

Family Ties: Divided Loyalties in Horse Racing and Other Sports

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When I heard that the Gaming Commission was going to explore holding a hearing into the topic of “Conflicts in Sports Events upon Which Wagering Occurs,” I thought this would be a great topic for a law review article. I still do, and I’m about 5,000 words into it. But it has a problem. It is what I like to call the Sam Rayburn problem. You may remember Sam Rayburn. He was the long-term Speaker of the House of Representatives. He is famous for his quote, “Any jackass can kick down a barn, but it takes a good carpenter to build one.”

That’s what I see in looking at horse racing’s rules dealing with divided loyalty based on familial, personal and business ties. It’s easy to knock them down. They’re ambiguous. They’re overinclusive and underinclusive. I can knock down the barn, but I can’t build a good replacement barn. I can construct a good first act; I don’t have a remotely decent second act.

Here’s how we got here to the specific problem of the requirement that married jockeys have to be coupled. It starts in 1969 when racing commissions were forced to let female jockeys ride in 1969. You had an almost immediate problem because jockeys Mary Bacon and Johnny Bacon were married and riding at Finger Lakes. The answer from the stewards in New York and elsewhere was simple. They can’t race against each other. Stewards and racetracks across the country ruled that they couldn’t testify against each other or claim foul against each other. A suspension of one of the riders also required the suspension of the rider’s spouse. The rules governing spousal jockeys allegedly forced the divorce of the Bacons in 1972.

There we stood in New York until 1985 when the Racing and Wagering Board placed all the divided loyalty jockey rules in one spot. The Board promulgated rule §4025.10(f) which has remained unchanged since that date. Rather than banning jockey with family ties from participating in races, it forced coupling of all horses where a jockey had a familial tie to other participants in the race. Coupling was required where a jockey is competing against a “spouse, parent, issue or member of a jockey's household.”

The rule has always had ambiguities. Are cohabiting licensees members of the same household? When Angel Cordero in the early 1980’s provided a home for apprentice jockeys Harry Vega and Lauren Ayoub, were they part of his household?

So the rule allowed spouses to ride against each other, and coupling was not a huge deal when a bettor could only wager at an in-state racetrack. Now times have changed. States regularly let spousal jockeys compete against each other. Nobody batted an eye when Chantal Sutherland and Mike Smith, who were living together in California for several years, competed against each other. On the parent/issue side, we even saw a race in California in 2015 where 54-year-old C.C. Lopez competed against his sons Erik and David without any coupling. And with betting allowed throughout the world, how are you protecting New York bettors when they can bet on Trevor McCarthy racing against Katie Davis in Maryland but not when they are racing in New York?

But many of these same states have rules – including the ARCI model rules – that have a provision limiting or banning a jockey from racing against a horse trained by his or her spouse. How do you justify the distinction between spousal jockeys and spousal jockey vs. spousal trainer?

Moreover, why in NY and elsewhere is the family competition rule only limited to jockeys? For years, family connected trainers have competed against each other without any need for coupling. We had the Martins: father Frank, son Jose and grandson Greg all competing without any couplings. In the 1980's we even had the Sedlacek family: husband Woodie, wife Sue, and kids Roy and Mike all training horses without rules requiring couplings? Why have riders been treated more harshly than trainers? Our rules are all over the place. Any jackass can kick down our current rules.

And now we have betting in New York on all sports, and we have the same divided loyalty issues in these sports. Look at tennis. You have:

1. Family Playing each other: McEnroe's, Williamses, Pliskova's, Murray's
2. Players competing against each other who are coached by same individual.
3. Playing against your doubles partner in singles: Billie Jean King v. Rose Casals; Martina Navratilova v. Chris Evert or Pam Shriver; Tom Okker v. Marty Riessen; John Newcombe v. Tony Roche. You may remember that Chris Evert stopped being Martina Navratilova's doubles partner because there was a feeling that it might affect how she played against Martina in singles.
4. Playing against your teammate in major international competitions: Davis Cup, Hopman Cup Fed Cup
5. Playing against spouse or partner in mixed doubles or other matches
6. Ownership or control of tournaments. Donald Dell as agent/lawyer for players and running tournaments in the 1970's

And we have the same friends, families and business divided loyalty issues in other sports.

Look at the friends Michael Strahan in 2001 was gifted the season sack record by Brett Favre and the Green Bay Packers. That's now a bettable event with T.J. Watt tying that record this past Sunday.

In baseball we've seen purposefully grooved pitches to friends from Don Drysdale to his long-time teammate Duke Snider for a home run in 1963 and Adam Wainwright grooving a pitch to Derek Jeter for a double to start off the 2014 all-star game.

We've had parent child conflicts where Felipe Alou managed against his son Moises' team, and conflicts among the Shula, Bowden, Rivers, Sutter, Pitino, and Dunleavy families.

We've had the business divided loyalties where the 1950's Kansas City Athletic and the 1920's Boston Braves were operated as vassal states of the New York Yankees and New York Giants respectively. Sports owners have owned pieces of other franchises. Charles Bidwill -who owned the Chicago Cardinals – had helped George Halas financially and had owned a share of the Bears. Clearly, a lot was going on in the old NFL owners.

So the sports we now can bet on have the same divided loyalties as horse racing. And while I'm a terrible carpenter who can barely hammer a nail let alone build a barn, let me suggest several ways to approach this divided loyalty issue.

1. Who should regulate the divided loyalty issue? Should it be regulated by operators of the sport itself or by the organization (generally a governmental body) which regulates the gambling on the sport?
2. Should the conflict of interest simply be banned? For example, in the spousal jockey competitors' issue, would you simply ban the spouses from ever competing against each other?
3. Do you regulate the conflict of interest by coupling the conflicted participants as a single entry, like 9 NYCRR§4025.10.(f)?
4. Do you allow the conflicted participants to compete against each other without any coupling, but notify the public of the potential conflict?
5. Do you take no action on the conflict and simply let the conflicted competitors compete against each other, thereby instituting a laissez faire "let the bettor beware" policy for conflicts?
6. Are the answers to these questions affected by whether the wagering is pari-mutuel, with the wagering involving the players betting against each other, or does the public policy change when the bets are banked and being placed against a mega-gambling firm such as FanDuel or DraftKings?
7. Does the State have a greater obligation to act against a potential conflict of interest when it involves a sport like horse racing, boxing or mixed martial arts where the participants are subject to specific state regulation?

8. Rather than limiting entries for wagering, would it be preferable to follow the example of legalized sports wagering and restrict actual sports participants and their proxies from wagering? Similarly, should there be more formalized penalties for disclosing inside information on sporting events?

I do have some very tentative suggestions here.

1. We need uniform rules of the race to govern the actual conduct of horse racing throughout the country. We're now set to have uniform drug and safety rules, but there is absolutely no reason not to have uniform rules of the race which would govern the full conduct of the race and the eligibility of all the participants in the race.
2. While disclosure of major conflicts may be necessary, it is nowhere near sufficient. Disclosure doesn't work well. Disclosure failed at the Breeders' Cup in November in Juvenile Turf race. Few knew the betting status of the eventual winner Modern Games. We've had ample experience in New York to know that late rider, equipment and gelding changes have never been communicated well, and in these days of mobile betting, these announcements are even less likely to reach the intended audience.
3. Let's begin to put a cap on who can bet and how we convey insider information. I know that racing once seemed to feed on insider play ("Everybody wants to think I've got the horse right here."), but it's time to stop horse racing from further devolving into an insider's game. I would direct you to the rules of the British Horseracing Authority on communication of inside information.
4. We do need to look closer at instances where horses that share the same owners and/or trainer assist each other in the course of a race. Again, I would direct you to the rules of the BHA on "assisting another horse in a race." If we want to avoid even the perception of conflicted loyalties, we need to have stronger rules and greater enforcement here.

I know my limitations. I'm not raising a barn or even constructing a fence. I don't know what the ultimate answers here are. I do know, however, this is a most important subject, and it merits everyone's best efforts and work here. You can be the good carpenters who can begin to construct the new barn. You can write the proper ending for the 2nd act.

Tuesday, January 11th, at 11:00am (via WebEx)
Conflicts in Sports Events upon which Wagering Occurs

Background

Governor Hochul vetoed your bill relating to coupled entries (A7024) on October 25, 2021. (Both the Assembly and Senate bills [S6390] passed unanimously.) In Veto Message 49, the Governor stated:

The New York State Gaming Commission and its predecessor agency have for more than 35 years had a regulation requiring coupling of entries [when a horse is trained or ridden by a spouse, parent, issue, or member of the household of another jockey in the race], and tracks required it as a house rule long before that. The rule applies neutrally to all jockeys, without regard to gender, and is intended to enhance the wagering public's confidence in the integrity of a race. Coupling of entries does not prevent related parties from participating in a race; rather, coupling of entries merely aggregates those related parties into a single betting interest in the race.

Oral Testimony

- Thank you for inviting me to speak with you today on the pressing issue of integrity in sports and, specifically, of integrity in sports wagering.
- As the representative for the 113th Assembly District – a district that includes the historic Saratoga Race Course - I am particularly focused on promoting and ensuring the integrity of the iconic and much-beloved sport of horse racing.
- While we convene today to discuss the overarching and amplifying national and international threat of corruption in sports and sports wagering– involving numerous sports such as soccer, basketball, football, tennis, and horse racing - today I am here to speak specifically on one small aspect of the Commission’s fight for integrity in New York’s horse racing industry: the history, application, and consequences of the rule mandating coupled entries for married jockeys.



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ELECTRONIC MAIL SUBMISSION

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Schenectady, New York 12301-7500
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Re: Conflicts in sports events upon which wagering occurs

To the New York State Gaming Commission:

The New York Thoroughbred Breeders, Inc. (NYTB), the official authorized organization that represents the Thoroughbred breeding industry in New York State, is aware of the Staff Hearing conducted by the Commission regarding the regulation of potential conflicts in sports events. For the reasons stated below, NYTB fully supports the elimination of all horse racing coupling requirements in the state.

Eliminating coupling requirements would place New York in line with several major racing jurisdictions including California, Florida, and Illinois, which New York bettors already have access to wagering via simulcasting signal. As mentioned in testimony provided by officials from the New York Racing Association, Inc. (NYRA) and New York Thoroughbred Horsemen's Association (NYTHA), the Gaming Commission has previously modified coupling requirements twice over the past 12 years, and both changes benefited the sport and its consumers. These previous changes, allowing trainers to enter multiple horses without coupling if the horses did not have shared ownership, and not requiring coupling in any stakes races with a purse of \$50,000 or more, have resulted in more flexibility in fielding races and an increase in handle, all without any detriment to wagering participants.

The New York State Thoroughbred Breeding and Development Fund, which works to promote the responsible breeding of quality Thoroughbred racehorses and the distribution of breeder, owner and stallion awards derives a percentage of revenue from every dollar wagered on Thoroughbred racing in New York State. The potential increase in handle generated by eliminating all coupling requirements would be especially beneficial to our state's breeders and the future growth and support of the New York-bred program including promotion and participation.

NYTB commends the Gaming Commission for conducting this hearing to receive input on this topic from industry stakeholders and the general public. I look forward to your continued review and ultimate recommendation on this matter. Please let me know if you have any questions or would like to discuss.

Kind regards,

A handwritten signature in black ink that reads "Najja Thompson". The signature is written in a cursive, flowing style.

Najja Thompson, Executive Director
New York Thoroughbred Breeders, Inc.



OPPORTUNITIES WITH UNCOUPLED ENTRIES



Several racing jurisdictions have successfully uncoupled entries. **California, Florida, Illinois, West Virginia, and Maryland** no longer couple entries. Outside of the United States, **Ontario** has eliminated couple entries as well as most major racing countries in **Europe**.



2010: New York amended rules to allow a trainer to enter two horses as an uncoupled entry, as long as the horses don't have the same owner. As a result, the horses are considered separate betting interests.



2015: New York further amended rules so that horses would not be coupled in stakes races with purses of \$50,000 or more. The change positively impacted handle and field size in stakes races run since 2015 due to the stakes schedule and purse structure in New York.

Racing and wagering integrity has not been affected by either of these changes; nor has there been any evidence of concerns for the betting public.



In 2021, **168 entries were coupled** at NYRA incurring .85 per day on overnight races. If you extrapolate that over the estimated 200 race days that NYRA runs and removing stakes races, the average handle per betting interests is about \$150,000. Holding all else equal, that would result in about **\$25 million** in additional handle that would positively impact both NYRA and the horsemen in New York. 61% of the coupled entries took place in claiming races and which represents the largest impact. 50% of the total coupled entries were at Aqueduct.



January 10, 2022

Ms Buckley
New York State Gaming Commission
One Broadway Center, 6th Floor
Schenectady, NY 12305

Re: Request for input on the topic of regulation of potential conflicts in sports events upon which wagering occurs.

Dear Ms. Buckley:

Finger Lakes Gaming & Racetrack is of the strong belief that the coupling of entries in thoroughbred horse races whenever a horse is trained or ridden by a spouse, parent, or member of the household of another jockey in the race is unnecessary, counterproductive and only serves to significantly diminish gross revenues by reducing wagering options. Field size is often the most critical factor that determines wagering revenue. We also believe that the stewards are very experienced in reviewing all aspects of a race, including if each participant has expended maximum effort in the race and have demonstrated this ability daily for many years.

We would suggest that a better approach is for all participants to disclose their personal and /or financial relationships (to be defined by the NYGC) to the stewards prior to the race in which they both participate. Failure to disclose should be penalized by set minimum penalties and should include at least, a fine equal to their share of the purse and an automatic set license suspension period. Penalties for failure to also expend maximum effort in a contest should be substantially more severe.

Thank you for allowing us to offer our input and if you have any questions, please feel free to contact me at 585-924-3232.

Sincerely,

Chris Riegle

President and General Manager

Current Regulations

- As you know, a “coupled entry” represents two or more entries considered to be a single betting entry.
- Historically, when and why does coupling occur? According to one horseracing blog, “[t]he idea is if a trainer or owner is entering more than one horse in a race, he or she knows which one of the two horses is better and could exploit that fact by using the ‘other’ horse tactically to set up the race for the ‘better’ horse. The purpose of coupling the horses into one betting entry is to protect those betting on the other horse, so even if the other horse isn’t given his best chance of winning and the better horse does in fact win, the person placing the bet on the other horse is protected.”¹
- The Commission’s current regulations on coupling reach significantly beyond these traditional concerns by establishing four distinct mandatory coupling scenarios: 1) with respect to entries with common ownership;² 2) with respect to three or more horses trained by the same person;³ 3) with respect to “*all horses* trained or ridden by a spouse, parent, issue or member of a jockey’s household”⁴ [emphasis added], and 4) *any time* the commission steward “finds it necessary in the public interest.”⁵
- Although mandatory coupling automatically applies to ALL HORSES involving married jockeys or a jockey married to a trainer, entries coupled “by reason of common ownership or training” do not. In fact, in 2015, the Commission substantially relaxed the conditions under which entries with common ownership or training must be coupled. Specifically, the Commission lowered the threshold for mandatory coupling in stakes races from \$1,000,000 to \$50,000.⁶ According to the Notice of Proposed Rule Making published in the State Register, the change was made to “improve wagering opportunities in thoroughbred pari-mutuel racing.” Additionally, the Notice indicated that:

¹ The Coupling of Horses as a Betting Entry, BLINKERS ON RACING STABLE BLOG: YOUR SOURCE OF THOROUGHBRED RACING PARTNERSHIP INFORMATION (2016), <https://blinkersonracing.wordpress.com/2016/09/20/the-coupling-of-horses-as-a-betting-entry/> (last visited Jan 10, 2022).

² 9 NYCRR 4025.10(b). See also 9 NYCRR 4026.2 and 4026.3.

³ 9 NYCRR 4025.10(d)

⁴ 9 NYCRR 4025.10(f) and 4040

⁵ 9 NYCRR 4025.10(e)

⁶ 9 NYCRR 4025.10(g)

The proposal is consistent with recent amendments of a similar nature in other major racing jurisdictions, such as Kentucky and Texas. The racing stewards can closely monitor each race and have the authority to place any horse in a finishing position that is appropriate, if collusion is observed, and the rule proposal requires further that bettors be informed by the racetrack of any common ownership or trainer among horses in the same race. In addition, the Commission steward has the authority to order that horses be coupled if necessary in the public interest pursuant to 9 NYCRR 4025.10(e).⁷

- Similarly, although there is a blanket mandate to couple spousal entries, trainers not married to a jockey have carte blanche to run two horses in any race, completely unencumbered by the strictures of mandatory coupling.
- Why do married jockeys and trainers not engender the same level of professional respect as unmarried jockeys and trainers, even though the regulations confer flexibility on the Commission steward to make a case-by-case determination for coupling whenever such steward finds it “necessary in the public interest?”⁸
- The regulations distinctly exempt siblings of a jockey from mandatory coupling. In fact, there are numerous historical instances of siblings competing against one another at the highest levels of sport. Examples include José and Irad Ortiz of Saratoga horse racing fame,⁹ Eli and Peyton Manning - the well-known NFL quarterbacks whose opposing teams clashed 3 times,¹⁰ and Venus and Serena Williams, the tennis sisters who shared a household for many years and ultimately met in 8 Grand Slam finals.¹¹ Why, then, do siblings confer such professional respect, whereas spouses do not?

⁷ NY Register, May 20, 2015 at 9

⁸ 9 NYCRR 4025.10(e)

⁹ Teresa A. Genaro, Brothers Jose and Irad Ortiz Are Horse Racing Phenoms. Isn't It Time Everyone Knew That?, Saratoga Living, July 20, 2018 at <https://saratogaliving.com/jose-and-irad-ortiz-are-horse-racing-phenoms-isnt-it-time-everybody-knew-that/>.

¹⁰ Eli v. Peyton: Manning Bowl III, CNN, September 13, 2013 at <https://cnn.com/2013/09/13/sport/eli-manning-peyton-manning-nfl/index.html>.

¹¹ Zack Pierce, Here are all 23 of Serena Williams' Grand Slam titles, in photos, Fox Sports, February 2, 2017 at https://www.foxsports.com/tennis/gallery/serena-williams-grand-slam-titles-060615?utm_campaign=share_buttons&utm_medium=fscom&utm_term=post&utm_content=return_visit&utm_source=share_url.

Presumption of Match-Fixing Tendencies in Spouses?

- As anyone can plainly see, the regulations establish a double standard. Why does the Commission automatically presume match-fixing tendencies in spouses? Nothing in the history of the origins of New York’s regulation, nor the experience of other states, suggests a basis for such fear.
- New York’s mandatory coupled entries regulations came into effective over 35 years ago, in 1985. The New York State Racing and Wagering Board (the predecessor to the “New York State Gaming Commission”), added the rule with little explanation.
- The Notice of Rule Making from August 15, 1984 stated that the rules are needed “to insure integrity and the appearance thereof in thoroughbred races upon which pari-mutuel betting is conducted.” As way of explanation, the Notice simply identified the “legislative objective” as “[t]o restrict the participation in racing of members of a jockey’s household.”¹²
- Minutes from contemporaneous meetings of the Racing and Wagering Board either failed to mention the rule change or simply acknowledged the Board’s approval of the change.¹³ As noted earlier, the change did not include siblings. Siblings have always been exempt from the rule.

Coupled Entries for Jockey Relations Are Not Mandated Outside of New York

- Other prominent horse racing states, including Kentucky, California, Florida, and Texas, do not mandate coupled entries for married jockeys or members of a jockey’s household, and no scandals have arisen from their failure to do so.
- Notably, the Model Rules of Racing promoted by the Association of Racing Commissioners International (ARCI) also contain no provision mandating coupled entries based on jockey relationships.
- In earlier discussions with Executive Director Williams concerning the Commission’s perceived need for the mandatory coupling rule for married jockeys, I learned the Commission believed New York’s evidentiary laws on the marital communications privilege likely presented a barrier to its

¹² NY Register, August 15, 1984 at p.45

¹³ Meeting minutes, New York State Racing and Wagering Board, July 26, 1984 at <https://www.gaming.ny.gov/about/minutes.php>.

investigators, preventing them from thoroughly examining potential allegations of match-fixing or collusion between jockey spouses. As I set forth in detail in a memo to Director Williams on August 20, 2021, my research indicates current New York law presents no such barrier.

Mandatory coupling for married jockeys has unjust, damaging, and unintended consequences for the participants, the sport, and the betting public

- The current mandatory coupling rule for married jockeys and members of a jockey's household is UNFAIR and UNJUST. It treats married jockeys and members of their household differently than other participants in racing, and it does so based solely on marital status. The rule presupposes match-fixing proclivities in married persons and assesses a penalty in advance of guilt, even in advance of the couple actually taking prohibited actions. It reminds me of the Tom Cruise movie, *Minority Report*. In that film, set in 2054, the police try to arrest Tom Cruise for murder even though he hasn't committed one. Instead, they base their warrant on a suspicion that he will commit murder on a future date.
- The current mandatory coupling rule for married jockeys is also OUTDATED and TONE DEAF. All of the couples I know want to beat one another when they're placed in direct competition. This rule targets elite athletes who happen to be married. If anyone is likely to be competitive with their spouse, it is certainly a fine-tuned athlete who has dedicated years of their life to honing skills to compete at their highest level. Modern girls and boys are no different in this respect; they each want to win, no matter who the opponent. A competitor doesn't want to lose, even less so when pitted against their spouse!
- The current mandatory coupling rule for married jockeys is also INCONSISTENT with other rules of New York horseracing. In fact, just this summer, a father and son competed against one another at the Saratoga Harness Track, and they did so as separate entries. The son won, and the betting public loved the human-interest story.¹⁴ I can't imagine the father wanted to lose to his son, and I also can't imagine the son didn't want to beat his father.

¹⁴ Mark Sardella for The Saratogian, There is a new Beckwith in town, Harness Link, August 4, 2021 at <https://harnesslink.com/usa/there-is-a-new-beckwith-in-town/>.

- The current mandatory coupling rule for married jockeys is also DETRIMENTAL to New York’s horse racing industry, because it suppresses opportunity and competition for both members of the marriage. In doing so, the rule does more damage to the quality of New York horse racing than it does to protect its integrity.
- The risk posed to the integrity of horse racing and wagering by permitting married jockeys to freely compete against one another is incredibly miniscule in comparison to the encroaching forces of corruption being monitored by Interpol’s Sports Integrity Unit¹⁵ and others¹⁶ throughout the world.
- Finally, the current mandatory coupling rule for married jockeys is REDUNDANT. Racing stewards have vast power over the conduct of a race,¹⁷ and today’s technology gives stewards tools they didn’t have in 1985. At the investigatory stage, stewards and Commission investigators may interview witnesses, search the grounds, and review video footage from the race. Removing the current mandate to couple entries for married jockeys will not curtail these investigatory powers, and as noted earlier, the commission steward may mandate coupling at *any time* if the steward “finds it necessary in the public interest.”¹⁸

Thank you for your attention, and I’m happy to answer questions.

¹⁵ Preventing Corruption in Sport and Manipulation of Competitions, UNODC, IOC, and Interpol collaboration, July 1, 2020 at <https://www.unodc.org/unodc/en/covid-19-policy-documents.html>.

¹⁶ Asian Racing Federation, Good Practices in Addressing Illegal Betting: A Handbook for Horse Racing and Other Sports to Uphold Integrity, October 19, 2020 at www.asianracing.org/aib/resources.

¹⁷ *Racing, Pari-Mutuel Wagering and Breeding Law* §218; 9 NYCRR §§4022.9, 4022.10, 4022.11, 4022.12, 4022.13

¹⁸ 9 NYCRR 4025.10(e)



January 5, 2022

**New York State Gaming Commission
One Broadway Center
Schenectady, NY 12301-7500**

By Email: info@gaming.ny.gov

Dear Commissioners,

I write in support of any effort to eliminate coupled entries in New York horse racing.

The overall business of racing is supported by increases in field size – and specifically, the number of betting interests within each race. Any effort to reduce the number of betting interests is detrimental to the expected betting handle generated for such a race. The continued coupling of entries contributes to a reduction in betting interests. Put simply, this is bad for horse racing, for revenue generation and for all businesses associated with a successful sport.

The presence of coupled entries also increases the likelihood of situations in which horses will race for purse money only. Such instances should be avoided as much as possible. Races with purse-only scenarios present highly unfavorable conditions for bettors in which the race for bettors is allowed to be influenced by a horse that is otherwise not permitted for wagering. Such rules should also be modernized and eliminated, but until that time, eliminating coupled entries helps curtail the number of instances of purse-only runners.

Our organization strongly supports increases in integrity measures to keep racing's voluntary financial participants, the bettors, safe. There are many ways to accomplish this, but continuing to mandate coupled entries in select circumstances is not one of them. Improvement to the transparent regulation of racing, to a standard that exists across racing outside of North America, would yield substantial benefits to the sport in New York and to its customers far and wide.

The coupling of entries is bad for racing. Please contact me should you wish to discuss this in greater detail.

Yours in racing,

Pat

Patrick A. Cummings
Executive Director

- 1) Existing rules and regulations should be reviewed and redone. Many of these rules were created for a different time and set of different circumstances. For example, the practice of rounding up winning wagers and paying horseplayers less than they would have otherwise received known as breakage is long overdue and should be eliminated.
- 2) Stewards – Stewards should not be related to each other. Decisions should be more readily available and subject to scrutiny.
- 3) Interconnectedness – Information on interconnectedness between all parties connected to nyra should be publicly shared. For example, where a NYRA Board member owns a racing horse, that information should be made explicitly clear including the trainer and other interconnections.
- 4) Wagering by nyra parties – All parties – NYRA employees and Board members, NY State gaming commission members and employees, trainers and their teams, horse owners, stewards, vendors and other key parties should have their wagering publicly reported.
- 5) Horses – The well-being of the horses should be looked after at all times. Pre-race, post-race testing and most importantly out of competition performance enhancing and other checks should be conducted and promptly reported.
- 6) Veterinarians – Should be promptly held fully responsible with significant monetary as well as being banned for running for any performance enhancing or other violations – undue influence with the racing office, failure to pay legal wages, other character matters. Due process should be swift.
- 7) Trainers – Should be promptly held fully responsible with significant monetary as well as being banned for running for any performance enhancing or other violations – undue influence with the racing office, failure to pay legal wages, other character matters. Due process should be swift. The ability to race at NYRA tracks should be removed for any party that brings the sport into disrepute.
- 8) Owners – Should be promptly held fully responsible with significant monetary as well as being banned for running for any performance enhancing or other violations – undue influence with the racing office, failure to pay legal wages, other character matters. Due process should be swift. The ability to race at NYRA tracks should be removed for any party that brings the sport into disrepute.
- 9) Jockeys – Jockeys that are married and/or brothers, close friends or partners should be allowed to race together without being subject to coupled entries. That being said they should be subject to closer scrutiny.
- 10) Cameras – Cameras should be installed in all NYRA facilities, barns and other locations. Videos should be made readily available to the public.
- 11) Timing and photography – NYRA management should be solely responsible for timing of races and photo finish pictures. Errors or mistakes that do not allow for proper timing should subject NYRA management members to personal fines. Horseplayers having accurately timed races without run ups impacts wagering integrity. Timing errors should not be occurring in 2022.
- 12) Prize money only racing – Horses should not be able to run under prize money only. If there is an error and/or situation that leads to the potential for prize money only racing of a horse, the horse should not be allowed to run. What should be done instead is that NYRA should develop processes to mitigate these situations from happening. Horseplayer wagering considerations should be handled in an equal manner as being fair to the connections of the horse. Note that there was an issue in 2020 where a horse raced for prize money only allegedly due to a NYRA racing office error. The horse raced for prize money only, impacted the race but horse players did not have the chance to bet on the horse.
- 13) Audited financial statements – NYRA has not released publically available financial statements in several years anywhere that can be easily found. Audited financial statements along with requisite information that typically would be available in a 10-K should be made publically available.
- 14) Audit of races – Wagering should be subject to periodic and random audit by reputable third parties. For example, when a horse is at 5-1 3 minutes prior to post, then 2-1 at post and 1-1 after 2 furlongs, the horse players should be informed.
- 15) Bet cut off time – All bets should be cut off just as the first horse is loaded.
- 16) Wagering disclosures – Publically available information on wagering should be materially enhanced and made more readily available. For example, details on retail vs computer wagering should be provided as well as the names and amounts bet by the large computer and other players.
- 17) Multi-race wagering – NYRA should mandate that their totes and other wagering partners improve their technology to allow for other options other than getting the post time favorite when there is a horse scratch.
- 18) Fixed odds horse wagering – Should the state of New York allow fixed odds horse wagering, the betting companies / ADWs should not be allowed to cut off winning betters. States and other locations that have already implemented fixed odds wagering have cut off betters that are winning betters. This should not be allowed under any principle of fairness and the long-term well-being of horse racing. All betters should be allowed to make bets up to or over \$1,000 otherwise the betting companies will cut off the better horseplayers.