



STATE OF NEW YORK
OFFICE OF THE STATE INSPECTOR GENERAL

**Investigation Finds Conflict of Interest by Superintendent
of Ski Center Operated by Department of Environmental Conservation**

May 9, 2007

An investigation by New York State Inspector General Kristine Hamann concluded that Tony Lanza, the Superintendent of Belleayre Mountain, a ski center operated by the New York State Department of Environmental Conservation (DEC), engaged in conduct that constituted a conflict of interest between his official duties and private activities.

The Inspector General's investigation found that Lanza, who is a DEC employee, and a personal friend own a house in Fleishmanns near Belleayre Mountain in Highmount. From November 2004 to March 2005 and November 2005 to March 2006, Lanza and the friend rented the house to the Boston Concession Group (BCG), which at the time was under contract with Belleayre to operate the ski shop and food concessions at the ski center. BCG used the house rental for its employees who worked at Belleayre, and made rental payments to Lanza and his friend totaling \$14,500.

The investigation also determined that the "Belleayre Trolley", a State-owned shuttle bus used to transport skiers from Fleishmanns to Belleayre and between the ski resort and outlying parking lots, made trips solely for the purpose of carrying the BCG employees residing in Lanza's and Peretta's house to and from work. BCG still holds the Belleayre contract, and while its employees no longer stay in the house, they continue to commute between Fleishmanns and Belleayre on the shuttle bus.

We also found that Lanza contracted agency business with his friend, who was paid more than \$1,000 by Belleayre for consulting services she provided in the preparation of pamphlets.

Additionally, our investigation revealed that since 1995 Belleayre has deposited the approximately \$33,000 it receives annually in concession revenues from BCG into a checking account established and managed by Artemisia, an advertising firm that had been employed by Belleayre. According to Belleayre officials, the account was created so that Artemisia could be paid promptly for its services. In 2002, Belleayre decided to do its own promotional activities and ceased using Artemisia's advertising services. Despite this change, Belleayre requested Artemisia to continue managing the checking

account, for which Belleayre paid the firm \$200 a month. This unusual and irregular arrangement existed from 2002 to the time of our investigation. During this period the account was used to pay travel expenses for Belleayre employees who took business trips to ski shows, and to reimburse employees for incidental advertising expenses they incurred. Our examination of all checks written on the account from January 1, 2002 to the present did not disclose any suspicious activity regarding the expenditure of funds.

Finally, our investigation found that Belleayre lacks procedures to account for its use of State-owned vehicles. As a result, no vehicle use records are maintained by Lanza or other Belleayre employees who are assigned State vehicles.

We reported the findings of our investigation to DEC. We also referred Lanza's conduct to the New York State Ethics Commission.

In response to our recommendations, DEC advised that its use of the checking account maintained by Artemisia will immediately cease, and that it will implement appropriate accounting procedures for vehicle use at Belleayre. DEC also advised that it is in the process of reviewing Lanza's conduct, as the Ethics Commission deferred to DEC on this matter.