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P U B L I C M E E T I N G
before
ASSEMBLY INDEPENDENT AND REGIONAL AUTHORITIES COMMITTEE
ON
TESTIMONY ON STATUS OF AND POSSIBLE REFORM
TO BOXING IN THE STATE OF NEW JERSEY

May 19, 1986
Room 403
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman William "Pat" Schuber, Chairman
Assemblyman Guy F. Muziani, Vice Chairman
Assemblywoman Marion Crecco
Assemblyman Paul DiGaetano
Assemblyman Jimmy Zangari

ALSO PRESENT:

Edward Westreich
Office of Legislative Services
Aide, Assembly Independent and
Regional Authorities Committee

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M E M O R A N D U M

May 6, 1986

TO: MEMBERS OF THE COMMITTEE
FROM: WILLIAM P. SCHUBER
SUBJECT: COMMITTEE MEETING - MAY 19, 1986

(Address comments and questions to Edward Westreich,
Committee Aide)

403 — The Assembly Committee on Independent and Regional Authorities will meet on Monday, May 19, 1986, at 10:00 A.M. in Room 341 of the State House Annex, Trenton to hear additional testimony concerning the status of boxing in the State and the licensing of promoters

Beginning at 10:00 A.M., the Committee will take testimony from the following:

- 1) Casino Control Commission;
- 2) Division of Gaming Enforcement;
- 3) State Police.

Anyone wishing to testify at a subsequent hearing on boxing is requested to contact Edward Westreich, Committee Aide.

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ASSEMBLYMAN WILLIAM "PAT" SCHUBER (Chairman): Good morning, ladies and gentlemen. I would like to call this meeting of the Assembly Independent and Regional Authorities Committee to order. This is our second in a series of hearings with regard to the status of the boxing industry in the State of New Jersey. I am Assemblyman William Schuber of Bergen County, Chairman of the Committee. With us today we have Committee members Marion Crecco, Paul DiGaetano, and Guy Muziani. Assemblyman Zangari was here also.

This is the second of our hearings on the status of boxing in the State of New Jersey. In March of last year, major boxing reform legislation was enacted by this State. Our current law was designed as a comprehensive statute to impose strict regulatory controls on the industry and to ensure the safety of the athletes.

The focus of today's hearing will be to look at the issue of the safety of the boxer, as well as the licensing of promoters, managers, and other key boxing personnel, and to judge the success, to date, of the statute that was enacted at a previous time.

We will be hearing testimony from State Athletic Commissioner Larry Hazzard -- who is joining us here today -- regarding the Commission's current licensing procedures. He will be discussing the licensing of promoters involved in the staging of boxing shows in Atlantic City with representatives from the Casino Control Commission and Division of Gaming Enforcement.

Today the Committee also welcomes a very special guest, former heavyweight champion Larry Holmes, who has graciously accepted our invitation to be here today to share with the Committee his views concerning the status of boxing and the possible need for further reforms to make the sport safer and to preserve its integrity. As many of you know, Mr. Holmes was born in Cuthbert, Georgia, and moved with his

parents and 12 brothers and sisters to Easton, Pennsylvania in 1956. A natural athlete, he turned professional in 1973, and he is truly one of our great champions. He is President of Larry Homes Enterprises, which is based in Easton, and is proving to be quite a champion in the business world also. Without further delay, the first witness I will introduce to the Committee and to the audience is the champ, Larry Holmes. Mr. Holmes, welcome.

L A R R Y H O L M E S: Thank you very much.

ASSEMBLYMAN SCHUBER: We in New Jersey are looking -- as I indicated in my opening statement -- at the status of boxing in this State. We have seen, from newspaper reports and from some interviews you have conducted, that you are interested in the same thing also; that is, protecting the health and welfare of the boxers and providing whatever reform is necessary on the State level. So, at this time, we are giving you the opportunity in this forum to present your views to the State and to the area in general. We invite you to make your statement now, Mr. Holmes.

MR. HOLMES: Thank you. I have always been known to be one who is very outspoken, a guy who says what he feels, not caring what people think about what I say, as long as I feel it is right and for the best interest of the fighter.

I have been outspoken for a number of years now. I think this is probably a step forward for young fighters who want to claim the fame and become successful in life. I think this is a great opportunity for myself even to be here to express my opinions and share some of my experience as a fighter -- not only as a fighter, but as a champion of the world, a champion of the people. I think it is very important that boxers have the right opportunity to excel, have the opportunity to become champions, and have the opportunity to make large amounts of dollars.

At times I think the game is probably held back because everybody wants that same thing. People don't really care too much about the individual who they are facing. They are more concerned about the individual they have. So, there are a lot of changes that will have to be made in order for each fighter to be competitive with another fighter. As far as one fighter having the upper hand-- I think hand wrapping should be at a minimum. I think taping should be at a minimum. I think they should have qualified doctors at ringside who know what effect the injury is going to have. I think they should have commissioners there who know the rules and the regulations of the sport they are commissioning. I find that these things are lacking in boxing. I know personally that a lot of the boxing chairmen do not know their own rules when it comes down to having a fight. I know that some boxing commissioners have to go back and look in the book to see if the rules call for 10 inches of gauze on one hand and 10 inches of gauze on the other hand, with two rolls of tape for each hand and padding underneath the gauze. Some don't even know the rules and regulations.

They put a lot of stress on things that it is really not necessary to put on. They don't have to put stress on certain things, which they do. I think there are more important things they should put stress on. For instance, boxing gloves. Boxing gloves, in my professional opinion, should not be gloves with an open thumb. I think fighters are in danger with the thumb open because of the eyes. You hear a lot about detached retinas, but that is only because the thumb is free. If the glove was tied down, if the thumb was tied to the glove, you would have very little mobility there, so you could not use the thumb. I hate to call out any names, but, for instance, the last championship fight that I watched between Trevor Berbik and Pinklon Thomas, Trevor Berbik was thumbed repeatedly round after round. I can't say it was done

on purpose, but again, he was not stopped or warned by the referee. I think if he had had gloves with the thumb tied down, I think Berbik would have suffered less injury on his eye.

I think a referee should not play favoritism inside the ring. If the referee had been qualified in doing his job, he would have warned Pinkon Thomas about the use of that thumb. Nevertheless, I was sitting at ringside, and there was never a warning. There are little things that go on in the back room that the public doesn't see. Sometimes there is an argument right before the fighters go out to the ring because of the hand gauze and the tape, and what not.

Also, I think doctors should be qualified to examine a fighter before he goes into a fight. I had an opportunity to fight here in New Jersey, and when I was examined by the doctor, he said, "How are you?" I said, "Fine," and he said, "Okay, you can go." Luckily I can afford to have my own examinations. I have my own brain scan at least once a year. I go for a stress test at least twice a year, and I have a checkup at least five or six times a year.

ASSEMBLYMAN SCHUBER: How long ago was that fight?

C H A R L E S H. S P A Z I A N I: September, 1983.

MR. HOLMES: 1983.

ASSEMBLYMAN SCHUBER: September of '83?

MR. HOLMES: If people were watching the fighters, I think it would be better for the fighters and the sport itself. I went down to Atlantic City to watch some fights one day, and my brother happened to be fighting on the card. Watching the fight, I saw a lot of young fighters who are not allowed to put a certain amount of Vasoline on their faces, and they came out looking like they just came through a meat factory. I complained about it. I really didn't have any right to complain because when I do that I make enemies, but for the love of the sport, I did it anyway. Especially when you see a fighter out there fighting for his life and getting

\$200 or \$300 just to satisfy a bunch of people-- He is not allowed to use but so much Vasoline. I think he should be able to use a proper amount of Vasoline, but not use the whole jar. In some places they restrict the use of Vasoline, and I think this is a hazard.

I think in New Jersey there should be allowed -- we're in New Jersey, so I'm talking about New Jersey -- coaching from the corner because in every sport around the world they have coaching. The rules say for a fighter not to be coached in New Jersey. I think fighters should be allowed to get instructions from their trainers. I think fighters should be able to -- should be allowed to excel as much as they can excel. I think they should be given the proper opportunity, but again, I think the man in the middle of the ring should know when to stop the fighter from going further than he should go.

We could be here all day and all night, oh, for about a year, and I could continue to tell you, but I'm sure you have a lot of questions you would like to ask. By you asking questions from me, I will probably be able to express myself a little bit more to you. However, I would like to say this before we get to the questioning. I think it is very important that we have a reform of boxing. I think with the dollars we pay to the government, that it should step in and help to regulate the game of boxing.

In the last three years, I paid over \$8 million to Uncle Sam. That's just my salary. There are a lot of promoters out there who are paying just as much money as I am paying, or even more. I read in a book where Bob Aaron made \$30 million one year, and Don King made \$40 million. So, there are a lot of dollars going out of the pockets of Don King, and also the fighters.

I really believe that for the best interest of the fighters, the best interest of the sport, that there should be someone in there who can help to regulate and organize boxing.

When a fighter gets in there and works hard and he wins, he should get that decision, and if he losses, he should not get it. I don't think there should be fair play for one and not for the other. I feel that God put everybody on this earth for a reason, and I feel that now I am serving God the way I can, even though I feel the last fights were taken from me. In the first fight, the games that the people played were unjust, not to me, but to many people around the world who follow boxing; not only to me, but to my family, who I have to see every day; not only to me, but to the love of the sport itself. I feel that if good people can help by doing their thing, I think boxing can go a long way. Without boxing, I would not be here. I am a seventh grade dropout; I had a limited education. I call myself a boxing executive; I am now an entrepreneur in business. I would like to see other young fighters follow in the footsteps that I was in.

Thank you. If there are any questions, please ask them.

ASSEMBLYMAN SCHUBER: Again, we wish to thank you for taking time out to come down here to help to enlighten us on this activity which you have been involved with for so many years.

I know that the Committee has questions. Let me ask you a couple of questions, if I might, to start this off. Our State Commission of Investigation, some months ago, came out with a report which is kind of a genesis for this Committee here. In the first instance, it recommended that the sport be banned. I would assume, from our conversation, and from what you have said here today, that you would not agree with that. I am going to take that for granted. Why don't you tell us why you don't think the sport should be banned? After all, the SCI tells us that medical testimony would indicate it is a very injurious sport. Obviously, you know that from watching it and from being involved. I mean, I'm not telling you something

you don't know. The fact is that the physical damage that can be done to a boxer over the course of time is of such a nature that we should really ban this activity. How do you respond to that? I mean, how would you answer that?

MR. HOLMES: Well, first of all, I have to support the game 100% because I feel that nothing has happened to me out of the ordinary. I feel that I have all my faculties. I have had 50 fights. I won 48 of them -- 50 really. (laughter) I am a multi-millionaire and I have all my businesses. If they talk about banning boxing, they are talking about banning a lot of people's lives. I played football, basketball, and other sports before I got heavy into boxing, and I really don't see boxing being really all that bad. The statement I made before -- a statement I usually make -- and a lot of people in the boxing business get mad at me-- I say they should ban promoters because promoters are the ones who are always talking about, "Good show," "Great fight, "Man, did you see that right hand he got hit with?" "Did you see how he took that right hand?" But if they had-- If the promoters who make all these millions and millions of dollars every year were to be sitting in the chair where I am sitting and trying to find a means to help the young fighters out, they wouldn't talk about how great the fight was for television purposes; they would say, "It was a great fight, but the best thing that happened in that fight was that the referee stepped in to stop it." But, they want to see the blood, they want the old John Wayne days, and it shouldn't happen.

This is why I'm saying boxing is a great sport, but boxing definitely has to have some changes.

ASSEMBLYMAN SCHUBER: There was a proposal two years ago by Congressman Floria, I think, among others, to require a Federal Commission of Boxing, and then to allow the states to regulate under that. We, on this Committee, over the course of time, have been supportive of that proposition, supportive of

some Federal uniformity to the rules anyway, so that there is not a different rule from state to state.

Do you have any thoughts as to whether there should be some Federal regulation or uniformity to the rules?

MR. HOLMES: Yes, I do. I think there should be Federal regulations, but again, I think it should be run by local commissions, but should be overseen by a Federal commission. Take for instance New Jersey. I think in the chambers downstairs I mentioned that you have a good Commission here in New Jersey now. Its reputation speaks for itself, especially Larry Hazzard. He is disciplined; he is strict. He did a great job as a referee. I don't think he referees any more now because he is the Commissioner. I think these are the kind of people you need in boxing. I don't think there should be favorites played one to another, and I think this is where the government comes in. I don't feel that these guys or people can get real close to one who sits them behind a bench because you never know who is coming in because of the change-off every time there is an event. I think this would keep boxing on the up and up, and I think this would protect the fighters even more.

ASSEMBLYMAN SCHUBER: I appreciate your comments on Commissioner Hazzard. We also share your admiration for him. He has been a fine witness for us, and has made some great strides with the sport over the last several months since he has taken over. We are pleased about that.

Let me ask you, Champ, on the issue of -- on some of the safety regulations, if I might-- In your opinion, what should be the layover between fights for one boxer? Let's say a boxer fights on day one, what do you think is a healthy layover period before he should be allowed to fight again?

MR. HOLMES: Well, for instance-- I'm glad you brought that up. Let's take Mike Tyson. He's fighting every two -- twice a month. I think that's out. Most of the

old-time fighters have cauliflower ears or are walking around here staggering, not knowing where they are. That comes from fighting every day. I think a fighter should at least have to take a 60-day rest. If a fighter is stopped, then I think the fighter should have a 90-day rest period. It would give him a chance to get his blood flowing. As you know, most fighters who are seriously hurt, it doesn't come from round one or round two or round three. It comes from round six -- five, six, seven on up. That is because of the amount of punishment the fighter can take in those first five rounds, and then he can be stopped, after his body is exhausted, or get hit with a hard punch. I think that could do some damage.

ASSEMBLYMAN SCHUBER: The 60-day period is one of the provisions we are looking at at the present time.

When you were talking about the glove with the free finger-- Are you endorsing the proposal for the thumbless glove, then, in fighting? Is that--

MR. HOLMES: No, not a thumbless glove. They have some gloves where the thumb is out, but it is tied very close to the mitt part.

ASSEMBLYMAN SCHUBER: Do you think that would be superior to a thumbless glove?

MR. HOLMES: Yes, because I have tried the thumbless glove and there is no mobility inside the glove at all. The couple of times that I used it, I punched the heavy bag with it, and it was not giving the way it should have given. Therefore, I would say the tied down. As a matter of fact, I was hoping we would use those type gloves in the last fight, but again, we didn't. We had the regular raised boxing gloves. I think the boxing glove is very important, what type of glove it is, how much padding there is, and what not.

ASSEMBLYMAN SCHUBER: There has also been a proposal made, Champ, to utilize headgear in regular bouts. We have heard testimony basically both pro and con on that issue. How do you feel about that?

MR. HOLMES: I think the head guard is very important. I think the head guard can be used for fighters for eight rounds or under. When people pay big dollars for a 10-round fight, then I think the head guard should be obsolete. But meanwhile, the less punches that are really banged on a fighter, the better off he is. You are not only really helping the game of boxing, but you are helping the guy who is doing the boxing. So, I would say a small head guard, as they use in the Olympics for the AAU -- which I used when I was in the AAU. I think that would be sufficient. I think a fighter should have a choice if he wants the head guard, or he doesn't want the head guard. You will see that most fighters probably want the head guard because at least they are thinking they are not getting hit as hard as they would without it. Some managers and trainers would say to a fighter, "The head guard is going to get in your eyes; you won't be able to see, and this and that will happen." But it's not really that, it's what the fighter wants. Sometimes they can work that into a fighter's brain until he begins to think that the head guard is a hazard more than a help. I think the head guard would be good. I don't take a head guard off in training at all. I see just as good in training with my head guard on -- and it is a nice thick head guard -- as I do with my head guard off when I am in a real contest.

ASSEMBLYMAN SCHUBER: New Jersey's regulations now provide for pre-fight physicals and post-fight physicals of fighters. Do you have anything-- I know you spent some time discussing the issue of the proper doctors and proper medical checkups of the fighter. Do you want to amplify on that a little bit more as to how you feel that should actually be set up concretely for all boxing matches? I mean, what do you think should be required physically?

MR. HOLMES: In Las Vegas the way they do it-- I think they probably do it the best. I fought there a lot.

They come in and they check your hands to see if anything is broken. They check your reflexes. They check your heart and everything else -- your eyes. I think that is probably enough at that time, but I also think that two months before the fight, or six weeks before the fight, or four weeks before the fight, I think they should have tests done on them. I think they should have a cardiogram test. I think they should lay on the table and let the doctor check them thoroughly. Like I say, at least once a year I think the fighter should have to have a brain scan done. I think it should be on the boxing license that they had it done. Things like that, I think, will be very helpful to the fighter.

ASSEMBLYMAN SCHUBER: We in New Jersey, under legislation we passed last year, are providing for a Medical Advisory Board as an adjunct to the Director of Athletics to make recommendations from a medical point of view. Commissioner Hazzard has discussed that with us. I think that will probably go a long way to meeting some of these requirements, many of which I think we have at the present time. You know, it is obviously a concern of ours, Champ, to make sure that the boxer is well-protected both before and after the fight.

Talking about after the fight brings up, I guess, the last part of the legislation, which is this: One of the concerns we have -- which we discussed on the way up here -- is the fact that during the course of the time that a fighter fights, that's great, but when he loses, or leaves the game, sometimes with injuries, he is left all by himself, and sometimes with severe medical problems.

What is your feeling with regard to the issue of a boxing pension, a pension for boxers, and how that could be set up, or anything along the lines of a health program thereafter?

MR. HOLMES: I think it would be very easy to set that up. I think instead of the promoters getting all the dollars they make coming through the gate, I think the promoters should have the obligation to take a small percentage out of the overall gross receipts they receive for that night. I think that with that we would be able to set up some kind of a pension in every state, or that should go into one -- like Social Security, or a pension. For persons in the game of boxing -- those dollars should go toward that. I mentioned that before, that instead of the WBC taking 2-1/2%, take 1%, and put the other 1-1/2% of that gross into a kitty for the fighters, not only the fighters who are coming up, but fighters who have put in so many years, or months, or days, or had so many fights. They should be allowed to go into this pension and be able to collect a certain amount of dollars that they helped earn toward that pension.

For instance, I am a small corporation, but I set my pension up with my people. They have to work four or five years before they will be able to collect my pension. I think it should be the same kind of setup for these fighters, or you could make promoters set that up. But I would think the best thing to do would be, when they have a fight, when they walk through that gate, I think a percentage out of the promoter's pocket should go toward a pension. That way, it wouldn't hurt the fighters and it wouldn't hurt the people who come in and pay for the tickets. It wouldn't really hurt the promoter either. I think that is the best thing to do.

Also, we had this letter from a lady about a fight in New Jersey. She talked about the insurance. One of the fighters got hurt, but the insurance didn't cover it until up to six months. She is still trying to get in touch with people to help pay that doctor bill because her husband was not able to afford to pay for medical care. She has written to the Chairman of the Board, Bobby Lee, of New Jersey, several,

several times, to ask for help, but he keeps putting her off and off and off. It has been over a year now and she still hasn't received any medical help from anybody.

These are the things that we talk about, and where we think something ought to be done. They can't afford it. Who is going to help to pay his medical bills, or whatever?

ASSEMBLYMAN SCHUBER: If you make a copy of that and give it to Commissioner Hazzard, I'm sure he will follow up and look into the issue for you. Anyway, Mr. Lee, of course, is no longer our Athletic Director.

Let me ask you, Champ, about two other issues which I think Commissioner Hazzard has some very good thoughts on. One is the issue of regulating gyms -- which sometimes gets lost in the shuffle when we talk about boxing reform -- and I guess the other issue would be, does the State have a responsibility in promoting amateur boxing?

Let me just ask you about the issue of the gyms, the training gyms around the State and around the country -- Philadelphia, Newark, Camden. Do you feel there is a need on the part of the State to regulate those? Is there any need to improve those, from your point of view?

MR. HOLMES: I don't think so. You know, in Philadelphia, sometimes they say, "When you go into a gym and train in Philadelphia you have your hardest fight." I don't think you have to regulate that. I think the people who are training the fighters have to know what their fighters are going through and how much they are taking in the gym. I don't think you can regulate the gyms. I think that would be a tough job, to try to go into every gym to find out what fighter is doing this and what fighter is doing that. I think that would be a tough job, and I think you would lose a lot of time spinning your wheels on something that probably would never happen. I think your time would be better spent on trying to regulate boxing at the Federal level, instead of in the

gymnasium, because a lot of those guys in the gymnasiums will go in and fight every day in the gym, but will never have a fight. They are just doing it for the love of the game because they like it so much. I think it would be kind of hard to do that, but I think, and I hope, that managers and trainers will know how much to put their fighters through in the gym.

I train myself. I put myself to the test, and whatever, and when I feel that I have had enough-- No trainer, no manager can tell me what's enough. But you find a lot of fighters, again, who are not in the position I'm in to tell a manager or a trainer, "That is enough for me." That makes it hard.

ASSEMBLYMAN SCHUBER: How about amateur boxing? Does the State have a role to play in that at all, in helping that out?

MR. HOLMES: I think the State should have a lot to do with amateur competitions because they back them with the Olympics and what not. I think the people should have faith in that. For instance, I think it is a hard job. I think it is very hard at the amateur level. When I was fighting as the Golden Glove champion-- I won the Golden Glove championship in New Jersey here, the AAU championship in New Jersey, and I won the Eastern championship representing Trenton. In those tournaments I had to fight sometimes twice a day. I would fight one fight, go lay down on a piece of rug they had in the back, and then when they called my name, I would go and fight another fight.

I think that in that period it is too much of a rush. I think you should eliminate that as time goes on, and not have two in one night, or three in one night. Sometimes you had to fight, like, five fights in three days' time. Sometimes you would get a nick or a cut, and you would go back out there and get another nick or a cut, and then you would go back out and get another one, and then you were out of competition. In

traveling around the world at the amateur status, up and down in airplanes, that's really not good for you either because it takes so much out of you.

So, we need a period of time for fighters to be able to settle down and to come back. You know, when you are up so high, you have to come back down. You have to go way up and come back down. It takes a lot out of you. I think we need something done about that. I have no suggestion on that because I don't know how they could straighten it out. It's been going on for years.

ASSEMBLYMAN SCHUBER: At our previous hearing, we had a dentist from Long Island testify -- Dr. Richard S. Kaufman -- who has designed a mouthpiece, which I believe -- the Committee members can probably remember-- He says that any boxer who has used it has not been knocked out. Do you have any thoughts with regard to whether there should be any improvement in the utilization of the mouthpiece that is presently used, or should there be some uniformity to it?

MR. HOLMES: Well, I think the mouthpiece should be made-- I have several mouthpieces; that was on my list, but I left it-- The mouthpiece should be a suction mouthpiece, the kind you put up in your mouth and there is suction. It might cost you \$100 or \$150 for that, and a lot of fighters cannot afford it. They go to the store and they buy one of those football mouthpieces for \$.59. They stick it in their mouths and they go out there and they fight. The next thing you know, they have a twisted jaw, a broken jaw. That is what happens when you don't have a good mouthpiece.

A good mouthpiece is when you have the upper imprint and the mouthpiece fits right on top. The bottom-- You don't have a bottom piece, but you have an impression of your bottom teeth into that, then you bite down on it, and then that protects your jaw. And later in the rounds, you know, a good mouthpiece will not fall out of your mouth. If sometime you

have your mouth open and you get hit, that is when you get a broken jaw -- with your mouth open. But as long as your mouth is closed tight, you won't have that problem. With this mouthpiece, if it comes out of the mouth with the force of a punch, you say, "That guy was hit real hard," because this mouthpiece should not come out of your mouth at all. That will protect your jaw.

ASSEMBLYMAN SCHUBER: Are you saying, then, that at the present time there is no uniformity to regulations as to what mouthpiece should be used?

MR. HOLMES: That's up to the individual who is buying it because, like I said, some fighters cannot afford it. That's why managers are in the game. They are supposed to see that their fighters have the best proper equipment they need to go into a competition. It is really the manager's obligation to make sure that his fighter has the best mouthpiece, the best gloves, the best shoes, the best cup, or whatever -- the head guard. If we don't put those restrictions on managers, then they can get away with just sending a fighter in there, and they get 30%, or a third of your money. I think it is more than just taking a third of the fighter's money. I think it's like making sure the fighter has everything he needs. If the fighter can't afford it, the manager should pay for it.

ASSEMBLYMAN SCHUBER: Champ, what about the promoters? You made a comment-- One of the issues we are focusing on today is the issue of the licensing of promoters, or the further licensing of promoters, let me put it that way. You made a statement which I think probably was facetious, but maybe it wasn't, about banning promoters. In your experience with the various and sundry promoters, are we too lenient with them? Is there something more we should be doing with them in the way they promote fights, and things like that?

MR. HOLMES: Well, yeah. I think you are a little bit too late with the promoters because they have their way to get

to the Commissioner. They say, "Look what we've got. We're doing this in your state. Look at the tax dollars. Look at your reputation. We're bringing the fight here. Give me this and give me that." That is when a favor is returned. That is when fighters don't get a fair shake. This is what happened to me because I am not close to the Commissioner in any state or the Chairman of IBM. Because the other guy is much closer to him, he says, "This is what we are going to do after we get this, and we're going to be here." And I am going to say, "No. I am not going to do that because it ain't right for me to do it. I am going to go over here if that is right. If it is right, I'll be here, if not, I'll be there." That is when it becomes a problem.

That is why I'm saying promoters have influence over boxers, and managers, and commissioners. If I had had a promoter on my side, I would not have had to lose my title on a fluke, on unfair play. If I had had a promoter who would say, "Hey," to this referee, that judge, or that commissioner, "Oh, that don't happen here. We want this guy because he is going to be straight. We want that ref because he is going to be straight." But if you say that, they would send me a letter back and say, "Hey, you are not the champion, Larry Holmes. You have no right to choose who you want." This was a couple of weeks before the time. We felt right then that, again, they were reconfirming the rumors that were going around, that we did not have rights. And for a commissioner to have a lawyer to intimidate judges, and say, "Put down on the back of your card why he didn't get this round or why he didn't get that round" -- that is intimidating the judges; therefore, you are not going to work the next fight because you didn't give it for this guy, and this guy here is going to help us.

That is why I was saying to ban the promoters, because the promoters have that kind of influence on the commissions in the different states.

ASSEMBLYMAN SCHUBER: Are you saying, then, that your provision for reform in that area would be to ban promoters? I mean, is--

MR. HOLMES: Well, you need promoters. I'm saying ban promoters, but I'm not saying--

ASSEMBLYMAN SCHUBER: You mean you want stricter regulation of promoters.

MR. HOLMES: Stricter regulations for promoters. I wouldn't mind if I saw government come and take over the promoter's position and do the promoting of the fights if the fighters have got to do it. At least you would know they were going to get their money. If I sign a contract saying I am going to get a million dollars, don't come back to me two minutes later and say, "You are going to get \$250,000." I mean, at least I know what I am getting. But a lot of times the fighters don't. It has happened to me a lot of times. It happened to me this time. I signed a contract saying I was going to get \$1,250,000. When they came back later, I was going to get \$1,125,000. Then they wanted 10% of that, and then they wanted four or five fights after that.

So, you know, they tie you up in that position, so you say, "Well, okay." You sign because, you know, you don't want to make anyone mad, and then after the fight is over, you say, "I ain't going to do that. I did it because I had to do it to get a fair shake." A lot of the fighters have to do it, and they don't get a fair shake on how they are doing it, and they don't get nothing after they finish doing it.

ASSEMBLYMAN SCHUBER: We, on the State level of government, have a great many fights, but I am not so sure we would be up to promoting on that level.

MR. HOLMES: Overseeing the game of boxing will keep the promoters in line -- overseeing the whole organization. If a fighter knew that if he had a problem he could come to any one of you and you would help him straighten that problem out.

there wouldn't be problem, because you are going to keep that guy honest. This is why I'm saying a change of -- not letting you stay in one position too long, moving you on to another fight, because eventually you and him will go out for dinner, you'll be patting buddies and everything else, and then it is no good.

A lot of people probably won't like what I am saying to you today, but I'm saying it. I said it before I met you, and I will continue to say it until the day I die because this is what I believe. When I leave here, I will probably be called something (indiscernible), but this is the way I feel.

ASSEMBLYMAN SCHUBER: Well, I think that the-- I would agree with you to this extent, but I think that if we properly regulate the sport across the board, I would tend to think that along with that is going to come more stricter review or more stricter public perception and public spotlight on the promoter to try to prevent the inequities that you have described.

Let me turn at this point to some of the Committee members to see if they have any questions.

MR. HOLMES: I'd like to say one more thing before you do that.

ASSEMBLYMAN SCHUBER: Yes, certainly.

MR. HOLMES: I know that what you've got to do, as far as regulating, you've got to hurry up and do it, because there's so much. There's so many things starting to happen in the boxing, as far as the organization. They've become strong too. So, if we sit and have meetings every day for two or three years, it's going to take much more time to catch up to where we want to go.

ASSEMBLYMAN SCHUBER: I agree with you. I think, what did Napoleon say to his general's? Ask anything of me but time. But that's the issue, I think, that we're interested. We have, you know-- We acted last year with regard to the

beginning parts of our reforms, and, you know, this is only the second of our hearings on this, and I anticipate one more before we enact -- we act -- or recommend our legislative solution. Again, as I've indicated to my Committee members in the past, we don't like to just issue reports, we prefer to issue recommendations for action, and that's basically what I hope will come out of these hearings, based on everybody's input. And that's why we're so appreciative of your input, as we have been. Commissioner Hazzard has been so very cooperative with us over the last -- since he's come onboard.

Vice Chairman Guy Muziani has a few questions on it.

ASSEMBLYMAN MUZIANI: Yeah, Champ, I have two questions. One of them you partly answered, and I'll ask it again, because I think it's that important.

In your dissertation, you mentioned the fact that you have had 50 fights, you've won 48, but down deep in your heart you really feel as if you won the 50. And there are many people who feel that way, like you do. And, you have been, of course, very outspoken. You've had the courage to say what you think, and in doing so, you have alluded to the fact that possibly there might be something that leaves something to be desired concerning the judging system. Are you suggesting, sir, that the judging process should be looked into by this Committee? There is a problem in that with the promoter and the judges working in, maybe, some kind of collusion, and unfortunately, someone like yourself gets the short end of it. Is that what you're suggesting, sir?

MR. HOLMES: No doubt about it, they do that. There's no doubt about it. You cannot tell me, in 18 years that I've been in this game, favors were not done for others, because they are. You cannot tell me the dollars are not passed and no one knows it, because I know that. I know it, and that's the bad part about it. They didn't want me in the boxing game because I would do my own negotiating. I would go to the

network; I would call and say how much is this fighter getting. How much of this fight is getting, how much is this, and how much is this. And I'd know how much money that the hotel would pay. I have a contract from the Hilton Hotel in Las Vegas -- how much everything was getting, how many rooms, how much food, or whatever. And I'd know about how much money that HBO paid, I know how much money that came in, I know approximately how much money that the foreign sales, and everything.

And so, I based my purse off of what they get. I made a million, one hundred and twenty-five thousand dollars for my last fight. Michael Spinks was supposed to make \$3.5 million. Michael Spinks ended up with \$2 million, Don King ended up with a million and a half more, the same as Butch Lewis. Foreign sales has not shown up yet on the thing; I don't know how much they're going to do for foreign sales. And the delayed-tape television is not showing the fight, as of yet.

But those are dollars that come in for delayed-tape. But what they're doing is not trying to show what happened in the fight, because they want to keep it down, because what I am is a maverick of boxing, and they don't want me around. So this is a whole plot. Get rid of Larry Holmes, and he'll let boxing go back. But I haven't stopped my fight; just begun to help regulate boxing so my brother Mark and other newer fighters out there can have a fair shake at this game.

ASSEMBLYMAN MUZIANI: Champ, do you have any suggestions as to how we can improve upon this business of judging these contests so that do we have fair decisions?

MR. HOLMES: What I have talked to networks about, and NBC has started it, -- as a matter of fact, I was up in Rhode Island yesterday, and they are starting to -- announce who won the round every round, and put it in front of the viewer on television, and that way they know what judges went on. That way the public -- the people -- can react, and not be in

surprise at the end. Because, what they do is say, hey, you're not seeing what you think you're seeing. You're wrong, that guy did not win that round, this guy won it. And what they're trying to do, in essence, is make you out of a liar, that you've got lying eyes or something.

And, I think if you have someone, as I said, back to the federal level, there overseeing it, it would be something that they cannot stop.

ASSEMBLYMAN MUZIANI: Okay. I just have one more question. Again, you made mention of the fact that you think there should be coaching in the corner. I'm not too clear on that. I know there's a three minute round, and a minute where you had the opportunity to sit there, and we watch and we listen, and sometimes you hear the trainers and the managers talking to the fighter. Now, what more could be done during that minute a period?

MR. HOLMES: Well coaching -- what I mean, when the fighters are actually fighting in the ring, hollering instructions out there to the fighter. In amateur competition, and some professional competition in some states, like in New Jersey for instance, you're not allowed to, when the guy's fighting, say, "left hook, duck, move." You understand? If you see a fighter is doing wrong, you're not allowed to tell him what to do while he's in there; you only can tell him when he comes back.

ASSEMBLYMAN MUZIANI: Oh. While he's fighting.

MR. HOLMES: That's that.

ASSEMBLYMAN SCHUBER: Thank you, Assemblyman. Assemblyman DiGaetano?

ASSEMBLYMAN DIGAETANO: Yes. Champ, there's been a lot of rumor, or possibly even speculation, that your comments have in the past angered some of the officials, and quite possibly pressured them against you in a fight. And your apology, I think, a week or two weeks before the fight, might

have been coerced or you might have felt pressured in order to gain a fair shake, so to speak. You have-- I believe you made some comments on that, and I think I heard that one of your comments was that word got back to you before the fight that, in fact, the only way you could have won it was -- the only way you could win it is if you knocked him out. Would you care to address that?

MR. HOLMES: That's true. The word was that I had to knock him out to win the fight, and I told what I heard to the public to make them aware of what was going on, so that I wouldn't look like the bad guy again. And, in turn, they made me look like the bad guy anyway, like I was just crying over spilled milk. But, I think the public had an opportunity to see it first hand.

I don't go out every night with the promoters -- I mean, the chairmen of the board in the organizations. I don't take them to dinner. I don't do things like they do. The night before the fight, I see Butch Lewis and Bob Lee for dinner; I see Jersey Joe Walcott, and I thought, oh shit, I know it's true now, because I know what's going on, because it happened to me the first fight. Any time Wallace, which is the judge that is judging the fight, is with the promoter of the other fighter, and the commissioner that's doing the overseeing there, you know something is wrong. Especially when they come to me and say, "I think you should take Jersey Joe, because he would be the best interest in your camp." I said, well I don't need Jersey Joe, because I do a lot of travelling, I don't, you know-- "But, he'd be good for you. I think you should put him on your payroll." I'm sorry, I can't do that, you know.

And, when you see him with the other guy, you say, well, you know, he's not for you. Because, guys like that have influences, and I want no part of it. And I don't care if people hate me for it tomorrow, or whatever, but that's the way it is.

ASSEMBLYMAN DiGAETANO: Along that same vein, champ, is it your suggestion, and your feeling, that both fighters should have some rejection power or some choice as far as the officials, at least in the way of rejecting one or more that they feel have been prejudiced against them in the past?

MR. HOLMES: I think so. I think that would be needed in boxing. I think it is very important that they have that, and not only that, I don't think the manager should be able to be a promoter and promote. Butch Lewis was a promoter for my last fight; also he manages Michael Spinks; also in the rule meeting, he's telling us what he can do. My manager, my trainer, the guy I got representing me -- what we're allowed to do and what we're not allowed to do -- but yet, everything is for his fighter. So what if he's supposed to be the champion. But, I think it comes down to fair play.

Everybody wants what is right for the fighter. And I think both fighters should be treated equal. If the commissioners, or the judges, were there, and they're not going to lean toward one side or another, you wouldn't care what they have. But, no, I want this guy because I know him. Him and I are tight, and he's going to be on my side. And that's why I was saying people should be there that cut it down the middle. And so, no this, no that, and then if they had a legitimate complaint, they know who to go to to complain that. And we don't have that. Either you take the fight or you don't, and if you don't take it, you're banned. You have no -- they ban you out of the state like they did Eddie Mustafa in Washington, D.C. He felt that they were doing something that the scale was wrong; they said you're banned. So, he was not allowed to fight nowhere. I think they banned him out of all the states for a year or more, and he was not allowed to fight.

ASSEMBLYMAN DiGAETANO: Just one final thing. Earlier you talked about headgear, and if I understood you correctly, you suggested that headgear could possibly be used for fights

under ten rounds, but any fights over ten rounds, or championship fights, let's say, should be operated much the same as they are now, without headgear. Is that correct?

MR. HOLMES: Yes. I think they should have the option. I think when a fight is in ten rounds is a major event, and people are paying a lot of dollars, and I think the fighter should have the option. If the fighter don't want to wear the headguard, he don't have a right. If I wanted to wear it, I have the right to wear it, you know. That was the same thing in the amateurs.

And, fighters will find out that headguard -- they will probably want to use it. And I think the people would pay just as much as they do now, you know, with the headguard on or not.

ASSEMBLYMAN DiGAETANO: Thank you.

MR. HOLMES: Sure.

ASSEMBLYMAN SCHUBER: Thank you, Assemblyman DiGaetano. Assemblywoman Crecco?

ASSEMBLYWOMAN CRECCO: All the questions have been answered, but I thank you for coming here with the courage of your convictions.

MR. HOLMES: Thank you very much.

ASSEMBLYMAN SCHUBER: Champ, this is Assemblyman Zangari. He said he wanted to go a couple of rounds with you after this is over, but--

MR. HOLMES: What bar are we going to meet at?
(laughter)

ASSEMBLYMAN SCHUBER: I think he's got a couple of questions.

ASSEMBLYMAN ZANGARI: It's tough being in the minority, I'll tell you. I have several questions, Champ. You asserted at the outset that fighters, you know, that are working themselves up the ladder, are not afforded an opportunity. And I find that a little conflicting, because

before a fighter is able to get a match I think that he has to be tried, and unlike most sports, I guess boxing is a game of instinct, of fake moving in the wrong direction, you know. A shot, you know, and you're out. How do you propose, you know, establishing a criteria for a young man coming into the fight business to get a shot? Based on his training ability; the actual experience? How could you match up two people, you know, so that you would have, you know, a good match?

MR. HOLMES: Well, in my gym, we have about 20 fighters, in my gym, that the guy who started me out -- Ernie Butler is training these fighters. And it's really hard to choose what's going to be a good fight. You know you're a fighter, but you don't really know the other fighter. So, in that area, what you do is call some reliable promoter, or friend, or trainer, and say, do you know so and so, and so and so. And, they give you that information, and you have the right to say yay or nay.

And what they try to do at that time, and they've done for me, is try to match me up with a fighter that was more equal to me. Like, if I had five fights, I would fight a guy with five fights, or four fights, or eight fights. If I had five fights, I wouldn't fight a guy with 22 fights, such as they do now in the Olympics with Tyrone Biggs, and the guys like that. These fighters, Biggs, and Mark, they have maybe 9, 10, 12 fights, and they're fighting guys with 25 fights or 30 fights.

Now, to me, that's a mismatch, even though these guys are Olympic stars, or whatever, and they've taken these fighters that have had more and more experience than they had, but see, it's an even match going in there because these fighters that had that many fights were not as good as they were with another guy that had 25 fights. And Mark Breland has the experience that he could go in there and whip these guys.

So-- But, if a guy had 25 knockouts -- 25 fights -- with a guy like Mark Breland you stay away from. Mark Breland should not fight that. And I think that all comes under management. And if you have a guy that's managing fighters that's been in the boxing game a long time, he should know about who to contact and how much his fighter can take.

ASSEMBLYMAN ZANGARI: Well, that's why, I think, you know that the promoter plays an intricate part in boxing and Mark Breland is one in particular. You know, I had the opportunity to meet Mark. And, he's tall, he's lanky, he's agile, and I think, you know, because he's had only ten fights, and they're bringing him up, you know, the proper way, they're not abusing him. They feel that this guy's going to be a money-maker. So, they're not going to throw him out, you know, to a guy that's going to be a free, wild-swinging guy. So, that, you know, to me, demonstrates that it's very very hard to regulate the type of fights, you know, that somebody would be able to put through a computer, someone in California, or coming out of Cuba or Puerto Rico, you know, to fight a guy. They're looking for an opportunity to climb the ladder, you know, so that they'll take a shot with Mark Breland.

MR. HOLMES: All at the same time, though, you're getting somebody that is not going to be hurt. I mean you-- There's nothing wrong with building a fighter, because you have to build in anything you do in life today. But, when you take that step and the person that can't handle that position, then that's where they get hurt at. So--

ASSEMBLYMAN ZANGARI: The Fox -- I forget what his name was, you know, when I was younger -- he won 53 fights. I think he was out of Philadelphia also. You know, and the first good guy that he fought, he was lambasted, you know.

MR. HOLMES: They did the same thing with Dwayne Bobik. They brought him way up, and they didn't give him no trial horses in between bringing him up, and when he fought Ken

Norton, it lasted 53 seconds. And, you know, that's what you call a mismatch. Okay?

ASSEMBLYMAN ZANGARI: Would you think it would be a good idea at the time that a match is made to have an alternate boxer assigned in the event that something happens to that fighter, rather than waiting the last second at ringside, you know what I mean, and the guy can't show up -- broke his shoulder, broke a thumb, or something -- you know, that you have-- Work in the system like you said, you know, maybe through computers, that you have one or two alternates in the event that something happens to--

MR. HOLMES: No, I think they should just pull that whole fight out, because a lot of times a fighter is not going to be prepared. And the people who come the fights pay for it to see a certain fighter. I mean, in the lower weight class that the people don't really know the main event -- are really coming to see the main event -- in the lower weight class it doesn't matter if you stress that -- show and put somebody else in that you know that's been out there, and that's not going to hurt. But if you want your fighter to fight, and he don't have an opponent, you go and get somebody who just got finished drinking a bottle of Blue Nun and put them in to fight, it's going to hurt him. It's not going to work.

ASSEMBLYMAN ZANGARI: Champ, do you feel that a fighter who's going on national television fights a different type of fight, being that it's going to be televised? You think it has an impact on the style of that individual?

MR. HOLMES: Yeah. Well, it has some impact on him because pressure, as far as television goes, is it burns you out. For instance, take my brother Mark, he could fight good as long as he wasn't on TV. First fight we put him on national TV he got stopped -- out of 32 fights. You know, he won 32 fights out of 33, and as soon as we put him in front of the camera, he froze.

And, you know, this is why I don't send experience, as far as, like, the ESPN -- which I think is doing a lot of good for the fighters. But what I think it is doing is putting them in a position that a lot of them ain't ready for, because that's -- when the fighters pull out -- that's when they go down the street and get a guy off the corner, and say come on, fill in for this fight. And that's when it hurts boxing.

ASSEMBLYMAN ZANGARI: How would you feel about not naming a referee until the night of the fight, so that no one has a contact, you know, with the referee?

MR. HOLMES: I think the referee don't have, really, a important say into that, because he's not judging. But I go against naming officials, like they done to me -- they had every official in the paper the night before the fight. And, you know, we're making millions of dollars, and the guy say, hey, look, make sure Larry gets the fight; here's 20,000. Make sure Larry gets the fight; here's another 20. That's two guys. That's all you need. And there's no evidence that we're giving him 20,000, because, of course, you're going to give it in cash, so who are they going to go for?

ASSEMBLYMAN ZANGARI: You don't think that a referee, in his judgment, if he thought there was a little rosin on the glove of the fighter, you know, and if the fighter was hurt, to give him those 3, 4, 5 seconds, you know, to get stabile, has no part in boxing by a referee?

MR. HOLMES: Yeah, the referee has a very important part, but I'm saying officiating the fight inside the ring. But as far as judging the fight, that's mainly on the outside.

ASSEMBLYMAN ZANGARI: Well, I think that the outcome, you know, is going to be based on that. If the referee can control your destiny in the ring by giving you those 4 or 5 seconds to recoup, you know, after a bad shot -- maybe that the lace is a little out, or the Band-Aid, you know-- He thought, you know, I mean, just to give you that part. And that's why I think, maybe, you know, that the referee shouldn't be named.

MR. HOLMES: Yeah, well, I don't think neither one of the officials should be named. But, I think -- I mean publicly -- I think they should be named as far as for the trainers and managers, but not for the public to know, because some referees don't do good jobs. And I know a lot of referees that I have turned down from refereeing my fights. But, he plays a part by, if you knock a guy down and let him up, you knock him down again and let him up, knock him down again, he let's him up, knock him down again, he's doing more harm to the fighter than he is to the person that he's trying to help -- I mean to the person he's trying to help to the guy who's beating him up.

ASSEMBLYMAN ZANGARI: Champ, just let's get on the ring size, and the tension of the ropes. I'll notice, you know, a lot of times, you know, that a fighter has rope burns -- too much tension. The ring sizes are not the same. The padding on the deck, I think, play an important part when you uppercut a guy and he goes flat on his head and it could do damage. What are your feelings about those three things? You know, the ring size, the tension of the ropes, and the matting.

MR. HOLMES: First of all, I think what happens with the rope burns on the back, it mostly happens to white fighters, because they don't vaseline. White fighters do not vaseline up. And I was there with Arroyo yesterday, he had a whole bunch of cuts, because he used very little vaseline. And, when I get into the ring, I use -- I mean, I don't care the man takes a towel to wipe me down, but I'm protected with vaseline. And, so that's from the rope. And I think the rope should be tight, so that you can't fall out of the ring. And, if they can keep that rope tight enough, but not too tight, I think that will help the fighter out a lot more.

What was that other question? The ring size. For little guys, I think it could be 18. For heavyweights like myself, I think it should be 20 or 22.

ASSEMBLYMAN ZANGARI: Well, you're telling me that, you know, for when you're on a card, that we should get all big guys to fight that night? You know, there's going to be 4, 5, 6, 7 other bouts that night, you know. What's going to happen, you know, to the--

MR. HOLMES: No. I think a little guy can fight in any size ring, and this is why I said they should be 18 or 20 foot. Because, the little guys, you know, they mostly don't use the whole ring, as a bigger fighter would use. A little guy mainly stays in the ring. I don't know if you watched the fight yesterday with Arroyo, but he was in there, and the fight was always in close quarters. It wasn't the long jab and out, and waiting, and whatnot. And with the heavier guys, they use the whole ring, and with the left jabs and whatnot. Smaller guys, they throw 2000 punches a round; big guys throw ten in a round. So, that's the difference.

ASSEMBLYMAN ZANGARI: In the thumbless glove, I still hear a lot of the fighters complaining that it cramps their hand, you know. And I tried it myself, and I did notice that it does cramp your hand. You know, when you're not used to that type of an -- where you have a close type of thing there, you know. So, I don't know, you know, even though you want to restrict it, maybe to have, you know, the thumb, you know, but maybe all in one section so that it doesn't protrude, so that you could stick a, you know-- And I don't see those type of fights anymore. You know, I think that the fight business is a lot different than it was in the '40s or '50s. I think that it's progressed, you know, a great deal, since, you know, that it's on television and what have you. I think, you know, it's come a long way. But it does need reform. People now are more alert, you know, that you get a guy like Ali, you know, I mean, that's taken tremendous punishment. Rocky Graziano, or Rocky Zale, you know, these type of guys that fought 100 or so fights, you know, it's got to take it's toll in the end.

But, we're not the people selecting that profession for the boxer. I think, you know, the fact that we're assembled today in this chamber looking to assist and help an individual who selected this type of business for his profession to make money, I think, you know, that it's a credit to the State and to people like yourself, you know, that are coming forward so that we could make the sport of boxing a lot better for fighters that are coming in. Thanks.

MR. HOLMES: Thank you.

ASSEMBLYMAN SCHUBER: Jim, have you used the thumbless glove on the floor of the Assembly? I don't know.

ASSEMBLYMAN ZANGARI: I have a song, you know, for the champ. I don't know if he's aware, you know. The Champ, Larry Holmes--

MR. HOLMES: I have the record.

ASSEMBLYMAN ZANGARI: You have the record? Well, I'm going to give you the lyric and the music now, because, you know, because (speaker walks away from mike to give Mr. Holmes copy of lyrics) -- just to add to your collection.

MR. HOLMES: My collection. He's going to give me the record. Okay, thank you very much.

ASSEMBLYMAN SCHUBER: That was in lieu of him going two rounds with you, that he wanted. (laughter)

MR. HOLMES: Yeah, right.

ASSEMBLYMAN ZANGARI: I did take a few punches, you know, in my younger days.

ASSEMBLYMAN SCHUBER: Champ, one last question, and then I'm going to thank you for being with us. Do you think -- what would your advice be to Sugar Ray Leonard? Should he get back in that ring again with Marvin Hagler?

MR. HOLMES: Well, you know, it's kind of hard to tell a guy not to make \$10 million. (laughter) But, Sugar Ray and I, we went through the 1972 Olympics together. We both lost, and I turned professional; he stayed amateur, and he had the

opportunity to win the Gold Medal. Watching Ray fight through the years, and which I told him not to retire from the beginning, because I thought he could have beaten Marvin Hagler. He had the mobility, lateral movement, the hand speed, the quickness, and a great, great athlete. What I think he needs now is a couple of fights. I don't think he should go right back into a fight such as Marvin Hagler, because Marvin don't care about anybody or anything. So, Sugar Ray should take a couple fights, and see how he feels, and go ahead in there. And that way, if he loses, he'll still be \$10 million richer. (laughter)

ASSEMBLYMAN SCHUBER: Champ, thank you very much. We appreciate your graciousness of being here today, and answering all the questions that we had with regard to this important subject. And a subject I think is important to the State of New Jersey since the advent of Atlantic City and the boxing that's come in it's wake. And we do have a positive role, I feel, in protecting the boxer and ensuring the integrity of the sport. As I've indicated to you, we do not favor the ban of it, but we do think that there's further regulation that's necessary. We have been blessed here, in the State, with a fine new Commissioner in Larry Hazzard, who has been working well with the Committee; has impressed all the Committee members. And I think, the future of New Jersey for boxing is rosey, anyway. And we appreciate you coming all the way down to be with us. Thank you very much.

MR. HOLMES: Thank you.

ASSEMBLYMAN SCHUBER: There will be a ten minute recess.

(RECESS)

(AFTER RECESS)

ASSEMBLYMAN SCHUBER: May we call this meeting back to order?

Our next witness will be the Commissioner -- our new Director, Commissioner Hazzard. Mr. Hazzard, I apologize for the delay on this, and I appreciate your patience in being with us. I note that the champion, Larry Holmes, has the same feeling towards you as all of the members of the Committee do. We're very, very pleased to have you back. And, what we're kind of concentrating on today is the issue of the licensing of promoters, and I know you have a statement -- an opening statement you'd like to make, and I'll just let you go ahead and start that, all right?

COMMISSIONER LARRY HAZZARD: Okay. Relative to background checks of promoters, several efforts have been made by the New Jersey State Athletic Control Board to initiate background checks on licenses -- licensees and applicants. This Board is periodically providing the Casino Control Commission with a listing of Board licensees, and requesting the Commission to identify those firms and individual that have been granted licenses by the Commission.

Those firms and individuals that are licensed in good standing by the Commission, we feel should not require further investigations. However, we hopefully plan to initiate, with the Division of State Police, a policy or a procedure in which we would require the assistance of the State Police to implement background checks of those individuals who do not do business in the casinos. The scope of this program will be developed with the State Police. The existing laws and rules also provide sufficient authority to call for a hearing prior to the suspension, and to suspend or revoke the license when the facts warrant such actions.

NJAC 13:46, 18.2 provides for punishing a boxing promoter who deals with an unlicensed manager. Of course, the license application for a promoter requires that a New Jersey license matchmaker be identified. NJAC 13:46, 6.10 clearly forbids unlicensed managers dealing with promoters or matchmakers.

NJAC 13:46, 6.11 specifically states, "No unlicensed person shall book or schedule a match until issued a manager's license." NJAC 13:46, 19.3 forbids matchmakers from dealing with unlicensed managers. The present situation that exists in the State of New Jersey, in the licensing of promoters, matchmakers, boxers, and all individuals who compete in boxing here, consist mainly of -- and I'd like to share this with you. (hands documents to Chairman) For your study, these are our applications for licensing.

ASSEMBLYMAN SCHUBER: Okay. For the record, Mr. Hazzard has provided to the Committee with the forms that are utilized by the State Athletic Commission for the purpose of licensing the various and sundry personnel involved in a fight game; is that right, Larry?

COMMISSIONER HAZZARD: That's right.

ASSEMBLYMAN SCHUBER: Okay.

COMMISSIONER HAZZARD: Now, as it exists now, if a promoter wishes to apply for a license in the State of New Jersey, he applies to our Agency. Our rules and regulations stipulate that the promoter must, of course, apply through application. And the application consists mainly of the traditional, general, questionnaire-type application.

He must also specify in what region of the State he wishes to promote. Those individuals who wish to promote in the Southern region, basically, apply to do so because they wish to promote in the casinos.

ASSEMBLYMAN SCHUBER: As I think you already testified before, there's three regions, is that correct?

COMMISSIONER HAZZARD: There are three regions of the State. The State is divided up into three regions.

ASSEMBLYMAN SCHUBER: Right.

COMMISSIONER HAZZARD: A promoter must apply for a license for each region he wishes to promote. In other words, there is not just one license that allows him to promote throughout the State.

ASSEMBLYMAN SCHUBER: It's a regional license.

COMMISSIONER HAZZARD: It's a regional license: North, Central and South. And as I stated previously, those individuals who request southern region licenses, for the most part, intend to -- at some point or another -- operate out of the casino. The Casino Gaming Commission has their own policies and procedures relative to promoters who wish to promote within the casino, which includes some type of background check which I am not really that familiar with, in substance.

ASSEMBLYMAN SCHUBER: Larry, how good is a -- how long is a license good for?

COMMISSIONER HAZZARD: One year.

ASSEMBLYMAN SCHUBER: One year?

COMMISSIONER HAZZARD: Yes.

Now, the position that we have is this -- is that background checks of individuals in the boxing industry is something that we want. Our Agency wants background checks. Any activities, or any policies or procedures relative to background checks initiated by the New Jersey State Athletic Control Board is strictly contingent upon us receiving appropriations of extra money and staff. We have applied for such appropriations; to date, we have not received it.

Now, any assistance that this Committee could give us in that respect, we certainly welcome it, because we are with you in that respect. We want what you want. We want to make sure that the individuals involved in the sport of boxing are

beyond approach -- reproach, especially the promoters and the managers.

I must also add that I feel that, in all fairness to the individuals involved in boxing -- is that the in-depth type of background checks that we see here, be basically restricted to boxing -- to promoters and managers, because they are the individuals, certainly, who are most apt to gain from any types of activities which we are trying to restrict. And, of course, the whole concept of boxing, we all recognize -- and certainly, I would not deny there are youngsters involved in the sport who have had troubled lifestyles, and I would not like to see restrictions placed on an individual who, perhaps, is looking to redirect his life, held against him because of a mistake that he has made somewhere in his background; and something that is revealed through a background check may prevent that, in certain instances.

ASSEMBLYMAN SCHUBER: I can understand that.

COMMISSIONER HAZZARD: Okay.

At the present time, the Casino Gaming Commission, I understand, does a very thorough background examination of those individuals who apply. But I also understand that these individuals are allowed to operate while that process is going on. We rely on any results that they would find -- as a result of a background check -- against an individual who is licensed by our Agency. And I'm sure that -- depending upon what they find, certainly -- would have an impact on us continuing to license that individual.

I'm sure that once we receive the proper funding to initiate a program, certainly, we would have to establish certain criteria within our Agency, and that criteria, of course, may not be as stringent as the criteria which the Casino Gaming Commission has, for various reasons. You know, an individual may not qualify to operate in a casino, but he may be okay to operate within the State of New Jersey as a

promoter. I mean, that's something that certainly has to be looked at, in all fairness.

So, at this point, that's the basic approach that we use.

ASSEMBLYMAN SCHUBER: Commissioner, at the present time, is it part of your budgetary proposal -- for more money, with regard to regulation or providing for the program that you seek to implement?

COMMISSIONER HAZZARD: Yes. Yes.

ASSEMBLYMAN SCHUBER: I assume that's obviously pending budget review?

COMMISSIONER HAZZARD: That's all pending--

ASSEMBLYMAN SCHUBER: Pending the outcome of the budget.

COMMISSIONER HAZZARD: There are a number of items that are, at this point, strapping us to a standstill. One of the most critical items on my personal agenda, for boxing in the State of New Jersey, is the pension system for boxers.

ASSEMBLYMAN SCHUBER: Yes.

COMMISSIONER HAZZARD: You see, we have had a number of reforms. We have had a number of rule modifications and revisions. Now, we have begun-- We have been enforcing those revisions; we have been enforcing those procedures. Now, we have to -- as we move along, we have to reach a point where we have to stop and take a look at what we're doing, and then after a certain period of time we have to go back and say, "Well, let's stay where we are." As a Commissioner, my administration and I -- we have gotten to the point where we have basically done all that we could do at this point -- enforcing rules and regulations, setting the type of climate that would enhance boxing in New Jersey.

Certainly, the message is clear that we are going in a new direction. But now, many other things that we wish to implement -- and I'm sure the State of New Jersey, since

there's a tremendous focus on the sport of boxing here now -- we would certainly get a lot of mileage out of a lot of other things that are contingent upon the naming of the third member of the Athletic Control Board. Now, I know that you have a great interest in that Advisory Council, etcetera, etcetera. However, we cannot even begin to set the Council up until that third member is named. We cannot begin to do certain studies on the thumbless glove, etcetera. We have begun to initiate our own study, because that's contingent upon the naming of the third member of the Board.

Certainly, the top priority on my agenda -- the pension plan. We cannot begin to even look at a pension plan for boxers in the State of New Jersey until they name the third member of that Board.

ASSEMBLYMAN SCHUBER: I would agree with you. I think that it's not the purpose-- As the hearings have gone, it's not our purpose, really, to rush in with more regulations over the regulations that we already have. And in fact, utilizing the proposed bill as a touchstone, we're trying to really just get some information as to how the past legislation that we implemented a year ago is working, and how the new regulations that you have implemented, and your successor have implemented -- how they're working, really, and not really to duplicate them if it's not necessary.

And, we appreciate you for helping us, enlighten us to many of the things that have taken place, I guess, really since the SCR report had come out and you have come aboard. There are other areas, again, that we're looking at as to -- maybe there's some need for further legislation to give you that, too, and in the area of regulation of one of the promoters -- that's one of the ones we're looking at.

But we're certainly gratified and encouraged by your proposals and plans that you've outlined last time and today, and heartily endorsed them; and urged all other departments and

personnel who are involved to assist you in doing your job, but I again reiterate that it is absolutely essential that the senators put aside their differences and work with the executive for the purpose of clearing that last appointment to the board so that we can get on with the vital work of this Commission. I think it's gone on too long, and it's really, basically, almost dragged as an anchor, the progress that you would like to make with everybody on board and the establishment of the Medical Advisory Board. And I'm only hoping -- I made that statement the last time, and then I thought we were imminent, and then I don't see any -- unfortunately, yet, I don't see any action. I'm hoping that that can be cleared up shortly, so that you can go about your work as you wish to do.

COMMISSIONER HAZZARD: Yeah. I have no problem with items being made laws, or bills -- I have no problem with that. I'm all for that. I'm for reform, because reform means change. Certainly you can't make progress without change, in many respects. But, we're basically now at a standstill in certain respects.

ASSEMBLYMAN SCHUBER: I appreciate that. I appreciate that it's way beyond your control. But we recognize this too, Commissioner-- As in deference to yourself, we recognize that reform sometimes doesn't take the form of a piece of legislation, but can take the form of an individual. We view you as a symbol of the reform that we're seeking to implement, so that we're very pleased with that and we want to make sure that you're given all of the opportunity and all of the tools to do your work with. And hopefully, that logjam will ease shortly, I would hope.

Are there any questions for Commissioner Hazzard?
Assemblyman DiGaetano?

ASSEMBLYMAN DiGAETANO: Commissioner, there are-- You have presented us with some multi-colored cards and some

applications which are in the booklet form, or several pages. Is it our understanding -- Is it correct, our understanding that the cards are being replaced, or are the cards -- the multi-colored cards still in effect?

COMMISSIONER HAZZARD: Well, the cards are basically for filing purposes. If you look at the longer-type application, the card is basically a supplement to the long form. And it's basically for filing purposes. So is the long form. Much of that information-- There's another form that is a part of our pre-fight procedure, what we call a boxer information sheet. We use all types of forms to get as much information about an individual involved in the sport as possible. Much of that information that would even appear on those forms are in our computers, also. So, it's basically for filing purposes.

ASSEMBLYMAN DiGAETANO: It's my understanding -- and I'm not sure if it's correct, but it has been relayed to me that one could fill out the application or the card, let's say, even the night of a fight to become a second, or a manager or something of that sort. Is that the case, and if that is the case, is one permitted to act in that capacity pending review of the application?

COMMISSIONER HAZZARD: Yes, that's the approach. The philosophy here is that one can act in that capacity, pending a review of that application.

ASSEMBLYMAN DiGAETANO: So, as the procedure currently stands, then, let's say anyone in particular -- myself or anyone else -- could, let's say, at ringside, or at some arena, be signed -- fill out this application for a manager or second, and act, in fact, in that capacity, immediately? As soon as the card is turned in, let's say?

COMMISSIONER HAZZARD: Well, basically, that's for seconds.

ASSEMBLYMAN DiGAETANO: That's correct.

COMMISSIONER HAZZARD: That's basically for seconds. A manager and his seconds are different. It couldn't be done at ringside -- it wouldn't be pre-fight activity, in the morning. That could be done. Basically, that's an accommodation for out-of-staters--

ASSEMBLYMAN DiGAETANO: Right.

COMMISSIONER HAZZARD: --although we do have individuals in-state who may not currently be licensed, and they are given that opportunity. But, that's basically for seconds.

ASSEMBLYMAN DiGAETANO: Okay. Is there an approximate time that you can offer to this Committee as to the adjudication of these applications -- the termination of whether these people are fit to operate in that particular capacity?

COMMISSIONER HAZZARD: Well, the capacity that we have, and that's basically reviewing the application, relying on a lot of information and familiarity that we have with individuals based on the information that they give us. An individual may state that he's licensed in Pennsylvania -- I could say a turnaround time of about a week, we could make that type of determination.

ASSEMBLYMAN DiGAETANO: We heard-- I'm sure you heard testimony earlier from Mr. Holmes, with regard to the officials ringside -- the judges, etcetera, and it was his recommendation, which I eventually stated for him, that the fighters involved, or their camps, let's say, have the opportunity to reject one or more of the officials prior to the fight. Do you have any particular feelings on that? Do you have any suggestions to offer to the Committee?

COMMISSIONER HAZZARD: Yeah, well, I don't want you to be misled, because Larry was expressing his views, and you must understand, too, that Larry has just come off a very traumatic experience in Las Vegas. There's a bit-- See, you have to

understand that Larry's presentation was somewhat based on a lot of different situations. He's talking primarily -- although he did not say it -- world championship fights, because you have to understand the procedure that's involved in appointing officials to world championship fights.

Certainly, at the local commission level, all officials are appointed by the Commissioner. World championship fights are basically regulated by one of three world regulating bibles: World Boxing Council, World Boxing Association, or the International Boxing Federation. Usually, the president of the body that sanctioned the world championship fight makes the appointments of the officials to that particular fight.

Now, some of the activity that Larry described to you -- you know, I can't validate or certify, and certainly, I won't try to refute any of his statements. However, I can only speak for the State of New Jersey. Nothing is so sacrosanct in the sport of boxing that it cannot be changed, so to speak. However, we are satisfied with the procedure that we use, to which the Commissioner and sometimes, with the assistance of his staff, makes those recommendations or assignments to officials. I would think that, basically, that's the way it's done throughout the boxing community.

You know, I remember, as a boxing referee, I would always receive calls for various assignments from the secretary, or whomever, of the Commissioner of a particular locale. So, Larry may have run into some particular problems in certain situations, but I don't think that we should throw out the baby with the bathwater, based upon one person's negative view of the situation.

ASSEMBLYMAN DIGAETANO: Along these same lines, with regard to the publication, announcement, or what have you, of round-by-round results, do you have any particular feelings on that?

COMMISSIONER HAZZARD: Well, I've always said that, you know-- Larry has it as an individual; or-- As a boxing commissioner, I cannot make decisions based upon my own personal feelings. That would not be fair to the industry; certainly, not fair to those involved. However, you know, certain feelings do play a part. I like to-- I try to be an open-minded person when it comes to making decisions. If the feedback is positive from the boxing community, from the fans, from those for whose purposes we exist -- if that's what they feel they want, then certainly, I will be open to the idea. I don't think that we should do anything in a knee-jerk fashion, relative to boxing. I think that it takes careful evaluation, it takes study; but you have to take the open-minded approach.

Personally, I don't like it, for certain personal reasons. However, there are other arguments that will negate my own personal feelings. So, I'm waiting while the jury is still out right now. Certainly, if I was approached and it was felt that we should try, I would even be open to trying it here. And I think that that's the approach that we have to take, when it comes to boxing. Whatever's good for the sport, whatever will tend to make the sport beyond reproach -- then we should be open-minded enough to make an attempt to try it.

ASSEMBLYMAN DiGAETANO: If I may, with regard to the judges again-- Is there an oversight; is there some oversight as to their performance, in cases where maybe two cards have the fight heavily balanced -- heavily weighed in one direction, and the third card has it the opposite? I mean, is there a drastic difference -- is there any oversight as to that?

COMMISSIONER HAZZARD: Well, I'll tell you personally what I think the main problem in boxing judging is. Pretty soon, we will be going to a more uniform type of system -- point system.

I think that education is very key in this situation, also. Judges, of course, render a great deal of subjectivity

into what they do. I think, sometimes, they are misguided in how they approach towards judging a fight should go. Consistency is the key to good judging. In a particular round, if certain occurrences take place, then the judges should be educated as to how they should score according to the occurrences that took place, you see. The point disparity -- if you will allow me-- Most world championship fights are scored on what is known as a 10-point "must" system, and most commissions use that. That means that if a boxer wins the round, he should get 10 points; and if his opponent who lost the round should get nine or less, so what happens here is that you have to do a number of things. You have to first determine who won the right.

Then, you have to determine not how many points the man who won the round gets, because that's already -- you already told him what to do, he gets 10. You have to determine now how much disparity should exist between the individual who won the round and the individual who lost. Therefore, certain types of occurrences have to be identified beforehand so that you are guided in distributing those points. It's a common rule -- it's not a written rule -- that in the sport of boxing, unless a man gets knocked down, the round will usually go 10-9, 10-9. Then, if a fellow scores a knock-down, then it will be 10 for him and eight for the other guy.

Here's where the big disparity comes, and the unfairness. If you and I are in a boxing match, and you just barely win your round, you get 10 and I get nine. What happens in the following round, if I unquestionably win the round; there's no question in anyone's mind that I won the round? Is it fair that I now get 10 and you get nine also? There's certainly a difference in the quality of which I won my round, as opposed to how you won. Therefore, it should be 10 for me and eight for you. That should be consistent. The judges should be schooled in that concept.

Then, of course, if it happens again, and I unquestionably win the round and knock you down once or twice, it certainly would be unfair for it to be 10-8 again. It should be 10-7 now. And in the long run, the fairness will surface. But, they have to be educated as to how it should be done, and they have to -- these situations should be identified. They should be schooling processes -- seminars, which we conduct -- in which the officials have to be schooled. I think that that's a problem in the judging.

ASSEMBLYMAN DiGAETANO: Do you have any of that in the planning stages? Are you working toward that end now?

COMMISSIONER HAZZARD: We already do it. And we will continue to do it, with greater emphasis being placed on the distribution of the points.

ASSEMBLYMAN DiGAETANO: And just one final question: With regard to the matchmaking, how much -- what degree of oversight is there with regard to the matchmaking, to prevent a lopsided contest -- to prevent injury to a fighter who really doesn't belong in the ring with another fighter?

COMMISSIONER HAZZARD: Well, contrary-- Again, just slightly contrary to what Larry said, because, you know, Larry and I have a great deal of respect-- But you have to remember, Larry is speaking from a boxer's point of view. I'm a regulator, with that experience, also.

You can't go entirely on a boxer's record; that's number one, okay? Because records don't tell the full story. I'm sure your Mark Brelands and all of the other kids show you that -- the records don't really. Sometimes, there is an oversight, but the Commissions -- those of us who are the real caretakers of the sport -- have to have the experience, the knowledge, the wherewithal of knowing what type of research must be done in order to try to put the pressure on the matchmakers and try to get the type of data that we need to help us determine whether a bout is evenly matched.

And believe me, there is a great deal of data and research out there. If you are a boxer in these United States, you can't run -- you know, you just can't hide everywhere. And most of the boxing commissions in this country do put forth a cooperative effort, and you can make phone calls.

Boxing activity is not that great all over this country, by the way. There's only about seven or eight states that really have a lot of boxing. So, it's not as enormous as it may seem. If I want to find out some information about a kid from California or from Las Vegas, it's not very hard -- or even from South Carolina. Then you, as a boxing commissioner and as anyone -- a matchmaker -- you know, your experience and your know-how comes very much into play here. You see, you know that there are certain states that are dangerous in that the boxers from those states really are not that good. That's a common fact, you see. Or, you know that there are other states where there's a great deal of activity, where there are a lot of well-schooled athletes -- such as Detroit, California, Mexico-- These are areas that you're aware of, so that when you get youngsters from these areas, you take a closer look. You make an extra phone call. And there's a great deal of research that's out there, and you share it with other Commissions.

So, yes, if you are a little laissez-faire in your approach towards researching and towards putting the pressure where it belongs on the matchmakers, you see, in doing that, then yes, oversights can occur.

ASSEMBLYMAN DiGAETANO: This is one last thing that occurred to me while you were speaking. With regard to the educational process, in your particular field of expertise, I have witnessed you refereeing on several occasions, and I know that your interest as a referee has always been to prevent either fighter for being injured. But I've also seen other referees who, in my opinion and some others' opinion, have

allowed a fight to go on longer than it should have, and endangered one of the fighters. Is that educational process being extended to the referees as well as to the judges, let's say?

COMMISSIONER HAZZARD: Yes, yes. Here, it is.

Let me tell you something very strange about refereeing. Refereeing is a very sensitive monster, in that almost every referee who's been out there, let's say, 5-10 years, he thinks that he's the greatest referee in the world. And there is, for some reason, a resistance from referees to take constructive criticism. Now, as a former referee, I can tell you that. You will find a few referees who will probably admit to that, but I know that to be a fact.

Also, the approach that many of my colleagues in the refereeing fraternity take towards their art, or science, is not the correct approach. They do not see themselves, in many instances, as students of the game. You never can -- you never know it all. The time that should be devoted towards that craft, I have some question as to whether they devote that type of time to it. The seriousness of what they do -- I have some question as to whether they understand the seriousness and the great responsibilities that they have. And then the honesty. I think that a referee should reach a point in his career where he recognizes that he is losing a step; where he recognizes that his reflexes are slowing down. Then, he should move on. That's very, very hard to do because once again, it gets to a point sometimes where the glamour and the visibility and the money comes into it. Sad, but true.

But we recognize that, and I think that, not only this Commission but commissions throughout, are beginning to try to do what's necessary to address that situation. I've taken the approach that we will only use our best. And we get gripes all the time. If you can't accept the constructive criticism, if you can't address the job in the meticulous fashion that it

demands, then we can't use you, because our sport is in jeopardy. Certainly, I think that the referee is the one individual, after all is said and done, who stands between a boxer getting seriously injured, and one who does not. And if he doesn't have the courage to do what's necessary and then have the knowledge and the ability to interpret why he took a certain action, then he should not be in the ring, as a referee.

ASSEMBLYMAN DIGAETANO: Thank you.

ASSEMBLYMAN SCHUBER: Assemblyman Muziani?

ASSEMBLYMAN MUZIANI: Yes. Commissioner, I have been reading over these cards where you file application for manager, boxing license, wrestler's license. They all have something in common that I don't see on the application for promoter. They ask the question, have you ever been convicted of a crime? All these ask that question, whether you're applying for a license to box, or to wrestle, or a manager. But to promote -- on this application, there's no question here about, have you ever been convicted of a crime, on that one? Why is that?

COMMISSIONER HAZZARD: Well, we have reviewed many of our applications, and what you say is correct. On our new applications, the revisions will include questions such as that. These are applications that had been used; and we have been in the process of reviewing our applications and reconstructing some of the questions that will be asked to promoters and all individuals, including our boxer, manager, contractors, etcetera.

The reason why that question was not included on that application, I don't know. That's something that has been used up until this point. But we have reviewed all of our applications, and all of those vital types of questions will be asked.

ASSEMBLYMAN MUZIANI: Let me ask you this question then, Commissioner. Suppose a promoter does answer a question

that's been asked of him as to whether or not he's been convicted of a crime -- or a fighter, or a wrestler. Just how much credence is that given? What does that mean, if you're convicted of a crime? If you're convicted of a crime, you do not get a license no matter what the crime might be? How does that work?

COMMISSIONER HAZZARD: Well, our regulations provide that we do have the authority to deny an individual a license for crimes of moral turpitude, or crimes that would be not within the best interest of our sport.

ASSEMBLYMAN MUZIANI: Is it specifically spelled out as to what qualifies for a license if you've been convicted of a crime, and what does not qualify you? Is that specifically-

COMMISSIONER HAZZARD: There's no-- In other words there's no crime system. In other words, there's no values -- just the (indiscernible) crime that's used. Certainly, if you've been convicted of murder, that might be a disqualifier.

ASSEMBLYMAN MUZIANI: But, is it specifically stated somewhere, where that is a disqualifier?

COMMISSIONER HAZZARD: No. It just states, crimes of moral turpitude, so whatever your interpretation is of that -- that's the qualifier, or the disqualifier.

ASSEMBLYMAN MUZIANI: So, it leaves it up to somebody's interpretation?

COMMISSIONER HAZZARD: Yes, it does. Yes, it does, basically.

ASSEMBLYMAN MUZIANI: Would you suggest that we as a Committee should consider strengthening that particular concept, as far as crimes are concerned?

COMMISSIONER HAZZARD: Well, I would suggest that throughout this whole background procedure, that my Agency be allowed to set up criteria of acceptance or rejection. I would like to have our agency play some part in that, and then that whole system, or that whole situation of this question of crime

-- have you ever been convicted of a crime? It may be yes, however, we may want to know, have you -- well, if you've been convicted, more than likely, you've served time. Now, if you've served time, then, since getting out -- since paying your debt to society -- you know, what have you done to rehabilitate yourself in that process? Are you involved in any programs of rehabilitation, etcetera, etcetera?

I'm sure that that type of documentation would certainly help us to make some decision as to whether this individual made a mistake in his life, and is now trying to make amends. Or perhaps this individual made a mistake in his life, did his time, and really, is showing no indication as to whether he is trying to rehabilitate himself. And I think that we, certainly, have here the expertise and the experience to make that type of determination.

ASSEMBLYMAN MUZIANI: Okay. I just have one more question. If we were to ever consider reforms, and that's what we're talking about here today -- as far as New Jersey is concerned, and the areas of medical examinations, and the problems with the gloves and pension funds and time between fights and headgear, and whatever else-- We do this, in the State of New Jersey, and it is not done by way of Federal regulations, so that New Jersey might have more regulations and rules that they don't have elsewhere. How will that impact the profession in this State? How will that have a way of discouraging promoters from coming into this State, or--

COMMISSIONER HAZZARD: Well, I can tell you how it has impacted.

ASSEMBLYMAN MUZIANI: Or, why can't we get together and get these Federal regulations going?

COMMISSIONER HAZZARD: You say Federal regulations--

ASSEMBLYMAN MUZIANI: Well, I mean, to be consistent among all the States.

COMMISSIONER HAZZARD: Oh, I have no problem with

that. I'd love to see uniformity throughout the States. I'd love to see that. And if it takes a Federal commission to do it, then for the benefit of the sport of boxing, then go with the Federal commission. I have no problem with that.

See, I serve the sport. I have no self-serving interest. Whatever's good for the sport of boxing, that's what I want. I want to give something back to something that gave something to me. Now, I have no problem with-- I'd love to see uniformity. I also love to see New Jersey go first, if we have to. I'd like to see other states adopt some of the things that we're doing, because a leader should go first. But I have no problem with Federal regulations, a national commission -- I have no problem with any of that.

I would like to see the day that if you get rejected in the State of New Jersey, because of certain medical disqualifiers, that you go to the State of New York or the State of Pennsylvania, or Las Vegas, and get rejected for the same reason. I would like to see the day in which all states have the same scoring system. I would like to see the day that the same criteria is used for appointing officials unified -- uniformly. I would like to see all of it become uniform. Whatever approach you wish to take to get uniformity, then I would back you 100%. So, I have no problem with that. I have no problem with anything that's good for the sport of boxing. I want to make that very clear: I have no problem whatsoever. As long as I'm comfortable and satisfied that it's good for the sport of boxing, then you have my 100% support.

ASSEMBLYMAN MUZIANI: I agree with you, and I would support any efforts to get this on a consistent basis. But just let me ask you the question again: If we only, in the State of New Jersey, have these regulations and these reforms we feel are necessary and important, and are really a must -- and they don't do it elsewhere -- how will that impact this State, as far as boxing's concerned?

COMMISSIONER HAZZARD: Well, I'll tell you how it has impacted the State. It certainly has not take away from us.

ASSEMBLYMAN MUZIANI: Okay.

COMMISSIONER HAZZARD: You see, New Jersey is known as "the boxer's State." The boxers are the reasons why we exist. That has not always been that way. I was a part of the boxing fraternity; I know. I'm speaking from experience. Now I'm in a position to be the lobbyist for the boxer. Keeping in mind that the promoters and the managers and everyone else, they are providing a service to the boxers, but we must always keep the main focus on what's good for the boxer.

So, to date, boxing in New Jersey has not suffered because of our reforms. The only problems that we encountered in New Jersey is that what we have done represented a massive change. And you know, whenever there's change, there's always that natural resistance. Now, most of that natural resistance is subsiding. Certainly, boxers and managers and promoters know that what we are doing is right; they are not stupid. They know that it's ridiculous to just give a boxer the general examination and say, "Okay, you're okay -- box." They know that. These people are not stupid. But you have to remember that they're business people also, promoters. And, if you let them get away with it, then that's on you. And, if anyone has to dodge the bullet, then, hey -- the Commissioner allowed it, so that it hasn't impacted on us.

What's going to happen is that because of what we're doing, other states are going to begin to adopt our policies and procedures. I was called to Rhode Island a week ago -- the Rhode Island Boxing and Racing Commission. I went there to give a seminar to their officials. I'm called all over the country to share our views, our policies, and our procedures. We are recognized as the leaders here. We should not have fear, of what-- Well, let's say that what we do does impact on the State, financially, in terms of promoters not wanting to

come here. So what? If what we're doing is right, then shit, what do we put as our top priority -- getting you, the promoter -- fight here and breaking all the rules? I can show you promoters that -- who can convince you, or anyone else up there, because they won't be able to convince me, that every rule -- they could break every rule and show you how it will work -- "Oh, this'll work fine." See?

So, if it means losing 10, 15 fights a year, then you have to decide what you want. Do you want volume or do you want quality? Do you want safety, or do you want chaos? You know, you have to put your priorities in order. Now, I think I have my priorities in order. We want safety. Suddenly, I think that that's what everybody wants. If it means losing volume to get safety, then so what? You can't have it both.

ASSEMBLYMAN MUZIANI: All I can say, Commissioner, is that you've said exactly what I hoped you would say. And I applaud you for those comments. That's all.

ASSEMBLYMAN SCHUBER: Thank you, Assemblyman Muziani. Assemblywoman Crecco?

ASSEMBLYWOMAN CRECCO: I just wanted to ask you a question about -- in reference to the judges and the referees. What is the prerequisite for appointing and/or hiring them? Do you have specifics?

COMMISSIONER HAZZARD: Well, yes. As a matter of fact, our regulations do provide for a philosophy, which I certainly endorse, even before I knew it was a regulation. I've always felt that-- And of course, you have to pardon me; a lot of this is based upon the way which I came. I have always felt that a good referee or judge must have spent some time learning the basics of the craft at the amateur level. You know, you go to elementary school, and that teaches you and prepares you for the next step, etcetera. So, it's ridiculous to do -- because some guy sits down at home and watches fights on television, to think that he's a great judge, to be hiring

people like that. And I certainly don't think that it does anything for the morale of the youngsters who are trying at the amateur level.

I think that at some point, as the need arises, you should reach back into the amateur level and try to bring in those young men and women who have spent at least a number of years on regulations -- I believe, three years; I'm not sure. It's between three and five. I think that it's only fair that we at least reach back and try to bring those individuals in as the need arises.

We have to also look at the situation as to when we have to decide when we have to move people on, hopefully, to some other aspect of the sport, if its' there. But certainly, I believe that that should be the qualifier. I think that an individual should get involved at the amateur level, and pay his dues, so to speak. It would make me feel a little bit more comfortable, that he did have some pre-training, and then we'd bring him up.

ASSEMBLYWOMAN CRECCO: Thank you.

ASSEMBLYMAN SCHUBER: Thank you, Assemblywoman Crecco.

Commissioner Hazzard, thank you very much for being with us and sharing your thoughts. We would appreciate it if you would supply the Committee-- As you reform your forms, would you provide us with copies of them so we could have the benefit of looking at them also?

COMMISSIONER HAZZARD: Okay.

ASSEMBLYMAN SCHUBER: Thank you very much. We appreciate it.

COMMISSIONER HAZZARD: Thank you.

ASSEMBLYMAN SCHUBER: And we're sorry for the delay.

Next we are going to hear from the Division of Gaming Enforcement. Do we have Mitchell Schwefel, Deputy AG, and Patricia Wild, Deputy AG? (affirmative response from audience) As they say in the game shows, "Come on down."

M I T C H E L L S C H W E F E L: How do you do, Assemblywoman and Assemblymen. My name is Mitch Schwefel, as you indicated, and Pat Wild is with me. I am with the Division of Gaming Enforcement. We are an arm of the Attorney General's office. I notice there are representatives here from the Commission, and I guess I would be best advised to give you just an overview of where we fit into the boxing regulation scheme.

Essentially, the licensing process at the casinos requires licensure for registration in order to conduct business. Anyone who receives moneys from the casinos has to be either a registrant or a license holder. The basic concept is that anyone who does regular and continuing business, or who makes \$50,000 with one casino, or \$150,000 with three casinos or more, must be a license holder. If that person is involved in an activity that is not gaming related, that is, it does not involve slot machine manufacturing, or gaming table manufacturing, then that person must comply with the registration and licensing requirements under the purview of Statute 92-C. Essentially that means that they must apply, or be brought into our system, and they can continue to work in our system pending the resolution of their background investigation, as I believe Commissioner Hazzard made reference to.

When someone comes into our system and contracts with a casino, the Casino Control Commission, which is a separate agency under the Department of the Treasury, I believe, keeps a tab on the amount of moneys that individual or company has done. When they reach over \$50,000, again as I told you, they are asked to file. Prior to that, the casino files a vendor registration form with the Casino Control Commission, which includes information of a biographical type. That is sent to us, and we do a background check -- a preliminary background check. That person may conduct business with a casino,

providing he passes a preliminary background check, which is essentially a three-way check. Once that person is asked to file for a license, then the degree of cooperation and investigation is extensive. The Commission supplies that individual or that entity with a fairly comprehensive set of forms.

Boxing promoters-- I should point out firstly that the system is geared so that only those individuals who derive or receive moneys from the casino are in the system; that is, if a boxing promoter receives the moneys for a fight -- for a set of fights, or a card -- and disseminates the moneys to the fighters and the trainers, only the boxing promoter is required to be licensed in our system. We do not regulate -- investigate the boxers. As it turns out, in this system the promoters, institutionally, are the people who receive the funds. There are other individuals in the system who are consultants, people who handle the TV rights and broadcasts of the fights, who also get paid occasionally directly by the casinos. But the boxers themselves, and the trainers -- that whole aspect of the industry -- are not paid directly, and hence they are not required to be licensed.

So our focus, again, is directed toward those individuals who receive the payments from the casinos. Again, they may get paid initially without having to file a license, but after they reach a \$50,000 level, they are asked, by the Commission, to file.

Now the license application they receive is-- I have one copy which I will give to the Chair.

ASSEMBLYMAN SCHUBER: Do all boxing promoters fill this out?

MR. SCHWEFEL: Any boxing promoter-- Again, if a boxing promoter comes into New Jersey and promotes one fight--

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: Say he only gets, say, \$25,000, and it is a one-shot deal.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: It is not likely that he will be asked to file for a license. What happens is, the Commission will be notified by the casino that it has a contract with this one promoter, and they file what is called a "Vendor Registration Form." It indicates the name of the promoter, the name of the qualifier, and the owner of the promoting operation. We get that at Gaming Enforcement and we do a background check of a preliminary nature. Providing something extraordinary doesn't jump out, we allow that person -- the Commission allows that person to conduct that fight.

Now, if that individual came in and contracted for a fight and was paid over \$50,000 or more, then the Commission would eventually kick out an application to that promoter. The promoting enterprise would then be sent the following applications. The Commission would then get these.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: After they are filed with the Commission properly, we conduct an investigation. There are different types of applications. There are some very complex applications that the people who want gaming licenses must have, and there are less complex ones for the service industries.

ASSEMBLYMAN SCHUBER: Which one does he get?

MR. SCHWEFEL: He gets a service industry license application. The standard application isn't so complicated; however, because of the nature of the investigation we do, we generally ask the promoter and the top qualifiers in the operation to fill out a more complex form, that is, a PHD-1. It covers a good deal more detailed financial information.

ASSEMBLYMAN SCHUBER: How long does it take to do that background check?

MR. SCHWEFEL: For a promoter? With all things running well, four to eight months, if there aren't any

complications. Because of some complications we've had with various promoters, some investigations have taken considerably longer.

ASSEMBLYMAN SCHUBER: What kind of complications are you talking about?

MR. SCHWEFEL: Well, recently we had the SCI investigation, which took about two and a half years. We had developed superficial information on a number of boxing promoters prior to the commencement of that investigation. The information was not -- in most of those cases -- sufficient to justify an actual objection to the individual. In light of the nature of the SCI proceedings, which included subpoenaing witnesses and the granting of immunity, it was considered to be more prudent on our part to cooperate with the SCI and to hold off on issuing final licensing letters until the completion of the SCI hearing, when we would be able to get possession of all of the testimony that was taken under oath and frequently with immunity.

These are powers which are available to the SCI which they use extensively. In the course of their investigation, we worked closely with them in both surveillance and in exchanging information. Let me give you a copy of it.

This is the basic standard form that a service industry -- 92-C -- would file, and this is the form that a qualifier -- the owner, principal -- would file in conjunction with that. (Witness demonstrates to Committee the forms he is talking about in front of the Committee table.) Once they are filed, we frequently ask the principals to file what is called the PHD-1, which includes a good deal of financial information.

ASSEMBLYMAN SCHUBER: How many promoters-- Do you know how many promoters you have checked?

MR. SCHWEFEL: There are 12 promoters in our system who have applied for licenses, a CSI-92 -- a 92-C license. Then there are six additional individuals who have not been

asked, at this point, to be licensed, who are, nevertheless, registrants. Either they haven't done the requisite amount of business, or if they have done the business, they haven't done it long enough so that they have been asked to file.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: We, again, as I told you, with registrants, conduct a three-way investigation and, if there is lead information of a negative nature, we will conduct a more extensive investigation because they have an obligation to cooperate. There is one example of an individual who was mentioned in the SCI report, who was a registrant, who was alleged to have ties with undesirables, and who, upon our commencement of the investigation, withdrew from promotional involvement with the casinos. He went up north.

ASSEMBLYMAN SCHUBER: What do you look for to deny-- What would be grounds for you to deny a promoter a license?

MR. SCHWEFEL: Well, as it stands right now, Mr. Chairman, we have-- With the 12 who have been in our system, we asked that one of them be barred from being involved in promoting in Atlantic City because of his refusal to cooperate. He had been an applicant, and he was under investigation by the Federal authorities, and because of his refusal upon the advice of counsel not to cooperate and turn records over, we asked the Commission to prohibit that individual from conducting any activity in New Jersey. The Commission issued -- after some argument -- an order barring him from conducting promotions in the State of New Jersey with the casinos.

We have, in the last few years, objected to three other promoters, one for ties with undesirables -- individuals who have criminal backgrounds, some traditional organized crime, and other traditional criminal cartels. We have objected to one because of allegations that that individual, that promoter, had made filings with the State-taxing

authorities that were fraudulent and improper. We tried that case before the Administrative Law Judges, and it is soon to be brought to the Commission for their final review. The Commission sits as the final judge on any case that we take issue with.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: And we objected to another promoter on the basis of his failure to cooperate, as well as his insertion of inaccurate information in his filings. That case is pending. Generally, we look at the promoter's entire operation, stressing his financial status and his possible relationship with individuals from unsavory elements of society.

As you know from the SCI report, there are allegations that there have been, in the past, traditional associations with boxing promoters. That is an area we look into with great intensity. Our boxing operation is conducted by the Division of Gaming Enforcement; however, in our agency we have State Police, and the State Police are the individuals who do the investigations into the boxing applicants.

ASSEMBLYMAN SCHUBER: Now, you said that on these licensing procedures the background check could take four to eight months. Is that right?

MR. SCHWEFEL: Yes, sir.

ASSEMBLYMAN SCHUBER: What happens to the promoter in the meantime? Is he allowed to promote the fight?

MR. SCHWEFEL: Yes, sir. Again, because of the nature of this sort of license, the applicant is allowed to continue to conduct business, whether he be a boxing promoter or a salesman for linen, providing we don't have initial threshold information of such a degree that requires we go to the Commission and ask for an order, as we did in the one case where the applicant--

ASSEMBLYMAN SCHUBER: Wouldn't cooperate.

MR. SCHWEFEL: --refused to cooperate.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: Again, there are some six registrants -- one of whom I believe is a wrestling operation, a wrestling promotion operation -- who are not actual casino service industry license applicants. They are registrants. They are not yet at the point where they have been asked to file those fairly copious application reports. However, we do three-way police checks on them at the point in time when they enter the system as registrants, and if there is information, we conduct investigations. As I indicated, there was one individual who was featured prominently in the SCI report, who did come down and promote a fight some time ago. As soon as he was confronted with requests for information, he left the area. He didn't withdraw, but he is not active in the industry at this point.

ASSEMBLYMAN SCHUBER: Is it possible to promote a fight in any of the casinos under existing legislation today -- existing regulations, and not file as a registrant or a licensee?

MR. SCHWEFEL: The casinos are required by the Casino Control Act to file, theoretically, 10 days after they sign the agreement and then the registration form. Any time they spend moneys, they are supposed to file -- they are required by law to file the vendor registration form.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: So, if they are going to conduct a fight, using promoting--

ASSEMBLYMAN SCHUBER: It should go on that form then?

MR. SCHWEFEL: It has to be filed. Now, there is a--

ASSEMBLYMAN SCHUBER: Then you will either register them-- They will either be registered or licensed?

MR. SCHWEFEL: Registered or license applicants, one or the other.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: A casino could, theoretically, promote its own fights in-house.

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: In that case, if they were to hire an individual in-house to promote fights--

ASSEMBLYMAN SCHUBER: Right.

MR. SCHWEFEL: --he would not be a service industry company, he would be an in-house employee. I suspect that then they would have to file for the boxers because somebody down the line has to receive the moneys, and whoever receives the moneys is ultimately going to either be asked to be a registrant or an applicant.

ASSEMBLYMAN SCHUBER: To your knowledge, if at all, have any of the casinos failed to register their fights by any of the methods you have explained to us?

MR. SCHWEFEL: No. We have never had an instance, to my knowledge, where they have not registered. We have had late filings, where the contracts have been executed and the fight is within a day or two of a filing, or even maybe almost at the same time we receive the filing. That has happened on a few occasions.

ASSEMBLYMAN SCHUBER: Let me ask you this now. Supposing someone is required to file a full licensing procedure with you, and you let him fight -- or you let him promote, and then later down the pike you find out something heinous about his background, or something that should have disqualified him, what happens then?

MR. SCHWEFEL: Well, we object, and if it reaches the level where it is really a threat to the commonweal, then we ask the Commission to bar him immediately from any future activity. We can't go back in time, obviously. There is nothing we can do about the fights he was previously involved with. But we would ask for an immediate prohibition, as we did, again, in the one case where we had abject failure to cooperate.

ASSEMBLYMAN SCHUBER: Do you have any recommendation you could make to this Committee about anything further that should be done in the way of licensing procedures for these types of activities, based on the SCI report?

MR. SCHWEFEL: Well, I think I prefer to leave that to the Attorney General and to Director Parrillo because it does really pertain to policy. All I can say is that we, again, are somewhat limited in our perspective with the industry because we are only interested in the direct line of payment. While we would, obviously, take action if we were to be made aware of a substitution of boxers, or a fix, or a laydown, or knockdown, we don't, obviously, project most of our resources to that area. So, we have to work very closely with the boxing regulatory authorities. It is important that they be as strong as possible, even in Atlantic City.

ASSEMBLYMAN SCHUBER: What is the difference between the three-way check and the full procedure on the licensing?

MR. SCHWEFEL: Well, the three-way check is essentially a check with the Federal law enforcement authorities, the State law enforcement authorities, and the local police department. In addition to which, in the boxing area, because of the high degree of risk with the alleged associations with unsavory elements, we generally do an intelligence review to discern whether or not there is outstanding intelligence information; in which case, if there is, we dig even further. Intelligence information, in and of itself, is certainly not sufficient to bar anybody as a rule, a generalization, from engaging in business, but it certainly would be an important factor to take into consideration in determining how much of our resources we would devote to an investigation of that sort.

ASSEMBLYMAN SCHUBER: Do any of the Assemblymen have any questions?

ASSEMBLYMAN MUZIANI: The high degree of risk you just

talked about-- When you make these investigations, do I understand you correctly as saying that unless the promoter is paid \$50,000 or more, there is no investigation, and if someone gets paid \$25,000 there is no investigation needed? Is that what you're saying?

MR. SCHWEFEL: If a promoter engages with a casino to put a fight on and he is to be paid less than \$50,000 by that casino--

ASSEMBLYMAN MUZIANI: Right.

MR. SCHWEFEL: --he would not, as a rule, if it was just one fight, because the statute has a lot of nuances -- he would not normally be asked to file an application. However, the casino would be required to file a vendor registration form, which would include biographical information about that promoter. It would include his date of birth, his address, the nature of his business, and anybody who owns a substantial portion of the business, and with that information -- with that information, we would do a background check.

ASSEMBLYMAN MUZIANI: So, if someone had a bad track record and he wanted to do business in New Jersey, all he would have to do is make sure he had contracts that pay him less than \$50,000, and he would have no investigation going on.

MR. SCHWEFEL: No, we do an investigation if it is under \$50,000; it's just not as extensive. But there is an investigation, which includes a check with law enforcement authorities in his domicile, as well as with the State Police, the FBI, and any other law enforcement agency that would be appropriate.

So, no, we do check them all. We just check them far more comprehensively when they actually become formal license applicants. We check them anyway because the casino has to file a form, a vendor registration form, which discloses details about their background; that is, their address, the names of those individuals who are part of the organization -- who own portions of it, etc.

ASSEMBLYMAN MUZIANI: Okay. On the personal profiles I see here, the question, "Have you ever been convicted of a crime?" is asked. Do you have a criteria that you go by as far as making a determination -- if someone has been guilty of a crime -- as to whether or not they are entitled to consideration for a license?

MR. SCHWEFEL: The statute itself contains a section that delineates certain crimes that are by themselves, per se, disqualifiers. If you have been convicted of one of these particular crimes, you are not going to get a license unless you show some extraordinary rehabilitation. There are a good number of crimes that are specifically delineated in the statute.

ASSEMBLYMAN MUZIANI: You say a State statute indicates this, and yet Larry--

MR. SCHWEFEL: Yes, and there are other criteria.

ASSEMBLYMAN MUZIANI: Pardon me?

MR. SCHWEFEL: There are other criteria. If the crime is not delineated-- For instance, if it is a crime that is not included on this list, but if the crime impacts upon that individual's good character, honesty, and integrity, we would still, in some cases, object to that person. You don't have to commit a crime that is specifically delineated in the statute for the Division of Gaming Enforcement to object to a particular individual -- if it is a crime that is not specifically delineated.

ASSEMBLYMAN MUZIANI: Let me ask you a question. If they file an application with the State-- Larry Hazzard was here before you, and he indicated the fact that they have no definite criteria, no specific criteria. An application is submitted and there is a crime indicated there of some kind or another, but they would let it go through because they have no specific, you know, criteria to go by. Then you get it, and you find an objection to it. How do you resolve that? They want it issued; you say no.

MR. SCHWEFEL: We have a very, very idealistic and comprehensive statute, the Casino Control Act. The focus of that statute is to protect the integrity of the casinos and, frankly, it is probably one of the most comprehensive documents of its kind in the world. So, the focus is far more into integrity, good character, honesty, etc. Boxing itself, outside of the casinos, is really a different thing entirely. If a boxing operation is conducted outside of a casino, it may not need to be scrutinized to the same level that we do. I'm not sure, frankly, but I do know that if it is in the casinos, we have to stay within the purview of the statute.

ASSEMBLYMAN MUZIANI: Well, as a hypothetical situation now, where they have said yes to an application and you have said no, how is it resolved?

MR. SCHWEFEL: Well, theoretically, if that were the case and, for instance, it would have been the case with that one promoter who we did take action against, he could promote fights anyplace outside of the casinos.

ASSEMBLYMAN MUZIANI: Not in the casinos? You wouldn't allow him in the casinos?

MR. SCHWEFEL: No, we wouldn't. Again, we have a higher standard of qualification for the Casino Control Act. Frankly, it is higher than most other regulatory schemes in private-sector institutions as well. It is extremely comprehensive, maybe more than necessary for boxing if it is done outside of the casinos. I certainly wouldn't be the person to make that decision.

ASSEMBLYMAN MUZIANI: Those are all the questions I have, Mr. Chairman.

ASSEMBLYMAN SCHUBER: Assemblyman DiGaetano?
Assemblywoman Crecco? (negative responses)

Mr. Schwefel and Ms. Wild, we appreciate your coming to be with us. Ms. Wild, would you like to say anything?

P A T R I C I A W I L D: No, thank you.

ASSEMBLYMAN SCHUBER: Okay. We appreciate it. Thank you for sharing your procedures with us. Certainly, as you know, one of the reasons we are looking into the issue is that the SCI has made some recommendations along the lines of further regulation of promoters in the Atlantic City area's casino ancillary activities. We were interested just to find out what the procedures were and if there was a need for anything else. We appreciate your sharing that with us today. Thank you very much. Give Director Parrillo our best regards, please.

MR. SCHWEFEL: Thank you very much, sir.

ASSEMBLYMAN SCHUBER: I am going to ask the Casino Control Commission-- Debbie Bozarth is here with us, the Legislative Liaison, and Mr. Richard Franz, the Deputy Director of Licensing.

D E B B I E B O Z A R T H: Good afternoon, Mr. Chairman.

ASSEMBLYMAN SCHUBER: Good afternoon, Ms. Bozarth. Did you want to make a statement, or introduce Mr. Franz to the Committee?

MS. BOZARTH: Yes, I do. Richard Franz is the Deputy Director of the Licensing Division of the Casino Control Commission, and he is here today to help me to answer any questions you may have about the Commission's procedure with regard to casino service industry licenses.

I know Mr. Schwefel has given you a fairly extensive outline of the background of the process, and we will just review that briefly with you from the Commission's point of view, and then answer any questions you may have.

As you know, the Casino Control Act provides that employment in the casino industry is a revocable privilege; hence, every employee must apply for it and, if found to be qualified, we see that there is a registration or a license to permit that individual to work in the industry. In addition to the licensing of individuals who actually work in the casino

hotels, the Commission is also responsible for registering and licensing those business entities, both gaming and non-gaming, which conduct business with the casino industry.

Section 92 of the Casino Control Act identifies two types of casino service industries -- gaming and non-gaming. Boxing promoters have been categorized by the Commission as non-gaming entities. The licensing phase of the regulatory process is a critical means of ensuring that the casino industry employs persons of integrity, and that the casino service industries which contract with the casinos to provide goods and services are not engaged in any illegal business practices.

Boxing and wrestling promoters who do business with casino licensees are first reported to the Commission by the casino licensee on the vendor registration form, which Mr. Schwefel described to you. A current review of the Commission's records indicates that 18 promoters have been identified to us in vendor registration filings. When it has been determined that a vendor registrant is conducting business on a regular and continuing basis with a casino licensee, that registrant is then required to file a complete casino service industry application form. Twelve of the 18 promoters in our system have been requested to file for CSI licensure. To date, one promoter has been licensed; one promoter has withdrawn from the system; and, 10 applications are pending.

Applications for non-gaming CSI licenses are permitted to conduct business with casino licensees while their applications are being investigated. As you know, once the application is filed with the Commission, it is transmitted to the Division of Gaming Enforcement for investigation.

If you have any questions, Mr. Franz and I will be delighted to try to field them for you.

ASSEMBLYMAN SCHUBER: What is the difference between a gaming and a non-gaming-- I mean, what is the difference in

the checking on a gaming and a -- between a gaming and a non-gaming license?

MS. BOZARTH: A gaming-related license is a license which actually deals with casino activities -- casino games, equipment, cards, roulette wheels. Those are examples of gaming-related types of activity. Non-gaming related activities are food vendors, boxing and wrestling promoters, and other types of service industries. The difference is that the non-gaming applicant is given a much less extensive review. He is permitted to do business before his application forms are filed. The non-gaming applications must be licensed before they can do business with the casino licensee.

ASSEMBLYMAN MUZIANI: Just the opposite.

ASSEMBLYMAN SCHUBER: No, you mean the opposite.

MS. BOZARTH: I'm sorry, gaming, yes.

ASSEMBLYMAN SCHUBER: I meant between your records at the Casino Control Commission and the DGE's records. Do you have any records of complaints or concerns with regard to the way boxing is promoted in Atlantic City -- something your records would indicate, or what you have heard at your own hearings?

MS. BOZARTH: Not to the best of my knowledge. Again, the Commission is concerned with the integrity of the transaction between the casino and the entity. We are not really involved at all with the actual regulation of the game itself, nor with the members of that entity beyond those who would qualify for licensure.

ASSEMBLYMAN SCHUBER: If a promoter came in operating under a trade name, or a corporate name, or something like that, and, for whatever the reason, kept changing his corporate name as he came in each time, would he be able to escape the system through the licensing procedure, or is there something that keys it in so that the individual is spotlighted?

MS. BOZARTH: Well, the vendor registration form itself asks for the names of the individuals, as well as the names of the entities they are a part of or are representing. Maybe Mr. Franz would be able to address that question.

WILLIAM FRANZ: A couple of things can happen there, Mr. Chairman. As Ms. Bozarth indicated, the vendor registration form does indicate what individuals are involved with each company.

ASSEMBLYMAN SCHUBER: Right.

MR. FRANZ: We transmit that over to the Division of Gaming Enforcement and, as you've heard, in some instances, if they are doing a requisite amount of monetary business, if enough money passes between, we might ask them to be licensed as a casino service industry and file an application. However, the regulations also provide for a number of subjective type criteria which we can use to also request an individual or an enterprise to file a license application. So, it's not simply money. If I understand your question correctly, you are concerned about a company that would change its name or form new corporations and jump in and out and never break the \$50,000 barrier.

ASSEMBLYMAN SCHUBER: Right.

MR. FRANZ: We would still have the authority and the responsibility to go and ask, perhaps, that individual who was forming all those corporations, himself or herself, to be licensed as a casino service industry based upon the overall nature of their business. We do have that authority under the Act and the regulations.

ASSEMBLYMAN SCHUBER: Well, that's what I'm saying, that your forms and your procedures would highlight someone who was attempting to do that.

MR. FRANZ: Our system, at this point, would be able to identify that that individual has come in under other corporations.

ASSEMBLYMAN SCHUBER: Are there any ways in which someone could promote a fight in the casinos and not have to register at all, or escape the licensing procedure?

MR. FRANZ: Under the regulations in the statute the way it is set up, if you are involved in a business transaction with a casino licensee, the casino licensee is required to present to us a copy of the contract. That is done, in part, by the filing of that vendor registration form. So, if there is a business transaction going on, it is the casino licensee's responsibility to file a form with us. So, if a form is not filed, our initial responsibility would be to look to the casino licensee who is involved in that transaction.

ASSEMBLYMAN SCHUBER: Let me ask you this. Supposing that a-- I am not familiar with whether they do this or not. Mr. Schwefel raised this issue, which is the issue of the casino promoting the fight itself, which I assume happens, and then they designate some employee, or someone who is designated as an employee within the organization, to kind of run the thing.

What would prevent that person, that employee now, from going out and getting one of these other promoters to promote -- to really promote the fight from the employee's point of view? Would that show up in your records anywhere?

MR. FRANZ: In the person who is out there getting money for his services, yeah, it should show up because it would seem unlikely that the employee would be paying him out of his own pocket. There would be a reimbursement somewhere, and it should show up on our records.

ASSEMBLYMAN SCHUBER: If there were full reporting, I guess.

MR. FRANZ: That is an assumption you have to go on. Otherwise, it's a possible violation on the part of the casino licensee.

MS. BOZARTH: You also have the situation if the employee is licensed and, therefore, there has been an investigation of that employee.

ASSEMBLYMAN SCHUBER: Okay. So, you are going to have licensed the employee already, and then-- Of course, under your rules, if, in fact, he does go out and get someone else to do this, it should show up in your papers somewhere--

MS. BOZARTH: Exactly.

ASSEMBLYMAN SCHUBER: --you know, if there is full and adequate reporting.

MS. BOZARTH: And if the Division is conducting an investigation, which, you know--

ASSEMBLYMAN SCHUBER: Yeah.

MS. BOZARTH: --is a part of their responsibility.

ASSEMBLYMAN SCHUBER: To your knowledge, is there any problem in Atlantic City with regard to the registration or licensing of promoters or managers for boxing?

MS. BOZARTH: The Commission is not-- To the best of my knowledge, we do not have any information--

ASSEMBLYMAN SCHUBER: Your records would not indicate that to be the case?

MS. BOZARTH: No, no.

ASSEMBLYMAN SCHUBER: Assemblyman Muziani?

ASSEMBLYMAN MUZIANI: I only have one question. In conducting your background checks, do you have any idea what that costs for these licensees that apply?

MS. BOZARTH: The Casino Control Commission does not conduct the investigation; the Division of Gaming Enforcement conducts the investigation. There is a license fee which is paid by the casino service industry applicants, and for the non-gaming application it's a \$1500 fee, and the license is--

ASSEMBLYMAN MUZIANI: The fee is paid by whom?

MS. BOZARTH: The fee is paid by the applicant.

ASSEMBLYMAN MUZIANI: The applicant?

MS. BOZARTH: Yes. So, the promoter would pay that fee.

ASSEMBLYMAN MUZIANI: Okay.

ASSEMBLYMAN SCHUBER: Assemblyman DiGaetano?

ASSEMBLYMAN DIGAETANO: Yes. Did I understand you correctly that there is only one approved promoter for the casinos now?

MS. BOZARTH: One has been licensed, yes.

ASSEMBLYMAN DIGAETANO: One licensed?

MS. BOZARTH: Yes.

ASSEMBLYMAN DIGAETANO: And how many others are actively promoting at this time?

MS. BOZARTH: We have 18 in our records. One of those 18, which was included on the vendor registration form, has withdrawn.

MR. FRANZ: That one has been prohibited from doing business also. So, there are 17 at this point who we know are in our system, who have the possibility of doing that type of business. One has been licensed, and there are 10 who are applicants for licensure, but they are all able to do business at this point.

ASSEMBLYMAN DIGAETANO: Pending the decision on their licenses?

MR. FRANZ: Of the 10 who are applicants, yes. They are allowed to continue to do business as long as the application is filed. The other six who we are still talking about as registrants are also allowed to do business, and at this point our records do not indicate they are doing business of a regular and continuing nature. So, therefore, they have not been asked to file a license application.

ASSEMBLYMAN DIGAETANO: And this is all subject to annual renewal, both registrants and licensees?

MR. FRANZ: Licensing for non-gaming is a three-year license.

ASSEMBLYMAN DiGAETANO: Oh, a three-year license.

MR. FRANZ: Registrants, once we get-- You become a registrant simply by having a casino file a vendor registration form with us, which identifies the individual, the type of business, and those things. Once you become a registrant, you can remain on that registration list indefinitely, except our system is now set up that if we get an indication that there is no business being transacted at all for approximately a 12-month period, we will administratively remove that name from the master vendor list. We do that for a number of reasons; one to keep the list to a manageable size. Since the casinos have begun operating, we have gotten registrations on over 18,000 companies which, at one time or another, wanted to come to do business.

The other reason is our concern that if you file a registration form and never reach the level of business where you have to get licensed, but are still there day in and day out, there may be a number of changes in that corporate structure that we would want to know about. So, if you are not doing a certain level of business that requires you to get a license, we will take the name off the list, which requires the casinos to once again -- if they want to do business with you -- identify for us who the principals are in that company. So, the information is periodically updated.

ASSEMBLYMAN DiGAETANO: Would the individuals involved-- Would there have to be a change or an update if, during the period-- Let's say a particular registrant maybe is not doing enough business to require a license but is regularly doing business, and there has been a change in the individuals involved. Is there a filing requirement? How do you go about getting that information without having taken them off the registration?

MR. FRANZ: Basically, the regulations provide that any change in any of the material facts -- and ownership would

be one of the material facts -- would basically invalidate that previous registration. The casino should be familiar with that registration. They are the ones who basically have the initial responsibility to advise us of a change in ownership and to follow that up with a filing of a new form to identify who the new owners are.

ASSEMBLYMAN DiGAETANO: Thank you.

ASSEMBLYMAN SCHUBER: Assemblywoman Crecco?

ASSEMBLYWOMAN DiGAETANO: She's gone.

ASSEMBLYMAN SCHUBER: I'm sorry. I have no further questions. Mr. Franz and Ms. Bozarth, we appreciate your coming and sharing your advice and information with the Committee, and helping us in our deliberations. We appreciate that.

MS. BOZARTH: You're welcome.

ASSEMBLYMAN SCHUBER: If anything further comes up with regard to this as you go along in this particular area, we would appreciate being apprised of it. It is important to our work here. Thank you very much.

I will now conclude this hearing today. We will be establishing another Committee hearing date on this issue in the month of June.

(HEARING CONCLUDED)

