

For Crane, job No. 1 is taking care of No. 1

Marty Trillhaase/Lewiston Tribune

Among Idaho's elected state officials, Treasurer Ron Crane keeps a low profile. About the only time you hear anything from him is when he's screwing up.

Paid \$101,150 a year, the four-term Republican manages tax dollars that have been collected but are not yet required to pay bills. His mission involves generating a little extra income by investing that cash.

He does that for cities and counties through a local government fund - and then for the state in a separate account.

Crane ran into trouble in 2008-2009 when the financial collapse diminished the value of mortgage-backed securities he had purchased on behalf of the local governments.

For Crane, that meant an embarrassing headline. When city and county leaders learned of the loss, they'd complain and possibly withdraw their funds. Plus the account was rated by Standard and Poor's.

All the world would have seen S&P lower its rating on an account Crane managed.

So he covered it up.

On two occasions, he used the state's idle funds to exchange the distressed securities at full face value from the local government account and sheltered them in the state account under lock and key.

Nobody was the wiser until Friday when a legislative auditor blew the whistle. At minimum, Crane's manipulation cost you \$10.2 million. But another batch of securities Crane switched out of the local government account could end up nailing you for another \$17 million.

"The reallocation activities were not completed in a manner to manage the Idle Pool assets in the sole interest of the Idle Pool participants and did not clearly preserve the fiduciary duty of undivided loyalty," the legislative auditor wrote.

That's about as close as you can get to a professional auditor declaring Crane violated his obligations to the people who elected him.

If this sounds dimly familiar, go back three years. That's when legislative auditors looked into the way Crane spent state cash - on himself.

He was billing the state for the money he spent commuting to the state Capitol from his home in Nampa. Auditors thought he broke the law. Canyon County Prosecutor Bryan Taylor declined to file charges.

When he squired aides, legislators and their spouses to New York City to secure the state's bond rating, he lavished money on stretch limousines rather than taxi cabs.

He also employed a system that kept you in the dark about how he spent your money on these trips. Auditors noted the costs of these trips were folded into a contractor's bill. The contractor then deducted his expenses from the bonding fees, thereby shielding the entire transaction from state accountants. Was Crane profligate with lodging and meals? Was he requiring spouses to pay their own expenses? Nobody knows. There's no paper trail.

No other state official has the ability to draw the curtains like that.

Auditors also drew attention to the state treasurer funneling \$10,000 from his office budget to a "Smart Women, Smart Money Conference," that was hosted by a nonprofit organization owned by - you guessed it - Crane. He acted without an appropriation or legislative authorization.

Crane's response to all this is to beat a hasty retreat. He dodged legislator questions Monday.

Crane said this is all politically motivated. Only with 20-20 hindsight could anyone see the investments wouldn't pan out.

How is that unlike President Nixon saying, with 20-20 hindsight, he would have stopped the Watergate burglary?

This year, the price of Crane's duplicity is \$10 million and counting. Any idea what it will cost you next year? - M.T.