# Crane no longer deserves benefit of the doubt

**Marty Trillhaase/Lewiston Tribune**

It's not enough for Idaho state Treasurer Ron Crane to deny the latest round of accusations that he has wasted your tax dollars on insider deals.

Long ago, Crane forfeited his right to the benefit of the doubt.

At issue are the half-billion dollars worth of tax anticipation notes that cover debts government incurs before tax revenues arrive. With an amount that huge, even a fraction of a percentage point to cover the financial services or pay interest can amount to hundreds of thousands of dollars.

Now comes Cameron Arial, a former investment banker with Zion's Bank, who serves on the State Treasurer's Investment Advisory Board lawmakers established three years ago amid one of Crane's earlier screwups.

Arial told the Idaho Statesman's Bill Dentzer that by refusing to put the TAN underwriting services contract out for bid, Crane paid $279,000 in fees to Piper Jaffray. By contrast, the state of Colorado put its contract out for bid and wound up paying $33,000 in fees to a syndicate of underwriters.

Crane also paid $600,000 more in interest than Colorado.

If any of this sounds familiar, it's because Arial's complaints contain threads of the story Dentzer unearthed about a year ago. Christopher Priest, Crane's former deputy, said he was fired after complaining about the way the treasurer farmed out work that could have been performed in-house.

For example, Crane paid Idaho Trust Bank $75,000 a year without competitive bidding. He also gave Utah financial adviser Cheryl Cook a contract to manage tax anticipation notes. And, according to Priest, Crane was padding his expense account.

Priest's whistleblower lawsuit is pending.

No longer, however, is there much doubt about how Crane manipulated two accounts to hide how much money his investment of idle tax funds lost during the 2008-09 financial collapse. When the dust settled, Crane cost taxpayers about $10 million.

Nor is there much dispute about the way Crane lived high on the public dime, squiring himself and legislative guests around Manhattan in stretch limos en route to securing the state's bond rating.

Colorado, Dentzer noted, handles the same process over the phone.

And it's been documented that Crane at one point billed Idaho taxpayers for the nearly $8,000 he spent filling up his gas tank for his commute from Nampa to Boise - something that would have landed an ordinary state employee in serious trouble.

But this time, Crane insists he's been unfairly maligned. Comparing Idaho with only one other state tells you little - especially when the way Colorado arranges its tax anticipation notes and securities differs so much from Idaho.

Besides, how was Crane supposed to know interest rates would fall between June 7, 2016, when Idaho borrowed its money, and July 19, when Colorado executed its purchase?

Actually, some of that sounds plausible enough. So why not turn the matter over to the Investment Advisory Board for review? That's what Arial suggested last month.

"Given this information and my understanding of how the current year's process is proceeding, it is in the state's interest that we meet as soon as possible to address these concerns," he wrote.

For starters, have that panel resolve these questions:

- Is Crane acting within his discretion?
- Are his decisions costing Idaho taxpayers too much?
- Is this episode part of a broader pattern?

Lawmakers put Crane in charge of that board - naming him its chairman. They also limited its authority to advise the treasurer, not engage in oversight. Until Crane reverses his refusal to have the group second-guess his work, nothing probably will happen.

All of which raises the question: Were Crane's fellow Republicans in the Legislature trying to reform the system or just whitewash the matter?

Depending on Crane's next move, you'll know soon enough. - M.T.