



June 30, 2008

Mr. Anthony Picente
Oneida County (NY) Executive
Oneida County Office Building
800 Park Avenue
Utica, NY 13501

Re: Oneida County Convention and Visitors Bureau
Request for Executive and Legislative Inquiry

Dear Mr. Picente,

I am asking your office and the County District Attorney to immediately initiate an investigation into the operation and continued viability of the Oneida County Convention and Visitors Bureau (OCCVB).

Having joined this Board in my capacity as General Manager of the Hotel Utica in the summer of 2007, I have observed an entity and its employees that operate in a flawed manner. Furthermore, the OCCVB clearly has an inequity of business referrals, a complete lack of communication, an unwillingness to engage in meaningful business discussion; a lack of a direction in what the County truly needs to market itself as, and an inability to define where people actually stay when they come to Oneida County. Most importantly, the OCCVB contributes to an obvious and admitted level of preferential treatment to certain Board Members or their entities they represent. This is not the intent of the tax dollars allocated from the County to promote and stimulate revenue for the ALL businesses in the area.

I am cognizant that this is a relatively small community, and that a large portion of the business and political leaders have essentially grown up together since childhood. Those personal relationships are at times a benefit to the taxpayers and sometimes a detriment. In this case, I hope that these relationships do not curb what must be a most thorough investigation.

The OCCVB is primarily funded by tax dollars collected from an occupancy tax that is generated from Hotel room revenue. Annually the County votes to allocate these dollars to the OCCVB, in expectation that it will promote tourism and drive revenue to the area. It is the expectation of the Hoteliers that we benefit from this tax in getting a fair share of events, groups and others that are drawn to the area. The Hotel Utica has had virtually no financial benefit from anything driven by the OCCVB in the last few years. **VIRTUALLY NO BENEFIT.**



Also, on the OCCVB website, we have no "detailed" description about our Hotel, even though I wrote a narrative about it last fall. Nor are we listed as a convention venue. All this, despite our abundant meeting space. This omission is willful, unacceptable and obviously deliberate.

Perhaps the icing on the cake has been the inability of my sales and reservations manager to get a lunch meeting with the OCCVB's Director of Sales. She has been trying since February to get together and discuss how much our operation has improved and to build rapport. I guess she must be completely swamped with meeting and appointments.

Over the last two months, since I began raising some serious questions, the OCCVB has begun to initiate a small level of communication. That said they have been unable or unwilling to share information where certain groups have stayed during their visits to the area. In the upcoming week, a National Roller Hockey tournament is set for a week at the AUD. The OCCVB has commented that this will generate nearly a \$1,000,000 of revenue for the area as people are coming from all over the Country to participate in this fun event. The Hotel Utica has booked ONE room for this, despite a discounted rate, the offer of free breakfast and 10% off in our bar and restaurant. I cannot believe that we have ONE room booked when we are right across the street from the arena; and an estimated 1000 people are descending upon Downtown.

A month earlier the Air Force Resource Center had 350 people stay in the area for multiple nights. It is no secret that our historic Hotel is a popular spot for government related people. We had three people stay with us. When I pressed OCCVB's director of sales for some follow-up and better specifics, I received three unfulfilling emails that stated "they stayed on North Genesee Street". I am prepared to share those emails at your request.

When pressed during Board Meetings with fair and tough questions regarding the operation, The OCCVB President Paul Ziegler often becomes agitated and shows an unwillingness to receive constructive criticism. This came to a head earlier this year, when Ziegler attempted to remove Ferris Betrus from the Board in the form of a letter, citing a change in status. Ziegler not only acted outside the scope of his authority in an attempt to push out an outspoken Board member, but should have been disciplined during an executive session of the Board. The executive session that was held at the end of May (oddly enough the week of my honeymoon) obviously did nothing. I am of the belief that Mr. Betrus could have sued the Board and Ziegler for those actions.

I was confronted by Mr. Ziegler this past Wednesday in front of the U.S. Post office about my recent concerns on the OCCVB. He stated to me that he was aware of my belief that the OCCVB provides preferential treatment to a select group of Hotels and that I WAS CORRECT. This was due to a matter involving his wife's employment a few years ago and that only one Hotel stepped up and helped her. He also stated that the Hotel Utica didn't reciprocate on rates when we reopened in 2001, I informed Ziegler that 2001 was along time ago, and that his wife's employment status from years back is irrelevant to his role a President of the OCCVB. I further commented that the Hotel has received virtually no fiscal benefit from our contribution to the County and that it was time that some questions



are raised. Later that day, one of the Hotel Utica owners received a phone call from another Board member asking why I was pressing this issue.

Mr. Picente, I am prepared to be interviewed by either you, your attorney general or during an open hearing of the County legislative body. I am further prepared to go to Albany and discuss this at the State level. I would encourage you to speak to other Hoteliers and my fellow board members as soon as possible.

In the interim, I would strongly suggest that the County consider holding back funding of the OCCVB for the upcoming fiscal year until a full investigation is completed. That investigation should include either a subpoena of all OCCVB records, inclusive of all landline and cell records of its employees; all email records (inclusive of personal and deleted emails) and interviews of the entire staff under oath. Clearly, the OCCVB is either not operating up to its capacity, or its streamlining business to select entities.

If your investigation supports my claims, I would call for the immediate dissolution of this entity, and to reallocate funding to either a newly created OCCVB (with a complete change of staff and direction) or allocate these much needed funds to the local Chamber's of Commerce in a proportionate and equitable manner.

Personally, I have concerns of retaliation based on having the courage to speak up. If sued, I will seek out the OCCVB to indemnify me for any retaliatory claim. I am prepared to retain a prominent Manhattan based firm to represent me, if necessary.

I am available as necessary to discuss this matter. I cannot express into words the seriousness of this situation and the concerns of others on the Board.

Cordially,

Anthony J. Zaleski
Director
Oneida County and Convention Bureau Board of Directors

Cc: Scott D. McNamara County District Attorney
Board of Directors OCCVB
Editorial Board Observer-Dispatch (Utica, NY)
Editorial Board Albany Times-Union