

Annual Report and Simulcast Report
of the
New York State Racing and Wagering Board

A summary of
calendar year 2000

New York State Racing and Wagering Board
Michael J. Hoblock, Jr., Chairman
Cheryl Ritchko-Buley, Member
Joseph P. Neglia, Member

The Board maintains a website at www.racing.state.ny.us. The website contains a complete version of the Racing and Wagering Board Rules and Regulations and the New York State Racing, Pari-Mutuel Wagering and Breeding Law; recent annual reports; a schedule of Board Meetings, Meeting Agendas and Past Meeting Minutes; licensing and charitable gaming forms, applications and instructions; proposed rule changes and feedback form; complete list of live race dates for New York State Racetracks; racing and off-track betting statistics; contact information and various other informational notes for regulated entities, the general public and local and state authorities.



**STATE OF NEW YORK
RACING AND WAGERING BOARD**

Chairman
Micheal J. Hoblock, Jr.

Executive Director
Edward J. Martin

Members
Cheryl Ritchko-Buley
Joseph P. Neglia

Secretary to the Board
Maureen L. McGrath

July 1, 2001

Honorable George E. Pataki
Governor of the State of New York

Honorable Members of the Assembly and Senate
of the State of New York

Dear Governor Pataki and Honorable Members of the Legislature:

On behalf of the New York State Racing and Wagering Board, I submit to you the Board's 26th Annual Report in accordance with Chapter 346 of the Laws of 1973. As in past years, the Simulcast Report is incorporated into the Annual Report.

I am pleased to submit the 2000 annual report which summarizes the operations of the Board, includes valuable statistical data and an overview of the regulated entities. The report highlights our achievements and describes our commitment to maintaining the integrity of racing and wagering activities in the State of New York. The report also serves as an excellent illustration of the impact of racing and wagering activities on the economy of New York State.

For example, the pari-mutuel handle, on and off-track, in 2000, amounted to more than \$2.7 billion and resulted in over \$147 million in revenues to state and local government. The combined handle for Bingo and Games of Chance in 2000 was over \$514 million with charitable organizations receiving a net profit of nearly \$54 million. Wagering of this magnitude and the derived revenues and profits generated deserve careful analysis and consideration.

The Racing and Wagering Board would like to express our appreciation for the cooperation rendered by the Governor, the State Legislature, other public officials, and various track operators and industry leaders.

Sincerely,

Michael J. Hoblock, Jr.

1 Watervliet Avenue Extension, Suite 2, Albany, NY 12206-1668
Telephone (518) 453-8460 Fax (518) 453-8490
<http://www.racing.state.ny.us>

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A Brief History

The New York State Racing and Wagering Board was established by the State Legislature in 1973. The Board was created to combine the functions of the various existing racing commissions to provide a centralized authority. Pursuant to statute, the Board was given "general jurisdiction over all horse racing activities and all pari-mutuel betting activities, both on-track and off-track, in the state and over the corporations, associations, and persons engaged therein."

Prior to the 1973 enactment, the State had several Commissions which were charged with the regulation and oversight of legalized gambling that governed Thoroughbred Racing, Harness Racing, Quarter Horse Racing, Off-Track Betting and the Lottery. Under the new legislation, these Commissions were consolidated into the New York State Racing and Wagering Board.

Of the consolidated commissions, the State Racing Commission was the oldest, having been established in 1895. The Commission also held the prestige of being the oldest racing regulatory body in the nation. When the Racing and Wagering Board assumed the powers and duties of the Racing Commission, a reconstituted State Racing Commission was created as an advisory board.

In April 1970, New York State enacted a law permitting local communities to operate pari-mutuel off-track betting facilities. New York City OTB was the first, which started in 1971. Schenectady OTB followed in 1971, and then Western OTB commenced in 1974. At the time, simulcasting consisted of an audio signal, which was transmitted to the betting facilities. Simulcasting a live audiovisual signal was first authorized by the State Legislature in 1984 on an experimental basis and was extended permanently in 1990.

The first permanent appointment to the Racing and Wagering Board was Joseph H. Boyd, Jr. He was appointed as a member on June 30, 1973 by Governor Nelson Rockefeller. Emil Mosbacher, Jr., the first Chairman of the Board was appointed on August 1, 1973.

In 1977, the functions of the Bingo Control Commission were transferred to the Board. Since this transfer the Board has regulated both bingo and games of chance conducted by religious, charitable and certain non-profit organizations. Bingo was authorized pursuant to a constitutional amendment passed in 1957. Games of chance were authorized by constitutional amendment in 1975.

Finally, in 1993 the Board was given the authority to regulate Class III Indian gaming in the State pursuant to Compacts entered into between the State of New York and the Oneida Indian Nation of New York and the St. Regis Mohawk Tribe. Currently there are two Native American casinos in New York State. The Oneida Indian Nation of New York has operated the Turning Stone Casino Resort in Verona since July 20, 1993. The St. Regis Mohawk Tribe opened the Akwesasne Mohawk Casino in Hogansburg on April 10, 1999.

Both Compacts were negotiated under the auspices of the Federal Indian Gaming Regulatory Act. The United States Department of the Interior on June 4, 1993 approved the Oneida Compact. The St. Regis Compact was approved on December 4, 1993 and later amended in 1994 and 1999.

Members of the Racing and Wagering Board

The New York State Racing and Wagering Board consists of three members, appointed by the Governor with the consent of the New York State Senate, for six-year terms. Of the three, one is designated by the Governor to serve as Chairman. Members are eligible for reappointment at the discretion of the Governor. The Board met 17 times during calendar year 2000. Board meetings are open to the public and include a published agenda.



Chairman Michael J. Hoblock, Jr. was appointed to the Racing & Wagering Board by Governor Pataki and was confirmed by the New York State Senate on May 6, 1997. He was designated by the Governor to serve as Chairman. Prior to his chairmanship of the Board, Mr. Hoblock was of counsel to the Albany law firm of Crane, Greene and Parente.

After obtaining his Juris Doctor, Mr. Hoblock voluntarily served with the United States Marine Corps in Vietnam. Upon completion of active duty in 1971, Mr. Hoblock then joined the law firm of Zubres, D'Agostino, Hoblock & Greisler.

Mr. Hoblock's first elective office was to the New York State Assembly in 1978 where he served three terms. Following his service in the Assembly, Mr. Hoblock was elected as a member of the Colonie Town Board, serving for six years before being elected

Albany County Executive. In 1994, Mr. Hoblock was elected to the New York State Senate.

As co-owner of Standardbreds in the early 1970's, Mr. Hoblock had the opportunity to experience the racing industry firsthand as an active participant. While his horses raced primarily at harness tracks in New York State, Mr. Hoblock gained valuable knowledge that has served him well in his role as Chairman of the Board. In addition, as a legislator, he was instrumental in securing passage of legislation that was beneficial to the charitable gaming industry. From 1979 to 1985, he also served as Vice-Chairman of the Elks Government Relations Committee and assisted with the formation of the NYS Division of CONPOR, the Conference of Private Organizations.

Mr. Hoblock and his wife Karen reside in Loudonville, New York.



Member Joseph P. Neglia was first appointed to the New York State Racing and Wagering Board in 1984. A graduate of El Camino College in California, Mr. Neglia founded Al-Brite Paint Company Incorporated, and served as President for 23 years. He later served as Assistant Industrial Commissioner for the New York State Department of Labor and as Deputy Executive Director for the New York State Board of Elections. In 1978, Mr. Neglia was appointed by Governor Hugh Carey to the New York State Mediation Board where he served until his appointment to the Racing and Wagering Board.

In 1992, Mr. Neglia was elected Chairman of the Association of Racing Commissioners International (ARCI), and has served as Treasurer, First and Second Vice President and President-Elect. In 1994, Mr. Neglia was awarded the ARCI's Joan Pew Award which is presented to a Racing Commissioner who has displayed "courage, dedication, vision and vitality."

Mr. Neglia resides in Brooklyn, New York with his wife Irene. They are the parents of four grown children.



Member Cheryl Ritchko-Buley, appointed to the Racing and Wagering Board by Governor Pataki, was confirmed by the New York State Senate on June 13, 2000 and is the first woman to serve on the Board. Ms. Buley graduated summa cum laude from Boston University where she earned a masters degree in public relations in 1988. She completed an international business program at the University of Copenhagen in Denmark and holds a bachelor's degree in business and marketing from The State University of New York at Plattsburgh. Ms. Buley began her career working as a legislative aide for New York State Senator Joseph L. Bruno from 1985 to 1986.

She moved into the private sector as a consultant, where she developed award winning public information campaigns for McDonald's Corporation and The Dental Society of the State of New York. Among the clients she has served is the president of the American Dental Association, McDonald's Corporation – where she managed regional chapters of Ronald McDonald House Charities, Sheraton Hotels, and Marine Midland Bank. She also worked in Oslo, Norway for Arthur Young as a market analyst in 1990.

Executive Staff



Seated (L to R): Board Member Cheryl Ritchko-Buley, Chairman Michael J. Hoblock, Jr., and Board Member Joseph P. Neglia;

Front Row Standing (L to R): Stacy Walker, Nicole Robilotto, Cecile Dunn, Maureen McGrath;

Back Row Standing (L to R): Bruce Samboy, Edward Martin, Robert Feuerstein, Joseph Lynch, Tom Casaregola, Daryll Messner.

Mission Statement for the Racing and Wagering Board:

Our Purpose is to ensure that New York State's legalized casinos, pari-mutuel, and charitable gambling activities operate with integrity and are in full compliance with New York State statutes and rules.

We safeguard the interest of the public, including the taxpayers and patrons by ensuring that the regulated entities and their employees participating in, or benefiting from legalized gambling operate with probity. We will expeditiously respond to all public concerns.

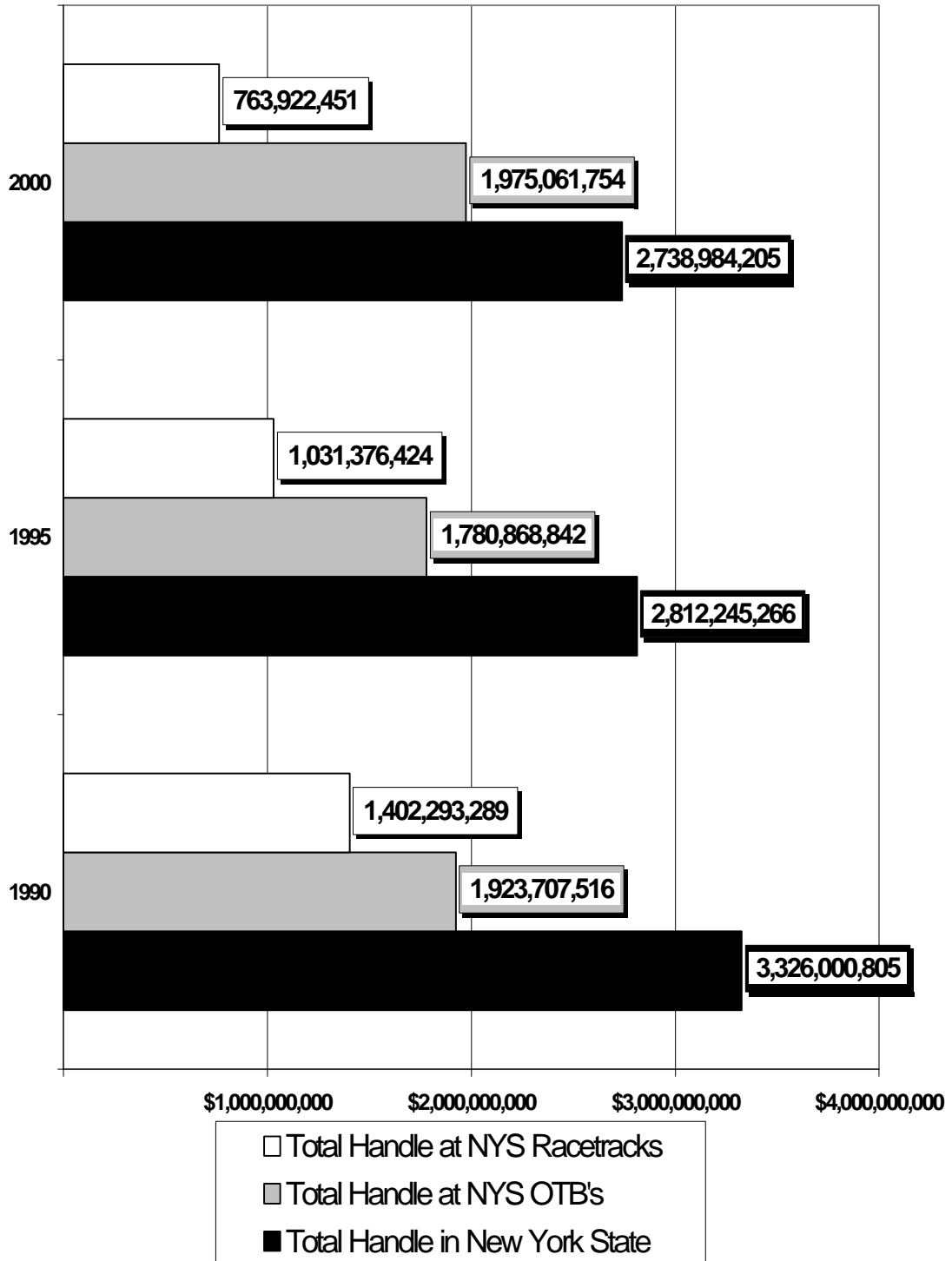
Executive Management espouses that personal integrity is paramount for all Board employees who must ensure honest and proper conduct of legalized gambling and other regulated activities. To properly serve the public, all employees must perform their duties in an ethical manner that is above reproach. To meet this goal we advocate teamwork, intra-agency communication, mutual respect, training, and advancement to reach each employee's potential.

Only through vigilance, competence and dedication can the Board and its employees be successful in performing its statutory responsibilities.

Statewide Racing Activity

Total Annual Handles

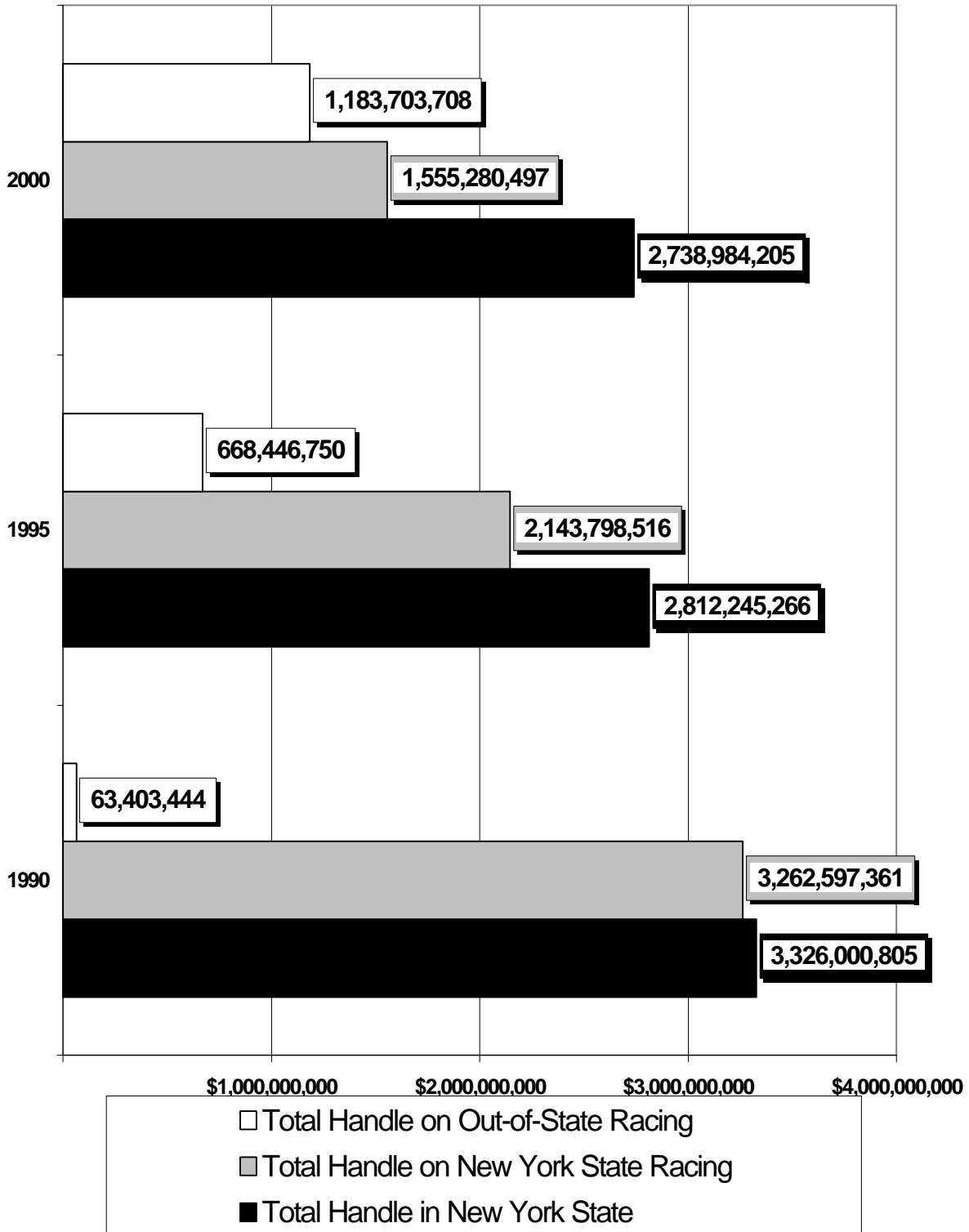
at New York State Tracks and OTB's



Total Annual Handles

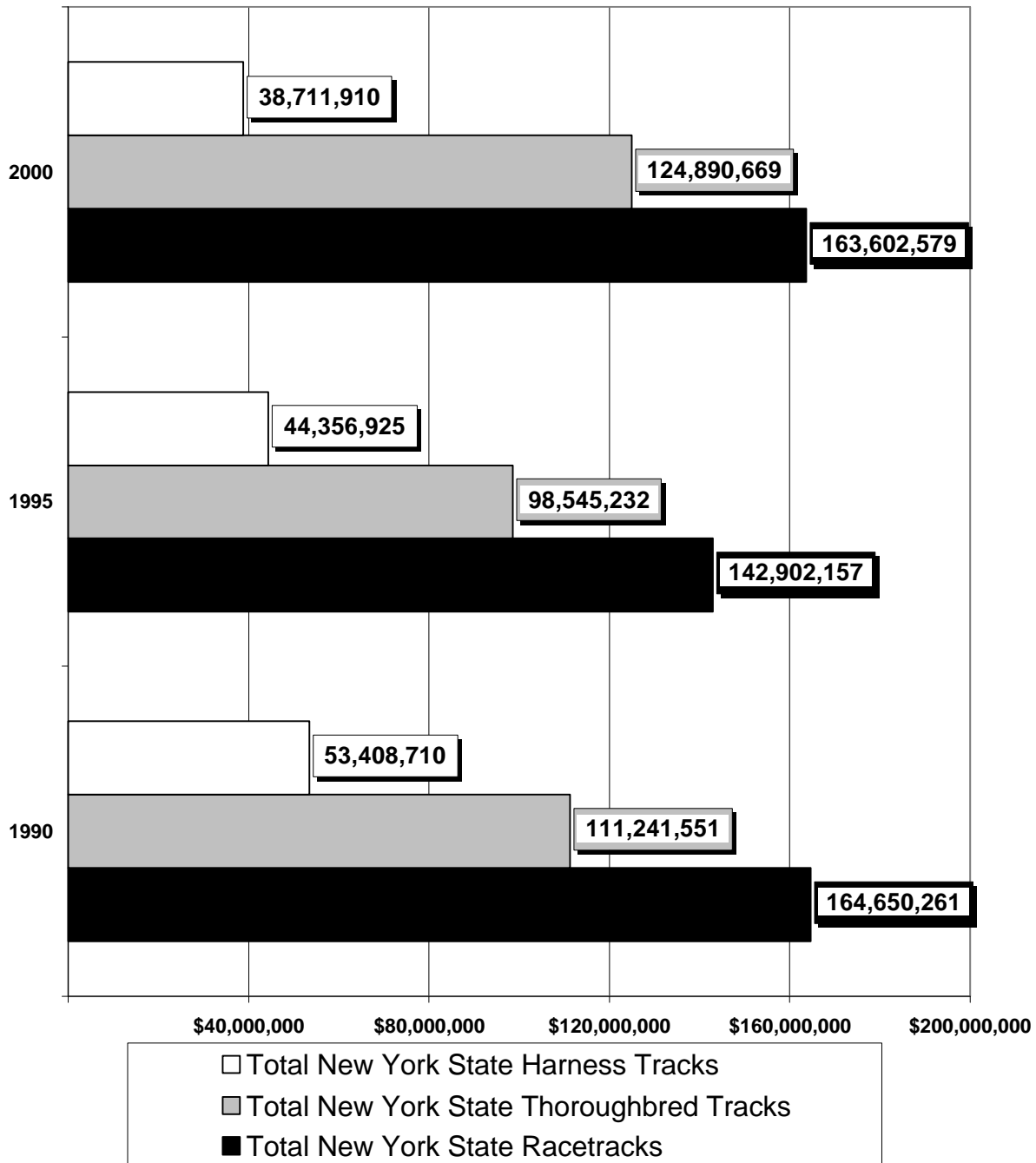
at New York State Tracks and OTB's

In-State vs. Out-of-State Racing



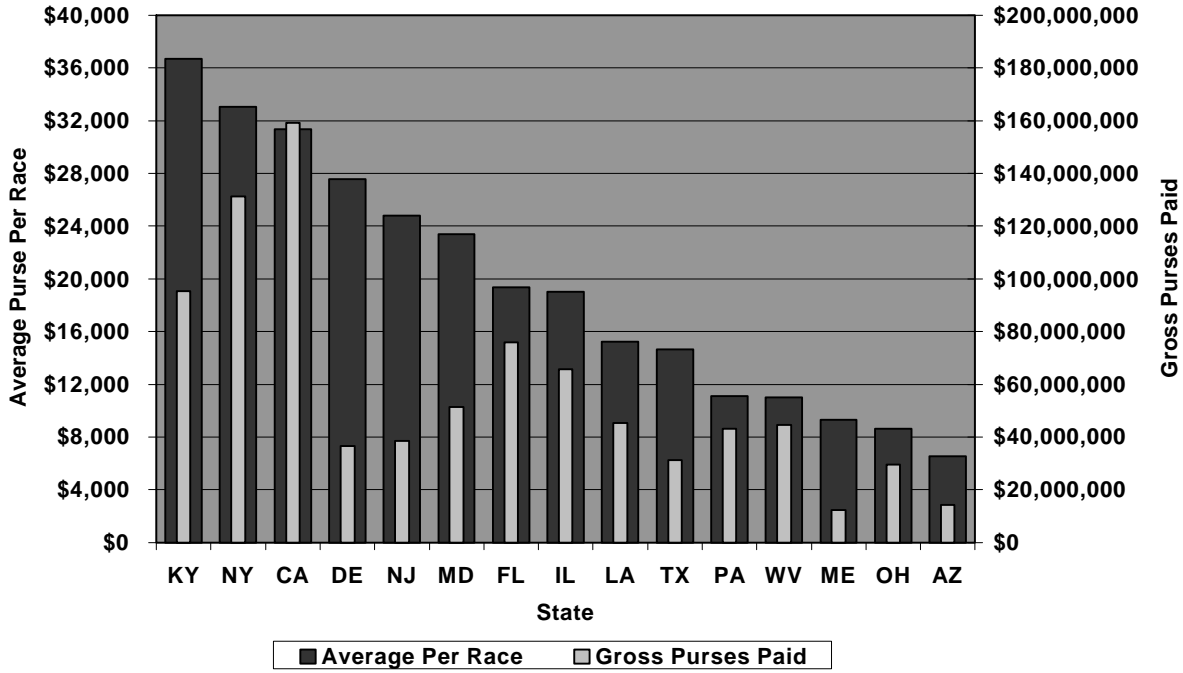
Thoroughbred & Harness Purses 1990 - 2000

Total Annual Gross Purses Paid at New York State Racetracks

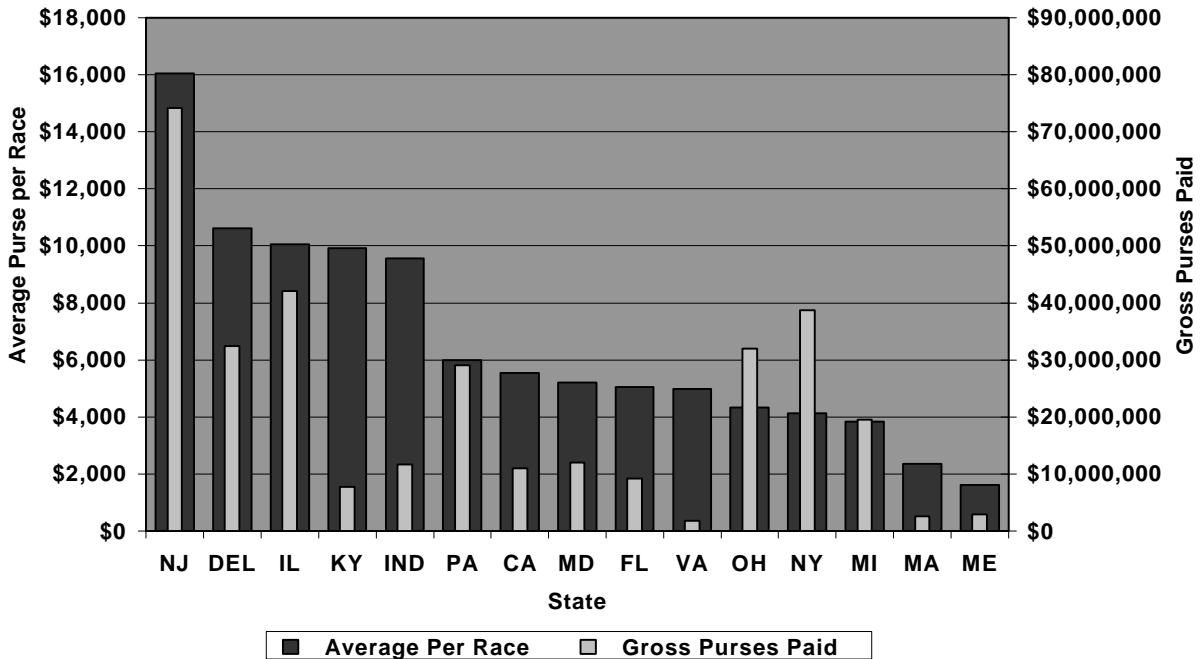


2000 Purses Paid New York State vs. Nationwide

2000 Purses Paid at Thoroughbred Tracks in the United States

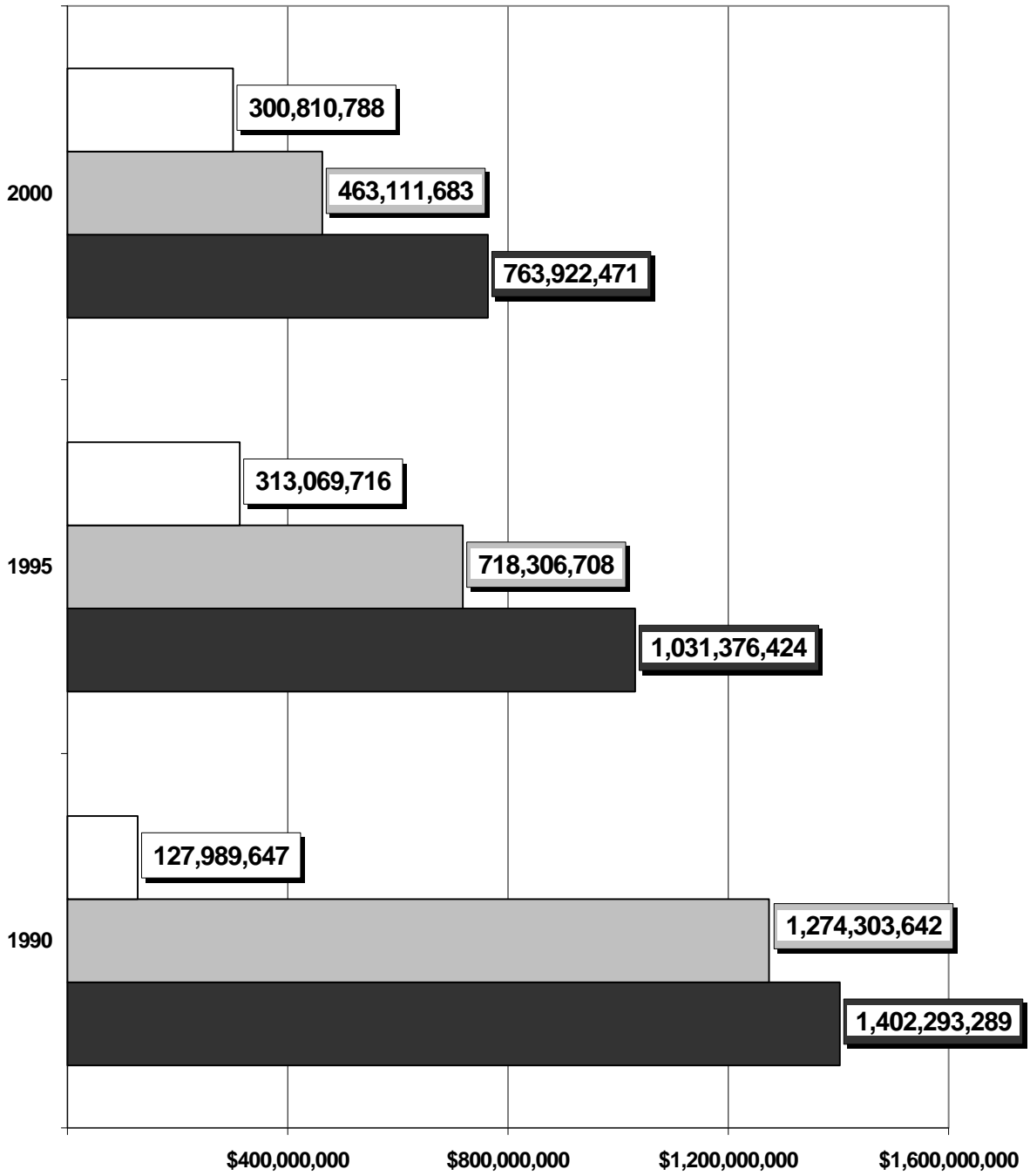


2000 Purses Paid at Harness Tracks in the United States



Total Annual Handles

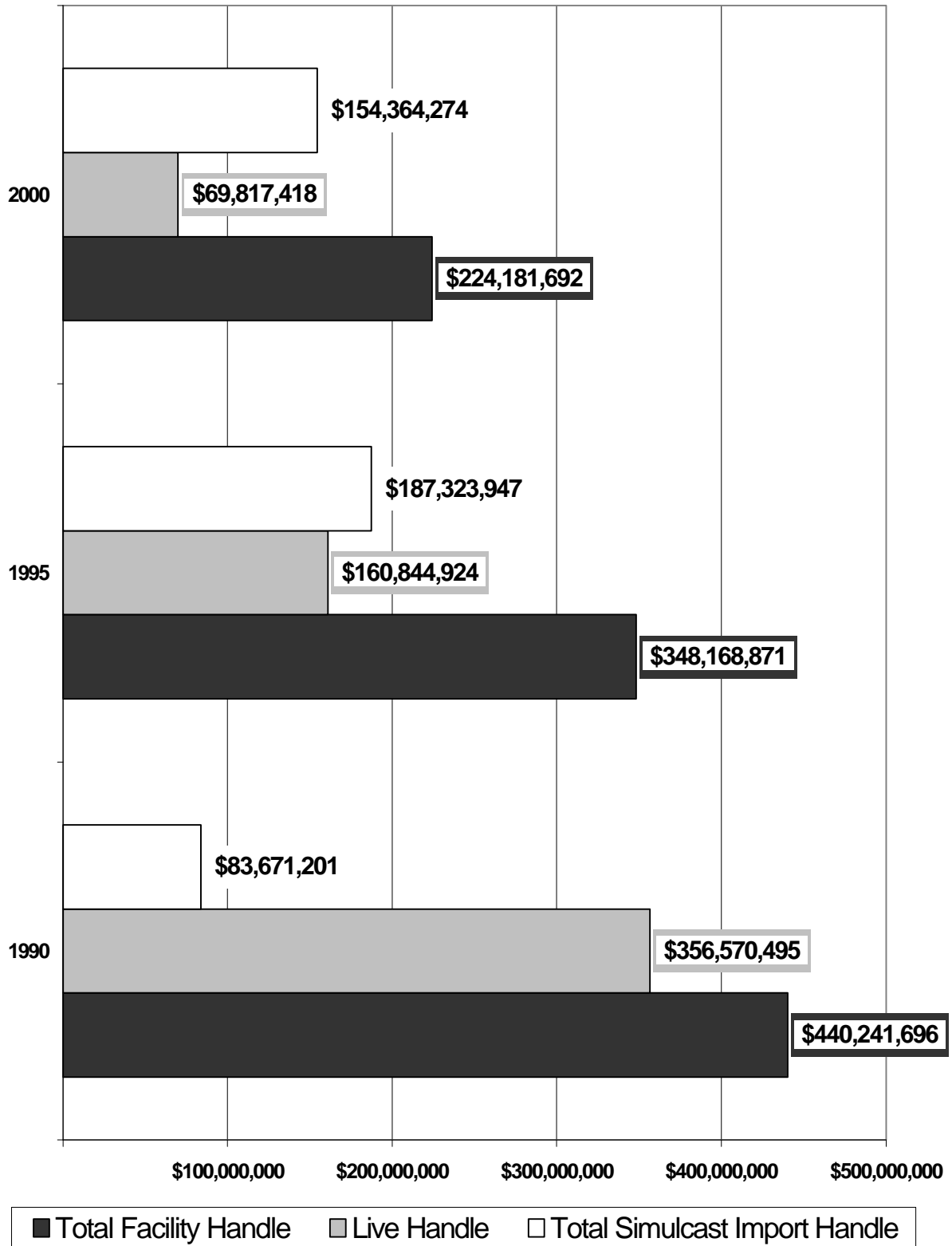
New York State Thoroughbred and Harness Tracks



Total Facility Handle
 Live Handle
 Total Simulcast Import Handle

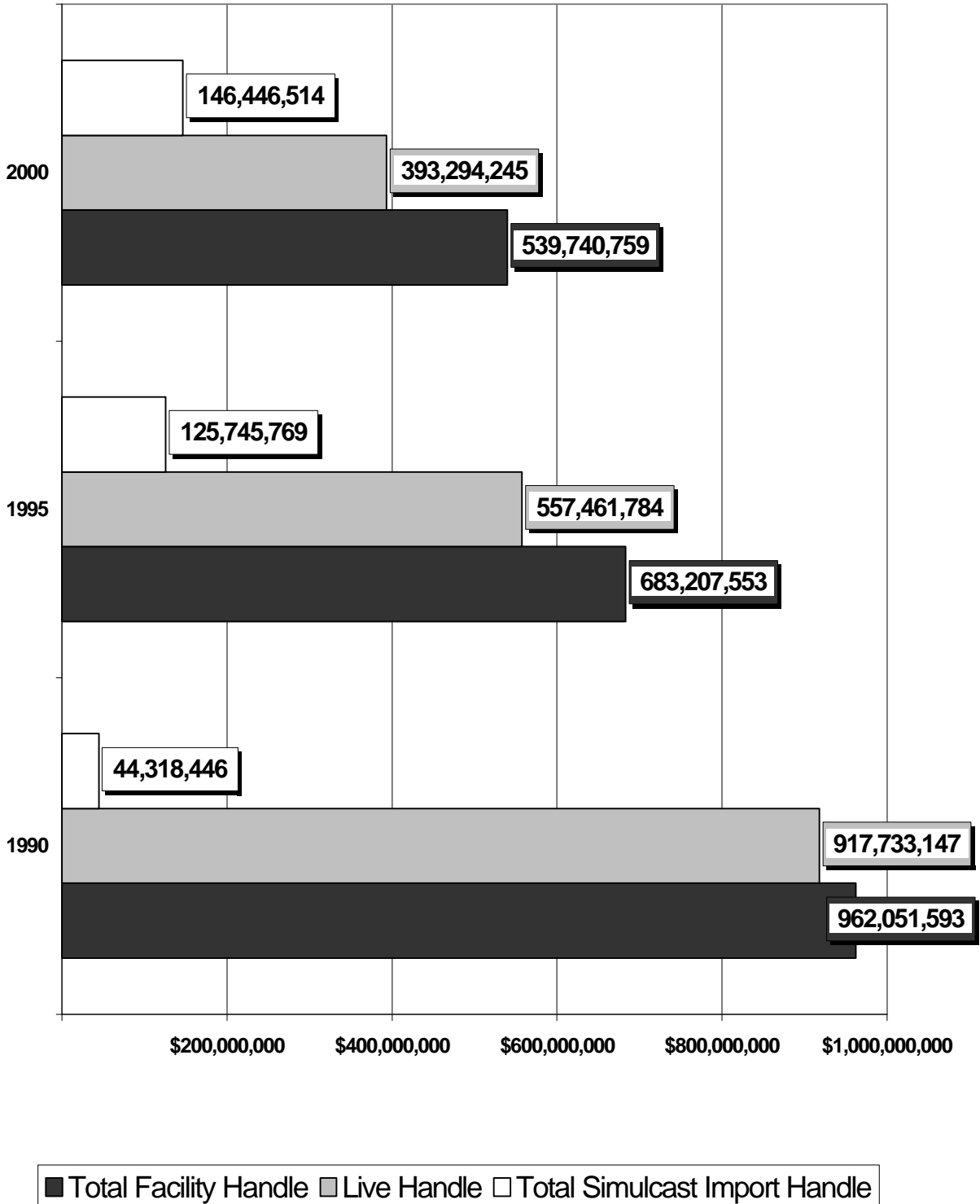
Total Annual Handles

New York State Harness Tracks



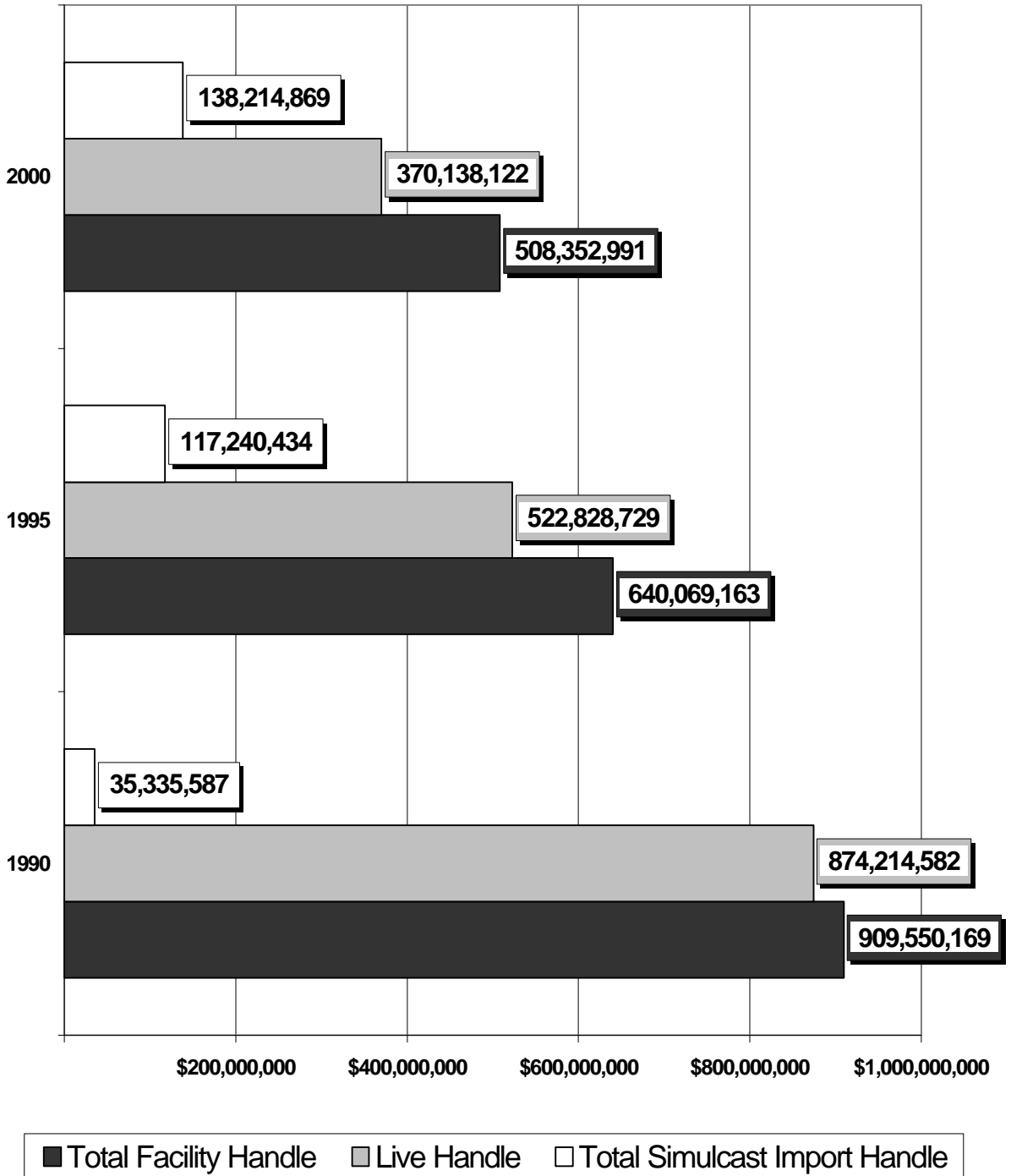
Total Annual Handles

New York State Thoroughbred Tracks



NYRA Total Annual Handles

Aqueduct, Belmont, Saratoga



Operating Racetracks



Thoroughbred Racing

Aqueduct Racetrack

New York Racing Association
 110-00 Rockaway Boulevard
 Jamaica, New York 11417
 Phone: (718) 641-4700

Website Address: <http://www.nyra.com/Aqueduct>

Aqueduct Racetrack opened in 1894. A new clubhouse and track offices were built in 1941 with a rebuilt Aqueduct opening in 1959. An inner track was built in 1975 which allowed for winter racing.

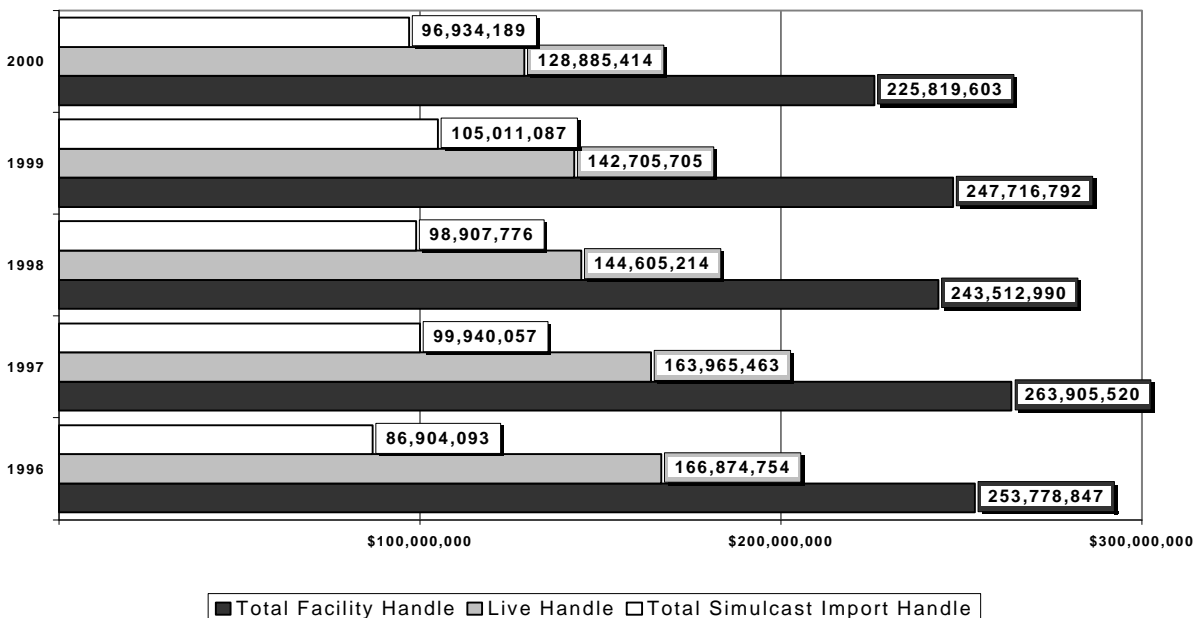
Size of Track: One and 1/8 mile **Capacity:** Grandstand seating: 14,750
 Clubhouse seating: 2,250
 Total Capacity: 90,000

Season: January 1 - May 7, October 25 - December 31

State Racing Official: Carmine Donofrio, State Steward

	Number of Race Days	Attendance
1999	137	761,873
2000	134	681,263

Total Annual Handles



Belmont Park

New York Racing Association
 2150 Hempstead Turnpike
 Elmont, New York
 Phone: (516) 488-6000

Website Address: <http://www.nyra.com/Belmont>

Belmont Park was named for August Belmont II and is home to the third jewel of racing's Triple Crown, the Belmont Stakes. One of the oldest racetracks in the United States, racing began at Belmont Park in 1905.

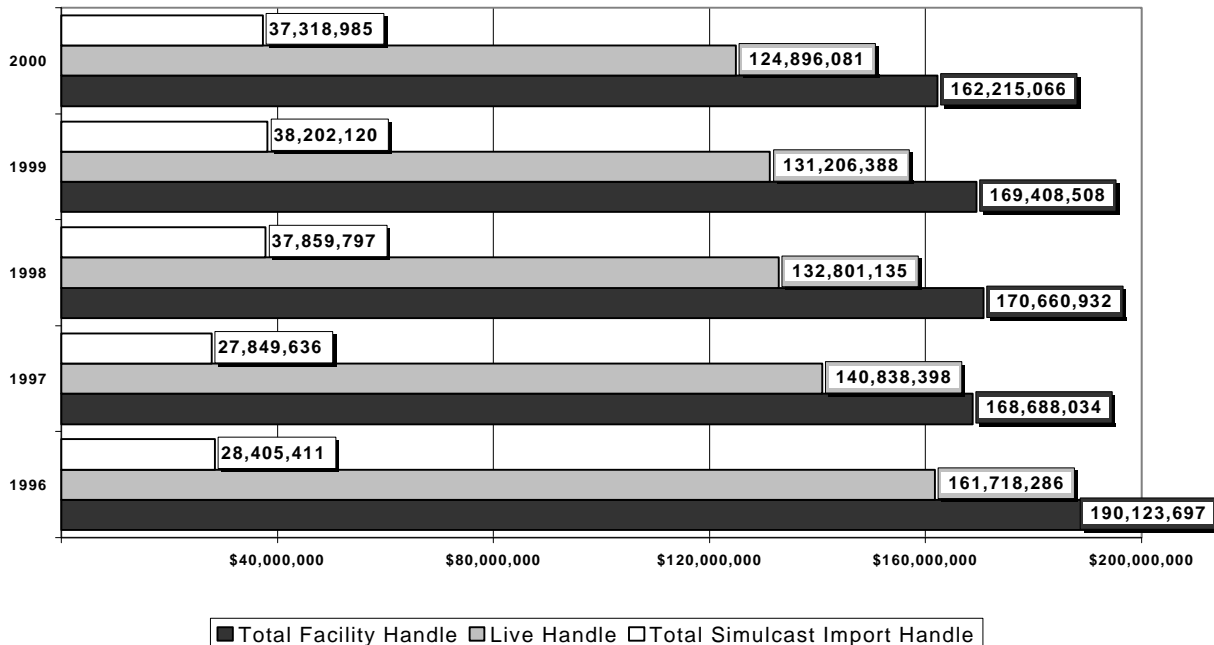
Size of Track: One and 1/2 mile **Capacity:** Grandstand seating: 27,041
 Clubhouse seating: 5,900
 Total Capacity: 85,000

Season: May 10 - July 23, September 8 - October 22

State Racing Official: Carmine Donofrio, State Steward

	Number of Race Days	Attendance
1999	87	709,357
2000	88	685,035

Total Annual Handles



Finger Lakes Racetrack

Delaware-North Incorporated
 PO Box 25250
 Farmington, New York 14425
 Phone: (716) 924-3232

Website Address: <http://www.fingerlakesracetrack.com>

Finger Lakes Racetrack is the only thoroughbred track operated by a for-profit corporation in New York State. The track opened in 1962 and is currently owned and operated by Delaware-North Incorporated.

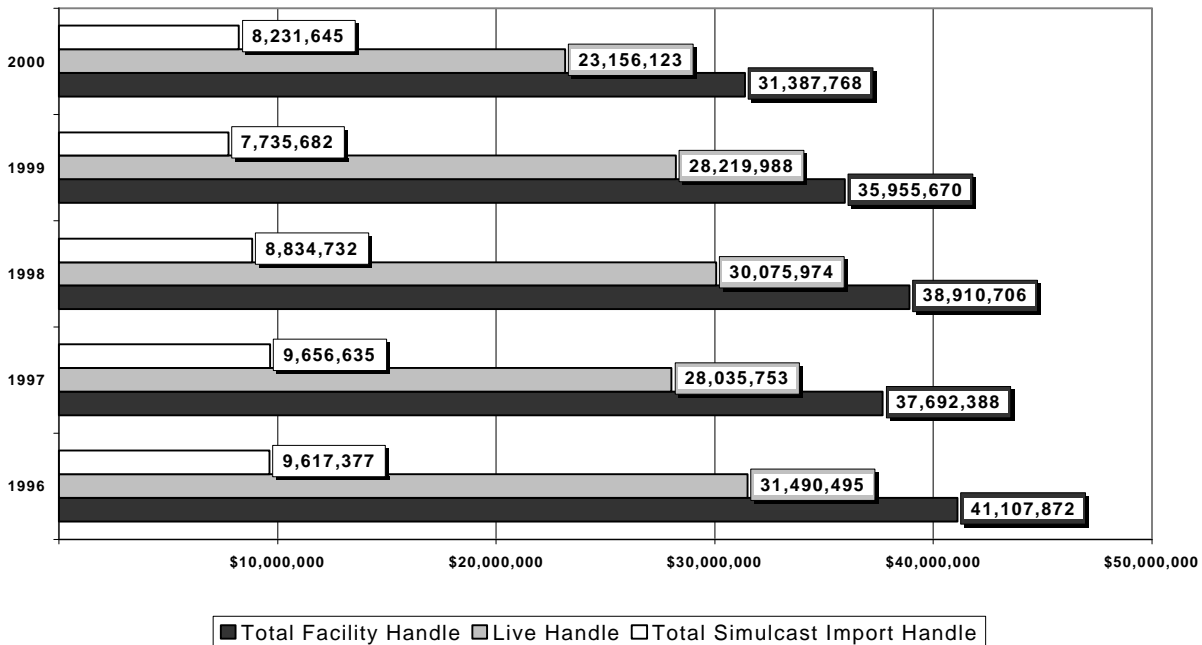
Size of Track: One mile **Capacity:** Grandstand seating: 4,000
Clubhouse seating: 2,000

Season: April 1 - December 9

State Racing Official: Stuart Rainey, State Steward

	Number of Race Days	Attendance
1999	176	252,342
2000	167	222,590

Total Annual Handles



Saratoga Race Course

New York Racing Association
 Union Avenue
 Saratoga Springs, NY 12866
 Phone: (518) 584-6200

Website Address: <http://www.nyra.com/Saratoga>

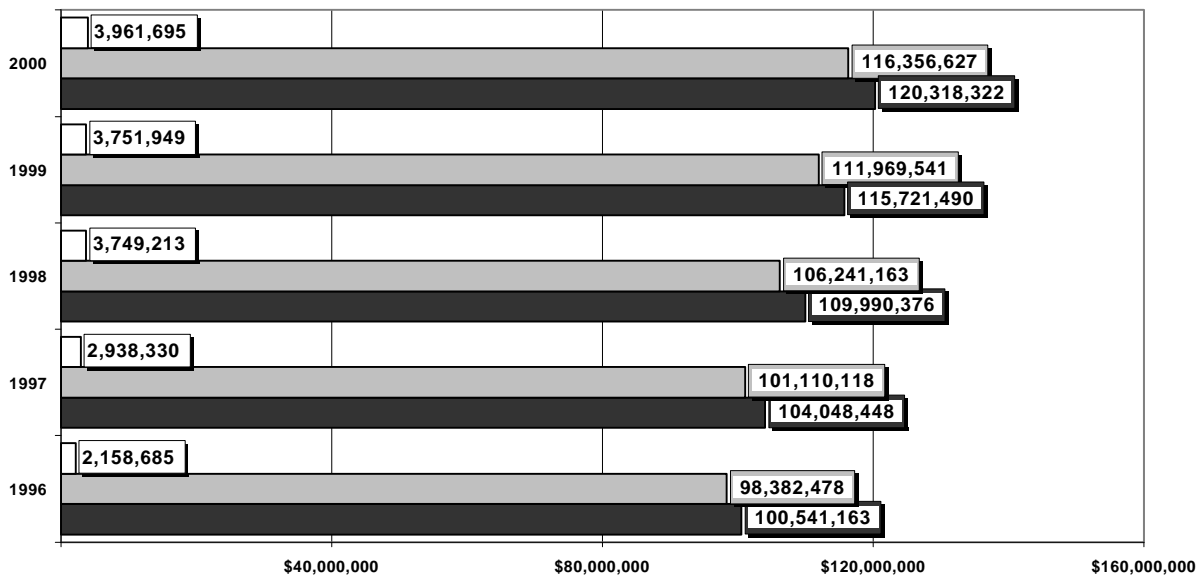
Thoroughbred racing debuted in Saratoga Springs in 1863. Home of the Grade 1 Travers Stakes Saratoga Race Course is the oldest functioning racetrack in the United States.

Size of Track: One and 1/8 mile **Capacity:** Grandstand seating: 15,000
 Clubhouse seating: 2,250
Season: July 26 - September 4 **Total Capacity:** 50,000

State Racing Official: Carmine Donofrio, State Steward

	Number of Race Days	Attendance
1999	36	920,216
2000	36	978,296

Total Annual Handles



■ Total Facility Handle □ Live Handle □ Total Simulcast Import Handle

Harness Racing

Monticello Raceway

Monticello Raceway Management Incorporated

Monticello, New York 12701

Phone: (845) 794-4100

Website Address: <http://www.monticelloraceway.com>

Monticello Raceway, located in Sullivan County first opened for racing in 1958. The Raceway may be reached via Routes 17 and 17-B.

Size of Track: One half mile

Capacity: Grandstand seating: 5,000

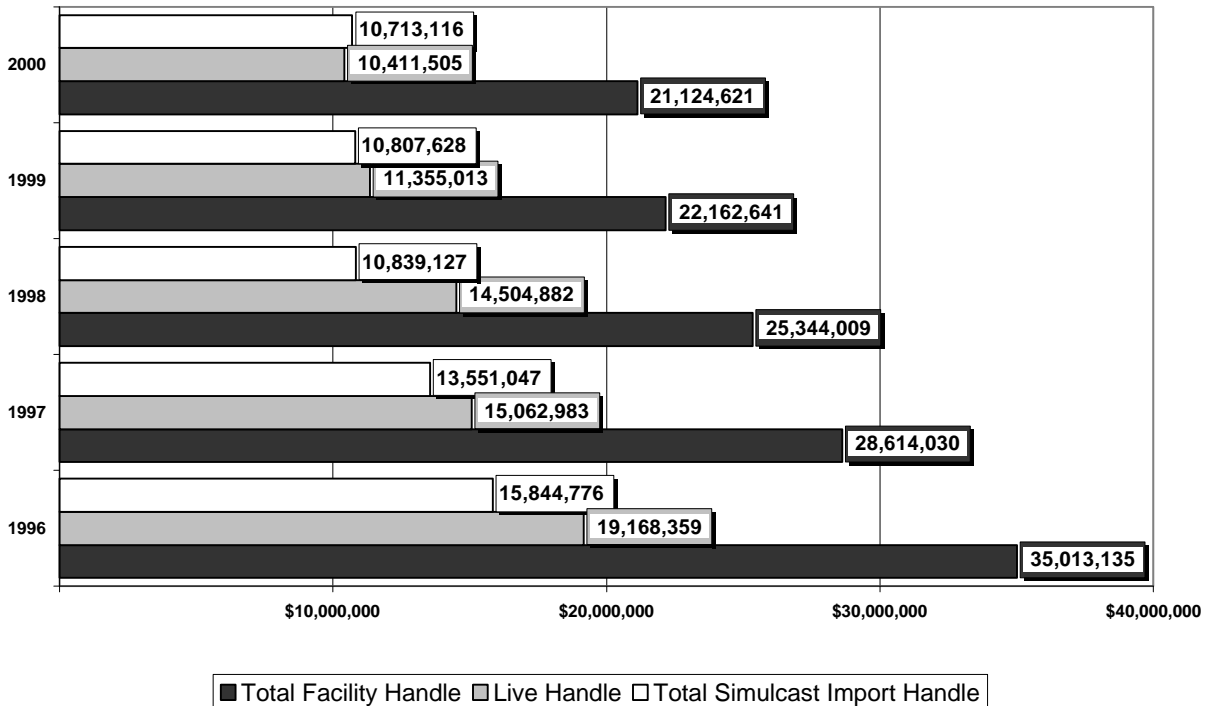
Clubhouse seating: 600

Season: January 1 - December 31

State Racing Official: Lance Ditewig, Presiding Judge

	Number of Race Days	Attendance
1999	216	76,891
2000	213	64,429

Total Annual Handles



Saratoga Equine Sports Center

Saratoga Harness Racing, Inc.

PO Box 356

Saratoga Springs, New York 12866

Phone: (518) 584-2110

Website Address: <http://www.saratogaraceway.com>

Saratoga Equine Sports Center opened for racing in 1941 and is currently owned and operated by Saratoga Harness Racing, Inc. Located off exit 13N of Interstate 87, the track is in the city of Saratoga Springs, two miles from downtown Saratoga on Nelson Avenue.

Size of Track: One half mile

Capacity: Grandstand seating: 2,000

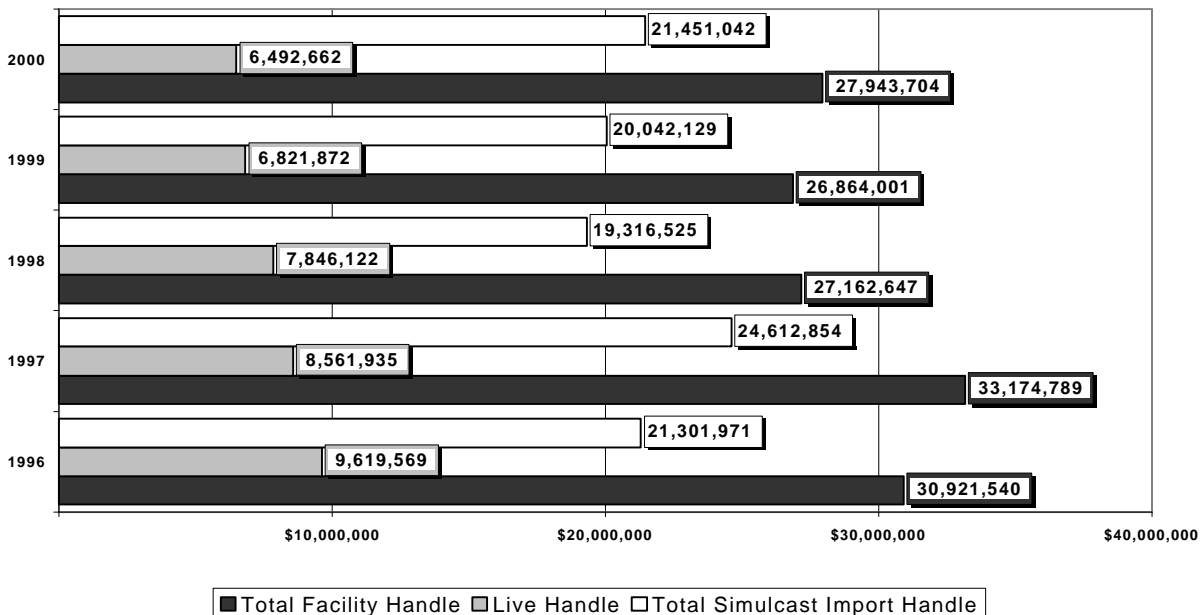
Clubhouse seating: 1,700

Season: February 14 - December 30

State Racing Official: Peter Russo, Presiding Judge

	Number of Race Days	Attendance
1999	139	111,802
2000	143	95,159

Total Annual Handles



Syracuse Mile

New York State Fairgrounds
 Syracuse, New York 13209
 Phone: (315) 487-7711

This meet is conducted in cooperation with Mid-State Raceway, Inc. and Buffalo Trotting Association. The meet operates two weekends a year in August in conjunction with the New York State Fair. The racetrack is on the State Fairgrounds located off exit 36 of Interstate 90.

Size of Track: One mile

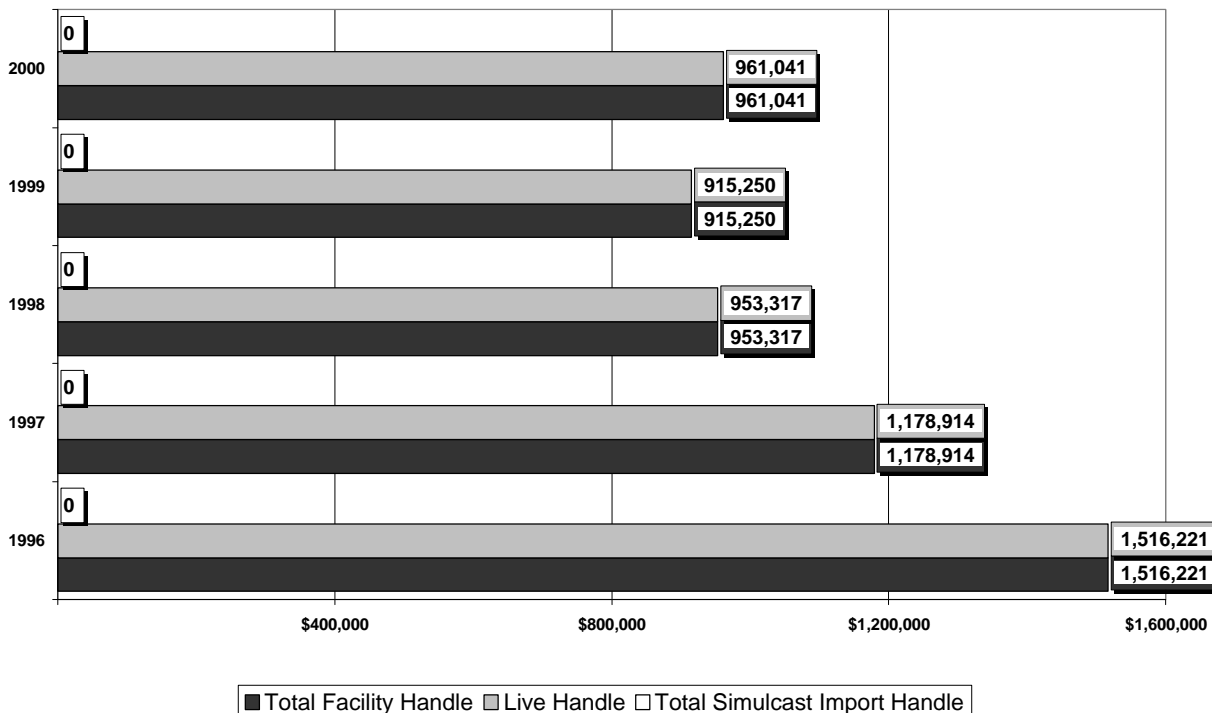
Capacity: Grandstand seating: 16,000

Season: August 5 - August 13 (for five days only)

State Racing Official: Arthur Wenerowicz, Presiding Judge

	Number of Race Days	Attendance
1999	6	9,318
2000	5	7,782

Total Annual Handles



Vernon Downs

Mid-State Raceway, Inc.
 PO Box 860
 Vernon, New York 13476-0860
 Phone: (315) 829-2201

Website Address: <http://www.vernondowns.com>

Vernon Downs is owned and operated by Mid-State Raceway, Inc. The track opened for racing in 1953 and is located in Vernon, Oneida County, just off Route 5 and the New York State Thruway at exit 33.

Size of Track: 7/8 mile

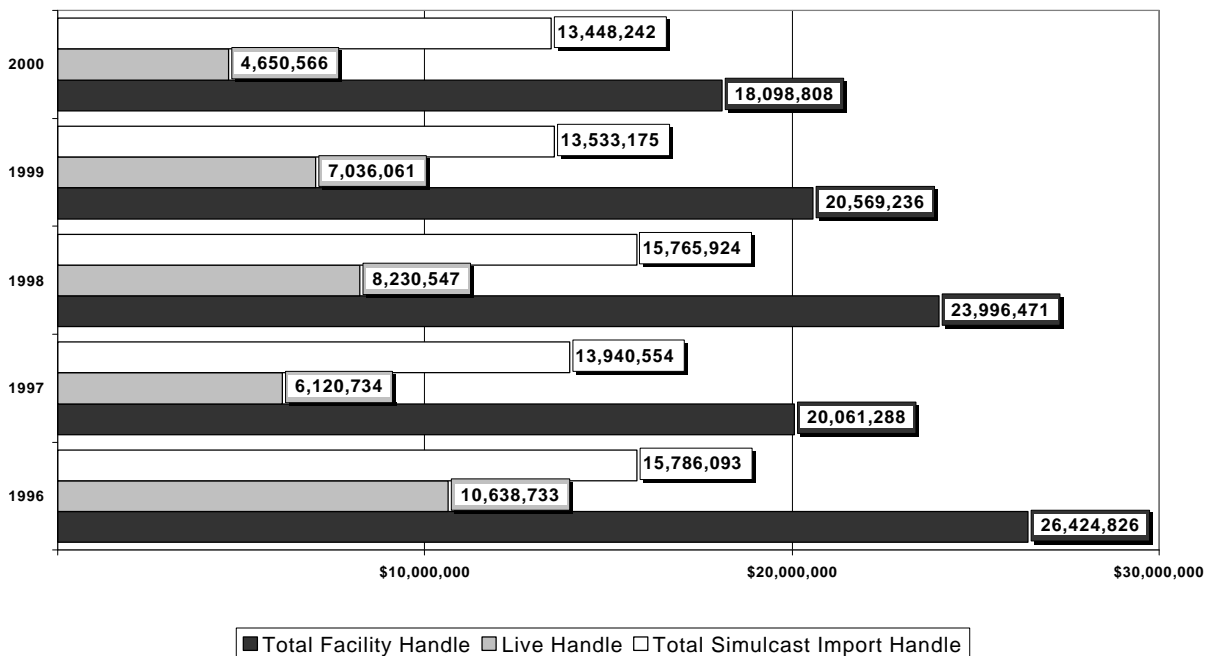
Capacity: Grandstand seating: 1,700
 Clubhouse seating: 1,400

Season: April 28 - November 11

State Racing Official: Anthony Stellone, Presiding Judge

	Number of Race Days	Attendance
1999	114	152,068
2000	93	95,407

Total Annual Handles



Yonkers Raceway

Yonkers Racing Corporation
Yonkers, New York 10704
Phone: (914) 968-4200

Yonkers Raceway, owned by the Rooney family of Pittsburgh, Pennsylvania, opened in 1950. The Raceway is located on Central Avenue in Yonkers.

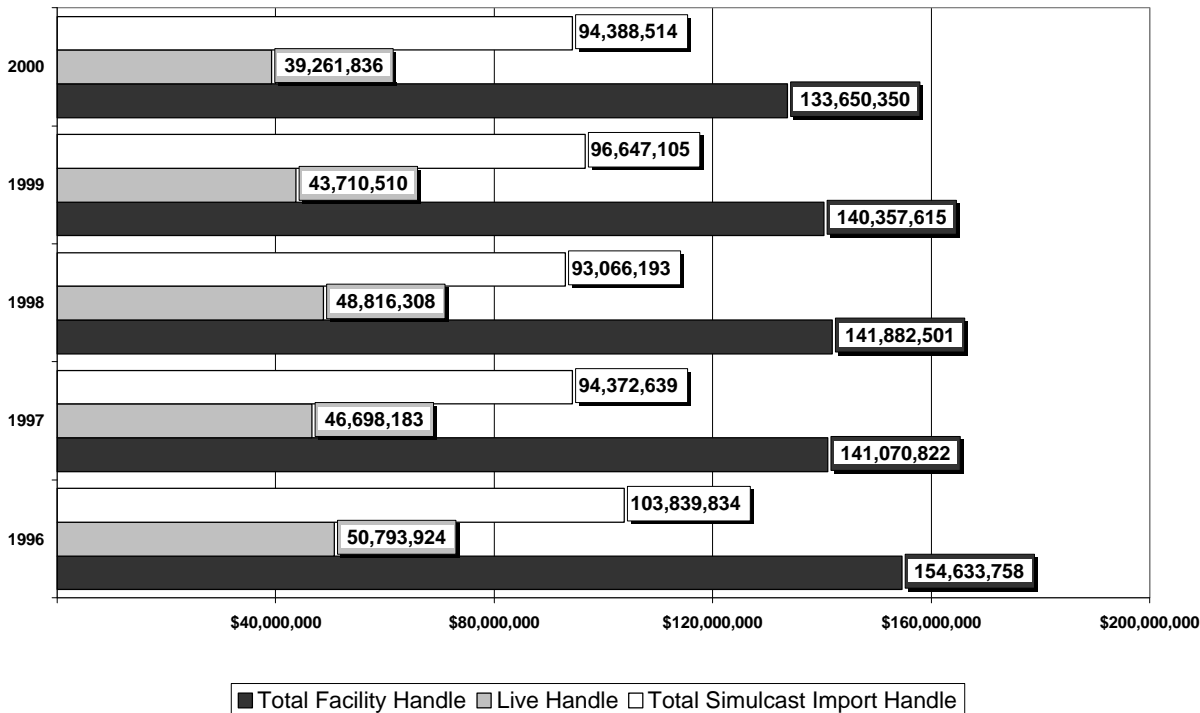
Size of Track: One half mile **Capacity:** Grandstand seating: 6,200

Season: January 1 - December 31

State Racing Official: Frank Pellegrino, Presiding Judge

	Number of Race Days	Attendance
1999	273	217,001
2000	256	187,418

Total Annual Handles



Thoroughbred & Harness Tracks Statistical Data

TOTAL BETTING AT NEW YORK STATE RACE TRACKS
ON-TRACK BETTING ON LIVE AND SIMULCAST IMPORT OF ALL RACES

	2000			1999			Increase (Decrease) 2000-1999
	Simulcast Imports	Live Racing	On-Track Betting	Simulcast Imports	Live Racing	On-Track Betting	
RECEIVING TRACK:							
THOROUGHBRED:							
Aqueduct	\$ 96,934,189	\$ 128,885,414	\$ 225,819,603	\$ 105,011,087	\$ 142,705,705	\$ 247,716,792	(8.8) %
Belmont	37,318,985	124,896,081	162,215,066	38,202,120	131,206,388	169,408,508	(4.2) %
Saratoga	3,961,695	116,356,627	120,318,322	3,751,948	111,969,541	115,721,489	4.0 %
NYRA	138,214,869	370,138,122	508,352,991	146,965,155	385,881,634	532,846,789	(4.6) %
Finger Lakes	8,231,645	23,156,123	31,387,768	7,735,682	28,219,988	35,955,670	(12.7) %
THOROUGHBRED TRACKS	146,446,514	393,294,245	539,740,759	154,700,837	414,101,622	568,802,459	(5.1) %
HARNESS:							
Buffalo	14,363,360	8,039,808	22,403,168	14,377,432	9,440,706	23,818,138	(5.9) %
Monticello	10,713,116	10,411,505	21,124,621	10,807,628	11,355,013	22,162,641	(4.7) %
Saratoga	21,451,042	6,492,682	27,943,724	20,042,129	6,821,872	26,864,001	4.0 %
Syracuse Mile	-	961,041	961,041	-	915,250	915,250	5.0 %
Vernon	13,448,242	4,650,566	18,098,808	13,533,175	7,036,061	20,569,236	(12.0) %
Yonkers	94,388,514	39,261,836	133,650,350	96,647,105	43,710,510	140,357,615	(4.8) %
HARNESS TRACKS	154,364,274	69,817,438	224,181,712	155,407,469	79,279,412	234,686,881	(4.5) %
ALL TRACKS	\$ 300,810,788	\$ 463,111,683	\$ 763,922,471	\$ 310,108,306	\$ 493,381,034	\$ 803,489,340	(4.9) %

NOTE: Increase (Decrease) represents the percentage change in On-Track Betting from 1999 to 2000.

TOTAL BETTING AT NEW YORK STATE RACE TRACKS
ON-TRACK BETTING BY BREED AND LOCATION OF RACE

	2000					
<u>SUMMARY OF ON-TRACK BETTING</u>	Betting at NYS Thoroughbred Tracks	Percent of Total Thoroughbred	Betting at NYS Harness Tracks	Percent of Total Harness	Total	Percent of Total
LIVE RACING:						
NYRA	\$ 370,138,122	68.6%	\$ -	0.0%	\$ 370,138,122	48.5%
Finger Lakes	23,156,123	4.3%	-	0.0%	23,156,123	3.0%
NYS Harness Tracks	-	0.0%	69,817,438	31.2%	69,817,438	9.1%
All Live Racing at NYS Tracks	<u>393,294,245</u>	<u>72.9%</u>	<u>69,817,438</u>	<u>31.2%</u>	<u>463,111,683</u>	<u>60.6%</u>
IN-STATE SIMULCASTING BETWEEN NYS TRACKS:						
NYRA	26,373,578	4.9%	56,202,695	25.1%	82,576,273	10.8%
Finger Lakes	-	0.0%	4,281,715	1.9%	4,281,715	0.6%
NYS Harness Tracks	7,100	0.0%	7,951,574	3.5%	7,958,674	1.0%
All Simulcasts from NYS Tracks	<u>26,380,678</u>	<u>4.9%</u>	<u>68,435,984</u>	<u>30.5%</u>	<u>94,816,662</u>	<u>12.4%</u>
WAGERING ON NYS RACING AT NYS TRACKS	<u>419,674,923</u>	<u>77.8%</u>	<u>138,253,422</u>	<u>61.7%</u>	<u>557,928,345</u>	<u>73.0%</u>
WAGERING ON OUT OF STATE RACES AT NYS TRACKS:						
Thoroughbred Races	120,065,836	22.2%	42,389,715	18.9%	162,455,551	21.3%
Harness Races	-	0.0%	43,538,575	19.4%	43,538,575	5.7%
All Simulcasts from Out-of-State Tracks	<u>120,065,836</u>	<u>22.2%</u>	<u>85,928,290</u>	<u>38.3%</u>	<u>205,994,126</u>	<u>27.0%</u>
TOTAL BETTING AT NYS TRACKS FROM ALL SOURCES	<u>\$ 539,740,759</u>	<u>100.0%</u>	<u>\$ 224,181,712</u>	<u>100.0%</u>	<u>\$ 763,922,471</u>	<u>100.0%</u>

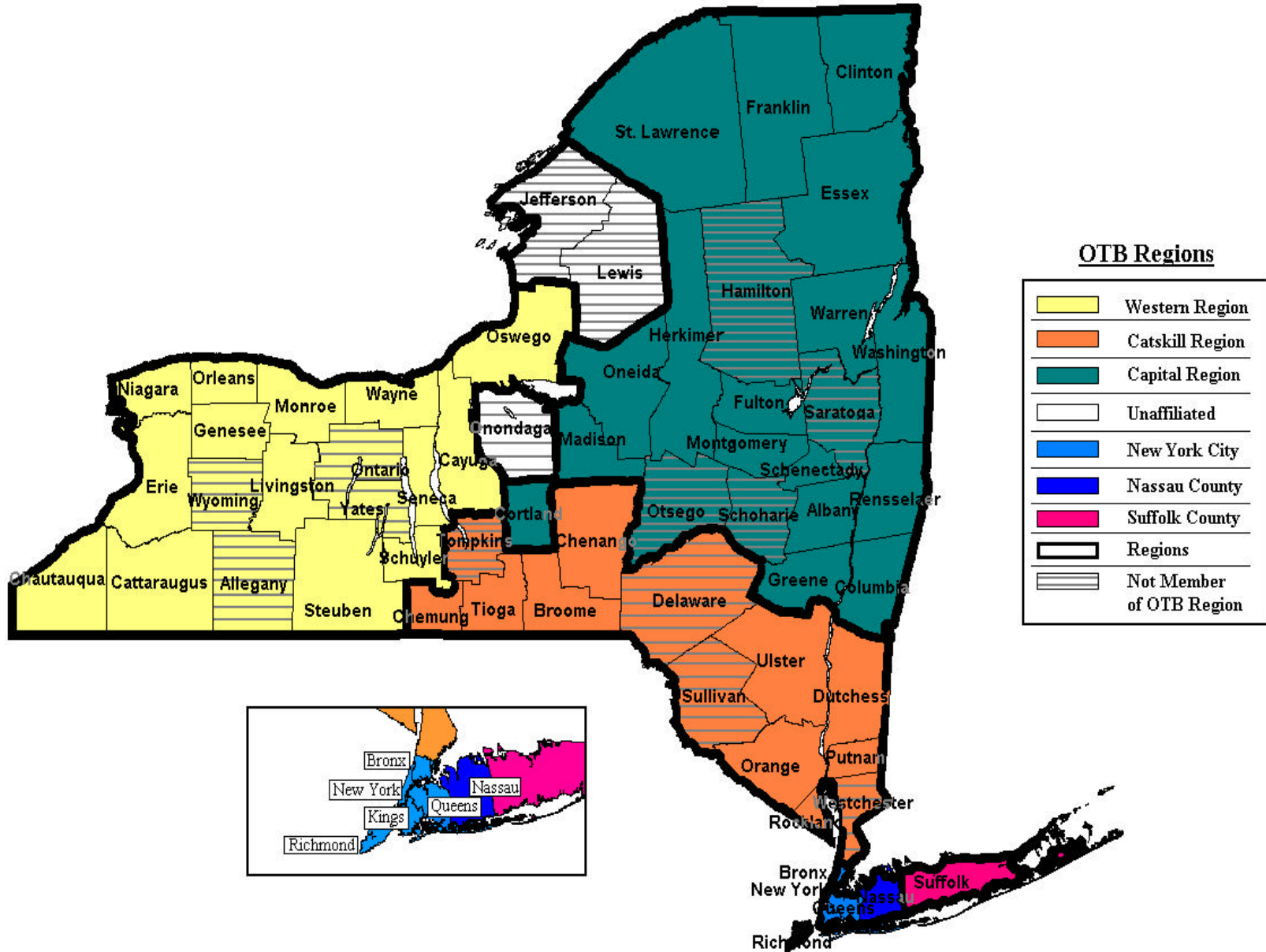
2000 DISTRIBUTION OF ON-TRACK BETTING

	NYRA	FINGER LAKES	BUFFALO	MONTICELLO	SARATOGA	SYRACUSE	VERNON	YONKERS	ALL NYS TRACKS
Regular	\$ 182,991,061	\$ 10,929,482	\$ 6,099,682	\$ 4,514,191	\$ 9,457,439	\$ 203,372	\$ 4,695,046	\$ 38,075,670	\$ 256,965,943
Multiple	195,299,890	12,709,912	7,503,143	9,541,929	10,810,287	375,046	6,466,906	53,782,902	296,490,015
Exotic	122,801,421	7,748,374	8,800,343	6,526,457	6,974,644	382,623	6,936,856	40,165,213	200,335,931
Super Exotic	7,260,619	-	-	542,044	701,354	-	-	1,626,565	10,130,582
Total Handle	<u>\$ 508,352,991</u>	<u>\$ 31,387,768</u>	<u>\$ 22,403,168</u>	<u>\$ 21,124,621</u>	<u>\$ 27,943,724</u>	<u>\$ 961,041</u>	<u>\$ 18,098,808</u>	<u>\$ 133,650,350</u>	<u>\$ 763,922,471</u>
Takeout	\$ 113,142,362	\$ 6,426,902	\$ 4,741,371	\$ 4,441,643	\$ 5,603,856	\$ 207,271	\$ 3,838,306	\$ 27,378,353	\$ 165,780,064
Breakage	2,333,246	117,527	102,186	83,690	138,398	4,252	75,350	583,257	3,437,906
Total Takeout and Breakage	<u>\$ 115,475,608</u>	<u>\$ 6,544,429</u>	<u>\$ 4,843,557</u>	<u>\$ 4,525,333</u>	<u>\$ 5,742,254</u>	<u>\$ 211,523</u>	<u>\$ 3,913,656</u>	<u>\$ 27,961,610</u>	<u>\$ 169,217,970</u>
State Tax on Handle	\$ 11,452,081	\$ 294,371	\$ 207,642	\$ 188,165	\$ 297,313	\$ 4,805	\$ 201,832	\$ 1,595,950	\$ 14,242,159
State Tax on Breakage	656,053	56,984	43,602	34,697	53,616	2,126	30,570	218,389	1,096,037
Total Pari Mutuel Tax	<u>\$ 12,108,134</u>	<u>\$ 351,355</u>	<u>\$ 251,244</u>	<u>\$ 222,862</u>	<u>\$ 350,929</u>	<u>\$ 6,931</u>	<u>\$ 232,402</u>	<u>\$ 1,814,339</u>	<u>\$ 15,338,196</u>
Racetrack Commission	\$ 98,773,538	\$ 5,975,563	\$ 4,345,022	\$ 4,071,737	\$ 5,132,484	\$ 192,856	\$ 3,475,404	\$ 24,910,379	\$ 146,876,983
Racetrack Breakage	1,677,193	60,543	58,584	48,993	84,782	2,126	44,780	364,868	2,341,869
Total to Racetrack	<u>\$ 100,450,731</u>	<u>\$ 6,036,106</u>	<u>\$ 4,403,606</u>	<u>\$ 4,120,730</u>	<u>\$ 5,217,266</u>	<u>\$ 194,982</u>	<u>\$ 3,520,184</u>	<u>\$ 25,275,247</u>	<u>\$ 149,218,852</u>
Horse Breeders Fund Share	\$ 2,916,743	\$ 156,968	\$ 188,707	\$ 181,741	\$ 174,059	\$ 9,610	\$ 161,070	\$ 872,024	\$ 4,660,922
<u>Racetrack Payouts</u>									
Paid to Simulcast Senders	\$ 3,087,499	\$ 436,554	\$ 551,689	\$ 518,130	\$ 1,136,411	\$ -	\$ 509,320	\$ 5,273,997	\$ 11,513,600
Paid to NYRA and Finger Lakes	\$ 553,335	\$ 86,712	\$ 107,294	\$ 66,853	\$ 187,624	\$ -	\$ 51,691	\$ 1,075,345	\$ 2,128,854
Gross Purses Paid	\$ 113,305,173	\$ 11,585,496	\$ 4,238,210	\$ 6,071,050	\$ 3,725,300	\$ 1,090,650	\$ 2,416,572	\$ 21,170,128	\$ 163,602,579
Minus Pool	\$ 507,715	\$ 1,707	\$ 1,782	\$ 1,878	\$ 16,890	\$ 190	\$ 19,045	\$ 13,704	\$ 562,911
Uncashed Tickets	\$ 1,235,303	\$ 96,836	\$ 72,424	\$ 65,601	\$ 86,567	\$ 8,008	\$ 61,716	\$ 300,993	\$ 1,927,448
State Admission Taxes	\$ 232,289	\$ 5,829	\$ -	\$ 4,282	\$ 3,629	\$ -	\$ 2,768	\$ 8,416	\$ 257,213

NOTE: Handle includes on-track live racing and simulcast imports of all racing.

Off-Track Betting Corporations

Regional Off Track Betting Corporation



Capital District Regional Off-Track Betting Corporation

510 Smith Street

Schenectady, New York 12305

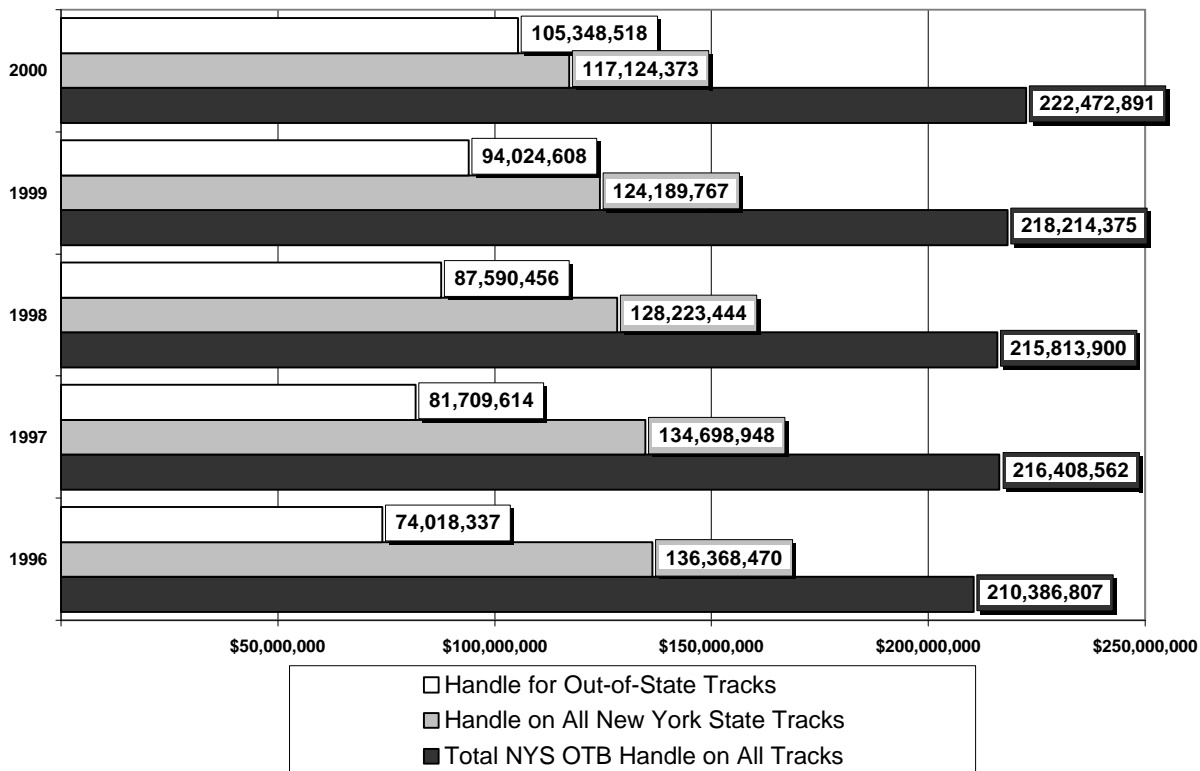
Phone: (518) 370-5151

Website address: <http://www.capitalotb.com>

President: Thomas Cholakis

Capital District Regional Off-Track Betting Corporation (Capital OTB) is comprised of twenty-one (21) counties and the City of Schenectady. Seventeen (17) of these counties participate in off-track betting. In 2000, Capital OTB operated fifty (50) simulcast branches, two (2) non-simulcast branches and one (1) teletheater. The major cities located within the region are Albany, Schenectady, Troy and Utica. Capital OTB remains the only OTB in the state to operate EZ Bet branches. The branches are privately owned established businesses equipped with an automated betting machine. In 2000, Capital OTB had 10 operational EZ Bet locations. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Capital OTB are Saratoga Race Course, Saratoga Equine Sports Center and Vernon Downs.

Handles on New York State and Out-of-State Tracks



Catskill Regional Off-Track Betting Corporation

Park Place

Pomona, New York 10970

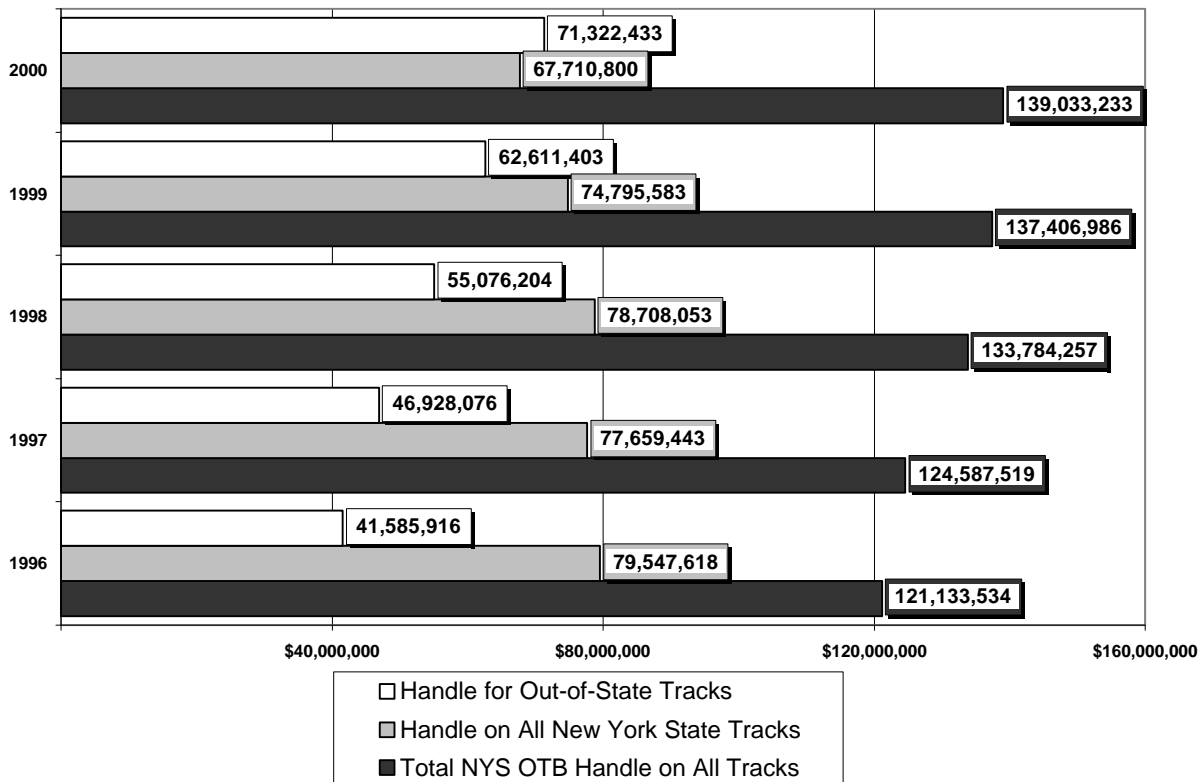
Phone: (845) 362-0400

Website address: <http://www.interbets.com>

President: Donald Groth

Catskill Regional Off-Track Betting Corporation (Catskill OTB) is comprised of thirteen (13) counties, of which nine (9) participate as members of this corporation. In 2000, Catskill OTB operated twenty-three (23) simulcast branches, one (1) teletheater and four (4) non-simulcast branches. The non-simulcast branches only operated for a portion of 2000. Some of the larger cities served by Catskill OTB are Binghamton, Elmira, Kingston, Middletown, Newburgh and Suffern. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Catskill are Yonkers Raceway and Monticello Raceway.

Handles in New York State and Out-of-State Tracks

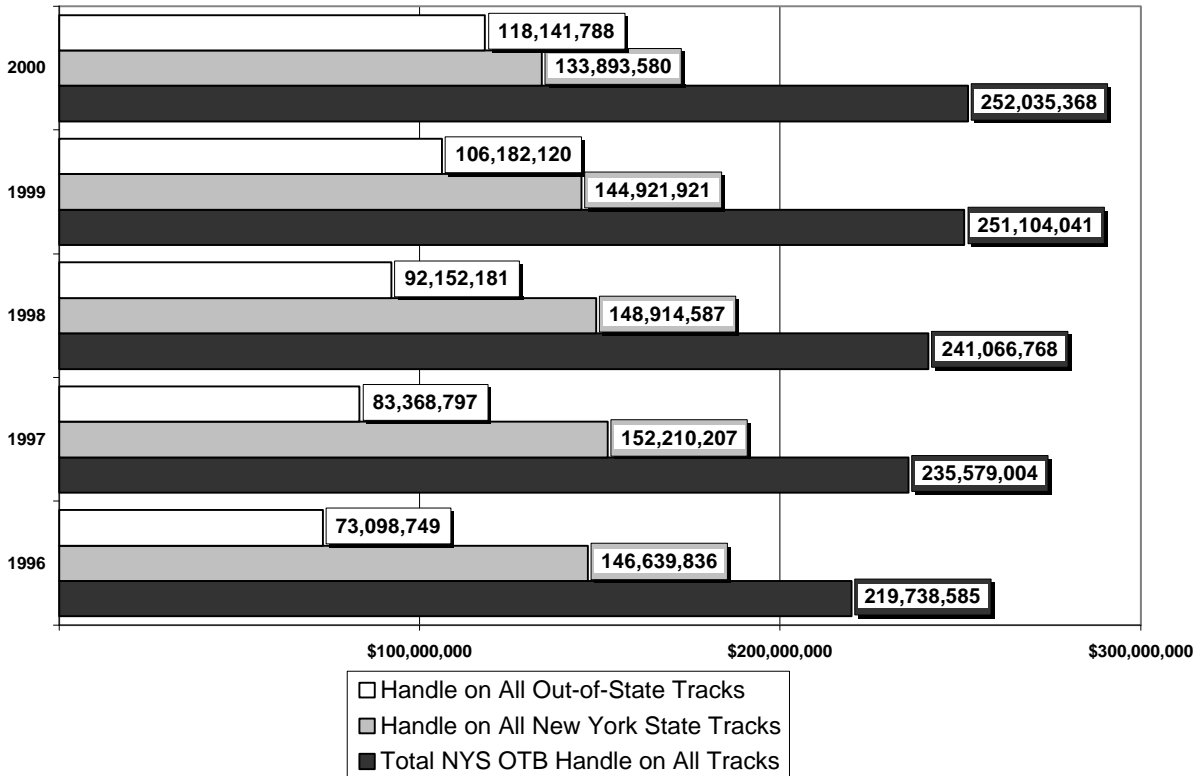


Nassau Regional Off-Track Betting Corporation

220 Fulton Avenue
Hempstead, New York 11550
Phone: (516) 572-2800
Nassau OTB does not have a website
President: Larry Aaronson

Nassau Regional Off-Track Betting Corporation (Nassau OTB) is comprised of only Nassau county. Nassau OTB operates thirteen (13) simulcast branches and one (1) non-simulcast branch. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Nassau OTB are Aqueduct Racetrack, Belmont Park, Saratoga Race Course, Yonkers Raceway and Monticello Raceway.

Handles in New York State and Out-of-State Tracks

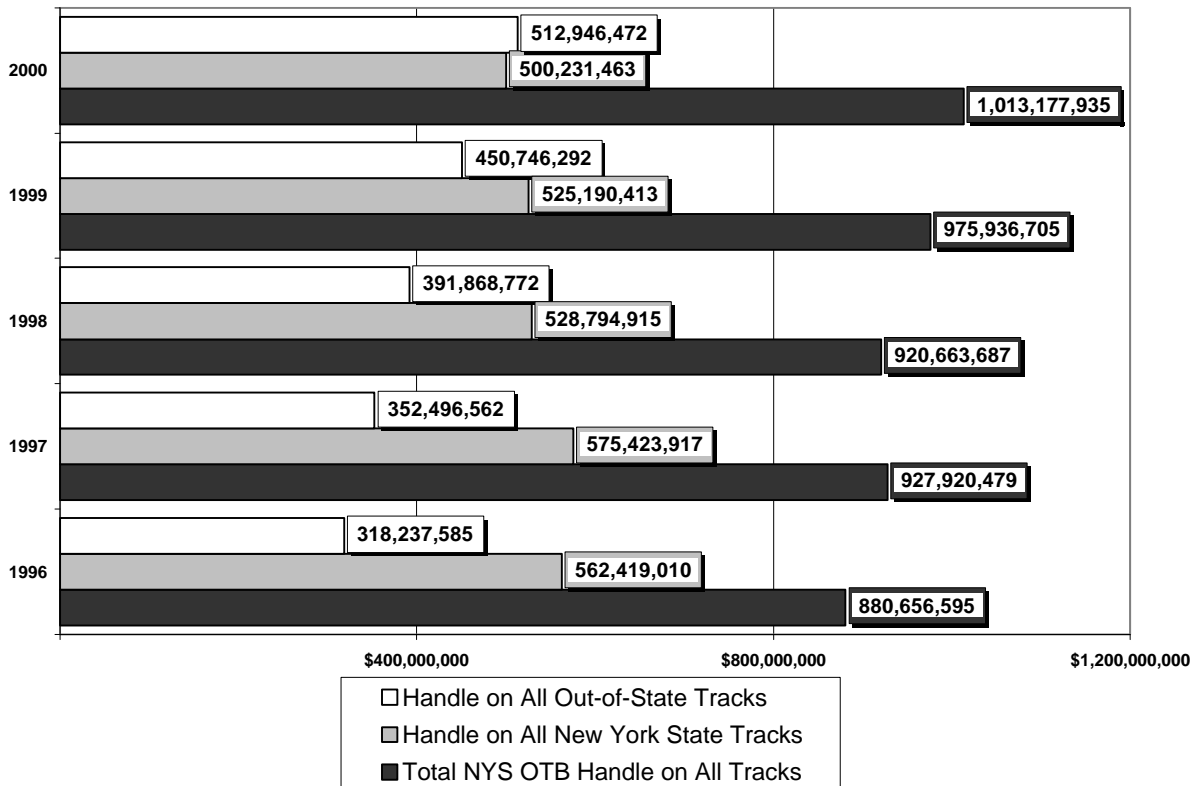


New York City Regional Off-Track Betting Corporation

1501 Broadway
New York, New York 10036
Phone: (212) 221-5200
Website Address: www.nycotb.com
President: Maury Satin

New York City Regional Off-Track Betting Corporation, (New York City OTB) is comprised of five counties: New York, Kings, Richmond, Bronx, and Queens. In 2000, New York City OTB operated seventy (70) simulcast branches and three (3) teletheaters. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law the regional tracks for New York City Regional Off-Track Betting Corporation are Aqueduct Racetrack, Belmont Park, Saratoga Race Course, Yonkers Raceway and Monticello Raceway.

Handles on New York State and Out-of-State Tracks



Suffolk Regional Off-Track Betting Corporation

5 Davids Drive

Hauppauge, New York 11787

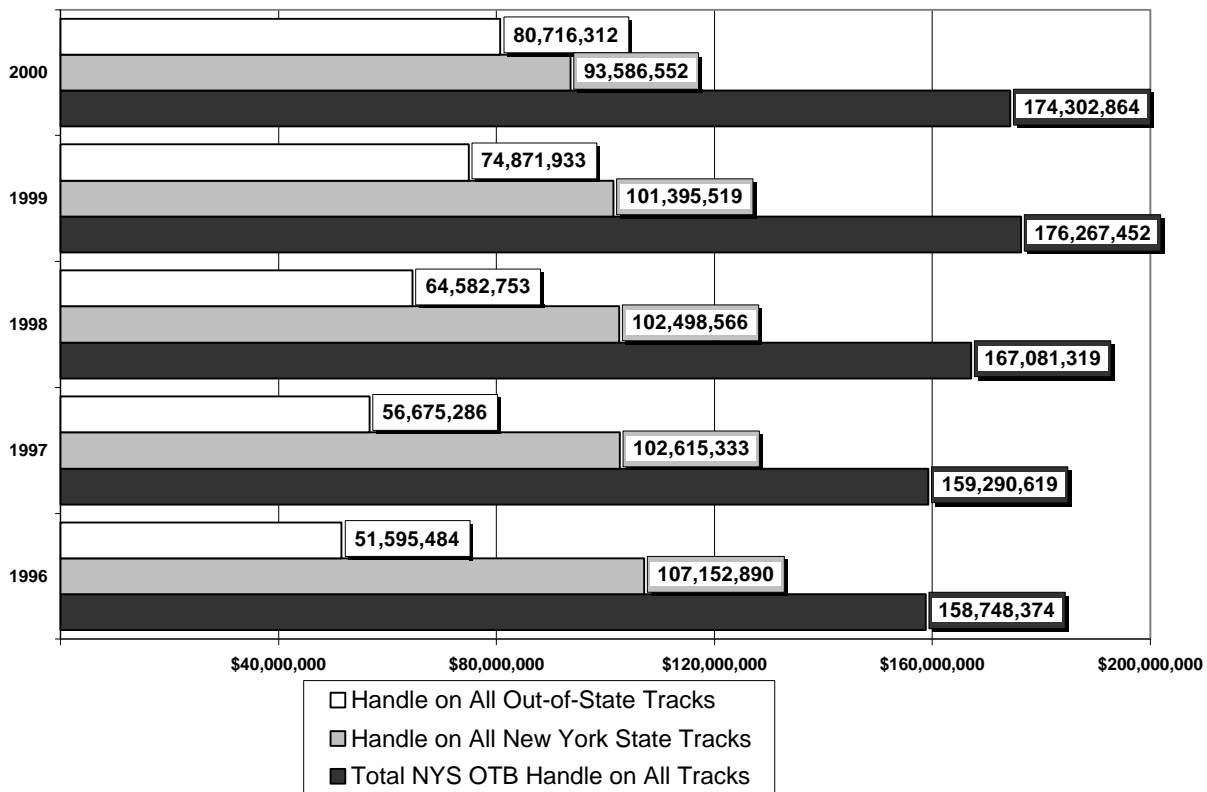
Phone: (631) 853-1000

Website address: <http://www.bigwinsatotb.com>

President: Mea Knapp

Suffolk Regional Off-Track Betting Corporation (Suffolk OTB) is located entirely in Suffolk County. In 2000, Suffolk OTB operated thirteen (13) simulcast branches, one (1) non-simulcast branch and one (1) teletheater. The non-simulcast branch only operated for a portion of 2000. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Suffolk Regional Off-Track Betting are Aqueduct Racetrack, Belmont Park, Saratoga Race Course, Yonkers Raceway and Monticello Raceway.

Handles on New York State and Out-of-State Tracks



Western Regional Off-Track Betting Corporation

700 Ellicott Street

Batavia, New York 14020

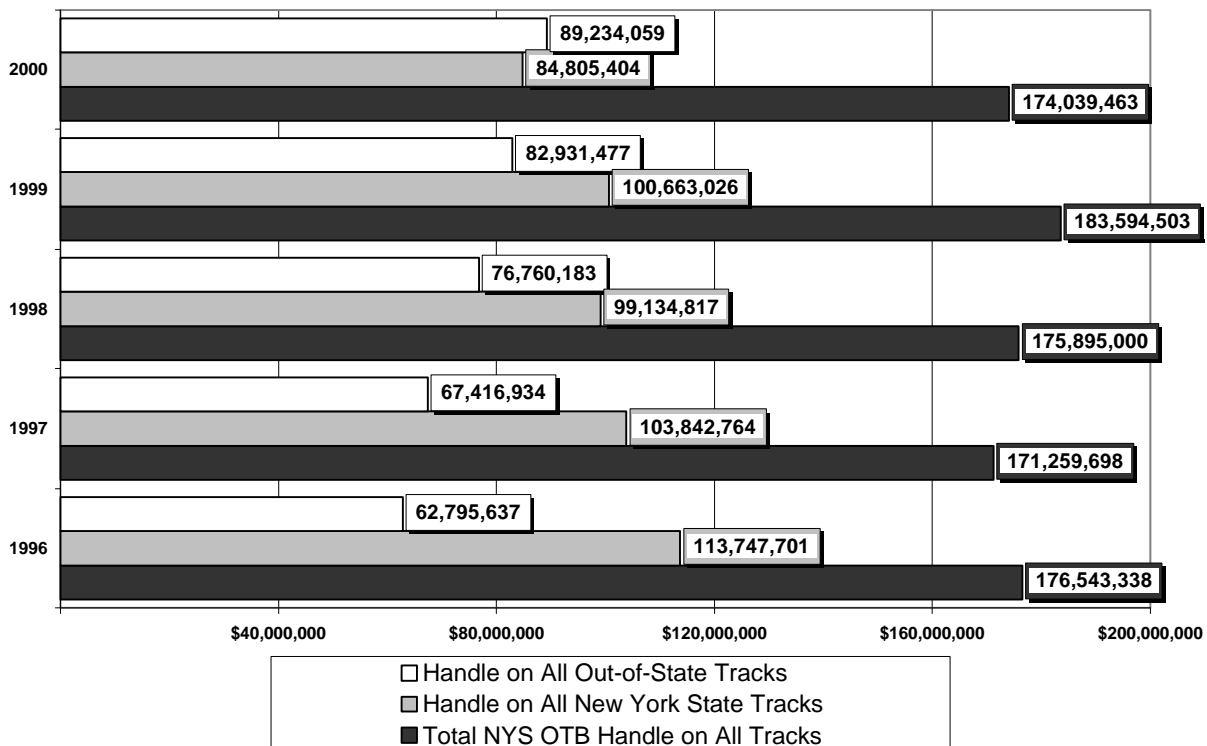
Phone: (800) 724-2000

Website Address: <http://www.westernotb.com>

President: Martin Basinet

The Western Regional Off-Track Betting Corporation (Western OTB), is comprised of 18 counties, 15 of which participate in off-track betting. The two major cities served by Western OTB are Buffalo and Rochester. In 2000, Western OTB operated forty-two (42) simulcast branches and one (1) teletheater. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Western Regional Off-Track Betting are Finger Lakes Racetrack, Buffalo Raceway and Batavia Downs. In 1998, Western OTB purchased Batavia Downs and began pursuing legislative change to operate a live race meet at Batavia.

Handles on New York State and Out-of-State Tracks



Off-Track Betting Corporations Statistical Data

NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
STATEMENT OF REVENUES NET OF EXPENSES
2000

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>All Regions</u>
Net Handle on:							
In State Thoroughbred Tracks	\$ 99,655,491	\$ 50,245,250	\$ 111,760,338	\$ 412,431,577	\$ 79,701,613	\$ 66,231,183	\$ 820,025,452
Out of State Thoroughbred Tracks	79,848,560	52,762,423	87,892,072	415,560,854	64,184,255	62,217,300	762,465,464
In State Harness Tracks	17,468,882	17,465,550	22,133,242	87,799,886	13,884,939	18,574,221	177,326,720
Out of State Harness Tracks	25,499,958	18,560,010	30,249,716	97,385,618	16,532,057	27,016,759	215,244,118
Total Net Handle	222,472,891	139,033,233	252,035,368	1,013,177,935	174,302,864	174,039,463	1,975,061,754
Less:							
Returned to Bettors	167,785,544	103,923,337	188,931,736	767,862,614	132,155,068	129,007,681	1,489,665,980
Surcharge	8,266,609	5,637,119	9,438,979	35,693,966	5,764,137	7,612,261	72,413,071
OTB Take Out and Breakage	46,420,738	29,472,777	53,664,653	209,621,355	36,383,659	37,419,521	412,982,703
Less Payments to:							
NY State (Pari-Mutuel Tax & Breakage)	2,166,526	1,370,561	2,201,024	9,068,177	1,667,418	1,835,657	18,309,363
NY State (Uncashed Tickets)	775,990	485,629	592,867	3,046,457	485,483	630,000	6,016,426
Breeders' Fund - Thoroughbred	1,066,839	621,032	1,206,529	4,820,599	859,008	844,845	9,418,852
Breeders' Fund - Harness	594,685	454,267	757,096	2,675,571	462,189	451,584	5,395,392
In State Thoroughbred Tracks	9,234,687	6,761,064	12,232,541	56,777,992	9,366,499	7,526,104	101,898,887
Out of State Thoroughbred Tracks	1,859,142	1,227,928	1,998,613	9,384,790	1,463,554	1,443,744	17,377,771
In State Harness Tracks	5,275,158	2,346,610	3,443,374	13,608,493	2,192,720	3,551,999	30,418,354
Out of State Harness Tracks	553,621	409,235	608,803	2,112,169	337,623	575,150	4,596,601
City of Albany	339,093	-	-	-	-	-	339,093
City of Niagara	-	-	-	-	-	93,286	93,286
Total Payments	21,865,741	13,676,326	23,040,847	101,494,248	16,834,494	16,952,369	193,864,025
Net Racing Revenue	24,554,997	15,796,451	30,623,806	108,127,107	19,549,165	20,467,152	219,118,678
Other Revenue:							
Admission Income	106,910	95,605	-	-	96,599	6,642	305,756
Lottery Income	615,148	356,500	-	-	64,649	497,610	1,533,907
Concession Income	133,583	36,547	85,505	-	24,758	29,869	310,262
Derived from Section 532	1,821,641	1,378,515	1,816,099	7,752,205	1,192,194	1,743,717	15,704,371
Interest Income	80,987	1,139,614	636,185	1,935,530	155,068	446,995	4,394,379
Other Income	206,625	231,452	220,311	7,685,674	1,674,749	493,084	10,511,895
Uncashed Tickets	775,990	485,629	592,867	3,046,457	485,483	630,000	6,016,426
Total Operating Revenue	28,295,881	19,520,313	33,974,773	128,546,973	23,242,665	24,315,069	257,895,674
Operating Expenses:							
Branch Expenses	15,462,488	9,593,268	14,388,471	72,464,444	13,887,992	16,303,783	142,100,446
Corporate Expenses	7,091,026	1,978,380	5,314,899	39,343,657	7,167,248	5,574,858	66,470,068
Total Operating Expenses - Including Depreciation	22,553,514	11,571,648	19,703,370	111,808,101	21,055,240	21,878,641	208,570,514
Section 516 Net Revenues from Operations	5,742,367	7,948,665	14,271,403	16,738,872	2,187,425	2,436,428	49,325,160

Continued on next page

NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
STATEMENT OF REVENUES NET OF EXPENSES
2000

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>All Regions</u>
Continued from previous page							
Section 516 Net Revenues from Operations	5,742,367	7,948,665	14,271,403	16,738,872	2,187,425	2,436,428	49,325,160
Less:							
Section 509-a Contributions to Capital Acquisition Fund	(600,000)	(16,262)	(131,071)	-	-	(725,000)	(1,472,333)
Section 516 Net Revenue for Distribution	<u>5,142,367</u>	<u>7,932,403</u>	<u>14,140,332</u>	<u>16,738,872</u>	<u>2,187,425</u>	<u>1,711,428</u>	<u>47,852,827</u>
Add:							
Section 532 Revenues to Participating Localities	3,758,724	2,468,105	4,856,665	20,617,891	2,585,732	3,541,347	37,828,464
Total Benefits to Participating Localities	<u>8,901,091</u>	<u>10,400,508</u>	<u>18,996,997</u>	<u>37,356,763</u>	<u>4,773,157</u>	<u>5,252,775</u>	<u>85,681,291</u>
Add:							
Section 532 Revenues to Other Localities	1,661,655	1,089,095	1,601,887	3,487,619	1,297,852	1,316,886	10,454,994
Total Benefits to all Localities	<u>10,562,746</u>	<u>11,489,603</u>	<u>20,598,884</u>	<u>40,844,382</u>	<u>6,071,009</u>	<u>6,569,661</u>	<u>96,136,285</u>
Add:							
Capital Acquisition Funds:							
Section 509-a Contribution from Net Revenues	600,000	16,262	131,071	-	-	725,000	1,472,333
Supplemental 1% Section 532	1,024,589	701,404	1,164,328	3,836,251	688,359	1,010,311	8,425,242
Other Fund Revenues net of Expenses	(386,456)	440,581	(223,907)	-	-	-	(169,782)
Total Capital Acquisition Funds	<u>1,238,133</u>	<u>1,158,247</u>	<u>1,071,492</u>	<u>3,836,251</u>	<u>688,359</u>	<u>1,735,311</u>	<u>9,727,793</u>
TOTAL AVAILABLE FOR DISTRIBUTION TO LOCALITIES AND FOR CAPITAL ACQUISITIONS	<u>\$ 11,800,879</u>	<u>\$ 12,647,850</u>	<u>\$ 21,670,376</u>	<u>\$ 44,680,633</u>	<u>\$ 6,759,368</u>	<u>\$ 8,304,972</u>	<u>\$ 105,864,078</u>

Reference to "Section" above is related to sections within the New York State Racing, Pari-Mutuel Wagering and Breeding Law.

NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
TOTAL HANDLE BY TRACK AND REGION
2000

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>All Regions</u>
<u>New York State Thoroughbred:</u>							
NYRA:							
Aqueduct	\$ 33,283,612	\$ 19,405,547	\$ 48,189,942	\$ 170,027,315	\$ 34,546,664	\$ 20,149,562	\$ 325,602,642
Belmont	27,318,555	14,587,113	34,821,236	132,443,819	25,693,032	12,122,626	246,986,381
Saratoga	24,128,300	8,142,536	18,228,031	62,870,618	12,247,828	8,435,235	134,052,548
Total NYRA	84,730,467	42,135,196	101,239,209	365,341,752	72,487,524	40,707,423	706,641,571
Finger Lakes	14,925,024	8,110,054	10,521,129	47,089,825	7,214,089	25,523,760	113,383,881
Handle on NYS Thoroughbred Tracks	99,655,491	50,245,250	111,760,338	412,431,577	79,701,613	66,231,183	820,025,452
<u>New York State Harness:</u>							
Buffalo	1,076,006	915,342	1,025,419	2,849,757	677,335	8,528,165	15,072,024
Monticello	3,291,169	6,522,862	5,789,544	23,375,957	3,779,620	2,835,936	45,595,088
Saratoga	4,532,330	1,025,608	1,271,536	3,918,401	779,135	1,033,817	12,560,827
Syracuse Mile	195,310	118,961	158,252	483,474	86,118	245,514	1,287,629
Vernon	1,895,442	436,476	941,315	2,212,514	558,374	1,555,544	7,599,665
Yonkers	6,478,625	8,446,301	12,947,176	54,959,783	8,004,357	4,375,245	95,211,487
Handle on NYS Harness Tracks	17,468,882	17,465,550	22,133,242	87,799,886	13,884,939	18,574,221	177,326,720
Handle on All New York State Tracks	117,124,373	67,710,800	133,893,580	500,231,463	93,586,552	84,805,404	997,352,172
Out-of-State Thoroughbred	76,188,565	50,514,125	85,134,177	404,791,415	61,940,525	59,494,587	738,063,394
Out-of-State Harness	25,499,958	18,389,224	29,710,277	97,385,618	16,532,057	27,016,759	214,533,893
Handle on Out-of-State Tracks	101,688,523	68,903,349	114,844,454	502,177,033	78,472,582	86,511,346	952,597,287
Special Event Races:							
Breeders Cup	1,357,473	647,329	987,055	3,992,698	820,855	783,355	8,588,765
Kentucky Derby	1,131,821	895,181	919,563	3,088,984	747,217	973,728	7,756,494
Preakness Stakes	585,687	452,710	418,837	1,523,105	381,134	577,885	3,939,358
Others - Thoroughbred	585,014	253,078	432,440	2,164,652	294,524	387,745	4,117,453
Others - Harness	-	170,786	539,439	-	-	-	710,225
Handle on Special Event Races	3,659,995	2,419,084	3,297,334	10,769,439	2,243,730	2,722,713	25,112,295
Total NYS OTB Handle on All Tracks	\$ 222,472,891	\$ 139,033,233	\$ 252,035,368	\$ 1,013,177,935	\$ 174,302,864	\$ 174,039,463	\$ 1,975,061,754

NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
SUMMARY OF DIRECT AND REGIONAL PAYMENTS TO TRACKS
2000

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>TOTAL</u>
<u>New York State Thoroughbred:</u>							
NYRA:							
Aqueduct	\$ 1,909,130	\$ 1,832,804	\$ 4,283,973	\$ 16,074,968	\$ 2,713,661	\$ 1,101,365	\$ 27,915,901
Belmont	1,428,726	1,043,238	2,438,395	11,804,038	2,006,790	651,502	19,372,689
Saratoga	<u>1,180,057</u>	<u>591,173</u>	<u>1,276,438</u>	<u>5,459,198</u>	<u>974,910</u>	<u>453,882</u>	<u>9,935,658</u>
Total NYRA Direct	4,517,913	3,467,215	7,998,805	33,338,204	5,695,361	2,206,749	57,224,247
NYRA Regional	3,223,287	2,428,064	2,954,806	17,699,434	2,760,404	2,553,504	31,619,499
Finger Lakes Direct	693,698	337,026	428,544	1,781,475	299,209	1,711,022	5,250,974
Finger Lakes Regional	799,789	528,759	850,386	3,958,879	611,525	1,054,829	7,804,167
	<u>9,234,687</u>	<u>6,761,064</u>	<u>12,232,541</u>	<u>56,777,992</u>	<u>9,366,499</u>	<u>7,526,104</u>	<u>101,898,887</u>
<u>New York State Harness:</u>							
Buffalo Direct	27,416	15,635	17,291	46,916	11,499	591,304	710,061
Buffalo Regional	-	-	-	-	-	2,365,328	2,365,328
Monticello Direct	84,423	358,902	312,964	1,223,273	207,544	67,963	2,255,069
Monticello Regional	-	546,932	738,004	2,807,981	428,528	-	4,521,445
Saratoga Direct	385,805	17,305	21,187	63,855	13,037	17,603	518,792
Saratoga Regional	3,577,672	-	-	-	-	-	3,577,672
Syracuse Mile Direct	7,703	2,017	2,663	8,027	1,467	8,193	30,070
Syracuse Mile Regional	-	-	-	-	-	-	-
Vernon Direct	108,422	7,705	15,747	36,299	9,315	52,617	230,105
Vernon Regional	936,226	15,853	-	-	-	338,148	1,290,227
Yonkers Direct	147,491	496,304	772,257	3,875,559	557,506	110,843	5,959,960
Yonkers Regional	-	885,957	1,563,261	5,546,583	963,824	-	8,959,625
	<u>5,275,158</u>	<u>2,346,610</u>	<u>3,443,374</u>	<u>13,608,493</u>	<u>2,192,720</u>	<u>3,551,999</u>	<u>30,418,354</u>
Total New York State Harness							
Total New York State Tracks	14,509,845	9,107,674	15,675,915	70,386,485	11,559,219	11,078,103	132,317,241
Out-of-State Thoroughbred	1,636,616	1,090,518	1,833,258	8,646,502	1,326,980	1,276,948	15,810,822
Out-of-State Harness	553,621	401,140	584,444	2,112,169	337,623	575,150	4,564,147
Total Payments to Out-of-State Tracks	2,190,237	1,491,658	2,417,702	10,758,671	1,664,603	1,852,098	20,374,969
Special Events:							
Breeders Cup	88,083	41,582	63,243	254,178	52,383	50,888	550,357
Kentucky Derby	71,788	56,481	58,132	195,350	47,191	62,284	491,226
Preakness Stakes	38,381	29,352	27,287	99,334	24,774	38,146	257,274
Others - Thoroughbred	24,274	9,995	16,693	189,426	12,226	15,478	268,092
Others - Harness	-	8,095	24,359	-	-	-	32,454
	<u>222,526</u>	<u>145,505</u>	<u>189,714</u>	<u>738,288</u>	<u>136,574</u>	<u>166,796</u>	<u>1,599,403</u>
Total Special Events							
Total Payments to All Tracks	<u>\$ 16,922,608</u>	<u>\$ 10,744,837</u>	<u>\$ 18,283,331</u>	<u>\$ 81,883,444</u>	<u>\$ 13,360,396</u>	<u>\$ 13,096,997</u>	<u>\$ 154,291,613</u>

Equine Drug Testing Program

Equine Drug Testing Program

The Equine Drug Testing Program (EDTP) for all thoroughbred and harness racing in New York State is performed by the New York State College of Veterinary Medicine at Cornell University in Ithaca, New York under contract with the New York State Racing and Wagering Board. The Equine Drug Testing Program at Cornell University has the ability to test for more drugs than any other equine drug testing program in the world.

Equine drug testing is mandated by Chapter 47-A of the Consolidated Laws of the State of New York, The Racing, Pari-Mutuel Wagering and Breeding Law in Section 902.

Section 902. Equine drug testing and expenses. 1. In order to assure the public's confidence and continue the high degree of integrity in racing at the pari-mutuel betting tracks, equine drug testing at race meetings shall be conducted by a land grant university within this state with a regents approved veterinary college facility. The state racing and wagering board shall promulgate any rules and regulations necessary to implement the provisions of this section, including administrative penalties of loss of purse money, fines, or denial, suspension, or revocation of a license for racing drugged horses. 2. Notwithstanding any inconsistent provision of law, on and after April first, nineteen hundred eighty-six, all costs and expenses of the state racing and wagering board for equine drug testing and research shall be paid from an appropriation from the state treasury, on the certification of the chairman of the state racing and wagering board, upon the audit and warrant of the comptroller and pursuant to a plan developed by the state racing and wagering board as approved by the director of the budget.

In the year 2000, more than **60,000** samples, both urine and blood, were collected and sent to be tested at the Equine Drug Testing Program at Cornell University. The director of the EDTP is Dr. George A. Maylin who began his career as a veterinarian in 1965.

Dr. Maylin has held several distinguished positions throughout his career including Director of Cornell Research and Reference Center, Director of Equine Drug Testing and Research Program and Division Chief of Toxicology Diagnostic Laboratory at New York State college of Veterinary Medicine, among others. Dr. Maylin is also responsible for the publication of numerous documents, studies and reports in the fields of pharmacology, toxicology, exercise physiology, chemistry and immunochemistry.

From the gathering of the original blood and urine samples that are collected in the presence of the owner, trainer or representative, throughout transport and subsequent testing, the chain of custody is rigidly maintained. This is necessary as blood and urine samples may be evidence in future litigation. All sample containers are identified and sealed against tampering upon collection. All samples are identified with unique numbers and the identity of the horse involved is not known by the EDTP personnel.

Under Board procedures, when the EDTP detects and confirms the presence of a prohibited substance, the laboratory immediately informs the Board's Chief of Racing Operations and its Chief Counsel. Immediately thereafter, the Chief of Racing Operations informs the steward or presiding judge at the racetrack where the horse's sample originated, along with other appropriate Board personnel. Investigation into the matter is begun after the horse and its' trainer are identified by the steward or presiding judge. The sample identifying numbers are matched by the steward or presiding judge to his previously locked documentation of collected samples. After identification, investigation into the circumstances, including interviews with all involved parties, begins. The responsible trainer is afforded the option of having a "split" sample of the original tested at an approved laboratory of his/her choice at

his/her expense. After investigation is completed and all other information is gathered and studied , the licensee if necessary, is assessed a penalty from the State steward or presiding judge.

Should the licensee not agree with the penalty given, there is an appeals process that affords the licensee a full hearing before a board-appointed hearing officer. Upon receipt of the hearing officer's completed report, the three-member racing board renders a decision.

A listing of the most commonly used medicines in the equine racing world is contained within the Board's rules. Also contained is the number of hours "out" (before race day) that these listed drugs may be administered. The only allowable medication on race day is furosemide and this is allowed only to be given to horses properly enrolled in a furosemide medication program as prescribed.

Charitable Gaming

Bureau of Bell Jar and Charitable Gaming **Compliance and Enforcement**

Historical Overview

Bingo became the first authorized charitable game to receive Legislative approval through an amendment to the New York State Constitution in 1957. This amendment permits qualified charitable, religious and non-profit organizations to utilize this valuable fundraising mechanism. The passage of this amendment resulted in the formation of the Bingo Control Commission, which regulated and enforced Bingo laws until 1977. In April 1977, all powers and responsibilities relating to the regulation of bingo were placed under the jurisdiction of the Racing and Wagering Board.

Games of Chance, which included only Las Vegas nights, were authorized by constitutional amendment in 1975 and the Board was granted regulatory authority. It was October 1988 when the Legislature permitted bell jar tickets to be used as a fundraising mechanism by qualified organizations. In April 1994, the Legislature further expanded the games falling under the realm of Games of Chance to include raffles. This Legislation became effective in January 1995.

To assist the Board in regulating Games of Chance, Governor Pataki, with the support of the Legislature, provided additional resources to the Racing and Wagering Board. In 1997, a new unit was formed and named the Bureau of Bell Jar and Charitable Gaming Compliance. Since the formation of this unit, the Board has significantly increased its ability to render assistance, advice and training to municipal clerks, law enforcement agencies and more than 15,000 organizations registered by the Board to conduct charitable gambling in our state. The Board's central desire is to help qualified organizations comply with the laws that permit them to conduct profitable fund-raisers. The goal is to bring each and every organization into compliance, thereby maximizing the proceeds available for worthy causes.

Registration of Authorized Non-Profit Organizations

Board staff is responsible for the issuance of registration and identification numbers qualifying authorized organizations for licensing at the municipal level. Registration numbers are free of charge and allow organizations to obtain the respective license from the local licensing authority so that they may conduct licensed bell jars, raffles, Las Vegas nights or bingo. Once a registration and identification number is issued to an organization, the number remains with that organization for the duration of its' life, although the organization is responsible for obtaining local license renewals.

During the year 2000, Board staff reviewed six hundred twenty-four (624) games of chance registration application forms with three hundred fifty-five (355) identification numbers issued and sixty-one (61) requests denied. Likewise, one hundred fifty-three (153) bingo registration applications were reviewed with fifty-eight (58) issued and twelve (12) applications being denied.

Bell Jar Compliance and Enforcement

The Racing and Wagering Board is responsible for all licensing and enforcement activities related to the manufacture, distribution and sale of bell jar tickets to licensed authorized organizations in the State. A primary function of the Board is to curtail the trafficking of illegal bell jar tickets into the state and eliminate those illegal activities that siphon revenues away from their intended charitable purposes. Furthermore, the Board seeks to bring all licensed organizations into compliance with the State statutes and rules and regulations governing the conduct of charitable gaming.

During the calendar year 2000, Board staff reviewed a total of five thousand two hundred forty two (5,242) bell jar tickets with five thousand fifty (5,050) being approved for sale into New York State and one hundred ninety-two (192) requests denied.

The Board conducts its statewide investigations jointly with the Attorney General’s Office, the New York State Police and the New York State Liquor Authority, as well as federal, state and local law enforcement agencies located in New York and other states. The Board also continues to maintain a working relationship with the Canadian Ontario Organized Crime Division to deter the flow of illegal gambling records across international borders.

During the calendar year 2000, the Board conducted one thousand six hundred forty (1,640) charitable gaming inspections throughout New York State. From these inspections, an estimated \$10,846,443 million worth of illegal and unauthorized bell jar tickets and/or related gambling paraphernalia was identified and surrendered. In addition, thousands of dollars in unpaid license fees were recovered and remitted to municipalities and the Board. Due to the Board’s extensive statewide compliance efforts, the total reported bell jar handle (gross sales) increased dramatically from the 1999 total of **\$302,108,391** to **\$319,871,215** recorded during 2000.

The following illustrates the revenues generated by bell jar ticket sales in 2000:

Bell Jar Activity for the Calendar Year 2000	Total
Number of Licensed Organizations	2,169
License Fees Remitted to Clerks	\$54,225
Number of Bell Jar Deals Sold	190,454
Gross Ticket Sales	\$319,871,215
Prizes Awarded	\$231,952,792
5% Additional Fees Collected by Board	\$ 2,752,394
Net Profit to Licensed Organizations	<u>\$ 52,397,674</u>

Casino-type Games of Chance and Raffles

Board staff plays an active role in the registration of authorized organizations conducting Las Vegas nights and raffles at bazaars, carnivals and field days, and is available to provide the assistance and training necessary to maximize profits derived from such fundraising events.

In 2000, \$1,362,243 in net profits was raised for charitable purposes through casino-type games; approximately \$2,276,146 in net profits was raised through the conduct of raffles.

Bingo

In 2000, more than 9 million bingo players attended more than 80,000 licensed bingo occasions, generating net profits of approximately \$38,047,195. As a result, \$1,168,131 in license fees were remitted to the State Comptroller and \$1,002,215 in additional license fees were paid to municipalities. Board staff takes a proactive role in bingo regulation, cooperating with municipal licensing authorities, law enforcement agencies and the State Attorney General’s Office.

** The bingo numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island, and Queens.*

Games of Chance and Bingo Manufacturers and Suppliers

The Board has many responsibilities with regards to licensing games of chance and bingo manufacturers and suppliers. During the calendar year 2000, Board staff issued one hundred twelve (112) games of chance manufacturer and supplier licenses along with sixty-three (63) bingo manufacturer and supplier licenses. Licensed manufacturers and suppliers of both games of chance and bingo equipment are required to remit a yearly license fee of twenty-five dollars (\$25.00). Games of chance manufacturers and suppliers are also required to remit 2% of their gross annual sales, which amounted to \$295,412 paid to the Board in the calendar year 2000, compared to the \$271,550 reported in 1999. In addition, bingo manufacturer and suppliers are also required to remit an amount of their gross sales based on a schedule of gross sales established by the Legislature, which resulted in \$23,605 in license fees remitted to the Board.

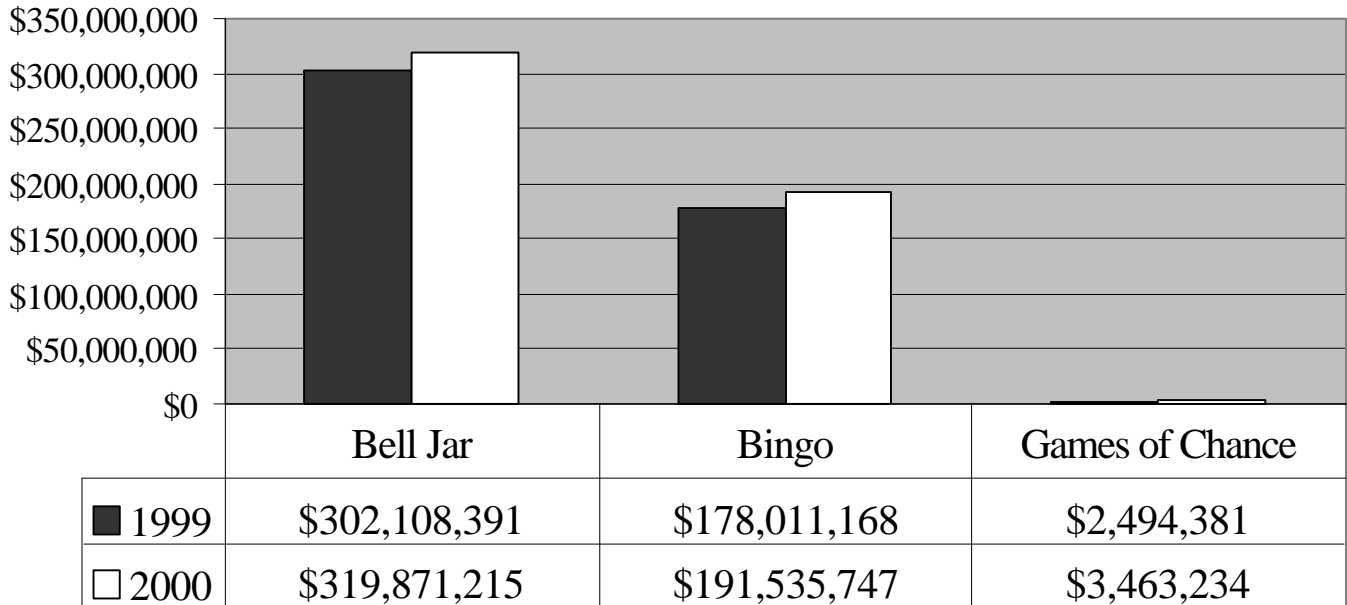
Public Outreach

In 2000, Board staff continued its efforts to educate regulated entities and local authorities. Representatives of the Board attended several statewide conferences and made presentations to charitable groups including veterans, firefighters and fraternal organizations, as well as state and local meetings of municipal clerks. In addition, Board staff met with numerous non-profit organizations to ensure that the funds derived from games of chance and bingo is used for the appropriate charitable and lawful purposes.

Board staff provides assistance to municipal clerk's around the state by answering questions and offering guidance with the licensing of authorized organizations for games of chance and bingo. Regular meetings are held with clerk's to assist them in understanding the licensing process and to provide guidance in dealing with issues of non-compliance. To further promote communication, the Board began publishing a regular column addressing regulatory questions that is available for publication in statewide newsletters.

Also in 2000, the Board expanded its website to provide additional information to regulated entities, the public and local authorities. A database of licensed games of chance manufacturers and suppliers is published on the website as well as a database of bell jar tickets approved for sale in New York State.

Total Handle

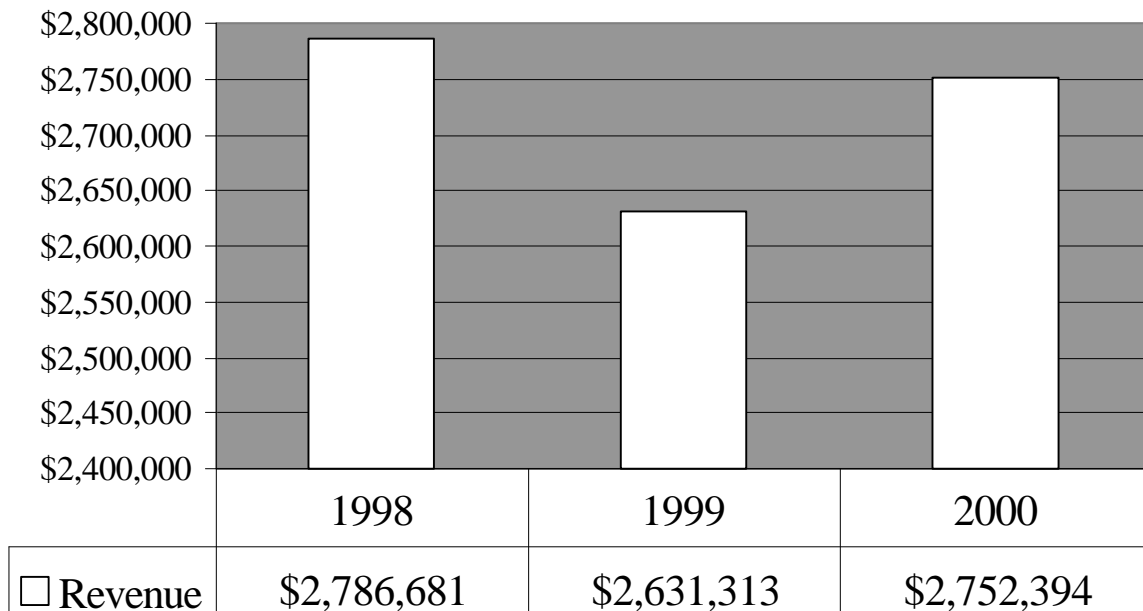


Total Charitable Gaming Handle

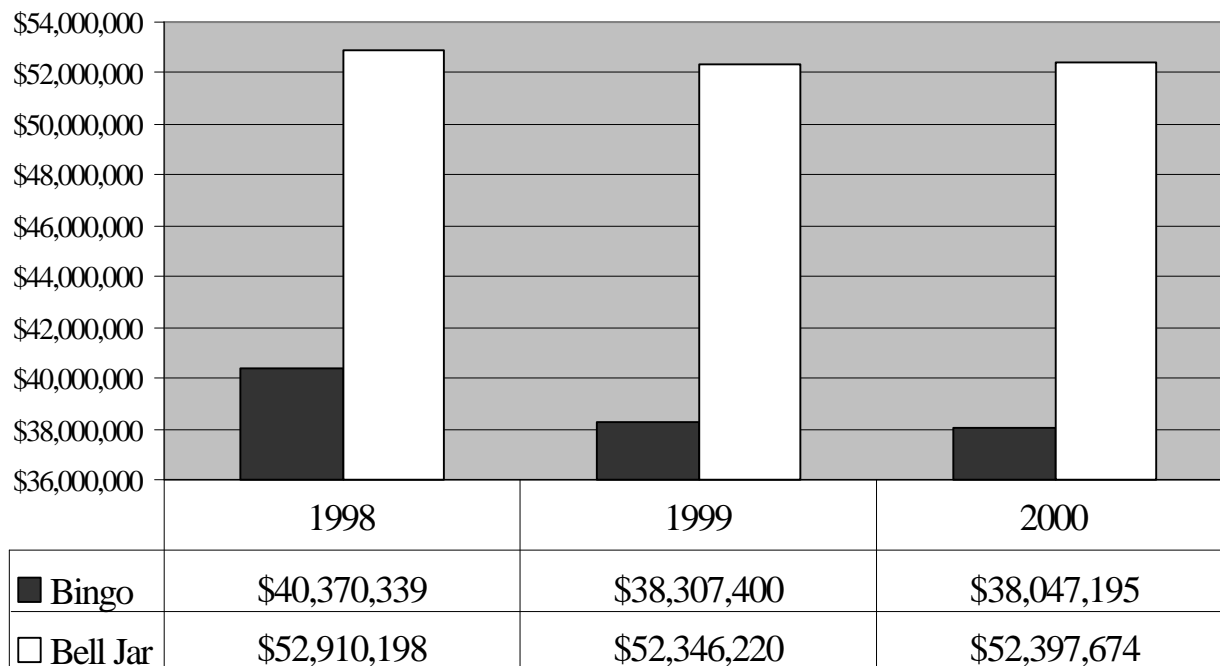
1999	\$482,613,940
2000	\$514,870,196

** The bingo numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island, and Queens.*

Bell Jar 5% Additional License Fees

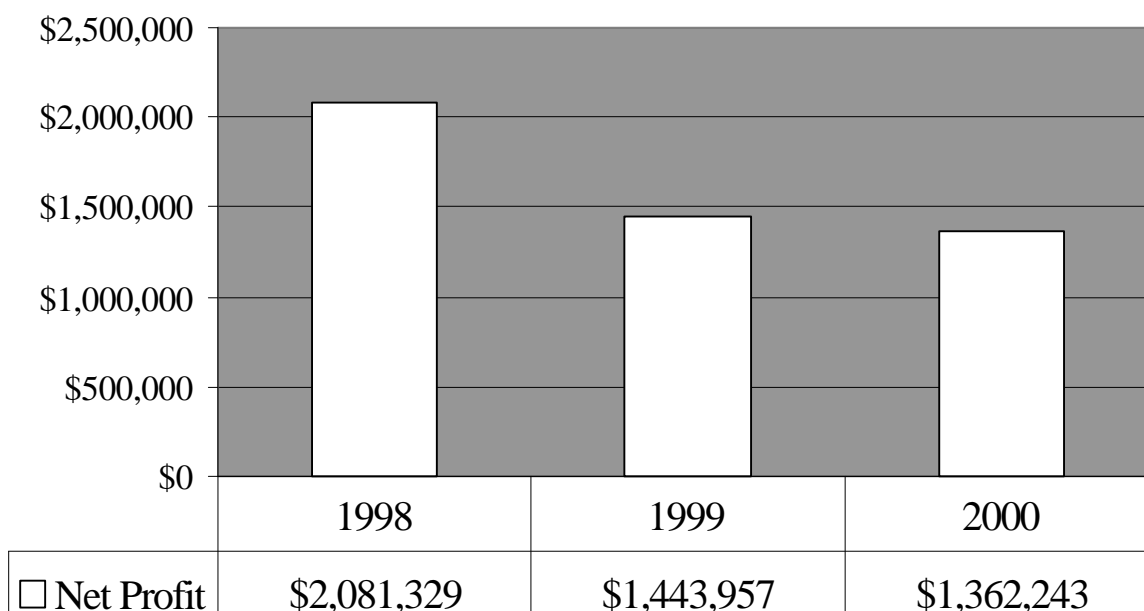


Net Profit To Organizations Bell Jar and Bingo



** The bingo numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island, and Queens.*

Net Profit To Organizations Bazaars, Las Vegas Nights & Festivals



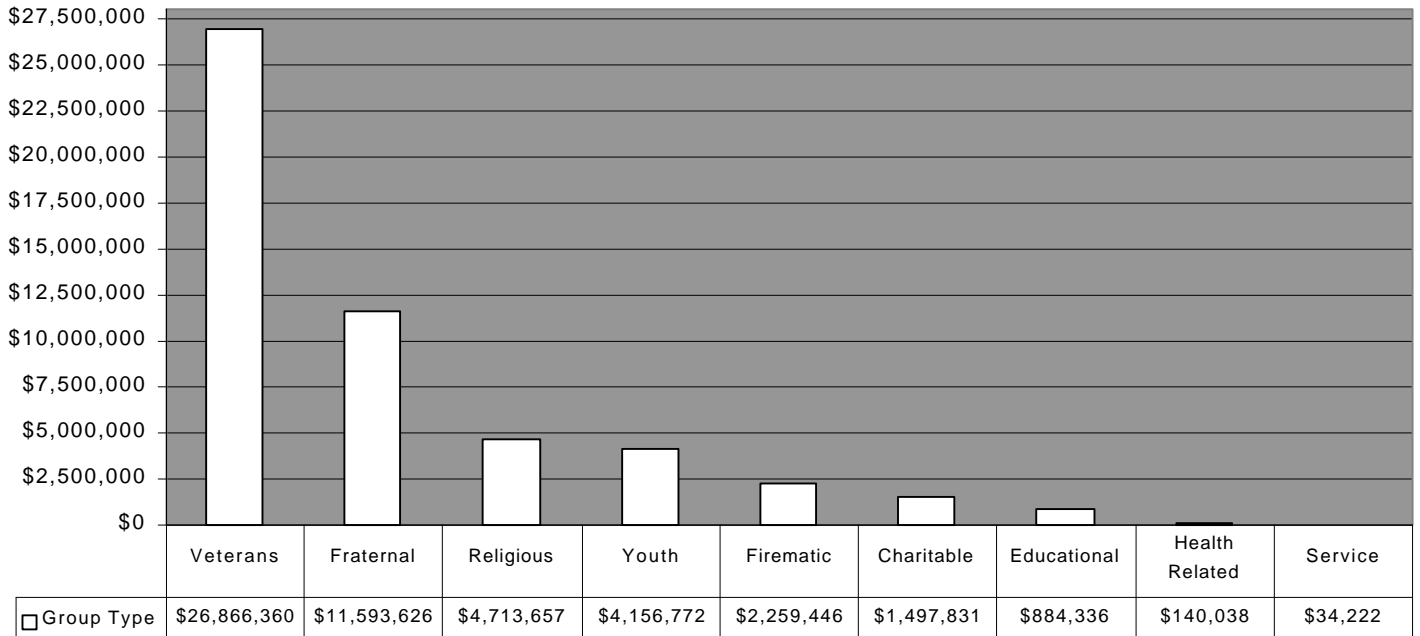
Bell Jar Handle and Deals Sold per County

County	1998 Handle	1998 Total Deals Sold	1999 Handle	1999 Total Deals Sold	2000 Handle	2000 Total Deals Sold
Chautauqua	\$34,854,877	27,183	\$40,239,020	30,587	\$42,544,481	30,360
Erie	\$19,627,053	11,845	\$22,778,143	12,957	\$23,661,322	12,880
Oneida	\$17,593,976	10,275	\$18,455,770	9,736	\$19,329,670	9,476
Monroe	\$13,543,944	7,210	\$14,938,512	8,917	\$21,005,640	17,262
Jefferson	\$13,303,897	6,894	\$14,877,192	7,203	\$14,698,676	6,938
Cattaraugus	\$10,479,832	9,086	\$12,278,208	10,799	\$14,631,497	12,649
Steuben	\$9,703,339	4,564	\$11,534,328	5,637	\$11,569,368	6,010
St. Lawrence	\$8,766,036	4,807	\$10,558,994	5,409	\$10,908,820	5,129
Albany	\$8,627,217	4,754	\$8,763,103	4,370	\$9,333,167	4,457
Suffolk	\$8,340,291	5,281	\$8,164,800	5,025	\$7,762,640	4,627
Onondaga	\$7,842,282	4,519	\$7,944,081	4,554	\$9,849,858	6,342
Wayne	\$7,606,978	3,699	\$7,634,300	3,500	\$8,254,195	4,306
Niagara	\$6,986,966	4,773	\$8,116,174	4,853	\$7,581,586	4,223
Rensselaer	\$6,385,519	3,506	\$6,706,568	3,465	\$5,882,570	2,981
Herkimer	\$5,187,721	2,073	\$4,991,980	1,981	\$4,956,715	1,919
Oswego	\$5,168,341	2,955	\$5,112,044	2,840	\$5,679,414	3,206
Saratoga	\$4,906,023	2,522	\$4,986,283	2,560	\$5,853,081	2,679
Clinton	\$4,861,226	2,889	\$4,840,245	2,824	\$4,645,058	3,237
Broome	\$4,403,369	2,745	\$5,025,173	3,059	\$5,447,025	3,077
Allegany	\$4,401,452	1,932	\$6,356,433	2,779	\$7,154,085	3,147
Fulton	\$4,098,719	1,790	\$4,404,685	1,821	\$4,407,984	1,789
Ontario	\$4,013,892	2,471	\$4,342,852	2,563	\$4,438,059	2,828
Chemung	\$3,547,174	2,337	\$4,275,112	2,699	\$3,936,803	2,565
Orleans	\$3,498,086	1,746	\$4,149,044	2,252	\$3,874,691	1,903
Genesee	\$3,166,765	2,131	\$3,124,857	1,960	\$3,229,940	2,023
Seneca	\$2,936,242	1,618	\$3,311,952	1,700	\$2,966,577	1,492
Schenectady	\$2,922,693	1,785	\$3,177,396	1,868	\$3,130,322	1,777
Orange	\$2,900,695	1,580	\$2,890,053	1,650	\$2,816,267	1,471
Tompkins	\$2,852,618	1,454	\$3,246,582	1,612	\$3,528,774	1,523
Lewis	\$2,711,839	2,064	\$2,934,501	1,810	\$2,722,727	1,636
Yates	\$2,680,260	1,935	\$3,327,241	2,351	\$3,092,668	2,241
Dutchess	\$2,654,193	1,664	\$3,232,727	1,715	\$3,411,657	1,610
Franklin	\$2,293,509	1,529	\$2,987,495	1,881	\$3,689,429	2,091

Bell Jar Handle and Deals Sold per County - continued

County	1998 Handle	1998 Total Deals Sold	1999 Handle	1999 Total Deals Sold	2000 Handle	2000 Total Deals Sold
Warren	\$2,281,351	1,125	\$2,314,851	1,109	\$2,520,405	1,074
Washington	\$2,081,252	1,282	\$2,244,564	1,295	\$2,386,084	1,385
Nassau	\$1,848,634	1,472	\$1,607,609	1,235	\$1,443,572	978
Cayuga	\$1,820,897	1,236	\$2,018,147	1,393	\$2,418,967	2,168
Montgomery	\$1,730,409	1,181	\$1,924,894	1,416	\$1,867,287	1,390
Tioga	\$1,682,424	1,159	\$1,967,074	1,333	\$1,970,649	1,347
Rockland	\$1,647,459	671	\$1,845,353	731	\$1,829,496	706
Chenango	\$1,613,484	895	\$1,434,765	777	\$1,286,905	699
Otsego	\$1,494,678	793	\$1,528,528	717	\$1,728,080	775
Livingston	\$1,289,671	795	\$1,521,065	945	\$1,604,195	1,154
Delaware	\$1,160,348	804	\$1,393,804	900	\$1,205,730	822
Ulster	\$1,149,115	944	\$1,283,457	945	\$1,620,102	1,078
Westchester	\$1,116,403	705	\$2,156,644	975	\$2,182,929	1,009
Schuyler	\$1,077,049	607	\$1,030,659	518	\$1,153,031	560
Essex	\$1,064,391	810	\$1,011,962	800	\$1,038,720	714
Madison	\$1,039,914	839	\$1,148,125	885	\$1,202,396	838
Wyoming	\$994,135	670	\$1,353,466	873	\$1,486,815	946
Cortland	\$908,807	632	\$895,898	607	\$1,186,564	755
Columbia	\$694,586	361	\$761,207	379	\$741,315	368
Sullivan	\$645,901	419	\$585,192	362	\$584,393	344
Greene	\$583,864	286	\$672,753	273	\$644,777	249
Richmond	\$526,377	270	\$603,976	302	\$437,622	210
Schoharie	\$265,413	273	\$289,113	251	\$236,836	209
Putnam	\$246,701	103	\$383,083	146	\$404,756	156
Queens	\$211,293	332	\$206,707	335	\$282,094	319
Kings	\$116,818	169	\$174,350	184	\$258,461	205
New York	\$13,719	19	\$20,150	22	\$21,273	30
Bronx	\$6,805	10	\$12,776	15	\$18,909	18
Hamilton	\$4,306	3	N/A	N/A	N/A	N/A

Bell Jar Revenue by Group Type



Veterans Organizations

American Legions	\$15,763,342
VFW	\$8,646,191
Marine Corps League	\$128,337

Religious

Roman Catholic	\$3,019,551
Jewish	\$1,266,396
Orthodox Groups	\$174,704

Service Organizations

Lions	\$29,306
Kiwanis	\$4,916

Emergency Service Organizations

Volunteer Firemen	\$2,200,286
Ambulance	\$19,057

Fraternal Organizations

Elks (BPOE)	\$3,843,912
Moose (LOOM)	\$3,528,156
Eagles (FOE)	\$1,258,328

Educational Organizations

Schools, PTA's	\$834,250
Education	\$33,881
Women's ORT	\$16,205

Health Related Organizations

Handicapped	\$77,734
Health Organizations	\$29,193
Hospitals	\$25,776

Charitable Organizations

Charity Based Orgs.	\$781,560
Community Service	\$716,345

Youth Organizations

YMCA, Little League,	
Youth Related	\$4,111,254
Recreational	\$43,115
Sports Booster Clubs	\$2,403

Licensing

Licensing

All participants in New York State racing are required to obtain occupational licenses which have been issued on a calendar year basis for one, two or three years. In 2000, a total of 20,074 licenses were valid to participate at New York State's racetracks. Valid harness racing licenses totaled 12,221 while 10,853 were valid in the Thoroughbred division.

Occupational Licenses Valid in 2000

Category	Harness	Thoroughbred	Total
Agents	0	79	79
Cleaning Service	71	341	412
Driver	867	1	868
Farrier	34	57	91
Food Service	191	212	403
General Service	448	511	959
Jockey	0	247	247
Mutuel Clerk	335	513	848
Owner	4,065	3,667	7,732
Security	130	299	429
Stable Employee/Groom	4,195	3,966	8,161
Track Management	88	90	178
Trainer	1,761	808	2,569
Veterinarian	36	62	98
Total	12,221	10,853	23,074

Regulatory Activities

The Board issued 1,016 rulings for violations of racing laws, rules and regulations, at both harness and thoroughbred tracks. The Board levied fines to licensees for racing-related violations in the amount of \$94,000. The rulings include, but are not limited to driving and riding infractions, general conduct violations, human and equine drug violations, general business practice violations and several other rule and law violations. 42 violations were issued by the Main Office of the Racing and Wagering Board and are not assigned to a specific track.

Summary of Rulings by Track

Buffalo Raceway	91
Monticello Raceway	263
Saratoga Harness	79
Vernon Downs	64
Yonkers Raceway	269
Finger Lakes Racetrack	73
New York Racing Association	135

Legislation & Rules

Legislation and Rules

2000 Legislation Affecting the Racing and Wagering Board

Chapter 128 of the Laws of 2000 enacted legislation in relation to occupational horse racing licenses issued by the Board. This law amended thoroughbred, harness and quarterhorse provisions of the Racing, Pari-Mutuel Wagering and Breeding Law (“Racing Law”) to change the term of licenses from a calendar year basis to a date of birth basis. Licenses will be valid for one, two or three year terms to expire on the applicant’s date of birth. Any multi-year licenses, which would not expire until after the January 1, 2001 effective date of the legislation, remained in effect. The revised system is intended to facilitate the licensing process.

Chapter 63 of the Laws of 2000 amended Section 229 of the Racing Law to provide that whenever a non-profit racing association operates the Breeder’s Cup Meeting at one of its facilities, the association shall not be required to pay pari-mutuel tax on the pari-mutuel pool of the Breeder’s Cup Meet races. The Breeder’s Cup Meet is deemed to include the day before and the day after the Meet. This law expires on December 31, 2002.

Chapter 183 of the Laws of 2000 amended Section 309 of the Racing Law in relation to occupational licensing requirements at the Syracuse Mile. This law provided that no occupational license shall be required for seasonal employees hired solely to work no longer than six weeks during the summer meet at the Syracuse Mile. Pursuant to Racing Law Section 307(8), the Syracuse Mile meet is conducted for not more than seven days.

Chapter 462 of the Laws of 2000 amended Sections 502 and 603 of the Racing Law in relation to the compensation of off-track betting corporation directors. Fees payable to directors of off-track betting corporations were increased, subject to an annual cap. Fees for attendance at meetings other than board meetings were authorized, subject to an annual cap. In addition, the chairmen of the boards of directors were authorized to receive additional compensation of \$1,000 per year to cover expenses and activities associated with that office.

Chapter 484 of the Laws of 2000 amended Sections 318, 527 and 1017 of the Racing Law in relation to minimum purse account allocations at Vernon Downs. This legislation provides that the amount or methodology for calculating the amounts to be used for purses (in contrast to the minimum purse allocations established by statute) may be specified in the written contract between the racing corporation and the representative horsemen’s association.

In Chapter 524 of the Laws of 2000, the Legislature amended Section 489 of the General Municipal Law in relation to bingo admission fees. This legislation repealed the Board’s authority to establish a minimum fee for admission to bingo games.

Legislation and Rules

Summary of Board Action on Rules in 2000

The Board adopted the following in 2000:

Unqualified Horses at Buffalo Raceway An emergency amendment to Rule 4113.5 (in effect for 90 days) provided that a satisfactory race performance on or after September 1st of the preceding year shall be deemed a satisfactory performance for a horse making its first start of the year before June 1st at Buffalo Raceway.

Date of Birth Licensing for horse racing Amendments to thoroughbred Rule 4002.7, harness Rule 4101.24, and quarterhorse Rule 4205.1 implemented Chapter 128 of the Laws of 2000. These rules provide that occupational horse racing licenses will be issued on a date of birth basis and that no calendar year license currently valid shall be shortened by transition to the date of birth system.

Games of Chance-Artists' Renderings An amendment to conform Rule 5608.4 to the provisions of General Municipal Law Section 195-n (1) to allow manufacturers of bell jar tickets to submit samples or artists' renderings of proposed bell jar tickets, payout cards and flares for review and approval by the Board.

Games of Chance and Bingo Amendments to Parts 5600, 5602, 5603, 5607, 5608, 5611, 5620, 5622, 5623, 5624, 5814, 5815 and 5820 primarily to implement legislative changes affecting coin boards, merchandise boards, seal cards, leasing of bingo equipment, and licensing and record keeping requirements for raffles.

In addition, the Board continued the comprehensive review of the thoroughbred and harness rules begun in late 1999. This process, which includes input from the racing industry, is intended to improve the rules by deleting unnecessary regulatory burdens while adapting the rules to the current needs of the industry, consistent with the integrity of pari-mutuel racing.

Complete versions of the New York State Racing and Wagering Board Rules and Regulations and the New York State Racing, Pari-Mutuel Wagering and Breeding Law can be found on the Board's website at www.racing.state.ny.us

Indian Gaming

Indian Gaming

Class III, or casino style gaming on Native American lands, came to New York State as a result of the passage by the United States Congress of the Indian Gaming Regulatory Act (IGRA) of 1988, 25 U.S.C. §2701 *et seq.* This type of gambling is regulated jointly between the Indian nation or tribe and the Board's Bureau of Indian Gaming Regulation. The Oneida Indian Nation of New York opened their facility, the Turning Stone Casino Resort, on June 20, 1993, while the St. Regis Mohawk Tribe opened their facility, the Akwesasne Mohawk Casino, on April 10, 1999.

The Indian Gaming Regulatory Act

The Indian Gaming Regulatory Act (IGRA) contains a regulatory scheme designed to provide different levels of jurisdiction depending upon the type of gambling that is occurring on Indian lands. IGRA divides gambling into three types and establishes a regulatory scheme for each. Class I gaming is described as "social games played solely for prizes of minimal value or traditional forms of Indian gaming engaged in as part of, or in connection with, tribal ceremonies or celebrations." Class I gaming is under the exclusive jurisdiction of Indian tribes and is not subject to the provisions of IGRA.

Class II gaming is defined as "the game of chance commonly known as bingo ... including (if played at the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo and other games similar to bingo." Class II gaming is under tribal jurisdiction, subject to the provisions of IGRA and oversight of the National Indian Gaming Commission. States are not permitted to regulate any Class II gaming activity. Class II gaming is operated by the Oneida Indian Nation of New York, the St. Regis Mohawk Tribe and the Seneca Nation of Indians. Under IGRA, Class III gaming may only be conducted pursuant to the terms of a compact between a tribe and the state in which its lands are located. Class III gaming is defined as all other types of gambling, including banked card games (e.g., baccarat, chemin de fer and blackjack), slot machines, pari-mutuel wagering and jai alai.

New York Compacts and Provisions

Class III gaming compacts exist between the State and both the Oneida Indian Nation of New York and the St. Regis Mohawk Tribe. On April 16, 1993, then Governor Mario M. Cuomo signed the Oneida Indian Nation of New York's compact on behalf of the State of New York. The compact was subsequently approved by the Bureau of Indian Affairs on June 4, 1993. The St. Regis Mohawk Tribe's

compact, reached in late 1994, was signed by Governor Cuomo on November 22, 1994, with federal approval being granted on January 19, 1995.

Contained in each compact and appendices are standards and specifications for each game permitted to be played at an Indian casino, the rules and internal controls governing the operation of the gaming facility, procedures for certification and/or registration of gaming employees and companies transacting business with the casino and a system of mediation of disputes.

The Board maintains a constant, twenty-four hour visible presence on each casino's floor. Board Gaming Inspectors are experienced, professional investigators, specially trained to monitor casino gaming activities with the respective Nation or Tribal Gaming Inspectors, security officers and surveillance departments. Board Gaming Inspectors conduct compliance examinations to ensure that gaming

operations such as dealing procedures, internal accounting controls and other safeguards strictly conform to the applicable provisions of each compact and its appendices, and to the federally required Minimum Internal Control Standards. Board inspectors witness the relocation of gaming equipment to ensure that no tampering occurs, or that the equipment moved is not replaced without proper notification; respond to radio calls regarding repairs and upgrades conducted to gaming equipment; witness that such repairs conducted are incidental, and document which repairs are made, and by whom, in written reports.

Board inspectors also witness openings of electronic gaming device cabinets to ensure that access to internal areas is made only by those properly authorized; act as additional security on certain shifts by observing electronic gaming device drops to ensure that the currency removed is properly secured; accompany electronic gaming device players winning more than \$1,200.00 to the cashier's cage to obtain a copy of the winner's driver's license, winning ticket and I.R.S. tax form; maintain a file of the names of persons winning large amounts of money from electronic gaming devices as a means of detecting possible patterns; and observe the soft count of electronic gaming device drops to ensure that all currency from the devices is properly accounted for. Casino patrons regularly seek State Gaming Inspectors to clarify the rules of the games and for recourse after filing complaints with casino managers. Board Gaming inspectors conduct investigations, interviews, review surveillance videotapes, and prepare detailed narrative reports as part of their normal duties.

The Board's Certification and Registration Unit is responsible for the review and subsequent approval or denial of the applications submitted by all persons involved with Class III gaming in the State. Under each compact, no person may commence or continue employment as a gaming employee unless he or she is the holder of a valid gaming employee certification and license issued by the Board and Commission respectively. The term "gaming employee" is broad, meaning any person employed in the operation or management of Class III gaming, whether employed by the Nation or Tribe or by any enterprise providing on-site services to the Nation or Tribe within a Class III gaming facility and any other person whose employment duties require or authorize access to restricted areas of the gaming facilities not otherwise opened to the public. The level of scrutiny to which employee applicants are subject depends upon the nature of their responsibilities at the casino and their degree of access and ability to influence gambling activities on the gaming floor.

At a minimum, each applicant for a gaming employee certification and license must submit a completed license application and both state and federal fingerprint cards. Provided that the application is complete and all required documentation has been submitted, the Board forwards a copy of the application to the New York State Police (State Police) which conducts a background investigation of the applicant. The Board also forwards the fingerprint cards to the Division of Criminal Justice Services (Division) and the Federal Bureau of Investigation for a fingerprint-based search of its files. The State Police report the results of its investigation to the Board. The Division forwards the results of the criminal records searches to the Board. The Board reviews the fingerprint returns and applicant background investigation report and evaluates them using Compact enumerated criteria to determine eligibility for certification.

The following Chart illustrates activity in the Certification and Registration Unit with respect to individual applications at the Indian gaming facilities. As withdrawal or termination may occur at any step in the certification process after an applicant has been received by the Board, the combined approval, denial and withdrawal figures exceed the total number of applications received.

Applications for Certification and Their Disposition

Oneida and Mohawk Casinos, New York

Application Category	Oneida Nation		Mohawk Nation	
	Calendar Year 2000	Total	Calendar Year 2000	Total
Applications Received	739	7,272	111	1,389
Temporary Certifications Issued	640	6,707	114	956
Temporary Certifications Denied	30	155	3	71
Applications Withdrawn	27	256	61	171
Annual Certifications Issued	392	3,221	165	186
Applications Terminated	560	4,481	141	382

Pursuant to each gaming compact, enterprises or individuals wishing to conduct gaming-related business with a Class III gaming facility must first obtain a valid gaming service registration issued by the Board prior to providing gaming services, gaming supplies or gaming equipment to the casinos. As with “gaming employee,” the term “enterprise” and the scope of business conducted that requires registration is quite broad. “enterprise” means any individual, trust, corporation, partnership, or other legal entity of any kind; provided, however, that with respect to any corporation, the term “enterprise” shall include each other corporation or other legal entity which directly or indirectly controls a majority of the voting interests in such corporation; and further provided, that with respect to any partnership, trust, or other form of unincorporated business organization, the term “enterprise” shall include each corporation or other legal entity which controls a majority of the voting interests in such organization.

“Gaming services” means those services provided to the Nation or Tribal gaming operation in connection with the operation of Class III gaming, including maintenance or security services for the Class III gaming facility, gaming schools or training activities, promotional services, printing or manufacture of betting tickets, and manufacture, distribution, maintenance, testing or repair of gaming equipment. “Gaming supplies” means those goods or supplies which are specially designed for use in the operation of any Class III game or activity. “Gaming equipment” means any machine or device which is specially designed or manufactured for use in the operation of any Class III game or activity.

Federal law permits and each gaming compact dictates that, all of the State’s regulatory expenses, for both personnel and equipment, are paid for or reimbursed by the regulated Indian Nation or Tribe.