

CIVIL PENALTY REFERRAL

Lobbyist: Crane & Vacco LLC and Crane Consulting Group LLC

Client: Delaware North Companies, Inc. ("Delaware North")

Alleged Violations:

Filing of a false 2004 July/August Lobbyist Bimonthly Report pursuant to §1-i and §1-o of the Lobbying Act, Laws of 2005.

Provision of an illegal gift to a public official, Assemblyman Gromack, pursuant to §1-m and §1-o of the Lobbying Act, Laws of 2005.

Provision of an illegal gift to a public official, Senator Morahan, pursuant to §1-m and §1-o of the Lobbying Act, Laws of 2005.

Maximum Penalty Pursuant to Statute: Up to \$100,000 for the three violations: up to \$50,000 for each false filing; and up to \$25,000 for each of the two illegal gifts.

BASIS FOR REFERRALS

Filing of a False 2004 July/August Lobbyist Bimonthly Report:

In 2004, Delaware North was a registered client of the lobbying firm Crane & Vacco, LLC.

Delaware North invoice referenced as DN-03 and dated August 1, 2004 (Exhibit 1), lists a \$154.69 expense for dinner on June 24, 2004 in Albany, New York, which the lobbying firm does not report in its contemporary Bimonthly Reports filed with the lobbying Commission (Exhibit 2) or the 2004 Client Semi Annual Reports (Exhibit 3). Because the lobbyist invoiced the client for an expense that was not disclosed, there is sufficient basis to refer Crane & Vacco LLC for false filing of the 2004 July/August Lobbyist Bimonthly Report on behalf of client Delaware North.

Therefore for all of the foregoing reasons, the Commission has a basis to refer Crane & Vacco LLC for the false filing of the 2004 July/August Lobbyist Bimonthly Report on behalf of Delaware North.

Provision of Illegal Gifts to Public Officials:

Delaware North invoice DN-03 and dated August 1, 2004 (Exhibit 1) also lists a \$236.75 expense for dinner at Café Capriccio on June 15, 2004 in Albany, New York with Assemblyman Gromack and Senator Morahan. While this expense is apparently reported on the 2004 July/August Lobbyist Bimonthly report for Crane & Vacco, LLC (See Exhibit 2), the Commission has sufficient basis to believe two illegal gifts were provided by paying for the meal of at least two public officials.

Commission staff obtained a copy of the Café Capriccio bill and a receipt for the June 15, 2004 dinner, signed by Mr. Crane. (Exhibit 4). Based on this bill and receipt, the actual total paid including gratuity was \$473.49 and it appears that Mr. Crane paid the entire amount. As it appears Crane & Vacco only charged Delaware North for one-half of the total bill, Commission staff conducted a filing search that has produced evidence which indicates that a separate lobbying firm, Crane Consulting Group, LLC, for whom Mr. Crane is a registered lobbyist, may have reported that it sought reimbursement from one of its clients, Southern Tier Acquisition LLC, for the other half of the same Café Capriccio bill in its 2004 July/August Bimonthly Report. (Exhibit 5)

It appears that 5 persons were present for the June 15, 2004 dinner, at least two of which are public officials. Accordingly, the proportional value of each person's meal is \$94.70, which is in excess of the \$75 gift limit effective at the time.

For the foregoing reasons, there are bases to refer Crane & Vacco and Crane Consulting Group for the provision of two illegal gifts, one provided to Assemblyman Gromack and one to Senator Morahan.