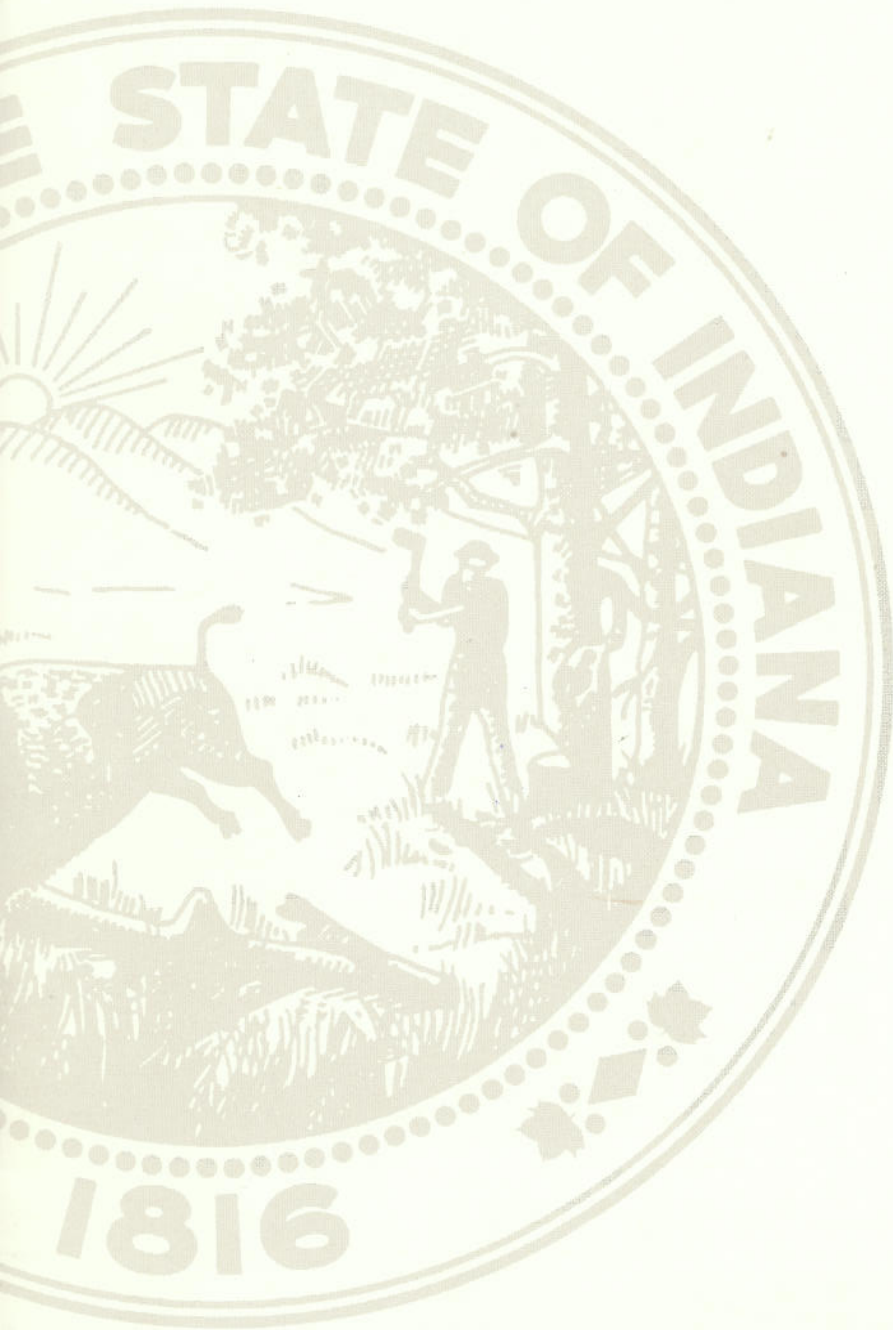




1996 ANNUAL REPORT



INDIANA HORSE RACING COMMISSION



State of Indiana
Indiana Horse Racing Commission

Frank O'Bannon, Governor

Letter to the Governor

April 1, 1997

The Honorable Frank O'Bannon
Governor of the State of Indiana
Room 206, The Statehouse
Indianapolis, IN 46206

Dear Governor O'Bannon:

The pari-mutuel horse racing industry moved forward at a rapid pace in 1996. Hoosier Park in Anderson was able to attract some of the top equine athletes throughout the Midwest to its live thoroughbred meet. The prize money or purses offered to attract these quality horses were greatly increased over prior years due to three year round satellite facility operations (Merrillville, Ft. Wayne and Indianapolis) as well as revenue generated by the riverboat admission tax.

As in the past, the Commission continues to focus its energies on diligently regulating the pari-mutuel industry. The results of our regulatory efforts, along with statistics of interest, are highlighted in this report.

I am pleased to report that 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,

A handwritten signature in cursive script, reading "Michael G. Schaefer".

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 Ossenber	Member

Staff

Joe Gorajec	Executive Director
Kay Roberts	Assistant Executive Director
Robert Smith	Director of Security
Deena Pitman	Director of Licensing
Kristen Perrel	Controller
Shirley England	Licensing Supervisor
Tracey Ruth	Administrative Secretary
Corinne Taylor	Account Clerk
Carmen Willoughby	Breed Development Clerk

To further assist the Commission with its regulatory responsibilities, the following individuals provided professional or technical service at Hoosier Park during the 1996 racing season.

Standardbred Judges

Timothy Schmitz, Presiding Judge
Robert Agner, Associate Judge
William Perkins, Associate Judge

Thoroughbred Stewards

Leland Seba, Presiding Steward
Emile Gauchet, Associate Steward
Steve Pagano, Associate Steward

Commission Veterinarian

David Younts, D.V.M.

Veterinary Technicians

Stephanie Jarvis
Karen Rash
Claudia Shaff

Racing Inspectors

Paul Clark
Karla Vaughn

Standardbred Breed Development Advisory Committee

Henry B. Blackwell, II
Ernest M. Gaskin
Nat Hill, IV

Thoroughbred Breed Development Advisory Committee

Mari Hulman George
Ed Martin, Jr.
Timothy H. Sams

Year In Review

May

- The Commission unanimously approves a transfer of ownership of 10 percent of Hoosier Park to Conseco.

July

- Jenna's Beach Boy wins the \$75,000 Dan Patch Invitational pacing to a track record of 1:49:4. The 1995 Pacer of the Year, Jenna's Beach Boy, counts the Dan Patch amongst his nine victories contributing to being named the 1996 Pacer of the Year.
- On July 8, the commission staff issues a Preliminary Report finding violations regarding unlawful telephone wagering at the Merrillville OTB. The staff recommends a \$10,000 fine for the telephone wagering and an additional \$5,000 fine for not reporting the violations. Hoosier Park does not contest the findings and promptly pays the fines.

The State of Indiana loses one of its finest harness racing drivers when Gregg Haston died in a truck accident in Anderson the afternoon of Thursday, July 11, 1996. Haston, 36, was a native of Carmel, Indiana. Gregg was the leading driver at Hoosier Park at the time of the accident.

August

- On August 17, the largest crowd of the season, 4,144 fans, turn out to witness living legend and harness goodwill ambassador, John Campbell, compete in the Kentucky Standardbred Sales Company Stakes. Campbell, displaying the skills that make him the perennial national leading driver, wins all three pacing divisions.

September

- Hoosier Park hosts the first "Indiana Day" on September 1. The 22-race card, offering \$686,000 in purses, showcases the best Indiana sired and owned standardbreds.
- The father and son team of Harold and Brian Barnes capture the leading trainer and driver championships with 34 and 78 wins, respectively.
- The State's thoroughbred industry holds their inaugural Indiana Championship Day on September 22. The best Indiana owned and bred horses compete for \$471,625 in purses.

October

- After an extensive investigation, the commission staff, on October 15, issues a Preliminary Report on the former Merrillville OTB manager Ronald Green. The investigation finds numerous violations of the pari-mutuel statute and Commission rules.
- Canyon Run, with Francisco Torres in the irons, captures the second running of the \$100,000-added Indiana Derby.

November

- Hoosier Park's live race meet tops the \$1 million dollar mark for the first time in nationwide handle on three consecutive Fridays. The third such Friday, on closing weekend, a single card record of \$1,308,889 is wagered on the 14 race program.
- Jon Court captures the riding title with 91 wins. Bernie Flint takes the leading trainer honors by sending 17 horses to the winners circle from only 44 starts.

Live Racing At Hoosier Park

Standardbred

Number of Dates	80
Total Handle	\$6,606,899
Average Daily Handle	\$82,586
Total Attendance	103,099
Average Daily Attendance	1,288

Thoroughbred

Number of Dates	52
Total Handle	\$ 5,072,616
Average Daily Handle	\$ 97,550
Total Attendance	65,750
Average Daily Attendance	1,264

Combined Standardbred and Thoroughbred

Number of Dates	132
Total Handle	\$11,679,515
Average Daily Handle	\$88,481
Total Attendance	168,849
Average Daily Attendance	1,279

The statistics above represent attendance and handle at Hoosier Park on live racing only. Additional wagering on Hoosier Park's live racing at Indiana OTB's is as follows - standardbred (\$1,916,362), thoroughbred (\$1,413,865) totaling (\$3,330,227). Such wagering is included in OTB handle statistics on the next page.

Simulcast Wagering by Location

	Hoosier Park	Merrillville OTB
Simulcast Dates	309	306
Total Handle	\$28,754,436	\$34,878,837
Average Daily Handle	\$93,056	\$113,983

	Ft. Wayne OTB	Indianapolis OTB
Simulcast Dates	266	311
Total Handle	\$14,673,841	\$59,259,293
Average Daily Handle	\$55,165	\$190,544

Total Simulcast Handle \$137,566,407

Hoosier Park statistics represent all wagering on out-of-state simulcasts (no live racing). The number of simulcast dates at Hoosier Park reflect any dates on which full card simulcasting took place. Special race simulcasting at Hoosier Park is included in the handle, but not in the number of dates. All OTB statistics represent all wagers at each location on both in-state and out-of-state simulcasting.

Admission is not charged at the Indianapolis OTB, the Ft. Wayne OTB and at Hoosier Park for simulcasting. Consequently, attendance is not counted. Attendance at the Merrillville OTB was 101,092.

Distribution of the Wagering Dollar

The following is a breakdown of the distribution of all monies wagered at Hoosier Park and its satellite facilities:

Returned to Bettors	\$ 118,896,824.77
Track Share	17,671,906.60
Purses Earned	8,194,073.10
Pari-Mutuel Tax	3,528,987.75
Breakage	<u>954,129.78</u>
Total Handle.....	\$149,245,922.00

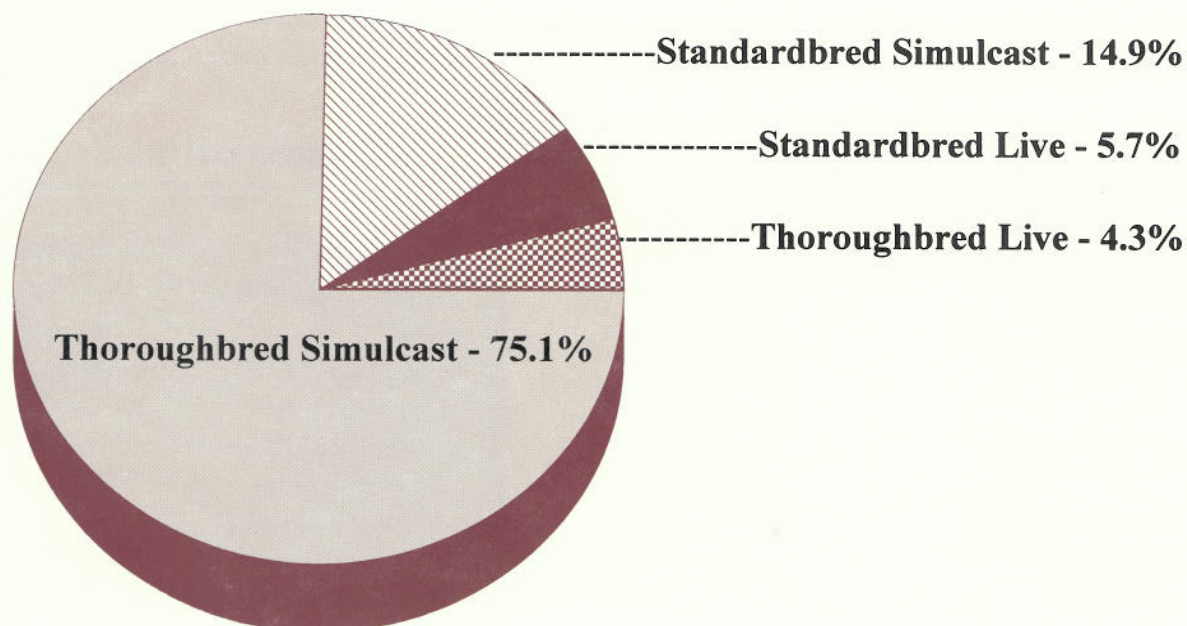
State Revenues

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

Pari-Mutuel Tax.....	\$3,528,987.75
Track Reimbursement for Officials.....	159,512.03
Admission Tax	38,109.20
Fines Paid	14,925.00
Track Permit and License Fees	<u>8,000.00</u>
Total Revenue.....	\$3,749,533.98

The direct revenue received by the State of Indiana exceeded the cost of regulation. Indiana Horse Racing Commission expenditures for calendar year 1996 were \$1,105,660.39.

Breakdown of Handle by Breed and Type



Breed	Live Handle	%	Simulcast Handle	%	Total Handle	%
Standardbred	\$8,523,261	5.7	\$22,225,865	14.9	\$30,749,126	20.6
Thoroughbred	\$6,486,481	4.3	\$112,010,315	75.1	\$118,496,796	79.4
Combined Breeds	\$15,009,742	10.0	\$134,236,180	90.0	\$149,245,922	100.0

The handle above represents all money wagered at all Indiana locations.

Purses

The following is a breakdown, by breed of purses paid at Hoosier Park. Breed Development purse supplements and horsemen's fees are included. Horsemen fees and Breed Development bonuses for Indiana sired or Indiana owned are *not* included. Kentucky Sales Company sponsorship (\$74,000) is *not* included.

Breed	Dates	Purse Paid	Average Daily Purse Distribution
Standardbred	80	\$5,608,176	\$70,102
Thoroughbred	52	\$5,942,589	\$114,281

Simulcast Handle - Hoosier Park as Host Track

The following is a breakdown by breed and track of monies wagered out-of-state on Hoosier Park's live race meets.

Thoroughbred

Illinois *	\$ 4,969,669
Ohio *	4,380,070
Kentucky *	2,394,816
Garden State	1,561,318
Lone Star	1,263,689
Philadelphia Park	1,181,583
The Fairgrounds	964,939
Penn National	917,041
Suffolk Downs	633,914
Sam Houston	632,578
Prairie Meadows	523,341
Pocono Downs	509,763
The Meadows	492,050
Atlantic City	422,178
Evangeline Downs	393,680
Delaware Park	332,383
Maryland *	306,882
Canterbury Park	250,413
Blue Ribbon Downs	237,977
Nebraska	191,276
Albuquerque	185,792
Connecticut OTB	170,699
Mobile Greyhound Park	154,918
Dairyland	126,194
DAK Racing	113,165
Foxboro Raceway	100,781
Raceway Park	98,879
Freehold	63,235
Indiana Derby **	59,524
Detroit Race Course	50,066
Dover Downs	25,594
Arima Race Park	401
Total	\$23,707,817

* statewide system
** non-commingled

Standardbred

Turfway Park	\$ 840,801
Detroit Race Course	569,212
Ohio *	565,555
Dan Patch **	323,004
Penn National	301,173
Delaware Park	266,597
Pocono Downs	210,942
Yonkers Raceway	110,891
New England	92,025
Foxboro Raceway	91,220
The Meadows	46,473
Maryland *	37,702
Saginaw Raceway	30,429
Total	\$3,486,024

* statewide system
** various tracks

Thoroughbred Daily Average (52 dates)

\$455,920

Standardbred Daily Average (80 dates)

\$43,575

Simulcast Handle - Hoosier Park as Receiving Track

The following is a breakdown, by breed and track, of monies wagered at all in-state locations on simulcasts originating from out of state.

Thoroughbred

Churchill Downs	\$ 8,860,802
Turfway Park	8,335,003
Arlington Park	6,979,586
Santa Anita	6,511,602
Aqueduct	6,231,798
Gulfstream	5,827,597
Calder Race Course	5,109,064
Belmont Park	5,092,009
Hollywood Park	4,906,195
Sportsman's Park	4,027,120
Ellis Park	3,939,906
Hawthorne	3,563,772
Delaware Park	3,389,090
Keeneland	3,325,880
Oaklawn Park	3,148,924
The Fairgrounds	2,920,019
Sam Houston	2,832,089
Laurel Race Course	2,695,493
Penn National	2,583,798
Monmouth Park	2,228,928
Pimlico	2,179,693
Del Mar	2,063,980
Evangeline Downs	2,011,855
Saratoga Race Course	1,848,837
The Meadowlands	1,761,561
Garden State	1,128,928
Turf Paradise	1,114,767
Retama Park	978,713
Prairie Meadows	940,367
Detroit Race Course	898,919
Suffolk Downs	825,935
Philadelphia Park	697,267
Fairmount Park	580,543
Rockingham Park	512,099
Remington Park	457,496
Finger Lakes	457,439
Bay Meadows	334,110
Atlantic City	279,208
Canterbury	277,230
Golden Gate	95,062
Hong Kong	27,691
Woodbine	9,633
Duabi (World Cup)	20,307
Total	\$112,010,315

Standardbred

Sportsman's Park	\$ 4,001,904
The Meadowlands	3,821,266
Balmoral	3,371,202
Maywood	2,845,194
Hawthorne	1,779,141
The Meadows	1,431,253
Northfield Park	1,167,897
Garden State	887,638
Freehold	641,514
Red Mile	574,093
Fairmount Park	455,975
Pocono Downs	431,923
Foxboro	359,708
Pompano Park	321,075
Delaware, OH	67,881
Hazel Park	40,771
Los Alamitos	19,694
Windsor Raceway	7,736
Total	\$22,225,865

Hoosier's Top 5 Simulcast Circuit Choices

Kentucky (TB) (CD, TP, EIP, & Kee)	\$24,461,591
Chicago (TB) (AP, Spk, & Haw)	14,570,478
Southern California (TB) (SA, Hol & Dmr)	13,481,777
New York (TB) (Aqu, Bel & Sar)	13,172,644
Chicago (SB) (Spk, Bal, May & Haw)	11,997,441

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 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.

Category	Count	Category	Count
Owner, Standardbred	1,242	Driver	47
Owner, Thoroughbred	1,213	Exercise Rider	48
Groom	908	Track Management	40
Vendor Employee	388	Commission Staff	38
Trainer, Thoroughbred	317	Vendor/Contractor	33
Stable Name	281	Racing Official	29
Owner/Trainer, Thoroughbred	271	Farrier	27
Owner/Trainer/Driver	261	Jockey Agent	21
Pari-Mutuel Clerk	245	Authorized Agent	15
Track Employee	208	Other	15
Driver/Trainer	151	Apprentice Jockey	13
Owner/Trainer, Standardbred	143	Asst. Trainer, Standardbred	13
Jockey	102	Veterinarian	13
Track Security	95	Pony Rider	12
Trainer, Standardbred	81	Valet	12
Asst. Trainer, Thoroughbred	72	Stable Employee	1
		Farrier's Assistant	0
Total Licenses Issued:		6,292	

	1994	1995	1996
Licenses Issued	1,922	5,269	6,292
Probationary Licenses Issued	21	54	53
Licenses Refused	16	10	29

Equine Drug Testing

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. With the exception of furosemide (lasix) and phenylbutazone (bute), under regulatory restrictions, state law and commission rules prohibit the presence of any drug in horses racing at a pari-mutuel track. The Commission's 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 Drug Testing Standards and Practices Committee.

The following table indicates, by breed, the number of samples analyzed and the number of positive tests reported. In each instance, the offending horse was disqualified and placed last. In accordance with the pari-mutuel statute, all purse money earned is ordered returned and redistributed. The trainer of each offending horse was penalized by a suspension and/or fine.

Breed	Race Dates	Urine	Blood	Positive Tests
Standardbred	80	1367	1688	6
Thoroughbred	52	972	1067	15
Totals	132	2339	2755	21

The table below represents a further breakdown, by breed, of the name and types of drugs reported by the laboratory.

Number of Violations		ARCI Drug Classification	Type
Standardbred	Thoroughbred		
	5	Banamine (Class 4)	non-steroidal anti-inflammatory
1	4	Phenybutazone *	non-steroidal anti-inflammatory
3		Pyrilamine (Class 3)	anti-histamine
	1	Lasix *	diuretic
1		Isoxsuprine (Class 4)	vasodilator
	1	Lidocaine (Class 2)	local anesthetic
1		Morphine (Class 1)	stimulant
	1	Naphazoline (Class 4)	decongestant
	1	Prednisolone (Class 4)	corticosteroid
	1	Pemoline (Class 1)	stimulant
	1	Promazine (Class 3)	tranquilizer

* Represents the presence of therapeutic medication in excess of allowable levels.

Breed Development Programs

Overview

Pursuant to IC 4-31-11, breed development funds have 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. In addition, twenty percent (20%) of the riverboat admission tax allocated to the racing industry is distributed to breed development funds. Standardbred and thoroughbred breed development advisory committees make recommendations to the Commission regarding the distribution of these monies.

Standardbred

The Standardbred Breed Development Advisory Committee has initiated an extensive program which allocates monies for Indiana sired, bred and/or owned, competing at Hoosier Park, the State Fair and several county fairs. In 1996, \$1,230,361 was distributed as awards and purse supplements to participating horse owners.

The highlights of the 1996 racing season was the inaugural "Indiana Day" held on September 1, which included \$695,100 in purses and the finals of the Genesis. The Genesis is a newly created lucrative series of races for two-year old fillies designed with the long term goal of enhancing the quality of breeding stock in Indiana.

1996 Distribution of Awards

Purse supplements - Hoosier Park	\$885,070
Purse supplements - County Fairs	186,900
Purse supplements - State Fair	105,000
Indiana Sired & Misc. Awards - Hoosier Park	<u>96,950</u>

Total \$1,273,920

Purse supplements at Hoosier Park include \$ 357,050 distributed on Indiana Day.

Breed Development Programs

Thoroughbred

The Thoroughbred Breed Development Advisory Committee has concentrated their resources in designing a program that will increase both the quality and quantity of Indiana bred horses that will compete at Hoosier Park in the future.

The highlight of the 1996 racing season was the inaugural "Indiana Championship Day" held on September 22. The day featured nine stake races for Indiana owned and foaled horses with purse money totaling \$471,625.

1996 Distribution of Awards

Purse Supplements	\$1,179,900
Owners Awards	63,295
Breeders Awards	64,140
Stallion Owner Awards	<u>7,170</u>
Total	\$1,314,505

Purse supplements include \$370,000 distributed on Indiana Championship Day.

1996 Breed Development Fund Revenue

Breed	Breakage	Outstanding Tickets *	Riverboat Revenue	Total
Standardbred	477,064.89	284,429.28	692,147.41	1,453,641.58
Thoroughbred	477,064.89	284,429.28	526,746.87	1,288,241.03
Total	954,129.78	568,858.55	1,218,894.28	2,741,882.61

* Outstanding ticket revenue is based on tickets purchased in 1995 which expired in 1996.

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.

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. Each sample is analyzed by a certified lab technician under contract through St. John's Hospital in Anderson.

Human Drug Testing

Commission regulations provide that a licensee or an applicant for licensure may be required, if reasonable suspicion exists, to submit to a drug test. Commission rules require a minimum suspension of thirty (30) days for a positive test for an illegal drug.

Human Drug Testing	1994	1995	1996
Number of Samples Tested	1	14	15
Number of Positive Tests	0	3	8

Riverboat Revenue

The statute permitting riverboat gaming in Indiana earmarks sixty-five (65) cents of the three dollar admission tax to the pari-mutuel horse racing industry. These funds are distributed to various segments of the racing industry in accordance with Commission rule 71 IAC 12-2-15.

1996 Riverboat Revenue Allocation to Racing From Admission Tax (65 cents)			
Purses Standardbred Thoroughbred	40%	\$1,384,294.84 1,053,493.74	\$2,437,788.58
Track	30%		1,828,341.42
Breed Development Standardbred Thoroughbred	20%	\$692,147.41 526,746.87	1,218,894.28
Promotion Fund	10%		609,447.14
Total	100%		\$6,094,471.42
<p><i>Pursuant to Commission rule, the allocation between breeds for purses and breed development is determined based upon the percentage of pari-mutuel handle on each breed on live racing at all Indiana locations. Based on 1996 handle, 56.78% of available funds were distributed to standardbreds, while 43.22% was distributed to thoroughbreds.</i></p>			

1997 Hoosier Park Live Race Dates

Standardbred - 85 dates (April 24 - August 24)

Thoroughbred - 58 dates (September 12 - November 29)

April						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

■ Indicate Standardbred Dates

● Indicate Thoroughbred Dates

Post Times

7:00 p.m. Weekdays & Saturdays

1:30 p.m. Sundays & Holidays*

(* 11:00 a.m. Thanksgiving Day)

IHRC Approval - December 4, 1996