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**AN ETHICS CODE FOR THE RACING
COMMISSIONERS**

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AN ETHICS CODE FOR THE RACING COMMISSIONERS

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An Ethics Code for the Commissioners

One of the better developments in pari-mutuel racing over the past few years has been the rapprochement between the Association of Racing Commissioners International [ARCI] and the North American Pari-Mutuel Regulators Association [NAPRA]. Under the leadership of Lonnie Powell at ARCI and Frank Lamb at NAPRA, they have collaborated on joint model rules and are holding a joint convention. The sad fact is that the regulators/commissioners, in the best of times, are considered peripheral players in the pari-mutuel world. When they don't speak with one voice, it's simply too easy to disregard their voices. If racing's regulators want to be even remotely effective, they need to speak with one voice.

But even if they speak with one voice, it's not enough. They have to be the moral voice of racing. Everybody else in racing has a distinct special interest. Whether it's the breeders, owners, riders, drivers, trainers, veterinarians, racetracks, the NTRA, USTA, TRA, or HTA, every organized group – no matter how well-motivated each one might be – has a specific, largely, economic driven agenda. The racing commissioners don't. Only the racing commissioners are sufficiently independent of any parochial interest to assert the public interest. The racing commissioners can never match the economic power of the folks they regulate. Their only authority depends on their integrity, and integrity only works when the commissioners speak truth to power.

How do you insure that the racing commissioners act with integrity? It's not through a mission statement or a vision statement. Racing commissioners need a specific and enforceable code of ethics, and that code of ethics has to insure that the commissioners are independent of other interests in racing.

Here's what a model ethics code for racing commissioners might look like. Many of the twelve points need little amplification. They are self-explanatory and would likely be the ethics code of most any professional organization. Where amplification is needed, I have tried to explain my reasoning.

- 1) The members shall maintain an appropriate level professional competence and actively support activities which upgrade and encourage professional excellence among regulators.
- 2) The members shall comply with the applicable ethics laws and rules of their respective states and jurisdictions. Members shall refrain from any form of unlawful discrimination.
- 3) The members shall maintain the confidentiality of privileged information.

- 4) The members shall deny favored treatment to individuals or groups that advertise with or provide financial support, advertising, or sponsorship to the national organization. Similarly, there shall be no discrimination against individuals or groups that decline to provide financial support, advertising, or sponsorship to the national organization.

There is a belief that groups that provide sponsorship of events conducted by regulators' organizations could receive better treatment than groups that do not participate in such events. This precept is needed to prevent this belief from becoming a reality.

- 5) The members shall refuse financial support, advertising, or sponsorship from any drug company seeking to gain support from regulators regarding the legalization of drugs for equines or greyhounds.

Several years ago, a drug company helped to sponsor a program at a convention of a regulators organization. At the time, the drug company was trying to win acceptance of its product in horses. Such sponsorship simply creates an unmistakable appearance of impropriety and should be resisted by everyone in the equine industry. It's wrong.

- 6) The members shall accept no gifts, or tickets from any individuals or organizations licensed by their commission. Members should not use their position to coerce or exploit licensees in any manner.

I credit this one to a former chairman of mine at the New York State Racing and Wagering Board. Racing Board personnel obviously are allowed to go to the track for free as part of their job. When told that they often brought their friends in with them to the track, his advice was, "No way, pay the \$2" for admission. Gifts, such as free seats or admission from tracks, are inappropriate.

- 7) The members shall not place wagers at any establishment in their jurisdiction that is regulated by their commission. Nor shall they place wagers on any race that is conducted within their jurisdiction.

In many states, commissioners can and do lawfully bet on races in their state. In reality, trainers and owners who also legally bet, have greater access to inside information than racing commissioners. It's also generally presumed that racing commissioners are woeful bettors and that nobody has ever gone broke by booking the bets of racing commissioners. Yet nothing looks worse to the general public than regulators betting on their own races. It simply appears inappropriate. You can't begin to explain it. You're betting on the races when you control the entrants and the judges.

- 8) The members shall not accept associate or advisory memberships from organizations that are regulated by racing commissions.

This just doesn't fly. Potential advisory board members - who are regulated entities - think either: (a) they are being pressured into membership by the force of their regulators.

(i.e. the regulators are using undue influence to coerce a membership fee from them), or (b) they are buying additional influence by obtaining a seat at the table with the regulators (i.e. By paying, they are able to play.) As one OTB leader once told me after becoming an associate member of a national regulatory organization, “You can’t go after me now. I’m one of you. I’m a commissioner, too.”

- 9) The members shall take a leadership role in assuring that professional services are available and provided to problem and compulsive gamblers.

Compulsive gambling services are under funded throughout the nation. Racing commissioners need to be pro-active in addressing this problem.

- 10) The members shall respect the licensing decisions of other racing jurisdictions. While a jurisdiction may decline to follow a licensing decision of another jurisdiction, it shall only do so after issuing a report in writing which clearly states why the decision of the other racing jurisdiction will not be followed.

Racing commissions are, in theory, supposed to grant reciprocity to licensing decisions made by other jurisdictions. In reality, the reciprocity system is a total mess. You see numerous significant individuals in racing who are allowed in some jurisdictions but banned in others. See Walter Case, Herve Filion, Mike Warren, Dr. Alex Harthill, etc. The point here is to create a realistic procedure to deal with reciprocity. A racing commission should presumptively grant reciprocity to another commission’s decisions, but it should also have the ability to decline to grant reciprocity upon specific written findings. Let’s make the reciprocity system more rational.

- 11) . The members shall strengthen the capability of the national organization to apply ethics and efficiency in serving the public interest.
- 12) The members shall bring fairness, integrity, and courtesy into all contacts with licensees and the general public.

If racing commissions are to stand out in the alphabet soup world of racing organizations, they need to speak with one voice. Most importantly, that voice has to be a chaste one. A realistic, tough, and enforceable ethics code is the way to empower the racing commissions.