

**New York State  
Racing and Wagering Board**



**2010 Annual Report  
and Simulcast Report**



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*Above: Yonkers Raceway; April 9th, 2011  
Photo by Tom Berg  
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# Mission Statement

Our purpose is to ensure that New York State's legalized pari-mutuel operations, charitable gaming activities and Class III Indian Gaming facilities operate with integrity and are in full compliance with New York's statutes, the Board's rules and the tribal-State Class III Gaming Compacts, respectively.

We safeguard the interest of the public, including the taxpayers and patrons, by ensuring that the regulated entities and their employees participating in or benefiting from legalized gambling operate with the utmost professionalism. We will expeditiously respond to all public concerns.

Executive management understands that personal integrity is paramount for all Board employees who must ensure honest and proper conduct of legalized gambling and other regulated activities. To properly serve the public, all employees must perform their duties in an ethical manner that is above reproach. To meet this goal we advocate teamwork, intra-agency communication, mutual respect, training and advancement to reach each employee's potential.

Only through vigilance, competence and dedication can the Board and its employees be successful in performing their statutory responsibilities.

**John D. Sabini**  
*Chairman*

**Daniel D. Hogan**  
*Member*

**Charles J. Diamond**  
*Member*



# Chairman's Message



**To: The Honorable Andrew M. Cuomo, Governor  
Members of the New York State Legislature, and  
Robert L. Megna, Director of the Budget**

**July 1, 2011**

On behalf of the New York State Racing and Wagering Board, I respectfully submit to you the Board's 2010 Annual Report, as required by Chapter 346 of the Laws of 1973. The racing and gaming industries remained vital components of New York's economy in 2010, and this fact-filled report provides not only an important statistical summary but also details how the Board carried out our regulatory responsibilities in a diligent and efficient manner.

The Board rose to a variety of great challenges in 2010. For instance, the Board took tremendous strides to do everything in our power to protect existing wagering platforms in New York when the New York City Off-Track Betting Corporation closed its doors for good in December 2010. The impact from this closing on the racing industry was tremendous. In statistical terms, even in the year that it stopped operating, NYC-OTB still handled more than \$720.3 million in wagers. That amount represented 48.8 percent of New York's total off-track handle.

As New York's chief racing regulator, our goal has and will be to work in a fair and open manner with all stakeholders in the racing and gaming industries in order to strengthen them so that they may offer even greater employment opportunities for New York families while providing the State with an important source of revenue to fund vital public services.

The State of New York will begin to realize a reliable new revenue stream later this year, when Resorts World International, the racino now under construction at Aqueduct Racetrack in Queens, opens its doors to the public. I am optimistic that this development will fortify the quality of racing we offer in New York and help to stabilize the New York Racing Association.

As we move forward to the excitement of new racing seasons, I along with my fellow Board Members, Daniel Hogan and Charles J. Diamond, will remain focused on our core mission: Ensuring that horse racing, charitable gaming and Class III Indian Gaming facilities in New York are operated with integrity and are fully compliant with New York statutes, Board rules and the Gaming Compacts governing tribal casinos.

This Board's unwavering goal is to operate in the most efficient manner possible while providing the best quality of service to the betting public and the tens of thousands of people and entities that we license. To that end, we have significantly reduced our expenses and moved our Equine Drug Testing Program from Cornell University to Morrisville State College, cutting down on costs while creating the potential for new opportunities for future employment and business arrangements with other racing stakeholders.

Incorporated into this Report, as in past years, is the Simulcast Report as required by the Racing, Pari-Mutuel Wagering and Breeding Law Section 1002.2.

This Board will continue to stand as a guidepost for integrity, working closely with our regulated entities involved in pari-mutuel wagering, tribal casinos and charitable gaming.

Respectfully submitted,

A handwritten signature in cursive script that reads "John D. Sabini". The signature is written in a dark ink and is positioned above the printed name and title.

**John D. Sabini**

**Chairman**





# In Memoriam

Since the publication of the Racing and Wagering Board's 2009 Annual Report, two dedicated and highly valued employees of the organization – Joseph Lynch, the Director of Racing Operations, and Stephen Harkavy, a Charitable Gaming Unit Investigator – suddenly passed away due to heart attacks.

Mr. Lynch died on January 8, 2011 at his home in Saratoga County. He had been involved with the racing industry in New York for more than 40 years and served the Board in several capacities before becoming Director of Racing Operations. He was very well known to the executive staffs at Thoroughbred and Standardbred tracks across New York, and frequently interacted with the leadership of Off-Track Betting corporations as well.

Mr. Harkavy died on Nov. 20, 2010 at his home in Brooklyn. He had been an aggressive investigator who enforced Charitable Gaming rules, ensuring individuals involved with not-for-profit organizations were complying with various rules and statutes governing the conduct of authorized games of chance. At the time of his death, he was an instrumental part of what proved to be a highly successful investigation that led to three individuals pleading guilty to using a licensed Bingo hall in Queens as a front to steal more than \$800,000 from the Greek Orthodox Archdiocese of America.

Both Mr. Lynch and Mr. Harkavy are sorely missed by Board Chairman John D. Sabini and Members Daniel Hogan and Charles J. Diamond – as well as by all of their colleagues at the New York State Racing and Wagering Board.

This 2010 Annual Report is dedicated in memory of both Mr. Lynch and Mr. Harkavy.

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# Governance



## **John D. Sabini**

### *Chairman*

John D. Sabini of Jackson Heights was appointed Chairman of the New York State Racing and Wagering Board by Governor David Paterson and confirmed by the New York State Senate on August 8, 2008. Concurrently, Mr. Sabini serves as Chairman of the Agriculture and New York State Horse Breeding Development Fund; Chairman of the New York State Thoroughbred Breeding and Development Fund; Vice Chairman of the Harry M. Zweig Memorial Fund; and Co-Chairman of the New York State Task Force on Retired Racehorses. Chairman Sabini also currently serves as the Vice Chairman of the Association of Racing Commissioners International.

Prior to his appointment as Chairman of the Board, Sabini served six years as a New York State Senator representing the 13th Senate District which encompassed parts of Jackson Heights, Corona, East Elmhurst, Elmhurst and Woodside. His success as a Senator was attributed to his legislative and community experience, strong advocacy for government reform, education, transportation and his persistent efforts to bring fair amounts of funding and government services to his district.

During his tenure as Senator, Chairman Sabini received several high-profile appointments including his ranking membership on the Elections, the Transportation and the Racing, Gaming & Wagering Committees. In 2006, Senator Sabini was appointed as Assistant Minority Leader for Intergovernmental Affairs thanks to his many years of experience at the federal, state and city levels of government.

Chairman Sabini was also appointed to several high-profile panels. He acted as the only New York State representative on a national transportation leadership summit at the White House and served as the only New York City legislator on the Governor's special panel to determine the future of thoroughbred racing in New York and the operations of Belmont Park, Aqueduct Racetrack and Saratoga Race Course.

Prior to being elected to the State Senate, Chairman Sabini served as a New York City Council Member for the years 1992-2001 where he introduced and co-sponsored many bills that have helped to improve the quality of life for city residents. From 1998 until 2001, he served as Chairman of the Council's panel on Landmarks, Public Siting and Maritime Uses which determined the locations of New York's Historic Districts and Landmarks as well as the construction of public buildings and leasing of properties for municipal use.

Before becoming an elected official himself, Chairman Sabini served as District Administrator for Congressmen James H. Scheuer and Stephen J. Solarz. He also served as Director of the State Assembly's Subcommittee on Senior Citizen Facilities. Prior to his election to the City Council, Chairman Sabini was Vice President of the MWW Group, a public and government relations firm based in New Jersey.

Chairman Sabini holds a degree from New York University's College of Business and Public Administration, now known as the Stern School, and attended its Graduate School of Public Administration, now known as the Wagner School.





## **Daniel D. Hogan**

### *Member*

Daniel D. Hogan was appointed and confirmed to the New York State Racing and Wagering Board on June 22, 2006 and served for two years as its Chairman.

Member Hogan's 25-year career in public service includes Commissioner of the New York State Office of General Services (OGS) where he was responsible for the management of an office that delivers diverse support services to all state agencies including leasing, design and construction, information technology, procurement services, inter-agency mail services and more.

Prior to his appointment with OGS in 2004, Member Hogan served as the Director of the Governor's Office of Regulatory Reform where he was responsible for assisting in the Governor's office efforts to promote new private sector job creation by streamlining comprehensive business permitting and licensing assistance.

Member Hogan, a native of Niagara Falls, graduated from State University College at Buffalo. He currently resides in Slingerlands with his wife, the former Carrie Platt, and their three children.



## **Charles J. Diamond**

### *Member*

Charles J. Diamond of Watervliet was appointed a Member of the New York State Racing and Wagering Board by Governor David A. Paterson and confirmed by the New York State Senate on February 23, 2010.

Prior to joining the Board, Member Diamond was an elected member of the Watervliet City Council, serving on his hometown governing body from 1996 until he accepted the Racing and Wagering Board appointment. Member Diamond served as Director at the Cable Telecommunications Association of New York from January 2009 until January 2010. He was instrumental in implementing the Association's Strategic Plan involving tax issues and other matters important to an industry that represents a growing segment of New York's economy.

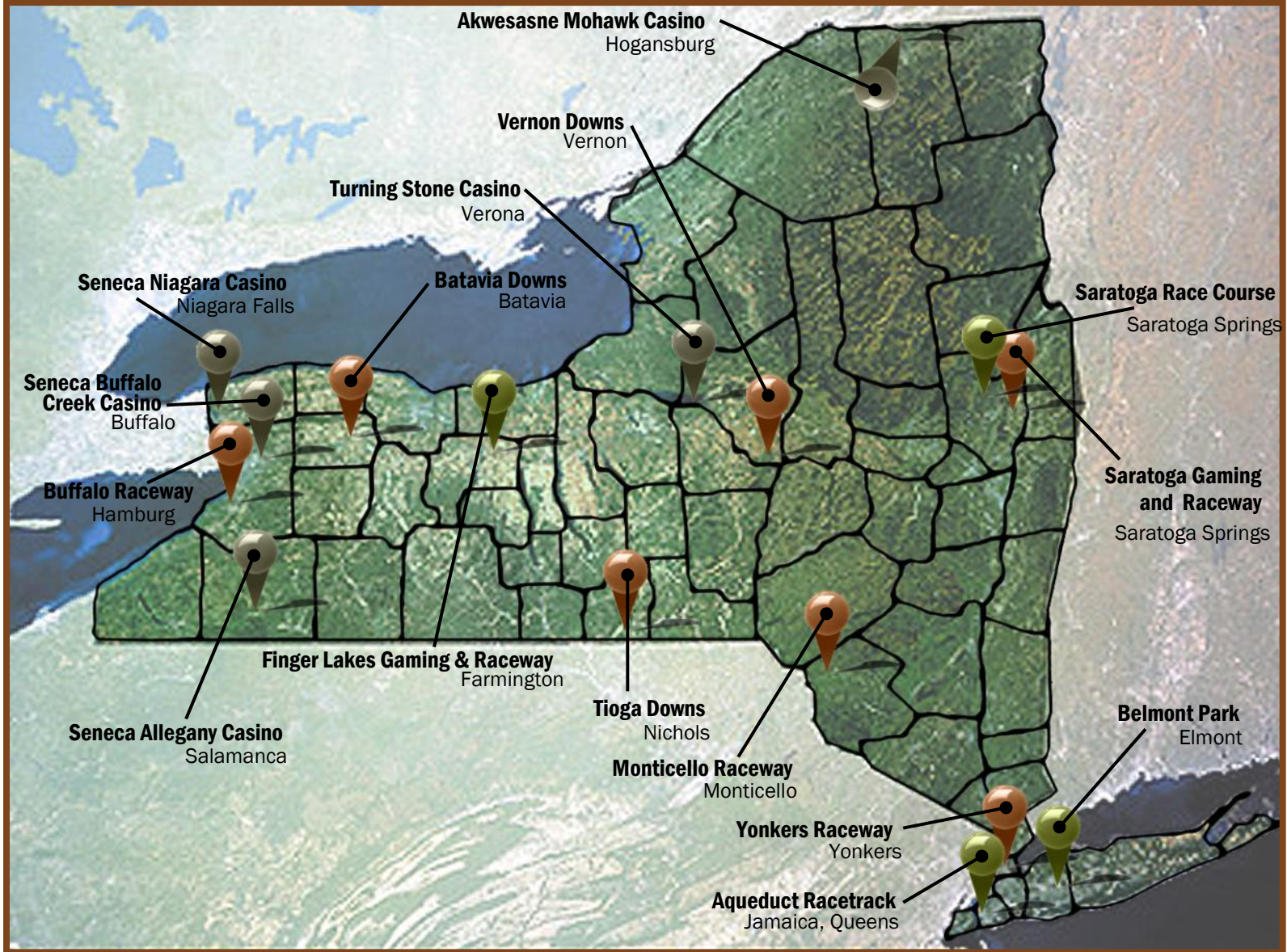
Member Diamond forged strong relationships with key community leaders and elected officials throughout New York while serving as District Chief of Staff for U.S. Representative Michael R. McNulty from January 1989 through January 2009. During that 20-year span, he represented the interests of many public and private sector stakeholders before a variety of federal agencies, utilizing his extensive knowledge of the bureaucracy to make it serve the day-to-day interests of the citizens of the Congressional District. He has been and continues to be involved with a wide array of community and civic organizations, serving on Boards of Directors for a number of organizations. He has been recognized for his community service by charitable, fraternal and civic groups representing people involved in education, law enforcement and business.

From 1978 until 1988, Member Diamond served as director of the City of Watervliet Parks and Recreation Department. A 1975 graduate of Niagara University, holding a bachelor of science degree, Member Diamond was employed as a teacher at St. Joseph's School in Troy from 1975 until 1978.

Member Diamond resides in Watervliet with his wife, Giovina, and their two children.



# Gaming Establishments



## LEGEND



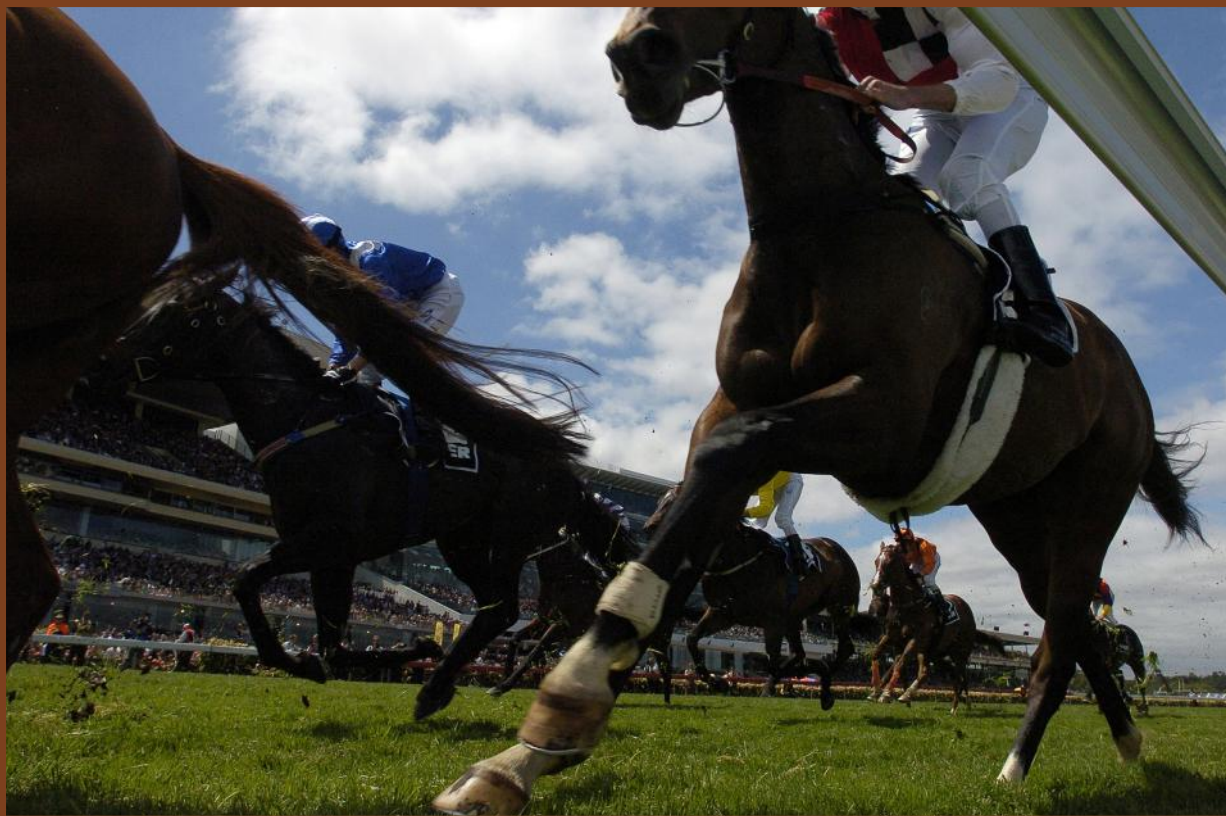
Thoroughbred Track



Harness Track



Indian Casino





# 2010: The Year in Review

## 2010: A Year of Many Highlights for the NYS Racing and Wagering Board

Keeping pace with the new fiscal realities facing government at all levels, the New York State Racing and Wagering Board took a variety of initiatives in 2010 to maximize the agency's efficiency while vigorously responding to challenges brought on by the national economic downturn.

One of the top priorities of Chairman John D. Sabini was realized when the Board transferred its Drug Testing and Research Program from Cornell University to Morrisville State College, a move expected to save state taxpayers millions of dollars over the next decade.

The program is maintaining its high standards of quality in assisting the Board in enforcing the racing medication rules with state-of-the-art laboratory equipment and the pharmacology expertise of the program staff.

The program continues to be led by Dr. George Maylin, one of the world's leading authorities in equine drug testing. It is anticipated that the new partnership forged with the SUNY Morrisville campus will result in dramatic savings in 2011 of nearly \$2 million for the Board as overall operating costs will be significantly reduced.

Chairman Sabini is also optimistic that the Morrisville lab can generate new business and jobs for New York through strategic partnerships with other racing jurisdictions interested in the high-quality, low-cost New York protocols in place at Morrisville. The equine drug laboratory now performs tens of thousands of blood and urine tests per year.

The Racing and Wagering Board also rose to confront a number of other major challenges in 2010, with its strategic and rapid response to the financial collapse of New York City Off-Track Betting Corporation being in the forefront.

For openers, the Racing and Wagering Board directed NYC-OTB to set aside monies owed to New York State tracks and breeding funds in segregated accounts so these funds would not be used to cover operating expenses as the organization teetered toward the brink of closure. As a result of the Board's actions, the tracks and breeding funds were able to collect millions of dollars in payments that had been delayed to them.

Then, in December 2010, the State Senate balked at approving a rescue plan for NYC-OTB, forcing the corporation to shut the dozens of betting parlors it operated in the five boroughs of New York City. Racing and Wagering Board Chairman Sabini quickly convened a meeting of the Board, after obtaining special emergency powers from the Governor's Office. At this session, Chairman Sabini and Board Members Daniel Hogan and Charles Diamond approved several measures designed to safeguard the integrity of the pari-mutuel wagering system and minimize the impact of the NYC-OTB closure on industry stakeholders in New York State. Specifically, the Board allowed advanced deposit wagering and telephone betting accounts to be processed on the Internet as part of its drive to keep handle in New York.

As a follow-up step aimed at maximizing the New York racing handle, Chairman Sabini organized an emergency summit meeting, inviting top executives from all New York State tracks and regional Off-Track Betting Corporations to the Board's Schenectady headquarters. Crafted from that gathering was an agreement allowing video streaming of New York races throughout the state.

Meanwhile, the New York Racing Association launched an aggressive effort to bring former OTB customers to its tracks via bus lines and paid the Long Island Rail Road to restore train service to Belmont Park. NYRA also opened the Belmont Café for simulcasting at Belmont Park. All of these moves helped to keep a significant chunk of the handle in New York, rather than having it migrate to unregulated out-of-state betting platforms.



*Queens District Attorney Richard A. Brown (center), joined by New York State Racing and Wagering Board Chairman John D. Sabini and New York State Police Captain Jaime A. Kaminski, presents a check for \$830,000 to Greek Orthodox Archdiocese of America Vice-Chancellor Michael Kontogiorgis. The check represents full restitution made by three individuals who pleaded guilty to using a licensed church bingo hall in Queens as a front to steal the monies from Greek Orthodox Church charities.*



The decline and ultimate closure of NYC-OTB was frequently cited as a factor – among many other reasons – in the decline in the national handle for thoroughbred racing in 2010. As the recession that began in late 2008 lingered, the total handle fell 7.3 percent, to \$11.4 billion – a decline of more than \$900 million from the 2009 totals.

On track, fans of thoroughbred racing were treated to a thrilling finish at the Travers Stakes at Saratoga Race Course, where Afleet Express, with Javier Castellano in the saddle, bore down in the home stretch to defeat Fly Down – the winner of the 2010 Belmont Stakes – by a nose. First Dude took third while 2010 Kentucky Derby winner Super Saver finished out of the money.

One day after the Travers, the beloved Rachel Alexandra, the mare who captured Horse of the Year honors as a 3-year-old in 2009, disappointed her loyal fans at Saratoga when Persistently outran her by a length in the Personal Ensign. Several weeks later, Rachel Alexandra would be retired from a racing career in which she recorded 13 wins and five seconds in 19 starts and career earnings of \$3.5 million.

Fans of Standardbred racing were also treated to an exciting New York Sire Stakes season, with competition hosted at the state's seven harness tracks. The New York Sire Stakes Breeder of the Year award went to Winbak Farm of Walden, New York, while Trainer of the Year awards went to Linda Toscano (for the Sire Stakes series), Edward Hart (for the late Closer Series) and to Douglas Ackley for the County Fair Series. Driver of the Year awards went to James Morrill Jr. (for the Sire Stakes Series), Jason Bartlett (for the Late Closer Series) and Douglas Ackley (for the County Fair Series.)

The Board's charitable gaming staff also kept very busy throughout 2010, assisting New York charities, veteran's clubs, church groups and other non-profit organizations raise tens of millions of dollars through authorized games of chance.

In 2010, the total amount wagered on Bell Jar in New York came to more than \$235 million, while an additional \$74 million was wagered on Bingo. Another \$6.6 million was wagered on licensed raffles. The profits realized by these non-profit groups, by law, must all be dedicated to charitable purposes.

The Board also assisted law enforcement agencies in targeting unscrupulous individuals preying on charities by siphoning money away from games of chance into their own pockets. One case that drew significant public attention in New York involved a scheme by three individuals to use a licensed bingo hall in Queens to steal approximately \$830,000 from Greek Orthodox Church charities. The three individuals were arrested in August 2010. Chairman Sabini was quoted in the New York Times as saying, "Stealing charitable gaming funds under the cloak of charity and religion are particularly objectionable crimes."

In April 2011, the three pleaded guilty to grand larceny charges, and Queens District Attorney Richard Brown succeeded in compelling the defendants to make full reimbursement to the Greek Orthodox Church. They are also now banned from participating in licensed bingo activity.

Another case developed by the Charitable Gaming staff in conjunction with law enforcement authorities involved a book-keeper for three veterans groups in Fulton County, Ralph VanAlstyne, who was arrested in December 2010 on multiple felony counts stemming from the embezzlement of more than \$200,000 in charitable gaming proceeds.

The case received substantial publicity in the Capital Region when the arrest was announced. Mr. VanAlstyne pleaded guilty to the charges in June 2011, with Chairman Sabini being quoted in newspapers as saying the prosecution "shows there are very serious consequences for betraying the trust of veterans and other groups." Members of the victimized veterans groups also thanked the Board's investigator, Gary Grigalus, who had spotted irregularities in the records submitted by Mr. VanAlstyne and worked closely with the law enforcement agencies that brought forward the criminal charges.

Another criminal prosecution facilitated by the Racing and Wagering Board involved former thoroughbred breeder and owner Ernest Paragallo, who was convicted in Greene County Court on 33 misdemeanor counts of animal cruelty stemming from neglect of horses at Center Brook Farm.

As a follow up to that conviction – which resulted in Mr. Paragallo being sentenced to serve two years in jail – the Racing and Wagering Board delved deeper into his involvement in racing and, in May 2011, permanently barred him from entering any New York racetracks. He was also prohibited by the Board from ever acquiring a New York racing license again. Chairman Sabini was quoted by the New York Times as saying, "The actions today by this Board send a strong signal that there is no place for anyone in the racing industry who mistreats horses and obfuscates his connection to horses that run on our tracks."

Being of vital assistance to the Greene County authorities in the Ernest Paragallo case were Board staffers Rick Goodell, Joel Leveson and Ellen All.

As part of its mission to promote integrity in the pari-mutuel wagering operations, the Board's Audit and Investigations staff, led by Thomas Casaregola, conducted a vigorous inquiry into a complaint by a tipster that clerks at Yonkers Raceway were wagering on races while on duty – in violation of state rules. That investigation culminated with formal charges brought against several Yonkers Raceway employees in 2011.



# Racing Integrity

## Officiating and Integrity

Each race conducted at a New York thoroughbred racetrack is observed by three stewards: one employed by the Racing and Wagering Board, one employed by the racing association and one employed by the Jockey Club. At the harness tracks each race is observed by three judges who all serve as employees of the Racing and Wagering Board. The stewards and judges viewing stand is located near the finish line of each racetrack and is equipped with several television monitors to permit the viewing of multiple angles of each race. The stewards observe the races to ensure that all conduct is in accordance with rules and regulations.

There are few racing jurisdictions that have equaled New York's strong stand on integrity in horse racing. Over the past decade, the Board has enabled more capable and qualified people to become stewards and presiding judges and now have a cadre of qualified individuals who have passed newly instituted coursework. Examples of the testing and preparation are:

- All New York State Racing and Wagering Board (NYSRWB) Associate and Presiding Judges and Starters are now licensed by the United States Trotting Association (USTA) before being hired. A test must be passed to obtain each license. USTA rules courses were held.
- All NYSRWB full-time Stewards must attend the Louisville Equine Steward Certification Class. They must also attend periodic seminars in order to keep their licenses valid.
- All current Judges are retested periodically on the rules, equipment, medications and procedures and the training tests are updated frequently.
- New officials receive extensive on-the-job training at their new positions before being hired full-time.



## Regulatory Activities

During the calendar year 2010, the Board imposed **1,372** sanctions for violations of racing laws, rules and regulations at both harness and thoroughbred tracks. The rulings include, but are not limited to, driving and riding infractions, general conduct violations, human and equine drug violations, general business practice violations and several other rule and law violations. The main office of the Racing and Wagering Board issued 507 violations that are not assigned to a specific track. Fines levied in 2010 totaled \$116,125.00

### Summary of Rulings by Track (includes fines)

|   |             |
|---|-------------|
| <b>Batavia Downs</b>                            | <b>41</b>   |
| <b>Buffalo Raceway</b>                          | <b>78</b>   |
| <b>Finger Lakes Gaming &amp; Racetrack</b>      | <b>84</b>   |
| <b>Issued by RWB Main Office</b>                | <b>507</b>  |
| <b>Monticello Raceway &amp; Mighty M Gaming</b> | <b>135</b>  |
| <b>New York Racing Association</b>              | <b>116</b>  |
| <b>Saratoga Gaming &amp; Raceway</b>            | <b>134</b>  |
| <b>Tioga Downs</b>                              | <b>84</b>   |
| <b>Vernon Downs</b>                             | <b>104</b>  |
| <b>Yonkers Raceway</b>                          | <b>89</b>   |
| <b>TOTAL</b>                                    | <b>1372</b> |

# Racing Licensing



Participants in New York State racing are required to obtain an occupational license. Good character and integrity of all participants are important to the continuity of the sport. Every application is reviewed, updated and carefully processed by the Board's Licensing unit before a license is issued. Also, by statute, fingerprinting is required of each applicant. Where it is believed that an applicant's background and associates may warrant a finding that his/her participation in racing would be inconsistent with the public interest or the best interest of racing generally, a thorough investigation is conducted before unfavorable action is taken in the form of a denial, suspension or revocation of his/her license.

|                             | 2009         |              |              | 2010         |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | Harness      | Thoroughbred | Total        | Harness      | Thoroughbred | Total        |
| <b>Amateur Jockey</b>       | 0            | 1            | 1            | 0            | 0            | 0            |
| <b>Apprentice Jockey</b>    | 0            | 37           | 37           | 0            | 39           | 39           |
| <b>Assistant Trainer</b>    | 0            | 534          | 534          | 0            | 507          | 507          |
| <b>Authorized Agent</b>     | 0            | 142          | 142          | 0            | 137          | 137          |
| <b>Cleaning Service</b>     | 244          | 303          | 547          | 281          | 241          | 522          |
| <b>Driver</b>               | 868          | 0            | 868          | 889          | 0            | 889          |
| <b>Exercise Rider</b>       | 0            | 1212         | 1212         | 0            | 1161         | 1161         |
| <b>Farrier</b>              | 57           | 90           | 147          | 59           | 83           | 142          |
| <b>Food Service</b>         | 627          | 510          | 1137         | 591          | 422          | 1013         |
| <b>Gap Attendant</b>        | 0            | 6            | 6            | 0            | 8            | 8            |
| <b>General Services</b>     | 1870         | 2493         | 4363         | 1906         | 2370         | 4276         |
| <b>Groom</b>                | 2514         | 2646         | 5160         | 2406         | 2331         | 4737         |
| <b>Jockey</b>               | 0            | 282          | 282          | 0            | 267          | 267          |
| <b>Jockey Agent</b>         | 0            | 78           | 78           | 0            | 85           | 85           |
| <b>Matinee Driver</b>       | 4            | 0            | 4            | 6            | 0            | 6            |
| <b>Mutuel Clerk</b>         | 424          | 1720         | 2144         | 374          | 1500         | 1874         |
| <b>Owner, Original</b>      | 1482         | 1395         | 2877         | 1292         | 1330         | 2622         |
| <b>Owner, Renewal</b>       | 5458         | 5611         | 11069        | 5669         | 5500         | 11169        |
| <b>Peace Officer</b>        | 230          | 536          | 766          | 242          | 503          | 745          |
| <b>Private Trainer</b>      | 21           | 4            | 25           | 22           | 5            | 27           |
| <b>Provisional Driver</b>   | 165          | 0            | 165          | 176          | 0            | 176          |
| <b>Qualifier Driver</b>     | 86           | 0            | 86           | 98           | 0            | 98           |
| <b>Racing Official</b>      | 3            | 82           | 85           | 3            | 76           | 79           |
| <b>Security</b>             | 331          | 88           | 419          | 338          | 69           | 407          |
| <b>Stable Employee</b>      | 2            | 1725         | 1727         | 1            | 1610         | 1611         |
| <b>Totalisator Employee</b> | 79           | 49           | 128          | 59           | 28           | 87           |
| <b>Track Management</b>     | 193          | 83           | 276          | 195          | 74           | 269          |
| <b>Trainer</b>              | 2182         | 650          | 2832         | 2291         | 657          | 2948         |
| <b>Vendor - Transporter</b> | 27           | 81           | 108          | 29           | 68           | 97           |
| <b>Veterinarian</b>         | 59           | 108          | 167          | 60           | 101          | 161          |
| <b>TOTALS</b>               | <b>16926</b> | <b>20466</b> | <b>37392</b> | <b>16987</b> | <b>19172</b> | <b>36159</b> |

The chart to the right reflects the total number of licenses issued to participate in racing in 2009 and 2010, including multi-year licenses that were active during the year. Individuals that hold licenses for more than one occupation (i.e., owner/trainer or trainer/driver) are counted twice, once in each category.

In 2010, 522 horsemen received a National Racing Compact (NRC) License.



# Equine Drug Testing

The Equine Drug Testing Program (EDTP) for all thoroughbred and harness racing in New York State is performed by Morrisville State College in Morrisville, New York, under contract with the New York State Racing and Wagering Board. The EDTP was previously conducted at Cornell University until July 1, 2010 which is when the new contract was executed with New York State to move to Morrisville State College. The EDTP at Morrisville State College continues to be one of the leading equine drug-testing programs in the world.

Equine drug testing is mandated by Chapter 47-A of the Consolidated Laws of the State of New York, The Racing, Pari-Mutuel Wagering and Breeding Law in Section 902 (see *next page*).

The Director of the EDTP is Dr. George A. Maylin who began his career as a veterinarian in 1965. Dr. Maylin has held several distinguished positions throughout his career including Director of Morrisville Research and Reference Center, Director of Equine Drug Testing and Research Program and Division Chief of Toxicology Diagnostic Laboratory at New York State College of Veterinary Medicine, among others. Dr. Maylin is also responsible for the publication of numerous documents, studies and reports in the fields of pharmacology, toxicology, exercise physiology, chemistry and immunochemistry. From the gathering of the original blood and urine samples that are collected in the presence of the owner, trainer or representative, throughout transport and subsequent testing, the chain of custody is strictly maintained by Racing and Wagering personnel. This is necessary as blood and urine samples may be evidence in future litigation. All sample containers are identified and sealed against tampering upon collection. All samples are identified with unique numbers and

the EDTP personnel do not know the identity of the horse involved.

Under Board procedures, when the EDTP detects and confirms the presence of a prohibited substance, the laboratory immediately informs the Board's Director of Racing Operations and its Counsel. Immediately thereafter, the Director of Racing Operations informs the steward or presiding judge at the racetrack where the horse's sample originated, along with other appropriate Board personnel. Investigation into the matter is begun after the horse and its trainer are identified by the steward or presiding judge.

The sample identifying numbers are matched by the steward or presiding judge to his previously locked documentation of collected samples. After identification, investigation into the circumstances including interviews with all involved parties begins. The trainer is afforded the option of having a "split" sample of the original tested at an approved laboratory of his/her choice at

his/her expense. After the investigation is completed and all other information is gathered and studied, the licensee if appropriate, is assessed a penalty from the State steward or presiding judge. Should the licensee not agree with the penalty given, there is an appeals process that affords the licensee a full hearing before a Board-appointed hearing officer. Upon receipt of the hearing officer's completed report, the three member Board renders a decision. A listing of the most commonly used medicines in the equine racing world is contained within the Board's rules. Also contained are the number of hours "out" (before race day) that these listed drugs may be administered. The only allowable medication on race day is furosemide and it is only permitted to be administered to horses properly enrolled in a furosemide medication program as prescribed.







## **Section 902**

### **Equine drug testing and expenses**

1. In order to assure the public's confidence and continue the high degree of integrity in racing at the pari-mutuel betting tracks, equine drug testing at race meetings shall be conducted by a state college within this state within an approved equine science program. The state racing and wagering board shall promulgate any rules and regulations necessary to implement the provisions of this section, including administrative penalties of loss of purse money, fines, or denial, suspension, or revocation of a license for racing drugged horses.

2. Notwithstanding any inconsistent provision of law, all costs and expenses of the state racing and wagering board for equine drug testing and research shall be paid from an appropriation from the state treasury, on the certification of the chairman of the state racing and wagering board, upon the audit and warrant of the comptroller and pursuant to a plan developed by the state racing and wagering board as approved by the director of the budget.

### **Post Race Positives By Track**

|  | <b>2009</b> | <b>2010</b> |
|--|-------------|-------------|
| <b>Aqueduct</b>                            | <b>7</b>    | <b>8</b>    |
| <b>Batavia Downs</b>                       | <b>5</b>    | <b>1</b>    |
| <b>Belmont Park</b>                        | <b>2</b>    | <b>1</b>    |
| <b>Buffalo Raceway</b>                     | <b>4</b>    | <b>10</b>   |
| <b>Finger Lakes Racetrack</b>              | <b>11</b>   | <b>5</b>    |
| <b>Monticello Raceway</b>                  | <b>6</b>    | <b>5</b>    |
| <b>Saratoga Race Course (Thoroughbred)</b> | <b>0</b>    | <b>1</b>    |
| <b>Saratoga Raceway (Harness)</b>          | <b>5</b>    | <b>3</b>    |
| <b>Tioga Downs</b>                         | <b>1</b>    | <b>3</b>    |
| <b>Vernon Downs</b>                        | <b>2</b>    | <b>0</b>    |
| <b>Yonkers Raceway</b>                     | <b>7</b>    | <b>3</b>    |
| <b>NYSRWB</b>                              | <b>0</b>    | <b>0</b>    |

### **Summary Drug Report 2010**

| <b>Drug</b>                                   | <b>Number of Positives</b> |
|---|----------------------------|
| <b>Acepromazine</b>                           | <b>2</b>                   |
| <b>Atropine</b>                               | <b>1</b>                   |
| <b>Benzoylcegonine</b>                        | <b>1</b>                   |
| <b>Butorphanol</b>                            | <b>1</b>                   |
| <b>Caffeine</b>                               | <b>3</b>                   |
| <b>Clenbuterol</b>                            | <b>2</b>                   |
| <b>Cocaine</b>                                | <b>1</b>                   |
| <b>Codeine</b>                                | <b>1</b>                   |
| <b>1,7 Dimethylxanthine</b>                   | <b>3</b>                   |
| <b>Ecgonine Methyl Ester</b>                  | <b>1</b>                   |
| <b>Ergonovine</b>                             | <b>5</b>                   |
| <b>Flunixin</b>                               | <b>10</b>                  |
| <b>Fluphenazine</b>                           | <b>1</b>                   |
| <b>Furosemide</b>                             | <b>8</b>                   |
| <b>2-(1-hydroxyethyl) Promazine</b>           | <b>2</b>                   |
| <b>2-(1-hydroxyethyl) Promazine Sulfoxide</b> | <b>2</b>                   |
| <b>Hydroxylidocaine</b>                       | <b>1</b>                   |
| <b>Hydroxyzine</b>                            | <b>2</b>                   |
| <b>Lidocaine</b>                              | <b>1</b>                   |
| <b>Morphine</b>                               | <b>1</b>                   |
| <b>Norchlorcyclizine</b>                      | <b>2</b>                   |
| <b>Theobromine</b>                            | <b>3</b>                   |
| <b>Theophylline</b>                           | <b>6</b>                   |



# Indian Gaming

## Class III Indian Gaming

The Racing and Wagering Board has been intimately involved in Class III Indian gaming from its infancy, with its representatives actively participating in the negotiations of the Class III gaming compacts culminated in 1993 between the State of New York and both the Oneida Indian Nation of New York, and the Saint Regis Mohawk Tribe, as members of the Governor's Class III Gaming Negotiating Team. These compacts, which uniquely guarantee the State specific regulatory authority regarding Class III gaming operations, met the State's three goals deemed critical to its agreements with the tribes: *to ensure public order and safety; to protect the integrity of the games authorized by the compacts; and to gain agreement on a sound system of fiscal and auditing controls over casino gaming operations to protect the interests of the wagering public, the tribes and the State of New York.*

The Oneida Indian Nation opened its Turning Stone Casino on July 20, 1993, and the Saint Regis Mohawk Tribe opened the Akwesasne Mohawk Casino on April 12, 1999. On August 18, 2002 the State of New York and the Seneca Nation of Indians reached agreement on a Class III gaming compact. The Seneca Nation opened its Seneca Niagara Casino on December 31, 2002; the Seneca Allegany Casino on May 1, 2004 and lastly, the Seneca Buffalo Creek Casino on July 3, 2007.

Contained in each compact and appendices are standards, rules of operation and specifications for each game authorized to be conducted; internal controls governing the operation of each gaming facility; procedures for certification and/or registration of gaming employees and certain companies transacting business with the casinos; and a system for mediating disputes between the State of New York and the tribes.

Board inspectors employed by its Division of Gaming Regulation maintain a constant presence within all five Class III gaming facilities in New York, monitoring and confirming that gaming is operated pursuant to the respective Class III gaming compact between the Indian tribes and the State of New York. In general, each compact requires that all gaming employees and each of the representatives of the companies transacting business with a Class III gaming facility be found suitable by the Board prior to employment or the transaction of business. The Board's Division of Licensing, utilizing information provided by fingerprint searches conducted by the Federal Bureau of Investigation, the New York State Division of Criminal Justice Services and (when warranted) the Royal Canadian Mounted Police and a background investigation conducted by the New York State Police - Casino Detail, determines the suitability of each individual and entity and subsequently approves or denies the applications submitted.

All of the State's regulatory expenses, for both personnel and equipment, are to be reimbursed by the regulated Indian Nation or Tribe.

## Indian Gaming Regulation

The federal Indian Gaming Regulatory Act ("IGRA") of 1988 provides a framework outlining several different levels of regulatory jurisdiction over gambling conducted on Indian land that is dependent upon the type of gambling operated. The IGRA divides gambling into three categories, and establishes a regulatory system for each. Class I gaming, which is under the exclusive jurisdiction of the Indian tribes, is described as "social games played solely for prizes of minimal value or traditional forms of Indian gaming engaged in as part of, or in connection with, tribal ceremonies or celebrations." Class II gaming is defined as "the game of chance commonly known as bingo including (if played at the same location) pull-tabs, lotto, punch boards, tip jars, certain card games, instant bingo and other games similar to bingo." Class II gaming, pursuant to the IGRA, is subject to both tribal jurisdiction and regulatory oversight by the National Indian Gaming Commission, but states are not permitted to regulate any Class II gaming activity. Class III gaming, which includes "house-banked" casino-style games such as

blackjack, roulette and slot machines, can only be conducted pursuant to the terms of a Class III gaming compact between a tribe and the





## New York's Class III Gaming Compacts

Class III gaming compacts have been forged between the State and the Oneida Indian Nation of New York; the Saint Regis Mohawk Tribe; and the Seneca Nation of Indians. On April 16, 1993, Governor Mario M. Cuomo signed the Oneida Indian Nation of New York's Compact on behalf of the State of New York. The Compact was subsequently approved by the Department of the Interior on June 4, 1993. The Oneida Nation opened their Turning Stone Casino on June 20, 1993. Governor Mario M. Cuomo signed the Saint Regis Mohawk Tribe's Compact on June 9, 1993, and it was subsequently approved by the Interior on December 4, 1993. The Mohawk Tribe opened their Akwesasne Mohawk Casino on April 10, 1999. Finally, Governor George E. Pataki signed the Seneca Nation of Indians' Compact on August 18, 2002, and approval was received from Interior on October 25, 2002. The Seneca Nation opened their Seneca Niagara Casino on December 31, 2002; the Seneca Alleghany Casino on May 1, 2004; and the Seneca Buffalo Creek Casino on July 3, 2007. Each compact delineates the rules and specifications for each authorized game; internal controls and operational standards governing the operation of the gaming facility; procedures for determining the suitability of all gaming employees and the representatives of each company transacting business with a casino; and the subsequent approval or denial of such applications; and each compact includes a method for mediating disputes.

## Board Gaming Operations Inspectors

Board gaming inspectors maintain a constant, twenty-four hour presence within each gaming facility, conducting compliance examinations to ensure that gaming operations such as dealing procedures, internal accounting controls and other safeguards strictly conform to the applicable provisions of the respective Class III gaming compact. Board inspectors conduct investigations and interviews, review surveillance videos and prepare detailed narrative reports as part of their normal duties. For example, inspectors witness the relocation of gaming equipment to ensure that no tampering occurs, or that the equipment moved is not replaced without proper notification; respond to radio calls regarding repairs and upgrades conducted to gaming equipment; witness that such repairs conducted are incidental, document which repairs are made, and by whom, in written reports. Board gaming inspectors are experienced, professional investigators specially trained to monitor casino gaming activities with the respective Nation or Tribal gaming inspectors, security officers, surveillance departments and law enforcement agencies. Casino patrons regularly seek Board gaming inspectors to clarify the rules of the games and for recourse after filing complaints with casino managers and/or Nation or Tribal gaming regulators.





# Indian Gaming



## Activity

The following charts illustrate the Licensing Division activity related to applications received from the five Indian Casinos operations in New York State.

| <b>2010</b>                         | <b>Oneida Nation</b> | <b>Mohawk Tribe</b> | <b>Seneca Allegany</b> | <b>Seneca Niagara</b> | <b>Seneca Buffalo</b> |
|-------------------------------------|----------------------|---------------------|------------------------|-----------------------|-----------------------|
| Temporary Certifications Issued     | 774                  | 129                 | 96                     | 349                   | 29                    |
| Annual Certifications Issued        | 220                  | 59                  | 54                     | 136                   | 0                     |
| Renewal Certifications Issued       | 212                  | 2                   | 99                     | 264                   | 1                     |
| Temporary Certifications Denied     | 10                   | 2                   | 6                      | 15                    | 2                     |
| Annual Certifications Denied        | 0                    | 0                   | 0                      | 0                     | 0                     |
| Certifications Suspended or Revoked | 0                    | 0                   | 0                      | 0                     | 0                     |

| <b>Lifetime</b>                     | <b>Oneida Nation</b> | <b>Mohawk Tribe</b> | <b>Seneca Allegany</b> | <b>Seneca Niagara</b> | <b>Seneca Buffalo</b> |
|-------------------------------------|----------------------|---------------------|------------------------|-----------------------|-----------------------|
| Temporary Certifications Issued     | 16,045               | 3,358               | 2,354                  | 7,338                 | 73                    |
| Annual Certifications Issued        | 6,994                | 1,443               | 1,168                  | 3,172                 | 15                    |
| Renewal Certifications Issued       | 832                  | 3                   | 362                    | 1027                  | 4                     |
| Temporary Certifications Denied     | 343                  | 123                 | 92                     | 457                   | 3                     |
| Annual Certifications Denied        | 6                    | 10                  | 4                      | 5                     | 0                     |
| Certifications Suspended or Revoked | 0                    | 3                   | 0                      | 0                     | 0                     |



## The Agricultural and New York State Horse Breeding Development Fund

The Agricultural and New York State Horse Breeding Development Fund was established by the LaVerne Law in 1965. The law empowered the Fund to promote the breeding of harness horses and the conduct of equine research in the State.

In order to carry out its legislative mission the Fund receives money from the mutuel handle at the licensed tracks across the State and uses this money to provide purse money for the New York Sire Stakes in these major areas:

### Sire Stakes Races At The Pari-Mutuel Tracks

The most talented New York-bred 2- and 3-year-olds vie for enhanced purses at the State's pari-mutuel tracks. The top performers met for the finals on the "Night of Champions" at Yonkers Raceway in 2010.

### State Fair Racing

Provides an opportunity for 3 year olds to race at Goshen Historic Track over the July 4th weekend and both 2- and 3-year-olds to race at an exciting three-day meet historically held at the New York State Fairgrounds in Syracuse. The "State Fair Series," formally "The Syracuse Mile," pari-mutuel meet is now held at the newly opened Tioga Downs and features 2-year-old and 3-year-old races for the top New York-bred trotters and pacers.

### Late Closer Events For Sire Stakes

A program designed for late-blooming 2- and 3-year-olds, with multiple legs leading to a lucrative final for the leading point earners in the series.

### County Fair Racing

The best "earn as you learn" program is part of Sire Stakes racing. Non-pari-mutuel racing is conducted at more than 20 agricultural fairs throughout New York State. Championship races for each age and gait are drawing cards for summertime local fairs throughout the state.

### Additional Objectives

In addition to the above, the Fund provides assistance to county agricultural societies to maintain and repair racing facilities. The Fund also contributes to both the 4-H Program and the Dr. Harry M. Zweig Fund for Equine Research at Cornell University.

## New York State Thoroughbred Breeding and Development Fund

The New York State Thoroughbred Breeding and Development Fund encourages the breeding and maintenance of thoroughbred horses in New York by distributing financial incentives to breeders and owners whose horses compete successfully in New York-based races. The Fund was created in 1973 by an act of the state legislature and has since returned nearly \$330 million back into the industry. By statute, a percentage of wagering handle from the New York Racing Association (NYRA), Finger Lakes Racing Association (FLRA), and all six of the state-wide Off-Track Betting Corporations is paid to the Fund. Also, the Fund receives a percentage of handle on in-state thoroughbred wages made at harness tracks. Additionally, the Fund receives a percentage of breakage revenue from the Off-Track Betting Corporations. The percentage differs depending on the revenue source. By law, 2% of the total revenue goes to the Zweig Fund at Cornell University for equine research. Lastly, the Breeding Fund, pursuant to a contract with Delaware North (parent company of FLRA), receives a percentage of the gross win on video gaming machines at Finger Lakes. The Fund is entitled to 1.247% of the gross win. The same contract exists between the Breeding Fund and NYRA – but construction of the video gaming program remains unfinished. According to widely accepted gaming industry analysts, the Breeding Fund can expect to receive approximately \$7M annually from its NYRA video gaming contract.



*Chairman John Sabini and Tracy Egan at Egan's May 2010 appointment as Executive Director of the New York State Thoroughbred Breeding and Development Fund.*



# Charitable Gaming

## OVERVIEW

The Board's Charitable Gaming unit is responsible for the investigation, audit and monitoring of the sale of hundreds of millions of bell jar tickets sold annually, and the verification of the lawful disbursement of tens of millions of dollars in bingo, bell jar, Las Vegas night, and raffle proceeds by thousands of licensees located throughout the sixty-two counties of New York. The Charitable Gaming unit issues licenses to bingo and games of chance manufacturers and suppliers; collect the license fees paid by those licensees; determine that commercial bingo hall rental fees are fair and reasonable as a prerequisite to licensure by municipalities; approve thousands of bell jar ticket games each year; and issue bingo and games of chance identification numbers to applicant organizations as a prerequisite to their licensing by municipalities.

Board staff assist members of licensed authorized organizations and manufacturers and distributors of gambling equipment and supplies by guiding them into compliance with State law and the Board's rules, and conduct training seminars for municipal clerks and police agencies.

The Board's Charitable Gaming unit's policy has, since its inception, focused on helping qualified organizations comply with the laws authorizing the conduct of profitable gambling fundraisers. Our goal, is to help bring each licensed organization into compliance, thereby maximizing the proceeds available for worthy causes that the Board is required by law to cultivate and protect. Board personnel play a proactive role in the registration and training of authorized organizations conducting bingo, bell jars, raffles and table games at casino nights, carnivals and field days, conducting instructional seminars at our offices, or on the licensees' premises at times and locations convenient to the organizations' volunteer members, providing free assistance and the guidance needed to conduct profitable fundraising events.

## THE HISTORY OF BINGO AND GAMES OF CHANCE IN NEW YORK

New York's Constitution generally bans gambling. However, Article One, Section Nine has been ratified four times to legalize certain forms of wagering. Two of those four exceptions allow qualified charitable, religious and other non-profit organizations to conduct bingo and games of chance to raise funds exclusively benefiting their worthy causes and undertakings. Every year, thousands of the more than 8,000 organizations across the state, authorized to conduct bingo and games of chance, raise millions of dollars for charitable purposes.

Prior to legalization, illegal bingo games and casino nights were openly conducted on behalf of respectable organizations by unscrupulous professional gambling promoters and racketeers who siphoned lucrative profits away from the gambling operations conducted in the name of charity. As a result, normally law-abiding citizens were coerced into committing forgery and perjury by providing the racketeers with legalized cover-ups that frustrated the efforts of police agencies statewide. Taking full advantage of law enforcement's unofficial "hands-off" policy regarding "charitable" gambling and the protection that the members of religious, fraternal and veterans organizations offered the criminal enterprises by posing as "fronts" the racketeers pocketed the lion's share of the profits raised under the guise of respectability, while the charitable organizations, in return for their favors, were offered merely a small percentage of the winnings, or a meager fixed rate per event.

The Board, pursuant to the two Constitutional amendments and the statutory mandates following them, is charged with carrying out the goals of Article One, Section Nine of the State Constitution, which commands that rigid regulations be enforced to prevent commercialized gambling; that participation by criminal and other undesirable elements be thwarted; and that the diversion of funds from the lawful purposes intended be avoided. Legislative policy further empowers the Board to closely control and supervise all phases of licensing and regulation over the conduct of bingo and games of chance to ensure that the laws, rules and regulations are strictly construed and rigidly enforced; that the games are operated honestly; to discourage commercialized gambling in all of its forms; to conduct, anywhere in the State, investigations concerning the administration, enforcement and potential or actual violation of the bingo and games of chance licensing laws; to ensure a maximum availability of the net profits from bingo and games of chance exclusively for lawful purposes; and to enter any premises where any game of chance is or will be conducted, or where any equipment being used or intended to be used in the conduct of any game of chance is found to perform an inspection. To further assist the Board in carrying out its daunting tasks, the Legislature further decreed that the Board's rules and regulations have the force and effect of law, and are binding upon all licensing municipalities and licensees.

## LICENSING

The Charitable Gaming unit issues bingo and games of chance identification numbers to applicant organizations as a prerequisite to their licensing by municipalities; issues bingo and games of chance manufacturers and suppliers licenses and collects the license fees paid by those licensees; approve thousands of bell jar ticket games each year and determines that the rental fees charged by commercial bingo halls are fair and reasonable as a condition of licensure by municipalities.



Authorized organizations domiciled within municipalities that have enacted local laws permitting bingo and/or games of chance may register with the Board and apply for a bingo and/or games of chance identification number as a prerequisite for licensing by their municipal clerks office. The issuance of an identification number signifies that an organization has met the statutory definition of an authorized organization and is eligible for licensure. In 2010, the Board issued 205 games of chance identification numbers, and 22 bingo identification numbers. To date, the Board has issued 9,324 games of chance identification numbers, and 8,997 bingo identification numbers.

### Registration and Identification

|                            | 2010 | TO DATE |
|----------------------------|------|---------|
| Games of Chance ID Numbers | 205  | 9,324   |
| Bingo ID Numbers           | 22   | 8,997   |

| Type of Program  | Licenses Issued by Clerks | License Fees Collected by Clerks | Additional License Fees |
|------------------|---------------------------|----------------------------------|-------------------------|
| Bingo            | 820                       | \$757,820                        | \$388,516               |
| Bell Jar         | 1429                      | \$38,431                         | \$2,085,548             |
| Las Vegas Nights | 441                       | \$115,198                        | \$3,032                 |
| Raffles          | 389                       | \$1,350                          | \$10,829.53             |
| Total            | 3079                      | \$912,799                        | \$2,487,926             |

### Games of Chance and Bingo Supplier Licenses

The Board is statutorily required to license the manufacturers and distributors of all bingo and games of chance supplies and equipment. In 2010, the Charitable Gaming unit issued 44 licenses to bingo manufacturers and distributors and 58 licenses to games of chance manufacturers and distributors.

In 2010 the total sales of bingo supplies and equipment by bingo manufacturers and distributors equaled \$5,643,331; the total sales of games of chance equipment and supplies by games of chance manufacturers and distributors equaled \$8,776,867. The Board collected \$191,382 in license fees from bingo and games of chance manufacturers and distributors.

All bell jar tickets must be approved by the Board prior to sale and shipment into New York. In 2010, 7,789 different bell jar tickets were approved. To date, the Board has approved 101,847 of the 104,627 bell jar tickets submitted for approval.

### Manufacturers and Suppliers

|                                  |             |
|----------------------------------|-------------|
| Games of Chance Licenses         | 58          |
| Bingo Licenses                   | 44          |
| Games of Chance Total Sales 2010 | \$8,776,867 |
| Bingo Total Sales 2010           | \$8,404,516 |
| Total Fees Collected 2010        | \$191,382   |

### Bingo Commercial Lessors

The Board's Charitable Gaming Unit, pursuant to the Bingo Licensing Law, determines that the rental fees charged to licensed authorized organizations leasing commercial bingo halls to conduct their bingo occasions are fair and reasonable, as a prerequisite to the licensing of the commercial lessors by municipalities. Board staff, upon receipt of a copy of an application for an authorized commercial lessor's license, reviews the bingo rental statement and all supporting documentation and, in determining whether the proposed rental fees are fair and reasonable, considers each lessor's actual and/or estimated operating expenses such as: compensation of hall managers, which is computed on a per occasion basis; maintenance expenses; building repairs; taxes; depreciation of buildings; accounting fees; insurance costs; legal fees; license fees; amortization; rental fees between the applicant lessor and the owner of the building; and other forms of income derived by the lessor unrelated to the leasing of the hall for bingo.

Board staff, after determining a maximum rental for the premises for each bingo occasion, advises both the applicant and the licensing authority of the determination. The applicant is afforded a reasonable time within which to protest the maximum rental by specifying the objections and the grounds for such objections in writing. In the absence of such a protest, the proposed maximum rental schedule is deemed to be the final determination of the Racing and Wagering Board.

In 2010, the Board issued rent determinations for 24 commercial bingo halls licensed in 7 municipalities, in which thousands of bingo occasions were conducted.





# Charitable Gaming

## WAGERING BY THE NUMBERS

| 2010             | AMOUNT WAGERED       | NET PROFIT TO ORGANIZATIONS |
|------------------|----------------------|-----------------------------|
| Bingo            | \$73,926,547         | \$10,888,347                |
| Bell Jar         | \$235,134,501        | \$43,499,446                |
| Las Vegas Nights | \$872,370            | \$449,473                   |
| Raffles          | \$6,652,937          | \$2,547,477                 |
| <b>Total</b>     | <b>\$316,586,355</b> | <b>\$57,384,743</b>         |

### Bell Jar

Bell Jars are games in which a participant shall draw a card from a jar, vending machine, or other suitable device which contains numbers, colors or symbols that are covered and which, when uncovered, may reveal that a prize shall be awarded on the basis of a designated winning number, color or symbol or combination of numbers, colors or symbols.

Bell Jar licenses are issued on an annual basis by the municipality within which an authorized organization is domiciled. Bell Jar tickets can be sold twenty-four hours a day, seven days a week, excluding Christmas Day and Easter Sunday. Bell Jar tickets can only be sold on the premises of the licensed authorized organization as well as during the organization's licensed bingo occasion and games of chance licensed period.

Bell Jar ticket sales are the single most profitable charitable gaming tool for licensed authorized organizations throughout New York. In 2010, a total of \$235,134,501 was wagered in Bell Jar, and \$43,499,446 in net profits were raised for charitable purposes.

### Raffles

Raffles, depending on the threshold of the net proceeds derived therein, must be licensed on an annual basis by the municipality in which an authorized organization is domiciled; or licensed via a series of verified statements; or operated without a license pursuant to the provisions of Section 190-a of the General Municipal Law. Since the preponderance of authorized organizations conducting raffles are not required by law to obtain a license or file financial statements regarding such operations, the Board cannot determine the total number of raffles held each year in New York or the profits generated by that immensely popular and lucrative form of charitable gambling.

In 2010, however, a total of \$6,603,334 was wagered in licensed raffles, and \$2,488,849 in net profits were raised for charitable causes.

## Las Vegas Nights

Las Vegas nights are casino-type games of chance including games like roulette, craps, blackjack, merchandise wheels, and other card, dice and wheel games conducted at outdoor carnivals, and other charitable fundraising events across the State that can be held on not more than twelve days per year, per licensee. More than six hundred authorized organizations still rely on the profits raised from casino-type games each year to help fund their religious, educational, fire fighting services and other benevolent causes. In 2010, a total of \$872,370 was wagered at 734 licensed charitable gaming events, and \$449,473 in net profits were raised for worthy causes. Substantial profits are also raised at Las Vegas night gaming events through the conduct of raffles and the sale of Bell Jar tickets, the profits from which are reported separately.

### Bingo

The popularity and profitability of bingo, the forerunner of all charitable gambling in New York, has fluctuated throughout the five decades following its legalization, but it remains a vital fundraising tool for thousands of authorized organizations. In 2010, approximately 37,224 licensed bingo occasions were conducted, \$73,926,547 was wagered, and \$10,888,347 in net profits was generated for charitable purposes. Like Las Vegas nights, substantial profits are also raised at bingo occasions through the conduct of raffles and the sale of Bell Jar tickets, the profits from which are reported separately.

## CHARITABLE GAMING ENFORCEMENT

The Board is statutorily required to enforce the laws governing the conduct of bingo and games of chance operations including, most notably, following the legalization of bell jar tickets in 1988, monitoring related to the manufacture, distribution and sale of Bell Jar tickets to licensed authorized organizations throughout the State. One of the Board's top priorities in that regard is to curtail both the interstate and intrastate trafficking of unregistered Bell Jar tickets in New York, and the illegal activities related thereto that siphon revenue away from the intended charitable purposes.

| 2010 Charitable Gaming Enforcement      |     |
|---|-----|
| Investigative Complaints Received       | 174 |
| Investigations Conducted Throughout NYS | 202 |
| Inspections Conducted Throughout NYS    | 406 |





In 1996 the Governor and the Legislature, acknowledging and addressing the wide-scale theft and abuse of the Bell Jar ticket program, statutorily authorized the direct funding of a Bell Jar enforcement unit by mandating that five percent of the net proceeds from the sale of all bell jar tickets be remitted to the Board and be expended exclusively to fund its compliance and enforcement programs. As a result, the Charitable Gaming Enforcement unit was created, restoring the Board's ability to render assistance, advice and training to municipal clerks, law enforcement agencies and the 18,321 organizations registered by the Board to conduct charitable gaming.

The Board continuously strives to help qualified organizations comply with the laws authorizing the conduct of profitable gambling fund-raisers. Our goal is to help bring each licensed organization into compliance, thereby maximizing the proceeds available for worthy causes that the Board is required by law to cultivate and protect. Board personnel play a proactive role in the registration and training of authorized organizations conducting bingo, Bell Jars, raffles and casino-type games at Las Vegas nights, carnivals and field days by conducting instructional seminars at our offices, or on the licensees' premises at times and locations convenient to the organizations' volunteer members, providing free assistance and the guidance needed to conduct profitable fundraising events.

### Investigations

The Board's Charitable Gaming Enforcement unit investigates, audits and monitors the sale of hundreds of millions of Bell Jar tickets sold annually, and verifies the lawful disbursement of tens of millions of dollars in bingo, bell jar, Las Vegas nights, and raffle proceeds by the thousands of licensees located throughout the sixty-two counties of New York that, in 2010, totaled \$57,326,116. Board auditors monitor the use of charitable gaming proceeds and verify the accurate collection of the additional license fees remitted to the Board to fund the Charitable Gaming Enforcement unit that, in 2010 totaled \$2,085,548.

The Charitable Gaming Unit conducts its statewide investigations, when warranted, in concert with the New York State Police, the Attorney General's Office, and the State Liquor Authority, as well as federal, state and local law enforcement agencies located throughout New York, and other states, targeting the trafficking and sale of unregistered Bell Jar tickets; embezzlement of charitable funds; corruption at commercial bingo halls; and activities involving illegal bookmaking during licensed bingo occasions commonly referred to as "line-gambling."

In 2010, Board Investigators received 174 charitable gaming complaints and conducted 406 inspections. Additionally, Board Investigators conducted over 202 investigations and attended 84 meetings where case findings were presented to municipal, county and State law enforcement agencies and district attorneys for criminal prosecution. With the referral of these cases to law enforcement, Board investigators provided investigative and interviewing assistance, and were also asked to testify as expert witnesses at grand jury proceedings. One of our Investigators performed twenty-five undercover investigations at the request of, and in direct cooperation with, two New York City District Attorneys' offices, their criminal investigators, and the New York State Police. As a result of our joint efforts, in 2010, ten individuals were arrested throughout the state. In Queens County, Board Investigators referred the criminal misappropriation of over \$800,000 in charitable bingo funds to law enforcement, 3 individuals were arrested and charged with numerous felony counts in connection with the misappropriation. The investigation and subsequent arrests also resulted in the closure of a commercial bingo hall by the Board.

### Compliance Conferences

A compliance conference is a meeting conducted informally, without the expense normally associated with conducting a formal hearing, held by Board staff for representatives of a licensed authorized organization determined during an investigation or audit to be in violation of the Board's rules. In 2010, 13 compliance conferences conducted throughout the state by the Director Of Charitable Gaming, with assistance from our investigators and auditors, identified 285 previously unreported Bell Jar deals, compelled the deposit of \$142,993.41 into special bell jar checking accounts, replenishing shortages of deposits and monies improperly disbursed; compelled the donation of \$546,297.19 directly to local charities from recaptured funds; and collected \$6,438.73 in additional license fees owed to the Board.

| <b>2010 Compliance Conferences</b>                   |           |
|--|-----------|
| Total Compliance Conferences                         | 13        |
| Captured Unreported Bell Jar Deals                   | 285       |
| Compelled Bell Jar Donations                         | \$546,297 |
| Amount Returned to Bell Jar Checking Accounts        | \$142,993 |
| 5% Additional Bell Jar License Fee Arrearages Repaid | \$64,389  |



# Charitable Gaming

## Public Outreach and Training

Public Outreach has, over the course of three decades, proven to be a vital element in our quest to promote and attain compliance with the laws, rules and regulations. The Director Of Charitable Gaming, along with our investigators and/or auditors, conducted 102 training seminars for authorized organizations; municipal clerks; prosecutors and law enforcement agencies throughout the State. Charitable Gaming Enforcement personnel are regularly invited to attend statewide conferences hosted by municipal representatives and the dedicated volunteer members of the licensed authorized organizations. These presentations are very well received by the attendees, and are greatly appreciated by the statewide leaders of the licensed organizations whose livelihood depends on the funds raised through charitable gambling.

The proven success of our investigative, enforcement and compliance programs center on the ability to train municipal clerks and law enforcement agencies, and to assist the volunteer members of the licensed authorized organizations to operate gambling activities profitably and in compliance with the law. Additionally, the inspection of games of chance and bingo occasions to ensure compliance; the rapid response to complaints and the conduct of on-site compliance and outreach meetings are key to maximizing the proceeds available to authorized organizations.

Charitable gaming, from its humble beginning at weekly bingo occasions held in church basements in the late 1950's, has greatly expanded to gaming operations with a handle exceeding two hundred million dollars annually, that can be operated twenty-four hours per day nearly every day of the year and which generate more than fifty million dollars annually for charitable causes.



## 2010 Bell Jar Net Proceeds — By County

|             |                |              |                |
|-------------|----------------|--------------|----------------|
| Albany      | \$1,119,577.78 | Niagara      | \$792,320.80   |
| Allegany    | \$1,077,073.92 | Oneida       | \$2,346,318.74 |
| Bronx       | \$11,234.50    | Onondaga     | \$1,045,059.24 |
| Broome      | \$658,385.92   | Ontario      | \$690,324.61   |
| Cattaraugus | \$1,305,847.61 | Orange       | \$730,437.44   |
| Cayuga      | \$580,495.20   | Orleans      | \$597,096.78   |
| Chautauqua  | \$3,126,603.53 | Oswego       | \$656,416.50   |
| Chemung     | \$404,431.27   | Otsego       | \$203,079.46   |
| Chenango    | \$101,673.13   | Putnam       | \$87,567.76    |
| Clinton     | \$639,285.06   | Queens       | \$110,607.59   |
| Columbia    | \$63,437.22    | Rensselaer   | \$1,275,000.72 |
| Cortland    | \$366,430.50   | Richmond     | \$62,317.05    |
| Delaware    | \$215,329.63   | Rockland     | \$290,590.47   |
| Dutchess    | \$400,435.42   | Saratoga     | \$781,049.34   |
| Erie        | \$2,404,580.53 | Schenectady  | \$523,125.70   |
| Essex       | \$169,265.35   | Schoharie    | \$106,721.28   |
| Franklin    | \$407,782.72   | Schuyler     | \$372,878.85   |
| Fulton      | \$310,506.22   | Seneca       | \$509,848.82   |
| Genesee     | \$143,809.85   | St. Lawrence | \$1,350,443.52 |
| Greene      | \$52,950.81    | Steuben      | \$1,876,877.77 |
| Hamilton    | \$366.80       | Suffolk      | \$876,533.65   |
| Herkimer    | \$712,539.71   | Sullivan     | \$18,009.71    |
| Jefferson   | \$1,529,167.98 | Tioga        | \$220,877.99   |
| Kings       | \$9,462.50     | Tompkins     | \$268,483.26   |
| Lewis       | \$426,728.47   | Ulster       | \$250,650.23   |
| Livingston  | \$291,231.67   | Warren       | \$298,321.21   |
| Madison     | \$187,532.35   | Washington   | \$247,369.77   |
| Monroe      | \$2,393,571.86 | Wayne        | \$754,637.79   |
| Montgomery  | \$255,458.56   | Westchester  | \$436,321.87   |
| Nassau      | \$134,247.81   | Wyoming      | \$355,623.20   |
| New York    | \$3,005.00     | Yates        | \$489,028.35   |

# 2010 Board Rules



## The Board adopted the following rules in 2010:

**Uncoupled Entries with Common Trainers.** The Board amended Sections 4025.10 and 4035.2 of 9 New York Codes, Rules and Regulations (NYCRR) to eliminate the requirement that two thoroughbred horses trained by the same trainer must be coupled as a single betting entity. The new rule permits no more than two horses trained by the same trainer to race uncoupled for wagering purposes. This amendment helps increase wagering revenue by increasing the field size of certain pari-mutuel races thus resulting in more betting interests and fewer cancellations of large wagering pools.

**Harness Racing Preference Rule.** This rulemaking amended 9 NYCRR Section 4108.8 to provide additional racing opportunities for horses and horsemen who regularly race in New York State. This rule is necessary to provide enhanced racing opportunities for year-round New York horsemen in the face of an influx of out-of-state horses at certain times of the year. The rule creates a priority consideration for horses and horsemen who have competed at licensed New York State tracks for the majority of their most recent starts. This incentivizes New York State racing and results in improved racing programs, which will create additional wagering opportunities with corresponding increases in revenues for purses, pari-mutuel taxes, and regulatory fees.

**Thoroughbred Riding Crop Rule.** This rule amended 9 NYCRR Section 4035.9 of the Thoroughbred Rules to replace the traditional jockey's whip with a padded riding crop. This rulemaking conforms the New York rule to the model rule adopted by the Association of Racing Commissioners International ("RCI") in December 2008. It is also consistent with the recommendation of The Jockey Club to replace American whips with English riding crops, which are smaller and well-padded, and more humane to the horse.



**New York State Lottery Building**  
Main Office of the NYS Racing and Wagering Board  
Schenectady, NY



# 2010 Legislation

## 2010 Legislation Affecting the Racing and Wagering Board

### Equine Drug Testing Program

**Chapter 15 of the Laws of 2010:** This amended sections 228 and 902 of the Racing, Pari-mutuel Wagering and Breeding Law (RPMWBL) to authorize the conduct of the Racing and Wagering Board's Equine Drug Testing Program at Morrisville, a state college with an approved equine science program, in place of Cornell University, a land grant university with a veterinary college facility.

### Imposition of Fines

**Chapter 240 of the Laws of 2010:** Sections 250, 310, 410 and 1005 of the RPMWBL were amended to authorize the Board to impose fines up to a maximum of \$25,000 for violations committed in thoroughbred racing, harness racing, quarterhorse racing and simulcast activities. Previously, the maximum fine allowed by law in the respective activity was \$5,000 per violation.

**Chapter 241 of the Laws of 2010:** Section 522 of the RPMWBL was amended to authorize the Board to impose fines up to a maximum of \$50,000 against any off-track betting corporations or its employees found to be violation of the RPMWBL or the rules and regulations of the Board. The amendment sets certain procedural requirements and requires that any fines be paid into the state treasury.

### Raffle Maximum Prize Law

**Chapter 302 of the Laws of 2010:** This amended subdivisions 6 and 8 of Section 189 of the General Municipal Law, which is also known as the Games of Chance Law. This increased the cap on the total raffle prize amount permissible for a license period from \$100,000 to \$500,000. This legislation allows not-for-profit organizations to maximize opportunities for fundraising and self-sufficiency.

### Audits and Budgets of OTB Corporations

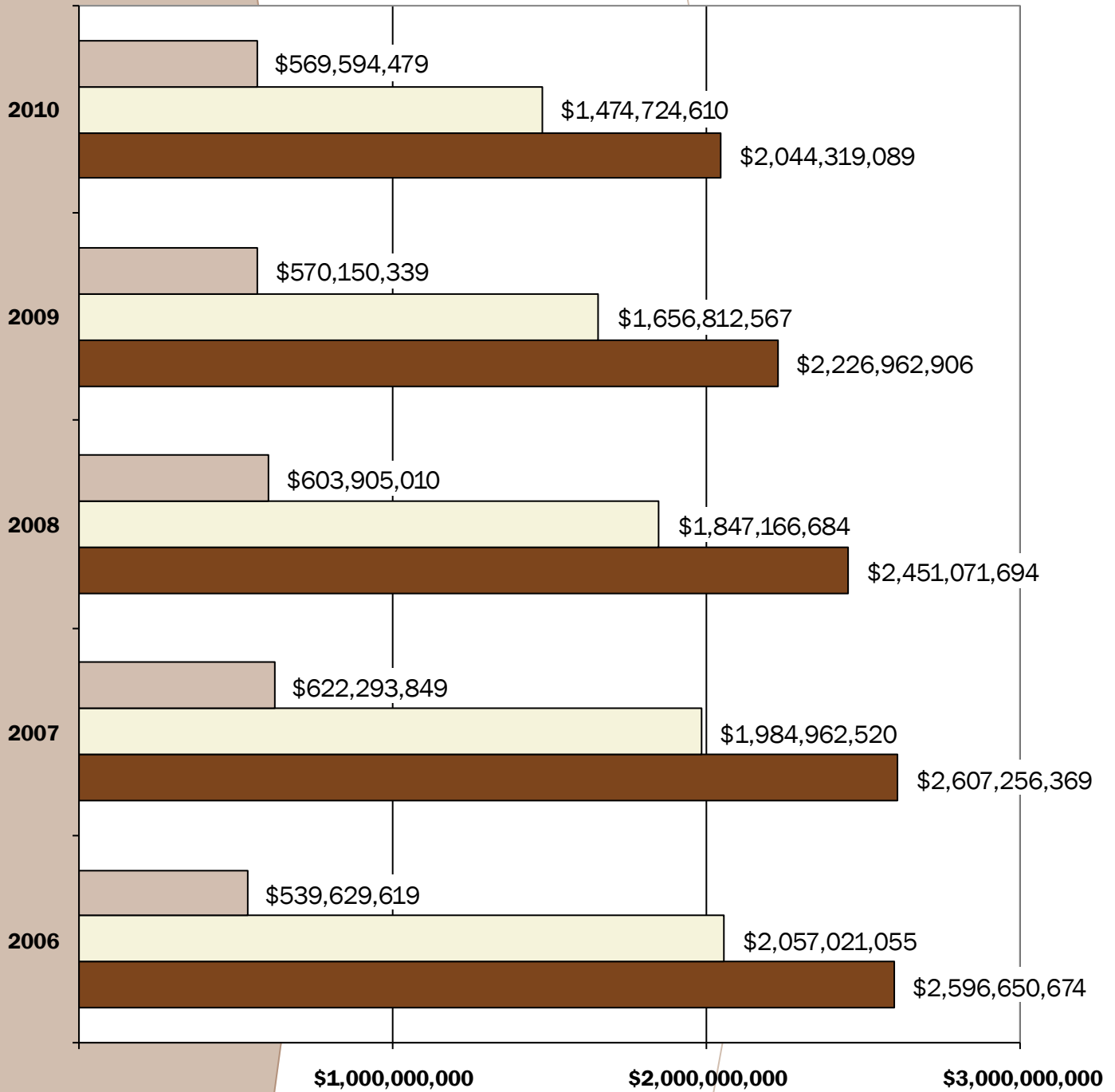
**Chapter 459 of the Laws of 2010:** This amended Section 524 of the RPMWBL in relation to audits and budgets of off-track betting corporations. The legislation authorizes the Racing and Wagering Board to direct that an audit be conducted, at the OTB's expense, to ensure that the OTB complies with the rules and regulations of the Racing and Wagering Board. In order to do so, the Board must first make a written finding that the OTB is not complying with the rules and regulations of the Board or with the applicable provisions of law. The amendment also requires that each Regional OTB submit a copy of its annual budget to the Board no later than 20 days after it has been approved by the respective OTB board of directors.

**Chapter 259 of the Laws of 2010:** Extended until August 31, 2011 the provisions of Section 228 of the RPMWBL that requires that a portion of certain additional authorized payments to the representative horsemen's organizations at the franchised racing corporation be used to maintain equipment used to test for the presence of anabolic steroids in race horses.



New York State Capitol  
Albany, NY

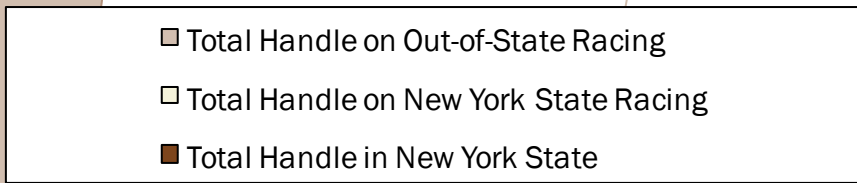
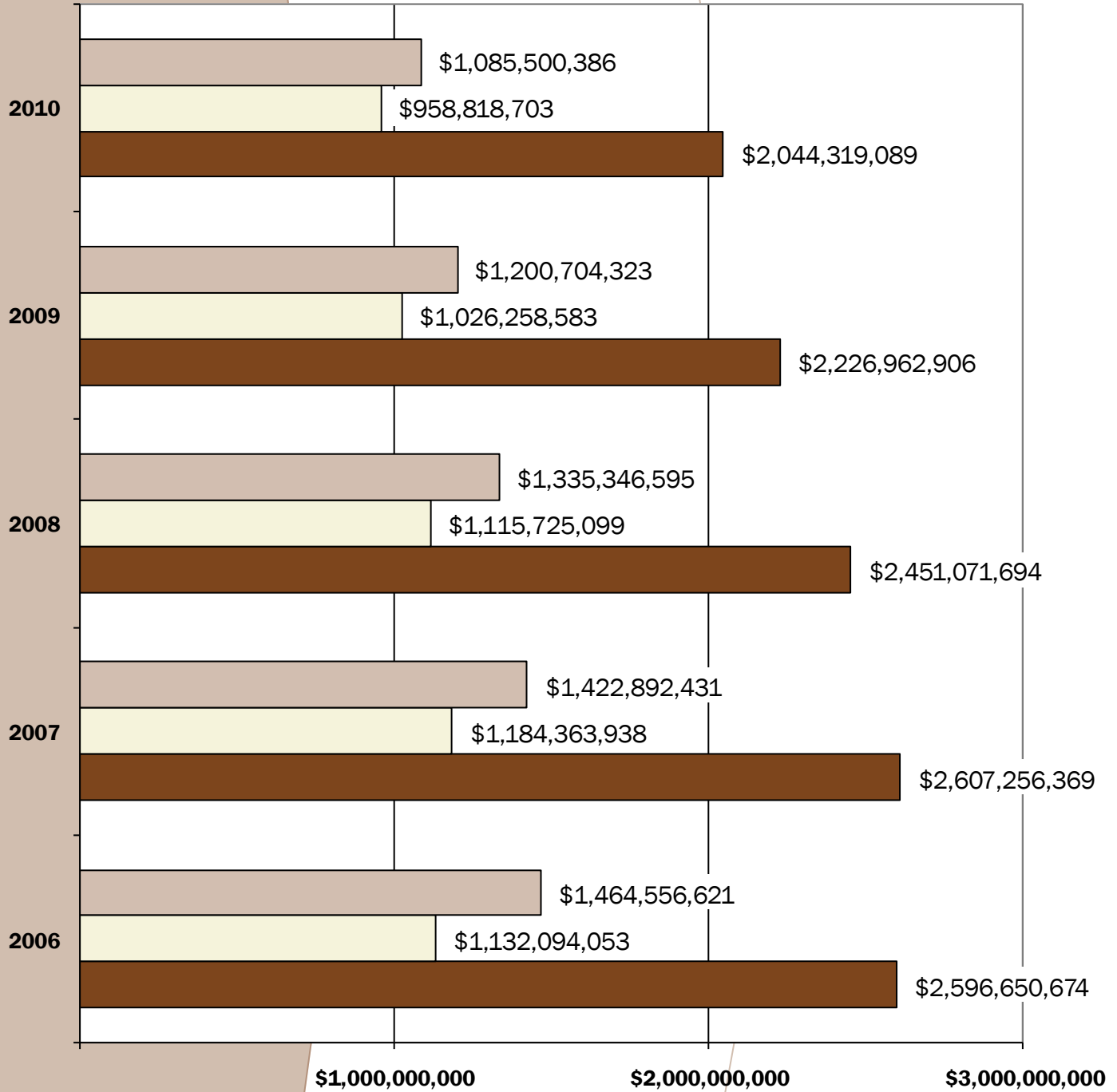
# Total Pari-Mutuel Handle Racetracks & OTBs



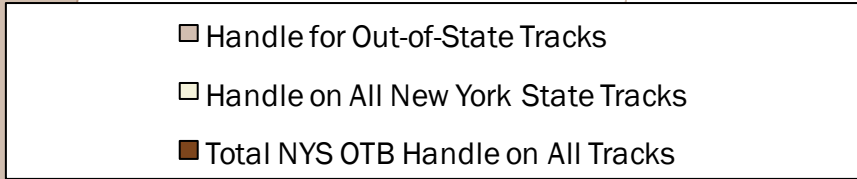
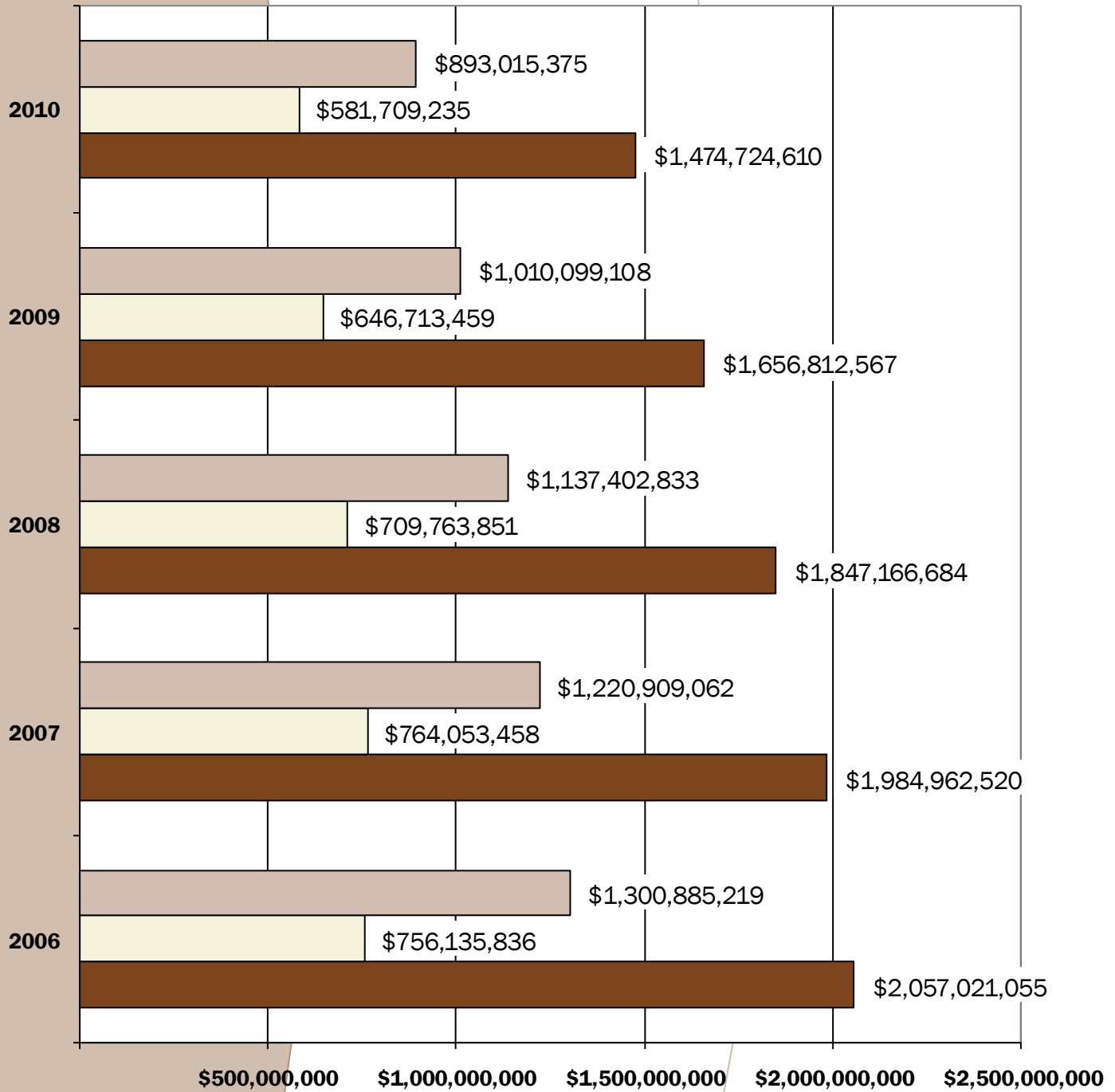
Total Handle at NYS Racetracks  
 Total NYS OTB Handle on All Tracks  
 Total Handle in New York State



# Total Pari-Mutuel Handle New York State vs. Out-of-State Tracks

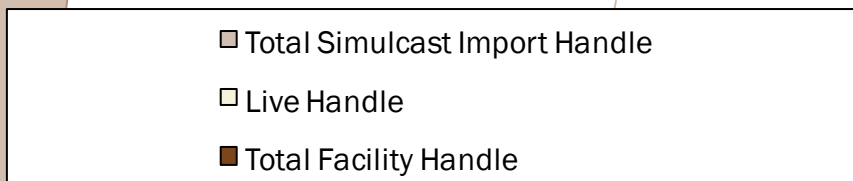
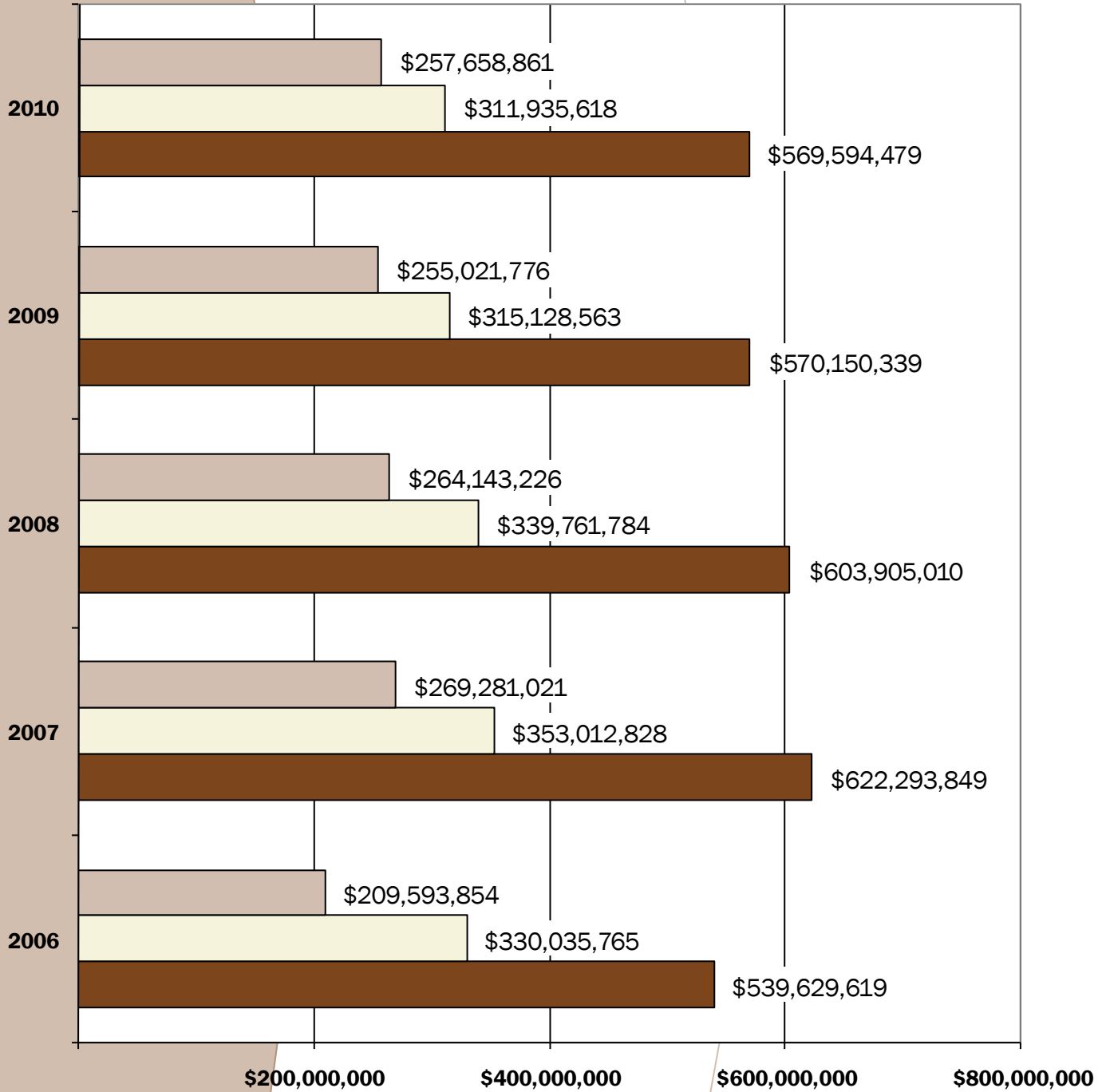


# Total OTB Handle In New York State



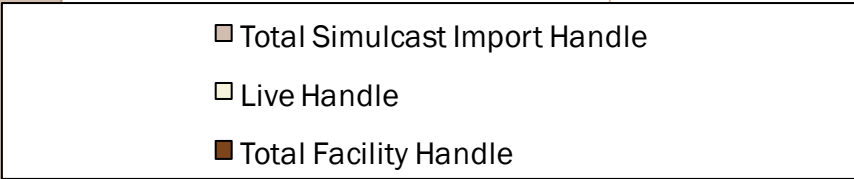
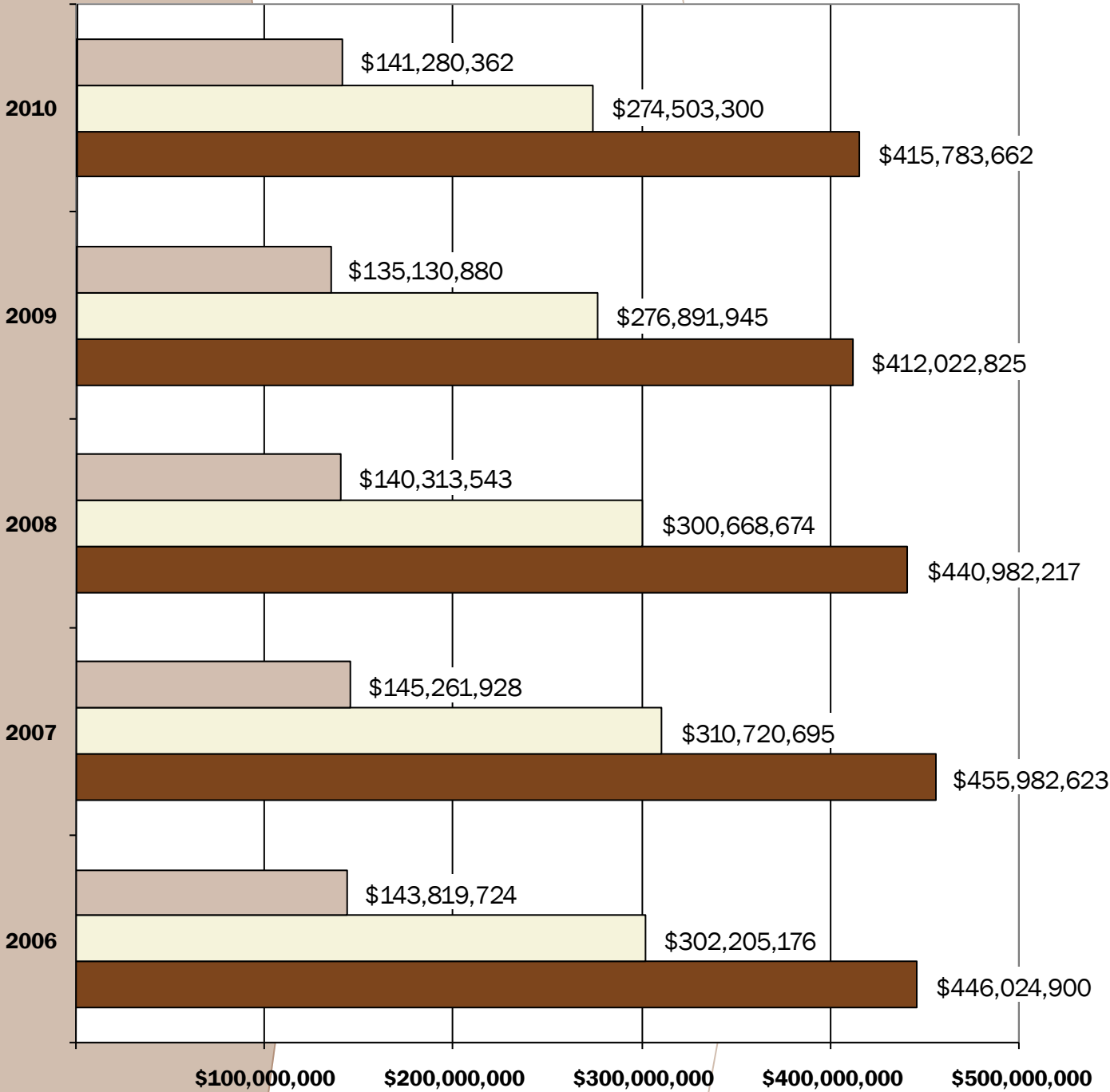


# Total Pari-Mutuel Handle All New York State Tracks



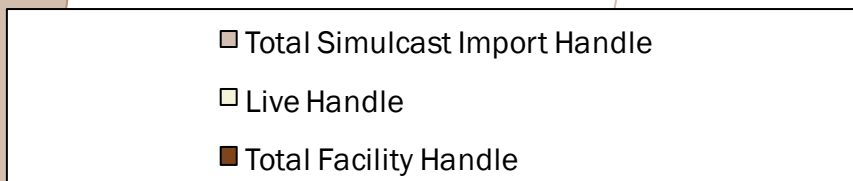
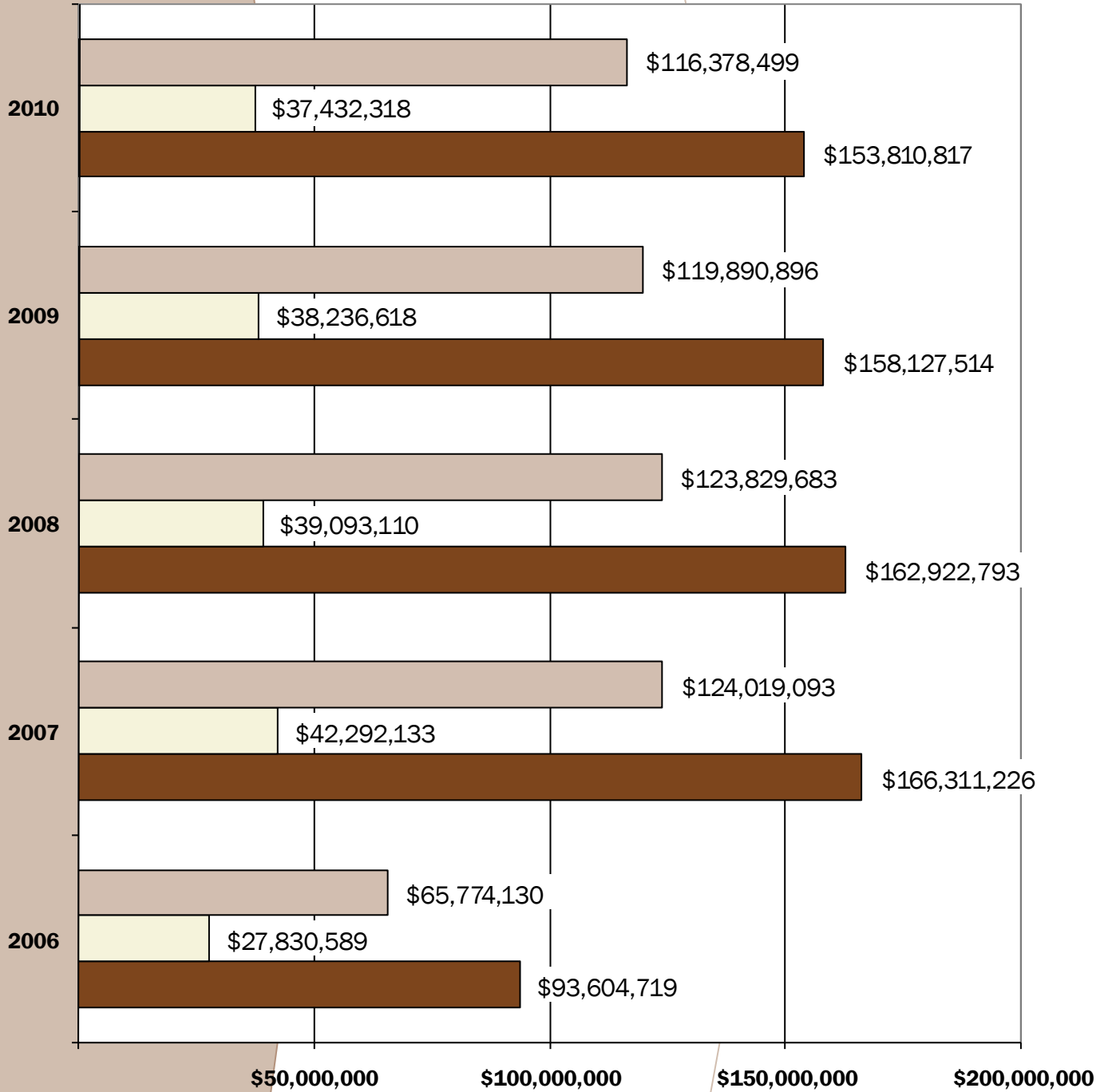


# New York State Thoroughbred Tracks

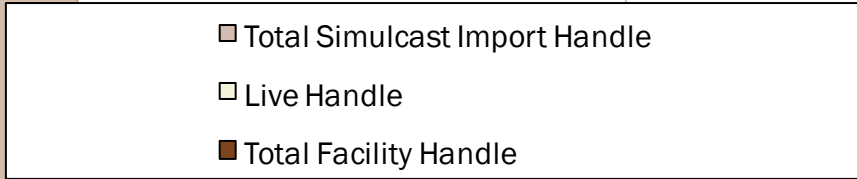
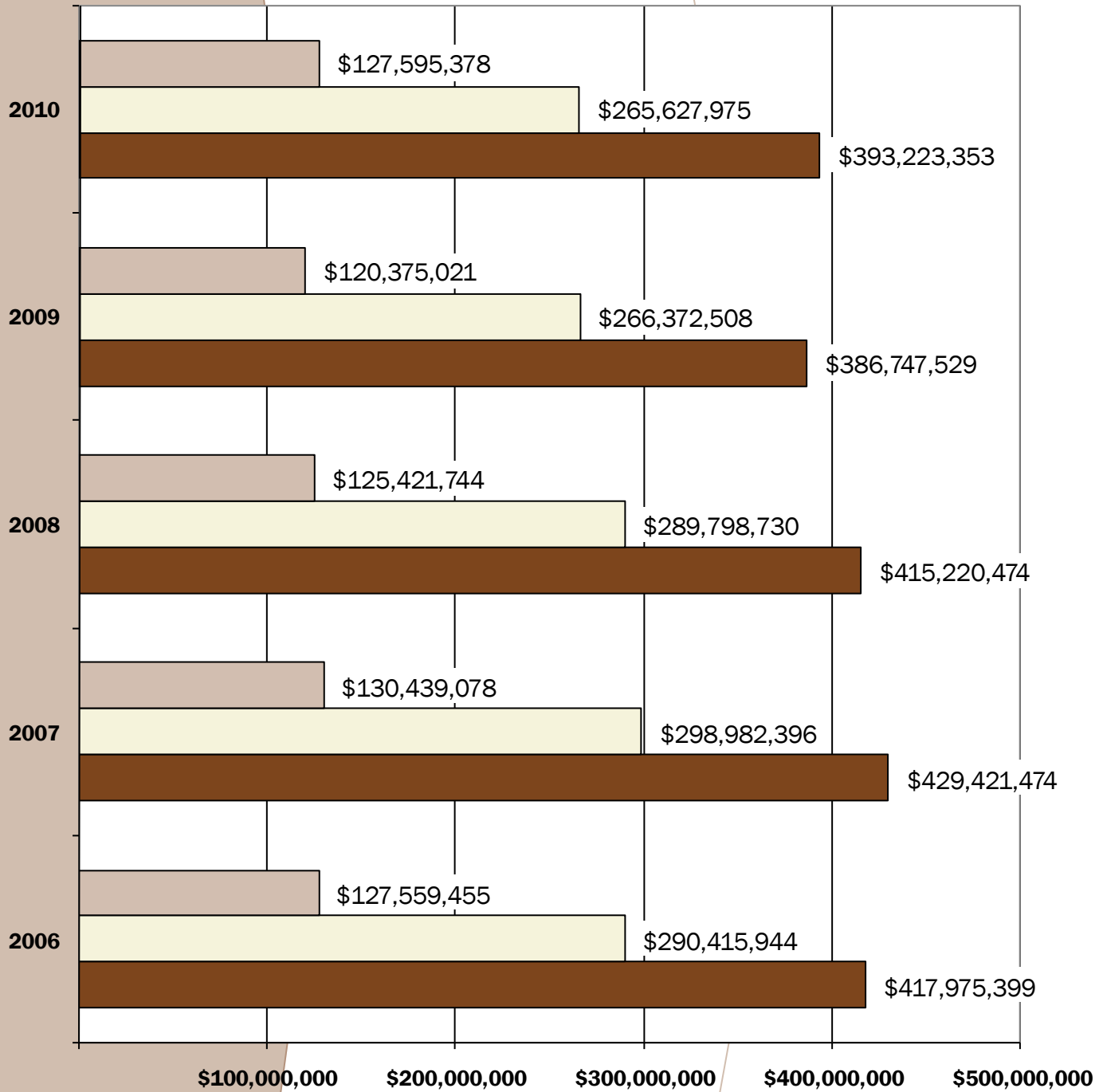




# New York State Harness Tracks

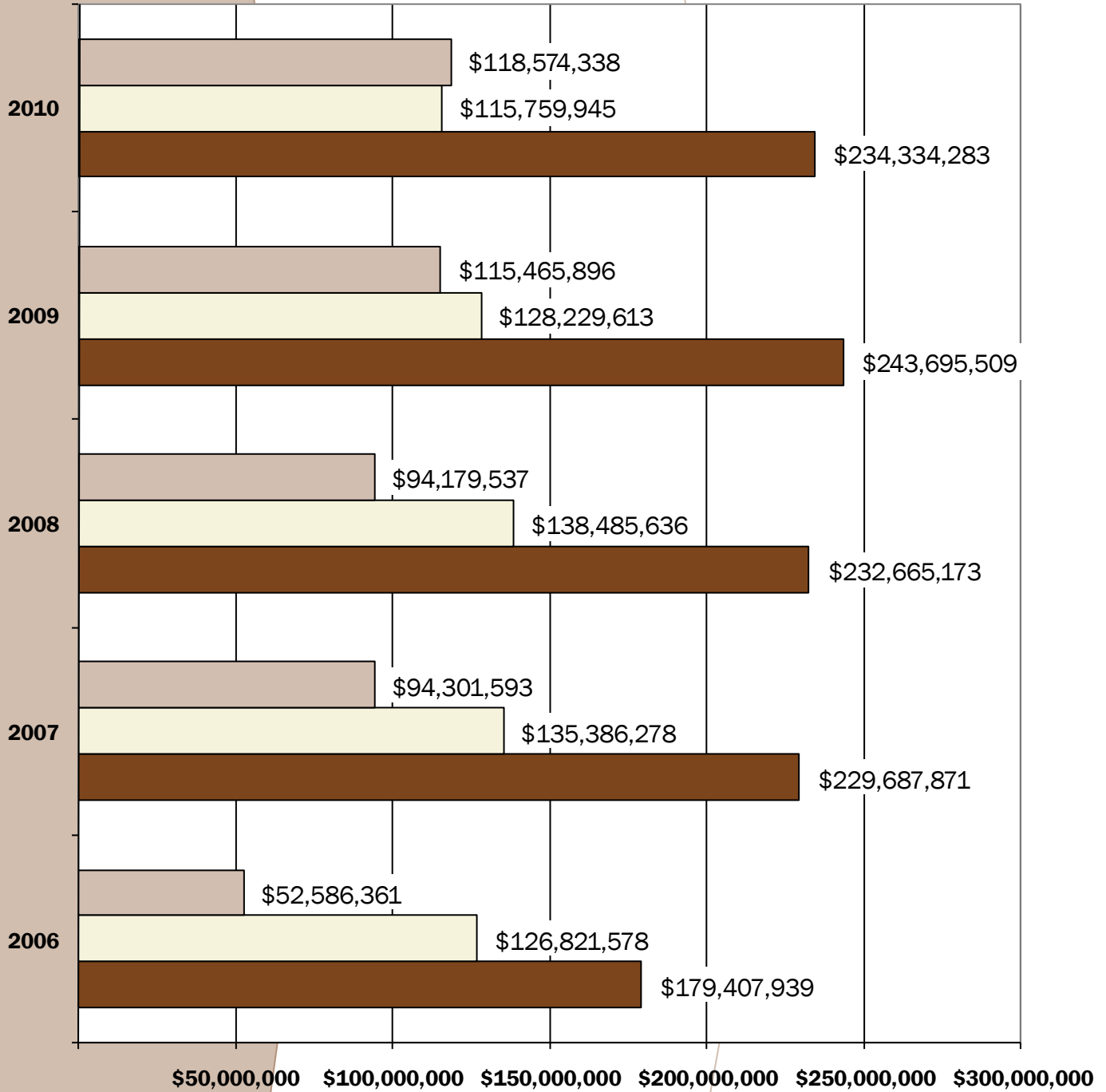


# NYRA Aqueduct, Belmont & Saratoga





# Gross Purses Paid at New York State Racetracks



Total New York State Harness Tracks  
 Total New York State Thoroughbred Tracks  
 Total New York State Racetracks

# Gross Purses Paid New York State & Nationwide



| 2010 Nationwide Thoroughbred Purses |                      |                 |                        |              |               |               |                           |
|-------------------------------------|----------------------|-----------------|------------------------|--------------|---------------|---------------|---------------------------|
| State                               | Gross Purses         | Number of Races | Average Purse Per Race | Starters     | Starts        | Average Field | Average Starts Per Runner |
| California                          | \$132,541,382        | 4,403           | \$30,103               | 6,651        | 32,412        | 7.4           | 4.9                       |
| <b>New York</b>                     | <b>\$119,800,835</b> | <b>3,740</b>    | <b>\$32,032</b>        | <b>6,355</b> | <b>29,077</b> | <b>7.8</b>    | <b>4.6</b>                |
| Pennsylvania                        | \$116,275,253        | 4,519           | \$25,730               | 9,414        | 36,696        | 8.1           | 3.9                       |
| Kentucky                            | \$89,311,408         | 2,020           | \$44,214               | 6,794        | 18,167        | 9.0           | 2.7                       |
| Florida                             | \$76,909,950         | 3,233           | \$23,789               | 7,493        | 28,274        | 8.7           | 3.8                       |
| Louisiana                           | \$76,089,389         | 3,251           | \$23,405               | 7,581        | 29,833        | 9.2           | 3.9                       |
| West Virginia                       | \$63,613,425         | 4,065           | \$15,649               | 8,251        | 34,640        | 8.5           | 4.2                       |
| New Jersey                          | \$50,024,825         | 877             | \$57,041               | 3,008        | 8,062         | 8.2           | 2.7                       |
| Illinois                            | \$46,285,006         | 2,104           | \$21,999               | 3,884        | 17,029        | 8.1           | 4.4                       |
| New Mexico                          | \$30,737,667         | 1,718           | \$17,892               | 3,056        | 14,365        | 8.4           | 4.7                       |
| Maryland                            | \$27,342,500         | 1,365           | \$20,031               | 3,650        | 10,685        | 7.8           | 2.9                       |
| Indiana                             | \$27,208,855         | 1,128           | \$24,121               | 3,249        | 9,887         | 8.8           | 3.0                       |
| Delaware                            | \$26,714,799         | 1,041           | \$25,663               | 2,849        | 7,638         | 7.3           | 2.7                       |
| Oklahoma                            | \$22,832,885         | 1,116           | \$20,460               | 3,020        | 10,756        | 9.6           | 3.6                       |

Data provided courtesy of the Jockey Club. Purses include monies not won and returned to state breeders and other funds. Not all states are presented.

| 2010 Nationwide Harness Purses |                      |                 |                        |
|--------------------------------|----------------------|-----------------|------------------------|
| State                          | Gross Purses         | Number of Races | Average Purse Per Race |
| <b>New York</b>                | <b>\$117,733,216</b> | <b>11,506</b>   | <b>\$10,232</b>        |
| Pennsylvania                   | \$103,140,117        | 6,880           | \$14,991               |
| New Jersey                     | \$50,625,798         | 3,381           | \$14,974               |
| Delaware                       | \$38,806,180         | 3,614           | \$10,738               |
| Indiana                        | \$29,428,539         | 1,985           | \$14,825               |
| Illinois                       | \$15,928,137         | 3,062           | \$5,202                |
| Ohio                           | \$15,534,010         | 4,846           | \$3,206                |
| Kentucky                       | \$10,170,035         | 516             | \$19,709               |
| Florida                        | \$8,214,150          | 1,333           | \$6,162                |
| Maine                          | \$7,561,543          | 1,869           | \$4,046                |
| Michigan                       | \$7,479,126          | 2,219           | \$3,370                |
| California                     | \$5,431,747          | 1,773           | \$3,064                |
| Massachusetts                  | \$2,546,906          | 910             | \$2,799                |
| Minnesota                      | \$2,068,117          | 461             | \$4,486                |
| Virginia                       | \$1,373,418          | 315             | \$4,360                |

Data provided courtesy of the United States Trotting Association. Does not include county fair style racing. Not all states presented.



# Thoroughbred Tracks

## Aqueduct Racetrack

110-00 Rockaway Boulevard  
Jamaica, New York 11414  
Phone: (718) 641-4700  
[www.nyra.com/aqueduct](http://www.nyra.com/aqueduct)

| Year | Race Dates | Attendance | Live Handle  | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|--------------|-------------------------|-----------------------|
| 2010 | 110        | 337,807    | \$65,770,119 | \$59,443,914            | \$125,214,033         |
| 2009 | 117        | 281,713    | \$67,113,419 | \$57,453,236            | \$124,566,655         |
| 2008 | 119        | 326,557    | \$74,150,303 | \$57,992,807            | \$132,143,110         |

## Belmont Park

2150 Hempstead Turnpike  
Elmont, New York 11003  
Phone: (516) 488-6000  
[www.nyra.com/belmont](http://www.nyra.com/belmont)

| Year | Race Dates | Attendance | Live Handle   | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|---------------|-------------------------|-----------------------|
| 2010 | 92         | 488,049    | \$85,164,690  | \$55,996,066            | \$141,160,756         |
| 2009 | 97         | 534,625    | \$87,253,209  | \$50,550,921            | \$137,804,130         |
| 2008 | 95         | 599,951    | \$101,084,673 | \$56,615,197            | \$157,699,870         |

## Saratoga Race Course

267 Union Avenue  
Saratoga Springs, New York 12866  
Phone: (518) 584-6200  
[www.nyra.com/saratoga](http://www.nyra.com/saratoga)

| Year | Race Dates | Attendance | Live Handle   | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|---------------|-------------------------|-----------------------|
| 2010 | 40         | 878,288    | \$114,693,166 | \$12,155,398            | \$126,848,564         |
| 2009 | 36         | 916,860    | \$112,005,880 | \$12,370,864            | \$124,376,744         |
| 2008 | 35         | 872,557    | \$114,563,754 | \$10,813,740            | \$125,377,494         |

## Finger Lakes Racetrack

5857 Route 96  
Farmington, New York 14425  
Phone: (585) 924-3232  
[www.fingerlakesracetrack.com](http://www.fingerlakesracetrack.com)

| Year | Race Dates | Attendance | Live Handle  | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|--------------|-------------------------|-----------------------|
| 2010 | 163        | 177,691    | \$8,875,325  | \$13,684,984            | \$22,560,309          |
| 2009 | 163        | 208,351    | \$10,519,437 | \$14,755,859            | \$25,275,296          |
| 2008 | 157        | 207,725    | \$10,869,944 | \$14,891,799            | \$25,761,743          |



## Batavia Downs

8315 Park Road  
Batavia, New York 14020  
Phone: (585) 343-3750  
www.batavia-downs.com

| Year | Race Dates | Attendance | Live Handle | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|-------------|-------------------------|-----------------------|
| 2010 | 72         | 146,452    | \$2,258,300 | \$4,697,022             | \$6,955,322           |
| 2009 | 72         | 161,853    | \$2,229,338 | \$5,133,976             | \$7,363,314           |
| 2008 | 60         | 138,001    | \$2,038,563 | \$4,577,139             | \$6,615,702           |

## Buffalo Raceway

5600 McKinley Parkway  
Hamburg, New York 14075  
Phone: (716) 646-6109  
www.buffaloraceway.com

| Year | Race Dates | Attendance | Live Handle | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|-------------|-------------------------|-----------------------|
| 2010 | 90         | *          | \$2,672,358 | \$7,932,219             | \$10,604,577          |
| 2009 | 90         | *          | \$2,709,355 | \$8,157,329             | \$10,866,684          |
| 2008 | 83         | *          | \$2,553,114 | \$8,799,291             | \$11,352,405          |

## Monticello Raceway

204 Route 17B  
Monticello, New York 12701  
Phone: (845) 794-4100  
www.monticelloraceway.com

| Year | Race Dates | Attendance | Live Handle | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|-------------|-------------------------|-----------------------|
| 2010 | 210        | *          | \$4,438,717 | \$5,266,580             | \$9,705,297           |
| 2009 | 208        | *          | \$4,598,610 | \$5,590,079             | \$10,188,689          |
| 2008 | 223        | *          | \$4,390,364 | \$6,536,208             | \$10,926,572          |

## Saratoga Raceway

342 Jefferson Street  
Saratoga Springs, New York 12866  
Phone: (518) 584-2110  
www.saratogagamingandraceway.com

| Year | Race Dates | Attendance | Live Handle | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|-------------|-------------------------|-----------------------|
| 2010 | 170        | *          | \$6,270,117 | \$29,938,023            | \$36,208,140          |
| 2009 | 170        | *          | \$6,611,035 | \$30,628,654            | \$37,239,689          |
| 2008 | 169        | *          | \$7,105,544 | \$32,606,457            | \$39,712,001          |

\* Free Admission/No Attendance Figures



# Harness Tracks

## Tioga Downs

2384 W. River Road  
Nichols, New York 13812  
Phone: 888-946-8464  
www.tiogadowns.com

| Year | Race Dates | Attendance | Live Handle | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|-------------|-------------------------|-----------------------|
| 2010 | 58         | 92,813     | \$1,795,579 | \$4,437,357             | \$6,232,936           |
| 2009 | 57         | 80,932     | \$1,727,271 | \$4,441,618             | \$6,168,889           |
| 2008 | 59         | 996,798 ** | \$1,905,655 | \$4,676,676             | \$6,582,331           |

## Vernon Downs

4229 Stuhlman Road  
Vernon, New York 13476  
Phone: 1-877-888-3766  
www.vernondowns.com

| Year | Race Dates | Attendance | Live Handle | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|-------------|-------------------------|-----------------------|
| 2010 | 89         | 92,494     | \$3,644,111 | \$10,387,872            | \$14,031,983          |
| 2009 | 90         | 120,354    | \$3,677,875 | \$10,193,803            | \$13,871,678          |
| 2008 | 90         | 91,309     | \$3,623,174 | \$10,329,403            | \$13,952,577          |

## Yonkers Raceway

810 Yonkers Avenue  
Yonkers, New York 10704  
Phone: (914) 968-4200

| Year | Race Dates | Attendance | Live Handle  | Simulcast Import Handle | Total Facility Handle |
|------|------------|------------|--------------|-------------------------|-----------------------|
| 2010 | 241        | 35,592     | \$16,353,136 | \$53,719,426            | \$70,072,562          |
| 2009 | 241        | 36,455     | \$16,683,134 | \$55,745,437            | \$72,428,571          |
| 2008 | 253        | *          | \$17,476,696 | \$56,304,509            | \$73,781,205          |

\* Free Admission/No Attendance Figures

\*\* Includes VLT Attendance



# Off-Track Betting Corporations



## Capital OTB

510 Smith Street  
Schenectady, New York 12305  
Phone: (518) 370-5151  
www.capitalotb.com

Capital OTB is comprised of 21 counties and the City of Schenectady of which 17 participate in off-track betting. Capital OTB operated 35 simulcast branches, 35 EZ Bet locations, one hotel and one teletheater. The major cities located within the region are Albany, Schenectady, Troy and Utica.

| Year | In-State Handle | Out-of-State Handle | Total Handle  |
|------|-----------------|---------------------|---------------|
| 2010 | \$74,998,991    | \$90,689,557        | \$165,688,548 |
| 2009 | \$79,942,727    | \$96,623,740        | \$176,566,467 |
| 2008 | \$84,988,955    | \$105,555,519       | \$190,544,474 |

## Catskill OTB

PO Box 3000  
Pomona, New York 10970  
Phone: (845) 362-0400  
www.catskillotb.com

Catskill OTB is comprised of 13 counties, of which 10 participate as members of this corporation. Catskill OTB operated 19 simulcast branches, one teletheater and 5 remote wagering locations. Some of the larger cities served by Catskill OTB are Binghamton, Elmira, Kingston, Middletown, Newburgh and Suffern.

| Year | In-State Handle | Out-of-State Handle | Total Handle  |
|------|-----------------|---------------------|---------------|
| 2010 | \$37,702,170    | \$61,902,687        | \$99,604,857  |
| 2009 | \$41,030,965    | \$66,370,476        | \$107,401,441 |
| 2008 | \$45,071,231    | \$76,852,305        | \$121,869,536 |

## Nassau Downs OTB

220 Fulton Avenue  
Hempstead, New York 11550  
Phone: (516) 572-2800  
www.nassauotb.com

Nassau OTB is comprised of only Nassau County. Nassau OTB operated 9 simulcast branches, one teletheater and 10 remote wagering locations.

| Year | In-State Handle | Out-of-State Handle | Total Handle  |
|------|-----------------|---------------------|---------------|
| 2010 | \$90,684,084    | \$145,309,737       | \$235,993,821 |
| 2009 | \$101,153,828   | \$156,427,916       | \$257,581,744 |
| 2008 | \$114,657,966   | \$167,299,721       | \$281,957,687 |

## New York City OTB

*\*\* Data is through 12/07/2010. NYCOTB Filed for bankruptcy and closed business on 12/07/2010. \*\**

| Year | In-State Handle | Out-of-State Handle | Total Handle  |
|------|-----------------|---------------------|---------------|
| 2010 | \$273,184,034   | \$447,163,150       | \$720,347,184 |
| 2009 | \$308,752,141   | \$531,126,529       | \$839,878,400 |
| 2008 | \$336,124,321   | \$604,094,039       | \$940,218,360 |



# Off-Track Betting Corporations

## Suffolk OTB

5 Davids Drive  
Hauppauge, New York 11787  
Phone: (631) 853-1000  
www.suffolkotb.com

Suffolk OTB is located entirely in Suffolk County. Suffolk OTB operated 17 simulcast branches, one teletheater and 9 remote wagering locations.

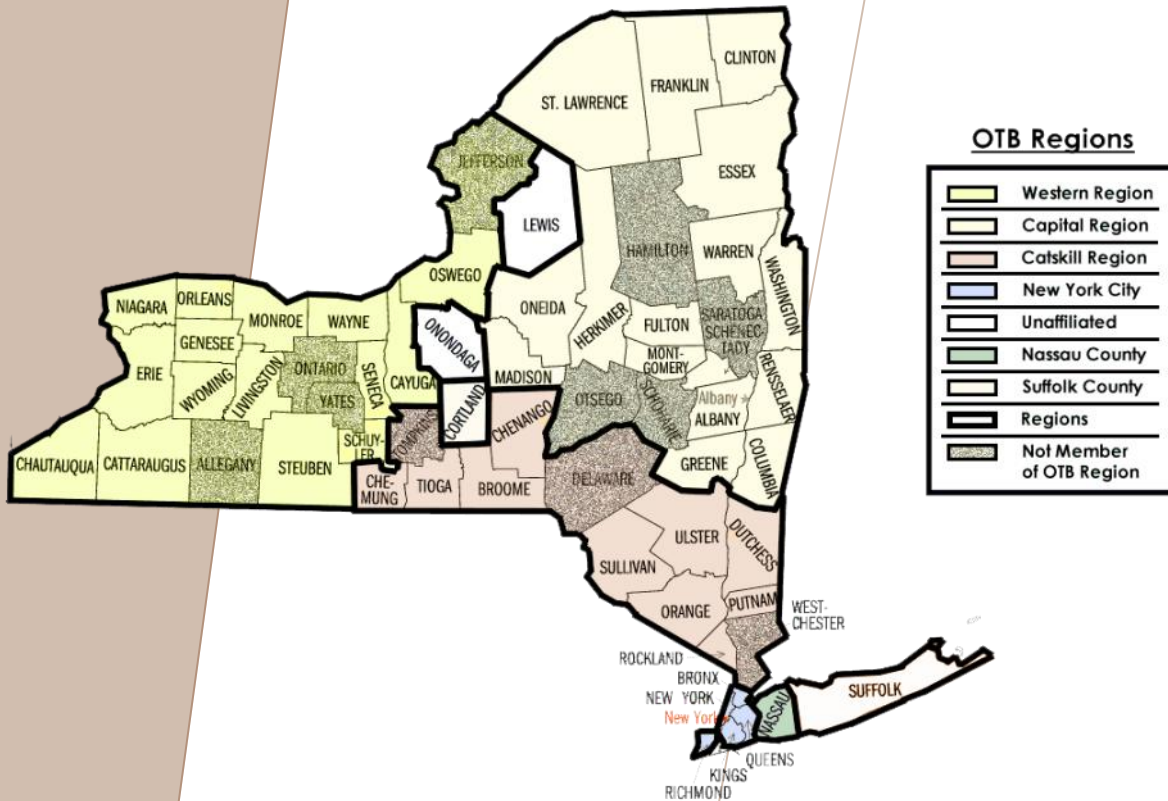
| Year | In-State Handle | Out-of-State Handle | Total Handle  |
|------|-----------------|---------------------|---------------|
| 2010 | \$59,928,289    | \$79,124,250        | \$139,052,539 |
| 2009 | \$65,665,498    | \$87,836,338        | \$153,501,836 |
| 2008 | \$74,978,668    | \$103,612,276       | \$178,590,944 |

## Western OTB

700 Ellicott Street  
Batavia, New York 14020  
Phone: (800) 724-2000  
www.westernotb.com

Western OTB is comprised of 18 counties, 15 of which participate in off-track betting. The two major cities served by Western OTB are Buffalo and Rochester. Western OTB operated 24 simulcast branches, one teletheater and 10 remote wagering locations.

| Year | In-State Handle | Out-of-State Handle | Total Handle  |
|------|-----------------|---------------------|---------------|
| 2010 | \$45,211,667    | \$68,825,994        | \$114,037,661 |
| 2009 | \$50,168,300    | \$71,714,379        | \$121,882,679 |
| 2008 | \$53,996,710    | \$79,988,973        | \$133,985,683 |





# 2010 Total Betting On New York State Racetracks

|                              | NYRA                   | Finger Lakes         | Batavia            | Buffalo             | Monticello           | Saratoga<br>Harness | Tioga              | Vernon             | Yonkers              | TOTAL                  |
|------------------------------|------------------------|----------------------|--------------------|---------------------|----------------------|---------------------|--------------------|--------------------|----------------------|------------------------|
| ON-TRACK LIVE                | \$265,627,975          | \$8,875,325          | \$2,258,300        | \$2,672,358         | \$4,438,717          | \$6,270,117         | \$1,795,579        | \$3,644,111        | \$16,353,136         | \$311,935,618          |
| <b>SIMULCAST EXPORTS:</b>    |                        |                      |                    |                     |                      |                     |                    |                    |                      |                        |
| Exported to NYS Tracks:      |                        |                      |                    |                     |                      |                     |                    |                    |                      |                        |
| NYRA                         | \$12,068,708           | \$2,826,924          | -                  | -                   | -                    | -                   | -                  | -                  | -                    | \$14,895,632           |
| Finger Lakes                 | \$4,692,392            | -                    | \$42,671           | \$85,596            | \$322,422            | \$55,973            | \$11,586           | -                  | \$101,818            | \$5,312,458            |
| Batavia                      | \$613,124              | \$189,540            | -                  | \$363,566           | \$215,942            | \$75,333            | \$17,075           | \$49,385           | \$241,711            | \$1,765,676            |
| Buffalo                      | \$1,657,351            | \$200,008            | \$263,223          | -                   | \$154,048            | \$94,401            | \$44,583           | \$66,871           | \$233,150            | \$2,713,635            |
| Monticello                   | \$1,626,217            | \$68,031             | \$8,835            | \$15,711            | -                    | \$119,051           | \$36,560           | \$32,283           | \$476,950            | \$2,383,638            |
| Saratoga                     | \$9,188,875            | \$626,326            | \$29,689           | \$51,386            | \$285,236            | -                   | \$50,267           | \$95,392           | \$1,163,184          | \$11,490,355           |
| Tioga                        | \$908,230              | \$202,997            | \$7,394            | \$16,776            | \$120,503            | \$82,281            | -                  | \$85,904           | \$145,281            | \$1,569,366            |
| Vernon                       | \$2,074,179            | \$405,680            | \$66,567           | \$83,665            | \$255,291            | \$404,794           | \$100,655          | -                  | \$550,419            | \$3,941,250            |
| Yonkers                      | \$19,123,499           | \$549,432            | \$49,773           | \$100,031           | \$669,474            | \$468,257           | \$52,708           | \$88,666           | -                    | \$21,101,840           |
| <b>TOTAL TO NYS TRACKS</b>   | <b>\$51,952,575</b>    | <b>\$5,068,938</b>   | <b>\$468,152</b>   | <b>\$716,731</b>    | <b>\$2,022,916</b>   | <b>\$1,300,090</b>  | <b>\$313,434</b>   | <b>\$418,501</b>   | <b>\$2,912,513</b>   | <b>\$65,173,850</b>    |
| <b>EXPORTED TO NYS OTBS</b>  |                        |                      |                    |                     |                      |                     |                    |                    |                      |                        |
| Capital                      | \$58,359,670           | \$6,678,382          | \$86,924           | \$164,476           | \$2,542,960          | \$2,719,559         | \$84,248           | \$702,036          | \$3,660,736          | \$74,998,991           |
| Catskill                     | \$23,455,594           | \$3,193,250          | \$91,804           | \$119,764           | \$4,983,387          | \$651,439           | \$200,965          | \$79,644           | \$4,926,323          | \$37,702,170           |
| Nassau                       | \$72,864,001           | \$5,146,163          | \$84,106           | \$135,585           | \$3,913,030          | \$574,731           | \$143,428          | \$80,348           | \$7,742,692          | \$90,684,084           |
| New York City                | \$208,310,134          | \$19,127,329         | \$357,674          | \$604,450           | \$12,168,260         | \$1,871,172         | \$481,615          | \$359,569          | \$29,903,831         | \$273,184,034          |
| Suffolk                      | \$48,651,118           | \$3,610,173          | \$59,454           | \$83,317            | \$2,621,402          | \$101,742           | \$127,667          | \$26,308           | \$4,647,108          | \$59,928,289           |
| Western                      | \$22,866,142           | \$8,773,142          | \$2,215,034        | \$2,769,106         | \$3,322,555          | \$1,218,739         | \$124,757          | \$556,054          | \$3,366,138          | \$45,211,667           |
| <b>TOTAL TO NYS OTBS</b>     | <b>\$434,506,659</b>   | <b>\$46,528,439</b>  | <b>\$2,894,996</b> | <b>\$3,876,698</b>  | <b>\$29,551,594</b>  | <b>\$7,137,382</b>  | <b>\$1,162,680</b> | <b>\$1,803,959</b> | <b>\$54,246,828</b>  | <b>\$581,709,235</b>   |
| <b>EXPORTED OUT OF STATE</b> |                        |                      |                    |                     |                      |                     |                    |                    |                      |                        |
|                              | \$1,362,043,920        | \$112,705,805        | \$496,551          | \$3,943,800         | \$73,142,927         | \$10,932,025        | \$3,189,891        | \$1,765,001        | \$283,094,028        | \$1,851,313,948        |
| <b>TOTAL HANDLE</b>          | <b>\$2,114,131,129</b> | <b>\$173,178,507</b> | <b>\$6,117,999</b> | <b>\$11,209,587</b> | <b>\$109,156,154</b> | <b>\$25,639,614</b> | <b>\$6,461,584</b> | <b>\$7,631,572</b> | <b>\$356,606,505</b> | <b>\$2,810,132,651</b> |



# 2010 Total Betting At New York State Racetracks

|                            |  | 2010                 |                      |                      | 2009                 |                      |                      |
|----------------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                            |  | Simulcast Imports    | Live Racing          | On-Track Betting     | Simulcast Imports    | Live Racing          | On-Track Betting     |
| <b>RECEIVING TRACK</b>     |  |                      |                      |                      |                      |                      |                      |
| <b>THOROUGHBRED:</b>       |  |                      |                      |                      |                      |                      |                      |
| Aqueduct                   |  | \$59,443,914         | \$65,770,119         | \$125,214,033        | \$57,453,236         | \$67,113,419         | \$124,566,655        |
| Belmont                    |  | \$55,996,066         | \$85,164,690         | \$141,160,756        | \$50,550,921         | \$87,253,209         | \$137,804,130        |
| Saratoga                   |  | \$12,155,398         | \$114,693,166        | \$126,848,564        | \$12,370,864         | \$112,005,880        | \$124,376,744        |
| <b>NYRA</b>                |  | <b>\$127,595,378</b> | <b>\$265,627,975</b> | <b>\$393,223,353</b> | <b>\$120,375,021</b> | <b>\$266,372,508</b> | <b>\$386,747,529</b> |
| Finger Lakes               |  | \$13,684,984         | \$8,875,325          | \$22,560,309         | \$14,755,859         | \$10,519,437         | \$25,275,296         |
| <b>THOROUGHBRED TRACKS</b> |  | <b>\$141,280,362</b> | <b>\$274,503,300</b> | <b>\$415,783,662</b> | <b>\$135,130,880</b> | <b>\$276,891,945</b> | <b>412,022,825</b>   |
| <b>HARNESS:</b>            |  |                      |                      |                      |                      |                      |                      |
| Batavia                    |  | \$4,697,022          | \$2,258,300          | \$6,955,322          | \$5,133,976          | \$2,229,338          | \$7,363,314          |
| Buffalo                    |  | \$7,932,219          | \$2,672,358          | \$10,604,577         | \$8,157,329          | \$2,709,355          | \$10,866,684         |
| Monticello                 |  | \$5,266,580          | \$4,438,717          | \$9,705,297          | \$5,590,079          | \$4,598,610          | \$10,188,689         |
| Saratoga                   |  | \$29,938,023         | \$6,270,117          | \$36,208,140         | \$30,628,654         | \$6,611,035          | \$37,239,689         |
| Tioga                      |  | \$4,437,357          | \$1,795,579          | \$6,232,936          | \$4,441,618          | \$1,727,271          | \$6,168,889          |
| Vernon                     |  | \$10,387,872         | \$3,644,111          | \$14,031,983         | \$10,193,803         | \$3,677,875          | \$13,871,678         |
| Yonkers                    |  | \$53,719,426         | \$16,353,136         | \$70,072,562         | \$55,745,437         | \$16,683,134         | \$72,428,571         |
| <b>HARNESS TRACKS</b>      |  | <b>\$116,378,499</b> | <b>\$37,432,318</b>  | <b>\$153,810,817</b> | <b>\$119,890,896</b> | <b>\$38,236,618</b>  | <b>\$158,127,514</b> |
| <b>ALL TRACKS</b>          |  | <b>\$257,658,861</b> | <b>\$311,935,618</b> | <b>\$569,594,479</b> | <b>\$255,021,776</b> | <b>\$315,128,563</b> | <b>\$570,150,339</b> |



# 2010 Total Betting At New York State Racetracks

| <b>SUMMARY OF ON-TRACK BETTING</b>                   |               | Betting at NYS Thoroughbred Tracks | % of Total Thoroughbred | Betting at NYS Harness Tracks | % of Total Harness | Total                | Percent of Total |
|--|---------------|------------------------------------|-------------------------|-------------------------------|--------------------|----------------------|------------------|
| <b>LIVE RACING:</b>                                  |               |                                    |                         |                               |                    |                      |                  |
| NYRA   | \$265,627,975 | 63.9%                              | -                       | 0.0%                          | \$265,627,975      | 46.6%                |                  |
| Finger Lakes   | 8,875,325     | 2.1%                               | -                       | 0.0%                          | \$8,875,325        | 1.6%                 |                  |
| NYS Harness Tracks                                   | -             | 0.0%                               | \$37,432,318            | 24.3%                         | \$37,432,318       | 6.6%                 |                  |
| All Live Racing at NYS Tracks                        | \$274,503,300 | 66.0%                              | \$37,432,318            | 24.3%                         | \$311,935,618      | 54.8%                |                  |
| <b>IN-STATE SIMULCASTING BETWEEN NYS TRACKS:</b>     |               |                                    |                         |                               |                    |                      |                  |
| NYRA   | \$16,761,100  | 4.0%                               | \$35,191,475            | 22.9%                         | \$51,952,575       | 9.1%                 |                  |
| Finger Lakes   | \$2,826,924   | 0.7%                               | \$2,242,015             | 1.5%                          | \$5,068,939        | 0.9%                 |                  |
| NYS Harness Tracks                                   | \$620,065     | 0.2%                               | \$7,532,271             | 4.9%                          | \$8,152,336        | 1.4%                 |                  |
| All Simulcasts from NYS Tracks                       | \$20,208,089  | 4.9%                               | \$44,965,761            | 29.3%                         | \$65,173,850       | 11.4%                |                  |
| <b>WAGERING ON NYS RACING AT NYS TRACKS</b>          |               |                                    |                         |                               |                    |                      |                  |
|  | \$294,711,389 | 70.9%                              | \$82,398,079            | 53.6%                         | \$377,109,468      | 66.2%                |                  |
| <b>WAGERING ON OUT-OF-STATE RACES AT NYS TRACKS:</b> |               |                                    |                         |                               |                    |                      |                  |
| Thoroughbred Races                                   | \$121,072,273 | 29.1%                              | \$49,769,153            | 32.4%                         | \$170,841,426      | 30.0%                |                  |
| Harness Races  | -             | 0.0%                               | \$21,643,585            | 14.1%                         | \$21,643,585       | 3.8%                 |                  |
| All Simulcasts from Out-of-State Tracks              | \$121,072,273 | 29.1%                              | \$71,412,738            | 46.5%                         | \$192,485,011      | 33.8%                |                  |
| <b>TOTAL BETTING AT NYS TRACKS FROM ALL SOURCES</b>  |               | <b>\$415,783,662</b>               | <b>100.0%</b>           | <b>\$153,810,817</b>          | <b>100.0%</b>      | <b>\$569,594,479</b> | <b>100.0%</b>    |



# 2010 Distribution of On-Track Betting

|                                     | NYRA                 | Finger Lakes        | Batavia            | Buffalo             | Monticello         | Saratoga            | Tioga              | Vernon              | Yonkers             | All NYS Tracks       |
|-------------------------------------|----------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|---------------------|----------------------|
| Regular                             | \$124,421,547        | \$6,125,010         | \$1,705,896        | \$2,993,887         | \$2,012,637        | \$11,896,155        | \$1,964,354        | \$4,309,499         | \$20,409,497        | \$175,838,482        |
| Multiple                            | \$143,835,409        | \$7,936,680         | \$2,399,082        | \$3,127,641         | \$3,827,427        | \$13,220,428        | \$2,099,748        | \$4,780,000         | \$25,028,285        | \$206,254,700        |
| Exotic                              | \$122,294,335        | \$8,498,619         | \$2,813,288        | \$4,456,554         | \$3,865,233        | \$10,817,619        | \$2,168,834        | \$4,942,484         | \$24,634,780        | \$184,491,746        |
| Super Exotic                        | \$2,672,062          | -                   | \$37,056           | \$26,495            | -                  | \$273,938           | -                  | -                   | -                   | \$3,009,551          |
| <b>Total Handle</b>                 | <b>\$393,223,353</b> | <b>\$22,560,309</b> | <b>\$6,955,322</b> | <b>\$10,604,577</b> | <b>\$9,705,297</b> | <b>\$36,208,140</b> | <b>\$6,232,936</b> | <b>\$14,031,983</b> | <b>\$70,072,562</b> | <b>\$569,594,479</b> |
| Takeout                             | \$77,847,527         | \$4,677,023         | \$1,486,013        | \$2,222,615         | \$1,964,972        | \$7,332,491         | \$1,275,830        | \$2,975,602         | \$14,636,607        | \$114,418,680        |
| Breakage                            | \$1,758,823          | \$95,152            | \$26,949           | \$43,045            | \$28,790           | \$161,771           | \$27,929           | \$55,224            | \$266,278           | \$2,463,961          |
| <b>Total Takeout and Breakage</b>   | <b>\$79,606,350</b>  | <b>\$4,772,175</b>  | <b>\$1,512,962</b> | <b>\$2,265,660</b>  | <b>\$1,993,762</b> | <b>\$7,494,262</b>  | <b>\$1,303,759</b> | <b>\$3,030,826</b>  | <b>\$14,902,885</b> | <b>\$116,882,641</b> |
| State Tax on Handle                 | \$5,032,886          | \$286,778           | \$78,608           | \$123,688           | \$104,149          | \$403,871           | \$81,628           | \$182,892           | \$778,713           | \$7,073,213          |
| State Regulatory Fee                | \$1,966,117          | \$112,802           | \$34,777           | \$53,027            | \$48,526           | \$181,041           | \$31,165           | \$70,160            | \$350,363           | \$2,847,978          |
| State Tax on Breakage               | \$561,482            | \$42,079            | \$10,905           | \$18,076            | \$13,712           | \$64,392            | \$11,810           | \$22,051            | \$116,283           | \$860,790            |
| <b>Total Tax and Regulatory Fee</b> | <b>\$7,560,485</b>   | <b>\$441,659</b>    | <b>\$124,290</b>   | <b>\$194,791</b>    | <b>\$166,387</b>   | <b>\$649,304</b>    | <b>\$124,603</b>   | <b>\$275,103</b>    | <b>\$1,245,359</b>  | <b>\$10,781,981</b>  |
| Racetrack Commission                | \$68,095,961         | \$4,164,642         | \$1,314,811        | \$1,966,242         | \$1,731,509        | \$6,510,301         | \$1,111,610        | \$2,604,356         | \$13,019,039        | \$100,518,471        |
| Racetrack Breakage                  | \$1,197,341          | \$53,073            | \$16,044           | \$24,969            | \$15,078           | \$97,379            | \$16,119           | \$33,173            | \$149,995           | \$1,603,171          |
| <b>Total to Racetrack</b>           | <b>\$69,293,302</b>  | <b>\$4,217,715</b>  | <b>\$1,330,855</b> | <b>\$1,991,211</b>  | <b>\$1,746,587</b> | <b>\$6,607,680</b>  | <b>\$1,127,729</b> | <b>\$2,637,529</b>  | <b>\$13,169,034</b> | <b>\$102,121,642</b> |
| Horse Breeders Fund Share           | \$2,752,563          | \$112,801           | \$57,817           | \$79,658            | \$80,788           | \$237,278           | \$51,427           | \$118,194           | \$488,492           | \$3,979,018          |
| Paid to Simulcast Senders           | \$5,207,708          | \$618,890           | \$162,590          | \$338,932           | \$220,938          | \$1,395,615         | \$197,312          | \$447,910           | \$2,613,202         | \$11,203,097         |
| Paid to NYRA and Finger Lakes       | -                    | -                   | \$51,729           | \$108,250           | \$40,794           | \$444,732           | \$82,291           | \$102,546           | \$589,389           | \$1,419,731          |
| Gross Purses Paid                   | \$99,089,195         | \$16,670,750        | \$5,342,881        | \$6,381,839         | \$10,791,881       | \$16,989,783        | \$7,591,896        | \$7,926,427         | \$63,549,631        | \$234,334,283        |
| Minus Pool                          | \$340,180            | \$3,364             | \$1,461            | \$1,345             | \$4,428            | \$80,284            | \$1,675            | \$172,060           | \$33,207            | \$638,004            |
| Uncashed Tickets                    | \$1,269,602          | \$98,629            | \$28,635           | \$53,655            | \$45,034           | \$174,310           | \$35,659           | \$53,396            | \$339,302           | \$2,098,222          |
| <b>State Admission Taxes</b>        | <b>\$327,530</b>     | <b>\$1,152</b>      | <b>-</b>           | <b>-</b>            | <b>-</b>           | <b>\$444</b>        | <b>-</b>           | <b>\$698</b>        | <b>\$2,048</b>      | <b>\$331,872</b>     |



# 2010 New York State Regional OTBs Total Handle By Track and Region

|  | Capital              | Catskill            | Nassau               | New York City*       | Suffolk              | Western              | All Regions            |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| New York State Thoroughbred:               |                      |                     |                      |                      |                      |                      |                        |
| NYRA:                                      |                      |                     |                      |                      |                      |                      |                        |
| Aqueduct                                   | \$17,645,627         | \$8,686,324         | \$29,925,760         | \$74,270,161         | \$18,770,030         | \$9,098,238          | \$158,396,140          |
| Belmont                                    | \$20,323,802         | \$9,598,563         | \$27,984,221         | \$89,618,303         | \$19,883,831         | \$8,886,318          | \$176,295,038          |
| Saratoga                                   | \$20,390,241         | \$5,170,707         | \$14,954,020         | \$44,421,670         | \$9,997,257          | \$4,881,586          | \$99,815,481           |
| Total NYRA                                 | \$58,359,670         | \$23,455,594        | \$72,864,001         | \$208,310,134        | \$48,651,118         | \$22,866,142         | \$434,506,659          |
| Finger Lakes                               | \$6,678,382          | \$3,193,250         | \$5,146,163          | \$19,127,329         | \$3,610,173          | \$8,773,142          | \$46,528,439           |
| <b>Handle on NYS Thoroughbred Tracks</b>   | <b>\$65,038,052</b>  | <b>\$26,648,844</b> | <b>\$78,010,164</b>  | <b>\$227,437,463</b> | <b>\$52,261,291</b>  | <b>\$31,639,284</b>  | <b>\$481,035,098</b>   |
| New York State Harness:                    |                      |                     |                      |                      |                      |                      |                        |
| Batavia                                    | \$86,924             | \$91,804            | \$84,106             | \$357,674            | \$59,454             | \$2,215,034          | \$2,894,996            |
| Buffalo                                    | \$164,476            | \$119,764           | \$135,585            | \$604,450            | \$83,317             | \$2,769,106          | \$3,876,698            |
| Monticello                                 | \$2,542,960          | \$4,983,387         | \$3,913,030          | \$12,168,260         | \$2,621,402          | \$3,322,555          | \$29,551,594           |
| Saratoga                                   | \$2,719,559          | \$651,439           | \$574,731            | \$1,871,172          | \$101,742            | \$1,218,739          | \$7,137,382            |
| Vernon                                     | \$84,248             | \$200,965           | \$143,428            | \$481,615            | \$127,667            | \$124,757            | \$1,162,680            |
| Tioga                                      | \$702,036            | \$79,644            | \$80,348             | \$359,569            | \$26,308             | \$556,054            | \$1,803,959            |
| Yonkers                                    | \$3,660,736          | \$4,926,323         | \$7,742,692          | \$29,903,831         | \$4,647,108          | \$3,366,138          | \$54,246,828           |
| <b>Handle on NYS Harness Tracks</b>        | <b>\$9,960,939</b>   | <b>\$11,053,326</b> | <b>\$12,673,920</b>  | <b>\$45,746,571</b>  | <b>\$7,666,998</b>   | <b>\$13,572,383</b>  | <b>\$100,674,137</b>   |
| <b>Handle on All New York State Tracks</b> | <b>\$74,998,991</b>  | <b>\$37,702,170</b> | <b>\$90,684,084</b>  | <b>\$273,184,034</b> | <b>\$59,928,289</b>  | <b>\$45,211,667</b>  | <b>\$581,709,235</b>   |
| Out-of-State Thoroughbred                  | \$73,701,940         | \$43,431,156        | \$119,044,806        | \$376,597,624        | \$62,027,661         | \$45,933,562         | \$720,736,749          |
| Out-of-State Harness                       | \$12,492,423         | \$15,371,608        | \$22,005,098         | \$58,789,259         | \$13,638,484         | \$19,628,942         | \$141,925,814          |
| <b>Handle on Out-of-State Tracks</b>       | <b>\$86,194,363</b>  | <b>\$58,802,764</b> | <b>\$141,049,904</b> | <b>\$435,386,883</b> | <b>\$75,666,145</b>  | <b>\$65,562,504</b>  | <b>\$862,662,563</b>   |
| <b>Special Event Races:</b>                |                      |                     |                      |                      |                      |                      |                        |
| Breeders Cup                               | \$1,892,172          | \$694,437           | \$1,200,047          | \$4,243,586          | \$986,353            | \$792,621            | \$9,809,216            |
| Kentucky Derby                             | \$1,597,257          | \$1,534,069         | \$1,871,412          | \$4,737,087          | \$1,545,340          | \$1,557,718          | \$12,842,883           |
| Preakness Stakes                           | \$1,005,765          | \$871,417           | \$1,188,374          | \$2,795,594          | \$926,412            | \$913,151            | \$7,700,713            |
| <b>Handle on Special Event Races</b>       | <b>\$4,495,194</b>   | <b>\$3,099,923</b>  | <b>\$4,259,833</b>   | <b>\$11,776,267</b>  | <b>\$3,458,105</b>   | <b>\$3,263,490</b>   | <b>\$30,352,812</b>    |
| <b>Total NYS OTB Handle on All Tracks</b>  | <b>\$165,688,548</b> | <b>\$99,604,857</b> | <b>\$235,993,821</b> | <b>\$720,347,184</b> | <b>\$139,052,539</b> | <b>\$114,037,661</b> | <b>\$1,474,724,610</b> |

\*Handle thru 12/07/2010



# 2010 New York State Regional OTBs Direct & Regional Payments to Tracks

|  | Capital             | Catskill           | Nassau              | New York City       | Suffolk             | Western            | TOTAL                |
|--|---------------------|--------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| <b><u>New York State Thoroughbred:</u></b>     |                     |                    |                     |                     |                     |                    |                      |
| Aqueduct (NYRA)                                | \$1,116,398         | \$735,810          | \$2,081,300         | \$6,442,375         | \$1,435,090         | \$389,288          | \$12,200,261         |
| Belmont (NYRA)                                 | \$1,149,097         | \$687,308          | \$1,956,618         | \$6,530,374         | \$1,516,975         | \$376,023          | \$12,216,395         |
| Saratoga (NYRA)                                | \$886,519           | \$411,355          | \$1,021,884         | \$3,664,280         | \$760,050           | \$196,833          | \$6,940,921          |
| Total NYRA Direct                              | \$3,152,014         | \$1,834,473        | \$5,059,802         | \$16,637,029        | \$3,712,115         | \$962,144          | \$31,357,577         |
| NYRA Regional                                  | \$3,105,331         | \$2,000,605        | \$5,255,397         | \$13,986,259        | \$2,775,165         | \$2,091,010        | \$29,213,767         |
| Finger Lakes Direct                            | \$347,660           | \$142,609          | \$204,232           | \$703,412           | \$158,567           | \$460,456          | \$2,016,936          |
| Finger Lakes Regional                          | \$667,968           | \$395,154          | \$1,053,829         | \$2,740,173         | \$548,252           | \$912,965          | \$6,318,341          |
| <b>Total New York State Thoroughbred</b>       | <b>\$7,272,973</b>  | <b>\$4,372,841</b> | <b>\$11,573,260</b> | <b>\$34,066,873</b> | <b>\$7,194,099</b>  | <b>\$4,426,575</b> | <b>\$68,906,621</b>  |
| <b><u>New York State Harness:</u></b>          |                     |                    |                     |                     |                     |                    |                      |
| Batavia Direct                                 | \$2,209             | \$1,558            | \$1,405             | \$3,218             | \$1,032             | \$123,932          | \$133,354            |
| Batavia Regional                               | -                   | -                  | -                   | -                   | -                   | \$725,435          | \$725,435            |
| Buffalo Direct                                 | \$4,450             | \$2,091            | \$2,294             | \$10,313            | \$13,089            | \$154,245          | \$186,482            |
| Buffalo Regional                               | -                   | -                  | -                   | -                   | -                   | \$943,750          | \$943,750            |
| Monticello Direct                              | \$71,776            | \$288,651          | \$414,975           | \$564,758           | \$138,773           | \$83,246           | \$1,562,179          |
| Monticello Regional                            | -                   | \$598,703          | \$632,347           | \$2,598,481         | \$369,105           | -                  | \$4,198,636          |
| Saratoga Direct                                | \$307,259           | \$13,214           | \$8,270             | \$9,982             | \$1,515             | \$21,621           | \$361,861            |
| Saratoga Regional                              | \$2,218,291         | -                  | -                   | -                   | -                   | -                  | \$2,218,291          |
| Tioga Direct                                   | \$2,163             | \$9,345            | \$7,828             | \$26,058            | \$7,091             | \$2,741            | \$55,226             |
| Tioga Regional                                 | -                   | \$30,243           | \$38,890            | \$90,517            | \$21,040            | -                  | \$180,690            |
| Vernon Direct                                  | \$12,624            | \$1,355            | \$1,351             | \$4,912             | \$459               | \$18,302           | \$39,003             |
| Vernon Regional                                | \$564,083           | \$6,763            | -                   | -                   | -                   | \$194,689          | \$765,535            |
| Yonkers Direct                                 | \$90,560            | \$307,289          | \$955,947           | \$1,576,708         | \$258,555           | \$77,355           | \$3,266,414          |
| Yonkers Regional                               | -                   | \$610,653          | \$1,071,096         | \$4,443,453         | \$649,088           | -                  | \$6,774,290          |
| <b>Total New York State Harness</b>            | <b>\$3,273,415</b>  | <b>\$1,869,865</b> | <b>\$3,134,403</b>  | <b>\$9,328,400</b>  | <b>\$1,459,747</b>  | <b>\$2,345,316</b> | <b>\$21,411,146</b>  |
| <b>Total Payments to New York State Tracks</b> | <b>\$10,546,388</b> | <b>\$6,242,706</b> | <b>\$14,707,663</b> | <b>\$43,395,273</b> | <b>\$8,653,846</b>  | <b>\$6,771,891</b> | <b>\$90,317,767</b>  |
| Out-of-State Thoroughbred                      | \$2,139,589         | \$1,157,873        | \$3,287,499         | \$8,172,065         | \$1,683,690         | \$1,378,987        | \$17,819,703         |
| Out-of-State Harness                           | \$262,289           | \$309,536          | \$420,724           | \$1,074,284         | \$281,759           | \$393,171          | \$2,741,763          |
| <b>Total Payments to Out-of-State Tracks</b>   | <b>\$2,401,878</b>  | <b>\$1,467,409</b> | <b>\$3,708,223</b>  | <b>\$9,246,349</b>  | <b>\$1,965,449</b>  | <b>\$1,772,158</b> | <b>\$20,561,466</b>  |
| Special Events:                                |                     |                    |                     |                     |                     |                    |                      |
| Breeders Cup                                   | \$135,145           | \$50,002           | \$90,343            | \$186,636           | \$64,926            | \$56,906           | \$583,958            |
| Kentucky Derby                                 | \$100,448           | \$97,417           | \$109,820           | \$298,641           | \$97,817            | \$99,675           | \$803,818            |
| Preakness Stakes                               | \$63,949            | \$56,646           | \$70,122            | -                   | \$59,839            | \$59,898           | \$310,454            |
| <b>Total Special Events</b>                    | <b>\$299,542</b>    | <b>\$204,065</b>   | <b>\$270,285</b>    | <b>\$485,277</b>    | <b>\$222,582</b>    | <b>\$216,479</b>   | <b>\$1,698,230</b>   |
| <b>Total Payments to All Tracks</b>            | <b>\$13,247,808</b> | <b>\$7,914,180</b> | <b>\$18,686,171</b> | <b>\$53,126,899</b> | <b>\$10,844,877</b> | <b>\$8,760,528</b> | <b>\$112,577,463</b> |





# 2010 New York State Regional OTBs Distribution of Revenues

|   | Capital             | Catskill            | Nassau              | New York City*       | Suffolk             | Western             | All Regions          |
|---|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
| <b>Pari-Mutuel Revenue:</b>                             |                     |                     |                     |                      |                     |                     |                      |
| Statutory Take-Out                                      | \$33,898,619        | \$21,134,142        | \$48,665,105        | \$122,019,884        | \$28,840,544        | \$24,461,261        | \$279,019,555        |
| Breakage  | \$711,471           | \$326,693           | \$963,264           | \$2,397,264          | \$539,230           | \$396,405           | \$5,334,327          |
| Minus Pools   | \$(42,363)          | \$(68,636)          | \$(380,023)         | \$(283,180)          | \$(67,318)          | \$(9,896)           | \$(851,416)          |
| Missed Pools  | \$(360)             | \$418               | -                   | -                    | -                   | -                   | \$58                 |
| Derived from Section 532.3.b(iv) & 532.7                | \$1,261,899         | \$1,077,946         | \$1,842,426         | \$13,922,515         | \$1,000,940         | \$1,333,613         | \$20,439,339         |
| <b>Total Pari-Mutuel Revenue</b>                        | <b>\$35,829,266</b> | <b>\$22,470,563</b> | <b>\$51,090,772</b> | <b>\$138,056,483</b> | <b>\$30,313,396</b> | <b>\$26,181,383</b> | <b>\$303,941,863</b> |
| <b>Statutory &amp; Simulcast Payments:</b>              |                     |                     |                     |                      |                     |                     |                      |
| NY State (Pari-Mutuel Tax & Breakage)                   | \$1,298,117         | \$846,907           | \$1,692,334         | \$4,310,235          | \$1,146,575         | \$1,052,792         | \$10,346,960         |
| New York State Racing & Wagering Board Regulatory Fee   | \$828,443           | \$498,024           | \$1,179,376         | \$2,950,334          | \$695,263           | \$570,188           | \$6,721,628          |
| NYS Thoroughbred Development & Breeding Fund            | \$819,676           | \$416,555           | \$1,154,327         | \$2,892,807          | \$682,579           | \$473,640           | \$6,439,584          |
| Ag. & NYS Breeding & Dev. Fund Breeders' Fund - Harness | \$374,374           | \$324,181           | \$556,769           | \$1,361,984          | \$337,058           | \$403,187           | \$3,357,553          |
| In-State Thoroughbred Tracks                            | \$7,272,973         | \$4,372,841         | \$11,573,260        | \$34,066,873         | \$7,194,099         | \$4,426,575         | \$68,906,621         |
| Out-of-State Thoroughbred Tracks                        | \$2,139,589         | \$1,157,873         | \$3,287,499         | \$8,172,065          | \$1,683,690         | \$1,378,987         | \$17,819,703         |
| In-State Harness Tracks                                 | \$3,273,415         | \$1,869,865         | \$3,134,403         | \$9,328,400          | \$1,459,747         | \$2,345,316         | \$21,411,146         |
| Out-of-State Harness Tracks                             | \$262,289           | \$309,536           | \$420,724           | \$1,074,284          | \$281,759           | \$393,171           | \$2,741,763          |
| Special Events  | \$299,542           | \$204,065           | \$270,285           | \$485,277            | \$222,582           | \$216,479           | \$1,698,230          |
| <b>Total Statutory &amp; Simulcast Payments</b>         | <b>\$16,568,418</b> | <b>\$9,999,847</b>  | <b>\$23,268,977</b> | <b>\$64,642,259</b>  | <b>\$13,703,352</b> | <b>\$11,260,335</b> | <b>\$139,443,188</b> |
| <b>Net Pari-Mutuel Revenue</b>                          | <b>\$19,260,848</b> | <b>\$12,470,716</b> | <b>\$27,821,795</b> | <b>\$73,414,224</b>  | <b>\$16,610,044</b> | <b>\$14,921,048</b> | <b>\$164,498,675</b> |
| <b>Other Revenue:</b>                                   |                     |                     |                     |                      |                     |                     |                      |
| Admission Income  | \$33,697            | \$78,655            | \$107,518           | \$245,115            | \$78,466            | \$2,533             | \$545,984            |
| Lottery Income  | \$323,297           | \$157,586           | \$37,234            | -                    | \$122,322           | \$329,717           | \$970,156            |
| Concession Income                                       | \$178,974           | \$22,195            | \$120,032           | \$23,970             | \$32,700            | \$21,222            | \$399,093            |
| Derived from Section 509-a(3)                           | -                   | -                   | -                   | \$2,266,162          | -                   | -                   | \$2,266,162          |
| Transfer from Section 509 Reserve Fund                  | -                   | -                   | -                   | -                    | -                   | -                   | -                    |
| Interest Income   | \$45,840            | -                   | \$88                | \$42,493             | \$2,863             | \$4,443             | \$95,727             |
| Enterprise Fund - Net Revenue / (Loss)                  | \$(2,033,498)       | -                   | -                   | -                    | -                   | \$3,984,289         | \$1,950,791          |
| Other Income  | \$165,513           | \$193,646           | \$630,370           | \$419,813            | \$866,144           | \$1,449,370         | \$3,724,856          |
| <b>Total Operating Revenue</b>                          | <b>\$17,974,671</b> | <b>\$12,922,798</b> | <b>\$28,717,037</b> | <b>\$76,411,777</b>  | <b>\$17,712,539</b> | <b>\$20,712,622</b> | <b>\$174,451,444</b> |
| Continued on next page...                               |                     |                     |                     |                      |                     |                     |                      |

\*Data thru 09/30/2010



# 2010 New York State Regional OTBs Distribution of Revenues

Continued from previous page...

|   | Capital             | Catskill            | Nassau               | New York City*        | Suffolk              | Western             | All Regions           |
|---|---------------------|---------------------|----------------------|-----------------------|----------------------|---------------------|-----------------------|
| <b>Operating Expenses:</b>                                  |                     |                     |                      |                       |                      |                     |                       |
| Branch Expenses   | \$13,383,759        | \$9,116,708         | 18,802,797           | \$60,833,427          | \$12,816,931         | \$15,425,154        | \$130,378,776         |
| General & Administrative Expenses                           | \$4,852,298         | \$2,206,428         | \$12,872,809         | \$42,671,682          | \$9,272,096          | \$5,802,939         | \$77,678,252          |
| <b>Total Operating Expenses</b>                             | <b>\$18,236,057</b> | <b>\$11,323,136</b> | <b>\$31,675,606</b>  | <b>\$103,505,109</b>  | <b>\$22,089,027</b>  | <b>\$21,228,093</b> | <b>\$208,057,028</b>  |
| <b>Section 516 Net Revenues from Operations</b>             | <b>\$(261,386)</b>  | <b>\$1,599,662</b>  | <b>\$(2,958,569)</b> | <b>\$(27,093,332)</b> | <b>\$(4,376,488)</b> | <b>\$(515,471)</b>  | <b>\$(33,605,584)</b> |
| <b>Less:</b>  |                     |                     |                      |                       |                      |                     |                       |
| Section 509-a(ii) Contributions to Capital Acquisition Fund | -                   | -                   | -                    | -                     | -                    | -                   | -                     |
| Section 509 Contributions to Reserve Fund                   | -                   | -                   | -                    | -                     | -                    | -                   | -                     |
| Section 527.6 Obligations                                   | -                   | -                   | -                    | -                     | -                    | -                   | -                     |
| <b>Section 516 Net Revenue for Distribution</b>             | <b>\$(261,386)</b>  | <b>\$1,599,662</b>  | <b>\$(2,958,569)</b> | <b>\$(27,093,332)</b> | <b>\$(4,376,488)</b> | <b>\$(515,471)</b>  | <b>\$(33,605,584)</b> |

## Supplemental Information

GASB 45: Certain expense include amounts relating to the Government Accounting Standards Board Statement 45 (GASB 45). GASB 45 requires the recognition of Other Post Employment Benefits (OPEB).

### GASB 45 Expense:

|                          |                 |                  |                    |                     |                    |                    |                    |
|--------------------------|-----------------|------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| Enterprise Fund          | \$3,621         | -                | -                  | -                   | -                  | -                  | \$3,621            |
| Branch Expenses          | \$25,538        | \$295,018        | -                  | -                   | \$455,801          | \$1,017,872        | \$1,794,229        |
| General & Administrative | \$14,813        | \$100,070        | \$2,115,231        | -                   | \$1,624,202        | \$179,625          | \$4,033,941        |
| <b>Total</b>             | <b>\$43,972</b> | <b>\$395,088</b> | <b>\$2,115,231</b> | <b>\$14,371,000</b> | <b>\$2,080,003</b> | <b>\$1,197,497</b> | <b>\$5,831,791</b> |

New York City OTB closed its operations on 12/07/2010. The allocation of the GASB 45 expense is not available.

**Distributable Surcharge:** In addition to Section 516 Net Revenue, corporations are required to distribute surcharge levied on winning payoffs to participating and other localities on a monthly basis. The following is a summary of the surcharge available for distribution as of 12/31/09 for each corporation.

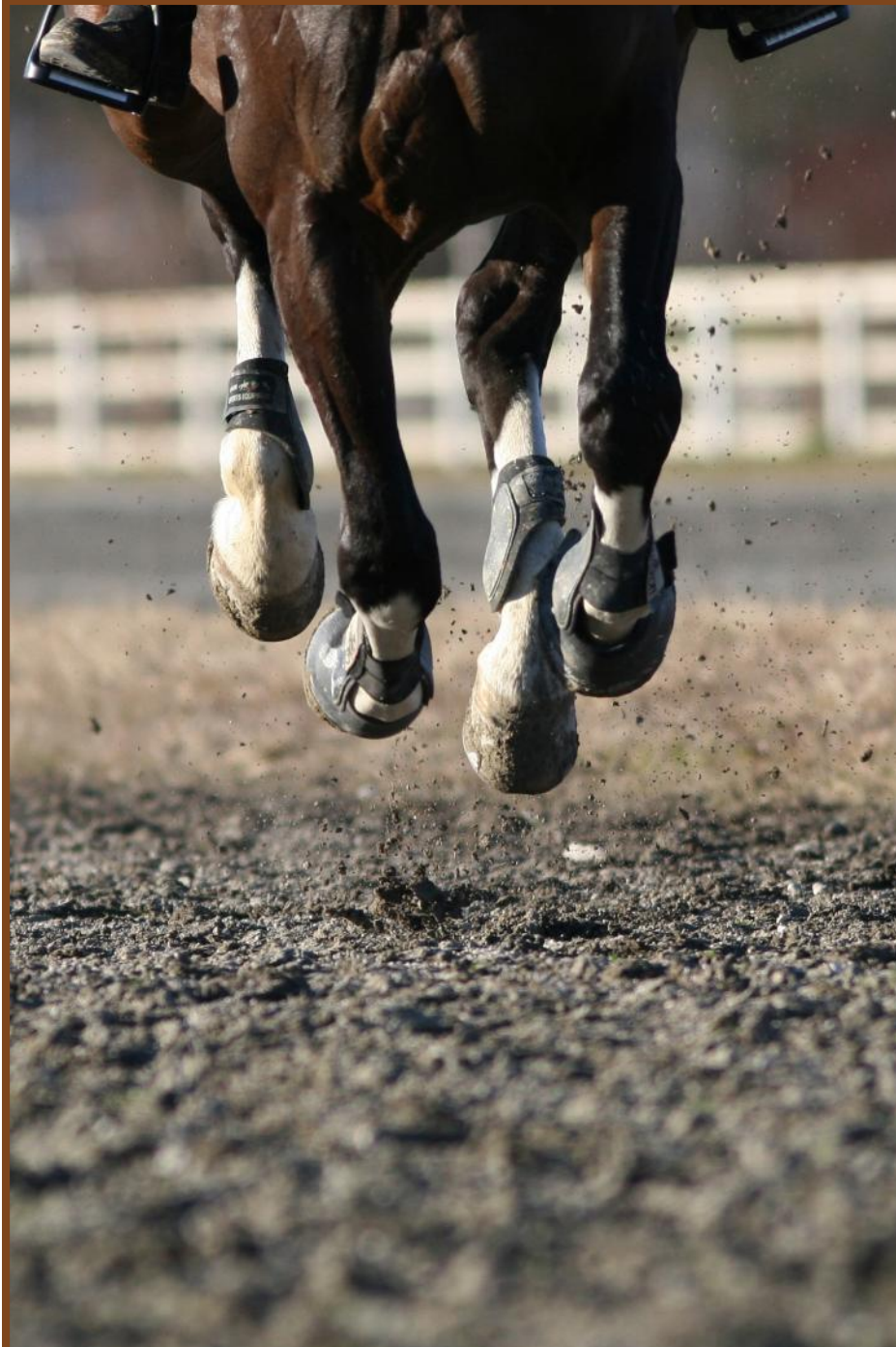
|                          |                    |                    |                    |                    |                    |                    |                     |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Participating Localities | \$2,245,372        | \$1,764,158        | \$3,193,644        | -                  | \$1,724,051        | \$2,211,712        | \$11,138,937        |
| Other Localities         | \$962,172          | \$504,982          | \$797,399          | \$2,781,974        | \$723,111          | \$686,555          | \$6,456,193         |
| <b>Total Surcharge</b>   | <b>\$3,207,544</b> | <b>\$2,269,140</b> | <b>\$3,991,043</b> | <b>\$2,781,974</b> | <b>\$2,447,162</b> | <b>\$2,898,267</b> | <b>\$17,595,130</b> |

The above does not include surcharge retained by the corporation for corporate purposes or the capital acquisition fund. Participating Localities are local governments within the Off-Track Betting Region that have elected to participate under Section 502 of the Racing, Pari-Mutuel Wagering and Breeding Law. Other Localities are local governments which have racetracks located within their borders and receive a portion of the surcharge.

**Enterprise Fund:** Net revenue or loss from the corporation's business enterprise. For Capital OTB the amounts relate to the operation of a simulcast television channel. For Western OTB the amounts relate to the operation of Batavia Downs Racetrack and Video Gaming Facility.

\*Data thru 09/30/2010

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