



State of New York  
OFFICE OF THE ATTORNEY GENERAL

ELIOT SPITZER  
Attorney General

PUBLIC INTEGRITY UNIT

December 29, 2006

By Facsimile & U.S. Mail

Thomas A. DeSimon, Esq.  
Harris Beach PLLC  
99 Garnsey Road  
Pittsford, New York 14534

Dear Mr. DeSimon:

As you know, it came to the attention of the Office of the Attorney General of the State of New York (the "OAG") that the Geneva Industrial Development Agency (the "IDA") entered into an agreement pursuant to which the IDA took ownership of a truck in satisfaction of debts owed to the IDA by a company owned by a member of the City Council of the City of Geneva (the "City Council").

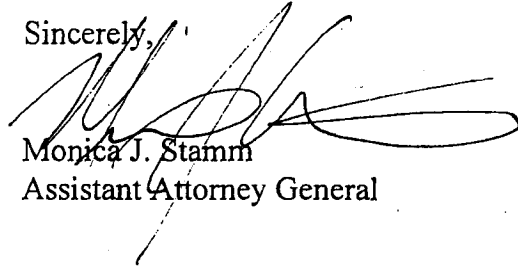
Specifically, in or about March 2005, the IDA agreed to accept ownership of a fifty-five foot boom utility truck, purportedly valued at \$6,000, in lieu of payment of the outstanding amount due from Carroll & Keavney, a company owned by William Krueger, then a member of the City Council. The IDA's minutes of its meeting on March 22, 2005 reflect that the City of Geneva (the "City"), in turn, would purchase the truck from the IDA. The issue thus arose as to how the IDA could bind the City to a certain course of action, especially where a City Council member, who benefitted from the transaction, would be in a position to vote on such transaction.

The OAG's investigation has confirmed that the parties involved repeatedly failed to take appropriate steps to avoid conflicts of interests and to ensure that proper disclosures were made to the City Council. Of particular concern is Mr. Krueger's failure to disclose his conflict of interest and/or recuse himself prior to voting in favor of the City's budget for 2006, which included a line item for the purchase of his former truck from the IDA.

The OAG has determined, however, that in light of Mr. Krueger's resignation from the City Council effective in September 2006, among other considerations, it is not advisable for the OAG to take further action at this time. We suggest, however, that the details of the transaction and conflicts of interest be disclosed to the City Council at the next public meeting.

Should you have any questions, you can reach me at (212) 416-6544.

Sincerely,

A handwritten signature in black ink, appearing to read 'Monica J. Stamm', written over the typed name and title.

Monica J. Stamm  
Assistant Attorney General

cc: Clark Cannon, Esq. (by mail)