

**NEW JERSEY RACING COMMISSION
WEDNESDAY, JANUARY 25, 2012
LIBRARY ROOM
MONMOUTH PARK
OCEANPORT, NEW JERSEY**

A meeting of the New Jersey Racing Commission was held on Wednesday, January 25, 2012, in the Library Room of Monmouth Park, located in Oceanport, New Jersey.

The following were present:

Anthony T. Abbatiello, Commissioner
Manny E. Aponte, Commissioner
Francis X. Keegan, Jr., Commissioner
Frank Zanzuccki, Executive Director
DAG Judith A. Nason

The following were absent:

Anthony R. Caputo, Commissioner
Peter J. Cofrancesco, III, Commissioner

Executive Director Frank Zanzuccki read the following statement:

“This meeting today conforms with Chapter 231, P.L. 1975, called the “Open Public Meeting Law,” and as per the requirements of the statute, notification of this meeting has been filed with the Secretary of State and with the following newspapers: Daily Racing Form, Bergen Record, Asbury Park Press, Courier-Post and the Newark Star Ledger.

WHEREAS in order to protect the personal privacy and to avoid situations wherein the public interest might be disserved, the Open Public Meetings Act permits bodies to exclude the public from that portion of a meeting at which certain matters are discussed.

NOW, THEREFORE, be it resolved that consistent with the provision of N.J.S.A. 10:4-12(b), the New Jersey Racing Commission will now adjourn to executive session to obtain legal advice protected from disclosure by the attorney-client privilege on the following matters:

1. Legal advice concerning the adoption of N.J.A.C. 13:70-14A.4 and 13:71-23.4, Split Blood Samples;
2. Legal advice concerning the matter of Murray Bassen v. NJRC; and
3. Other matters requiring the legal advice of counsel.

Discussion of the above matters fall within the exceptions under the law; specifically matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the Commission's attorney to exercise her ethical duties as a lawyer."

It was noted that Commissioner Abbatiello and Commissioner Aponte are participating by telephone.

Commissioner Keegan then motioned to adopt the resolution to adjourn. Commissioner Abbatiello seconded the motion and the Commission adjourned to Executive Session.

The Commission ended the executive session and Keegan motioned to return to public session. Commissioner Aponte seconded the motion and the public session resumed.

CONSIDER APPROVAL OF THE MINUTES OF THE PUBLIC AND EXECUTIVE SESSIONS OF THE NOVEMBER 30, 2011 AND DECEMBER 20, 2011 COMMISSION MEETINGS

Commissioner Keegan made a motion to approve the public and executive session minutes of the November 30, 2011 and December 20, 2011 public meetings. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE BILLS

Commissioner Keegan made a motion to approve the bills as certified to by staff. Commissioner Abbatiello seconded the motion and all Commissioners voted to approve the bills as certified to by staff.

CONSIDER THE PETITION OF SPORTECH RACING FOR APPROVAL TO CONSOLIDATE THE ATLANTIC CITY CASINO HUB WITH SPORTECH'S QUANTUM DATA CENTER IN MOUNT LAUREL, NEW JERSEY

Commissioner Abbatiello made a motion to approve the request. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE RACE FORMAT FOR THE FREEHOLD RACEWAY 2012 WINTER/SPRING MEET

Commissioner Keegan motioned to approve the 2012 Freehold Raceway race format. Howard Bruno, General Manager, of Freehold Raceway, indicated that there were no changes from his submission to the Commission. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE NEW MEADOWLANDS RACETRACK TO WAIVE A PROVISION CONTAINED IN N.J.A.C. 13:71-16.5 (ENTRIES) THAT RESTRICTS THE UNCOUPLING OF OWNER ENTRIES FOR RACES WORTH \$500,000 OR MORE AND APPROVE THE UNCOUPLING OF OWNER ENTRIES IN ALL RACES OF \$100,000 OR MORE THROUGH THE DURATION OF THE 2012 RACE MEETING

Commissioner Keegan made a motion to waive the provision contained in the Entries rule to approve the uncoupling of owner entries in all races of \$100,000 or more for the duration of the 2012 race meetings conducted at all New Jersey racetracks. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY TO CONDUCT THE FOLLOWING HANDICAPPING CONTESTS AT MONMOUTH PARK:

- a) Ratification of the approval to conduct the January 21, 2012 contest at Monmouth Park on the simulcast races from Aqueduct, Gulfstream Park and Tampa Bay Downs;
- b) Approval to conduct a contest on February 18, 2012;
- c) Approval to conduct a contest on March 24, 2012; and
- d) Approval to conduct a contest on April 28, 2012

Commissioner Keegan motioned to approve the noted handicapping contests. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF FREEHOLD RACEWAY, FAVORITES AT TOMS RIVER, NEW MEADOWLANDS RACETRACK, FAVORITES AT WOODBRIDGE AND NEW JERSEY ACCOUNT WAGERING TO ADD THE RAINBOW PICK 6 WAGER FROM GULFSTREAM PARK TO THEIR SIMULCAST SPECIAL WAGERS OF NATIONAL INTEREST

The Executive Director indicated that the request should be considered to include all wagering outlets in New Jersey, rather than only those outlets listed on the agenda.

Commissioner Keegan motioned to approve the wager for all New Jersey wagering outlets. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE CASINOS TO ADD THE RAINBOW PICK 6 WAGER FROM GULFSTREAM PARK, BLACK GOLD PICK 5 FROM FAIRGROUNDS AND THE MEGA NINE PICK 9 FROM POMPANO PARK TO THEIR SIMULCAST SPECIAL WAGERS OF NATIONAL INTEREST

Commissioner Keegan motioned to approve all of these wagers of national interest. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE STANDARD BRED BREEDERS' & OWNERS' ASSOCIATION'S 2012 BUDGET

The Racing Commission congratulated Thomas Luchento as receiving the New Jersey Horse Writer's Association man-of-the year award.

Executive Director Zanzuccki informed the Commissioners that the S.B.O.A. is projecting total expenses to be \$1,250,000 in 2012 as compared with the 2011 approved budget of \$1,500,576. The Executive Director stated that the S.B.O.A. projects that revenue in 2012 will be sufficient to cover all expenses and the budget as submitted projects that at least 70 percent of statutory funding will be directed to approved benevolent programs and expenses. Leo McNamara, Executive Administrator of the S.B.O.A., indicated that the budget was approved by the S.B.O.A. Board of Directors.

Executive Director Zanzuccki questioned Mr. McNamara as to what was removed from the budget to reduce the amount by \$250,000. Mr. McNamara responded that the horsemen's benefits were reduced due to the significant reduction in the number of horsemen participating and qualifying for insurance.

Executive Director Zanzuccki asked several questions of Mr. McNamara concerning specific line items contained in the budget. Mr. McNamara provided responses to the questions with the exception of the line item entitled "Other" consisting of a \$40,000 amount. Mr. McNamara indicated that he will get back to the Commission with an explanation for that line item. Executive Director Zanzuccki asked if the budget includes the use of statutory money for lobbying expenses and Mr. McNamara indicated that it did not.

The Executive Director indicated that subject to receipt of the additional information provided by Mr. McNamara concerning the \$40,000 line item, staff recommends approval of the budget.

Executive Director Zanzuccki reminded the SBOA and the THA that they must all provide information in their proposed budgets that is required in the Commission's rules such as prior year budget figures, actual expenditures for the prior year, if available, and a description of the line items.

Commissioner Keegan motioned to approve the S.B.O.A. budget subject to the receipt of the additional information. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE NEW JERSEY THOROUGHBRED HORSEMEN'S ASSOCIATION'S 2012, 2013, AND 2014 BUDGETS

Executive Director Zanzuccki informed the Commissioners that the THA's budget is projecting total expenses in 2012 of \$1,595, 217, compared with projected expenditures in the prior year's budget of \$1,581,373. The Executive Director indicated that 71 percent of the expenditures are for approved benevolent programs and that the budget, therefore, the budget meets the requirements of the Commission's rules.

The Executive Director recommended that the Commission's approval be limited to the 2012 budget due to the uncertainty of the horse racing industry.

The Executive Director asked questions of Michael Musto, Executive Director of the T.H.A., in regard to the budget. Specifically, Executive Director Zanzuccki noted that the budget is projecting an increase in salaries in 2012 of under six percent. He asked Mr. Musto if the THA Board has approved this request and how this increase is consistent with the settlement agreement approved by the courts. Mr. Musto responded that through the years, the budget has included a six percent increase in salary and the increase has not yet

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been considered by the Board of Directors. The Executive Director asked if the Commission were to approve the budget without including the six percent increase, would that affect the position of the THA. Mr. Musto replied that it would not affect the horsemen's position.

Executive Director Zanzuccki asked several questions of Mr. Musto concerning how the projected \$574,000 deficit projected in the budget will be funded. Mr. Musto provided details on the funds that will be utilized to cover the deficit and assured the Commission that there is adequate money to cover the projected deficit. Mr. Musto indicated that if the deficit turned out to be higher than projected, the THA would return to the Commission for approval to adjust the budget. The Executive Director also asked questions on the reduction in the horsemen's bookkeeper interest fund budget. Mr. Musto indicated that the THA has not received any funding from 2010 from Monmouth Park and stated that the remaining \$30,000 in this fund will be applied to the Backstretch Program pension contribution.

The Executive Director asked Mr. Musto if there were any lobbying expenses contained in the 2.9 statutory budget. Mr. Musto responded there were none.

The Executive Director indicated to the Commissioners that staff recommends approval of the THA 2012 budget with the removal of the salary increase request. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE THOROUGHBRED BREEDERS' ASSOCIATION OF NEW JERSEY'S 2012 BUDGET

Executive Director Zanzuccki informed the Commissioners that the TBA is projecting a 2012 budget of \$225,580 which is approximately \$117 less than the 2011 approved budget and that the actual expenditures by the T.B.A. in 2011 totaled \$217,000. The Executive Director stated that the TBA is also asking for Commission approval to permit the use of \$195,672 from Breeder Award monies to be used to balance the 2012 budget. This is approximately the same amount of money that was needed for the prior year's budget.

The Executive Director asked Michael Campbell, Executive Director of the T.B.A., if the budget was approved by the T.B.A.'s Board of Directors and if the budget contained any lobbying expenses. Mr. Campbell responded that the budget had been approved by the T.B.A. Board of Directors and that the budget did not contain any lobbying expenses. The Executive Director indicated that the budget appears to be consist with the previous year's budget and the TBA has complied with all of the Commission's regulations.

Commissioner Keegan made a motion to approve the 2012 TBA budget. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

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CONSIDER ADOPTION OF N.J.A.C. 13:70-14A.4 AND 13:71-23.4

SPLIT BLOOD SAMPLES

Executive Director Zanzuccki proposed the following motion:

The expansion of the post-race testing program rules for harness and thoroughbred racing, to allow for confirmatory sample testing of blood specimens, will serve to enhance the confidence that the horsemen have in the Racing Commission testing process. Our rules have allowed for confirmatory testing on urine samples for several years, and considering that confirmatory samples on blood is now scientifically sound, I believe that a change to our harness and thoroughbred rules to allow for such would be beneficial.

In connection with this proposal, we received commentary from a member of the public, from a person identifying himself/herself as “Jean Public.” The comment in significant part is directed toward opposition to horse racing, which has been a recognized and viable sport for many years. With regard to the proposal, Jean Public believes that it has no social or economic benefit, and cites reasons that the proposal will increase corruption in the state, encourage criminality, and will lead to increased horse deaths at New Jersey racetracks. Having read the entire comment, which in large part voices objection to horse racing generally and provides little or no support for opposition to the rule, I disagree with the comment and propose, as part of this motion, that the comment not be accepted.

I therefore propose that the rule proposals each be adopted by the Racing Commission.

Commissioner Keegan motioned to approve the adoption of the rule. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE 2012 CHARITY DAYS

Commissioner Keegan motioned to approve the 2012 Charity Days as appended to the minutes. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE MATTER OF MURRAY BASSEN
OAL DOCKET NO. 04288-2088S

Executive Director Zanzuccki indicated that the Commission is in receipt of a request from Howard Taylor, Esq., counsel for Murray Bassen, to remand the matter to the OAL to consider new evidence on behalf of his client. The Executive Director stated that staff recommends denial of Mr. Taylor's request and staff is of the opinion that information as identified by Mr. Taylor is irrelevant to the violations that Mr. Bassen has been found to have violated. Staff recommended that the Commission accept the Initial Decision of ALJ Dennis P. Blake which concluded that Murray Bassen be suspended for a period of 8 months and fined \$5,000 for violation of N.J.A.C. 13:71-1.19 (Detrimental to racing), 13:71-2.2 (Attempt to violate), 13:71-7.26 (Requirements; Farms or Licensed Tracks), 13:71-7.29 (License suspension; revocation), 13:71-26.3 (Knowledge of violations), and 13:71-26.5 (Conspiring to commit fraudulent practices).

It was noted for the record that Howard Taylor, Esq. and Murray Bassen were not present at the meeting.

Commissioner Keegan made a motion to deny the request of Howard Taylor, Esq. to remand the matter to the OAL and to accept the Initial Decision of ALJ Blake. Commissioner Abbatiello seconded the motion and all Commissioners voted yes with the exception of Commissioner Aponte who abstained.

ITEMS FOR DISCUSSION AND INFORMATION

2011 Equine and Human Drug Statistics

Executive Director Zanzuccki read the following statistics:

Human Drug Testing Program:

466 samples tested with 1 positive and one individual refusing to provide a sample
(In 2010, 708 samples were tested resulting in 5 positives)

Equine Testing Program:

26,951 samples were tested producing 28 positives
(In 2010, 39,196 samples were tested producing 31 positives)

Equine Testing Program

The Executive Director indicated that the Racing Commission, together with the Department of Treasury, are in the process of reviewing the bids submitted regarding the privatization of the services of the equine testing program.

There being no further discussion or comments from the public, Commissioner Keegan moved that the meeting be adjourned. Commissioner Abbatiello seconded the motion and it was approved unanimously.

ATTEST:

A handwritten signature in cursive script, reading "Frank Zanzuccki".

Executive Director Frank Zanzuccki

