



**Delaware Thoroughbred Racing Commission  
Minutes of Meeting Held On  
June 15, 2016**

The Delaware Thoroughbred Racing Commission held a meeting on Wednesday, June 15, 2016, at 10:05 a.m., in the Horsemen's Office, at Delaware Park, 777 Delaware Park Blvd, Wilmington, DE 19804

**The following Commission members were present:**

W. Duncan Patterson, Jr., Chairman
Edward J. Stegemeier, Secretary/Commissioner
Henry J. Decker, Commissioner
Debra M. Killeen, Commissioner
Richard A. Levine, Esq., Commissioner

The following individuals also were present:

John F. Wayne, DTRC, Executive Director
Andrew Kerber, Esq., Deputy Attorney General, Commission Counsel
Oliver Cleary, Esq., Deputy Attorney General, Steward Counsel
Kevin DeLucia, Sr. Vice President & CFO, Racing-Administration, Delaware Park
John E. Mooney, Delaware Park, Executive Director of Racing
Nancy Myshko, Delaware Park, Sr. Vice President, HR/EVS/F&B/Mutuel/Sec.
Jeff Ganc, Delaware Park, Assistant Director-Security
Michael Gorham, DTHA President
Bessie Gruwell, DTHA Executive Director
Robert E. Colton, Delaware Jockey's Association, Director
Beverly Fowler, Delaware Park, Test Barn Supervisor
Anthony Pecoraro, DTHA, Trainer
Mark Esposito, Owner
Steven Bertrando, Owner
Pete Lizarzaburu, Retired Jockey
Heriberto (Herbie) Rivera, Jr., Jockey's Guild Regional Manager
Susan Botts, D.V.M., DTRC, Acting Chief Commission Veterinarian
G. Jack Houghton, DTRC, Chief Steward
Fritz Burkhardt, DTRC, Steward
James Lages, DTRC, Steward
Francis J. Swift, Jr., DTRC, Inspector
Frank Vespe, The Racing Biz
Anthony Pecoraro, DTHA, Trainer
Mark Esposito, Owner
Aldana Gonzalez, Trainer
Pam Rash, DTRC, Administrative Asst. (Recording Minutes)

**1. WELCOME & CALL TO ORDER**

At approximately 10:05 a.m., Chairman Duncan Patterson called the meeting to order.

## 2. APPROVAL OF MINUTES

Upon a motion duly made (Decker) and seconded (Levine) minutes of May 18, 2016 were unanimously approved.

## 3. OLD BUSINESS

### A. Technology Update

Executive Director John Wayne shared that it is still a work in progress. There are some problems with the two cameras that cover the evidence locker and the licensing office. They were replaced due to concern about them not being on a secure line; however, they are not working correctly and will need to be replaced again. DTI is still working on upgrading all the computers.

### B. Betfair

DAG Andrew Kerber indicated what the Commission is being asked by Delaware Park for permission to allow Betfair to use Delaware Park's signal to put on Betfair's system for Exchange Based Wagering. New Jersey has an Exchange Based Wagering statute that allows it and has granted a license to Monmouth Park which has contracted with Betfair to provide the service limited to the geographic confines of New Jersey. Chairman Patterson indicated he understood it was limited to the residents of New Jersey. DAG Kerber understands that there is technology that allows Betfair to use geolocation on a cell phone, computer, etc. that would allow them to check the location of a better. Under the Delaware Constitution, betting in Delaware must be through lottery or at a licensed race track through a pari-mutuel system. By definition what they are proposing is not betting in Delaware, it is betting in New Jersey. He confirmed that in order for Betfair to use Delaware races in New Jersey, they must have the permission of the host Track, the Racing Commission and the Horsemen's Association under the Federal Interstate Horse Racing Act for any interstate off-track wagering (Simulcast). He stated legislation is not required for approval of the request; however there is concern with taxes. He conferred with Deputies Attorney General of Lottery Division and Division of Gaming Enforcement and they all agree it does not appear to be illegal gambling under the constitution. However, it does not fit within the taxing scheme under the Agriculture code 3.10165 Tax on pari-mutuel income. It is not illegal gambling but is not covered by Delaware's statute.

There was discussion around whether this would be considered pari-mutuel, the recording of payouts, and auditing. Kevin DeLucia stated that they would be reliant on Betfair's recording of payouts. He has not seen a contract to answer whether there are auditing procedures. The Horsemen's Association would get the same distribution they currently get.

DAG Kerber needs additional information from Betfair and Delaware Park about what they are doing, how it will fit, how it will flow, how it will be audited, and how it will be taxed. His recommendation to the Commission is to be sure all these things are in place before it is approved. DAG confirmed that for this type of wagering to be legal in Delaware there would need to be legislation passed. Chairman Patterson stated that New Jersey is the only state that has allowed it so far.

The Delaware Attorney General has determined that Fantasy Sport betting is gambling and is illegal in Delaware and there is work on a bill to allow it in Delaware. DAG Kerber's view is that this form of betting does not fall under the current legislation so legislation would be needed to allow this form of betting in Delaware if approved by the Commission and the Horsemen's association. Commissioner Decker suggested that whoever is working on the bill to allow Fantasy Sport betting should look at adding Betfair into that legislation. DAG Kerber thought that was a good idea.

There was additional discussion, including whether this type of betting would be considered pari-mutuel. It was suggested to have Betfair come in and explain how they work and be available for questions. It was agreed that in order for the Commission to approve this, they would need some questions answered. There was agreement among the Commissioners that they support Delaware Park making money, but they want to be sure they understand it and the tax ramifications. Kevin DeLucia stated Delaware Park views it as simulcast and it would be subject to the same tax they currently pay.

Commissioner Levine felt that since there was not going to be legislation in place before next year, the commission should go ahead and approve it with the condition that the revenue from Betfair be taxable. DAG Kerber agreed but would need approval from the Division of Revenue. He feels exchange betting is different than pari-mutuel betting and may need to be taxed differently. DAG Kerber would like to see the Betfair contract, get more information from Betfair and have the Division of Revenue look at it. Chairman Patterson confirmed with DAG Kerber that to make a move, the Commission needs a proposed contract in order to make a judgment or ruling as to whether the commission can move forward. The Deputy Attorney General's office has ruled that it is not illegal gambling. The next step is to see what the relationship between Betfair and Delaware Park is and then approach the Division of Revenue to see how this would be taxed.

The Commission asked Mr. DeLucia to ask Betfair to have a representative attend the next Commission meeting to discuss and answer questions. DAG Kerber did not feel it was necessary to have a representative from the Division of Revenue at the meeting.

#### **4. NEW BUSINESS**

##### **A. Glaucine Findings and Information**

Chairman Patterson stated that Mike Hopkins, Executive Director, Maryland Racing Commission brought this to his attention. Maryland has had a series of Glaucine positives; Delaware has had a couple positives. Truesdail has determined that Glaucine appears to be an environmental contaminant through sawdust bedding. The RMTC has announced they are doing studies on it.

John Wayne shared that Truesdail indicated the bark from the Tulip Poplar tree is used in the shavings that Pine View Trucking provides to Delaware Park and Maryland. They have identified the presence of one or more alkaloids along with Glaucine in bedding and saw dust. If the blood or urine sample contains Glaucine *and* one or more of the Poplar Tree alkaloids then the Glaucine is most likely due to the alkaloids (Protopine, Asimilobine, or Liriodenine). There is some cause of concern if Glaucine is in the sample without the presence of the alkaloids; but if one or more of the alkaloids is also present it is most likely from an environmental source.

Commissioner Levine asked if Glaucine is a concern if it is used as a performance enhancer and if it is injurious to the horse. If it is injurious to the horse, he questioned whether the bedding needed to be changed to protect the horse. Chairman Patterson and Mr. Wayne indicated the RMTC is doing a study to determine a safe level as it currently is not known.

After discussion among the Commissioners and Stewards, it was agreed to view the current positives as findings and release the purses. This issue will be readdressed once more information is received through RMTC.

Other states with positives in addition to Delaware are Maryland and Pennsylvania, New Jersey, New York in the Standardbreds.

##### **B. Helmets**

Chairman Patterson read from DTRC Rule 8.15 "... Every individual shall, when mounted on a horse while on the premise of a racetrack or handling a horse at the starting gate, wear a properly secured safety helmet and safety vest. The helmet and vest shall meet or exceed with one or more Commission approved safety standards or later revisions." He indicated his understanding is that this rule is not being enforced.

James Lages, Steward, stated that people are balking at the rule as they feel it is intended for jockeys. The Stewards interpret the rule to be every individual - trainers, exercise riders, pony people, outriders; any individual on a horse - and they want to be sure the Commissioners interpretation is the same. There was discussion around the subject. Jack Houghton, Chief Steward, confirmed that they are mainly seeing the use of improper equipment vs. people not wearing any.

The Stewards confirmed that notice of the rule was given and is posted. The Commissioners all agreed it is a safety rule and needs to be enforced. It was agreed that the Commission will not take any formal

action on timing and the Stewards will determine an appropriate time for compliance and any person who is not in compliance within that time will be called in and issued a warning and will be told they will be fined the next time they are brought in. Bessie Gruwell would like it to be posted on the Overnight that any individual not wearing proper equipment will be reported to the Stewards.

C. Jockey Mounts

Jack Houghton, Chief Steward, brought up the issue of jockeys checking on their mounts and not riding their horses. There is a rule that the Stewards can excuse jockeys for any reason. Last year the Stewards let jockeys be named on at Delaware Park and at other race tracks and if the jockey had a few horses at Delaware Park but a good one at another track, the Stewards would allow them to go ride at the other track. Unfortunately, the Stewards feel they were taken advantage of as there were 48 rider changes in the last 7 days of racing in 2015. Mr. Houghton stated this is not fair to the horsemen, Delaware Park or the betting public who expects that jockey to be on a specific horse. This year the Stewards will issue warnings and fines. Once a jockey checks on a mount they are expected to ride that mount. So far this year in 7 days of racing there have been 13 rider changes. Currently they are issuing a warning for first offence of not riding after checking on, so far they have given 5 warnings. All riders and agents have been notified and so far it is going well. The agents are the ones being fined \$200.00. Feedback has been positive and so far there have been no public complaints.

5. **REPORT FROM DTRC EXECUTIVE DIRECTOR**

Executive Director Wayne submitted his written report to the Commission for the period May 1 to May 31, 2016. Mr. Wayne read into the record the following points of interest for the period:

**Summary of Activities Report for May, 2016**

	<u>May 2016</u>	<u>Year-To-Date</u>
Number of Persons Fingerprinted	21	30
Fingerprint Fees Collected	\$1,659	\$2,370
DTRC Licenses Issued	768	2,869
Fines & Appeal Fees Collected	\$0	\$250
License Fees Collected	\$31,585	\$53,970

**Other Statistics During February**

ARCI National Surveys answered	2
Contacts from Police Agencies	17
Contacts from Video Lottery Enforcement	2
Freedom of Information Act Request for Info	0
National Racing Compact Reviews	4
National Racing Compact Applications Rec'd	52
Contacts from Racing Industry Groups	9
Contacts from other Racing Commissions	23
Contacts from other Race Associations	13
Contacts from the General Public	4
Contacts from Horsemen	18
Media Contacts	0
Contacts from Racing Officials Accreditation Program (ROAP)	9

Commissioner Levine asked Mr. Wayne to explain the investigations related to undisclosed ownership of horses. Mr. Wayne indicated these investigations are complicated and involve a lot of research. When the investigation is complete it is turned over to the Stewards. If the Stewards take action and it is appealed it would then come before the Commission. Mr. Wayne explained this is done to hide assets, to hide their ineligibility, or to avoid paying unemployment insurance, etc.

Mr. Wayne updated the Commission on the Tax Evasion investigations. Currently, 6 of the 7 licensees are in compliance with the Division of Finance and 1 was not cooperating. The Stewards have called these individuals in and the one who is not in compliance will have action taken against him. Jack Houghton, Chief Steward, gave an update on the 1 non-compliant person indicating they have contacted the Division of

Revenue and is cooperating with them. He received a copy of the certified letter that was sent by the individual to the Division of Revenue.

## **6. REPORT FROM DTRC CHIEF COMMISSION VETERINARIAN**

### **Health Report**

Susan Botts, D.V.M., Acting Chief Commission Veterinarian made the following report for May 1 to 31:

In May there were 0 racing fatalities. In June there were 2 racing fatalities on the same day (both horses collapsed). The one is possibly cardiovascular, the other one could have been cardiovascular or heat stress but by that night it became neurologic and the horse was down in the stall the next morning and was euthanized. Both horses have been sent to New Bolton Center for necropsy. There were several horses vanned off – 2 training, 2 racing. 3 horses flipped in the gate and were scratched.

Commissioner Stegemeier asked Dr. Botts if she felt there was shockwave therapy going on outside the track based on the fact the numbers appear low. Dr. Botts indicated it was possible but did not know for sure. The only veterinarian she knows of that does it contacts her and she is present during the procedure.

## **7. DELAWARE THOROUGHBRED HORSEMEN'S ASSOCIATION**

### **Delaware Certified Thoroughbred Program Report**

DTHA Executive Director, Bessie Gruwell filed their report for May, 2016. There have been 46 Delaware Certified horses start with 4 wins, 8 seconds, 8 thirds with a bonus payout of \$60,670 through May. There were 3 applications (1 Weanling, 2 Yearlings) for a total of 26 applications received to date. There was an interest payment of \$259.37 giving a balance of \$1,056,472.26.

## **8. PUBLIC COMMENT**

John Mooney, Executive Director of Racing, felt the meet is going well considering the wet weather and being off the turf.

## **9. EXECUTIVE SESSION**

Upon a motion duly made (Stegemeier) and seconded (Killeen) the meeting was adjourned and moved to Executive Session at approximately 11:25 a.m.

## **10. ADJOURNMENT**

The meeting returned to public session and upon a motion duly made (Decker) and seconded (Killeen) the meeting was adjourned at approximately 1:00 p.m.





DCTP Report - May 2016

	2015	Certifier Amount	Owner Amount	Total for Month
May	\$	40,420.00	\$ 40,420.00	\$ 80,840.00
June	\$	106,880.00	\$ 106,880.00	\$ 213,760.00
July	\$	76,345.00	\$ 76,345.00	\$ 152,690.00
August	\$	92,220.00	\$ 92,220.00	\$ 184,440.00
Sept	\$	131,407.50	\$ 78,157.50	\$ 209,565.00
Oct	\$	49,727.50	\$ 49,727.50	\$ 99,455.00
Dec - (DQ ruling)	\$	2,500.00	\$ 2,500.00	\$ 5,000.00
	\$	499,500.00	\$ 446,250.00	\$ 945,750.00

Year	# of Starters	# of Starts	1st	2nd	3rd	25% DCTP Earnings	25% Certifier Awards	Total Annual Awards
May								
2016	46	46	4	8	8	\$ 30,335.00	\$ 30,335.00	\$ 60,670.00
2015	240	709	97	106	115	\$ 446,250.00	\$ 499,500.00	\$ 945,750.00
2014	271	779	105	105	112	\$ 478,120.75	\$ 531,371.57	\$ 1,009,492.32
2013	270	713	97	99	102	\$ 416,504.00	\$ 470,722.00	\$ 887,226.00
2012	318	943	138	140	146	\$ 437,340.00	\$ 409,503.00	\$ 846,843.00
2011	414	1331	166	189	181	\$ 715,099.86	\$ 773,251.86	\$ 1,488,351.72
2010	364	1150	142	180	146	\$ 705,631.25	\$ 778,203.75	\$ 1,483,835.00
2009	287	922	105	120	121	\$ 511,810.00	\$ 584,382.50	\$ 1,096,192.50
2008	210	690	94	82	109	\$ 367,963.60	\$ 433,265.20	\$ 801,228.80
2007	271	608	90	87	102	\$ 331,809.00	\$ 355,609.00	\$ 687,418.00
2006	139	476	68	61	72	\$ 201,286.80	\$ 214,936.80	\$ 416,223.60
2005	99	366	52	49	53	\$ 179,690.00	\$ 193,340.00	\$ 373,030.00
2004*	56	134	20	19	19	\$ 44,947.00	\$ 44,947.00	\$ 89,894.00
2003*	9	17	7	3	2	\$ 13,505.00	\$ 13,505.00	\$ 27,010.00
<b>Total DCTP</b>								<b>\$10,213,164.94</b>

- \* DCTP owners and certifiers received 10% each bonuses in 2003 & 2004
- \* DCTP owners and certifiers received 15% each bonuses in 2005 thru May 2008
- \* DCTP owners and certifiers received 20% each bonuses beginning June 1, 2008
- \* DCTP owners and certifiers received 25% each bonuses beginning April 25, 2009
- \* DCTP owners and certifiers received 20% each bonuses beginning April 30, 2011
- \* DCTP owners and certifiers received 15% each bonuses beginning May 12, 2012
- \* DCTP owners and certifiers received 20% each bonuses beginning May 18, 2013
- \* DCTP owners and certifiers received 25% each bonuses beginning May 17, 2014

**Current Delaware Farms enrolled: 83**



**Delaware Certified Special Acct -Monthly Balance - 2016**

	Transactions	Balance
December 2015 - Balance		\$ 105,474.67
January interest	\$ 22.31	\$ 105,496.98
February - DCTP Awards	\$ 1,000,000.00	\$ 1,105,496.98
February - DCTP Administrativ	\$ (50,000.00)	\$ 1,055,496.98
February interest	\$ 180.09	\$ 1,055,677.07
March Interest	\$ 267.88	\$ 1,055,944.95
April Interest	\$ 267.94	\$ 1,056,212.89
May interest	\$ 259.37	\$ 1,056,472.26

5/16/2016

DCTP Total applications to date 3777

DCTP 2 Yr Olds for 2016 - 201



## DCTP Report - May 2016

2016 DCTP Applications	Weanlings	Yearlings
Jan - Mar	1	20
Apr - Jun	1	6
July - Sept		
Oct - Dec		
Total Applications	2	26

  

2015 DCTP Applications	Weanlings	Yearlings
Jan - Mar	0	15
Apr - Jun	0	28
Jul - Sept	14	40
Oct - Dec	33	65
Total Applications	47	148

  

2014 DCTP Applications	Weanlings	Yearlings
Jan - Mar	0	27
Apr - Jun	4	39
Jul - Sept	19	49
Oct - Dec	30	58
Total Applications	53	173

  

2013 DCTP Applications	Weanlings	Yearlings
Jan - Mar	2	15
Apr - Jun	1	35
July - Sept	8	32
Oct - Dec	50	84
Total Applications	61	166

5/16/2016

DCTP Total applications to date 3777

DCTP 2 Yr Olds for 2016 - 201

## Delaware Thoroughbred Certified Program

### Bessie's Report 2nd Qtr 2016

04/01/2016 - 06/30/2016

 Download data

DateEntered ▲	Yearlings	Weanlings	Name	Dam
<b>April 2016</b>				
	1	0		Forever Tango
	1	0		Full Circle
	1			Mets Magic
<b>April 2016 Yearlings</b>	<b>3</b>			
<b>April 2016 Weanlings</b>		<b>0</b>		
<b>May 2016</b>				
	0	1	Dangerus Talent	In A Minute
	1	0	Sister Shoes	Show Your Shoes
	1	0	Dangerus N Wild	Wild Wanda
<b>May 2016 Yearlings</b>	<b>2</b>			
<b>May 2016 Weanlings</b>		<b>1</b>		
<b>June 2016</b>				
	1	0		No Name Needed
<b>June 2016 Yearlings</b>	<b>1</b>			
<b>June 2016 Weanlings</b>		<b>0</b>		
<b>Yearlings</b>	<b>6</b>			
<b>Weanlings</b>		<b>1</b>		

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