

Suffolk Comptroller urges County to drop its contract with LICVB

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Suffolk Comptroller Joseph Sawicki last week urged the county to drop its contract with the Long Island Convention and Visitors Bureau, claiming that it could save \$1 million and that the county would be better off boosting the tourism industry itself.

Sawicki's recommendation came in a 10-page management letter that showed Suffolk paid the nonprofit tourism agency more than twice what Nassau County spent using the 3 percent hotel/motel tax. Suffolk paid \$1.98 million last year, while Nassau provided \$726,000 for bureau promotions that largely tout Long Island as a region.

The management letter, sent to Suffolk County Executive Steve Bellone and county lawmakers, accompanied an audit for the years 2009 and 2010 that found the bureau misspent \$806,000 by not specifically promoting Suffolk destinations and unfairly favoring bureau members in providing services, such as sales leads and advertising, over other local tourism businesses.

"Why are we paying 2 1/2 times what Nassau does to market to all of Long Island?" Sawicki said in an interview. "This agency has a lot of inherent problems when it comes to spending Suffolk tax money. It's time to cut the umbilical cord."

The comptroller, in his management letter, also said, "At the very least, we believe Suffolk should only fund the LICVB in an amount matching Nassau's funding." "Then a 'regional' advertising promotion campaign would be fair and equitable to both counties."

Mokey McGowan, the convention bureau's president, said he was surprised by the management letter, noting there was nothing in the audit saying the agency's contract should be eliminated. McGowan obtained a copy of the management letter from a Newsday reporter.

"I do not concur with Mr. Sawicki that moving in-house would bring in anywhere near the returns the bureau has been able to provide in terms of sales and marketing activities," McGowan said. He added, "I feel confident that we will be able to answer questions brought up in the audit," noting the agency works closely with county economic development officials.

However, lawmakers and a Bellone aide expressed deep concerns over Sawicki's findings.

"This is a devastating audit," said Deputy Presiding Officer Wayne Horsley (D-Babylon), adding that he would chair a public hearing Wednesday on bureau operations. "The audit seems to say they are shortchanging the county and feathering their own caps. This is serious and must be dealt with."

Legis. Jay Schneiderman (I-Montauk), who owns a hotel and is not a bureau member, said the audit confirms his own misgivings about the bureau. He said bureau members, whose dues make up only 4 percent of the agency's budget, get leads on inquiries and placement in ads even though all hotels pay the room tax. "In effect, they are collecting money to drive business to competitors," Schneiderman said.

McGowan said the bureau's sale-leads program for meetings, conventions and sporting events complies with its county contract. He added that the agency does forward leads to nonmembers because of the "bureau's desire not to lose a potential piece of business to another destination" if a nonmember can meet a client's needs.

Deputy County Executive Jon Schneider said Sawicki raises "a lot of troubling questions" and his recommendation will be seriously reviewed. Asked if the Bellone administration would consider taking over tourism promotion, he said, "It's not out of the question."

To drop the bureau, Sawicki acknowledged it would take a change in the state hotel/motel room tax law because the current law mandates that 24 percent of Suffolk's room tax revenue go to the agency.