

INDIANA HORSE RACING COMMISSION

1994 Annual Report

Letter to the Governor

February 15, 1995

The Honorable Evan Bayh
Governor of the State of Indiana
Room 206, The Statehouse
Indianapolis, IN 46206

Dear Governor Bayh:

It is with great pleasure that I am able to report to you of the unqualified success of Indiana's first pari-mutuel race track - Hoosier Park at Anderson. The historic opening of Hoosier Park on September 1, 1994, and the 54-day standardbred race meet that followed, exceeded our most optimistic expectations. Churchill Downs Management Company, the majority owner of Hoosier Park, is to be commended for the numerous upgrades they initiated during the construction of this fine facility.

As you know, the integrity of the horse racing product offered to the public is of paramount importance to the Commission. This can be accomplished only through the diligent enforcement of strict regulations. We have developed and implemented a number of integrity-related programs designed to ensure that racing in Indiana is conducted on the highest level possible. The results of some of these programs are highlighted in this report.

With only a brief race meet behind us, Indiana has gained a reputation throughout the Midwest for clean, honest and competitive racing. The Indiana Horse Racing Commission is determined to provide the strong leadership that is needed to assist in the continued success and maintain the integrity of our new pari-mutuel racing industry. Each Commissioner is proud and grateful to have the opportunity to serve you in this endeavor.

Respectfully submitted,



Michael G. Schaefer, Chairman
Indiana Horse Racing Commission

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Indiana Horse Racing Commission

Commissioners

Michael Schaefer	Chairman
K. Clay Smith	Vice-Chairman
Richard Darko	Secretary
Thomas Wetterer	Member
Robert Ossenberg	Member

Staff

Joe Gorajec	Executive Secretary
Kay Roberts	Assistant Executive Secretary
Robert Smith	Director of Security
Rawdon Staley	Controller
Deena Pitman	Director of Licensing
Tracey Ruth	Administrative Secretary

To further assist the Commission with its regulatory responsibilities, the following individuals provided professional and technical service at Hoosier Park during the 1994 racing season:

Douglas Thomas	Presiding Judge
Robert Agner	Associate Judge
Scott Egger	Associate Judge
David Younts, D.V.M.	Commission Veterinarian
Bradford Turner	Investigator
Stephanie Jarvis	Veterinary Technician
Karen Rash	Veterinary Technician
Claudia Shaff	Veterinary Technician

Year In Review

January

The Commission denies a petition by Sagamore Park to purchase Hoosier Park in Anderson. Later in the month, the Commission approves the request of Churchill Downs Management Company to purchase Hoosier Park.

The Commission approves the state's first standardbred rule book.

April

Satellite facility (off-track betting) license applications are filed by Hoosier Park and Sagamore Park.

June

The Commission, after conducting public hearings, grants licenses for the state's first satellite wagering facilities. Sagamore Park is awarded licenses for Indianapolis, Evansville and South Bend. Hoosier Park obtains licenses for Fort Wayne and Jeffersonville.

August

The Commission inspects and approves the construction of Hoosier Park in Anderson.

Governor Bayh appoints Mr. Ernie Gaskin and Mr. Nat Hill as the first members of the Standardbred Breed Development Advisory Committee.

The Commission conducts a pre-meet Regulation Seminar in Anderson for standardbred horsemen.

September

On September 1, 1994, the first pari-mutuel wagering in the state's history is conducted at Hoosier Park in Anderson. B K Bentley owned by Penny & Ron Krodel and Nancy & Henry Blackwell II and driven by Gregg Haston wins the state's first pari-mutuel race. A season-high, overflow crowd of 7,633 wagers \$406,485 on opening night.

On September 23, 1994, Hoosier Park conducts the state's first full-card simulcast when receiving the signal of the Little Brown Jug racing program from the Delaware County Fairgrounds in Ohio. Patrons wager \$95,650 on the simulcast program.

November

On November 5, 1994, Hoosier Park conducts its first full-card simulcast of thoroughbred racing. A crowd of 2,366 wagers \$435,751 on the Breeders' Cup, breaking the single-program handle record set on opening night.

On November 12, 1994, Hoosier Park conducts the inaugural running of the Dan Patch Invitational. The race draws a field of nationally prominent pacers. Ready to Rumble wins the race in 1:53.1.

Gregg Haston of Carmel, Indiana, wins both the driver and trainer titles for the 1994 season with 66 and 31 wins respectively.

Governor Bayh appoints Robert Ossenberg of Evansville to the Commission to fill the unexpired term vacated by the death of Barbara Wheeler in December, 1993.

Hoosier Park Statistics

	Live	Full Card Simulcast
Number of Days	54	46
Handle	\$ 13,242,632	\$ 6,933,762
Average Daily Handle	\$ 245,234	\$ 150,734
Attendance	151,222	26,977
Average Daily Attendance	2,800	586
Per Capita Wager	\$ 87.57	\$ 257.02
Purses Earned	\$1,006,323.13	\$ 346,688.10
<p style="margin: 0;">Total Handle \$20,176,394</p> <p style="margin: 0;">Total Attendance 178,199</p> <p style="margin: 0;">Total Purses Earned \$1,353,011.23</p>		

Notes

1. Live statistics includes some simulcast races intermixed within a live racing program. The Little Brown Jug program is included in live racing. The total amount wagered on only live races (no intermixed simulcasting) is \$11,483,561.
2. Purse statistics indicate statutory distribution and contractual obligations to the purse account. Actual purses paid were \$1,328,300 for an average daily purse distribution of \$24,598.15.
3. Simulcast refers to Hoosier Park acting as a receiving track only. Hoosier Park acted as host track once on August 12, 1994, sending the Dan Patch Invitational to several out-of-state locations. A total of \$122,299 was bet out-of-state on this race.

Simulcasting Handle By Track

The following are the total amounts wagered on the simulcast signal of each out-of-state track received by Hoosier Park. The breed of the incoming signal is indicated in parenthesis.

Turfway Park (TB)	\$1,757,520
Churchill Downs (TB).	1,632,556
Calder Race Course (TB)	1,059,276
Sportman's Park (SB)	875,859
Balmoral (SB)	712,489
Laurel Race Course (TB)	690,104
Freehold (SB)	536,204
Fair Grounds (TB).	521,016
Hawthorne (TB)	452,183
Pompano (SB)	218,492
Meadowlands (SB)	141,484
Delaware County Fair (SB)	<u>95,650</u>
Total	\$8,692,833

State Revenues

The following are direct revenue collected in accordance with the pari-mutuel statute IC 4-31:

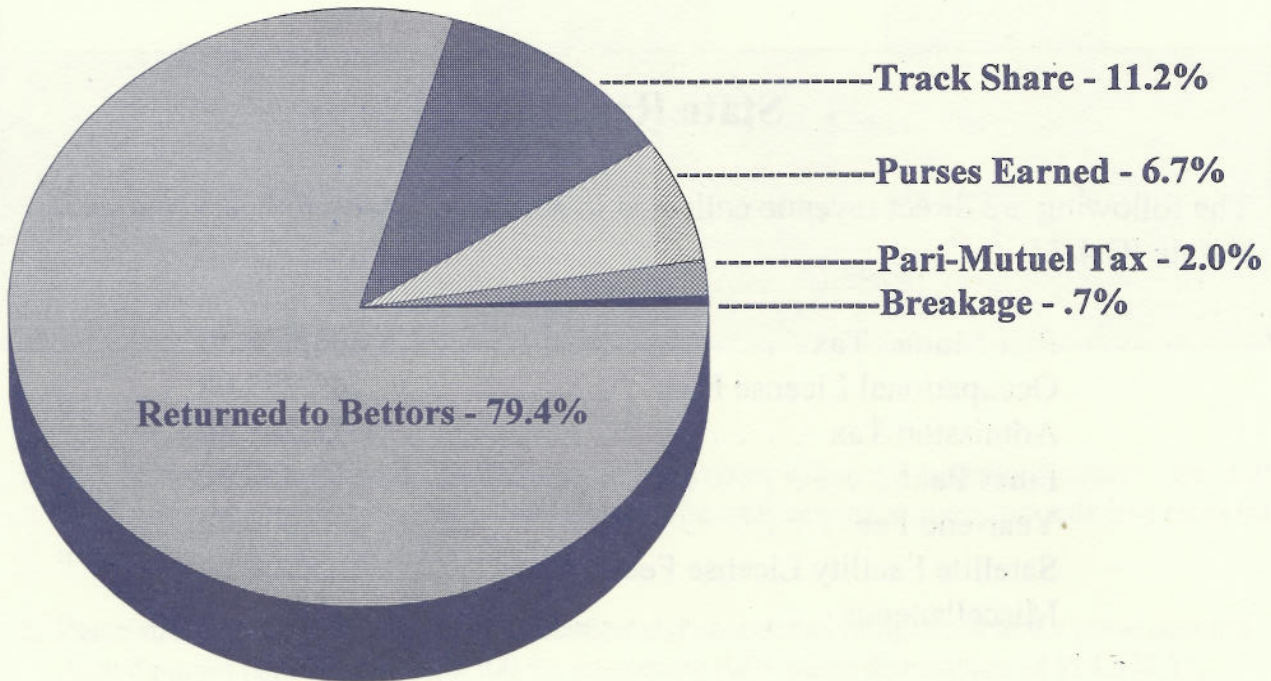
Pari-Mutuel Tax	\$ 403,528.30
Occupational License Fees	49,955.00
Admission Tax	31,501.60
Fines Paid	10,400.00
Year-end Fee	15,000.00
Satellite Facility License Fees	5,000.00
Miscellaneous	<u>682.84</u>
Total	\$516,067.74

Distribution of the Wagering Dollar

The following is a breakdown, by dollar, of the distribution of all monies wagered at Hoosier Park in 1994:

Returned to Bettors	\$16,004,864.16
Track Share	2,267,328.16
Purses Earned	1,353,011.23
Pari-Mutuel Tax	403,528.30
Breakage	147,662.15
Total Handle	\$20,176,394.00

The following is an illustration, by percentage, of the distribution of all monies wagered at Hoosier Park in 1994:



Note: The simulcast fees to out of state host tracks are included in the track's share.

Occupational Licensing

Pursuant to IC 4-31-6 and 71 IAC 5-1-1 all persons participating in pari-mutuel racing under the jurisdiction of the Commission are required to be licensed. The licensing process is the backbone of the Commission's regulatory efforts. Each prospective licensee is fingerprinted. The Federal Bureau of Investigation (FBI) and the Indiana State Police provide the Commission with criminal histories of all applicants. The Commission also checks any racing-related violations of prospective licensees through the data bank provided by the United States Trotting Association (USTA) in Columbus, Ohio.

The Commission may refuse or deny the application for licensure of any person whose criminal or racing violation record is contrary to the public's best interest. Once a license is granted, the judges employed at the track by the Commission may suspend, revoke or otherwise penalize a licensee for the violation of the Commission's regulations.

	<u>Category</u>	<u>Count</u>
1	Owner, Individual	657
2	Groom	234
3	Vendor Employee	200
4	Owner/Trainer/Driver	181
5	Track Employee	122
6	Pari-Mutuel Clerk	117
7	Owner/Trainer	96
8	Driver/Trainer	63
9	Other	47
10	Trainer	42
11	Stable Registration	35
12	Commission Staff	31
13	Driver	30
14	Vendor/Contractor	22
15	Track Management	18
16	Racing Official	11
17	Veterinarian	8
18	Assistant Trainer	5
19	Farrier	2
20	Authorized Agent	<u>1</u>
		1,922

Total License Fees \$49,955

In 1994, the Commission issued twenty-one (21) probationary licenses. The Commission refused sixteen (16) applications for licensure and revoked one license.

Note: The fees indicated above do not include fingerprint fees paid directly to the Indiana State Police and the FBI.

Drug Testing Program

Pari-mutuel horse racing can succeed as a legitimate major league sport only if its races are perceived by the wagering public to be honest competitive contests free from manipulation by man or drugs. The equine drug detection program established by the Commission serves as an effective deterrent against the use of drugs. With the exception of furosemide (lasix) and phenylbutazone, under regulatory restrictions, state law and commission rules prohibit the presence of any drug in horses racing at a pari-mutuel track. The Commission drug detection program is one of the nation's most comprehensive and its laboratory one of the most respected in the racing industry.

Truesdail Laboratory in Tustin, California, serves as the primary testing laboratory for the Indiana Horse Racing Commission. Truesdail Lab has been a leader in racing chemistry and drug related research for over 50 years. Truesdail Laboratory is a member of The Association of Official Racing Chemist (AORC) and The Association of Racing Commissioners International's Quality Assurance Program.

During the course of the 54 day race meet, 1,063 blood samples and 997 urine samples were analyzed. From that total, Truesdail Laboratory reported a total of nine (9) positive tests. In each instance, the offending horse was disqualified and placed last. In accordance with the pari-mutuel statute, all purse money earned was ordered returned and redistributed. The trainer of each offending horse was penalized by a suspension and/or fine.

Number of Violations	Drug/Foreign Substance	Type
3	Phenylbutazone (overage)*	non-steroidal anti-inflammatory
2	Polyethylene glycol (PEG)	solvent/diluent
1	Furosemide (overage)*	diuretic
1	Pyrilamine	anti-histamine
1	Sulfmethoxazole & Trimethoprim	anti-bacterial
1	Sulfadimethoxine	anti-bacterial

(overage)* - an overage is the presence of permitted therapeutic medication in excess of allowable levels.

Blood Gas Analysis Program

The purpose of the Blood Gas Analysis (BGA) program is to deter and detect the practice of "bicarbonate loading" or what is known in the racing business as "milkshaking". This practice generally entails giving a horse a large quantity of an alkaline substance, usually baking soda, prior to a race. The alkaline substance neutralizes the lactic acid that is produced during exercise and, as a consequence, delays the onset of fatigue. Research has demonstrated that this practice induces some horses to race faster times. Bicarbonate loading can give a horse an unfair competitive edge and thus compromise the integrity of the sport. This practice is strictly prohibited by the rules of the Commission. Commission regulations clearly set forth permitted levels for each variable tested.

The BGA Program is operated by the Commission in a small laboratory located in the paddock at Hoosier Park. Blood samples of selected horses are analyzed prior to the race on a state-of-the-art blood gas analysis machine (Nova Stat Profile 5). Each sample is analyzed by a certified lab technician under contract through St. John's Hospital in Anderson.

During the 54 day race meet at Hoosier Park, over 2,000 pre-race blood samples were analyzed. A total of ten (10) positive tests for high blood gas were detected and confirmed. In each case, the horse in question was scratched and in most cases the trainer fined and/or suspended.

Breed Development Fund

Pursuant to IC 4-31-11 a development fund has been established to promote the breeding of horses while stimulating the agri-business sector of the state's economy. All breakage and unclaimed winning tickets are statutorily earmarked for breed development. A standardbred breed development advisory committee makes recommendations to the Commission regarding the distribution of these monies.

In 1994, awards were distributed to owners of horses who won races at Hoosier Park and were sired by an Indiana registered stallion. To be eligible, the stallion must have been enrolled in the registry during the year its offspring was conceived. Those eligible received a bonus equivalent to ten (10) percent of the total purse.

During the 54 day race meet, \$6,910.00 was distributed as awards.

1995 LIVE RACING DATES AT HOOSIER PARK

Standardbred Dates

April 1 - August 20

(104 Racing Dates)

Thoroughbred Dates

September 1 - October 28

(42 Racing Dates)

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Field Office

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