



State of Indiana Indiana Horse Racing Commission

Mitchell E. Daniels, Governor

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Inspector General Exonerates Indiana Commission; Recommends Cut in Horsemen's Subsidy

After an exhaustive 16 month investigation of the Indiana Horse Racing Commission, Indiana's Inspector General, David O. Thomas, has found no criminal code or ethics violations. A report detailing the Inspector General's findings was released on Thursday, November 10, 2011 and posted on the Inspector General's agency website.

In addition to finding no violations of law, the report indicates no wrongdoing of any kind by the Commission, its Commissioners or its employees.

"We are extremely pleased to have received a completely clean bill of health from Indiana's respected Inspector General. His report confirms that the 'persistent rumors of illegal activity' giving rise to the investigation and related TV and print stories are simply untrue," said Commission Chairman Sarah McNaught.

"As Commission Chair, I understand that effective regulation does not win popularity contests. The Commission has been charged with the responsibility to protect the integrity of a sport that is an important part of our national fabric. The betting public and the thousands of horsemen and horsewomen who play by the rules every day deserve no less," said McNaught.

The report contains a number of suggestions, primarily in the area of the agency's adjudication process. These suggestions will be considered by the Commission over the next several months.

Some suggestions would require legislative action. The most substantive suggestion calls for a reduction in the lucrative slot machine subsidy received by horsemen. The Inspector General states, *"Assuming that a continued subsidy to the horse racing community is deemed proper by the Indiana Legislature, we respectfully recommend that the Legislature consider evaluating the amount of the subsidy and consider a monetary cap at pre-Racino figures"*

The effect of such a reduction would decrease horsemen's monies from \$58,000,000 to \$28,000,000.

The Inspector General's report and the Commission's response can be viewed at www.in.gov/hrc.

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