



**CHRIS CHRISTIE**  
Governor

**KIM GUADAGNO**  
Lt. Governor

**State of New Jersey**  
**OFFICE OF THE ATTORNEY GENERAL**  
**DEPARTMENT OF LAW AND PUBLIC SAFETY**  
**DIVISION OF NEW JERSEY RACING COMMISSION**  
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Chairman

**ANTHONY T. ABBATELLO**  
**MANNY E. APONTE**  
**MICHAEL J. ARNONE, D.D.S.**  
**PETER J. COFRANCESCO, III**  
**ANTHONY G. DEPAOLA**  
**DAVID C. GRUSKOS**  
**FRANCIS X. KEEGAN, JR.**  
**PETER T. ROSELLE**  
Commissioners

**FRANCESCO ZANZUCCKI**  
Executive Director

June 8, 2015

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 2014 Annual Report. The attached tables reflect full year results.

Sincerely,

Frank Zanzuccki  
Executive Director

Enclosure

- c: John J. Hoffman, Acting Attorney General  
Robert Lougy, Chief of Staff, Office of the Attorney General  
Paul Loriquet, Director of Communications  
Geoffrey Brounell, Special Assistant, Office of the Attorney General



NEW JERSEY  
RACING  
COMMISSION

2014 ANNUAL  
REPORT

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Members of the New Jersey Racing Commission

**Anthony T. Abbatiello**

Appointed 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 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 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, "Manny" has been active in community organizations as a Board member of American Conference on Diversity and the Hispanic Alliance of Atlantic County. He is also a member of Egg Harbor Township Planning Board since 2009.

**Dr. Michael Arnone**

Commissioner since June 19, 2013

Dr. Arnone graduated Seton Hall University and 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 NJ General Assembly from 1989 to 2004 and was mayor of Red Bank from 1978 to 1990. He also served on several other local government agencies and committees including being a Red Bank Fire and Police Commissioner.

He served in the U.S. Army attaining the rank of Captain from 1959 to 1961.

Dr. Arnone resides in Red Bank.

**Pamela Clyne, LCSW, SAC**

Appointed 2012

Appointed as Chairman of the Racing Commission on April 17, 2014

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 is 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 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.

**Anthony De Paola**

Commissioner since July 26, 2013

Mr. De Paola was employed by the US 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 U.S. Army.

He is active in many government agencies in Berkeley Township and Ocean County. Specifically he is Commissioner of 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.

He is married and resides in Toms River.

**David Gruskos**

Appointed 2014

Mr. Gruskos is owner and president of Reliable Automotive Equipment, the industry's premier supplier of repair equipment for luxury automobiles. As a resident of Oceanport, he has been involved in many community activities as a volunteer and had served on the Oceanport Planning and Zoning Board for ten years from 1994-2004.

Until his appointment to the Racing Commission he was an active thoroughbred racehorse owner and has extensive knowledge of horse racing matters in this State. He has assisted Monmouth Park Racetrack in fund-raising activities and was a member of Oceanport's Monmouth Park Advisory Board.

**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.

**Peter T. Roselle**

Commissioner since July 30, 2013

Mr. 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 experience in the solid waste and recycling collection and transportation industry.

Peter Roselle received a BS 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.

He resides in Tinton Falls with his wife and daughter

**Frank Zanzuccki**

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 at year’s end: Anthony T. Abbatiello, Manny Aponte, Dr. Michael Arnone, Pamela Clyne, Peter J. Cofrancesco III, Anthony De Paola, David Gruskos, Francis X. Keegan, Jr. and Peter T. Roselle.

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. Frank Zanzuccki serves as the Executive Director.

NJRC has a full-time staff of 36 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 FY2014 budget as follows:

Administrative/Financial		\$2,389,586
Racing Operations		\$4,530,232
	Licensing	\$1,485,471
	Veterinarians	\$1,104,056
	Chemical Testing	\$1,144,882
	Officials	\$ 795,823
Pari-Mutuels		\$ 306,586
Investigations		\$ 534,479
Total Operating Budget		\$7,760,883

This year’s budget is 5.3% less than FY2013.

**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 Truesdail Laboratories in California.

**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.

### **2014 HIGHLIGHTS AND KEY ISSUES**

Note: Items in *italics* actually occurred in 2015 but are included here for clarity purposes

#### Off-Track Wagering

An application for a new off-track wagering facility ("OTW") was approved by the Commission at a public hearing on October 23, 2013 and was subsequently approved by the Attorney General on November 23, 2013. The facility, located in a former restaurant in Gloucester Township, Camden County, opened in July 2014. This is the second OTW owned and operated in Freehold Raceway's approved site location area and represents the fifth OTW facility in the State.

An application was received for an OTW to be located in Hillsborough Township, Somerset County. The application was returned to the applicant for clarification and amendment of material deficiencies, *and these changes are currently under review*. The proposed OTW is in the Monmouth Park site location area and it is expected this facility will become operational in 2015.

Pertinent to the OTW issue, the Racing Commission issued a temporary stay of its September 18, 2013 decision ordering permit holders to comply with benchmarks set forth in N.J.A.C. 13:74-2.4(B)(1) by March 14, 2014 until legal challenges (ACRA Turf Club, LLC v. Zanzuccki) to the Off-Track and Account Wagering Act are resolved in District Court. ACRA Turf Club, LLC challenged the constitutionality of certain state laws that affect their rights under a contract between them and the New Jersey Sports and Exposition Authority. *A partial decision from the District Court was issued in February 2015 affirming the constitutionality of the governing statute and regulations. The remaining matters pending before the District Court are expected to be resolved by the summer of 2015.*

Pilot Program

P.L. 2011, c. 228 authorizes the establishment of a pilot program allowing parimutuel wagering on horse racing at a limited number of taverns, restaurants and similar venues in certain designated areas of the State through the use of electronic wagering terminals. An application was submitted to the Commission on behalf of the Monmouth Park permit holder for a location in Clifton, Passaic County. *This application was deemed complete on March 23, 2015 and approved by the Commission at its May 13, 2015 meeting. It is pending review by the Attorney General's Office.*

Exchange Wagering N.J.A.C. 13:74C

Comprehensive proposed regulations concerning Exchange Wagering were advertised in the "New Jersey Register" for comment. The comments received were summarized and draft responses were submitted to the Commission. The Commission approved the summary of the comments, the draft responses and the rules for adoption at its November 2014 public meeting. Exchange wagering is a form of parimutuel wagering, in which two or more persons place identically opposing wagers in a given market, and which wagering is conducted by the exchange wagering licensee pursuant to a valid exchange wagering license issued by the Racing Commission, and pursuant to and in compliance with the Exchange Wagering Act, N.J.S.A. 5:5-168, *et seq.*, and the Commission's rules, *which became effective when published in the New Jersey Register on April 20, 2015.*

Medication Rules N.J.A.C. 13:70-14A.1, 14A.7, 14A.17; 13:71-23.1, 23.7, 23.16

Model rules concerning allowable threshold levels of approved medications administered to racehorses as well as multiple medication penalties associated with violations were adopted by the Commission this year. These changes are incorporated by reference to the Association of Racing Commission International's model rules and are part of a nationwide effort to standardize medication rules in racing jurisdictions.

2015 Race Dates

At its November 2014 meeting, the Commission approved the following 2015 race dates: Freehold Raceway 110, Monmouth Park 49, Meadowlands Harness 81 and Atlantic City Racecourse 6. *At its March 2015 meeting, the Commission approved 13 thoroughbred race dates at the Meadowlands Racetrack, all of which will be conducted on the turf track. These race dates are similar to last year's totals.*

Closure of Atlantic City Race Course

*The Atlantic City Race Course ("ACRC") permanently ceased all operations on January 16, 2015 at 4:00 p.m. By letter dated January 22, 2015, Executive Director Zanzuccki informed ACRC that its closure rendered the Commission's November 19, 2014 determination to issue it a thoroughbred racing permit for 6 thoroughbred race dates and a simulcasting license null, void and of no effect. The Executive Director ordered ACRC to account for all monies collected from*