



**Tuesday, December 4, 2018**

## **Tools of the Regulatory Trade: Insuring Integrity in Racing**

### **Moderator:**

**Jennifer Durenberger:** NYRA Regulatory Veterinarian, ROAP Board Member

### **Speakers:**

**Jill Cathey:** Founder, A Cathey Testing System, ACTS

**Jeff True:** President and General Manager, Ruidoso Downs

**Scott Wells:** President & General Manager, Global Gaming RP, LLC

**Ms. Wendy Davis:** I think it's past time if you can come on in and find a seat. Great. We'll go ahead and get started. It's really my pleasure again to introduce our panelists this afternoon, but before I do so, I would be remiss not to thank our sponsors, the Jockey Club and the Daily Racing Form. Again, there's really no way that we could put this conference together without all the support from our sponsors.

This afternoon's panel, "Tools of the Regulatory Trade: Ensuring Integrity in Racing", really falls in line with the — some of the discussions we've had earlier today, really playing off our keynote presentation this morning.

Our moderator today is Dr. Jennifer Durenberger, and she is uniquely qualified to participate in this panel as well as act as moderator. She not only has — she's not only a veterinarian, so a degree from vet school, she's also been to law school. She has worked as a regulatory veterinarian as well as a steward and in some other aspects of racing, so she can really pull things together from all perspectives.

I'd like to thank — and she's currently a regulatory veterinarian with the New York Racing Association. I'd like to thank her for agreeing to moderate this panel and to participate. She will take it from here.

Again, Jennifer, thank you very much for being with us today.

**Dr. Jennifer Durenberger:** Thanks, Wendy.

Welcome to everybody in the room. Don't forget that the student presentations are happening outside. I don't want you to leave our panel, but I do want to give a plug for

the students who have worked very hard on their capstone projects, and so do make sure that you take some time to take a look at those.

Our panel today is "Tools of the Regulatory trade: Ensuring Integrity in Racing". I have three panelists with me, and I'm gonna tell a story as well about some of the individual initiatives that various racetracks and commissions are taking on their own outside of the model rules process.

By model rule, right, the trainer is the occupational licensee that is charged with care, custody, and control of the horse, but what happens to those horses when they're on your grounds as an operator can affect your product. It can affect your brand. That can have effects on the industry in your state.

In the public's mind, what happens to the horses on the racetrack can call into question the integrity of the industry in general, so this is important stuff.

We're gonna explore some of these localized solutions to localized problems.

We're gonna start with a panelist named Jill Cathey. Jill is all the way on the left. She's a steward for the New Mexico Racing Commission, and she's the founder and co-owner of A Cathey Testing System LLC, a company that provides innovative technology capable of creating individualized testing in many aspects of the horse racing industry.

Jill, why don't you go ahead with your presentation?

**Ms. Jill Cathey:** As she said, my name is Jill Cathey, and I have been a steward in the state of New Mexico since 2015.

I am the founder and co-owner of A Cathey Testing System, also known as ACTS. Today, I would like to illustrate to you guys how and why ACTS was developed, and it starts with the plight of New Mexico.

It is no secret to anybody in this room that New Mexico had a public perception that was stained with the history of leading the nation in drug positives. This resulted in a lack of faith from the betting public and a decline in handle. The numbers that I'm about to reference are improved from previous years, but they help illustrate the battle that New Mexico was fighting.

In 2016, there were 169 drug positives, and in 2017, there were 133. A large number of these were Class One and Two violations. It is our assumption that a majority of these cases were the result of program training.

In 2016, New Mexico had a regular influx of people taking the trainer's test, and at the same time, they had an astounding number of people circumventing the testing system by going to other states to obtain their license with the intent of returning to New Mexico to race.

It was at this time that I was given the task of creating a trainer's test that would produce an educated horseman, and at the same time, deter program training.

Now, my inspiration came at a day when I saw a test-taker finish their test, and they were met in the parking lot by a lady with a pen and a sheet of paper. He talked, and she wrote.

It was then the next week that I saw another test-taker finish their test, and they were met in the parking lot by the same lady. It was then that I realized, in this regular influx of people taking the trainer's test, there were people that were taking it with no intent on passing. They were only there to memorize our questions, and eventually, they would have our entire test.

At that moment, I was inspired to create a software program that would never produce the same test twice, and that's when ACTS was born. ACTS is an online testing software program that is integrity-driven and beneficial for the racing industry. It can be used to create a variety of different types of tests, the most obvious being the trainer's test, but it can also be used to produce jockey agent tests and other racing official tests.

It could be used in all aspects of the racing industry and all breeds: harness, steeplechase, quarter horse, thoroughbred. Limitless possibilities.

It's created with the racing officials in mind. There is an area dedicated to racing officials where they can get randomly-generated questions to use in interviews and practical list of activities to use in the practical, such as the barn test.

Now, what I would like to stress today is this is not a generic test. It's customized to meet the specific needs of each jurisdiction. This includes specific rules, regulations, and statutes of the state, the number of questions in the test, and the time allotted to answer each question and complete the test.

Now, the type of questions that are seen on this test are multiple choice, questions about entering horses, reading past performance charts, and reading the program.

We have diagrams, pictures, and video of the racetrack, racing equipment, and the horse's anatomy. The questions, they're constantly updated, so there's always new material on the test.

What I'm personally incredibly excited about is that ACTS has an audio feature for individuals with disabilities and individuals who learn through listening.

ACTS operates by charging a yearly membership fee, regardless of the number of test-takers. When a test-taker logs on to ACTS, ACTS personnel is notified, and then the test-taker signs non-disclosure agreements agreeing not to copy, share, sell, or disclose any of the information on the test to other individuals, and doing so would be a violation that could result in legal action from ACTS and/or disciplinary action by the board of stewards.

Now, the questions are timed, and they're randomly generated, so it creates its own unique test each time, but we can retain the historical data, and we use that historical data to compile statistics.

This means that even though each individual gets this one-of-a-kind test, we still have the ability to see the test that that individual took. At the end of the test, a certificate then prints detailing the test-taker's score and what areas need to be studied.

The benefits of ACTS is, first, it brings uniformity to testing in the racehorse industry. We can keep track of anybody who's ever tested, and this prevents somebody who fails a test in one state from running to another state to take their test.

Also, it's faster to test. It's automatically graded as it goes. It's a simple, user-friendly process.

It efficiently reduces the resources needed in giving trainers tests, which saves the commissions money. ACTS is protected against online hackers and theft. Because the questions are specific to each jurisdiction and the multiple-choice answers are always switched around, it creates a specific question that we can trace when and where it was generated and who was taking the test at the time

This brings accountability and integrity back to the test-takers and the racing officials.

ACTS has been used in the state of New Mexico for coming on two years and is attributed to a decrease in program training and drug positives.

Since January 29th of 2017, we have given 47 tests, and 10 trainers have passed. They've had a combined start of 553 starts with 67 firsts, 70 seconds, and 58 thirds.

Of these 553 starts, we have only seen three medication positives, two for dexamethasone, which is a 4C, and one for clenbuterol. Now, overall, we have seen less people trying to take the trainer's test, and the trainers that are passing are proving through their responsibility to value their trainer's license.

Furthermore, the New Mexico Racing Commission is requiring repeat offenders to take the trainer's test prior to reinstatement from coming back from suspension, and this has proven an effective method in keeping these people out of the game because they're not even willing to come back and take the test.

Now New Mexico is getting ready to achieve some major milestones. They're on track to have a record low number decline in drug positives, especially Class Ones and Twos, despite an increase in drug testing.

They've also seeing an overall increase in the handle, and at the ARCI Conference for Racing Integrity in Equine Welfare, New Mexico was presented awards for exemplary service in the cause of racing integrity.

We have seen two major trends since adopting ACTS. The first is that the people behind program training are bringing in trainers from other states to do their program training for them. This is an amazing statistic.

It is easier for the people behind program training to go to another state, recruit a trainer, and then move that trainer and his stable to the state of New Mexico than it is for them to home-grow a program trainer in their own state.

The second trend that we have seen, it's not new. It's been happening for forever, and it plagues many other jurisdictions.

People are still leaving New Mexico at an increasing speed to get their trainer's license in other states with the intent of returning to New Mexico to race.

Today, I ask everybody in this room to close your eyes and imagine. Imagine an industry where testing is uniform, fair, and equal in all states. Program training is prevented. Trainers' license are obtained with accountability and integrity.

Stand with New Mexico today and adopt ACTS and bring value back to acquiring a trainer's license.

Yes. When I first started my endeavor, I really wanted to make a trainer's test that was in Spanish.

I went to a local college, and I got a tutor, and we were going to go through. They were gonna help me make a trainer's test in Spanish, but what I found is that there's so many words that we use that don't translate directly into Spanish, shoe boil being one.

One of the other concepts too is, we don't print the condition book in Spanish, and a lot of the condition book is on the test. If I were to create a test that was in Spanish, it wouldn't be the difficult level.

It would be a simpler test than what people were taking in English because there's words that we can't translate, but what I have come up with a solution to this answer is, there are a lot of individuals that they speak Spanish, but they don't really read English, but they can listen, and they know English because to operate in this industry, you do have to know English.

I now have the audio feature where the rule book is actually available, like an Audible book online, and people can listen to it. Then with the test, it also has an audio feature where you can click on a little link, and it will just read the question and the answers or the multiple-choice questions to you. Any other questions?

**Dr. Jennifer Durenberger:** We'll have time at the end to take general question-and-answer from the audience.

Thank you, Jill. I'm actually gonna do this while seated. It's a little bit awkward to introduce yourself, so I'll just tell you which hat I'm wearing since, like many people in

racing, I wear a lot of hats. I think for this panel, I'm putting on my Racing Matters hat, which is a consultancy business that I have.

In that capacity, I meet with, I review, and I help design integrity programs specifically on the equine welfare side for racetracks. In that capacity, I developed this rate, and it's called the regulatory veterinary intervention rate, RVI for short.

The reason was, I saw a problem. We talk about the multiple medication violators. We talk about the one percent of occupational licensees that are responsible for really the majority of medication findings, at least the Class Ones and Class Twos in our industry.

We're looking for ways in general to address this small handful of participants. Without objective data, it can be challenging, right, for operators to exclude individuals or for regulators to suspend, revoke, or deny occupational licenses. The rate is defined this way.

It's any action that a regulatory veterinarian takes in his or her official capacity to remove an unsound horse from competition, a musculoskeletal injury or fatality occurring during a pari-mutuel event, training fatalities, any medication violations for a horse in that trainer's care. Then we divide that by the trainer's total number of starts at that track.

I'm adding in — in the next version, the 2.0, if you will, a metric that will look at any welfare concerns because I think that the welfare, as we're hearing, the perception of how horses are treated on the racetracks is very important, and I'm troubled by the fact that we have in 2018 some concerns. They pop up about a half a dozen times a year where there are neglect cases on racetracks.

The reason we can't do this with our existing software systems is that a lot of the scratches or equine injury database entries that the regulatory veterinarians are putting in are beyond a trainer's control.

If a horse is scratched because it's off feed, it is a veterinary issue, but it's not an unsound horse that was gonna go out there and be a liability for the track. You have to back out quite a few of the regulatory veterinary intervention data points in order to get meaningful statistics in the analysis. The localized knowledge.

You have to have that boots on the ground to know who it was that actually initiated the scratch and what the reason for it was. What we really want to get at here is, but for your regulatory veterinarians, that horse was gonna go out and participate in a pari-mutuel event. I'm sorry. We look at the track's baseline, right?

This is how it looks generally, the setup and the implementation.

We go in, and we look at the track's baseline RVI for a defined period of time. That might be a year if you're year-round racing. It may be a meet.

What we do is, we find out, in general, at your racetrack — and it does differ significantly from track to track for a number of local reasons — what the track's baseline RVI is. We

go back, and we do — I come in, and I meet with your regulatory vets. If you're an operator and the veterinarians work for you, this is very easy to get this data.

If the veterinarians work for the commission, it's a little bit trickier, but we've got some ways that we can handle that. We do a retrospective assessment. We look behind for whatever that period of time was, and we just look at it because we have to normalize the data and make sure that this is gonna be a useful statistic for your racetrack.

It's almost like how we derive a medication threshold in that we figure out what — we do statistical analysis.

We figure out what the baseline is and then standard deviations. We're only interested in the outliers that are on the high end of the curves, if you will, the bell curve. If you have trainers who are outliers because they never have an issue, that's great, but we want to look at the guys that have a higher than expected RVI.

Then you can look at the data, and you can decide what to do with it. Maybe it matches up with the folks that in your head are red flag folks, and you may not be surprised by the results. Perhaps the data doesn't normalize at your racetrack for whatever reason, and we can talk about that going forward.

Then make a plan for what you want to do, and then I can work with your veterinarians on how to record meaningful data going forward.

Here's the uses for this, right? If you're an operator, you might want to whether a trainer's entries or stall app continue to be welcome at your racetrack.

We've got an objective number, which shows that the horses in that trainer's care, custody, and control require the regulatory vets to do something at a much higher than expected rate.

As a result of this, the safety and welfare of all participants at the track could be unfairly jeopardized. The integrity of your wagering product may be called into question. Essentially, a trainer with a very high RVI — and remember, we're talking way above baseline — compared to baseline is essentially a liability to a racetrack.

If you're a commission, you could consider this information when you're evaluating fitness for licensure. It might be an aggravating or mitigating factor in certain types of hearings.

You could also have, what I like to call when I was a steward, a trainer in to have an explain yourself hearing.

Come on in, and Trainer X, at this track, we expect one percent of the time that our regulatory vets have to do something, but the horses in your care, they have to step in ten percent of the time. Explain yourself.

I think this is a useful educational tool, and I do think that it should be part of any safety review committee.

If you have a committee that meets at your track following an on-track fatality, I think that having the trainer's RVI compared to baseline is a useful part of that discussion. As one racetrack operator said to me once, we can spend all the money in the world creating and maintaining the safest racing surface, but the one thing we don't have control over is the quality of horses that set foot upon it.

That's what your regulatory veterinarians are doing. That's where they're out there intervening.

I have a pilot example here.

This is a small track.

It's a seasonal track.

It did not have a whole lot of fatalities. Good for them.

It did not have a whole lot of medication findings during that meet. Good for them.

The statistics may be a little bit misleading here, but the baseline RVI at that track was 1.83 percent. In other words, out of every 100 horses entered, 1.83 were either scratched by the regulatory vets or after the race returned lame or had to be vanned off.

That track had 111 trainers that year, and 108 of them had RVIs within three standard deviations of the baseline, which means three did not, right?

This is a really, really fascinating number to me. If you add those three outliers, if you add the number of medication rulings they were responsible for, it was 43 percent at the meet.

It was 31 percent of the racing fatalities. Imagine if you could remove three percent of your population — and that number seems high to me but imagine if you took out three percent of your population of participants at your track, and you were able to reduce your numbers like that.

Again, this was a small track, right? Because there weren't a whole lot of fatalities or medication positives, probably at larger tracks with more trainers and more starts, those numbers wouldn't be as remarkable, but that's a pretty remarkable number.

**Dr. Jennifer Durenberger:** Next presentation will be Jeff True.

I'll pass this down to Jeff. Jeff is the president and GM of Ruidoso Downs Racetrack and Casino.

He's here to tell us about some enhanced compliance and testing protocols that he currently has in place at his track. We do have slides for you.

**Mr. Jeff True:** I'm pushing this button here?

**Dr. Jennifer Durenberger:** The top one? Yup. I think so.

**Mr. Jeff True:** I got nothing.

**Dr. Jennifer Durenberger:** He's giving you the one second sign.

**Mr. Jeff True:** Who is? Oh, the guy in the back.

**Dr. Jennifer Durenberger:** Yeah.

**Mr. Jeff True:** There's always a guy in the back.

**Dr. Jennifer Durenberger:** There's always a guy in the back. Thank goodness for the guys in the back. There we go.

**Mr. Jeff True:** There we go. Thank you very much, Jennifer. That's a pretty interesting tool there.

I think Scott and I are sitting here, figuring out how we can figure out our RVI and how that might impact our ability to put people on the racetrack and to fill races.

First of all, thank you for having me. I know many of you in the crowd, and you know that I've been in the tote business for the last 11 years.

The last year, I've come back to the racetrack, which has been a joy to me. I love running the racetrack. I like the ability to have an impact on the business, and I think at Ruidoso, I have an opportunity to do that.

We in the first year of new ownership at Ruidoso Downs have taken a pretty hard line with respect to, quote-unquote, cleaning up the business.

In the 10 or 11 years I was in the tote business and not that close to quarter horse racing or New Mexico in particular, some things changed.

Jill pointed out some of those things and highlighted some of the problems that we had in New Mexico.

When the new ownership came to me to talk about Ruidoso Downs, their number one concern was, look, we've got a business that's in trouble. We need to take a stance at Ruidoso Downs and make sure that we're doing everything we can to ensure the integrity of the sport. Obviously, we all know in this room, that's what we live on.

We tried to do some things at Ruidoso this — in the last 12 to 14 months that we'll continue to work on over the next however long I'm there and however long these owners still control the racetrack.

What I'm going to do today is just briefly touch on a couple of the things that we found successful and that we think made an impact.

Now, this slide is not anything new. When you read through there, anybody in this room could have written the problems that we have in racing. We could have written those things 10 or 11 years ago, and we're still writing them now.

What have we done about those things, and what have we accomplished? Our effort at cleaning up the business really starts and stops with these three things. Establish the rules, target the bad actors, and bring all the resources you can to bear to affect those things.

Now, we at Ruidoso, we followed the Los Alamitos lead. There was a trainer acknowledgement document, multi-page, lots of legal language document that every trainer needs to sign to come to race at Ruidoso Downs. Those things in that document bind the trainer legally to his behavior and the outcome of his barn activity, of his entries.

That condition includes our ability to eject them from the grounds for a variety of things that they've done.

We got a lot of help from Dr. Glenn Blodgett, the manager of the Four Sixes Ranch who's a veterinarian and deeply involved in horse welfare issues, and he helped us write the thing.

We feel pretty good about that document, and every trainer signs it. Some of the things that were done and implemented prior to the AARD ownership, which now we're obviously continuing because they're good things, and those include having horses at the track on track no less than ten days prior to trials, and if they qualify, they've got to stay on track between trials and finals.

Obviously, that's a specific item related to quarter horse racing, but the Thoroughbred guys have to be on the track ten days prior to racing as well. We do a roll call. We have someone go around, make sure every horse that's going to — that is entered for the trials is, in fact, in place. We identify the horse. We make sure those horses are on the grounds.

Some of you that are not in the southwest or in places where there's a lot of shippers may question the validity or the efficacy of that move, but it's pretty important in our country.

Then all the qualifiers are tested. Now, there's a lot of discussion about testing. Oklahoma has done — has made a major move to establish testing for all the horses, and Scott's gonna talk about that.

We may get there, but at this point, we're testing all the qualifiers to stakes. We're testing all the qualifiers to what we call a consolation, so the next ten fastest as well as another five to eight so that if any of those horses test positive between trials and finals, we can move those horses up.

We had to change the conditions of our races to enable us to do that. We could talk a lot about that particular subject, but I won't bore you with it, but we believe that the testing has had an effect.

We believe the requirements and the document, and the location requirements have had an impact on the numbers that Jill showed declining.

Secondly, we target the bad actors. I think Jennifer just pointed out that it's a pretty small number of people that cause most of our problems.

Those are the guys we're going after, and we're going after them pretty hard. We'll talk a bit more about that shortly.

We bring as many resources to the table as we can.

The local law enforcement.

In a small town like Ruidoso, everybody knows everybody. They're very helpful in helping keep the bad actors out of the racetrack, front side and backside.

When we bring law enforcement with their canine units to the stable gate, take them to the barn areas, we think it has a serious impact. The out-of-competition testing I think is one of our best tools in racing.

In New Mexico, if a horse is tested out of competition and it's positive, the horse goes on the steward's list for 60 days, effectively taking him out of competition for our race meet. That's, I think, a pretty effective tool. We need to do more of that.

The integrity team from AQHA and New Mexico Racing Commission has been an important tool. We welcome them. We energize them. We empower them. We'll continue to use them.

I want to say thank you to AQHA and those guys that do that on a regular basis. They're pretty important to us. Racing integrity liaison. We hired a guy in — at Ruidoso Downs to do this job.

He's sitting right here. Name is Luis Alvarez. Say hello, Luis. Luis has a horseman's background. He came to us. We sought him out, actually, because the racetrack had a — an integrity liaison prior, but his job role, his job description was a bit different.

What we wanted was somebody to be on the backside all day, every day, interacting with horsemen, getting to know them, getting to know the practices, but be the person who can enforce our acknowledgement form, our residency requirements, our scratch rules.

We needed somebody that was going to be able to understand the issues, communicate the rules and the protocols, and to help us enforce them.

He works closely with the integrity team and others. What he's also done — and we did this with two separate parties in the beginning, and now it's done to one — we've acquired a canine unit, which is trained for equine drugs.

We've got a dog that can smell clenbuterol, and we've got a dog that can detect albuterol. We put that horse on — that dog on the — at the stable gate. Five o'clock in the morning, guys are coming in the morning, we're sweeping cars.

We do secondary checks.

We do that in cooperation with local law enforcement.

Then we go in the barn areas. We don't announce when we're doing that, but it's really no surprise. When the first guy goes through the gate and sees the dog, he's on the phone, right?

The dog has been effective. Luis has been effective, and we're gonna continue those kinds of things.

The integrity issues that we speak of are all mired in legal arguments. We ejected or refused to allow a particular trainer on the racetrack. I'm gonna focus on that and talk a bit more about the canine unit.

The person that we excluded, he was the first guy to give us a stall application when we sent them out.

We released all of our stall apps.

We invited them in.

We said they're due X date.

Within three days of sending those out, we got this package in.

We reviewed the package. We talked to our lawyers. We decided that we didn't want this guy running horses at Ruidoso Downs.

We sent him a letter, said, "You're not coming here. You're not stabling here. You're not racing horses here.

Your owners and horses are welcome, but you in fact are not." Of course, he sued us.

We got a very good judge. We got a very good hearing. We had what I would say was a very quick hearing and trial.

I put this up to specifically let the operators in the room know that you have some cover. To the extent you didn't have some cover before, you have some cover now.

I just want to read short — briefly what he said. The defendant, which is AARD, which is us, claim that as a racetrack owner, we're concerned with our patrons and participants.

We want to reach for the highest possible standards of performance and compliance and to maintain a safe, fair, and impartial racing enterprise. That was the letter. That was part of an excerpt from the letter.

The judge said the defendant's expulsion of Padgett based on a prior association was not arbitrary and was an exercise of reasonable business judgment and with legitimate justification.

Those are powerful words when you want to go keep the bad actors out of your facility. It could be happening right this moment.

The appeal on this case is about to be dismissed. He basically quit. When we started asking for financial records, he quit his lawsuit.

This is a decision that's gonna stand. It's a decision that we will build on. This fella is not the last one we'll exclude.

The ability for you to exercise your private property rights — if you go read this case in its entirety — it's only about a 30-page decision — it gives you a lot of — it gives operators a lot of cover to say, "We're trying to run a fair enterprise. Our enterprise relies on integrity, and this guy doesn't have any, and here's why."

I will tell you that, without getting into the specifics of this guy or why we excluded him, that's a very powerful tool. Briefly, the other person that we excluded this summer, some could argue was a program trainer.

He had actually started a lot of horses, had quite a bit of success. His win rate was in excess of 50 percent. He started four horses, four three-year-olds, on a Sunday afternoon of derby trials for a race that was worth about \$1 million.

He won three of those races, ran second in a fourth. Three of his horses didn't make it back to the winner's circle to be unsaddled. The next morning, Luis and I and the security director went and escorted that fella out of the racetrack, and he'll never be back.

I think we took a bit of a chance, but I think we had to. I think we have to continue taking those chances and making our stance, taking a position that we're not gonna tolerate bad actors.

It's not always something you can point directly to. I couldn't point to either of these guys and exclude them based on prior drug positives or prior violations. They didn't have any.

Both of these guys had had a trainer's license for less than — one of them less than a year. One of them less than two or three years. We saw their behavior, we saw their prior associations, and we excluded them. The message there is, you've got the tools. Go use them.

The last thing I'll touch on is the dog. One of the owners of Ruidoso Downs is a man by the name of Stan Sigman, and he's very supportive of canine units in schools.

He's funded several canine unit acquisitions and training regimens and funds many of the programs from his private foundation to go into schools and sweep locker rooms. Not locker rooms, but hallways with lockers, look for drugs in students' possession.

That operation has dramatically reduced the amount of drug use in the schools that he's doing it in. He came with the idea, why don't we do this for horses?

Why don't we have a dog that's imprinted for clenbuterol and albuterol and the plastic that used in syringes and some of these other things? The K9s4COPs Foundation is the one that he supports. Excuse me.

He went and got this Belgian malinois, imprinted him for those equine substances, brought him to the racetrack, and this is what we were doing this summer.

I personally went on several of these missions at the stable gate and in the barns and watched the dog work, watched how the dog was indifferent to the horses around him, watched how the horsemen said, "Welcome.

Come in. I got nothing. No problem. Look in my tack room."

We're going in tack rooms. We're going in feed rooms. We're going in personal residence tack rooms where people live.

We had no negative comments, which to me is a victory. To not get somebody jumping up in our face and saying, "How dare you bring a dog to my barn," that was a mild victory.

Again, Chini, whom Luis now 24/7 owns and operates, is in business in New Mexico and will continue to train that dog. Luis will be a certified handler. Luis will be an ROAP-accredited person. He'll be on the enforcement job with Chini and will continue to kick out the bad guys. That's it.

**Dr. Jennifer Durenberger:** Thanks, Jeff. I'll just add that that's my experience too, that the horsemen that I know — and I've been in this industry longer than I look like I'm old — every horseman I know, all they want is a fair shake.

They're not against enhanced compliance, they're not against enhanced testing, but they do want assurances that people who are cheating will be caught and punished. That's been my experience, and it sounds like that's yours as well.

Our final panelist for this hour is Scott Wells. Scott is the president and general manager of Remington Park and Lone Star Park with the Global Gaming Group.

He's gonna tell us about some of the protocols in place at his tracks, specifically I think with hair testing, but maybe some other things as well.

**Mr. Scott Wells:** First, I want to thank Wendy for inviting me to participate in this program.

We had several participants from Remington Park, Lone Star Park teams, and we appreciate that.

Global Gaming Solutions is very much dedicated to integrity in racing and safety. I'm enthralled like you, Jeff, about some of the things I've heard about today that were news to me.

Also, thanks to our sponsors, the Jockey Club and the Daily Racing Form. I know there's — no one surpasses the Jockey Club's intent and dedication to having fair and level playing field in racing.

Unless you're incredibly naive, you've probably already come to the inescapable conclusion that where money is involved or any kind of competition, someone will find a way to use an edge to their advantage if they can find it.

History tells us that athletes used what they believed to be performance-enhancing drugs as far back as almost 800 years BC, and that was in the original Greek Olympics where the participants intentionally took what they thought were performance-enhanced substances.

Specifically, they ate the testicles and the hearts of the wildest, strongest animals they could find. Whether or not that was verifiably performance-enhancing, I don't know, but testosterone and testicles have a lot in common, so I suspect that it does.

If you're trying to gain an edge, and if you do it by better training or better nutrition or better strategy, that's very admirable, but if you step outside the rules and try to use something that's outside the rules, that's cheating, pure and simple, except it's not pure by definition, and it's not simple.

In fact, it's incredibly complicated, especially in the light of today's accelerated science and information flow. How does this relate to horse racing?

It's easy for many of us, especially the younger people, to forget that horses carried humans through history for almost 100 centuries.

For millennia, the world land speed record was held by a person on a horse. That only changed in the early 1900s.

For centuries, on an individual level, having a horse that was faster than your enemy's horse was critical to survival. Then you could expand that to the tribal level and eventually to the national level.

It was the nations that had the best cavalries, the fastest, most stamina-laden horses, that were victorious, and they were dominant.

We don't know for sure when the first two riders challenged each other to a horse race, but I can promise you that the loser of that race and the loser of every subsequent race since then has sought to find a way to make their horses faster.

The history of horse racing is full of examples of what today we would call performance-enhancing drugs. Coffee, liquor, heroin, and cocaine were very commonly used, openly used, in fact.

Until the early 20th century, it was not until then that doping was made illegal in most racing jurisdictions in the U.S. because racetrack operators — Jeff explained this too — racetrack operators realized that unless they formulated and enforced rules against doping, fewer and fewer people would bet on their races.

Since anti-gambling forces were so strong at that time in the early 20th century, the politicians got into the act and began forming state racing commissions to try to ensure fair play.

Concurrent with the growing sentiment for fair play was a counterbalancing growth in the sciences of physiology and biochemistry.

Until the late 20<sup>th</sup> — late 19th century, performance enhancement was limited to anecdotal observations.

For instance, if a trainer gave a horse two quarts of brandy before a four-mile race, and he won the race, the brandy was assumed to have helped, but that jockey may have come back and told that trainer, the reason that horse was staggering and changing lanes through the stretch was because he was staggering drunk, but that wouldn't stop the trainer from using that same successful formula again.

It saddens me to say that racetrack veterinarians in some cases have been a major part of the problem.

I distinctly remember a day in 1965.

My father had a horse that had qualified for the All American Futurity at Ruidoso Downs. I remember our stable veterinarian — I was standing right by my dad — telling him that there was a new drug that didn't have a test yet called Ritalin, and that everyone was using it.

It would make your horse run faster, and you were at a disadvantage if you didn't use it. I remember an hour or so later, my dad and I were driving back to the farm in his old

1950 pickup. I asked him, "Dad, are you gonna use Ritalin on that horse?" I'll never forget the way he looked at me.

He said, "Son, we don't cheat, and those that do are gonna get caught." All that horse did without the Ritalin was win the All American Futurity, and my father continued building his legend on the basis of pure horsemanship.

However, times have changed, and things have gotten more sophisticated. The advances in chemistry and the Internet and the communication that exists now has made it much easier for compound chemists to figure out ways to create things that may be a molecule or two different from a known drug that has a test, and so the chicanery which can take place is much worse than it used to be.

However, we mustn't get involved in cases of sour grapes. Just because someone is on a winning streak doesn't mean they've developed a drug or that they're using something illegal. I think for legal reasons, we have to be very careful about making those assumptions.

Skip ahead from my teenage years to my 20s, and I had the great fortune to work for the legendary Thoroughbred trainer, Jack Van Berg.

We won 496 races that year, which was a record that stood for 28 years until Steve Asmussen broke it a few years ago.

Trainers that were friends of mine always asked me, "What is Jack running on?" Because we were running at such a high rate. I knew, because I was in control of the stable of 50-plus horses, and sometimes, I wouldn't see Jack for a month.

I was the one who was in control of what those horses were getting from the veterinarian, and all they were getting was the standard medications. I told those guys, "We're running on the racetrack because we train rain or shine, sleet or snow, Christmas, Easter, or New Year's Day.

We're gonna run a fit horse at you, and we're gonna run him in the right spots where they're in the competition that they can be successful."

I've become convinced since then that there are drugs continually being developed that do give trainers an illicit edge. You see this especially in a case where — it happened back with Oscar Barrera back in New York in the 70s when he would claim a horse for 12 or 15,000, and then five days or a week later, he's winning stakes races.

It raised a red flag that was more than just sour grapes. Eventually, they found out that he was using at that time what we called elephant juice, which is a stimulant that helps bring large, large mammals out of anesthetic.

Elephant juice was one thing. Things keep coming down the pike. EPO. Now, many of these drugs are developed for human use for life-saving reasons. EPO was used for

leukemia patients who had a shortage of red blood cells. It would help them achieve that balance and would delay the onset of serious stages of leukemia.

Once chemists realized that this red blood cell production would help a horse have greater stamina, then that was put into use. Eventually, tests were made.

Effective tests were made for EPO. Dermorphin, which was our latest designer drug. Dermorphin was a chemical secreted by a tiny South American tree frog, and it was not only a stimulant, but moreover, it was a painkiller.

Those are the two classes of drugs that worry me most as a track operator. The stimulants, of course, we all think about.

The painkilling is even more insidious because it can cause a horse to break down, and he doesn't realize he has a pain. Under normal circumstances, he feels that pain. He slacks off just like we would. With the right kind of painkiller, that doesn't happen.

That puts not only the jockey that's on the horse that has the drug in danger, but it puts all the jockeys in danger.

Clenbuterol is another example. Clenbuterol was developed as a remedy for breathing problems, but once veterinarians and trainers understood that it would do that, naturally, they wanted to use it.

Thanks to the AQHA and other regulatory bodies throughout the country, once they developed the idea that we're not gonna allow clenbuterol in these horses, that was a result of the fact that a byproduct of clenbuterol, an incidental byproduct, was that it built muscle mass just like anabolic steroids.

Racing finally caught up with the other sports and banned anabolic steroids, but they didn't realize that this clenbuterol was building muscle, had the same effect, essentially, as an anabolic steroid.

Racing chemists built a new drug that was 60 times the strength of normal clenbuterol, but it had the same withdrawal time.

Solving the problem withdrawing the clenbuterol or albuterol from the horse, the recommended withdrawal time — and by the way, the RMTC was a tremendous force in helping all this happen.

The withdrawal time of when that drug would be detected in a horse's urine or blood was, let's say, a week or two, but what they found was the muscular advantage that it gave them, you could withdraw — you could give a horse this treatment over a long period of time, and you could still withdraw him a week or so before the races, and his blood or urine wouldn't have that drug in there.

People were getting away with horses who built tremendous muscle mass. In fact, they used some of those derivatives of clenbuterol to build muscle mass in hogs and cattle.

Some of the porcine breeders, the hog breeders, complained that one of the bad things about using it was the animals got so musclebound that their bones wouldn't support them.

They were having all kinds of leg problems with something no more active than a pig. You can imagine a 1,200-pound horse running at 55 miles an hour with weakened bones and carrying excess muscle. It was causing a lot of breakdowns, and it was certainly violating the concept of fair play.

Not to make light on an important subject, but I got to share one anecdote with you. I had the interesting experience — I'll put it that way — of working for a notorious, famous, very skilled and brilliant veterinarian who owned a lot of horses and had some horses actually for some pretty big dames.

Our relationship didn't last very long because he was gonna get me in trouble with some of the things he was doing, I was sure.

He told of a story where he said he was at the fairgrounds. Let's call this veterinarian Dr. Hard-to-catch. Dr. Hard-to-catch told me that there was a guy racing there that hadn't won a race in a year. He was on very hard times. His name was Fats.

The last day of the meet, Doc decided to fix him up a concoction that might move up a horse of his. He mixed up some stuff. It was a white powder, and it was mixed with confectioner's sugar. Lo and behold, Fats' horses in on the first race, the last day of the meet, down to the fairgrounds in Louisiana, and he's feeding this powder to this horse.

Since it was the first race, the state steward happened to be on his way to the steward stand, and he saw that.

He went over, and he said, "Fats, you're not getting in trouble there, are you? What are you feeding that horse?"

He said, "Oh, it's just sugar.

This horse loves him some sugar."

He said, "Look, it's just sugar."

He wets his finger and tastes it himself. The judge was interested, and he wet his finger and tasted it.

It tasted like sugar. He said, "Okay. If it's just something you're doing for that horse, that's okay." A few minutes later, the horse is saddled, and the jockey comes out. He says, "Well, I know this horse usually comes from behind.

How you want me to ride him today?" Fats told him to just go to the front right out of the gate today because the only two that could possibly catch you would be me and that state steward.

[Laughter]

I don't think the cat-and-mouse game will ever go away. We're always going to be chasing people who come up with new and more sophisticated ways to cheat, but the sooner that we can do that, the better.

Again, I am a strong believer and we are strong supporters of the Racing Medication and Testing Consortium.

I think the steps that they — the protocols and the uniform medication recommendations that they brought to the ARCI was one of the most important things that happened in the sport in my lifetime.

Understand that those racing medication — those uniform medication rules, that's a living body. As more medications become available that are important to the health of the horse — the RMTTC has, in my mind, the greatest selection of veterinarians ever. About 25 years ago, they started working on what really would be fair.

Procaine penicillin, which cures a number of infections, had some procaine in it. Procaine is a relative of cocaine, and cocaine deadens pain and is a stimulant.

It's a very, very complex procedure they have to go through to form these medications.

In 1913, the ARCI adopted those medications. I was naive enough to think that, in a year or two, every state would have adopted those, and it just hasn't happened in the uniform way that we'd hoped it would.

It's a challenge. I still think in my own mind, although many are pushing for federal legislation, I harken back to that story I heard one time was, what would the — what would happen if you put the federal government in charge of the Sahara Desert?

The answer was, nothing for a while, and then there would be a shortage of sand.

The federal legislation that is out there now, I feel would unfairly tax the racetracks and probably put some tracks out of business.

I will remind you, as I have reminded various other entities, that even though in Oklahoma, for instance, the racetrack pays for the drug testing, no racetrack has ever given a horse a shot of anything.

We're protecting the competitors. I'm all in favor of the most extreme drug testing we can have. In Texas, the commission pays for it.

Then, of course, we end up paying for it through paying fees to the commission. Regardless of who pays for it, we need to do the best drug testing we can.

I want to give a commendation to the NTRA Safety and Integrity Alliance. That's a great step forward. They're insisting on certain protocols that I think would be very beneficial.

We've applied for accreditation at Ruidoso Downs, and we intend to apply for Lone Star Park as well.

The clenbuterol thing and the — that led to hair testing. They've been hair testing people for a long time because they could find that even if the drug wasn't in their body, they could find that months ago or a month ago, it might have been.

With hair testing, you can determine not the level of the prohibited medication in a horse, but you can find merely the presence of it.

There are differences in the way different horses metabolize things, and it may appear slightly different in their hair tests, but if they've had an illicit drug, it will show in their hair.

This makes vulnerable certain people that are innocent. If you buy a horse, for instance, that that had — let's say you buy a horse at a sale that has been on a regimen of clenbuterol to build his muscle mass and make him really look good, you don't know that that horse has had that, and you could start him three months later and get a bad test.

About three years ago, Debbie Schauf of the Oklahoma Quarter Horse Racing Association and Butch Wise and other members of her board came to us at Remington Park because they were concerned that people were cheating.

They proposed an ingenious plan that we worked with for all these years now, about three years with the Oklahoma Horse Racing Commission and with the members of the AQHA, which is very supportive of it.

We have a race at Remington Park called the Remington Park Quarter Horse Invitational Championship. Invitational is the key word because they have to be invited to race in that championship. It's not only a \$250,000.00 race.

The winner gets a berth to the \$750,000.00 Champion of Champions, which is the equivalent of the Breeders' Cup Classic in quarter horse racing.

Rather than chase after positive tests after the fact, they proposed that we make it a condition of entry, just like a Coggins test.

You can't get a horse on the grounds at any racetrack without a negative Coggins test. What we're requiring, we started this three years ago with that race, but in the coming year in 2019, we're going to require it of every horse that races has to have a negative hair test proving that that horse has not had any of these substances for the past five or six months.

That's going to be a tremendous administrative burden. It's gonna require a lot of work and some expense on people's parts, but people want a level playing field.

The owners are willing to pay for these initial tests to try to make sure that they're not being cheated against. There is a fund that we're fortunate to be able to administer.

It's part of the purse fund that the OQHRA administers that the owner, after having a clean test, it costs them about \$250.00, but the first time that horse races, whether he runs first or last, he'll be reimbursed.

The connections will be reimbursed for that initial \$250.00. The good thing about that — another good thing is that there's not gonna be a bunch of lawsuits about us curtailing someone's career.

We're not allowing them their rights. It's a condition to participate at Remington Park.

It precludes a lot of lawsuits that might take place.

By requiring the hair test as a preventative, no legitimate trainer or owner will suffer the consequences of something which may have been done behind their backs or without their knowledge.

A further deterrent we're working on at Remington Park is the installation of surveillance cameras, some of them active, some of them dummies, but you don't know where, and they're gonna be in every barn at our stable area.

Again, the AQHA integrity team for the last four or five years, we've had them come in for all our big races at both Remington and Lone Star.

We're taking as many steps as possible. I've learned a few things here today. I hope you have too.

I just want to say again that the NTRA Racing and Integrity team has — alliance has raised the bar on so many of these issues. If there's anything more important than integrity, it's safety.

Some of my very best friends are jockeys, and I don't want to ever have to pull a sheet over their faces because someone else in the race, some horse that they were riding had illegal drugs that they didn't know about.

Again, thank you for the opportunity to be here, and I'd be glad to accept any questions.

**Dr. Jennifer Durenberger:** Thank you, Scott. We did run just a couple of minutes over. Are there any burning questions while we start to transition?

I want to thank the panel members because I think we all learned from each other today. I think what you keep hearing is that we all in this industry are very, very vested in

having a safe program, having an integrity to our product, and protecting the interests of all of our participants.

Thank you for attending.

