, anything else?

19 I think we're all set then. Thank you very
20 much.

21 (Whereupon, the matter in the
22 above-entitled proceedings, concluded at 9:45
23 a.m.)

24

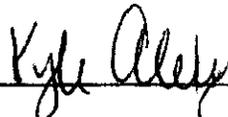
25

EXHIBIT INDEX

EXHIBIT	DESCRIPTION	FOR I.D.
1	Invoice, Powers, Crane 9/1/03	Pg. 10
2	NYS Laborers PAC Semi-Annual Report, 1/03-6/03	Pg. 18
3	Client Semi-Annual Report for NYS Tempot State Comm.	Pg. 20

C E R T I F I C A T E

I, Kyle Alexy, a Shorthand Reporter and Notary Public in and for the State of New York, do hereby certify that the foregoing record taken by me is a true and accurate transcript of the same, to the best of my ability and belief.

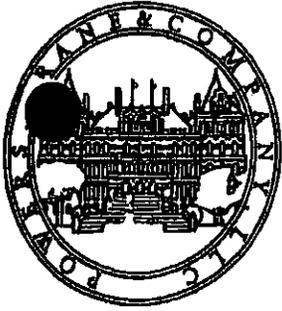


Kyle Alexy

DATE: September 12, 2008

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

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
Total	\$24,248.40

EXHIBIT 2



New York Temporary State Commission on Lobbying On-Line Lobbyist Registration System



User: Lori Donadio

[Client Semi-Annual Report Menu](#) [Client Menu](#)

Client Semi-Annual Report Help

Form Confirmation #: CSR000000931

Year of Registration: 2003

Report Period:

Mark one:

January - June

July - December

Type of Lobbying:

NonProcurement Procurement Both Help

Client Information

(To make changes to any of the Client Information, go to "View / Manage the Client Profile" in the Client menu)

Client Name: LABORERS' PAC (NYS)

Business Address 1: 18 CORPORATE WOODS BLVD.

Business Address 2:

City: ALBANY

State/Province: NY

Zip Code: 12211

Country: UNITED STATES

Business Phone: (518) 449-1715

Fax Number: (518) 449-1821

Email Address: MELIUS@NYSLIUNA.ORG

Chief Administrative Officer First Name: JAMES

Chief Administrative Officer Last Name: MELIUS

Chief Administrative Officer Title: ADMINISTRATOR

Third-Party Beneficiary: Help

Lobbyists Information & Compensation (current period only)

Help

You must report each lobbyist that lobbied on behalf of the client regardless of whether the threshold was exceeded by that lobbyist

or Enter a New Name: MEYER SUOZZI ENGLISH & KLEIN, PC

Business Address 1: 1 COMMERCE PLAZA, STE 1102

Business Address 2:

City: ALBANY

State/Province: NY

Zip: 12207

Phone: (518) 465-5551

Level of Government Lobbied: State Local Both

Type of Lobbyist: Retained Employed Designated

Compensation for current period: \$45,000

or Enter a New Name: POWERS CRANE & COMPANY, LLC

Business Address 1: 90 STATE STREET, STE 1422

Business Address 2:

City: ALBANY

State/Province: NY

Zip: 12207

Phone: (518) 431-0720

Level of Government Lobbied: State Local Both

Type of Lobbyist: Retained Employed Designated

Compensation for current period: \$45,000

Total Compensation of All Lobbyists for Current Period: \$90,000

Other Lobbying Expenses (Current Period Only)

Help

A. Report in the aggregate all expenses less than or equal to \$75: \$608

B. Report in the aggregate all expenses for salaries of non-lobbying employees: \$0

C. Itemize all expenses exceeding \$75:

I have no itemized expenses to report for this period.

Check box to agree with previous statement or enter expenses below

Paid to	Date	Purpose	Ad? Social Event?	Amount	Lobby Type	<input checked="" type="radio"/> H
MEYER, SUOZZI	01/15/2003	RESEARCH (LEXIS)	<input type="checkbox"/> <input type="checkbox"/>	\$401	NonProcurement	
MEYER, SUOZZI	02/24/2003	COURIER SERVICE	<input type="checkbox"/> <input type="checkbox"/>	\$86	NonProcurement	<input checked="" type="radio"/> H
MEYER, SUOZZI	04/16/2003	DATABASE (LRS)	<input type="checkbox"/> <input type="checkbox"/>	\$98	NonProcurement	<input checked="" type="radio"/> H

Paid to	Date	Purpose	Ad?	Social Event?	Amount	Lobby Type
MEYER, SUOZZI	06/18/2003	DATABASE (LRS)	<input type="checkbox"/>	<input type="checkbox"/>	\$98	NonProcurement
PAWERS, CRANE	03/01/2003	EXPENSES	<input type="checkbox"/>	<input type="checkbox"/>	\$201	NonProcurement
PAWERS, CRANE	05/01/2003	ENTERTAINMENT	<input type="checkbox"/>	<input type="checkbox"/>	\$518	NonProcurement

D. Total expenses for current period (A+B+C) : \$2,011

Subjects lobbied:

DISEASES, WORKERS COMP., ENFORCEMENT FUND, STATE, ENFORCEMENT, PUBLIC WORK, EXCAVATION, BUDGET, APPRENTICE, FILTRATION PROJECT, HANDLING, OCCUPATIONAL, HEALTH & SAFETY, CONTRACTOR, LABOR ISSUES, PUBLIC WORK, LIABILITY, PREVAILING WAGE, MOLD PROTECTION ACT, WORKER, PROJECTS, SPEEDING IN THE , PROTECTION, CROTON WATER, PROTECTION, TOXIC SUBSTANCE, RECORD INSPECTIONS, OSHA, RESPONSIBLE CONTRACT BIDDING, TRAINING, WORKZONE SURCHARGE, TOXIC

Person, State Agency, Municipality or Legislative Body Lobbied:

CHAMBER, DEPT. OF LABOR, NYS SENATE, ASSEMBLY, EXEC.

Bill, Rule, Regulation or Rate Numbers lobbied:

A02101, S01402, A02102, S05623, A02103, S01404, A02104, S01401, A02105, S01400, A02100, S01403, A07210, S03606, A08624, S04122, A08106, S03786, A08180, A08220, A08164, A08224, A08148, A08168, A08164, S01689, A00610, A00907, A08180, A08228, A08486, A08264, A08224, S04610, A08586, S03608, A08228, A08014, S02452, A08148, A1499, A1733, A1858, A3463, A3765, A4088, A4264, A7507, A4387, A5491, A5751, A5927, A610, A6248, A67, S01779, S00850, A07177, S03321, A08069, S01779, S02097, S03606, S03607, S03608, S03786, S04074, S04791, S03944, S03945, S01525, S01689, S04610, S05623, S05702, S064, S04791, A08293, S04377, S01405, S05080, S05591, S04122, S04380, S0850, S0861, S0896, S0898, A068, A07177, A08162.

Title and Identifying # of procurement contracts and documents on which you expect to lobby:

Check if none lobbied

Number or Subject Matter of Executive Order of Governor/Municipality on which you expect to lobby:

Check if none lobbied

Subject Matter of and Tribes Involved in tribal-state compacts, etc on which you expect to lobby:

Check if none lobbied

Actual Submission Date

Actual submission date:

Declaration

 Help

I declare under penalty of perjury that the information contained in this report is true, correct, and complete to the best of my knowledge and belief.

(If form is being entered or was entered into system by NYTSCOL personnel, checked box below indicates that the Responsible Person signature was on the original paper form submitted to NYTSCOL).

Check box to agree with previous statement

Date: 09/25/2003

First Name: JAMES M.

Last Name: MELIUS

Comments: HC 07-15-03

Fees

Client Semi Annual Report Fee: \$50.00

IMPORTANT: Please note that filing fees are non-refundable.  Help

Payment Mode

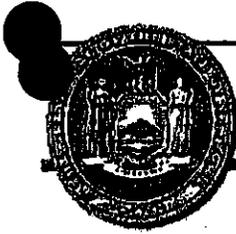
Check / Cash: Check Number: 1583

Workflow

Date	User	Queue	Comment
09/25/2003	JPHELPS	Submitted	Form submitted by the user ...
10/07/2003	PWADE	Approved	

EXHIBIT 3





New York Temporary State Commission on Lobbying On-Line Lobbyist Registration System



User: Lori Donadio

[Client Semi-Annual Report Menu](#) [Client Menu](#)

Client Semi-Annual Report Help

Form Confirmation #: CSR0000002047

Year of Registration: 2003

Report Period:

Mark one:

January - June

July - December

Type of Lobbying:

NonProcurement Procurement Both Help

Client Information

(To make changes to any of the Client Information, go to "View / Manage the Client Profile" in the Client menu)

Client Name: LABORERS' PAC (NYS)

Business Address 1: 18 CORPORATE WOODS BLVD.

Business Address 2:

City: ALBANY

State/Province: NY

Zip Code: 12211

Country: UNITED STATES

Business Phone: (518) 449-1715

Fax Number: (518) 449-1621

Email Address: MELIUS@NYSLIUNA.ORG

Chief Administrative Officer First Name: JAMES

Chief Administrative Officer Last Name: MELIUS

Chief Administrative Officer Title: ADMINISTRATOR

Third Party Beneficiary: Help

Lobbyists Information & Compensation (current period only)

Help

You must report each lobbyist that lobbied on behalf of the client regardless of whether the threshold was exceeded by that lobbyist

or Enter a New Name: MEYER SUOZZI ENGLISH & KLEIN, PC

Business Address 1: 1 COMMERCE PLAZA SUITE 1102

Business Address 2:

City: ALBANY

State/Province: NY

Zip: 12207

Phone: (518) 465-5551

Level of Government Lobbied: State Local Both

Type of Lobbyist: Retained Employed Designated

Compensation for current period: \$45,000

or Enter a New Name: POWERS CRANE & COMPANY, LLC

Business Address 1: 90 STATE STREET SUITE 1422

Business Address 2:

City: ALBANY

State/Province: NY

Zip: 12207

Phone: (518) 431-0720

Level of Government Lobbied: State Local Both

Type of Lobbyist: Retained Employed Designated

Compensation for current period: \$45,000

Total Compensation of All Lobbyists for Current Period: \$90,000

Other Lobbying Expenses (Current Period Only)

Help

A. Report in the aggregate all expenses less than or equal to \$75: **\$299**

B. Report in the aggregate all expenses for salaries of non-lobbying employees: **\$0**

C. Itemize all expenses exceeding \$75:

I have no itemized expenses to report for this period.

Check box to agree with previous statement or enter expenses below

Paid to	Date	Purpose	Ad? Social Event?	Amount	Lobby Type	<input checked="" type="radio"/> H
MEYER, SUOZZI	06/01/2003	ZAP COURIER SERVICE	<input type="checkbox"/> <input type="checkbox"/>	\$326	NonProcurement	
MEYER, SUOZZI	09/05/2003	DATABASE	<input type="checkbox"/> <input type="checkbox"/>	\$98	NonProcurement	<input checked="" type="radio"/> H
MEYER, SUOZZI	10/20/2003	BUSINESS MEAL	<input type="checkbox"/> <input type="checkbox"/>	\$146	NonProcurement	<input checked="" type="radio"/> H

Paid to	Date	Purpose	Ad? Social Event?	Amount	Lobby Type	H
MEYER, SUOZZI	12/04/2003	REGISTRATION FEE	<input type="checkbox"/> <input type="checkbox"/>	\$100	NonProcurement	<input checked="" type="checkbox"/> H
MEYER, SUOZZI	12/05/2003	DATABASE (LRS)	<input type="checkbox"/> <input type="checkbox"/>	\$98	NonProcurement	<input checked="" type="checkbox"/> H
POWERS, CRANE	07/01/2003	ENTERTAINMENT	<input type="checkbox"/> <input checked="" type="checkbox"/>	\$177	NonProcurement	<input checked="" type="checkbox"/> H

D. Total expenses for current period (A+B+C) : \$1,244

Subjects lobbied:

CROTON WATER PLANT, HEALTH AND SAFETY, LABOR ISSUES, PREVAILING WAGE, PUBLIC WORKS, RECORDKEEPING

Person, State Agency, Municipality or Legislative Body Lobbied:

ASSEMBLY, STATE SENATE, NYS DEPARTMENT OF LABOR, NYS EXECUTIVE CHAMBER

Bill, Rule, Regulation or Rate Numbers lobbied:

2003 BUDGET, A1499, A1733, A1858, A3463, A3785, A4068, A4264, A7507, A4387, A5491, A5751, A5927, A810, A8248, A87, A7177, A88, A7210, A8069, A8162, A8014, A8069, A8293, A8164, A8224, A8148, A8168, A8180, A8228, A8486, A8264, S1779, S2097, S3606, S3607, S3608, S3766, S4074, S4791, S3944, S3945, S1525, S1689, S4610, S5623, S5702, S64, S5080, S5591, S4122, S4380, S850, S861, S896, S4377

Title and Identifying # of procurement contracts and documents on which you expect to lobby:

Check if none lobbied

Number or Subject Matter of Executive Order of Governor/Municipality on which you expect to lobby:

Check if none lobbied

Subject Matter of and Tribes involved in tribal-state compacts, etc on which you expect to lobby:

Check if none lobbied

Actual Submission Date

Actual submission date:

Declaration

 **Help**

I declare under penalty of perjury that the information contained in this report is true, correct, and complete to the best of my knowledge and belief.

(If form is being entered or was entered into system by NYTSCOL personnel, checked box below indicates that the Responsible Person signature was on the original paper form submitted to NYTSCOL).

Check box to agree with previous statement

Date: 01/10/2004

First Name: JAMES

Last Name: MELIUS

Comments:

Fees

Client Semi Annual Report Fee: \$50.00

IMPORTANT: Please note that filing fees are non-refundable.  **Help**

Payment Mode

Check / Cash: Check Number: 1643

Workflow

Date	User	Queue	Comment
01/10/2004	CL001298	Submitted	Form submitted by the user ...
01/25/2004	RLAW	Phone Back	ck rec 01/15/04 #404889
01/26/2004	PWADE	Approved	