



NEW JERSEY RACING COMMISSION 2018

SEVENTY - NINTH ANNUAL AND STATISTICAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2018

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Governor

Gurbir S. Grewal
Attorney General

Pamela J. Clyne
Chairman

Michael Arnone · John A. Hoffman
Francis X. Keegan, Jr.
Commissioners

Judith A. Nason
Acting Executive Director

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Mission Statement

The New Jersey Racing Commission (“Commission”) regulates horse racing, pari-mutuel wagering, account wagering and exchange wagering in the State of New Jersey. The Commission is tasked with ensuring the integrity of the sport and the wagering thereupon through efficient oversight of all racing and wagering related entities and activities. The Commission also acts to promote the health and safety of the racing participants.

New Jersey Racing Commissioners

Pamela J. Clyne, LCSW, SAC

Chairman

Appointed 2012 - Present

Appointed as Chairman April 17, 2014

Pamela J. Clyne has served as the Chairman of the Racing Commission for the past four years. She has a Master’s Degree in Social Work from Rutgers University and is certified in several behavioral healthcare disciplines. One of the focuses of Chairman Clyne’s professional career has been the establishment and operation of an equine therapy practice. As a lifelong equine enthusiast, Chairman Clyne has been able to utilize both her love of horses and her expertise as a licensed clinical social worker to treat those suffering from a wide range of mental illnesses, including autism and post-traumatic stress disorder.

Currently, Chairman Clyne practices behavioral healthcare for veterans suffering from PTSD and children suffering from autism. Some of Chairman Clyne’s practices involve therapeutic horseback riding and equine assisted psychotherapy.

Formerly, Chairman Clyne was the Executive Director of Reindancer Therapeutic Riding Center where she worked with a group of individuals with a wide range of special needs.

Dr. Michael Arnone, DDS

Appointed 2013 - Present

Dr. Michael Arnone attended Seton Hall University and St. Francis College. He received his D.D.S. from Temple University School of Dentistry and continues to practice dentistry in Red Bank, NJ. Commissioner Arnone was a member of the New Jersey General Assembly from 1989 to 2004 and served as Mayor of Red Bank from 1978 to 1990. Commissioner Arnone has served on several other local government agencies and committees including service as a Commissioner of the Red Bank Fire and Police.

Dr. Arnone also served his country as a member of the United States Army from 1959-1961, achieving the rank of Captain.

John A. Hoffman

Appointed March 13, 2017 – Resigned December 28, 2018

John A. Hoffman is Chairman of the Board of Wilentz, Goldman & Spitzer P.A. and formerly served as the firm's managing partner and treasurer. Commissioner Hoffman is an esteemed member of the New Jersey legal and business communities and has practiced at Wilentz for more than 50 years.

Commissioner Hoffman has served as general counsel to Middlesex County College for more than 50 years and as special counsel to New Brunswick Housing Authority and New Brunswick Parking Authority in major redevelopment projects in the city since the 1970s. He has represented the Middlesex County Improvement Authority and Middlesex County in the acquisition of open space in the County, and the Middlesex County Utilities Authority for more than 30 years. He serves on the Board of Directors of New Jersey American Water Company and New York American Water Company. Commissioner Hoffman has represented major public utilities in regulatory proceedings for many years and served as co-chair of the Board of Public Utilities Transition Committee for former Governor James E. McGreevey.

Commissioner Hoffman serves on the Boards of Directors of RWJ/Barnabas and Robert Wood Johnson University Hospital. He served as Chairman of the Board of Robert Wood Johnson University Hospital from 2009-2012, and as Chairman of the Board of Trustees for Robert Wood Johnson University Hospital Foundation from 2001-2004. In 2012, Commissioner Hoffman was named Hospital and Healthcare System Trustee of the Year by the New Jersey Hospital Association. He served on the Board of Trustees, legal and executive committees for the University of Medicine and Dentistry of New Jersey from 2003-2009.

Commissioner Hoffman was appointed to the Commission on March 13, 2017 and resigned effective December 28, 2018.

Francis X. Keegan, Jr.

Appointed 2006 - Present

Francis X. Keegan, Jr., a lifelong horseman, was appointed to the Commission in 2006. Formerly, he was President of the Thoroughbred Breeders' Association of New Jersey, President of the New Jersey Thoroughbred Horsemen's Association and has held esteemed membership in many national and international horsemen's organizations, including the Thoroughbred Club of America, the Green Mountain Horse Association and the National Hunt Association. He was also a patron of the Monmouth County Hunt.

Commissioner Keegan has bred, owned and raced horses in New Jersey since 1963 and has been a successful consignor at numerous thoroughbred auction sales including those held in Saratoga, NY and Keeneland, KY.

Commissioner Keegan is a graduate of Seton Hall University and attended Fordham Law School. He also served as an infantry officer in the United States Army. Commissioner Keegan recently retired from his career as a Wealth Management Advisor and First-Vice President of Investments with UBS Financial Services, Inc. where he was employed for the past 51 years. In addition to his public service, Commissioner Keegan has served on the board of numerous banks, including Carteret S & L Bank of Commerce and Monmouth Community Bank.

Judith A. Nason
Acting Executive Director
Appointed July 18, 2018 - Present

On July 18, 2018, the New Jersey Racing Commission appointed Judith A. Nason to serve as Acting Executive Director. Ms. Nason served as Deputy Director of the Commission since November 2014 and, prior to that, as a Deputy Attorney General beginning in January 1993. As a Deputy Attorney General, Ms. Nason represented and provided legal advice to the Commission for 13 years.

Ms. Nason received a J.D. with Honors from Rutgers Law School-Newark in 1988. Thereafter, she clerked for Chief Justice Robert N. Wilentz of the New Jersey Supreme Court. Ms. Nason was then employed as an associate attorney in New York City with Kaye, Scholer, Fierman, Hays and Handler, specializing in corporate finance, and as a litigation associate in Newark, New Jersey with LeBoeuf, Lamb, Leiby and MacRae where she worked with the Honorable Frederick B. Lacey. Thereafter, Ms. Nason left private practice for a career in public service.

Frank Zanzuccki
Executive Director
Appointed 1992 – Retired June 30, 2018

Frank Zanzuccki received a B.S. Degree in Accounting from St. Francis College. 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 before being appointed Executive Director in 1992.

Executive Director Zanzuccki is nationally recognized as a prominent member of the horse racing industry. In 1998, Director Zanzuccki was awarded the prestigious Len Foote Award in recognition of his outstanding contributions to the horse racing industry. He has also served on the Board of Directors of the Association of Racing Commissioners International (ARCI), becoming the first non-commissioner to be elected to this position. Executive Director Zanzuccki was subsequently elected as an officer of the ARCI and served as its chairman from April 2004 through April 2005. After 40 years of loyal and dedicated service to the New Jersey Racing Commission, Executive Director Zanzuccki retired on June 30, 2018.

Overview

Composition of Commission and Staff

In 2018, the State of New Jersey was one of the five largest racing jurisdictions in the United States when measured by wagering handle. In the calendar year of 2018, there were over 2000 races conducted in New Jersey and the total handle bet on New Jersey races amounted to approximately \$983 million. Horse racing is conducted at three racetracks in the State and wagers can be placed on horse races at the racetracks, the six operating off-track wagering facilities and the casino simulcast facility at the Borgata, as well as over the internet or via telephone. The New Jersey Racing Commission regulates horse racing and the wagers placed on the sport.

The Commission, which is a bi-partisan body created by statute, consists of a maximum of nine members. Commissioners are appointed by the Governor, by and with the advice and consent of the Senate, for a term of six years. One such member shall be designated by the Governor to serve as chairman.

Through its regulatory purpose, the Commission is tasked with maintaining the integrity of New Jersey's horse racing industry and acting to protect the health and safety of the racing participants. These aims are achieved through the promulgation and enforcement of regulations. The Commission, which is also charged with oversight of the wagering upon horse races in the State, employs staff members to oversee the calculation and distribution of wagering handles in order to ensure that such wagering is conducted fairly and without incident. Additional functions of the Commission include the issuance of permits and licenses allowing persons or entities to conduct horse racing-related activities.

The Commission has a full-time staff of dedicated employees charged with conducting its daily functions. The full-time staff includes investigators, race officials, financial analysts, veterinarians, executive staff and support personnel. In addition to the full-time employees, the Commission maintains a pool of per-diem employees to supplement staff as needed. Many of the part-time and seasonal employees only work on days when racing is conducted. The staff is led by Acting Executive Director Judith A. Nason who has served in that role since her appointment on July 18, 2018.

New Jersey Racetracks

New Jersey currently has three racetracks in operation and each has its own unique features and history. Monmouth Park is the only exclusive thoroughbred racetrack in the State and hosts the Haskell Invitational, an annual Grade 1 Stakes Race. The Meadowlands conducts both standardbred and thoroughbred racing at its state-of-the-art facility, opened in 2013. The Meadowlands has hosted the Hambletonian Stake, one of the most prestigious harness races in the world, every year since 1981. Freehold Raceway is the oldest and longest continuously operating racetrack in the United States, having been officially opened for operation in 1854, although races were conducted on the site starting in the mid-1830s.

Other Regulated Facilities

Legislation enacted in 2002 allows for the operation of up to fifteen off-track wagering facilities, which provide members of the wagering public additional locations to place bets and watch simulcast races. As of December 31, 2018, there are six off-track wagering facilities open for business in the State. They are located in Toms River, Woodbridge, Bayonne, Gloucester Township, Hillsborough and Egg Harbor Township. In addition to the off-track wagering facilities, patrons are able to place bets on simulcast races at the casino simulcast facility located at the Borgata Hotel and Casino, as well as on the internet and over the telephone by utilizing New Jersey's account wagering system or exchange wagering system.

Commissioners

During the calendar year of 2018, the following persons served on the Commission: Dr. Michael Arnone, Pamela Clyne, John A. Hoffman, and Francis X. Keegan, Jr. On April 17, 2014, Commissioner Pamela Clyne was designated chairman and has served in that capacity since that time. At year's end, there are three sitting Commissioners and six vacancies awaiting appointment.

2018 Budget

The Total Operating Budget for fiscal year 2018 was \$7,517,983. This represented a decrease of \$160,092, or (2.09%), from the total operating budget of fiscal year 2017 which was \$7,678,075. The decrease in budget for 2018 is partially attributed to a 1.5% decrease in fringe benefit rate. Also, the budget includes the annual assessment for the work and efforts of the Division of Law related to the sports wagering litigation in the amount of \$375,000.

For budgetary purposes, operational activities are broken down into four functional areas. The 2018 Fiscal Year Budget for each area is as follows (with the 2017 budget numbers in parenthesis):

Administrative/Regulatory:		\$2,221,429	(\$2,360,303)
Racing Operations:		\$4,459,018	(\$4,396,235)
Licensing:	\$1,401,231		(\$1,243,223)
Veterinarians:	\$1,097,502		(\$1,114,758)
Chemical Testing:	\$1,125,578		(\$1,179,920)
Officials:	\$ 834,707		(\$858,334)
Pari-Mutuels:		\$ 283,085	(\$318,403)
Investigations:		\$ 554,451	(\$603,134)
Total Operating Budget:		\$7,517,983	(\$7,678,075)

Racing Operations

Oversight of the races conducted in the State and of the racing participants is the responsibility of the racing operations staff members. This group includes executive staff, racing officials, licensing personnel, veterinary staff and administrative staff.

Thoroughbred Racing Officials

The persons who officiate thoroughbred races are known as racing stewards. The Commission employs a Chief State Steward of thoroughbred racing and several associate stewards to officiate the thoroughbred races at Monmouth Park and the Meadowlands. It is the responsibility of these stewards to watch every race from start to finish and ensure that all races are conducted according to the Commission's rules. However, the duties of the stewards extend well beyond the actual running of the races.

A few days prior to a race day, Commission stewards are responsible for verifying entries into each race and claims upon any of the entrants. On the morning of a race day, prior to any races being run, the stewards are in regular contact with trainers, owners and veterinarians to determine if any horses need to be scratched from that day's races. During each race, three stewards are present in the officiating booth at all times. Two stewards watch the race with binoculars while another studies the live video feeds. These three stewards work in concert to determine if a foul occurs during the race and, if a foul occurs, to determine the appropriate action to be taken.

The Commission has jurisdiction over all licensees and licensed tracks, farms and training facilities, as well as any location in the State where a racehorse is located. The stewards issue penalties and make judgments on all matters involving violations of the Commission's rules. When a violation of a Commission rule occurs, three stewards are empaneled to conduct a hearing at which the violator is present and has an opportunity to explain his or her side of the incident. At the conclusion of the hearing, the panel of stewards determines if a penalty is warranted.

Standardbred Racing Officials

The persons who officiate standardbred races are known as judges. The Commission employs a State Steward of standardbred racing, as well as two presiding judges and several associate judges to officiate standardbred races at Freehold Raceway and the Meadowlands. The job responsibilities of standardbred judges are similar to those of thoroughbred stewards, although there are some minor differences between the two industries. Judges verify the entries into each race and also pick the starting draw. Similar to the thoroughbred stewards, standardbred judges are in contact with the trainers, owners and veterinarians pre-race to determine if any horse must be scratched. Further, there are three judges in the officials' booth during each standardbred race who work together to view the race to ensure that no violations occur during a race and, should a

violation occur, confer amongst themselves as to the circumstances involving the violation and the appropriate action to be taken.

Judges are responsible for levying penalties upon licensees and other persons for violations of the Commission's rules. When a violation of one or more of the Commission's rules occurs, three judges are empaneled to conduct a hearing at which the violator is present and has an opportunity to explain his or her side of the incident. At the conclusion of the hearing, the panel of judges determines if a penalty is warranted.

Licensing Personnel

Every person involved in thoroughbred or standardbred racing in New Jersey must be licensed by the Commission. This includes, but is not limited to, owners, trainers, jockeys, drivers, veterinarians, exercise riders, and grooms. Further, all vendors, farms, stables and other entities involved in thoroughbred or standardbred racing in New Jersey, including racetrack employees, must be licensed as well.

The responsibilities of granting licenses, overseeing the licensing process and ensuring that all persons required to be licensed have been issued a license, are the responsibilities of the Commission's licensing staff. Licensing staff are present at each of the three racetracks during racing meets and are present year-round at the central office in Trenton.

In order to obtain a license, each prospective licensee must fill out an application, have his or her photo taken by a member of the Commission's licensing staff and be fingerprinted for a criminal background check. The application is then reviewed by staff and photo identification is given to the licensee. Each licensee is required to have photo identification on his or her person while on the grounds of a racetrack, farm, or other area under the jurisdiction of the Commission.

Certain licenses require approval of the State Steward, while others require the taking and passing of a written examination. It is the responsibility of the licensing staff to keep track of this process and maintain such records.

In the year 2018, 9,726 licenses were issued by the Commission. A breakdown of each individual license granted for both thoroughbred and standardbred racing is attached to this report. When submitting an application for a racing license, each applicant is required to submit a licensing fee, the amount of which is different for each respective class of license. In 2018, the total revenue, in the form of licensing fees, generated through the licensing process was \$393,430, representing a 4.12% decrease from the 2017 licensing revenue of \$410,325.

Veterinary Staff

The Commission employs veterinarians who operate under the supervision of the Chief State Veterinarian. It is the responsibility of the Commission's veterinarians to safeguard the health of racehorses in the State and to minimize the risk of any injury or harm that may befall human and equine race participants.

On race day, the Commission's veterinarians perform a pre-race examination of every horse that is entered to race. During this general exam, the veterinarians check each horse to determine if there are any indications of illness or lameness. To conduct the exam, a veterinarian will enter the stall and check the horse's physical condition and will also watch the horse jog to make certain there is no evidence of lameness or unsoundness in the horse's gait. Should any horse present illness or lameness, the veterinarian has the discretion to contact the stewards or judges and scratch the horse from racing that day. Should a veterinarian elect to scratch a horse, the horse is placed on a list maintained by the veterinary staff and cannot race until that horse undergoes a thorough evaluation by a Commission veterinarian and is determined to be free of illness or injury.

During each race, Commission veterinarians are positioned in the paddock area and along the racetrack in order to observe the horses as they run. Should an accident or injury occur, the veterinarians are immediately on hand to treat the horse and have the authority to order the horse removed by equine ambulance or euthanized, if necessary. In addition to observation of the races themselves, Commission veterinarians are responsible for taking post-race blood samples from selected horses which are then tested for the presence of any drugs or substances foreign to the natural horse. When not observing races, it is the responsibility of the veterinarians to maintain a presence in the stabling and paddock areas. The Commission has a veterinary office at each racetrack in the State.

The veterinarians are responsible for keeping apprised of any equine health issues that may be occurring in New Jersey and neighboring jurisdictions and report any issues to the executive staff as well as to the racing stewards and judges. The veterinarians also research national trends and standards in equine veterinary practice so that they may be informed of the treatments being used in the private sector.

Testing Procedures

As mentioned previously, Commission veterinarians are responsible for conducting post-race testing. Further, the veterinarians also conduct certain testing prior to the date of the race. Pursuant to the Commission's rules, the veterinarians may conduct out-of-competition testing in order to ascertain the presence of Erythropoietin, EPOgen and other blood doping agents.

In addition to the Commission veterinarians, the Commission employs several part-time animal health inspectors who work at the racetracks. After each race, some or all of the horses that competed in the race are sent to the detention barn to undergo post-race testing. The veterinarians and animal health inspectors procure blood and urine samples, respectively. The veterinarian or animal health inspector label and seal the samples they have procured and place the