Edited Automated Transcript of the
STAFF HEARING regarding CONFLICTS IN SPORTS EVENTS
UPON WHICH WAGERING OCCURS

January 11, 2022

Robert Williams, Executive Director, N.Y..S Gaming Commission

WEBVTT

1 00:00:17.399 --> 00:00:22.289
You tell me if you want to go.
2 00:00:22.289 --> 00:00:26.399
Okay.
3 00:00:27.629 --> 00:00:37.109
Good morning, and welcome to the New York State gaming commission staff
hearing regarding conflicts and sports events upon which wagering occurs.
4 00:00:37.109 --> 00:00:42.689
Before we commence, I want to know if that participants have been
scheduled in advance.
5 00:00:42.689 --> 00:00:47.100
Should anyone listening who is unregistered and unconfirmed.
6 00:00:47.100 --> 00:00:52.289
I'm interested in providing input they should promptly call 518.
3883407 to schedule a time.
8 00:00:57.390 --> 00:01:01.530
Again that number is 5183883407.
9 00:01:01.530 --> 00:01:11.849
3407, if anyone would like to provide written input, please email your
material to our information mailbox.
10 00:01:11.849 --> 00:01:17.310
That info as gaming, dot Ny dot gov.
11 00:01:18.750 --> 00:01:22.739
My name is Robert Williams, and I serve as executive director of the
commission.
12 00:01:22.739 --> 00:01:27.540
With me today from the commission's counsel office is Edmund Burns.
13 00:01:27.540 --> 00:01:31.079
From the division of horse racing and pari-mutuel wagering.
14 00:01:31.079 --> 00:01:38.340
Are Ronald Ochrym and John Googas from the division of gaming are Thomas
Annapolis. James Googas.
And Scott McLear clear, and from commission and central administration.

Are Steve Lowenstein and Brad Maione.

It is also my understanding that several commission members will be participating.

Or listening to these proceedings, the intention of this hearing is to receive public input on the topic of regulation of potential conflicts.

In sports events upon which wagering occurs.

From which staff may craft proposals for rule operation.

If we determine it is appropriate and necessary.

As a point to background, governor, Kathy Hochul issue veto message number 49, late last year.

Disapproving legislation that would have prohibited the commission.

From requiring the coupling of entries and thoroughbred horse races.

When a horse is trained are written by a spouse, parent.

Issue or member of the household of another jockey in the race.

Governor Hochul directed the commission to review the continued need for mandatory coupling.

And the circumstances under which such a requirement might be relaxed.

And to seek input from industry stakeholders in the wagering public regarding this topic.

In thoroughbred horse racing commission rule 4025.10.
Currently requires coupling, combining of related entries in a race into a single betting interest.

Of entries in certain circumstances that might present a conflict of interest among competitors in the event.

The policy behind the coupling rule appears to seek to mitigate concerns. Closely related parties may not expend maximum effort in the underlying contest.

With 1 party, sacrificing to the interests of a related party. With the implementation of sports wagering. The same perceptions and concerns evident with horse racing coupling rules.

May be present in wagering on other sports events. Accordingly, this hearing also seeks input on the topic. Of potential conflicts in all sports events upon which way DRM occurs. Including conflicts that may not have been considered in the context of horse racing.

For example, internal discussion amongst the commission staff also find some concern with sporting competitors. Who have an ongoing, but not formal personal relationship. I note that the existing commission rules, governing sports wagering fail to address these concerns. And we've been unable to find a matter of formally addressed elsewhere in the United States.
While the commission staff posed several questions and issues to consider while crafting input on these topics.

We are interested in all opinions and views.

At this time, I'd like to ask if any of my fellow commission employees.

Would like to add any preliminary comments prior to that.

Hearing none before calling our 1st participant. I would like to read into the record a brief statement submitted by Senator Joseph Addabbo.

The chairman of the Senate Racing, Gaming and Wagering committee.

As chair of the senate’s racing, gaming and wagering committee I am extremely interested in hearing and evaluating the testimony given at the gaming commissions hearing on Monday, January, 11.

After governor, Kathy Hochul vetoed my bill.

Senate 6390, a bill that looks to end the mandatory coupling of entries in a race which married jockeys ride.

I appreciate her suggestion that the gaming commission review the issue of mandatory coupling.

I want to thank Governor Hochul and the gaming commission for presenting this hearing. So we may listen to testimony from individuals with knowledge of this matter.

Assess the testimony and work in tandem with the governor's administration and the gaming commission.

To fairly and equitably address, any related issues pertaining to mandatory coupling.

At this point, I'd like to call our 1st hearing participant.
Who is Bennett Liebman. Mr Liebman is a government lawyer in residence at Albany, law school, and an adjunct professor of law who is certainly well known to the commission.

Among his long career in public service Mister Liebman served as a member of the New York state racing and wager on board for more than a decade, including a term as its. Acting Co chair, and he concluded his government service in 2014 after 3 years his deputy secretary to the governor for.

Gaming and racing. For a decade he worked as the Albany law school's government law center coordinator of.

Program on racing and wagering law and as the center's as executive director.

He has written hundreds of articles on horse racing and gambling.

And New York state government. Mr. Liebman.

Bennett Liebman, Albany Law School

Yeah, thank you very much for that. Uh.

Extremely nice and unnecessary introduction when I learned that the gaming commission was going to explore.

Holding a hearing into the topic of conflicts and sports events upon which wagering occurs.

I thought this would be a great topic for a law review article and I've got a great title: family ties, divided royalties in horse racing and other sports.

It is a good topic about 5,000 words into writing a law review article, but it has a problem.

It's what I'd like to call the Sam Rayburn problem. You may remember Sam Rayburn. He was the long time speaker of the house of Representatives.
He's famous for his quote, any Jack a**, and kicked down a barn, but it takes a good carpenter to build one.

And that's what I see 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 over inclusive and under inclusive. I can knock down the barn, but I can't build a good replacement barn. I can construct a good 1st deck. I don't have a remotely decent.

As a long time state officials, I hate that attitude. It's not remotely helpful. It's saying you stink figure out how to fix it.

Hopefully, I have a few suggestions that might be maybe a tad helpful.

Now, Here's how we got to the specific problem of the requirements that married jockeys have to be coupled.

It starts at 1969 when racing commissions across the country were forced to let female jockeys ride.

You had an almost immediate problem, because jockey's Mary Bacon and Johnny bacon.

Who were riding at Finger Lakes were married the answer from the.

From the stewards in New York and across the country was simple.

They can't race against each other. Stewards and racetrack everywhere rule that they couldn't testify against each other or claim foul against each other.

A suspension of 1 of the rider also required the suspension of the rider's spouse.
They just couldn't ride against each other the rules, governing spousal jockeys, likely forced the divorce of the Bacons in 1972.

And that's where we stood in New York and from 1985, when the racing and wagering board placed all the divided loyalty, jockey questions into 1 rule.

The board promulgated rule 4025.10, which has remained unchanged since that day, rather than banning jockeys with family ties from participating in races.

It forced coupling of all horses where a jockey had a familial tie.

The other participants in the race coupling was required where a jockey is competing against a spouse, parent issue, or member of the jockey’s household.

So the rule allowed spouses to ride against each other and.

Coupling was not a huge deal in 1985 when a bettor was limited to wagering at an in state racetrack. It seemed to resolve most of the divided and loyalty jockey family issues.

The times have changed, the ambiguities have emerged.

Are cohabiting licensees, members of the same household.

When Angel Cordero in the early 80s provided a home for apprentice jockeys, Harry Vega and Lauren Ayoub were they part of his household?

States now regularly, let spousal jockeys compete against each other in 1998, the Massachusetts racing commission left spouses.

Harry Vega the same Harry Vega who had lived with Angel Cordero and Harry and his wife Amy competed against each other nobody batted an eye.

When Chantelle 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 our race in California in 2015 with 54 year old C.C. Lopez competing against his sons, Erik and David without any coupling.

And with setting aloud throughout the world, how are you protecting New York bettors when they can bet on Trevor McCarthy?

Racing against Katie Davis and Maryland, but not when they're racing in New York.

But at the same time,

many of these same states that allow spousal jockeys to compete against each other,

have rules,

including the ACRI Model rules,

the had 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 jockey's and spousal jockey versus spousal trainer?

Moreover, why in New York and elsewhere is the family competition rule.

Seemingly only limited to jockeys. For years Family connected trainers have competed against each other without any need for coupling.

We had the Martin's Hall of Fame, father Frank, Son Jose and grandson. Greg all competing without any conflicts in the 80s in New York.

We even had the Sedlacek family: husband, Woody, wife, Sue and kids Roy and Mike all training horses without rules, requiring coupling.

Why had riders has been treated more harshly than trainers. Our rules.
Or are all over the place, any jackass can get kick down our current rules. And now we have betting in New York on all sports and we have the same divided loyalties in these sports. Look at tennis.

You have families playing against each other MacEnroes, Williams. Pliskovas, Murrays.

Players competing against each other who are coached by the same individual.

You have people playing against your double partners in singles look at the seventies, Billie Jean King playing against Rosie Casale. Martina Navratilova against Chris Evert.

Pam Shriver Tom Off they're playing Marty Reason John Newcombe beat Tony Roche. You may remember that Chris Evert.

Stopped being Martina Navratilova’s doubles partner and average to all of his doubles, because there was a feeling that it might affect how she played against Martina in singles.

You have people playing against players who are your teammates and major international competitions.

Players playing against spouses or partners and mixed doubles or other matches.

Back in the seventy's, you had ownership of control of tournaments by, by somebody like Donald Dell, who was the agent and lawyer for a large number of players.

Conflicts were everywhere.

And we have the same friends, families and business divided loyalty issues and 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 a little event. Just look at T.J. Watt, tying that record this past Sunday.
In baseball, we've seen purposely grew pictures to friends from Don Drysdale, who was long time teammate, Duke Snider for a home run in 63. 129
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 Philippe Alou managed against his son Moises. 130
And between conflicts among the Shulas, Bowdens, Rivers, Sutters, Pitinos and Dunleaveys. 131
We've had the business divided loyalty issues. 132
Look at the fifties, Kansas City, athletics, and the 1920 Boston Braves they were operated as the vassal states of the New York Yankees and the New York Giants respectively. 133
Sports owners have own pieces of other franchises. Charles Bidwell, who owned the Chicago cardinals had helped George Halas owned a part of the Bears. 134
There's all kinds of mixed ownership and the old. 135
The old NFL, so the sports, we can now bed on have the same divided loyalties, uses horse racing if they don't ban these conflicts, or even announce these conflicts. 136
And while on a terrible Carpenter, who can barely hammer a nail. 137
Let alone build the barn. Let me suggest several ways to approach this defined as loyalty issue. 1. 138
Who should regulate the divided loyalty issue. 139
Should it be regulated by operators of the sport itself or by the organization. 140
Which regulates the gambling on the sport should the conflict of interest issue. 141
Interest is you simply be banned, for example, the spousal jockey competitors issue would you simply ban the spouses from ever competing against each other? That was number 23?

Do you regulate the conflict of interest by coupling that conflicted?

Participants as a single entry, like we do with with 4025.10

or do you allow the conflicted participants to compete against each other without any coupling but notify the public or the potential conflict?

Do you take no action on the conflict?

And simply let the conflicted competitors compete against each other. They're by instituting a laissez faire.

Beware policy for conflicts. 6 are the answers to these questions affected by whether the wagering is pari-mutuel with a wagering involving the players betting against each other or just the public policy change when the bets are banked and being placed against a mega gambling firm, such as Fan Duel of Draft Kings. 7, does the state has a greater obligation to act against the 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.

And 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 they be more formalized penalties for disclosing inside information on sporting events?
I do have some very candid suggestions here.
00:18:24.239 --> 00:18:28.378
In horse racing, we need uniform.
00:18:28.378 --> 00:18:32.759
Rules of the race to govern the actual conduct of horse racing.
00:18:32.784 --> 00:18:33.834
Throughout this country,
00:18:34.644 --> 00:18:38.273
we're now set to have uniform national drug and safety rules,
00:18:38.544 --> 00:18:43.284
but there's absolutely no reason not to have uniform rules on the race,
00:18:43.433 --> 00:18:49.284
which would govern the full conduct of the race and the eligibility of all the participants in the race,
00:18:49.584 --> 00:18:52.493
why should Maryland's rule on this subject,
00:18:52.493 --> 00:18:54.804
be different than New York.
00:18:55.469 --> 00:19:02.548
2, while disclosure of major conflicts may be necessary, it's nowhere near sufficient.
00:19:02.548 --> 00:19:15.084
Disclosure doesn't work well, disclosure failed that the breeders cup in November in the juvenile turf. Few knew the betting status of the eventual winter, modern games.
00:19:15.443 --> 00:19:30.354
We've had ample experience in New York to know that late rider equipment and gelding changes have never been communicated well, even where nearly all the bettors were at the track or an OTB branch.
00:19:30.628 --> 00:19:35.219
Giving an announcement as a track it's like getting an announcement
00:19:35.219 --> 00:19:44.189
At a subway station, and these days of mobile betting, these announcements are even less likely to reach the intended audience.
00:19:44.963 --> 00:19:55.854
3, let's begin to put a cap on who can bet and how we convey insider information. I know that racing 1 seems to feed on inside or play.
Everybody wants to think they'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.

The British Horse Racing Authority has been already on the limits on communications of insider information.

By 4, finally, we do need to look closer at the instances where horses that share the same owners and or trainers.

Assist each other in the course of a race I would add to this list.

Oh, in proper assistance, those, those races where there's a close familial interest involved in the 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've talked enough I know my limitations. I'm not raising a barn. I'm barely constructing a fence. I don't know what the ultimate answers here are. I do know however, this is the most important subject and it merits. Everyone's.

Best efforts in work here you staff of the Gaming Commission, and it's members.

You can begin to construct a new barn, and you can write a better ending.

The proper ending for the for the 2nd act here.

Thank you for letting me.

Ben, thank you very much for your, uh, your participation here.

Does anyone have any questions from Mr Liebman.

Rob Rob Ed Burns, I'll jump in with a question.
Ben, uh, thank you for your, uh, for your input, uh, which is very helpful to the commission.

If to take up your metaphor, the gaming commission were to construct a new beautiful barn.

Would we be the only building standing in the world in this space? You know, would we be outliers and trying to.

Undertake that that type of, uh, project of, of thinking through all of these in.

Compared to the regulatory regimes in other jurisdictions around the world.

The answer is that hopefully it would, it would learn begin to be part of the uniform, the uniform national rules on the actual running of races that I.

I pray for it in the racing industry, so yeah, you'd be you initially be by yourself, but hopefully the other.

Other commissions, other groups would see the, would see the path.

Thank you and can you shed some light on the historical carve out that that we've had in this particular rule for stakes races and why it was relaxed in those circumstances.

This is a.

W, W, W. what's comfortably deleted as total as possible in the racing industry is that racing handle is, uh.

Largely is to a certain extent, it determined and we certainly in a particular race by the number of betting interest in the race.
Uh, the greater, the betting handle. It's very important. Other in in a lot of races now. Especially in thoroughbred racing. Certain dominant trainers are there.

How many Pletchers will you see in a major stake ways if you, if, if you reduce the number. If you if you couple all the Pletchers, all the Bafferts.

And suddenly you have a race that's far less interesting to bet. You may even have in very major races that is unbettable. That's unbelievable.

Because you have,

you're not going to be able to get any wagering on on exotics when,

when you're dealing with that it's getting this started, like,

say,

the 90 s when Wayne Lucas was the dominant trainer,

you just don't have the entries because of this.

So the idea was that, in order to, to, to, to make sure there was, there was.

A considerable betting on these races, you know, we relaxed the rule. Otherwise I mean, we have enough problems in racing, finding full fields for major stake races.

Would that be an issue with respect to jockeys with familial relationships, as opposed to trainers.

Offhand I don't think so. Right and I'm almost, I'm curious about, um, the history of, um.

Harness racing, which I know you have expertise in as well.
Did these types of excuse historically come up in in the hardest racing context as well?

Not in the same way, but if you look at horse, it harness racing, which is always just and there's a.

Again, harness racing if you, I think if it, what the running of the Hambletonian is where, where you actually saw the issue of, of a, of.

Oh, a horse of a driver living another course part of what would have been a mutual combination in the past.

Uh, get through, um, you have it, but far less what you had in harness racing was so many dominant families.

So,

I mean,

you had so many Filions owns in the 60 s and 70 s who were driving you look at all the relatives of Stanley Dancer from the fifties to the 70s,

where you had,

you know,

brother,

uncle son.

There were so many dancers. They were all not couples.

But, um, we had a number of Houghtons for years racing because you've had in harness racing a lot of families that were that were extremely dominant in the sport.

But harness racing has, has, I think.
00:26:40.108 -- 00:26:43.528
Been less resistant to coupling.

00:26:43.528 -- 00:26:49.949
Hello.

00:26:49.949 -- 00:26:54.929
Thank you very much. Anyone else have any.

00:26:54.929 -- 00:27:05.818
Questions for Mr. Liebman then we appreciate your participation in this and we appreciate the time and effort you've taken and actually thinking about this issue.

00:27:05.818 -- 00:27:09.449
I know you and I, I've had a number of conversations.

00:27:09.449 -- 00:27:22.588
If I ever come up with if I ever finished this article, I will forward it to everybody. I'm not sure however that I will come up to any better conclusions then I already have.

00:27:22.588 -- 00:27:26.128
Just more examples of conflicts.

00:27:26.128 -- 00:27:30.868
Again, I appreciate your efforts Thank you. Thank you.

N.Y.S. Assembly Member Carrie Woerner

00:27:30.868 -- 00:27:40.199
Thank you all our next schedule participant is the honorable Carrie Woerner, who represents the 113rd assembly district?

00:27:40.199 -- 00:27:46.078
Assembly woman Warner is the chair of the subcommittee and agricultural production in technology.

00:27:46.078 -- 00:27:49.138
And as a member of the assembly racing and wager and committee.

00:27:49.138 -- 00:27:52.648
Most importantly, for the purposes of today's topic.

00:27:52.648 -- 00:27:56.848
Assemblywoman, Werner was the sponsor of legislation that sought to eliminate.

00:27:56.848 -- 00:28:01.169
The commissions interested party, coupling, rule: Assembly woman.

00:28:02.334 -- 00:28:15.864
Thank you, Rob, and thank you to the commission 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 of 113rd assembly district. A district that includes the historic Saratoga race.

Of 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 talk about 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 1, small aspect of the commission’s fight for integrity in New York, horse racing industry, the history application and consequences of the rule mandating coupled entries from Mary jockeys.

As, as, you know, and as Mr Liebman has described a couple of entries represents 2 or more entries considered to be a single bed bedding entry historically. Why? And when does coupling occur.

For the non racing participant in this hearing, I would say that, that we could look at 1 of the horse racing blogs description, which says the idea is if a trainer or owner is entering more than 1 horse race, he or she knows which which 1 of the 2 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 1 vetting entry is to protect those betting on the other horse. So, even if the other words isn't given his best chance of winning and the better horse does, in fact, when the person placing the bet on the other horses protected.
The commission's current regulations on coupling reach significantly beyond these traditional concerns by establishing for distinct, mandatory coupling scenarios.

1, with respect to, to entries with common ownership.

2, with respect to 3 or more horses trained by the same person,

3, with respect to all horses trained or written by a spouse, parent, issue, or members of a jockey household and for any time the commission Stewards finds it necessary in the public interest.

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 for training do not.

In fact, into 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 Million to 50,000 according to the notice of proposed rulemaking published in the state register, the change was made to improve wagering opportunities and thoroughbred mutual racing.
Additionally, the notice indicated that 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 and finishing position that is appropriate. If collusion is observed.

And the rule proposal requires further, that betters be informed by the racetrack of any comment ownership or trainer among horses in the same race.

In addition the commission Steward has the authority to order that horse be coupled if necessary in a public interest pursuant to regulation.

Similarly, although there was a blanket mandate to couple spousal entries. Trainers, not married to a jockey, have carte blanche to run 2 horses in any race completely unencumbered by the strictures of mandatory coupling.

So, why do marry jockeys and trainers not in gender, the same level of professional respect as unmarried, Jackie's 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.

The regulations distinctly exempt siblings of a jockey from mandatory coupling.

In fact, there are numerous historical instances of siblings competing against 1, another at the highest level of sport.

Examples include,
Eli and Peyton Manning the well-known NFL quarterbacks whose opposing team clashed 3 times and of course, 
00:32:19.763 --> 00:32:21.023
Venus and Serena Williams, 
00:32:21.023 --> 00:32:23.784
the tennis sisters who shared a household for many years, 
00:32:23.784 --> 00:32:26.634
and ultimately met in 8 grand slam finals. 
00:32:26.939 --> 00:32:30.538
Why then do siblings can 1st, such professional respect? 
00:32:30.538 --> 00:32:41.183
Whereas spouses do not, anyone can plainly see the regulations established a double standard. Why does the commission automatically presume match fixing tendency and spouses? 
00:32:41.663 --> 00:32:48.203
Nothing in the history of the origins of New York's regulation, nor the experience of other states suggests a basis for that fear. 
00:32:48.509 --> 00:33:05.838
00:33:05.838 --> 00:33:11.813
The New York state racing and re, drawing board added the rule with little explanation. The notice of rulemaking from August 15th 1984 stated that the rules are needed to quote, insure integrity and the appearance thereof in thoroughbred races upon which pair mutual betting is conducted. 
00:33:11.813 --> 00:33:19.618
As a way of explanation, the note is simply identified the legislative objective to restrict the participation in racing of members of the jockey's household. 
00:33:19.618 --> 00:33:31.798
Minutes from contemporary meetings of the racing and wagering board either failed to mention the rule change or simply acknowledge the board's approval of the change as noted earlier the change did not include siblings. 
00:33:31.798 --> 00:33:46.163
Siblings have always been exempt from the rule, other prominent horse racing States, including Kentucky, California, Florida, and Texas do not mandate couple of entries from married jockeys or members of a jockey's household and no scandals have arisen from their failure to do. 
00:33:46.163 --> 00:33:57.354
So, notably the Model rules of racing promoted by the association of racing commissioners, international also contain no provision, mandating couple of entries based on jockeying relationships.

In discussions earlier this past year with Executive Director Williams, concerning the conditions perceived need for the mandatory coupling rule for married jockeys. I learned that the commission believe New York's evidentiary laws on the marital communications.

Privilege likely presented a barrier to its investigators, preventing them from thoroughly examining potential allegations of match, fixing or collusion between jockey's spouses.

As I set forth in it in detail in a memo to director Williams on August 20th 2021. my research indicates current New York law presents. No such barrier.

The current mandatory coupling rule from 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 with fixing proclivities and 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, and that film set in, in 2054, the police tried to erase to arrest Tom Cruise for murder, even though he hasn't committed one. instead they based the 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 1 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 is. The competitor doesn't want to lose even lesser when pitted against their spouse.
The current mandatory coupling you will for married jockeys is also inconsistent with other rules in New York racing.

In fact, just this summer, a father and son competed against each other at the Saratoga harness track and they did. So as separate entries.

The son won and the betting public loved the human interest story. I can't imagine the father wanted to lose to the son and I also can't imagine the son didn't want to beat the father. In fact, he was quoted in a newspaper article that says.

That says there's no one I want to be more than my dad and that's just the business.

You have to crave winning in order to succeed.

The current mandatory couple 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 and 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 each other is incredibly minuscule and compared to the encroaching forces of corruption, being monitored by being monitored by Interpol sports, integrity unit, and others 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, and today's technology gives towards tools they didn't have in 1985 at the Investigatory stage stores and commission.

Investigators may interview witnesses, search the grounds and review video footage from the race removing the current mandate to couple entries from married jockeys will not curtail these Investigatory powers.
And as noted earlier the commission steward may mandate coupling at anytime.

If the steward finds it necessary in the public interest, thank you for your attention to this matter. And I'm happy to answer questions.

Well, thank you very much for your viewpoint assembly woman before we open up for questions, would it be possible for you to send me a copy of you were prepared remarks.

Absolutely, we will do that momentarily. I appreciate that.

Staff any questions for the assemblywoman.

Robin said, I'll, I'll jump in with a quick 1.

Assemblywoman would you.

Recommend that the commission not regulate in this area at all? Or do you think disclosure or other steps would be appropriate? I'm just curious about your views on on.

Where you think the regulatory end game should be on this topic?

Thank you. I, I think that I think that transparency is always.

A positive and so I would absolutely recommend that there be disclosure. In fact, the, the bill that was vetoed in included a disclosure requirement.

Thank you have any idea how this, how a disclosure would work.

Well, I think it would work the same way that disclosure works and the other in the other coupling regulations.

You noted in the program. Okay.

Anyone else have any questions for the Assemblywoman.
We appreciate you taking the time to address and the thoroughness of your, your comments.

00:39:07.289 --> 00:39:14.849
I look forward to adding those to the formal record. Thank you very much. And I appreciate the commissions interest in this topic.

00:39:14.849 --> 00:39:20.190
Thank you, our next participant.

Scott Sadin and Matthew Holt, U.S. Integrity

00:39:20.190 --> 00:39:25.530
Is Scott Sadin from the U.S. Integrity.

00:39:25.530 --> 00:39:34.500
He is the chief operating officer us integrity as a technology driven integrity and fraud monitoring and prevention company.

00:39:34.500 --> 00:39:40.050
Who has professional and collegiate sports leagues as well as regulated sports book operators.

00:39:40.050 --> 00:39:49.800
And regulators as clients, Mr. Sadin has served in operational management or capacities with financial services institutions.

00:39:49.800 --> 00:39:52.949
Such as Apollo Global Management.

00:39:52.949 --> 00:39:56.280
4Billion Capitol and partners.

00:39:56.280 --> 00:40:05.130
While working in financial services, he assisted with the developing of trading surveillance programs, aimed at identifying potentially suspicious.

00:40:05.130 --> 00:40:13.199
Equity and debt transactions. Mr. Sadin is Mr. Holt also with you or are you representing us? Integrity?

00:40:13.199 --> 00:40:21.659
Hello, thank you. Yeah, thank you very much. Rob. I appreciate it. I'm going to introduce my partner and the CEO and Co-founder of us. Integrity. Matthew Holt.

00:40:21.659 --> 00:40:25.469
He'll give a quick background on himself.

00:40:25.469 --> 00:40:34.260
Uh, and then a background on us integrity, and then I can comment on a
couple of things at the tail end of, of his presentation. But I do want
to thank.

Um, the New York State gaming commission for the interest in the topic,
and for allowing us to speak today.

Thank you Matt. Matt Holt is the founder and president of U. S. integrity
I'll turn it over to you. Thank you.

Thank you and again, thank you to the New York State gaming commission to
allow us to speak today on this topic. We think it's a really relevant
topic and I think a brief history of U. S integrity sorta curtails into
how important independence and conflict free is.

So,

I worked for a company called Canter gaming we launched a 1st regulated
mobile sports,

betting app in the country and I was also the CEO of their sister company
cgg analytics,

which was a licensed information service provider in the state of Nevada.

And in doing,

so,

we worked with the NFL,

NBA,

NCAA NFL,

and basically everybody for game integrity in fraud prevention services,
and understood the importance and the value not just to those in those leagues teams,

00:41:29.065 --> 00:41:36.114
universities and conferences but to the industry as a whole to have the leagues and teams and universities participating,

00:41:36.114 --> 00:41:38.635
and getting educated on sports betting,

00:41:38.635 --> 00:41:41.724
and what it meant to them and what the associated risks were.

00:41:41.905 --> 00:41:54.565
So I started U. S. integrity in 2018, because I understood that there needed to be truly independent conflict, free technology and data driven, sports, betting compliance, game, integrity and fraud prevention firm.

00:41:54.565 --> 00:41:58.704
And when we were 2 months old, we participated in an RFP with.

00:42:00.715 --> 00:42:14.755
Basically, all the big companies that are now, suddenly publicly traded that. I'm sure you've heard of it at the New York State gaming commission to be the official integrity provider to the SCC and we want because of the 13 companies in that RFP.

00:42:15.054 --> 00:42:18.534
We were the only 1 that was truly independent and conflict free.

00:42:15.054 --> 00:42:18.534
We were the only 1 that was truly independent and conflict free.

00:42:19.105 --> 00:42:27.054
We always tell people, you wouldn't allow an arresting officer to be a judge. In the same case. You can't allow your odds, make it or be your integrity provider.

00:42:27.385 --> 00:42:42.355
We now work with the FCC Pac, 12, Big, 12, NBA, major league baseball, just about every major, professional and collegian sports league as some of you all may have seen. We also recently just released a deal today with Leo field where we work with.

00:42:42.355 --> 00:42:55.074
I have access to their 4,500 universities across the country, because we think it's important that everyone is educated and up to speed with game integrity, fraud prevention in what regulated gambling means to them and the risks associated.

00:42:55.074 --> 00:43:06.144
But we always say that conflict free is the most important thing independence is the most important thing.
even in terminology of its employees risk managers traders.

But at the end of the day, imagine in the financial services world, rather than having to file trades with FINSA or FINRA or SEC,
you just said, oh,
we'll let, you know, if something's wrong the idea of there needs to be independent monitoring there needs to be independent reporting,
and I think that that's kind of where we're getting to today the idea of independence conflict free and what it means to the ability to not just alert the public to potential conflict,
but to make sure that the folks independently monitoring it also don't have those conflicts, so I'll turn it over to Scott who has prepared some stuff to talk about with,
with our company.

But thank you all again. Very much for the time today. Thanks Scott. Yeah, thank you Matt. And I, you know, I just want to kind of reiterate the importance of independence and how we sort of commit at least from perspective to be in conflict free.
I recognize this is not necessarily a plea to the commission, but instead more of a.
388
00:44:14.034 --> 00:44:21.925
A, sort of a representation of what we do in the industry and why we think independence is important.
389
00:44:21.925 --> 00:44:32.635
So it's Matt mentioned conflict free to us means that our core business is 100% dedicated to integrity, monitoring and fraud prevention. We don't create distribute or offer any odds for wagering.
390
00:44:32.635 --> 00:44:41.244
Our only risk management tools are related to identifying anomalies in the wagering market. That that may indicate potentially nefarious behavior.
391
00:44:43.105 --> 00:44:52.284
The way we enforced that all starts with policy right? So every employee subcontractor is required to review and agree certain policies that are very much specific.
392
00:44:52.284 --> 00:45:06.744
They require disclosure of any potential conflict of interest and outline our expectations on confidentiality, ethics, personal conduct obviously background checks around etc. and ultimately, this allows you aside a sensitively handle investigations.
393
00:45:07.079 --> 00:45:12.389
The all key stakeholders across the industry, whether it be sports book operators, regulators.
394
00:45:12.389 --> 00:45:21.239
Or collegiate conferences, universities, professional sports teams, and leads for circumstances in which there may have been betting related to business activities.
395
00:45:21.239 --> 00:45:25.380
So, I think that really is what we wanted to cover today, just to kind of show.
396
00:45:25.380 --> 00:45:30.630
Some of the things that we take super seriously at us, integrity and of course, are available for any questions.
397
00:45:30.630 --> 00:45:36.659
Uh, but we wanted to make sure we kept it tight and we do appreciate the, the New York State gaming commission for allowing us to speak to that.
398
00:45:37.949 --> 00:45:46.980
Matt, I think you're still on mute. Yeah, I remember the 1st speaker talked about inside information. I could tell you as, you know, the I licensed in.
Uh, integrity provider and 33 States, and we work with 99 of the regulated sports betting operators in the country to his point that misuse of inside information is the biggest issue we deal with it is almost a weekly occurrence that we deal with people profiting off the misuse of inside information through sports betting so I thought he brought up a great point on that 1st, 1, and it's 1 that we combat constantly, and I hope that through policy procedures and more monitoring down the road, we could sort of curtail some of that insight information misuse that currently takes place and thank you again. Everybody for the time today. We appreciate your participation, uh, anyone have any questions for your lesson. Integrity. Robin said, again for the U. S. integrity folks, have you seen to the extent you're, you're able to discuss publicly in your investigations. Issues in which. People with familial relationships, or or. Who share the same household may or may not have given the effort that better is expected in placing a wager is that is that kind of issue? Come up in various sports globally in your experience?
Yes, to some extent. But I think what's more prominent right now? Is those familiar issues affecting inside information? Someone may not be able to participate because they have a pending suspension, covet issue sickness.

00:47:24.054 -- 00:47:37.675
Suddenly even an injury. That's lingering. That means that they won't be effectively able to participate at 100%. And then those people utilize that information in the betting markets to take advantage of those situations.

00:47:37.675 -- 00:47:44.215
So it's not just a matter of the actual integrity of the events themselves in the participants in those events.

00:47:44.215 -- 00:47:53.755
But the bedding markets being affected by the fact that there's inside information being placed, due to that, for male, familial issue, going on.

00:47:56.755 -- 00:48:06.835
And trying to figure out, which is inappropriate and appropriate is the most difficult thing right? A college quarterback calls his brother and tells them, hey, don't bother coming to the game.

00:48:06.835 -- 00:48:13.614
Bro, because I'm heard and I won't be able to play and then the brother takes that information and inappropriately uses it.

00:48:13.795 -- 00:48:21.954
It doesn't mean that the original athlete had any misintention, but somewhere down the stream, sometimes this information gets misappropriated.

00:48:22.289 -- 00:48:28.409
But for more ongoing type of relationships are there.

00:48:28.409 -- 00:48:42.000
Jurisdictions in the round around the world in various sports, are they concerned with that type of thing for an example? You know, spouses playing against each other and tennis doubles or or that type of thing or is that.

00:48:42.000 -- 00:48:46.980
Generally considered a buyer the, where situation from the perspective.

00:48:46.980 -- 00:48:59.425
What we try to do for licensed operators in regulated jurisdictions, where we work is just to alert the betting public. So that the regulators are aware the operators are aware that there is this situation.

00:48:59.724 -- 00:49:12.625
Because we always talk about the integrity of events. What normally happens is people get mad when they lose a bet and then find out there's
a familial issue. Well, hey, I didn't know. This was the case before I made the bet. Now I want my money back.

So, at least if the regulators are aware, the operators are aware number 1, they could combat it with lower wagering limits. They could lower the limits on those events. So they're not taking as high stakes.

And then number 2, at least they can be prepared to deal with potential consumer complaints when they come because they were alerted to them ahead of time.

So, when we try to do is make sure everybody's alerted and aware of the situations so that they can be prepared for potential black backlash that could come from betters who lost money in those situations, and claim that they weren't aware of the familial issues.

So so, in those situations is the action generally taken by the sports books, as opposed to the regulators, or do regulators get involved as well? I think a lot of times it starts with the sports books themselves, making, you know, we send out an alert.

It goes out to all regulators and operators across the country and now they have the ability than themselves to act on that alert and say, hey, either we want to take down the event because we know it could be problematic. Be.

We're going to lower wagering limits on the event,

because again,

it could be problematic or see,

at the very least we're gonna have we're going to be aware of it so that if consumer complaints come in,

we can,

at least have a prepared disclosure to them that yes,
Yes, we still thought it was fair. Yes, we still maintain the same wagering limits and here's why it's okay.

But I think that it's important that there is a disclosure, and that they are made aware so that they have the opportunity to either suspend betting, discontinue betting, not offer wagering, or at least be prepared to deal with customers who may have a poor experience.

Because they weren't aware when they placed a wager.

Thank you for your perspective, thank you very much.

Again, we appreciate your taking the time to participate today. Anyone, Tom Mr Anapolis when you put out the notice on an integrity issues.

What percentage of would you say that the familiar issues represent?

Related to your integrity alerts very small, I would say less than 5%. The vast majority of our alerts are right now are match fixing around the world tennis. Obviously being the highest rated sport.

We also have an obligation to resend any alerts that other integrity providers from around the world may have located. May may have discovered. So, I would say, match fixings number 1, misuse of potential inside information number 2.

and when it comes to the percentage of those alerts that have to do with familial issues, I, or conflicts of interest, let's call them conflicts of interest in the events. I would say, literally, it's probably 123.

Thank you. You're welcome.

Again, we appreciate you taking the time to assist us on this issue.

Thanks very much. Thank you. All. Thank you.

Terry Meyocks and Mindy Coleman, The Jockeys’ Guild

The next participants are Terry Meyocks and Mindy Coleman.
Terry makes sir presently serves as the National manager of the Jackie's Guild.

And he's maintained to distinguish career in racing having worked in some capacity since 1972.

Among the positions he has held include special assistants to the commissioner of the National Thoroughbred Racing Association.

And vice president for the NTRA racing and industry memberships.

He's also held positions of presidents.

And chief operating officer of the New York Racing Association.

And his worked at such high profile racetracks as Calder, Gulf stream, Keeneland, Oakland park.

Mindy Coleman has served as counsel to the jockeys guild for over a decade.

Previous to the guild Miss Coleman had a private law practice, focusing on bankruptcy and construction litigation.

And she has been very involved in the permanently disabled jockeys fund, and the brain injury alliance of Kentucky.

Thank you Rob. Me.

Terry, are you.

Rob, can you hear me? We, we can hear it. Sorry and we heard, and I appreciate it and appreciate the New York State gaming commission and asking for the gill's input on this matter.

At this time I would like to refer to the, our guilds counsel Mindy Coleman.
Cause, she's been more involved in this, um. You know, with her comments, and if need be, I'll follow up. Thank you. Good morning the New York State gaming commission and staff. Um. And any, all other participants on this panel. We appreciate you conducting today's staff hearing for the state of purpose to receive public input on the topic of regulations of potential conflicts and sports events upon which way during occurs while we're here today. Um. To speak with a broad topic with regards to those conflicts and sporting events with all due respect. The guild is specifically here to address the concerns regarding the mandatory coupling of entries and horse racing as those are our participants in our membership. Our membership is regular participant in racing. As many of you are familiar, the jockeys guild is the organization that represents professional jockeys, an American and thoroughbred quarter horse racing. And has approximately 1050, active, retired and permanently disabled members. For since the inception, the guild has served as a voice for jockeys when it concerns. Any sort of regulatory issues on a state level as well as a national level. Over a get year, the guild has expressed concerns regarding the New York commission rule. 4025.10, which is a rule that was promulgated many years ago.
Requiring coupling of entries in certain circumstances that might present a conflict of interest among the competitors in the race.

While we appreciate, uh, there is significant amount of history. With regards to this rule, and when it was promulgated. Obviously, that history has been previously addressed by. 2 prior speakers, however.

Currently, um, this rule came to. Consideration. With regards to spouses being coupled for Betty purposes. Last winter, this rule with Kate when it came to Katie Davis and Trevor McCarthy.

At the beginning of the winter meet and aqueduct of 2020. Katy, and Trevor had moved their tack from Maryland to New York. As had been widely reported in the media, Katie and Trevor married in December of 2020. Although they had been previously able to ride against 1 another while engaged and living in the same household. Once they read a strict enforcement of this rule was applied. Requiring any horse written by 2 donkeys in the same race be coupled. Such actions resulted in financial harm.
To both jockeys in the form of reduced mounts and earnings.

Both jockeys were essentially unable to fully unfairly engage in their careers as jockeys.

As the regulation is enforced, created a significant disadvantage to both jockeys when they were attempting to further their careers in business in New York.

Prior to arriving in New York, both jockeys were coming off of 2, very strong and successful years and.

Where they had been competing regularly in Maryland.

Mr. McCarthy was leading writer at Laurel park while Katie Davis was 7th and the standings prior to arriving.

For them to say that both jockeys were disappointed in this role that the rule played in their arrival upon New York was a severe understatement. There were reasons that they had come to New York.

Racing is full of families who have made our sport, their way of life, running the gamut of relationships from fathers and mothers, aunts and uncles, siblings, cousins.

And so forth, both jockeys come from racing families with Katie Davis, being the retired jockey. Now, trainer of Robbie Davis.

2 of Katie siblings are also New York jockeys.

Dylan Davis and Jackie Davis, and 1 of her brothers admin is currently training in New York.

The reason they wanted to come to New York is because once they were when they wanted to be closer to their families.

It should also be noted Trevor's father. Trevor also has family relations and horse racing as his father was a retired mid Atlantic jockey. Mike McCarthy.
Now, when they came, they were not anticipating this role to be in place, or in effect are enforced against them as.

Alluded earlier, there's not a regular, not a consistency in the uniformity of regulations throughout.

The United States, although they had been able to ride against 1 another. While engaged in other jurisdictions, once married, New York prohibited them from doing. So.

This role not only affected both riders, but also nira the owners, the trainers and the betting public.

Impacting the field size and the number of vetting entries.

In light of the importance of field sizes, when trying to provide a top product, this role, as applied created issues, limiting the field size.

And as I said, reducing the number of betting entries, thereby potentially impacting the handle.

While the guild acknowledges and appreciates the policy behind the current rule.

As indicated by previous speakers.

This rule has seemed to become a bit outdated due to our current racing environment.

This was originally found to mitigate the concerns that related parties may not have.

Spend their maximum efforts in the underlying race with 1 party, sacrificing the interests of a related party.

However, we firmly believe that a more flexible rule should be in place to address these conflicts.
As we've indicated specifically, we believe the stewards as the trained and qualified individuals overseeing racing. Should be afforded the opportunity to use their discretion and allowing for spouses to compete against one another as jockeys while still requiring that a Jackie.

Let's ride for a horse must right or that that is trained by his or her spouse. If stewards do allow spouses to compete against one another in a specific race we also support any in all majors to ensure that the betting public is adequately informed with regards to such relationship. Additionally, the stewards would still have the ability to couple entries in the event. It is deemed necessary. Or if there's any concerns with inappropriate actions. Of between the 2 parties that as related.

The Gill believes this approach is a win win for all parties. Mary jockeys should have the ability to fully and fairly engage in their careers. And still allowing for the public per the wagering public to be protected.

In 2015 regulation, Section g was amended that notwithstanding the other limitations within the regulation. No injury should be coupled. By reason of common ownership or training in any stakes in which the gross versus over. 50,000 or more provided that the stores may require any horses entered in a race to be coupled for betting purposes prior to the commencement of wagering.
If the stewards deemed it to be necessary in the.
01:01:06.090 --> 01:01:09.809
Best entrance to the public to the best of our knowledge.
01:01:09.809 --> 01:01:14.159
Since that rule was amended there have not been any concerns reported or addressed.
01:01:14.159 --> 01:01:20.400
With regards to that specific, uh, uh, change to the regulation.
01:01:20.400 --> 01:01:26.550
While mutual and couple mutual coupling varies from state to state. Many
changes. Have either.
01:01:26.550 --> 01:01:31.769
Many states have either changed or eliminated their entry coupling rules.
01:01:31.769 --> 01:01:35.940
It should be noted there have been and are currently jockeys who are
married.
01:01:35.940 --> 01:01:39.179
Or cohabitating together in other jurisdictions.
01:01:39.179 --> 01:01:44.219
Who are permitted to compete against 1 another without the entries that
they are already being coupled.
01:01:44.219 --> 01:01:47.610
With regards to the Model rules.
01:01:47.610 --> 01:01:52.920
Which are the, the rules are silent on the mandatory coupling of married
jockeys in a given him and race.
01:01:52.920 --> 01:01:57.000
However, they do say that a jockey shall not compete.
01:01:57.000 --> 01:02:00.840
In any race against a horse, which is trained.
01:02:00.840 --> 01:02:06.900
By the jockey's spouse, and as previously mentioned, we had agreed with
that as well.
01:02:06.900 --> 01:02:13.619
Additionally, um, we have provided information with a survey that was
conducted by the.
01:02:13.619 --> 01:02:18.780
Model rules and provided that to the commission if at any time I can, um.
Provide the additional results from that if.

If so requesting, thank you again for your time, and we're happy to address any and all questions you may have.

I want to thank both of you for participating in today's, uh, hearing. I got 11 very quick question here. Uh, you had indicated that you thought it, you're fine with coupling if the Stewards deem necessary.

And under what circumstances would you think that would be appropriate and be triggered?

If in the event that there had been any concerns that the stewards had any concerns based on.

The 2 jockeys being permitted, whatever, the familiar relationship being permitted.

To compete against each other. Had there been a concern presented to.

The stewards whether it be anonymously or otherwise.

They have the authority to address those.

This is, as I said, that's actually reading the language from the rule as it was adopted with regards to the owners.

We simply said that that would also apply meaning that would also apply in the event that that spousal jockeys were allowed to compete against 1 another.

No, I appreciate Robin just check this, Terry, you know, again.

You got qualified Stewarts in New York. They know the history of the Davis family. They know the history of the McCarthy family.

You know, I would think it'd be a, you know, for them in this particular case, it'd be a no brainer if, uh.
It's the stewards, there's 2 jobs that came from New Mexico or Oklahoma or something you know, there's no familiarity with them. That'd be the Stewart's discretion.

You know, if there's some background issues, whether it be through the or other state investigators.

Then, you know, that's where the commission, the commission, and the stewards are in charge of all lights and D and it should be no difference between the jocks and or trainers.

You know, is been alluded to, you know, the Frank Martin's and the Jose Martin's and today the angle hearts.

If there is some history of, you know, collusion in the background, they should be coupled or whatever it may be. So.

Same thing with non coupling of entries and stake races.

You know, I don't think it's much of a difference here, you know, whether it be, I think it integrity is very important and protecting, you know.

The industry, um, but I think it's more transparency and uncovering and stake races, you know, and you get.

You know, virus packet as refer to handle.

But the same time, I think it's the integrity and come into if you uncouple entries and stake races and one's used for a rabbit.

And the others are not aware of it, you know, what is being used for then it should be the Stewart's discretion.

Well, thank you very much. Uh, any of the staff here have any questions for the Gil.

Oh, Mr Barnes on it.

No, no, I just I like to add my thanks for their perspective and input.
Well, we appreciate it. Thank you. We greatly appreciate you guys taking the time, and including us in this.

Discussion, well, thanks again for your, your participation.

Our next participants are from the New York thoroughbred horseman Association.

Joe Apple bomb and will.

Joe Apple bomb has been president of the New York thoroughbred divorcements association since 2013.

Joe Apple bomb has been president of the New York thoroughbred divorcements association since 2013.

Is a partner in off the hook, the partners.

A breeding racing and sales company with farm with a farm and training center and Ocala, Florida.

In offices in New York City will is the executive director of the New York thoroughbred horseman Association.

Previous to this employment. Mr. Allan was the director of business development.

Director of guest services and then the director of racing analytics.

In Iraq, prior to coming to New York will was with Portland meadows for nearly a decade serving as the director of wagering and guest services and general manager.

He has a long history of racing serving on, on both sides, including in the hardest industry as well. Up in Canada.

Gentlemen, appreciate your, uh, your input.

Great Rob. Thanks for having us will's going to start and talk specifically about the rule and then I'm going to give a perspective and answer 1 of the questions gaming posed more as a consumer advocate.

So well, why don't you take it away?
Great. Thank you. Rob, thank you. Joe. Really appreciate it. We're here representing the 6,000 plus members who own and train horses racing at the NY racing circuit.

I've appreciated also listening to all the other testimony, especially recently from Mindy Coleman, from The Jockey Guild and Ben Liebeman they covered a lot of the topics that we would like to cover.

Unequivocally integrity is paramount for our, our industry. There's a lot of instances there and the importance of keeping our customers playing with confidence is important.

And, um, you know, when when people wager on the races that generates handle, and from that handle there generates revenue for both the racetrack. And us as Horseman.

The predominant source of our purse account is, um.

Is the money generated from betting so, uh, if our customers aren't betting with confidence.

They're probably not betting, and we're directly impacted that means our owners and trainers will run for less prize money and then That'll decrease investment in the industry.

Um, beyond the integrity, we have to put out a good product and, uh, 1 of the key indicators of a good betting product for customer is field size.

And when horses are coupled that impacts field size, it reduces the amount of betting interests.

That a customer can bet on individually or an exotic wagers horizontal wager as such as the exact top 2 to affect the top 3. sorry? Vertical majors. And then horizontal wagers such as the pick.

And at this stage, in the game, after New York has expanded the rule. We're at a point now where we feel that it is, uh, the time to end all.
Coupling in horse racing in New York.

1 of the reasons why we're able to come up with this conclusion is that people in New York are currently betting horse races in other jurisdictions that don't couple entries at all. And so if our customers are betting races from California, Illinois and other jurisdictions, major jurisdictions, including Florida, where there aren't any, uh, couple of entries under any circumstances. Their expectation from New York can be the same.

So, we are going above and beyond and reducing the amount of betting interests to all of our detriment that being the Perse account, the racetrack and any additional tax revenue.

This is a little bit of a esoteric example,

but 1 of the ways that New York protects the betting public or tries to protect the betting public with betting inch with a couple of entries is that if there's a late scratch at the gate.

Um, to 1 of the horses in, in, in in the couple of entry.

The other course is also scratch for betting purposes and runs for purse money only so now.

Suppose that there was a really good horse.

And a, not so good horse in that in that couple of entry. Suppose the not so good worse scratches at the gate. The really good horse still runs for purse money. Only.

Suppose that there was a really good horse.

And a, not so good horse in that in that couple of entry. Suppose the not so good worse scratches at the gate. The really good horse still runs for purse money. Only.

It wins the race betting. Public might not seem to be directly impacted because they didn't lose any money but of course, they don't cash their winning tickets.

Uh, the reason why I mentioned this is in the horizontal majors.

If if your entry is scratched, you move to the post time favorite. So, if the post name favorite doesn't finish 2nd, in that example.
You now have a losing ticket, despite the fact that you correctly selected the betting interest. So you are directly impacted.

So, there's a lot of negative consequences to coupling entries and we're at this stage now where major jurisdictions don't couple entries at all. And we believe New York should move towards that avenue as well.

Looking at the questions that were provided in advance what rules and model rules exist in horse racing and other sports to deal with potential conflicts.

It's not directly a recommendation on our behalf, but the New York State gaming commission already has rule 4. 0, 3 5.2.

File writing, penalized and under subsection.

It currently allows for stewards to potentially disqualified.

Uh, and potentially disqualify an uncouples entry for the same trainer.

So this is a good place to start. If the New York State gaming commission was going to look at rules.

That provides for some type of penalty to ensure that the integrity of uncouple entries continues, uh, in all races. Um, should we be uncovered for all entries?

Definitely been talked about the issues with disclosure of relationships.

I agree with those comments, but I also believe that we should try our best.

And be as transparent as possible. Carrie Woerner, Assemblywoman Woerner, brought up a good point, the host track that is conducting the race.

Belmont, Aqueduct, Saratoga or Finger Lakes could absolutely put this information on their website on their video displays. And in the program, our customers utilize the host tracks. Um.

Program TV display and website for almost all of their information and that is a great place to share the information.
Independently, but also did mention an issue with incomplete information he brought up the Mike Smith and Chantelle Sutherland example, where they weren't exactly married and that's just a great example.

And people are betting on California races uncouples, knowing full well, that that situation presented itself at the time, when it did.

And then there's 1 other question about the commission's rules for compelling, be synchronized for thoroughbred harness and quarter horse racing.

I strongly advocate for synchronizing all rules.

Bennett Liebeman talked about that as well. I just wanted to echo those sentiments that to make it, uh.

Going back to the customer and making it easy and simple for them as possible. If we look at for our customers, we're looking after our industry. And so that's in our best interest.

Joe,

I appreciate it in the notice that gaming sent out 1 of the questions was,

should the regulatory regime be uniform across all sports or should wagering uncertain sports be regulated differently than wagering on other sports and if so,

how?

So the short answer to your question is it should largely be uniform with select differences, taking account of actual wagering systems. Uh.

And the differences between multi participant events and BI, modal events, um, not the actual sports themselves, not the action on the field so to speak.
The longer answer though,
is that gaming regulation in general needs to be thoroughly modernized as
the emergence of sports wagering has largely been unregulated,
or left to self interested leagues or gaming companies to enforce rules
that are designed to protect their share price their ownership interest.

And not necessarily the integrity of the wagering contest, which I would
suggest is more in line with what gaming interests lie for example.

Gaming zone notice it has a question that begins what are the proper
penalties for a competitor failing to expend maximum effort.

Well, in professional sports, basketball, football, et cetera this basic
integrity concept is violated all the time. It's actually a strategy
called tanking.

Most famously in the last game of the last NFL season,
not this year season the previous season,
the Philadelphia Eagles inserted 3rd string quarterback field in the
game's 4th quarter in a blatant attempt to lose and secure a higher
draft.

Well, this makes a lot of sense for the eagles organization in a very way
and it may have even helped them make the play offs this year. But it's
an, it's inherently unfair to the wagering public.

Well, in horse racing, there is actual rules that we have to govern this
behavior not a lawyer, but I love to quote a good rule 403 5.4
instructions to jockeys.

All horses are expected to give their best efforts and races in which
they are run.

And any instructions or advice to jockeys to ride, or handle their mounts
otherwise and for the purpose of winning or forbidden, and will be
subject all persons giving, or following such instructions or advice to
disciplinary action by the stewards. And the commission.
This is blatantly untrue of many professional sports. So what am I actually saying here? It's what I'm saying is that.

Intake we have to decide is integrity, the most important thing that we're talking about, and enforce that across all sports instead of just in 1 sport.

Horse racing in many ways has had a much higher regulatory structure, a much higher bar across, even though that may not be the popular perception. That's the actual truth. We have to answer to all of you.

Who did the NBA have to answer to about the Tim Donnie scandal?

I would say no, so.

Our recommendation in addition to having no, no couple of entries at all would be to have a thorough review of all the gaming regulations revolving wagering to make sure they're consistent across sports.

Thank you.

Will and Joe, I appreciate your participating here. Does anyone have any questions for a.

For for did do you have any questions.

No, again, gentlemen, thank you for your input and participation. It's very useful to us.

Our pleasure, I mean, Joe, you raised some really interesting points about the, the dichotomy between approach and and treating, and perhaps over treating.

The way that we look at things and horse racing.

Our recommendation in addition to having no,
Do you think as a general sense it, the industry or or what? Sports while you're in general should move towards horse racing or horse race and move towards.

The way that, uh, that there's been a hands off approach and letting the market decide who's competing strongly or not.

It's, it's my general impression, and I say this, not only as an industry participant, but as a wagering participant that the most fundamentally fair systems are systems where the house so to speak does not have an interest in 1 side or the other.

And so a power mutual system is inherently that. No, people like to fight about what the proper tax rate on that should be but, uh, other systems exist, similar to exchange wagering, uh, what they call optimal systems, um, similar to exchange wagering, uh,
or, you know, a stock market or bond market structure, um, that.

Doesn't have the power of the league or the power of a bookmaker, uh, against the power of the consumer. Which I think is important. My sense is on the sports themselves. There's some relief that can be given to horse racing.

As you all know, you've heard me speak probably too much about the licensing disparities. That could make it more competitive and some more attention also given to the sports leagues in general and their actions in terms of, uh.

Shining a light on integrity issues and making sure that they are totally transparent with the public in terms of their investigations.

Again, I really appreciate the 2 of you, uh, participating today. And taking the time to provide your your input.

As we consider these issues, it's always our pleasure up.


Thank you, uh, next step we have representatives from the New York Racing Association.

Is is Joi you say.
No, Joe is not certain whether joy is on, but I'll introduce her anyway.

Joi Garner is a senior vice president in general counsel for the New York racing Association.

She had early in her career served as the associate general counsel at NYRA.

Prior to her return, deny or miss Gardner served as a board member executive, vice president, general counsel and corporate secretary.

For think 450, the National Basketball Players Association, licensing and marketing subsidiary.

Overall, she has nearly 20 years of experience in the sports and entertainment law.

Jeff is the senior director of government affairs at NYRA. Previous to his present position Jeff served as the executive director of the New York for breed breeders for over a decade.

Mr. Cannizzo is the 3rd generation horseman from the finger lakes region of New York state with his family being involved in the thoroughbred industry for the past 50 years.

Joseph Longo is the manager of content management solutions at.

An accountant in finance professional.

Prior to Mr. Longo was an auditor financial analyst.

And served as a chief financial officer.

Relate the park, thank you for your participation here and we look forward to hearing your comments. I know that. Mr. Cannizzo. You did.

Circulate a, a, a slide to guide the discussion and we all have copies of that.
Thank you Rob and thank you for having us.

Um,

we are going to talk through some of these pieces much of,

01:22:31.465 --> 01:22:34.854
which is already stated by some of our partners here,

01:22:34.854 --> 01:22:35.454
but,

01:22:35.515 --> 01:22:35.965
um,

01:22:35.994 --> 01:22:50.845
annual economic indicators for the racing industry highlight that field sizes steadily declined over the years in an effort to mitigate the downward trend racing jurisdictions have pushed to eliminate the coupling of boundaries for the race cards

01:22:51.534 --> 01:22:57.085
coupling of entries has been around for some time and originally it was put in place to protect the fighting public lives right now,

01:22:57.685 --> 01:23:00.984
at high level horses in the same race that belong to 1,

01:23:00.984 --> 01:23:03.114
another or 1 owner,

01:23:03.145 --> 01:23:05.635
or under 1 trainer or coupled together,

01:23:06.175 --> 01:23:08.965
having the horses coupled allows us steward stack.

01:23:09.270 --> 01:23:18.329
Against the entry in an event that they feel the ban in public was harm.
It also serves as the parent to the entry concluding against other vetting interest.

01:23:18.329 --> 01:23:30.000
Several rates and jurisdictions have since eliminated or uncontrolled entries altogether. There are no longer couple of entries in California, Florida, Illinois.

01:23:30.000 --> 01:23:38.755
West Virginia, and Maryland outside of the United States Ontario has eliminated couple of entries as well as most major racing countries in Europe.
The change the changes yielded an increase in field size and handle and resulted in subsequent increase, betting interest, New York as we know.

Is 1 state that must couple of horses at certain criteria as we stated sections 4025.10,

the limitation on entries and New York state per mutual wage and Britain law specifically addresses when to couple entries criteria include common ownership forces trained are written by spouse parent or a member of Jackie's household.

And at the request of the commission Stewart, if they find it's be necessary for the public interest.

In 2010 has been stated New York amended the rules to allow a trainer to enter. 2. horses is an uncomfortable entry. As long as the horses don't have the same owner as a result.

The horses are considered separate, betting interest 5 years later the same commission in 2015 amended the rules.

So that horses would not be coupled in stakes races with persons of 50,000 dollars or more.

The chance positively impacted handle and field size and stakes races. Ron says, 2015 through the state schedule and 1st structure in New York. I think it's very important to note.

Since both of those changes race in wager, integrity has not been affected by either of those changes, nor has there been any evidence or concerns for the betting public.

What I want to emphasize on now is what this would mean to uncouple fully uncouple entries in the state of New York specifically to NYRA in 2021.

This would mean that there would have been 168 entries that actually were coupled. Uh, that would be point 85 per day on overnight races. If you extrapolated that over an estimated 200 days of racing, the neurons are moving the stakes races.

The average hand handle per betting interest, which is about 150,000 holding everything equal. That will result in roughly 25Million dollars.
An additional handle that would positively impact. Both NYRA it's horsemen in the state of New York. Some interest in other numbers wrapped around a couple of entries.

61% of our couple entries took place in claiming races of which, as we know would have the greatest, impact and largest to New York state racing where we need entries on top of that 50% of total couple entries occurred at Aqueduct. Um, so as stated simply put Nara is believes and has believed for a long time. Now that it is time to fully uncouple entries to align us with the various other jurisdictions around the country itself to be under 1 umbrella for our customer sets has been has been outlined by some of our other speakers here today. And, uh, we're here to address any questions you may have. So, thank you.

The various other jurisdictions around the country itself to be under 1 umbrella for our customer sets has been has been outlined by some of our other speakers here today. And, uh, we're here to address any questions you may have. So, thank you.

Be taken to a form to bank public, go back and do it again. Well, can you start over? Sure. Coupling was, uh, eliminated what additional steps do you think should be taken to implement the building? Public.

Well, I think it's, it's the common answer that you've heard already today we have various media sources of course, at NYRA be at our website, our program and other information that's distributed on track and virtually, I think that that's,
uh,

the mechanisms as.

Have been outlined that we would use to inform the public of any information that's pertinent to wagering. That's going to occur on our races at NYRA.

Thank you anyone else have any questions for, for, for NYRA relative to this.

Nope, no thanks.

Okay, um, we appreciate your your input relative to the, the couple of entries.

Position here, which, as you mentioned, it's consistent with some other individuals that have spoken.

And we appreciate your the time you've taken to to address this.

William Gotimer, Attorney-at-Law

Thank you thanks. Our next participant is, uh, William Gotimer.

Mister Gotimer is an attorney and business consultant with a long history of horse racing interest.

As a fan as a commentator, and as a horse owner.

In his career, he has also held professional positions at McLean industries.

British Airways and American world Airways and trailer bridge.

Of most importance to today's hearing Mister Gotimer has represented.
Katy Davis jockey who has alleged NYRA’s racing office had requested trainers not to use her to ride.

To avoid the necessity to couple entries and thereby reduce vetting interest.

Mister, he's not muted.

You got him on hold on a 2nd. We're having a little difficulty hearing. Yeah.

Try again, is that better.

We got you perfect. Okay, great. So, I want to thank the commission and the other panelists for the time this afternoon. I apologize if some of my presentation is repetitive from what some of the other participants have put forth.

But as you know, my name is William Gotimer, and I'm an attorney for representing Katie Davis and Katie Davis is a tremendously gifted athlete. And the impetus for the legislation that was recently vetoed by government local.

Katie Davis is a licensed jockey in New York state and elsewhere, and as a member of the Davis family of jockeys, and trainers that include a father, Robby, a brother and 2, and a sister Jackie, all of whom are gifted athletes.

And collectively had written in New York and elsewhere for more than 4 decades.

Each of them has dedicated their lives to caring for and protecting thoroughbred athletes despite her and her family's pristine reputation in the industry. She has seen her professional career severely damaged.

By this commission in this role, because she exercise to constitutionally right protected right. To marry and begin a family.

She ran afoul of this commission, and this rule when she chose to marry similarly gifted professional athlete with a pristine reputation as the aforementioned travel McCarthy.
This damage was inflicted on her career.  
By the commission, and this rule, not due to lack of talent.  
Not to to a political stance, 
not to a lack of work ethic,  
not due to a lack of acceptance by owners and trainers,  
or a female and an overwhelmingly male dominated profession,  
or a lack of personality,  
or ignoring or dishonor,  
erasing rules for 2 entirely to the commissions stated,  
believe that a spouse may not put forth an honest effort.  
Against their spouse, we need to let that sink in for a moment.  
This commission has a regulation that has has its underpinning.  
The assumption that spouses our untrustworthy.  
Or, at the very least, the jockeys who are married are inherently trustworthy.  
Let's be clear. My client's career was damaged by this regulation.  
Owners and trainers who wish to avail themselves of her tremendous talent.  
Were burdened by the negative consequence of using her services under this regulation.
In a business as competitive as race riding, any negative consequences causes considerable damage.

For the reasons already outlined repeatedly to the commission, this regulation hurts taxpayers.

Horsemen race track operators without any discernible benefits.

In fact, it is regularly and openly mocked by commentators on TVG, a television channel dedicated, almost exclusively in a horse racing.

While the commission takes great umbrage at the suggestion that this discriminatory regulation is aimed at women.

There is no question that it has a disproportionate impact on women and most likely will have a disproportionate impact on same sex marriage jockeys when that situation inevitably arises.

As such it is, my belief that it likely violates both the United States and New York States Constitution, and as an example of government overreach.

The commission seeks to justify the harm this regulation rains down on married riders.

And the racing industry, biologically destroyed regulation, protects the betting public against design a, to marry this honest married writers.

It is a little more than telling that the commission seeks to assure gamblers that it is protecting them by admitting it is impotent. Otherwise effectively police dishonesty or wrong doing.

Professed concern for the betting public is strongly under cut by the commissions willingness to allow it's in state franchise holders to aggressively accept bets on racist from jurisdictions, which have no similar requirement.

To be clear, it is perfectly acceptable to the commission to have New York residents wager on Katie Davis, and her husband in the same race without protection of the suspicious regulation. So, as long as the raises conducted outside New York state.
Therefore, this rule only inhibits New York state competition while granting out of state raises an advantage.

New York state legislature sought to correct this anomaly by taking Swift, overwhelming action.

Only to see the governor who herself is married Peter women refer back to the commission.

As the commission now seeks input on this and decent sports, betting oversight, it's laughable to think that they will implement restrictions on the NBA Cory, or at the coupon brothers.

Sports history, including horse racing is replete with examples of relatives and those with familial and relationships competing honestly and honestly against 1 another and structure of victory and excellence.

This regulation is directly aimed at and enforced against spouses and by extension in an industry that is male dominated specifically at married women.

Content otherwise as simply intellectually dishonest.

New York, which is lovely among the leaders in assuring gender. Equality is woefully retrograde and its insistence on this rest regulation.

Commission should've see to the legislators clearly stated position on this matter and rescind the regulation.

The commissioner raising authorities, Ken, and should protect the wage republic for which considerable power without resorting to this blunt instrument, which is discriminatory, outdated and particularly harmful to my client.

And with that all in, by Reeboks, thank you.

Obviously, we're in the midst of of undertaking this particular hearing.
At the request of, uh, of the governor so that should give you some indication of, uh, how seriously we are.

Taking this issue, does anyone have any questions from Mr? 

Rob, I do. So Mr. or do you think this is an area that the commission should not regulate at all? Or are there other measures that you would advocate.

That would advance protection of the betting public.

I think the burning public is adequately protected.

By the inherent power that the stewards and the racing commission have to police wrong doing. I've heard and I originally suggested and I've heard another people embrace my original suggestion. That disclosure would be helpful.

I'm not really.

I don't really believe that the disclosure will be all that important disclosure is always good. So a notation on the bottom of the racing program, or in the entries, I guess would would be marginally helpful but I think the, the racing public.

Is is generally aware, or can be made generally aware of their marriage status. Certainly.

Certainly, this instance.

Has has had plenty of plenty of publicity and plenty of play. And I think the, I think the vetting walk in place makes up for, for a.

A whole multitude of variables and and I guess to some betters the fact that.

Katie Davis and Trevor McCarthy would be 1 of those to go into that selection.

Thank you again, I appreciate you sharing your your viewpoints relative to this particular issue.
And obviously you'll be playing close attention to what the commission does in the future.

Thank you my understanding that we've reached the end of our, uh, our scheduled speakers. So I want to thank everyone for their time in preparing and participating.

In today's hearing, I also want to remind people that they still may provide written input.

By sending material to our information mailbox.

That info at gaming dot dot com. That's info.

And gaming dot N. Y. dot. Gov.

Procedurally staff will Garrett gather the various information we receive today? And via written submissions.

And ultimately make a recommendation to our commissioners regarding the existing regulation.

And whether its prohibitions need to be reconsidered.

Again, I think you all for participating in this staff hearing is now concluded.