

Fifth Annual Joint Meeting of HTA and TRA

Sunday, March 11, 2007

General Session

10:20 a.m. – 11:20 a.m.

Integrity: Four of the Toughest Regulators and the Thoroughbred Racing Protective Bureau's Director of Wagering Analysis discuss penalties that can help make cheating not worth the risk

- **John Blakney, Ontario Racing Commission**
- **Hugh Gallagher, Delaware Harness Racing Commission**
- **Joe Gorajec, Indiana State Racing Commission**
- **Curtis Linnell, Thoroughbred Racing Protective Bureau**
- **Richard Shapiro, California Horse Racing Board**
- **Dr. Scot Waterman, Racing Medication and Testing Consortium**

Stan Bergstein: There is no issue in racing today that commands more interest, or on which racing's welfare depends, than that of integrity. People speak about it constantly, and today we're going to have six people speak on the issue who are deeply involved in the administration of justice, if you choose to put it that way, and on what we can do about the problem of controlling our own destiny with integrity. You've all seen the articles that are starting to appear, Rob Longly and the Toronto Sun, which normally doesn't do much for racing, all of a sudden there's a long series on it. A Monticello situation got underway with a very devastating article, and then they were able to turn it around, as NASCAR did, into a positive situation by making all sorts of promises of what they were going to do. But the fact remains that once you get the devastating article, it's like trying to rebut something in print, it's very, very difficult to do and turn things around. The first speaker today is a gentleman who has played the leading role in North America in administering severe penalties, as a deterrent to wrongdoing. John Blakney is the executive director of the Ontario Racing Commission, not only a leader of the commission, but also a leader in trying to stem the problem of illegal medication.

John Blakney: Thank you Stan, and of course it's a privilege to have the opportunity to speak to you. I'm relatively new to the horse racing scene but Ontario is a rather aggressive horse racing community. To begin, I want to first pose a question to the group here this morning and that is: do you believe that good things are happening in horse racing? Well, I think, quite frankly, we can say that the Ontario horse racing community believes the answer is yes. It is due to a number of programs that have been ongoing in Ontario, and one of the most significant is medication control. Before I get to talk a little bit about our experience, I'd like to emphasize that all that is taking place in Ontario is more than just a regulator issue, it's a community-based issue, and the community is made up of not just the regulator, but owners, trainers, horsepeople organizations, veterinary practitioners, racetracks and the racing public, the wagering public.

But what is medication control? The answer is best illustrated by sharing with you our main theme driving all communications over the past year or more and that is that medication control is good for the horse, and vital for the industry. Simply stated, it means only using medications or products that are of therapeutic value to the horse, working under the fundamental belief that it is unethical to give non-therapeutic drugs to a horse at any time, and not using any medications or products prior to a race that mask an underlying health problem, cause a positive test, or undermine the testing process.

Why medication control? The acquisition and possession and actual use of illegal, and non-therapeutic drugs, whether perceived or real, was of great concern to the Ontario horsepeople, owners, trainers, bettors, and the general public. The reputation of horse racing in Ontario, and the financial stability of the industry were on the line, and the confidence of racing participants, the wagering public, and the public at large was all at stake. Action required to assist in breaking the substance abuse cycle was seen to be a significant requirement. The substance abuse cycle in our view is made up of three major components: substances, distributors, and users, and there is the interrelationship and interconnectedness of these various components that make substance abuse work. Our job, as I see it and as the Ontario racing commission sees it, is to intervene in any way we can in any one of those three components or them all.

So what's been the Ontario experience? In our view, the majority, by far the majority, play by the rules professionally and care passionately about the horse. We had and still have, as all other jurisdictions, an in-competition testing program where penalties range from a few days

in suspension to five years, guidelines set up under the Ontario racing commission. But we were dealing with a few individuals who appeared to be flaunting these rules and caring very little about the horse and motivated by greed, seeking anything to change the performance by illegal means. So we were faced with these individuals who were acquiring, possessing, and using these illegal equine drugs. Ironically, it seems that the practice was tolerated by the majority, believing perhaps that there is nothing we can do, it can't be stopped, and perhaps, in my view, a certain level of complacency had set in. Some, who normally we would consider clean, perhaps joined the ranks, out of the need to just compete. My reading was that the community felt powerless, and then something quite extraordinary happened. The horse racing community in Ontario came to the recognition and admitted that action was required to break the substance abuse cycle. The community asked us, its regulator, for help to develop a system to break that cycle, and that is what would be required in any jurisdiction for the system to work.

So now what's the Ontario experience? We've developed a system, based on a horse racing community involvement, a system not of the regulator but, we believe, of the community. A system where an even greater emphasis would be placed on fairness, responsibility and due process, and where education and change of practice would send a message of the seriousness of this issue and the need to change. Initial fines and suspensions demonstrated that intention. Proactive research and testing procedures and increased investigations were an absolute necessity. So what about now? Last spring, we initiated fines of one thousand to two thousand dollars and a probation of one to two years. Small, minute in comparison perhaps, but what was intended was that this would be an increased education in communication program to the horsepeople, to the industry that what was coming in the future was severe fines, severe penalties that would follow for those who continued to ignore the medication control message. In that spring of 2006, we established an industry medication control group that was to report and work with the executive director and provide advice on medication issues.

In May of 2006, we issued a new directive requiring trainers to make their horses available upon demand for a blood test at any time. This was the start of our out-of-competition testing program, and the focus was on change in performance, reasonable cause, all leading to determining whether or not there was a case for conduct prejudicial to horse racing against the trainer involved. As part of the program we would take advantage of the latest testing technologies that were being utilized. Today, and most recently, fines and penalties have

increased substantially. In August to October of 2006; we issued notice and proposed orders in the tune of \$100,000 fines and 10-year suspensions against five trainers. We've increased the testing and investigations and it continues.

The horse racing community, we believe, embraces the principles of medication control. They realize they now have the power to effect change. So what are all of us in this room, and outside this room in the horse racing business, faced with? Our intelligence tells us that we're faced with a drug network that's international in scale. Although the red lines point from Ontario, I can only speak from our jurisdiction's perspective, but we do know that it's an ongoing, interrelated, sophisticated organization that really is a two-way activity. The question then is how can we, on a more global, international scale, effect the substance abuse cycle? It is of concern to the racing participants around the world, I believe, to suppress the cycle. The international horse racing community must experience a moment of recognition. We must recognize that the cycle of abuse can be stopped, or at least limped, curtailed, and we must do it together because together we are the solution. Thank you for the opportunity to talk to this group.

Stan Bergstein: I want to thank you for that inspiring and certainly accurate assessment of the problem, Mr. Blakney. Our next speaker has background as a state steward at the Meadowlands and elsewhere, he has been a long-time leader, he was an organizer of an officials group many years ago, and he currently is administrator for harness racing at the Delaware Harness Racing Commission. His mission, as he sees it, and it's an interesting assessment, is to drive good owners away from bad trainers. I can't think of a more worthy objective, and I'd like Hugh Gallagher to address the issue now.

Hugh Gallagher: It's a pleasure to be here, thank you for inviting me to join this assembly. I have several talking points that I've outlined, and I do recall, years ago, back in the '80s, being in Florida at the clubhouse at Pompano Park and having the opportunity and the good fortune to talk to the late, and great, Billy Haughton. We were talking about integrity then, and that was in '83, so this issue doesn't go away, it's been with us a long time and the mathematics has not resulted in a solution that I think is successful. Part of it is because of penalties not being hard enough, we haven't eliminated the problems. I think we're on the right path, Mr. Blakney

certainly is, his operative word and concept of recognition is a driving principle: if we don't know what the problem is we can't eliminate it. When I was talking to Billy Haughton, he reminded me that integrity has two meanings. It certainly has a dictionary-meaning of honesty, and it also, in his opinion and it's something that I respected and try to keep close to me, has a very important meaning that integrity reflected a wholesome sense of tradition that was passed on in generations of horsemen. He said that a great deal of his success, he attributed to the people that taught him what side of a horse to go to and how to look at confirmation and things of that nature. I think that we need to keep the twofold meanings of integrity at the forefront of our drive and our role as regulators to protect all elements of the racing industry, particularly those of the participant. Some may disagree with that order, but there are two worlds in theory: racing itself, that's supposed to be a sporting contest on the track, and the participants who are within it and need to be protected. It's supposed to be "a level playing field" with the public protected as well as participants. That second world is, in theory, wagering on that contest legally. Both of those converge with the mandate of the regulators to provide oversight and stewardship to a fair and a safe contest. I cannot stress enough the importance of safety in racing as an integrity problem, and I think that some of the medication problems presented are a conjunction of safety as well as abuse. Some who administer foreign substances to horses are conscious of it, and some are not. The convergence brings us to the point that we protect both the public and the participants.

I was out of racing for a number of years, in private business, and it gave me a different perspective when I came back just a year ago in October. I've seen, particularly in Delaware at the two tracks that I happen to work with—Dover and Harrington, very knowledgeable and expert management, very involved general managers that care about and know about what they're putting out on the track and what we should do. It's almost a clinical approach: there's a horsemen's group, there's an association, and there's the regulators. What we are doing as an industry is trying to bring those three points of view together and move forward. But what I saw that's changed in racing is that the age of specialization has really come to the forefront with the power of slot-infused purses. No longer do the horses that have drawn the "A" haul at Harrington, say, necessarily take a soft seat and go around the track and maybe pick up a check. They're up on the gate and they're moving forward, and it has changed dramatically, in addition

to the speed. I think there's more danger and more risk in that regard and I think the officials have to look at that a lot closer.

It is rare today to see distinctive and individual horsemen, such as Roger Hammer out there an owner-trainer-breeder-driver, someone that does everything. It is more specialized, more specialized in what we see, and certainly more specialized in what we don't see, about what is getting to the horses. One of the major changes that I'm grasping is distributors of compounds and elements who possibly don't know what's in them, so how could the trainer that buys these products know what's going into them? I think that's a great danger and a great risk and we do have some steps in Delaware that we're going to take to investigate that through the department of agriculture and possibly through the USDA. We're working on doing something about that for sure. I put a note down about how minor infractions could become major problems, certainly the most major concern, I think Ontario is leading the way, without any question, that medication and illegal medication is something that we really have to address and get our arms around and provide control. It's a mandate of regulators to do this, we have to do it, and we've been trying to do it for years. We've talked about it, but the results of testing are telling us that we're not getting it done.

Minor infractions, to me, and this is off-the-track of medication a bit, have to do with integrity and perception. There are integrity violations and then there are perceptual violations, I recall being at the Meadowlands years ago and one of the associates had left the stands between races, had gone to the window to cash a check for spending money. I got a call a day or so later from the general manager saying that he got a call from a reporter who was there that the judges were involved in wagering on races at the track. So something that is innocuous and harmless can lead to major problems because officials are not thinking about what they represent and what they do. Officials and money have no business at the racetrack, particularly in the paddock. We had a recent situation where the paddock judge at the time was trying to provide horsemen over the 15 races at Dover with treats and things like that and taking money. That is not the role of the regulator. We need to instill in our staff, our regulatory staff, what it means to be an official, and having the right business-like approach when they come to work. If we don't start with our people, with our officials, we can't expect the horsemen to take it seriously. Anyone that takes money, even for a good reason, is acting foolishly at a racetrack. Any official that goes to a

wagering or information window, unless they're doing official business in the investigation, they're making a mistake as well.

Another thing that may be innocuous is a horse being more than a length off the gate. What's the problem there? Should the starter give them a \$50 fine, and that's it. Some intelligence was provided to me by good sources that a driver was sending signals by being off the gate, whether he's aligned or not. In these days, consideration of simulcast racing is critical. The product, in the case of Dover, some nights 90% of it is through the simulcasting, 90% of the revenue that's generated, and the image is everything. So we have a need as regulators to make sure that the officials are providing every visible aspect, from the post-parade through the conclusion of the race, that everything is done within the structure that the rules are designed to cover and control.

I worked also at Pompano briefly with an official by the name of Blackjack Stewart, and he had some techniques and methods of changing the race itself. One of them, to my surprise—this was 20-some years ago—was calling up drivers for not keeping the race tight enough at the first sixteenth, and I thought this was amazing. I was a state steward, but fairly green at it, and he was calling drivers up because they did not keep a whole field right after the start, and it changed the way that the races were run for the rest of that meet. There was no doubt about it. There are techniques that officials can do to make racing different, and if there's a perceived problem with races, and the running of races, I think it's an obligation of theirs to find a cure for that and to do things that make sure that races are run more competitively. I will make a comment about the reason I think there are medication abuses. It has to do with the motivation for the risk. At Dover, over 10 million dollars was distributed in purses in a 6-week period, with 90 races a week. So there's certainly a reason that trainers and other people related to trainers who may not even be licensed are taking these risks. There's a tremendous amount of money out there and they'll continue to do it, there's nothing that's going to stop them.

One last thing I can tell you is that, we've been running pre-race blood gas violation analysis, and we've just finished a study with Dr. Soma from New Bolton Center showing that 80% of our high readings go back to 20% of the trainers. So what we're seeing are similar patterns in Ontario and Delaware. Finally, the reason that we came up with our rule for EPO, which was 10-years, \$10,000 fine is because there's no doubt in my mind, from the information I've been given by experts—Dr. Sams, Dr. Waterman—is that EPO and similar substances have

no business in a horse, and if they're found there those people that take that risk don't belong in racing. Ten years, in my opinion, is just the beginning for that. We should have no tolerance for black and white issues such as EPO. We should be developing ways to send out messages that there are going to be strong and severe sanctions for anyone taking those types of risks. As for aminorex, which will be addressed later, what I plan to do is look at the elements of aminorex that are common to EPO. They're different things completely, but what I mean by that is how those abstract drugs become part of the unknowing public's wagering. There is an element common to both, and that element is: anything or any substance that puts both the welfare of the horse during the contest and the driver at risk should be closely looked at and considered as an aggravating factor.

Stan Bergstein: Thank you, Hugh. It's interesting in Delaware that Hugh is pushing toward out-of-competition testing, which probably is the best answer to our problems, and also is instituting rules that provide that not only use of illegal substances, but possession of them is a violation. Joe Gorajec came out of the University of Arizona Race Track Industry Program, as did many of the leading figures in the sport today, including Dr. Waterman and my staff. Joe is shaking things up in Indiana where he rules with a strong hand as the executive director of the commission. Here is Joe Gorajec.

Joe Gorajec: Thank you Stan. I am going to discuss penalties and how I believe they fit in a regulator's view of the world. First off, I believe that enhanced penalties for integrity-related violations are absolutely essential. In Indiana, we are certainly to the right of center when it comes to assessing penalties for integrity-related violations. To give you a few examples, just a few years ago we suspended two practicing veterinarians for a minimum of one year for injecting horses with vitamins on race-day. In Indiana we have a 24-hour ban on any type of medication, any type of injection.

Just last year, we had four trainers who tested positive for a Class-4 substance, which typically would call for a 15 to 60 day suspension. On this particular drug, we were able to prove that the drug in question was given on race-day, in violation of our 24-hour rule, and each of those four trainers was suspended for a minimum of a year. We have one disciplinary action pending from last year, a class-1 violation, and I have recommended that person receive a 7-year

suspension. So we are to the right of center when it comes to penalizing people for what we perceive as integrity violations. With regard to where penalties fit in the scheme of things, they are important, but they are not the only component to serve as the deterrent for unauthorized medication use, particularly on race-day.

If you want to look at a formula, the formula would be security + drug testing + penalties = a deterrent. You could say it in another way, in that enhanced security, enhanced drug testing, and enhanced penalties equal clean racing. You can't focus on just one aspect, penalties, and ignore drug testing, and ignore security. Why are penalties not enough? If you look at it from the standpoint of a horseman who is contemplating cheating, he knows what the rewards are; the rewards are purse money, possibly betting-income, status, success, particularly in attracting new owners, and with the rewards out there, he's looking at the risk. It's not only the risk as far as what the penalty should be, or what the penalty will be, but the key is what is the likelihood is of that individual being caught. You can have the stiffest penalties in the world, you can have draconian penalties, you can have firing-squad, guillotine, and disembowelment in the public square, but none of those things are going to stop someone from cheating if they perceive that the chances of them being caught are remote. So what we need to focus on is not only drug testing, but we need to focus on security.

When you look at security, and when you look at the unauthorized use of drugs, a very smart person, Dr. Scot Waterman, informed me that if someone is trying to influence the outcome of a race and gives a horse a foreign substance, he's going to do it shortly before post-time: two hours, four hours, six hours, maybe as far as eight hours out. So we as an industry have to develop security programs to combat the actual administration of drugs and medication just prior to post-time. That's what we've tried to do in Indiana. This past year we instituted a program that we called Integrity '06. Its sole focus or primary focus was on deterring the actual administration of unauthorized medication on race day. I'm not going to go through point-by-point what each of those initiatives are, they are available on our Website, just Google Indiana Horse Racing Commission, and you can look at the initiatives that we put in place to see if they are things that some of you may want to emulate. We have a commission meeting on Friday, with a number of rules and initiatives being proposed. Some of them are, I would think, the first in the nation regarding occupational licensing, becoming even more stringent in who we allow to race in our state. I'd like to close by sharing with you what my thoughts are on the importance

of this panel and this issue, and all of the things that regulators are being confronted with. Stan has done this weekend what he always does, he puts together a top-notch convention, and I've gone through the program and there are many interesting issues out there, there are some challenges, there are some problems, there are some innovations, technological advancements, there's discussion on different ways of marketing to bring fans into the track. But I feel the issue of cheating and stopping cheating is of paramount importance because if you don't have clean racing, and you don't have the confidence of the betting public, then really none of these other issues matter at all.

Stan Bergstein: Thank you very much, Joe. California long regarded itself as the center of the racing world. It was not always regarded as such by others, but it never lacked in confidence in itself as such. Under the supervision and under the leadership of its current chairman of the California Horse Racing Board, it has duly recognized respect. The chairman has made a very strenuous effort to turn California around, and has succeeded in doing so. His most recent appointment of an equine medical chief, the respected Dr. Rick Arthur, has changed things substantially in California in all ways. Our next speaker is a third generation horseman. His grandfather owned Native Diver, and his father was the president of Western Harness Racing. He himself drove and trained horses, so he knows every aspect of racing and we appreciate you giving your weekend up with your family and flying cross-country to be with us, Richard Shapiro, chairman of the California Horse Racing Board.

Richard Shapiro: Thank you, Stan. I find this discussion very interesting, and as Joe said, I don't think there's a more important discussion we can have because what we're talking about is the core of our industry, it's the heart of what we are. It's called integrity. Frankly, I wonder where the conscience of racing is many times when we talk about it. We can talk about penalties, but penalties aren't going to necessarily solve the problem. You have to get at the cause and find the cure. It's time to tell the truth about what our problem is, and our problem is that unfortunately, we don't have the tools. In my current role I'm a regulator, and frankly I don't like being a regulator, but what I have learned as a regulator is that as much testing as we try to do, as much security as we try to provide, as much surveillance as we perform, we're

outmatched. And what I see is that unfortunately, the true guardians of this industry, the true stakeholders, don't seem to want to take responsibility enough for what's at stake.

We all know that we have a war on our hands called medication, and as our purses are increasing, in those states that are fortunate enough to have racinos or have subsidies, we're seeing that there is certainly a bigger prize for people who want to take the edge. We also have to admit that what we have today is a different breed of owner, and a different breed of trainer. Today's owners want to win races, and in many cases the trainers who win races aren't necessarily horsemen. They are wonderful salesmen, they are very engaging people, and they're pretty damn good chemists, by the way. So what we're finding is that the old-time trainers on the backstretch can't fill barns anymore. The business has changed tremendously, and what I see lacking is who is going to take responsibility to change back? We as regulators, at least speaking for California, we're at a disadvantage. Every dollar that we want to spend toward testing we have to get from the legislature. I don't know about your state, but in the Golden state, we have to fight for every buck. Last year we got an \$851,000 increase in our medication testing and we're using that for out-of-competition testing. Frankly, it's not enough; we're only testing 27% of the horses. The odds of somebody beating us are very good. But I also have to fault our industry overall because there's no uniformity. In California we test 800 different compounds. Some jurisdictions test 100; some don't test 100 compounds. Our penalties are all over the board.

Fortunately, through the Racing Medication and Testing Consortium we are getting guidelines and we in California have moved forward to adopt those guidelines, and we intend to continue. But we have new things on the horizon and new threats. Look at what's going on in the sales arena today. The integrity problem doesn't just start at the racetrack; it starts before horses get to the racetrack. We all know that we have horses going through sales rings that are on steroids. What are we doing to the breed? What we're doing to the breed is we are breeding an inferior animal; we are breeding a more fragile horse. What we're doing is we're bringing in people to invest in our industry and we're not telling the truth. I think integrity is at the root cause of the problem. Unfortunately, I don't see that there's a governing body, and unfortunately too many people look to the regulators. But the regulators can't do this job alone. It's going to take the industry, the stakeholders, the people that have the true stake in this industry, to stand up and say, what we need is to clean up our act. We are losing the public's confidence, and as Joe

said, if we lose that it doesn't matter what we do. We already have damaged our self in many other areas, in that our racetracks are void of on- track fans.

This industry has tremendous challenges facing it, and we have to remind participants who chose to cheat that it is a privilege, not a right, to be at our racetracks. We have to follow due process; we are a bureaucracy, we regulators. But track owners, that's private property. Back in the days when I was in the harness racing business, there was a guy who wanted to bring in a barn full of horses, but we knew he was a cheater. We said "don't come here, you're not welcome."

We know we have problems, but it's very difficult to get a track owner to stand up and say we know this guy cheats, we haven't caught him yet, but we know he's cheating. In carbon dioxide testing we can get it down to 20% that we know who they are, but not one track is willing to say we don't want them. And that's what it's going to take, the stakeholders of the industry to stand up and for the industry and have a speaker, a voice, a conscience that will stop people, not just with stiffer penalties—make them as stiff as we can—but find a way to stop people from being in this business. Likely, we're going to have to get to detention barns, pre-race detention barns, because I don't know about other jurisdictions, but investigators—we don't have enough and they don't know what they're looking for. It's unrealistic to expect through a barn search that we're going to find what goes on. So what we're going to have to do is to get to pre-race testing, detention barns, but most of all, an industry that will unite, adopt stringent uniform rules and create uniform penalties throughout the industry.

Stan Bergstein: Thank you very much Richard. You now can understand why Richard Shapiro has changed and shaken up the State of California.

The aminorex situation is getting out of hand in harness racing by the devastating effects that it's having on horsemen and the sport. I have had calls from trainers with positives who, in my opinion, would not do anything adverse to a horse, telling me that they did not do it. Their horses were positive and they don't know where this stuff is coming from. To answer some of those questions we have the leading expert in the country, a man who heads the Racing Medication and Testing Consortium, Dr. Scot Waterman, to clarify that issue for us a little bit.

Dr. Scot Waterman: Thank you Stan, I'll do the best that I can. One thing I need to say up front, this is, at this point, a very fluid situation and there are multiple investigations proceeding on a lot of different fronts. There are things going on that I can talk about and things going on that I can't really talk about, but I'll do my best to sort of update this crowd on exactly what's going on. First, let me just talk a little bit about aminorex, just in case you've been under a rock. It is a drug that is essentially a close cousin to methamphetamine. It goes by a number of different street names, one of them is ice, another one is euphoria, there are a couple of others, it's essentially a street drug, a club drug, but the name euphoria tells you exactly what this drug does when a human being takes it. It is similar to things like ecstasy and some of those types of drugs that are popular in the club scene. It was marketed back in the 1980s in Europe, approved for use as a weight-loss drug, but was fairly quickly pulled off of the European market. There has been no commercial source of this drug since that point; it's not manufactured by any pharmaceutical company anywhere in the world at this point. Similar to crystal meth though, it is not that difficult to manufacture. You could do a Google search and if you look deep enough you can find recipes on how to make aminorex. So it is something that you don't need an advanced degree in chemistry to make, certainly high school dropouts can make crystal meth, aminorex is no different.

The history of this drug in racing: it was first discovered by Dr. Rick Sams and the Ohio department of agriculture lab, I believe it was about two and a half or three years ago, that was when the first positive was called. And that's the first time it had ever been seen in a horse-racing sample. Because of that, and certainly because of the sort of dire consequences of finding this drug in a post-race example, the Ohio department of agriculture actually created two distinct methods for the detection of this drug. One was with GCMS, which is gas chromatography-mass spectrometry, and the other method was LCMS which is liquid chromatography-mass spectrometry. What they wanted to see was whether or not those two distinct methods agreed with each other, that they still have an aminorex positive using GCMS and then could verify it by using LCMS.

As for mass spectrometry, the basic way to think about it is that it provides you with a fingerprint, and that's essentially what it is. Mass spectrometry is a very specific method; it's essentially the same as using a fingerprint to identify a human being. These machines basically take these molecules, explode them, and these patterns, this explosion pattern of this molecule

creates very unique identifiers for each individual molecule, so this is a very specific method that doesn't make mistakes.

Ohio continued to call positives for this drug, certainly reached double-digits in numbers of positives. The University of Pennsylvania laboratory also began running this method, and very shortly they had double-digit positives, Ontario began running the method, they have double-digit positives, and there have been a couple of other jurisdictions that have had one or two positives. Massachusetts has called one and Hong Kong called one. There are some very odd things about this though, and certainly the distribution of the positives is very unique. In all of the jurisdictions that have had multiple positives called, the individuals that have had positives are some of the usual suspects, people that you are not surprised would end up with a positive for something like this. But there also have been individuals who I've had people swear to me are absolute honest horsemen and have said things like "if that person's using this stuff, we might as well just all quit and go home." So that's very unique in this situation, and the other thing that's very unique is that it hasn't dried up. Most every other positive that I've ever seen for a new drug, and there have been a couple of them in recent memory: the benzel-pepperzine positives that Massachusetts called four or five years ago, the quantadine positives that were called in Nebraska two or three years ago, as soon as those positives were called, you never saw that drug again. And that's the typical pattern, once the people that are using the drug to cheat realize that we can detect it, they're on to looking for something else.

So the fact that the positives continue to roll in despite the fact that everybody and their brother knows that we can detect this drug now is very, very unique. So that really tosses you around a little bit and makes you try to understand what's happening here. Why are people that you wouldn't expect to cheat getting positives? Why is this drug not going away despite the tremendous amount of publicity it has received? So those are issues that are all being investigated.

In terms of the specific claim on levamasol, which is a de-wormer, there's no possible way that a mass spec method could confuse levamasol with aminorex, they are two completely different molecules, and mass spec will not confuse two different molecules. What we don't know necessarily about levamasol, and if that is a thread that connects all of these cases, then it's going to be looked at, but could levamasol be metabolized in the horse to some substance that is similar enough to aminorex to confuse the mass spec method. We don't know the answer to that,

that's something that's actually being looked at by a couple of laboratories in the US right now. So that's something that can be solved if that's an issue. In terms of investigating this, that's what you have to do; you have to look for common threads at this point. Were all those horses receiving levamasol? If so, then that's something that's worth looking at. What other products might be administered to all of these horses that might be a common thread? It almost becomes like a disease investigation, looking at the outbreak of disease and trying to determine the common threads between all of these individuals that have this disease. And that's something that's active and ongoing.

My personal theory, and this is absolute personal theory, not expressing the opinion of the Racing Medication and Testing Consortium or anybody else at this point, I think there are two things going on here. I think initially there were definitely people who were using this drug to cheat. They were caught. But as the method expanded, we're starting to get some sort of unintentional positive at this point. Certainly in initial cases, you get a positive and usually it dries up, and now all of a sudden it seems to actually be expanding, so I think there are two separate things going on here, and it's going to take some time to sort that out.

One thing I will mention and I've mentioned to horsemen who have called me on this issue, and it's a huge problem and it actually touches on a lot of things these gentlemen have already said. There are a tremendous number of products, and I shouldn't even use the word product—that legitimizes it too much—there's a tremendous amount of junk that floats around the backstretches in this country and in Canada. Most of these products don't have labels, they don't have qualified analysis of ingredients on them, they're junk. And unfortunately horsemen continue to put these products into horses, despite the fact that they have no idea what's in them. Frankly, veterinarians are just as responsible because they also put these things into horses with no idea what's in them. It's pretty easy to see how something like this could grab some people unintentionally if they're throwing these things into these animals and they have no idea what's in them.

So this is going to be a problem that's going to continue to pop up from time to time just because all of these products are out there, they make a lot of people rich, and we certainly have no idea what's contained inside of them. We need to address, very seriously, the issue that Mr. Blakney talked about, that cycle. The way you break that cycle is you go after the distributor, and that has to be the focus of this industry. We have to have the resources to go after the people

who are marketing these products, that are making these products, and that are selling them. Certainly the world anti-doping agency, which is sort of our kissing cousin on the human athletics side, has made going after the distributor of products a top priority, and I think it needs to be of this industry as well. Thanks.

Stan Bergstein: Thank you very much for clarifying, so articulately, the very complex problem now facing us. It's going to be a continuing trial for the regulators sitting at this table, and all other regulators, because they're a conflict obviously between the ideal goal of severity of penalties and of messing up people's lives and reputations on something like aminorex, where some very reputable trainers already have had their names dragged into this thing. They're going to somehow have to work their way out.

There's another issue obviously of integrity and that is the integrity of pari-mutuel wagering, and our final speaker is going to address that. He represents the Thoroughbred Racing Protective Bureau, he is probably the leading technical authority on pari-mutuel wagering integrity, and it's Curtis Linnell.

Curtis Linnell: Thanks Stan, thanks Chris Scherf, for inviting me. I do, I admit, feel like I am somewhat the black sheep of the panel, but I guess there's a point that needs to be made that horse racing is a wagering activity and if we think for a moment that violations of integrity are simply for winning purse money only, I can announce today that we are incorrect in that. Wagering can be a tremendous source of income for the individuals involved and it can also be a tool-set in which we can look at the horse racing activity and determine who is above-board and who is not.

One thing I should mention is that, right from the start, integrity needs to be defined. It's a very overused word, and we're going to attempt to just take a shot at that quickly today. First, a disclaimer: the opinions expressed are my own, don't yell at my boss Frank Fabian, for these opinions are mine, and are not the opinions of Standardbred Investigative Services. Integrity, in my opinion, means the participants are clearly identified; the trainer of the horse needs to be the one listed to be the trainer of the horse, not somebody else saddling that horse for the trainer, not some trainer who is on suspension and names someone else as the trainer. The motivations and corresponding actions of the participants are transparent, that individuals are entering a race in

order to succeed and the differences between participants are readily available to other participants, officials, and to the horse racing customer, defined in this context as the wagering public. Integrity in wagering: means that the wager can be made with the reasonable assertion that all other customers are on the same level, on the same plateau, and have access to the same general information that all other customers do. Once a wager is receipted, that their wager is valid and reflected in the wagering pool, that individuals can make decisions on that. And when the wagering pool closes, wagers cannot be made, cannot be cancelled, cannot be changed.

We at the Thoroughbred Racing Protective Bureau deal on integrity at a track level, we support, both the Standardbred Investigative Services and Thoroughbred Racing Protective Bureau, and the racetracks as they deal with wagering and the participant information that comes with that wagering, and we have developed a couple toolsets. The first tool set we've developed to support racetracks in their role, and I think Richard Shapiro talked about the stakeholders and everyone having responsibility for their own role, and we believe that very strongly because there's a toolset that we've started to develop called the Betting Analysis Initiative. We currently have started that in operation on all thoroughbred racetracks of TRA and it's scaleable to include all harness tracks. This year we will see the expansion of that to cross-reference all wagering activity at those racetracks, with participant performance and results, and pari-mutuel results. Wagering integrity: we need to verify that the location making the wager is the identified retail location and not something else, again, that the locations that are coming in to host track pools have not warehoused or sublet that out. Again, violations when it comes to participants are typically not happening on track, they do happen on track, but typically they are not happening on track, they're happening through a far-flung account wagering company, and you need to know who it is. We have to ensure that all locations in a wagering pool have an ownership and management that are legitimate. Find out how the wagers are made, and that the host track is aware of a site's operation. Again, a toolset developed for this is Thoroughbred Racing Protective Bureau's due diligence process, giving host tracks the tools to deal with their wagering information in relation to integrity.

Obviously on the regulatory side, we have some of the best and brightest regulators right up here. The racetracks have to make sure that officials are fully capable and empowered to deal effectively with rules violation. So as we support racetracks, we need to support commissions, to ensure that the policing of racing and wagering is efficient and comprehensive, and again that

starts at the mutuel manager's department, it starts at the compliance officer at the racetrack and we work to support that. Obviously deterrents impact the actions of the participants. The racetrack operators; each constituent group in horseracing performs their role in their own best interest. So everyone follows their own best interest. The operators are responsible for the integrity of their wagering pool. And that's the second point. And the toolsets that we're working to develop is supporting that very role.

Stan Bergstein: Thank you very much, Curtis, we thank the panel for a deep insight into integrity in racing and we congratulate them on their efforts to this point. One question back here and that will conclude the session.

Art Gray: Okay, I'm going to make this quick. I just want to talk a little bit about what we've done at Tioga and Vernon, for those of you that don't know, I was a trainer, steward and presiding judge for 25 years and I was frustrated a lot of that time by things where you knew what was going on and weren't able to do anything about it. Jeff Gural gave me an opportunity, asked me about integrity, and wanted the racetrack to have a level playing field. He gave me an opportunity to do this, and I can tell the owners of the racetracks here that this works. Security guards are trained, we showed them what to look for, they know how to milkshake a horse, they know what a syringe is, we do research into places where the horsemen will stop and try to medicate their horses on their way to the racetrack to race.

The very first Sunday that Tioga Downs raced, I was five miles down the road from Tioga Downs, I had the New York Post, I sat there for 16 minutes. I hadn't finished one article and a trailer pulled in. A trainer was in the back of the trailer for three minutes, jumped out, I called ahead, and they stopped the trailer, I got the three syringes out of the garbage can and those people are out of the races. One of the questions I've received the most is that well, if the racetracks go ahead and they do this it's going to create an adversarial situation with the racing commissions. The racing commissions aren't going to get mad; it needs to be a partnership. The racetrack owners have the right of exclusion; it's gone to the Supreme Court. You want to do this, you need to do it in a fair way—it can't be abused—but basically the racetrack owners can say "it's my ball and my bat and you can't play here."

There are tools that the racetrack owners have that regulators don't have, and I can tell you that I have horsemen calling me asking about whether or not they can get into races at Tioga and Vernon, because they don't want to apply if they don't think they're going to get in. So it's known, and this will work. I know that one of the things over the years that the racetrack owners were concerned about was getting sued and having legal fees, but if Tioga and Vernon can do it, and if Woodbine and Yonkers can do it, and if enough of the jurisdictions get together there might be a few lawsuits in there, but if you do it right, there's no collusion between the race tracks and you follow the legal procedures that you need, this will work. This is something that we can talk about, different policies that we can put into place for the next two years. If everyone here decided to do this Monday morning at 9 o'clock, we're going to make a huge difference in this medication issue.

Stan Bergstein: Thank you Art. Art has done a great job up there at Tioga and Vernon and he also of course is the mover of safety reins that he has been advocating for many years. I want to thank you all for being here.