



CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

**State of New Jersey**  
OFFICE OF THE ATTORNEY GENERAL  
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Commissioners

FRANCESCO ZANZUCCKI  
Executive Director

July 17, 2012

The Honorable Chris Christie  
Governor of the State of New Jersey  
State House  
P.O. Box 001  
Trenton, New Jersey 08625

Dear Governor Christie:

Pursuant to N.J.S.A. 5:5-27, enclosed is the New Jersey Racing Commission's 2011 Annual Report. The attached tables reflect full year results.

Sincerely,

Frank Zanzuccki  
Executive Director

Enclosure

c: Jeffrey S. Chiesa, Attorney General  
Deborah R. Edwards, Chief of Staff, Office of the Attorney General  
Paul Loriquet, Director of Communications

director/document/frank/2012 letters/annual report letter to governor



## Members of The New Jersey Racing Commission

Dennis A. Drazin, Chair

Appointed May 14, 2010, resigned December 1, 2011

Mr. Drazin, born in Long Branch, is president of the Red Bank based law firm Drazin and Warshaw. He holds a BA from Ohio State University and earned his law degree from Dickinson School of Law in Carlisle, Pa. He is active in the Trial Lawyers Associations having served on its Board of Governors and lobbied for legislation on matters that favor consumer rights. Prior to his nomination to the Commission he was president and legal counsel of the New Jersey Thoroughbred Horsemen's Association. He has an extensive involvement in horse racing having owned and bred thoroughbreds in New Jersey, New York, Kentucky and Florida. Mr. Drazin was appointed by Governor Corzine to the blue ribbon panel to try to determine the best course of action to preserve and enhance horse racing the State. As Chair of the Commission, Mr. Drazin was actively involved in ongoing discussions with the current administration that will determine the future of racing in New Jersey.

Anthony T. Abbatiello

Appointed 2006

Anthony T. Abbatiello's love for horses has resulted in 53 years dedicated to the horse racing industry. For 28 years, Mr. Abbatiello served the Standardbred Breeders and Owners Association of New Jersey, both as Co-Founder and as President. Mr. Abbatiello's previous titles included, Chairman of the Board for the United States Trotting Association, Director of the Standardbred Owners' Association of New York, Chairman of the New Jersey Sire Stakes Board of Directors, Trustee Chairman of the Board of American Horse Council in Washington D.C. and Trustee of the Trotting Horse Museum in Goshen, New York.

On July 2, 1995, Mr. Abbatiello was inducted into the Living Hall of Fame in Goshen, New York with his brother Carmine, a 1985 inductee. His induction resulted in the first brother tandem in the Hall of Fame. A decorated war veteran, Mr. Abbatiello served in the Korean War rising to the rank of Captain. Mr. Abbatiello demonstrated courage under fire, receiving numerous commendations including the Combat Infantry Badge, Silver Star, The Bronze Star with Valor, two Purple Hearts, the Presidential Unit Citation, Korean Campaign Ribbon with four Battle Stars and the Korean Service Medal.

Manny Aponte,

Appointed 2011

Manny Aponte is a resident of Egg Harbor Township and a member of the Township's Planning Board. He is a financial advisor and partner in the Alquist Wealth Management Group. Manny also worked for Morgan Stanley and the Atlantic City Hilton Resort. A graduate of Richard Stockton College he is now seeking an MBA at Rutgers School of Business in Camden. Mr. Aponte has been active in many organizations including the Egg Harbor Visioning Committee and the American Conference on Diversity and was a trustee of Atlanticare Health Services Board. He is married with two young children.

Anthony R. Caputo, M.D.  
Commissioner since 2005

Dr. Anthony R. Caputo was born in Newark and raised in Belleville where he attended public school. For high school he enrolled at Seton Hall Prep where he excelled as their Quarterback for three years. After high school, he received his B.S. degree from St. Bonaventure University. Years later he was granted an Honorary Doctorate from St. Bonaventure University.

Dr. Caputo earned his Medical Degree in 1969 from University of Bologna. His internship and ophthalmology training was completed at the New Jersey Medical School. In 1974, he was offered a Heed Fellowship at the Wills Eye Hospital in Philadelphia for pediatric ophthalmology. Upon returning to Newark, he was appointed Director of Fight for Sight Children's Eye Care Center and became the first pediatric ophthalmologist to practice in New Jersey.

Peter J. Cofrancesco III, Sparta  
Commissioner 2001 - December 2008; April 21, 2010 to present

Mr. Cofrancesco serves as Executive Officer of the Grinnell Group of Companies. Grinnell is family owned and operated with interests in manufacturing of construction materials, transportation services, as well as commercial and residential real estate development. The company was named the 2003 New Jersey Family Business of the Year, an award that recognizes the significant contributions to the economy and community made by New Jersey family businesses. Mr. Cofrancesco attended Delaware Valley College, concentrating in Business Management and also received an Honorary Doctorate in Humane Letters from Centenary College in 2003. Mr. Cofrancesco is extremely active in many community and professional organizations including directorship of college and hospital foundations, the NJ State Fair and the Interlocking Concrete Pavement Institute. Mr. Cofrancesco is a leading owner and breeder of American Quarter Horses and currently serves as a Director of the American Quarter Horse Association. Mr. Cofrancesco and his family have owned an unprecedented 24 AQHA World Champions, and have received the prestigious Leading Owner Award five times. Mr. Cofrancesco continued to serve on the Commission on hold over status until December 2008 but was reappointed on April 21, 2010.

Noel Love Gross, Saddle River  
Former Chair and Commissioner since 1994, resigned July, 2011

Mrs. Gross served as chair of the New Jersey Racing Commission from 1994 to 2001. She received her college education at Sarah Lawrence College in Bronxville, New York. In the private sector, she is President and Chief Administrative Officer of the Hudson Landing Corporation. In the public sector, Mrs. Gross has had a notable career highlighted by her appointment by President Reagan to serve as United States Alternate Representative to the 41<sup>st</sup> and 43<sup>rd</sup> United Nations General Assembly. She was asked to head the US Delegation to the UN Economic and Social Council Organizational Session, and was named head of the US delegation to the Special Session of the UN Development Program. She has also held various positions in the Republican National Committee and, locally, is a member of the Board of Trustees of 70001 Limited Development Foundation. Mrs. Gross is an owner/operator of two horse farms and her horses have won many competitions including multiple Grand Championships by Westfields and first-year Green Hunter of the Year National Championship by Ever So Dark. In July, Ms Gross resigned after volunteering her time serving the Racing Industry as a Commission member

for 17 years.

Francis X. Keegan, Jr.  
Appointed 2006

Mr. Keegan, a lifelong horseman, was appointed to the Commission in 2006. He is a past President of the New Jersey Thoroughbred Breeders' Association, a past President of the New Jersey Thoroughbred Horsemen's Association and was a member of many horsemen organizations, including the Thoroughbred Club of America, the Green Mountain Horse Association, the National Hunt Association, and a patron of the Monmouth County Hunt. Mr. Keegan has bred, owned and raced horses in New Jersey since 1963, and has also been a successful consignor at numerous thoroughbred auction sales including Saratoga and Keeneland. Mr. Keegan is a graduate of Seton Hall University and attended Fordham Law School and served as an infantry officer after college in the United States Army. Mr. Keegan is a Wealth Management Advisor and First Vice President of Investments with UBS Financial Services, Inc. and in March 2006 celebrated 40 years with the firm. Over the years he has served on numerous bank boards, including Carteret S & L Bank of Commerce in Newark and Monmouth Community Bank.

Frank Zanzuccki, Wall Township  
Executive Director since 1992

Mr. Zanzuccki received a B.S. in Accounting from St. Francis College, Loretto, Pa. He was the Chief Accountant for United Mine Workers of America from 1975-1978. He started his career with the New Jersey Racing Commission in 1978 and served in various positions and was appointed Executive Director in 1992. Mr. Zanzuccki was awarded the prestigious Len Foote Award in 1998 in recognition of outstanding contributions to the horse racing industry. He is also the first non-commissioner to be elected to the Association of Racing Commissioners International Board of Directors. In addition to this honor, Mr. Zanzuccki was subsequently elected as an officer of this international organization and served as its chairman from April 2004 through April 2005.

## MISSION STATEMENT

The New Jersey Racing Commission ("NJRC") governs, directs and regulates horse racing and pari-mutuel wagering. The NJRC is a member of the Department of Law and Public Safety and is responsible for regulating the horse racing industry in the State through vigilant oversight of all racing and wagering related activities to ensure the integrity of the sport and the safety of its participants.

### Commission Structure

Horse racing in New Jersey is regulated by Commissioners who, by law, are appointed by the Governor, with the advice and consent of the Senate. They set policy and rule on all matters affecting racing such as issuing permits to conduct horse racing meets, approving expenditures and adjudicating licensing matters. They also consider the issuance of licenses for off-track wagering sites, are responsible for the oversight and regulation of account wagering which includes telephone and internet wagering in New Jersey. This year, the following individuals served as Commissioners: Dennis A. Drazin, Chair, Anthony T. Abbatiello, Manny Aponte, Anthony R. Caputo, Peter J. Cofrancesco III, Noel Love Gross, and Francis X. Keegan, Jr.

The NJRC employs staff to effect policy, including an Executive Director who is responsible for overseeing the day-to-day operations of the Commission in accordance with accepted business and financial practices. Francesco Zanzuccki serves as the Executive Director.

Most of the year, NJRC had a full-time staff of 58 employees who conduct the daily functions of regulating horse racing. On October 31, a workforce reduction plan was implemented that resulted in a reduction of full-time staff to the current 38 employees. The Commission also maintains a pool of part-time workers to supplement staff as needed. Activities are divided and budgeted into four functional areas:

Administrative/Financial		\$2,036,229.00
Racing Operations		\$4,850,771.85
Licensing	\$ 912,884.14	
Veterinarians	\$ 905,469.22	
Chemical Testing	\$2,302,114.68	
Officials	\$ 730,303.80	
Pari-Mutuels		\$ 324,038.45
Investigations		<u>\$ 481,802.03</u>
Total Operating Budget		\$7,692,841.33

### Administrative/Financial

Much of the general administrative functions are performed by the Department of Law & Public Support Services unit specifically organized to streamline the personnel, budget and logistics functions of several State agencies.

Commission personnel perform administrative functions specific to racing matters including rule and regulation composition, staffing and scheduling, communications with and oversight of industry-related organizations, adjudication support, and report writing. Commission staff maintains a horse racing financial system that records and calculates all receipts and payments of funds from pari-mutuel wagering. In addition, it monitors the finances of certain industry organizations as required or requested.

### **Racing Operations**

All matters related to the regulation of the actual "running of the races" are the responsibility of the employees in this functional area.

Each individual and entity associated with horse racing must be licensed by Commission personnel. All participants must also be fingerprinted. A state-of-the-art computer system networks the Trenton office with all satellite racetrack locations. The Commission has a very successful mail-out program and participates in the Association of Racing Commissioners International multi-jurisdictional licensing program for owners, and is a member of the National Racing Compact.

The Commission employs racing officials who are present at each racetrack to monitor the running of every race in New Jersey. They issue penalties for rule infractions and rule on matters affecting the integrity of racing, including licensing concerns.

Veterinarians are also present at every live race meet to ensure the safety of the animals and to verify that each horse is fit to race.

Race horse samples are tested for the presence of illegal drugs after each race, and on occasion, before a race and in out-of-competition settings. These randomly selected samples undergo a complete chemical analysis at a State Police Forensic Laboratory at the Meadowlands Racetrack.

### **Pari-Mutuels**

Every wager made on every live and simulcast race is recorded and checked for accuracy and compliance with Commission rules and regulations. Commission staff calculate financial information from these wagers for proper distribution of funds. Racing Commission staff oversee all aspects of pari-mutuel operations to ensure they are conducted with integrity.

### **Investigations**

The investigative staff is responsible for monitoring activities at all New Jersey racetracks, off-track wagering facilities, participating casinos, and off-track stabling facilities.

An in-house investigative unit provides the Commission with the ability to oversee the integrity of racing by conducting investigations into alleged rule violations, performing inspections to determine compliance with regulations, monitoring activity on racetracks and off-track stabling facilities, providing testimony at administrative hearings and much more.

## HIGHLIGHTS AND 2011 KEY ISSUES

This year was one of uncertainty and transition in New Jersey's horse racing industry. It was mandated that the State get out of the horse race business and most of the year was spent on trying to accomplish this. Because of these ever changing scenarios the Commission was extremely active in its oversight of the industry and held five additional Commission meetings to ensure all matters requiring official Commission action were considered. As an example, at these special meetings, the Commission approved four changes to live racing schedules during the year.

The New Jersey Sports and Exposition Authority ('NJSEA'), operator of Monmouth Park and Meadowlands Racetrack, decided to lease their facilities to private interests. Leasing the Meadowlands for harness racing was accomplished when the Racing Commission on December 20 approved the permit for New Meadowlands Racetrack, LLC to operate racing at the track. The plan to lease Monmouth Park for thoroughbred racing fell through when Monmouth Park Racing, LLC, in December, decided to not complete the transaction. As a result, the permit for Monmouth Park to race thoroughbreds reverted back to the NJSEA who will operate the track until another private investor is selected.

The Commission promulgates rule and regulations to support and enforce its regulatory function and during 2011 the following were adopted:

### Safety Vests and Helmets 13:70-8.18 and 13:70-9.12 (effective April 18)

These were adopted as a result of a petition for rule making by the New Jersey Horse Racing Injury Compensation Board. The rules upgrade the standards for Commission-required safety vest and helmets worn by thoroughbred industry employees on horseback.

### Administration of Non-steroidal Drugs 13:70-14A.9 and 13:71-23.8 (effective November 7)

This amendment reduces the permitted level of phenylbutazone present in a horse's system on race day from 5 to 2 micrograms.

### Off-track Wagering 13:74 (effective May 23)

As a result of legislative action, the Commission adopted these amendments of the rule that deals with the transfer of OTW permits after certain deadlines.

There were several legislative changes that permitted a reduction of live racing dates in both the thoroughbred and standardbred sectors. As a result, the number of live racing dates decreased by 26% from 375 in 2010 to 279 in 2011. Wagering (NJ Gross Handle) totaled \$404,390,032 in 2011 which is an 8.0% decrease from \$439,738,068 wagered in 2010.

Because of this trend in scheduling fewer live racing dates, the need for regulatory oversight also decreased. As a cost saving measure, the Commission developed a workforce reduction plan that resulted in the elimination of 20 full time positions when full-time Commission staff was reduced from 58 to 38 on October 31. Coupled with other cost saving measures, the overall Racing Commission budget was reduced by about two million dollars.

The Racing Commission continued its comprehensive drug testing program during the year. In addition to testing for steroids, the Commission conducted out-of-competition testing at 17 separate locations namely, 12 at licensed New Jersey off-track stabling facilities, three at stabling facilities in New York, one at the Meadowlands Racetrack and one at Pocono Downs Racetrack in Pennsylvania. A total of 52 horses were tested. As part of its regular testing program, during 2011,, the State Police Forensic Science Laboratory tested 26,951 blood and urine samples collected from horses with 28 testing positive for the presence of illegal drugs or the presence of drugs over the dosage limits.

Racing Commission veterinarians and investigators assisted Department of Agriculture personnel in enforcing and monitoring a quarantine at two thoroughbred horse farms as a result of an outbreak of Equine Herpes. Although one horse died, the quarantine effectively prevented the spread of the disease.

Two new forms of wagering were researched and investigated by staff including Single Pool Wagering and Exchange Wagering. Several meetings were held with industry representatives and vendors to discuss the merits of each and the Executive Director chaired a session on Exchange Wagering at the annual Association of Racing Commissioners International conference.

The Commission's Executive Director is also the Chair of the New Jersey Horse Racing Injury Compensation Board that provides blanket workers' compensation insurance that covers certain horse racing industry employees. During the year the Board created and authorized a loss prevention program at racetracks that Commission staff enforced that realized significant results with claims and insured costs being much lower than previous years.

**NEW JERSEY EQUINE TESTING LABORATORY**

NJRC's Equine Drug Testing Program is administered at the New Jersey State Police Forensic Science Laboratory located at the Meadowlands racetrack. A staff of 16 chemists use modern testing equipment and methods to detect the presence of illegal substances in horses. In 2011, 26,951 blood/urine samples were tested resulting in 28 violations of the Commission's medication rules.

Total Samples Tested	26,951
Positives by Type	
Flunixin	11
Furosemide	8
Boldenone	2
Ipratropsum	1
Cennbuterol	1
Stanozolol	3
Testosterone	1
Zomepirec	<u>1</u>
Total Positives	28



The Commission also randomly tests jockeys, and drivers for the presence of illegal drugs. It also tests for alcohol abuse by race participants and officials. In 2011, one positive was detected from 466 samples tested.

## **NEW JERSEY HORSE RACING INJURY COMPENSATION RACING BOARD**

The Commission encouraged the creation of this Board that provides group workers' compensation insurance for the horse racing industry. The Board consists of representatives of the public and private sector including members of horse race organizations, insurance providers, risk management, state banking and insurance department, and the NJRC. The program covers employees of the Board, namely drivers, jockeys, exercise riders and thoroughbred trainers' employees, with 2011 premiums established at \$2,431,597. In 2011, the Board returned to the Assigned Risk Program with NJM being the provider.

## **NEW JERSEY RACETRACKS**

### **Atlantic City Race Course**

4501 Black Horse Pike

Mays Landing, New Jersey 08830

609-641-2190

Atlantic City Race Course is owned and operated by Greenwood ACRA, Inc.

### **Freehold Raceway**

130 Park Avenue

Freehold, New Jersey 07728

732-462-3800

[www.freeholdraceway.com](http://www.freeholdraceway.com)

Freehold Raceway is owned and operated by Pennwood Racing Inc. Pennwood Racing, Inc. that is 50% owned by Greenwood Limited Jersey, Inc. and 50% owned by Penn National GSFR, Inc.

### **Meadowlands Racetrack**

50 State Route 120

East Rutherford, New Jersey 07073

201-935-8500

[www.thebigm.com](http://www.thebigm.com)

**Monmouth Park Racetrack**

175 Oceanport Avenue

Oceanport, New Jersey 07757

732-222-5100

[www.monmouthpark.com](http://www.monmouthpark.com)

Meadowlands Racetrack, as of December 20, 2011 is operated by NMRLLC and Monmouth Park Racetrack is owned and operated by the New Jersey Sports and Exposition Authority.

**NEW JERSEY OFF-TRACK WAGERING FACILITIES**

**Favorites at Toms River**

1071 Highway 37 West

Toms River, New Jersey 08755

732-240-1210

Favorites at Toms River is a property owned by Freehold Raceway doing business as Freehold Raceway Off-track, LLC.

**Favorites at Vineland**

1332 South Delsea Drive

Vineland, New Jersey 08361

856-696-5290

Favorites at Vineland is a property owned by Greenwood Racing doing business as ACRA Turf Club, LLC.

**Favorites at Woodbridge**

3 Lafayette Road

Fords, New Jersey 07095

Favorites at Woodbridge is a property owned by the New Jersey Sports and Exposition Authority.

## **NEW JERSEY ACCOUNT WAGERING**

New Jersey Account Wagering

Meadowlands Racetrack

50 State Route 120

East Rutherford, New Jersey 07073

800-498-9557 and/or 201-460-4141

[www.4njbets.com](http://www.4njbets.com)

New Jersey Account wagering is operated pursuant to law by the New Jersey Sports and Exposition Authority.

## **NEW JERSEY CASINOS APPROVED FOR CASINO SIMULCASTING**

### **Bally's Park Place Hotel/Casino and Resort**

Park Place and the Boardwalk

Atlantic City, New Jersey 08401

609-340-2000

[www.ballysac.com](http://www.ballysac.com)

Owned by: Bally's Park Place, Inc.

### **Caesars Atlantic City Hotel/Casino**

2100 Pacific Avenue

Atlantic City, New Jersey 08401

609-348-4411

[www.caesarsac.com](http://www.caesarsac.com)

Owned by: Boardwalk Regency Corporation

### **Showboat Hotel/Casino**

801 Boardwalk

Atlantic City, New Jersey 08401

609-343-4000

[www.showboatac.com](http://www.showboatac.com)

Owned by: Showboat Atlantic City Operating Company, LLC

### **Borgata Hotel Casino and Spa**

One Borgata Way

Atlantic City, New Jersey 08401

1-866-MY BORGATA (692-6742)

[www.theborgata.com](http://www.theborgata.com)

Owned by: Marina District Development Company, LLC

### **Harrah's Casino Hotel**

777 Harrah's Boulevard

Atlantic City, New Jersey 08401

800-645-6774 and/or 609-441-5165

[www.harrahresort.com](http://www.harrahresort.com)

Owned by: Harrah's Atlantic City Operating Company

### **Trump Taj Mahal Casino Resort**

Boardwalk at Virginia Avenue

Atlantic City, New Jersey 08401

609-755-4424

[www.trumptaj.com](http://www.trumptaj.com)

Owned by: Trump Taj Mahal Associates, LLC

## **THOROUGHBRED ORGANIZATIONS**

*Thoroughbred Horsemen's Association of New Jersey*, a not-for-profit corporation which advocates thoroughbred racing in the State. It provides general administrative services to its members including a group health benefits program.

*Thoroughbred Breeders Association of New Jersey* is an organization devoted to promoting and enhancing the breeding of New Jersey thoroughbreds. The Racing Commission administers the Breeders Award Program that provides monetary incentives to owners and breeders by offering purse enhancements for races for New Jersey bred.

## **STANDARD BRED ORGANIZATIONS**

*Standardbred Breeders and Owners Association of New Jersey* is a not-for-profit organization dedicated to advancing the cause of standardbred racing in the State. It provides general administrative services to its members including a group health benefits program.

*New Jersey Sires Stakes*, an agency within the State Department of Agriculture, promotes the owning and breeding of New Jersey standardbreds. Nearly \$9 million in purse money is devoted to Sires Stake races restricted to horses sired by stallions resident in New Jersey. The program is funded by distributions from pari-mutuel handle at harness tracks and from nominating and sustaining payments by horse owners.

Nov.. 2011

NEW JERSEY  
2011 HARNESS RACING DATES

Freehold Raceway (12:30 p.m.) (115 dates)

January 1 through May 21\*\*

Dark: Sundays, Mondays, Tuesdays in January, February, March  
Sundays through Wednesdays in April and May  
(Except: Monday, January 17 and Monday, February 21)  
Wednesdays: January 19, February 23

74 Dates

September 1 through December 17\*\*\*

Dark: Sundays through Wednesday in September and October  
(Except: Monday, September 5)  
Thursday, September 8  
Sundays through Thursdays in November and December

41 Dates

Meadowlands Racetrack (Wed.-Sat. 7:00 p.m.; Sun., Holidays 1:10 p.m.)

January 7 through August 20 (81 dates)\*

Dark: Sundays through Wednesdays  
(Except Sunday, Feb. 21)  
(Except Monday, May 8)  
Thursday, March 31  
Thursday, May 5 and Friday, May 6  
Thursdays: August 11, 18

Dark: Month of April

81 Dates

~~September 8 through December 23 (60 dates)\*~~

**Total Harness Dates:**

**196 Dates**

\*On Jan. 19, 2011, eliminated Sundays in Feb., canceled April dates, added dates to fall schedule.

\*\* On March 18, 2011, eliminated dates in April, May, June and added dates to fall schedule.

\*\* \*On May 20, 2011, eliminated 53 dates (Wed. & Thurs.- Aug. through Dec.)

\*\*\*\*On Oct. 7, 2011, eliminated 60 dates in the fall schedule.