



# RCI BULLETIN

1510 NEWTOWN PIKE, SUITE 210  
LEXINGTON, KY 40511

PHONE: (859) 224-7070 FAX: (859) 224-7071  
EMAIL: SUPPORT@ARCI.COM

## Volume 77, Issue 7 August 16, 2010

### **Boutique Meets at the Crossroads**

The 40-day Saratoga race meeting is in its 22nd day. That leaves a little less than half the season remaining. Nothing will change some developing trends. Business at the country's most historic course is down again.

Likewise, Monmouth Park has enough in its most recent past to warrant a thumb's up or thumb's down on the great experiment. Horse racing on the Jersey Shore will continue on after Labor Day, although the track's "boutique meet" – if you dare call it that - concludes in three weeks.

How are the two tracks faring in competition? Well, the answer to that question depends on perspective. The officials responsible for both entities are saying they survived a tough summer, bucked a bad economic trend and gave horse racing fans the best they could under trying circumstances. Are you buying that?

Saratoga's numbers are down in any which way you want to view them. The track's most embarrassing news releases are those that try to distort them. It's been a treat to open the email and find something of interest from NYRA. But on those days when numbers are released, it is painful.

After the first four days of racing, the spin was that the Spa performed better than Belmont. After ten days of racing, the spin was that NYRA was pleased to be down more than 10 percent because the slide compared favorably to projections. Neither NYRA release could be called spin, come to think of it. Both were so blatantly defensive and obviously manipulated, only someone who can't read between lines would believe them.

"Wagering across the country on races run through the first two full weeks at Saratoga is nearly identical with 2009 figures," reckoned Dan Silver, NYRA's Director of Communications, in a release dated August 9, 2010 that had a headline that read "Handle Nearly Even With Races Run Through Two Full Weeks at Spa."

DAN HARTMAN  
Colorado  
Chair

EDWARD MARTIN  
RCI  
President/CEO

WILLIAM KOESTER  
Ohio  
Chair Elect

JOHN SABINI  
New York  
Secretary/Treasurer

Silver calculated that a 4.7 percent decline in all sources handle measured up well to the 3.3 percent fewer races run during the period. In addition, CEO Charles Hayward was quoted, "The 2010 meet is off to a roaring start with great performances and strong support from our on-track fans and simulcast customers." On-track handle for the two weeks was down 11.7 percent for Days 5 through 16. Attendance was down 3.2 percent.

In comparison, Monmouth Park's halfway numbers looked stronger. Using only the previous year's Friday, Saturday, Sunday and holiday Monday cards in comparison, overall handle was up 118 percent. Daily attendance was up 13 percent and on-track handle jumped almost 43 percent.

"To say at the midway point that this meet has been a success is an understatement," Dennis R. Robinson, president and CEO of the New Jersey Sports & Exposition Authority, remarked in a published release. Then the governor of the State said he's selling the tracks and pulling back on the casino subsidy that made it all possible. Monmouth claims to pay \$1 million in purses each day. In fact, on most days the purses are half that.

What's amazing is that both Saratoga and Monmouth are filling their races with horses. Granted, neither track's purses are what they should be for the quality of the horses that are running. But, that's just a detail. When the added income from Aqueduct slots makes New York's purses higher, the chance for horsemen to make money will sky-rocket. If horse racing in New Jersey survives, you can bet that whoever's in charge won't go back to a grinding calendar.

Despite these developments, the fans of each track, who have stuck by their sport, have got to be pleased. Monmouth's Haskell Invitational Stakes was this summer's Midsummer Derby, bringing together a field of three-year-olds as deep in quality as any they'll witness this year. Lookin at Lucky should earn Eclipse honors even if he doesn't compete in the Breeders' Cup Classic.

Saratoga's a delight, despite dwindling crowds and a plate of daily claiming races. Even with maiden special weights purses nearly 40 percent lower than Monmouth, next year's Triple Crown contenders are emerging there. The country's biggest bettors converge at the Spa. The sport's most important individuals gather under its elms. It'll remain a rite of summer for as long as it isn't turned into Belmont North or Finger Lakes East out of greed.

Had you been at Saratoga's Paddock Bar when the eighth race took place yesterday, you'd know why the sport can find customers given the right circumstances. Two winners dead-heated and seven horses crossed the line within two lengths of each other. There was a buzz in the air that you don't find at many sports. It mattered little to anyone whether he won or he lost. Sharing a feeling like that among a broader audience is what's needed. How does one do that?

The problems in horse racing are such that racecourse operators live hand to mouth, day to day like some bums on the street. They take whatever they can at every opportunity, because if they don't they may perish. Thoroughbred sport, being the licensed entity it is, has for too long depended on legislation and not enough on developing its product to make it more attractive. Is an infusion of marketing smarts even possible?

Changes will undoubtedly come to Monmouth and Saratoga next year. How they react to the challenge of being in a different place economically can determine the future for a long time. If they

don't invest wisely to let time work its effect, but spend foolishly to live high for a short time, there won't be a tomorrow, only yesterday.

It seems foolish to think that these institutions could be threatened; they've been around for so long. Yet, the one that seems more viable now due to actual growth is the one that's more likely to fall. The one that's lost customers and income each year for several years has been given a lifeline. How fast things can change – that's the problem.

Source: *The Bloodhorse*.

## **Polytrack Debate Far From Over Del Mar Racing Insiders Remain Strongly Divided**



Photo by: Eduardo Contreras

Polytrack has changed the sport of horse racing at the Del Mar Racetrack, but with hundreds of races already won and lost in the past 3½ years, there remain two distinct camps regarding the controversial synthetic surface.

Some trainers, such as Bruce Headley, Mike Mitchell and John Shirreffs, despise it and want all tracks to return to dirt.

“I’m sitting on good horses here, but I can’t race them on this surface,” said Bob Baffert, a member of the sport’s Hall of Fame.

Others, such as Richard Mandella, Barry Abrams and Carla Gaines, say Polytrack has resulted in sounder horses and remains the surface of the future.

“The window of opportunity for dirt has closed,” said Mandella, another Hall of Famer.

Polytrack was installed in 2007, billed as a solution for making the sport safer. At Del Mar, a 73-year-old San Diego County institution where hundreds of thousands of fans attend the races each year, the surface has had its critics from the beginning.

This summer has been no different.

First-year track superintendent Richard Tedesco has wrestled with the Polytrack’s mix of sand, recycled polypropylene carpet fibers, rubber and wax. Training was canceled one day because the materials separated, leaving the track uneven. That same kind of separation almost resulted in Zenyatta being withdrawn from a recent race, which would have been an international embarrassment for Del Mar, one of the nation’s premier tracks.

Five horses have died from injuries suffered on the Polytrack in this meeting, one during a morning workout and four during races, including one Friday and another Saturday. In 2009, 11 horses died

on the Polytrack at Del Mar, six during racing and five in training. In 2006, the last year Del Mar had a dirt track, 18 horses died during the meeting, 14 of them on the dirt surface.

Mike Mitchell, one of the meeting's leading trainers, trained the horse that died Saturday. Even before that accident, Mitchell was highly critical of Polytrack.

"I saw a magazine article the other day from 50 years ago that was calling for safer racetracks for horses," Mitchell said. "Fifty years later, and nothing has changed. To me, the breakdowns are just as bad, if not worse. You're dealing with hind-leg problems that you never dealt with before. Everyone has them. A lot of statistics are just a portion of breakdowns. We work them and take them back to the barn, and 30 minutes later they can't walk. These tracks are terrible, and I'm sick of them."

Mitchell said he hoped to hear soon "that Santa Anita is going back to a dirt track, and then the rest of them go back to dirt, too."

That's not likely to happen anytime soon. The California Horse Racing Board mandated that all of California's major tracks switch to synthetic surfaces before the 2007 season. Horse deaths due to injuries on dirt surfaces were the reason.

Toby Turrell, a publisher, clocker and handicapper who once bred and owned horses, agrees with Mandella.

He said more data and science are needed and more discussion needs to happen before synthetic tracks are put out to pasture.

"It (dirt) is not an option," Turrell said. "The horse population is so fragile that we need to just get through these times. I believe we're getting through these times because of these surfaces. It's a new survival."

Abrams stops short of calling himself an advocate for synthetic tracks, but the trainer isn't expecting a return to dirt surfaces.

"The whole idea of the synthetic tracks is the safety of the horses," Abrams said. "The main thing is my horses are healthy. They're staying around longer. I had career-ending injuries on dirt. Here I get injuries, but they get a little time off, and they come back.

"It's not so much I'm an advocate, but this is better than dirt. If I have a choice, I prefer this. The dirt we had wasn't working. We had injuries. Maybe the injuries were because the dirt wasn't the same anymore. It was changed so much."

That's Headley's theory. Dirt was fine, the veteran trainer believes. It was just mixed with too many other ingredients until it wasn't dirt anymore. He wants the tracks to return to pure sandy loam.

"Around 1973, they started putting sawdust in the dirt, redwood dust on the tracks," Headley said. "That redwood sawdust was the beginning of the end for dirt tracks. It would mix and pack into the horse's hoofs. It wouldn't release like regular dirt. We started seeing more breakdowns with fractures, suspensories, bowed tendons, chipped knees. When people say we had dirt tracks, they're wrong. We had wood products in the dirt that ruined the dirt tracks."

Craig Fravel, president and general manager of the Del Mar Thoroughbred Club, whose lease of the track expires this year, said the trade-out of extra maintenance, extra water and more time grooming the track this meeting is worth healthier horses and fewer fatalities. Fravel and racing secretary Tom Robbins have heard in recent days that the track is better than it's been all meeting. They believe Tedesco appears to have figured it out, yet two horses died in the stretch, in front of a full grandstand.

"I don't want to say Richard's got it," Fravel said before the second breakdown in two days. "Because as soon as I say that ... the gods of racing are a harsh bunch. When you show hubris, they swat you down. But I do think he has a much better feel for it than the first week. He moved away from the power harrow at night to the cultivator, and the last several days we've had nothing but positive feedback."

Mandella believes once the maintenance issues are solved, the Polytrack will prove to be the right surface for Del Mar. But he also is aware that many people don't share his optimism and regard for synthetic tracks.

Doug O'Neill, the meeting's leading trainer, is one of those.

"It's a sensitive track, and it's not an easy track to maintain consistently," O'Neill said. "It's very vulnerable to the weather. I know the intent was to focus on safety. The intent was great, but we have three different synthetic tracks in Southern California."

Source: *San Diego Union Tribune*.

## Stronach Calls Meeting With Calif. Horsemen



**Frank Stronach**

Photo: Anne M. Eberhardt

Frank Stronach, chairman of MI Developments and owner of Santa Anita Park and Golden Gate Fields, has called a meeting with California horsemen Aug. 18 at Del Mar Surfside Race Place, the track's simulcast wagering facility, following racing that day at 6:30 p.m.

A flyer distributed at Del Mar Aug. 14 said Stronach "has created a proposed framework for the health and future of California horse racing that he will present and discuss with all interested owners, trainers, and racing related people.

"Horsemen are invited to meet with Mr. Stronach on Wednesday evening to hear his ideas and share their thoughts as they relate to the racing industry in our state," the flyer states.

The meeting would likely include a discussion of the future of the main track at Santa Anita, where horsemen have expressed concern about the Pro-Ride racing surface. A study undertaken by the California Horse Racing Board and track surface specialist Dr. Mick Peterson is in progress. A preliminary report is expected to be presented at the CHRB's meeting Aug. 19 at Del Mar.

Stronach, in a letter released in late July, also requested that the CHRB grant 140 racing dates annually for Santa Anita and Golden Gate Fields and permission "to run those race days when we think we can get the most customers."

Source: *Bloodhorse*.

## **Is State Making A Bad Wager?**

A New York attorney who became executive of a Monticello gaming company is raising serious questions about the honesty of key officials with a Malaysian conglomerate on the verge of entering into a 30-year relationship with the state to build and operate the huge racino planned for Aqueduct Race Track.

But Joseph Bernstein, the former chief executive officer of Empire Resorts, fears that because legislative leaders and Gov. David Paterson are so eager to deliver Genting New York LLC as the long-sought operator of an Aqueduct racino, his charges of fraud and duplicity will be swept under the rug.

Mindful that the Aqueduct project is key to the financial health of the state-sponsored thoroughbred racing industry, and necessary to balancing a precarious state budget, Bernstein contends that regulators are under pressure to deliver Genting. Indeed, the financially ailing New York Racing Association is relying on revenues from the racino, to keep the Saratoga, Belmont and Aqueduct tracks open. Moreover, state budget planners are hoping the structurally imbalanced state budget will be aided by hundreds of millions of dollars a year expected by finally getting the Aqueduct project operating almost nine years after the Legislature decided to allow such a gambling facility at the track.

In the past two weeks, Bernstein has written to three state investigative agencies and the Securities and Exchange Commission alleging fraudulent acts by key representatives of Genting Group, including its leader. The company's Genting New York LLC won the bid for the huge gambling hall planned for Aqueduct.

On Aug. 3, after disqualifying two other bidders on the Aqueduct project, the Division of Lottery strongly recommended Genting, despite an open investigation regarding Genting officials by the Racing and Wagering Board and a separate probe of the previous Aqueduct bidding process by the inspector general's office. But state leaders also liked Genting and last week signed a contract with the group to get the mammoth Queens racino built and gain Genting's promised up-front payment, a whopping \$380 million that exceeded any bid offered during four rounds of competitions since 2006. The attorney general's office and comptroller also must sign off on the deal for the rights to build the lucrative gaming hall in the nation's largest gambling market of 12 million New York City area residents.

"It is my contention that the Genting group is unfit to operate a casino in New York for a variety of reasons," Bernstein wrote to Attorney General Andrew Cuomo's office on Aug. 5. The letter contains similar accusations of misdeeds Bernstein made to the state Lottery and to the New York Racing and Wagering Board.

"The state should not allow itself to be bought for any sum of money in the face of allegations of fraud on the board of a public company and of violations of United States securities laws alleged," Bernstein wrote Aug. 7 to Lottery Director Gordon Medenica.

A lengthy July 30 letter to the Racing and Wagering Board lays out a host of alleged improper acts but the racing board responded that it has been investigating for a year an affiliated company of Genting that last year seized control of Empire Resorts. The response letter said the racing board doesn't need help from Bernstein. The investigation centers on the ownership interests of Genting-related Kien Huat, a company run by tycoon K.T. Lim, leader of the Genting empire, which has helped finance a Seneca casino in western New York and owns an interest in the massive Foxwoods Casino in Connecticut. He took control from his father, Lim Goh Tong, who created the multi-national company in the 1960s, securing the only casino permit ever issued in Malaysia. Most of the charges should be brought to other jurisdictions, the racing board's top investigator wrote to Bernstein. That's when Bernstein took his complaints to the other investigative agencies, he said in an interview.

His charges center on the actions of two key Genting officials and Lim about whom he complained to the racing board earlier this year for taking over Empire Resorts and running the publicly traded company before they could legally do so because they lacked a required racing license.

One is G. Michael "Mickey" Brown, a veteran casino administrator and former New Jersey casino regulator who Genting installed as the chairman of Empire Resorts last year. Empire Resorts runs Monticello Raceway, a harness track, and an adjacent 1,100-machine video lottery terminal gaming operation. Over several years, the company has attempted to develop a Native American casino at the track, most recently with the Mohawks, whom Brown served as a consultant before turning up as Genting's top Empire Resorts officer. Empire Resorts had also proposed moving its race track and gaming operation to the Concord Catskills resort in a deal that the state planned to support financially.

Concord owner Louis Cappelli, an Empire board member and second largest shareholder behind Genting, declined to comment. Former Lottery Director Nancy Palumbo, another Empire director, also would not comment. Brown said he would return a call but did not.

Bernstein contends that Brown and Genting executive "Colin" Au Fook Yew, installed with Brown on the Empire board of directors, breached their fiduciary responsibilities to the company by, among other things, working to sign up other tribes on projects that would compete with Empire Resorts' business plan, including the Shinnecock on Long Island. The biggest violation, Bernstein said, was when Brown and Au became part of the Genting team that developed the winning Aqueduct bid.

Aqueduct's 4,525-machine racino, Bernstein said, will injure Empire Resorts' modest racino by sending New York City residents away from Empire's Sullivan County operation. He said both board members were serving at the behest of Lim, who was forbidden to direct operations at Monticello by the racing board. The two men had a fiduciary responsibility to work to improve Empire, Bernstein asserted. Instead, he said, they directed the company poorly because Aqueduct was the prize. He said they failed to keep up relations with the Mohawks, who have announced their intent to explore other partners since Genting acquired the controlling interest in Empire last summer; failed to work to get the Legislature to pass a resolution to change the constitution to allow casino games at Monticello Raceway as well as other upstate tracks; and failed to inform the other board members of their activities to help Genting win the Aqueduct deal.

Bernstein's concerns have taken hold among independent Empire board members, according to Bernstein. In a tense meeting last Wednesday, he said, members voted over Brown's and Au's vehement objections to retain two special counsels -- one for the compliance committee and one for the audit committee -- to investigate the actions of the two men.

An Empire spokesman would not comment. Concord owner Louis Cappelli, an Empire board member and the second largest shareholder behind Genting, declined to comment. Former Lottery Director Nancy Palumbo, another Empire director, also would not comment. Brown said he would return a call but did not and Au did not respond to an e-mail letter.

Kien Huat lawyer, Howard Zelbo, said in an e-mail to Bernstein's lawyer that Bernstein suggesting he is sounding off as a sense of "duty" is insincere and that he is really trying to "line his own pockets."

Stefan Friedman, spokesman from Genting New York said Bernstein's allegations about Empire "not only have nothing to do with the Aqueduct bid, they have absolutely no merit."

Lottery Director Medenica said Bernstein lacks credibility and seems to be trying to extract more money from Genting. He said Lottery's examination of the backgrounds and financial health of Genting and its owners and principals was extensive. He said Lottery also investigated Kien Huat's principals, which overlapped with Genting's.

Bernstein, 61, active in Manhattan real estate ventures, holds one million shares of Empire Resorts stock. He admits that he wants to maximize the value of those shares. His brother, Ralph, who is on the Empire board, holds about two million shares, and other relatives have smaller stakes. He said by going public with his accusations he may be risking a lot.

A May lawsuit settlement he made with Empire Resorts and Brown, Au and Lim -- after he was fired as CEO last December -- calls for him to refrain from making disparaging remarks against the three. In the settlement, Bernstein received \$1.5 million and 3.25 million stock warrants in Empire Resorts. After the settlement, he notified the racing board that he wanted to rescind his prior complaints, and called the Genting officials "good people."

Since then, he said, Genting officials have bad-mouthed him in violation of the settlement and he has learned more about conflicts that have harmed Empire's value, particularly the Aqueduct bid that included Empire board members.

Medenica said any violations by the Genting officials were "technical" and he has no qualms that any infractions found by Racing and Wagering would cause the lottery from issuing lottery licenses to Genting. He added he doubts that any of Bernstein's complaints to regulators would delay the Aqueduct project.

Bernstein said the Racing and Wagering Board found that Brown and Au violated law by operating Empire Resorts before their eventual licenses were issued. He said the agency is proposing a modest settlement of allowing them to plead "no contest" without a finding of guilt. Racing board officials would only say their investigation is not yet complete.

Source: *Albany Times Union, NY.*

## Thrilling Finish: Horse Racing Fans Set Betting Record at Western Montana Fair

The slow-building roar reached a crescendo each time the horses hit the homestretch.

Few moments create such a stir in Missoula - outside of maybe Marc Mariani meandering for a long touchdown run on a Griz football game day. The arena stands were jam-packed Saturday for horse racing at the Western Montana Fair, leaving one to wonder why the sport ever left town.

Absent since 2006, its two-day comeback meet was glorious, culminating with a thrilling conclusion on a sun-soaked afternoon. Racing was delayed 45 minutes to clear water off the track, but fans still managed to set a one-day record with a \$149,119 handle.

"We're happy as larks racing is back in Missoula," said breeder Bob Syvrud of Polson, who has been bringing horses to Zoo Town for 25 years. "Perhaps some of these horses will be as good as their mother and daddy and go on to great things in the Western states.

"The crowd here is just awesome. It may be small-league racing, but it's home and it's fun to be home. There's nothing like it."

Syvrud had reason to smile after the sixth of 11 races Saturday, a test of 5 1/4 furlongs for thoroughbreds. His horse, H K Jammer, won in its first start.

"It's from a mare that we raised that went on to win \$175,000 in Washington, Oregon and California," the retired veterinarian said. "We were able to get her back from a racing partnership in Santa Anita and she's raised five foals.

"The fun for us is in the striving and raising them. It even gets better when you get to the winners' circle."

From a hard core fan's perspective, the biggest race Saturday was the ninth, a 1 1/16-mile contest for thoroughbreds. Burton Farley's Nordic Storm held off Cold Ruler by a length and a half to claim the second leg of the Montana Distance Series. Nordic Storm won the first leg two weeks ago and will shoot for the third next month in Billings.

Race 3, a 300-yard duel for quarter horses, was also considered a biggie because the purse was the largest (\$5,760). Called the Western Montana Challenge Handicap and held in conjunction with the American Quarter Horse Association's John Deer Racing Challenge, it was won by Miss Edie Okey by a nose over Runnin for the Boys and Bebeventos.

From a local standpoint, there were some compelling story lines. Kalispell native Randy Blasdel, who now calls Butte home, saw two of his horses cross the finish line first.

We Love Ya Too took top honors in the eighth race. That was after Gifter won for the 18th time in a neck-and-neck struggle down the stretch.

"He's a freak," Blasdel said of Gifter. "I've never been around a horse like him. He just about trains himself.

"He's kind, he don't get excited after races. You can walk him back by himself. Everything he does is the right way."

To hear someone talk about his horse in such a manner put into perspective what these critters mean to their caretakers. And it made it all the more difficult to digest as tragedy unfolded for Major Fib midway through the eighth race.

The horse suffered a broken leg and threw its rider, Clyde Smith, who was rushed to the hospital with a serious leg injury. Major Fib wasn't so lucky - the horse had to be euthanized.

Missoula County Fairgrounds director Steve Earle, a proponent of bringing horse racing back to Missoula, felt his crew put on a "hell of a race meet."

"Look at the grandstand, it's packed," he gushed. "More than anything it shows what Missoula is about, the hospitality they can provide. Next year you'll really see a meet."

Blasdel, for one, is sure to be back.

"To me Missoula was one place we needed racing back because of the handle they get and all the other stuff," he said. "People are passionate about racing here and they come out and support it.

"They support it in other places, but Missoula it seems like they support it more."

Source: *Missoulian, Montana*.

## Running On Doubt

Jim Hardy's daily ritual starts early as leading driver at Plainridge Racecourse.

By 5:30 in the morning, he's in his barn on the backstretch of the five-eighths mile track, planning the morning's exercise routine. Not long thereafter, he's climbing aboard a sulky, putting one of the barn's racehorses through its paces.

"It's in the blood," said Hardy, who owns the stable along with his wife Deb.

Hardy was raised on a racing farm in Massachusetts and raced at Foxboro Raceway and other tracks before coming to Plainridge in 1999.

"I went to school to learn masonry, but it's nice to work for yourself and to be in a business where you can be outdoors all the time."

Over the past 25 years, Hardy has visited the winner's circle 2,000 times and amassed four track championships. He's competing for a fifth one this year.

But while racing may be in the blood, Hardy and other horsemen say their industry is battling for survival in the face of a legislative deadlock over whether to allow slot machines at two of the state's horse tracks.

"Before, you could earn a decent living racing," said Hardy, who can remember when there were 300 to 400 horses stabled at Foxboro Raceway and racing was thriving. "These days, its tough."

The amount of money bet on harness racing, called the "handle," has declined as tracks face stronger than ever competition from Foxwoods, Twin River and other gambling casinos, horsemen say.

And that leaves less prize money for horsemen, who rely on their winnings to pay their help, themselves and expenses.

The state Legislature passed a bill authorizing the creation of three full-fledged casinos and allowing slot machines at two of the state's four tracks. But Gov. Deval Patrick refused to sign the bill and sent it back with an amendment, likening the granting of slots to the tracks as "no-bid contracts."

Since then, there has been discussion of an extended legislative session to deal with the issue, but there are no guarantees.

Horsemen are worried about the future of racing without some action to expand gambling and aid the struggling tracks, but they say they haven't given up hope.

"If the governor wants to bring more jobs to Massachusetts, you'd think he'd want to preserve some of the jobs here, rather than put more people on the unemployment list," Hardy said.

Hardy said he's also upset that Patrick hasn't made a visit to learn about the horsemen and racing employees' problems firsthand.

"We haven't seen him," he said.

Track President Gary Piontkowski laid off 57 Plainridge jobs earlier this month, after Patrick rejected the compromise legislation. He said Plainridge will stay open, struggling to survive with a combination of live racing and simulcasting.

Horsemen say that while their industry needs help, they're not asking for a handout.

"All we need is a little help to get going again," said New England Harness Horsemen's Association President Mike Perpal.

While racing has struggled in Massachusetts since it was pitted against casinos in neighboring states, the sport is actually flourishing in other states where expanded gambling has helped increase participation and purses.

Tracks in Maine, New Jersey, New York, Delaware and Indiana have all announced purse increases this year.

Perpal also says harness racing is far from a dying sport.

Much to the contrary, with 75 million members of the Baby Boom generation either retired or nearing retirement, he says, racing could be poised for growth as an exciting, inexpensive form of recreation.

"You can come, spend a few hours and bet all the races for \$20, if you want," Perpal said.

Piontkowski says the horsemen are a "close-knit family" who are being hurt by the governor's opposition to slots. But there are hundreds of others, he adds, who rely on racing for all or part of their income.

The track president said he'd like Patrick to visit to see personally not only how many people draw income from racing but how hard they work.

"I've invited him lots of times," Pionkowksi said, but the governor hasn't accepted. "I don't understand that."

Piontkowski said he's willing to compete for a license to operate slots, as long as all bidders are required to meet Plainridge's level of investment - which he put at about \$40 million.

Cofi Jones, a spokesman for Housing and Economic Development Secretary Greg Bielecki, said Bielecki has been the administration's point person on issues related to expanded gaming, and that meetings have been held with Plainridge officials and other concerned groups.

She also said the proposed amendment to the gaming bill contains language that would provide consideration for proposed casinos that create jobs for track workers.

"All jobs are important to the administration," Jones said.

Hardy, who also has raced in Maine and New York, said his barn's business has declined significantly as state officials have argued over slots.

Accustomed to stables that had once been filled with 12 to 14 horses, Hardy says he trains and races barely a half-dozen these days. Horses are mostly owned by investors, but Hardy owns a share in three or four.

Hardy moved to New York to race at Saratoga after Foxboro Raceway closed, but came back in 1999 when Plainridge opened. He bought a house in North Attleboro.

The Hardys have a daughter attending Framingham State College and a son in high school. But beyond their immediate family, the Hardys' business also supports other workers, from farms that supply hay and grain to blacksmiths.

"People don't realize the trickledown effect this business has," he said.

Hardy says he likes the track and the community, and hopes racing at Plainridge will continue. He said he would probably move back to Saratoga if racing were to cease in Massachusetts.

Other horsemen aren't sure what they'd do if the track closed.

"I'd hate to think of that," said racer Daniel "D.T." Sumner, 50.

Plainridge is a "nice facility," he said, and the management has managed to buck the odds so far to keep racing in Plainville.

"It's hard to think of getting another job when this is what you've done all your life," he said.

Source: *The Sun Chronicle (Massachusetts)*.

## **Loss of State Support May End Horse Racing**

Those in the New Jersey equine industry say the horse-racing business generates \$780 million annually for the state's economy, responsible for more than 6,500 jobs.

But with Gov. Chris Christie's proposal to shift the state's focus from horse racing to the casinos in Atlantic City, local horse farmers and other business owners worry the equine industry would lose its vitality or dissipate altogether.

"People in the sport are going to go where horse racing is viable," said Tim Clevenger, 26, who tends to standardbreds every morning at a Manalapan farm. "If not here, they're going to race someplace else or get out of the game."

If those in the game get out of New Jersey, as Clevenger and others worry, then that can be particularly devastating for Monmouth County.

Monmouth ranks first in the state's equine industry with about 76 percent more horses than the second ranking county, according to a 2009 profile<sup>11</sup> report by the Monmouth County Planning Board. Overall, Monmouth County accounts for 22.7 percent of the state's equine industry.

"Monmouth County has so many horses per square mile, that's what helped to convince me to open my business (in 1978)," said Rick Wills, whose Rick's Saddle Shop sells equipment and feed to farms, stables and kennels. "What the governor's panel has proposed is devastating to the horse-racing business."

The Governor's Advisory Commission on New Jersey Gaming, Sports and Entertainment said in the July 21 report that the state-owned Meadowlands Racetrack in East Rutherford should be closed or reorganized.

That likely would result in fewer jobs like those held by Clevenger and his fiancée, Sabrina Shaw, 24. The Freehold couple relocated to New Jersey after working similar jobs in California and deciding a year ago that the harness racing industry prospects there also were dismal. Clevenger is an assistant to trainer Tony Alagna, who oversees a 35-horse stable at Gaitway Farm on Route 33.

"This is crazy because they usually talk about creating more jobs in New Jersey, not making them go away," said Alagna, a Manalapan resident. Alagna said he has more than 10 employees and a

\$7,000 weekly payroll.

"It's a small business. Everybody who works here lives in the communities and spends money here," Alagna said. "There's probably dozens of operations like ours, and there's also bigger ones. It will hurt all of us to not have the Meadowlands."

There are approximately 120 horse caretakers and trainers working for various stables based at Gaitway Farm. The going pay is \$100 weekly per horse, with five horses the typical workload for a caretaker, with another \$50 or more being paid for extra chores on race days.

But it is not just the farms, like Gaitway, that would be affected without the Meadowlands. All the ancillary businesses, such as Rick's Saddle Shop, that rely on the horse-racing industry also would be hurt. Rick's is headquartered in Englishtown but the business includes a feed store, also in Englishtown, a feed and equipment store in Upper Freehold and an equipment and saddle store in West Chester, Pa.

"By not recommending having slots at the Meadowlands, it puts us on a very unlevel playing field with the casinos and with gaming in other states," said Wills. "This will affect local truck dealerships if people who need to ship horses are driven out and it will mean less business when it comes to shoeing, hay, veterinarians, boarding and training."

The governor's panel didn't take a bullish position on harness racing's future. It said the sport ... which currently has meets at the Meadowlands and privately owned Freehold Raceway ... "has become a regional niche sport with limited national media attention."

Further, the panel leaned toward maintaining thoroughbred racing at Monmouth Park over other options if racing has any future in New Jersey.

"The New Jersey racing industry cannot earn enough purse monies on its own to sustain two breeds in the state," the report said, adding, "Monmouth Park racetrack has near-historic landmark status in the eyes of the general public and has established itself as a viable summertime family entertainment option that appeals to a broader segment of the public than just big bettors."

The Meadowlands Racetrack lost \$10 million last year, according to state officials. The track opened in 1976. Average attendance in the first year topped 17,000. The average in 2009 was 2,897, though people are no longer required to travel to the track to legally place bets.

To Sharon and Alexander Savran, who operate a small horse farm in Upper Freehold, continuing state support of harness racing is a no-brainer.

"That's very short-sighted to be worried about losing \$10 million. What you get back is countless jobs for those who work with horses and countless businesses," Sharon Savran said.

In a study headed by Karyn Malinowski, director of Rutgers' Equine Science Center, the state's equine industry was valued at \$4 billion, much of it related to racing. It generates \$1.1 billion (\$780

million from racing) annually in positive impact on the state economy, the study said, and is responsible for 13,000 jobs, more than half of which are generated by racing-related interests, such as race tracks, and horse breeding and training facilities.

The Savrans relocated to New Jersey 20 years ago from Massachusetts after Alexander, now 72, retired as an oral surgeon. They have three horses on their 6-acre farm and own several horses that are housed elsewhere.

Malinowski's report states there are 176,000 acres of farmland used to support equine facilities in New Jersey.

"What's going to happen to all these farms if racing goes away? They'll become houses. Not now because the market is bad, but a lot of farms would eventually head to development," Sharon Savran said.

The policies recommended by the Christie panel can be enacted through a combination of gubernatorial executive orders and legislature approvals, processes that could take months.

But many in the harness racing community are committed to heading off the threat, said Myron Bell, a North Bergen owner and breeder of horses.

"Harness racing is in better political shape in other states. But if the governments in other states see us go by the wayside in New Jersey as casino owners benefit, they'll do the same thing in those states, because casinos don't want us in the way," Bell said

Source: *Asbury Park Press (NJ)*

## **Plans to Give All Thoroughbred Meets In 2010-11 to Lone Star Park Sam Houston Race Park Will Give Up Its Entire 2010-11 Thoroughbred Meet**

Andrea Young, the track's president and chief operating officer, confirmed the decision Friday at a Texas Racing Commission open forum at Sam Houston Race Park.

The meet was to run from November through April. But SHRP intends to transfer its thoroughbred dates and about \$4.8 million of purse allotment to Lone Star Park.

The Dallas-area track plans to boost daily purse payout to at least \$200,000, up from about \$150,000 this year.

"We have a giant building that we built for live racing," Young said. "But we don't have the money to run" the scheduled thoroughbred meet.

SHRP also will request a shorter quarter-horse meeting in 2011 — probably about 30 race days, down from 45 this year.

All dates and changes require Texas Racing Commission approval. Tracks must submit their requested dates by Wednesday. The commission will announce by Sept. 14 the schedule for the rest of 2010 and most or all of 2011.

## Commission to Decide

TRC will consider more than requests from SHRP and Retama Park to consolidate dates at Lone Star. The commission also will weigh input from consolidation opponents. They include the state's breeding groups as well as individual horse people, who seek maximized race dates.

TRC invited individual opponents to speak at the forum's end, and they did.

Charles Wright, an owner, breeder and trainer, warned track operators that such a significant date cutback would drive his fellows from the horse business. Wright submitted a proposal to the commission that included 2011 thoroughbred dates for SHRP and Retama.

Theophilus Scales drove to Friday's meeting from Austin, where he works for the local bus company. Scales, who described himself as a common man and hourly worker who "did not have a discretionary racing fund," urged track operators to retain as many dates as possible.

"I own four mares," said Scales. "I want to race only in Texas, but three of those mares are now in Louisiana."

On-track electronic gaming has sent purses soaring in Louisiana and several other states.

Another owner, Billy Dunn, questioned whether tracks and TRC had developed enough sway with the Texas Legislature to gain approval of electronic gaming at tracks.

Dunn said talking to some legislators "was like talking to a dark cloud." He challenged TRC and the tracks to develop a more effective advocacy program with legislators.

## By The Numbers

Numbers presented at the hearing made a powerful case for consolidation. In its five-year (2005-2009) assessment of the state's decline in thoroughbred purses, TRC cited a 29 percent drop. Payout plunged from \$27.1 million to \$19.4 million.

"Handle," the dollars wagered, also plunged during those five years. It suffered a quarter-billion-dollar dive, from more than \$700 million to less than \$500 million.

Dave Hooper, the Texas Thoroughbred Association executive director, underscored another sign of decline. He said that eight times during the past decade, Texas breders earned more purse money outside the state than in it.

"We're in an industry that faces drastic change," Young said. "We have to adapt to our times."

Source: *Houston Chronicle*.

## Horse Racing Wrestles with Complex Drug Problem

Today, he could become the all-time winner; Monday, he could become the all-time loser. That dichotomy distills and summarizes the confusion and uncertainty caused by horse racing's drug problem.

This isn't one of those old Howard Hawks Westerns, where the good guys and the bad guys are clearly defined and where John Wayne would never confuse one for the other. This is an extremely complex situation, where appearances can be deceptive and where right and wrong can be blurred by practicality and procedure and even contamination.

Then again, maybe one element of the old Western remains. John Wayne would never allow the hang-'em-high crowd to arbitrate justice. And the New Mexico Racing Commission can assume John Wayne's role Monday.

If he wins the \$50,000 Classic Handicap tonight at Sam Houston, Stolis Winner will become the richest Quarter Horse in history; he'll be the sport's all-time leading money winner. With a victory -- and he's the 5-2 favorite in the morning line -- he would push his earnings to \$2,127,731 and surpass by \$1,421 the great Refrigerator.

And Monday, the first item on the agenda for a meeting of the New Mexico Racing Commission is the disqualification of Stolis Winner from the world's richest Quarter Horse race. If it's upheld, Stolis Winner's earnings will tumble to \$1.1 million.

On Jan. 8, 2008, four months after he won the \$1.9 million All-American, a Board of Stewards in effect disqualified Stolis Winner because postrace urine and blood samples tested "positive" for caffeine. The ruling also imposed a fine of \$1,500 and a suspension of six months on the horse's trainer, Heath Taylor.

Insisting they did nothing wrong, Taylor and the horse's owner, Jerry Windham of College Station, appealed. Claiming no knowledge of how Stolis Winner might have tested "positive," they probably sounded like many who have been caught reaching into the sport's cookie jar. But, of course, some who proclaim they're innocent actually are.

A hearing panel appointed by the commission investigated. And its report reads like a treatise on the complexity of the drug problem and on the absurdity of no-tolerance rules. The report also makes the point that when it comes to medication and drugs in horse racing, appearances can be deceptive, and so can "positive" tests.

Blood and urine samples were drawn from all 10 horses in the All-American. Initially, all the urine samples tested negative for banned substances. But the blood sample taken from Stolis Winner was identified as "suspicious," and so additional testing was ordered.

That led to the discovery of the caffeine, specifically 125 nanograms per milliliter in Stolis Winner's urine. But that was just an "estimate." Yes, a horse was disqualified from a \$1.9 million race and a trainer suspended for six months because of an estimate.

A more accurate test found 84.2 nanograms. A nanogram, by the way, is a billionth of a gram; a congress of nanograms could convene on the head of a pin, but modern testing has become so sensitive that it would find them.

Source: *Gary West, Star Telegram.*

## **Wells Charged With Domestic Violence Against Penn National Trainer Beatti**

The real-life soap opera that is Penn National racetrack near Harrisburg, Pa., took another strange twist today when Thoroughbred owner and trainer David Wells—the former boyfriend and racing business partner of top trainer and Pennsylvania Horsemen’s Benevolent and Protective Association president Stephanie Beattie—was taken into custody by Dauphine County deputies on misdemeanor domestic violence and criminal mischief charges. He was released on \$10,000 cash bail.

The charges against Wells are not related to the ongoing grand jury and Pennsylvania State Police investigation of the activities at Penn National that led to the recent arrest of trainer Darrel Delahoussaye on allegations of illegal drugging of horses, rigging a public event (a horse race), and tampering with evidence.

According to sources, Beattie pressed charges against Wells—whose nearly 10-year relationship with the trainer ended recently—when both Beattie and Wells attended a party and Wells is alleged to have struck Beattie and destroyed some property.

Beattie and Wells operated their successful racing stable as partners. According to a 2008 article in the Harrisburg Patriot-News, “Wells assists Stephanie in the training, claiming, evaluating and just plain horse dealing that the sport requires.”

Beattie is currently second in the Penn National trainer standings, with 47 wins in 252 starts.

Beattie did not go to the police immediately after the recent incident, sources said, but later asked authorities to issue a Protection From Abuse order that would prohibit Wells from having any further contact with her. Presumably that PFA order would expedite the termination of any remnants of the Wells-Beattie business relationship.

The charges against Wells—just as the arrest of Delahoussaye did—could cause some in the cross-hairs of what are now multiple Pennsylvania State Police investigations to squirm over fears that he might talk with authorities about those cases.

Source: *Paulick Report.*

## **Retama To Ask For 24 Race Days In 2011**

In a change of plan, Retama Park will ask to host 24 days of live thoroughbred racing next year.

The Selma track’s operators expect to submit the proposal to the Texas Racing Commission on Monday.

Retama CEO Bryan Brown laid out the details Thursday at a meeting of the board of the Retama Development Corp., which owns the track.

Earlier this summer, it appeared that this fall's racing schedule might be the last for the track, which opened in 1995.

A consolidation plan floated in June called for Retama and Sam Houston Race Park in Houston to give up thoroughbred racing for one year in 2011 by transferring their dates and purse funds to the state's largest Class I track, Lone Star Park, in Grand Prairie.

Brown said the change of course came about because of input from horsemen and the public.

"What happened, when we presented the (original) plan, lots of people in the industry — horse owners, trainers, breeders — saw what would happen if Retama didn't race and became very, very interested in us keeping our typical calendar," he said.

Brown said that under the revised plan, Lone Star Park would race thoroughbreds from April through July, Sam Houston would run a summer schedule of mostly quarter horses and Retama would run thoroughbreds and some quarter horses in the fall, from late August through October.

Retama's proposed 24-day schedule would mark an increase from this year's 16-day meet, scheduled to start Sept. 3. This year's meet was shortened from 30 to 16 days over eight weeks because of declining revenues.

Horsemen and track officials are scheduled to discuss 2011 race dates in meetings today in Houston. Track operators have until Wednesday to submit applications. The TRC then would consider the dates Sept. 14.

Brown said the future of racing beyond 2011 at Retama could hinge on whether state lawmakers move to legalize the use of video slots at tracks in Texas.

"The industry in Texas has to change," he said. "We cannot have status quo forever. We can't be competing on a playing field that's not level against the tracks (in) other states."

Source: *SA.com*.

## **California Men Face Allegations of Illegal Races With Horses On Coke, Meth**

A group of men have been charged with animal cruelty and illegal gambling for operating a clandestine horse-racing circuit in San Joaquin County, California, that involved doping horses with methamphetamine and cocaine.

With the help of confidential informants, undercover investigators from the state's Bureau of Gambling Control infiltrated races at private ranches in California towns Stockton, Lodi, Escalon and Ceres over three years, **The Record** said. Investigators wore hidden cameras and audio recorders.

A total of nine men have been charged along with the lead defendants, Manuel Monroy and his son, Simon Monroy-Segovia, who both stand charged with more than 30 counts, including animal cruelty, horse doping, bookmaking and holding bets.

According to investigators, the clandestine horse races often drew big crowds who lined the quarter-mile straight tracks to watch so-called match races of two horses ridden by jockeys dressed in traditional racing silks.

In one event, the jockeys drove directly from the California Exposition & State Fair, where they also raced, investigators said.

Special Agent Vance Nabeta of the state's Bureau of Gambling Control went undercover to a March 16, 2008, race at a ranch outside Lodi. Attendees paid \$US10 each to enter, and investigators counted 75 cars in the parking area, Agent Nabeta reported.

Minutes before the race, eight men stood in the middle of the track taking bets. Organisers also sold beer and food, while others recorded the races with video cameras, Agent Nabeta reported. Other attendees bought \$US5 lottery tickets, investigators said.

Organisers of an August 24, 2008, race feared that law enforcement would come after a man and his son, both drunk, drove from the event firing a .45-calibre gun into the air. Organisers told everybody around the stables not to say what happened if police arrived, court paper say.

Other men also face various charges in the case. They are Cesar Monroy, Jose Monroy-Segovia, Martin Velazquez Navarro, Antonio Bedolla Barriga, Octavio Martinez Barriga and Jorge Luis Gonzalez.

Jose Villa Olguin, initially accused of promoting the illegal races, has pleaded guilty in a deal with prosecutors. A judge ordered him to pay a \$US10,000 fine and serve 1000 hours of community service, San Joaquin County Deputy District Attorney Stephen Maier said.

The defendants were due back in court on September 13, when a judge was expected to set a preliminary hearing date.

Source: *The Record*.

## **Betfair to Launch Its Own Trading System**

ONLINE gambling group Betfair is gearing up to launch a trading platform in London later this year, becoming the latest in a line of companies to compete with the London Stock Exchange.

Following approval from the FSA at the end of July, developers are working to complete the platform based on Betfair's existing gambling programmes, funded by start-up capital from Betfair. The multilateral trading facility will allow investors to exchange contracts for difference, which provide exposure to a company without owning the shares.

Goldman Sachs recently bought a 12.5 per cent stake in the LMAX venture for an undisclosed sum, though Betfair remains the majority owner.

Betfair first moved into financial trading in 2008, when it launched a spin-off website called Tradefair, parts of which have been subsumed under the LMAX name.

The platform will be one of a growing number of junior exchanges in the City that have sprung up since pan-European regulation opened the market to competition in 2007.

American exchange operator NYSE Euronext launched a London branch in July, aimed at overseas investors who would benefit from a “much broader, more diverse and more liquid investor pool than on many of our competitors”.

Multilateral trading facilities such as Chi-X and BATS have flourished in recent years as profits at the mainstream exchange struggled. The LSE cut 13 per cent of its staff in May in a bid to minimise costs.

The group took a majority share in the Turquoise multilateral trading facility in February, alongside Barclays, Nomura and JP Morgan.

Source: *(UK) City-AM*.

## **State Racing Committee Chairman: Aqueduct Deal Two Weeks Away**

The Aqueduct racino deal should be wrapped up within two weeks, allowing construction to begin soon after, Senate racing committee Chairman Eric Adams said Friday.

Adams, D-Brooklyn, Supervisor Joanne Yepsen and Mayor Scott Johnson held a Broadway press conference outside Adirondack Trust Co., where they touted the downstate gaming facility’s importance to Saratoga County’s economy.

New York Racing Association is slated to get 7 percent of Aqueduct’s projected \$650 million gross gaming revenue per year, and will use some money to boost purses and make physical improvements at aging Saratoga Race Course. The track is critical to all aspects of local business — hotels, restaurants, agriculture, breeding farms and downtown merchants.

“There is no reason to have this community languishing under a cloud of uncertainty,” Adams said. “This town is on a return to the heydays of yesteryear. Racing is on its way back. We made the turn in the road this week.”

Gov. David Paterson and legislative leaders have approved Genting New York LLC as Aqueduct’s gaming operator. Now, the 30-year contract must be reviewed by Attorney General Andrew Cuomo and Comptroller Thomas DiNapoli. Recently, DiNapoli said NYRA would become insolvent in 2011 if a deal wasn’t reached soon, so there’s little doubt that either he or Cuomo — a favorite to become governor — will stand in the way.

Genting says it will have all 4,500 video lottery terminals up and running within 12 months of a finalized deal.

“We are feeling more hopeful in Saratoga than we have in many, many years,” Yepsen said. “This

has been a really agonizing process.”

Johnson said state leaders had been deaf to racing’s problems.

“Now, apparently, they have heard the cries of the industry,” he said. “They have responded.”

Adams previously endorsed the firm Aqueduct Entertainment Group to run the racino, saying it had the best plan for helping the Queens community around Aqueduct. Paterson named AEG the apparent contract winner in January, but his choice immediately ignited charges of political favoritism leading to state and federal investigations. AEG was subsequently disqualified and the selection process had to be restarted, leading to this week’s approval of Genting, an arm of a huge Malaysia-based casino company.

Adams now strongly embraces Genting’s selection and has led a recent charge to get things done. He’s also met with local business leaders the past few weeks to better understand racing’s regional significance.

While pledging to be a “marquee” player who will champion racing at the capitol, Adams refused to discuss the state’s rescinding of gaming revenue to the city. Previously, Saratoga Springs got more than \$3 million per year from Saratoga Gaming & Raceway’s VLTs, about 10 percent of the city’s budget revenue. The loss of such money contributed to this year’s more than 7 percent tax hike.

“Don’t try to rain on our (Aqueduct) VLT parade,” Adams told a questioner.

With the Aqueduct situation apparently resolved, he said it’s time now to bring attention to racing’s other problems such as bankrupt New York City Off Track Betting, which owes NYRA more than \$20 million. “It (OTB) was a bad business model from the start,” he said. “We can’t operate against each other.”

He said OTB should have fewer betting shops and do more to promote Internet and phone wagering accounts. Also, state officials should at least discuss the possibility of having NYRA run OTB, he said. “That’s a conversation that needs to be looked at,” Adams said. “We should not take anything off the table. We must have a real dialogue about the industry. It has been ignored for far too long.”

Source: *Saratogian*.

## **Calif. Case over Confederate Silks Delayed**

A hearing into a complaint against a Sacramento, Calif. horse owner charged with improperly substituting jockey silks in the colors of the Confederate flag for a race at Cal Expo was continued to Aug. 26.

Grant Baker, a steward for the Sonoma County Fair at Santa Rosa, said the California Horse Racing Board complaint, which was to have been heard Aug. 7, was put over to allow silks custodian Tony Baze an opportunity to retain legal counsel. The delay switches jurisdiction over the matter to the board of stewards at Golden Gate Fields.

Baze was relieved of his duties for the final four days of the state fair meet for Thoroughbreds

and mixed breeds after the incident. According to the complaint, he allegedly "received financial consideration and conspired to "aid and abet" longtime horse owner Bill Wilbur in substituting silks bearing the likeness of the Southern Cross for the owner's regular silks, which are purple, white, and black. The change was not reported to the clerk of the course in advance, a violation of CHRB rules.

Both men face possible license revocation or suspension "for conduct detrimental to horse racing" under rules pertaining to proper attire for a jockey and for solicitation to participate in a prohibited act. The violations are also grounds for future license denial.

The horse, Mute Rudolph, won the maiden claiming race July 15 in his racing debut for Wilbur, who owns the horse in partnership. Wilbur named the 2-year-old bay colt for Ken Rudolph, a host for the horse racing network TVG

Source: *Bloodhorse*.

## **VictoryLand Reopens**

VictoryLand went to the dogs Thursday.

VictoryLand, which had shut down Monday, reopened at 5 p.m. Thursday for live greyhound racing. Also reopened Thursday were VictoryLand's simulcast greyhound and thoroughbred racing, and its Kennel Club restaurant.

Not just electronic bingo remained closed at the Macon County casino. Its hotel facility also remained closed Thursday. But in an e-mail VictoryLand announced that the reopening of both electronic bingo and the hotel would be evaluated on a daily basis.

Earlier this week the Alabama Supreme Court refused to allow the governor's gambling task force to raid VictoryLand immediately and seize electronic bingo machines.

The state's highest court unanimously turned down task force commander John Tyson's request Wednesday. Macon County's sheriff and district attorney had argued that there was no emergency that warranted an immediate raid.

Source: *Montgomery (AL) Advertiser*.

## **Alabama's Largest Casino Closed Temporarily Pending Court Fight**

The Victoryland casino in Macon County will be closed today but only temporarily, according to Milton McGregor, president and CEO of the Jefferson County Racing Association and the Macon County Greyhound Park, in Shorter, Alabama which is better known as Victoryland for its electronic bingo casino of some 600 electronic machines.

After months of legal wrangling and first one judge blocking others orders and a back and forth struggle, the deadline was swiftly approaching that the governor's task force would very soon be raiding the casino and confiscating the machines after a final ruling by the state's supreme court cleared the way.

You may read the complete statement released by Mr. McGregor on Monday, [Click here](#).

Alabama is not the first to experience the problems of legality with electronic bingo machines. Like several other states, gambling in the ordinary sense of the word, is illegal within their borders. However it, and again, several other states have passed legislation a number of years ago that bona fide charities could operate bingo games in order to raise funds and as a past time for people, primarily aimed at senior citizens.

Normally, these laws were specific in their regulations as to who should be the recipients of any funds from the games, the legal hours of their operation and other such restrictions. But as usual, greed and opportunity grew in the minds of some who found means of stretching the legalities. A number, if not all, of the bingo halls in Alabama paid little attention to the hours of operation specified in the law, but virtually no strict enforcement was made.

Then came the electronic machines which have been ruled in courts around the country to be gambling machines in the true sense of gambling. The state of California banned the use of them in a decision of December 12, 2009 after a couple of years of appeals and wrangling. Wyoming had a similar situation which was resolved in like manner in January 2005.

It appears obvious that these machines, which reportedly look and function much like slot machines do not meet the intent of the laws which were passed allowing charities to have bingo games.

The gambling forces and the anti-gambling forces have argued the pros and cons of legalized gambling in Alabama for a great many years. A referendum to make gambling legal in the state was on the ballot in 1999 but was defeated by a vote of 54 to 46. Those proponents of gambling have never been able to accept that.

With the governor's office up for a new occupant in this years election (Governor Riley has held it for the limit allowed by Alabama law), it appears that there will be a good possibility of another referendum being put before the people. In the meantime Victoryland will probably remain closed until at least the time of the new governor taking the seat.

Source: *Birmingham Examiner*.

## Kentucky Drug-Test Upgrade Needed for BC



The Kentucky Horse Racing Commission hopes to expedite regulations for out-of-competition testing and have them in place in time for this year's Breeders' Cup World Championships at Churchill Downs.

Breeders' Cup has employed out-of-competition testing in New Jersey and California the past three years. Such protocol has involved the testing of horses in other jurisdictions in the United States and internationally before they arrive for the World Championships.

Out-of-competition testing has the support of the Racing

Medication and Drug Testing Consortium, which said the practice is employed in six states and the province of Ontario. It mainly entails testing for blood-doping agents and carries with it serious penalties in the case of positive tests.

The Kentucky Equine Drug Research Council continued its discussion of out-of-competition testing Aug. 10 but didn't reach consensus. Given the short time frame—Breeders' Cup is scheduled for Nov. 5-6—emergency regulations would be necessary.

"We have a draft proposal (for out-of-competition testing)," said Dr. Jerry Yon, chairman of the drug council and a member of the KHRC. "This is going to be a project that will continue."

The KHRC was notified of Breeders' Cup testing requirements when Breeders' Cup signed the 2010 contract with Churchill Downs last year, said Dora Delgado, Breeders' Cup senior vice president of racing and nominations. Delgado has been working with KHRC equine medical director Dr. Mary Scollay-Ward on the regulations.

"Churchill did not want to enact just a house rule, and the KHRC wanted to have it permanently on the books, but in order to do that they had to draft it as an emergency regulation, which has the benefit of going into effect immediately," Delgado said Aug. 11. "If they had drafted it as a regular commission rule, it might have taken longer than expected to enact, and that could have pushed it past the event date."

"We're fully confident everything will be in place," Delgado said, noting she hopes the regulations are published by mid-September.

In 2009, the KHRC worked with the California Horse Racing Board to ensure out-of-competition testing samples were taken from Kentucky-based horses that shipped to California for the World Championships, Delgado said.

Because out-of-competition testing isn't performed on race day, and samples often are taken at facilities other than racetracks, the process is more complicated. It is, however, considered a strong deterrent when regulations are on the books.

Source: *Bloodhorse*.

## **Expert Studying Santa Anita Surface**

Racing surface expert Mick Peterson began a study on the safety of Santa Anita's Pro-Ride synthetic surface on Tuesday, and said Wednesday that he will present a preliminary report on his findings at the California Horse Racing Board's monthly meeting in Del Mar on Aug. 19.

Peterson, a professor of engineering at the University of Maine, was hired by the racing board over the weekend to inspect the synthetic surface at Santa Anita, which has been the subject of criticism from horsemen's groups concerned about the presence of rocks in the surface and drainage problems.

Santa Anita began a renovation to deal with the drainage problem in late July.

Peterson and racing board executive director Kirk Breed began their inspections of the surface on Tuesday and later that day met with representatives of the California Thoroughbred Trainers, Santa Anita, and the Oak Tree Racing Association, which is scheduled to host a five-week autumn meeting at Santa Anita starting on Sept. 29.

"I've still got to analyze [the data] and it will take me about a week," Peterson said. "I'll have a preliminary report at the racing board meeting and a final report not too long after that."

Peterson did not elaborate on his early findings. "I'd heard about a shallow cushion and I'm not seeing that," Peterson said. "There were so many rumors."

Breed said no conclusions had been reached as of Wednesday.

"In terms of determining what is going on with the racetrack and what it needs to be race ready, I don't think I'm ready to make a statement yet," he said. "I think the problems the track has are in the process of being solved. The track has not been compromised to the point where it is beyond solution."

"The rock issue is a real issue and we have measured that to a certain extent and we know what needs to be done and we've told the operator what needs to be done."

The Santa Anita synthetic surface has been troubled by poor drainage in recent years, particularly in an area near the finish line. Santa Anita lost five days of racing during the winter-spring meeting because of insufficient drainage earlier this year.

Source; *Daily Racing Form*.

## **NJRC Confirms Takter Appeal Of Peter Haughton Final**

The New Jersey Racing Commission confirmed this morning that trainer Jimmy Takter has filed an appeal of the placing of his horse, Pastor Stephen, in the Peter Haughton Memorial, held on August 7 at the Meadowlands.

Pastor Stephen crossed the wire first, but was placed out of the money for interference in the backstretch.

The hearing, originally scheduled for this Saturday (August 14) at the Meadowlands, has been postponed to a yet to be determined date. Takter will be represented by attorney Dennis Dowd.

Source: *Harnesslink*.

## **Potential Buyers Express Interest In Rosecroft Raceway Harness Track Closed In June**

Maryland Secretary of State John P. McDonough, who is spearheading efforts to keep Rosecroft Raceway open, said Wednesday that there are two or three potential parties who have expressed interest in buying the harness track that closed in June.

McDonough said the unidentified potential purchasers would be willing to step up if real estate developer Mark Vogel, a former owner of the track, is not successful in re-acquiring it.

A Delaware bankruptcy judge earlier this year rejected Vogel's deal to purchase the track, which filed for bankruptcy in June 2009. Vogel, who had loaned \$350,000 to keep the track open for a while, said he plans to submit another plan in a few weeks.

Kelley Rogers, president of Rosecroft owner Cloverleaf Enterprises Inc., said the bankruptcy court has set a Sept. 1 deadline for Vogel to submit his new plan.

Even if the track reopens, Rosecroft officials must still resolve its feud with the state's thoroughbred industry over an agreement that requires the track to pay \$5.9 million a year to simulcast thoroughbred horse races. Rosecroft had stopped paying early last year, saying the deal is no longer feasible for the money-losing operation.

Last week, a federal judge ruled that Cloverleaf can move forward on its antitrust lawsuit against Maryland's thoroughbred industry over the simulcast agreement.

Source: *Baltimore Sun*.

## **Ontario Lotto Places Bet On Online Gambling To Stay Competitive Ontarians Wager About \$400 Million A Year On Online Gaming Sites**

The Ontario Lottery and Gaming Corporation announced Tuesday it is introducing legalized online gaming as a way to stay competitive in the gambling market.

Set to go live in 2012, the provincially run Internet gaming site will be regulated by the Alcohol and Gaming Commission of Ontario.

Ontario Finance Minister Dwight Duncan and OLG chairman Paul Godfrey were at Queen's Park Tuesday to launch an 18-month consultation and implementation process.

"It is an inevitable step in the ongoing transformation of the OLG," Paul Godfrey told a news conference. "We will move forward, and we will do it with great care."

"Globally, Internet gaming has become a prominent trend," Duncan said.

He said Ontario gamblers already spend about \$400-million per year on unregulated Internet gaming providers that make up a "grey market" and are mostly located offshore.

Currently no private provider is authorized to operate in Ontario, officials said.

"This means money is flowing out of Ontario," said Duncan.

He said the province asked OLG to develop a "socially responsible and secure" gaming site that includes safeguards and "encourages responsible gaming."

The OLG could ultimately offer everything from lottery ticket sales to interactive, casino-style games and poker online.

Officials estimate that in the fifth year of operation, the site could start to bring in \$100 million annually.

"The initial figures are relatively modest," Duncan said. "It's more about (the) competitiveness of OLG going forward and ensuring that it continues to be a reliable source of revenue for the province."

OLG delivers about \$1.7 billion a year to provincial coffers, a dividend that officials said has been eroding.

B.C. recently launched its own online gambling site, but it was shut down within a few days following the discovery of a security breach that allowed players to play with other users' dollars.

"That's why you don't see us saying we're going to come out and do it in three months," said Godfrey.

During the consultation period, the OLG will review the experiences and security procedures of other jurisdictions in Europe and across Canada.

Critics from opposing parties dismissed the venture as a cash grab, and raised concerns about privacy.

"The reality is that people who will be engaged in Internet gambling are people who are already addicted to gambling, as well as young people. And we already have a problem there, why make it worse with Internet gambling?" said Ontario NDP Leader Andrea Horwath. "This small group of people will have another opportunity to gamble away their hard earned dollars."

Ontario Progressive Conservative finance critic Norm Miller agreed the province has to think about getting into this business otherwise the money will go to other jurisdictions, he just doesn't have confidence the Liberal government can pull it off.

"In a perfect world, I personally would rather the government wasn't involved in any gambling at all," he said. "But if we're in the game, Ontario has to participate."

OLG's site will have an age verification system aimed at preventing minors from playing, and include "responsible gaming control tools," including chat rooms for people who are worried they have a gambling problem and pop ups that require players to set a maximum amount of money and time per session.

It will use top security features to protect customer accounts and personal information, said Godfrey.

Players will be required to submit identifying information, which is verifiable, before they are granted access to play.

"In short, people will not be able to participate anonymously. It provides a controlled gaming environment," said Godfrey, who is also the head of Postmedia Network Inc., the company that owns the National Post.

Source: *Canada.com*

## **Nine Indicted In Multi-Million Internet Gambling Ring**

***'Running an illegal gambling business is a crime. These defendants bet that they wouldn't get caught. They lost.'***

On July 27, a federal grand jury returned a 21-count indictment against a bevy of bookies, some of which were operating right here in our backyard.

The indictment charged Daniel Meisel, 64, formerly of Paradise Valley; Brad Smothermon, 37, of Cave Creek (Tatum Ranch); James Baker, 41, of Peoria; Blaine Moore, 38, of Phoenix (Desert Hills); and Scottsdale residents: Christopher R. Finn, 37; Diane Beck, aka Diane Polus Beck, 52; Fred Guaragna, 58; Richard DiCapua, 68; and Oscar Barden, aka Paul Barden, 36, with conspiracy to engage in an illegal gambling business and the transmission of wagering information, engaging in an illegal gambling business, and transmission of wagering information.

Meisel, whose Paradise Valley home was sold at a trustee sale in March 2010, was also charged with transactional money laundering.

According to the indictment, Meisel was the leader of the conspiracy who directed the other members in carrying out the unlawful objects of the conspiracy, which included:

- a. Establishing a sports book gambling operation in the United States and Costa Rica
- b. Creating a network of agents and facilitators to oversee various groupings of gamblers
- c. Arranging several password-protected, web-based sports books in Costa Rica for the defendants and gamblers to access on a regular basis
- d. Utilizing various methods of moving cash and other funds between the parties to facilitate the gambling operation
- e. Promoting and enhancing the gambling activities of the members and associates of the conspiracy

Meisel, accused of being the principal bookmaker, is said to have acted as the bank or house for the operation, was known as the master agent and had a number of agents working under him.

He principally used two Internet-based offshore sports books in Costa Rica to facilitate the bookmaking operation.

Multiple agents worked for Meisel within the sports gambling operation, each having multiple bettors under them whom they managed.

These agents handled communications with, conducted payouts of illegal gambling proceeds to, and collected illegal gambling debts from, their bettors.

Meisel communicated regularly with his agents and received illegal gambling debt collections from them at various times throughout the week.

Additionally, Meisel had his own group of bettors he personally managed and with whom he communicated, conducted payouts to and collected from, on a regular basis.

The indictment states Finn, Beck and Guaragna took direction from Meisel, as members of the conspiracy, managing many bettors and retaining a share of the gambling proceeds as determined by Meisel.

Finn, in addition to acting at the direction of Meisel, was also the leader of his own sports gambling sub-operation within the overall conspiracy, utilizing two other Internet-based sports books in Costa Rica to facilitate his component of the conspiracy.

Defendants Smothermon, Barden, DiCapua, Baker and Moore, reported to Finn, with each managing multiple bettors and retaining a share of the gambling proceeds as determined by Finn.

The indictment describes the type of gambling operation as a “credit based” or “credit shop” sports book, whereas, upon being introduced to the bookmaker or agent, and becoming registered as a new customer, the bettor was given a line of credit and rules for how the credit could be used to place wagers on sporting events.

Typical rules would include a maximum wager per sporting event, a maximum total for all outstanding wagers and an assigned credit threshold amount.

No money exchanged hands between the bettor and bookmaker until the bettor won or lost enough money to reach the bettor’s credit threshold amount. Payment would then be made by the bettor or by one of the agents in the gambling operation.

The offshore sports books used by the defendants were not used to exchange money, but rather to track bettors’ activities and account balances, either on the Internet or by calling a toll-free telephone number and providing an account number and password.

All of the toll-free numbers were routed to companies located in Costa Rica, which acted as “virtual wire rooms for the bookmaking operation by taking wagers and keeping electronic records of betting activity and results on computer servers located in Costa Rica.

And, while the Costa Rican companies did not have an interest in the outcome of the wagers, it instead charged Meisel and Finn, as bookmakers, a fee for managing each bettor account.

Gambling debts were mostly paid out or collected in person and in cash. However, on some occasions, business or personal checks were accepted from bettors. Wire transfers and deposits to

specified accounts were sometimes used to pay gambling debts, while jewelry, watches and coins were also occasionally accepted in lieu of cash, or as collateral until the gambling debt was settled.

Meisel was said to have utilized banks to facilitate his gambling operation and would often provide bettors with bank account information at Bank of America and Wells Fargo, either under his name Beck's name or Mid-back, Inc., an inactive Florida corporation that listed Meisel as an officer/director.

Meisel also provided a credit card account number to some bettors so that his credit card bills would be paid with illegal gambling proceeds. On other occasions, Meisel, a frequent visitor to Las Vegas, had bettors and/or agents pay his Las Vegas casino credit markers in lieu of collecting cash from them.

Finn made extensive use of FedEx, DHL and other overnight delivery services to facilitate his gambling operation by sending and receiving packages directly related to the collection and payout of gambling proceeds.

According to the indictment, the Internet gambling ring raked in millions of dollars since 2007.

Dennis K. Burke, U.S. Attorney for the District of Arizona, stated, "Running an illegal gambling business is a crime. These defendants bet that they wouldn't get caught. They lost."

Convictions for conspiracy and engaging in an illegal gambling business each carries a maximum sentence of five years. A conviction for transmission of wagering information carries a maximum penalty of two years for each count. A conviction for transactional money laundering carries a maximum penalty of 10 years for each count. Each count also carries a maximum fine of \$250,000.

The investigation was conducted by special agents of the Criminal Investigation Division at the IRS, the FBI and Scottsdale Police Department.

Source: Sonoran News. (AZ).

---

## **You Dummy! The Moment A Real Hare Took His Life In His Hands By Tearing Across Greyhound Track**

Spare a thought for the poor punters who put a bet on Ginny Lou in the Finer Fruit Stakes in Australia earlier this week.

The racing greyhound was coming a respectable third at the track in Shepperton, Victoria, when she was suddenly confronted with two hares to chase.

Spectators were just as confused as the wild hare ran across the track, straight into the path of a thundering pack of eight greyhounds trained to chase him down.

The rest of the dogs continued to chase the fake but Jinny Lou -showing a taste for reality over fantasy - veered off on a mission to run the real hare down.



---

**Hare of the dog: The moment a real hare dashed on to the track at a greyhound race in Victoria, Australia**

---



---

**Bad hare day: While the rest of the pack chases the fake hare, third-placed Ginny Lou veers off to chase the real thing**

---

She jumped from the pack and vanished from the field, chasing her prey towards the outside fence.

Racing officials were forced to declare the Finer Fruit Stakes a non-race. Incredulous bookies had to refund all bets on the race - up to £18,500.

Though ground staff launched a hunt for the pesky intruder, it managed to outwit both them and Ginny Lou and make good its escape.

Ginny's trainer Scott Stefanos said that after the race he didn't know whether to laugh or cry about the incident.

Source: *Mail Online (Australia)*.



## **RCI Would Like To Thank Our 2010 Associate Members**

### ***2010 Associate Members***

AQHA

AmWest Entertainment

Japan Racing Association

Las Vegas Dissemination Company

Mountaineer Park

National HBPA

NTRA

Oak Tree

Jockey Club

USTA