

NEW JERSEY  
RACING  
COMMISSION

2013 ANNUAL  
REPORT

## **MEMBERS OF THE NEW JERSEY RACING COMMISSION**

### **Anthony T. Abbatiello**

Commissioner since 2006

Anthony T. Abbatiello's love for horses has resulted in nearly 60 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 beside his brother Carmine, a 1985 inductee. Mr. Abbatiello's 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, the Silver Star, the Bronze Star with Valor, two Purple Hearts, the Presidential Unit Citation, the Korean Campaign Ribbon with four Battle Stars, and the Korean Service Medal.

### **Manny Aponte**

Commissioner since 2011

Manny Aponte has served as First Vice President - Investments of Aponte Waters Financial Consulting Group of Wells Fargo Advisors, LLC since 2006. From 1999-2006, he was a Financial Advisor with Morgan Stanley. A graduate of Richard Stockton College, Mr. Aponte has been active in community organizations as a Board Member of the American Conference on Diversity and the Hispanic Alliance of Atlantic County. He also has served as a member of the Egg Harbor Township Planning Board since 2009.

### **Dr. Michael Arnone**

Commissioner since 2013

Dr. Michael Arnone graduated from Seton Hall University, received his D.D.S. from Temple University School of Dentistry, and has a dental practice in Red Bank. He was a member of the New Jersey General Assembly from 1989 to 2004 and was Mayor of Red Bank from 1978 to 1990. He has also served on several other local government agencies and committees, which included a tenure as the Red Bank Fire and Police Commissioner.

Dr. Arnone served in the United States Army from 1959 to 1961, attaining the rank of Captain. Dr. Arnone resides in Red Bank.

**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. He attended high school at Seton Hall Prep. After high school, he received his Bachelor of Science 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.

**Pamela Clyne, LCSW, SAC**  
Commissioner since 2012

Pamela Clyne is a resident of New Egypt in Ocean County, where she resides with her husband, retired Ocean County Superior Court Judge, James D. Clyne. They own a 25-acre horse farm and are lifelong horse enthusiasts. She has a masters in Social Work from Rutgers University and is certified in many behavioral healthcare disciplines.

Ms. Clyne has served as the Executive Director of Reindancer Therapeutic Riding Center since 2006, where she works with a wide group of individuals with special needs. Among other things, she is involved in therapeutic horseback riding and equine-assisted psychotherapy with this 501(c)3 organization.

**Peter J. Cofrancesco III**  
Commissioner since 2010; 2001 - 2008

Peter J. Cofrancesco III 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 New Jersey 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 holdover status until December 2008, and was reappointed on April 21, 2010.

**Anthony De Paola**

Commissioner since 2013

Anthony De Paola was employed by the United States Postal Service. He also was supervisor of mutuel clerks at Meadowlands Racetrack and Athletic Director at several high schools. He is a graduate of East Orange High School and has an honorable discharge from the United States Army.

Mr. De Paola is active in many government agencies in Berkeley Township and Ocean County. Specifically, he is Commissioner of the Ocean County Board of Health and Missing and Exploited Children Committee. In Berkeley Township, he is on the Board of Education and is Chairman of the Zoning Board and Sewerage Authority.

Mr. De Paola is married and resides in Toms River.

**Francis X. Keegan, Jr.**

Commissioner since 2006

Francis X. Keegan, Jr., 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 also has been a successful consignor at numerous thoroughbred auction sales, including Saratoga and Keeneland. Mr. Keegan is a graduate of Seton Hall University, attended Fordham Law School, and after college served as an infantry officer in the United States Army. Mr. Keegan is a Wealth Management Advisor and First Vice President of Investments with UBS Financial Services, Inc., celebrating 40 years with the firm in March 2006. Over the years, he has served on numerous bank boards, including Carteret S & L Bank of Commerce in Newark and Monmouth Community Bank.

**Peter T. Roselle**

Commissioner since 2013

Peter T. Roselle is currently the owner and CEO of Meadowbrook Industries, LLC, Waste Industries, LLC, Regional Industries, LLC, and Premier Waste Services, Inc. He has 20 years of experience in the solid waste and recycling collection and transportation industry.

Mr. Roselle received a Bachelor of Science degree in Business Management and Finance from Monmouth University. He joined the Board of Trustees of Riverview Medical Center in March 2011. He is an active volunteer on committees at Monmouth University, Jersey Shore University Medical Center, Meridian Health System, and NJDEP Clean Communities Council.

Mr. Roselle resides in Tinton Falls with his wife and daughter.

**Frank Zanzuccki**

Executive Director since 1992

Frank Zanzuccki received a Bachelor of Science in Accounting from St. Francis College in Loretto, Pennsylvania. He was the Chief Accountant for United Mine Workers of America from 1975 to 1978. He started his career with the New Jersey Racing Commission in 1978, where he served in various positions before he 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. The Commission regulates horse racing at New Jersey's racetracks and rules on all matters affecting racing, such as issuing permits to conduct horse racing meets, approving expenditures, and adjudicating licensing matters. It also considers the issuance of licenses for off-track wagering sites and is 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: Anthony T. Abbatiello, Manny Aponte, Dr. Michael Arnone, Anthony R. Caputo, Pamela Clyne, Peter J. Cofrancesco III, Anthony De Paola, Francis X. Keegan, Jr., and Peter T. Roselle.

The NJRC employs staff to execute the Commission's statutory and regulatory mandates, 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. Frank Zanzuccki serves as the Executive Director.

The NJRC has a full-time staff of 37 employees who conduct the daily functions of regulating horse racing. The Commission also maintains a pool of 29 active hourly workers to supplement staff as needed.

Activities are divided into four functional areas, with the FY2013 budget as follows:

|                          |               |                   |
|--------------------------|---------------|-------------------|
| Administrative/Financial |               | \$2,537,087       |
| Racing Operations        |               | \$4,874,337       |
|                          | Licensing     | \$1,201,881       |
|                          | Veterinarians | \$ 942,436        |
|                          | Drug Testing  | \$1,986,830       |
|                          | Officials     | \$ 743,190        |
| Pari-Mutuels             |               | \$ 286,168        |
| Investigations           |               | <u>\$ 496,392</u> |
| Total Operating Budget   |               | \$8,193,984       |

The FY2013 budget is 15% less than FY2012.

### *Administrative/Financial*

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

NJRC 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. The Commission 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 NJRC employees in this functional area.

Each individual and entity associated with horse racing must be licensed and fingerprinted by Commission personnel. 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 NJRC employs racing officials who are present at each racetrack to monitor the running of every race in New Jersey. Those officials 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.

### *Pari-Mutuels*

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

### *Investigations*

NJRC investigative staff are 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.

## **2013 HIGHLIGHTS AND KEY ISSUES**

This year was another year of transition for New Jersey's horse racing industry. All of New Jersey's racetracks are now either owned or leased by private entities. Monmouth Park Racetrack is operated by Darby Development under the race permit held by the New Jersey Thoroughbred Horsemen's Association (NJTHA), while the New Meadowlands Racetrack is operated by New Meadowlands Racing, LLC. Both Monmouth Park and New Meadowlands operate under lease agreements with the New Jersey Sports and Exposition Authority.

Wagering on New Jersey races increased by 7.0% this year, with \$513,196,847 wagered in 2013 compared to \$479,245,081 wagered in 2012.

On November 23, 2013, the new management of Meadowlands Racetrack opened a new \$80 million grandstand, which replaces a separate building scheduled for demolition. This new facility has received very positive reviews.

In the fall of 2013, the Commission, then the Attorney General, approved an application for a new off-track wagering (OTW) facility scheduled to open in Gloucester Township, Camden County. Once operational, the Gloucester OTW would constitute the second OTW owned and operated in Freehold Raceway's approved site-location area.

Trump Taj Mahal closed its Casino Simulcast Facility in March 2013 and Caesars Entertainment closed its four Casino Simulcast Facilities in December 2013. With those closures, the Borgata remains the only casino currently offering pari-mutuel wagering on horse racing in Atlantic City.

The Commission promulgates rules and regulations to support and enforce its regulatory function. During 2013, the Commission adopted one new regulation: single pool wagering, 13:70-29A, 13-71-27A (adopted March 20, 2013, effective April 15, 2013), which provides for a new method of calculating wager results that will hopefully generate more wagering activity. NJRC staff also was active this year in the rulemaking process as the Commission completed draft regulations for exchange wagering, a process where bettors lay odds on a horse to win or lose.

Recent legislative changes permit a reduction of live racing dates in both the thoroughbred and standardbred sectors. As a result, the number of live racing dates decreased by 7.7% from 2011 (272 live racing days) to 2012 (252 live racing days). However, the number of live racing days increased this year by 6.3% when compared to 2012. In 2013, 17 more dates were added when Freehold Raceway returned to live racing in January and February.

The NJRC continued its comprehensive drug testing program this year. In addition to testing for steroids, the Commission conducted out-of-competition testing at licensed New Jersey off-track stabling facilities and New Jersey racetracks. As part of the Commission's regular testing



program, the State Police Forensic Science Laboratory and Truesdail Laboratories together tested 28,581 blood and urine samples collected from horses; 31 of those samples tested positive for the presence of illegal substances.

The Commission worked with Monmouth Park and NJTHA to implement third-party lasix administration. This initiative has eliminated the need for a practicing veterinarian to be in the stall of a horse on its race day.

The NJRC Executive Director is also the Chair of the New Jersey Horse Racing Injury Compensation Board that provides blanket workers' compensation insurance to certain horse racing industry employees. During the year, the Board continued its loss prevention program, which realized significant results this year as insured costs totaled much less than previous years.

Two court cases of note were processed this year:

The first is the matter of Jan Henriksen, Joshua Green, and Boyd Hudson, Jr. v. New Jersey Racing Commission, OAL Dkt. Nos. RAC7539-12, RAC7540-12, and RAC7541-12. Jan Henriksen, a licensed veterinarian, permitted an unauthorized individual, assistant trainer Hudson, to administer a drug or substance to a horse and then failed to file an equine fatality report following the death of the horse. Joshua Green was the licensed trainer of the horse and therefore is subject to the absolute insurer rules and is responsible for the care of the horses he trains. The Administrative Law Judge (ALJ) agreed with the findings of the Racing Commission but reduced the penalties. On September 18, 2013, the Commission agreed that the ALJ's Final Decision accurately interprets and applies the Commission's rules to the facts presented but rejected the reduction in suspension duration for each petitioner. The Commission then restated its suspension duration in the approved motion.

The second is the matter of Frederic Esposito v. New Jersey Racing Commission, OAL Dkt. No. RAC03743-2011S. Frederic Esposito appealed a Racing Commission decision that denied him a trainer's license for two reasons: the Commission found first, that that the petitioner violated Commission rules prohibiting the training of a horse stabled at a licensed off-track stabling facility in New Jersey without a NJRC trainer's license, and second, that the petitioner had prior involvement with a bookmaking operation. The ALJ permitted the appeal and recommended that the Commission license the petitioner. The Commission rejected the ALJ's final decision at its January 16, 2013 meeting, finding that the ALJ failed to address the entire record before the court, which included evidence of the petitioner's violations of Commission rules. The Commission then moved to deny the petitioner's application for a driver/trainer's license.

## **NEW JERSEY EQUINE TESTING LABORATORY**

At the beginning of 2013, sample testing pursuant to the NJRC's Equine Drug Testing Program occurred at the New Jersey State Police Forensic Science Laboratory located at the New Meadowlands racetrack. Samples are now tested at Truesdail Laboratories in California. In 2013, the Commission tested 28,581 blood/urine samples; testing revealed 31 violations of the Commission's medication rules.

|                      |        |
|----------------------|--------|
| Total Samples Tested | 28,581 |
|----------------------|--------|

### Positives by Type

|                    |          |
|--------------------|----------|
| Butorphanol        | 1        |
| Carbazochrome      | 1        |
| Dexamethasone      | 8        |
| Hydroxymepivacaine | 1        |
| Flunixin           | 2        |
| Furosemide         | 10       |
| Phenylbutazone     | 6        |
| Methylhexanamine   | <u>2</u> |

|                 |    |
|-----------------|----|
| Total Positives | 31 |
|-----------------|----|

The Commission randomly tests jockeys and drivers for the presence of illegal drugs. It also tests race participants and officials for signs of alcohol abuse. In 2013, the Commission received four positive results from the 328 samples tested in those categories.

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

The Commission encouraged the creation of the New Jersey Horse Racing Injury Compensation Board, which provides group workers' compensation insurance for the horse racing industry. The Board consists of representatives from the public and private sectors, including members of horse racing organizations, insurance providers, risk management, the New Jersey Department of Banking and Insurance, and the NJRC. The program covers employees of the Board, namely drivers, jockeys, exercise riders, and thoroughbred trainers' employees, with 2013 premiums established at \$2.0 million. In 2013, the Board continued its participation in the Assigned Risk Program provided by the New Jersey Manufacturers Insurance Company.