

Horsemen's concerns for the New York program

Latham, NY --- As Standardbred horsemen that participate in the New York Sire Stakes program we have very real reason for concern.

The Agriculture and New York State Horse Breeding and Development Fund, which oversees monies used to administer the New York Sire Stakes (NYSS), is on the verge of replacing the Harness Horse Breeders of New York (HHBNYS) with the Albany-based firm, Capitol Hill Management Services Inc. The President of Capitol Hill Management Services Inc. is John Graziano Jr., a politically appointed trustee on the New York Thoroughbred Breeding Development Fund as well as a registered lobbyist.

For the past 50 years, since 1967 and the inception of the New York Sire Stakes program, the HHBNYS have been the administrative arm of the program, handling the processing of NYSS eligibility payments, eligibility lists, the residency mare program, stallion registry, breeders rewards program, mares bred reports, shipped semen records, NYSS points records and purse breakdowns. The HHBNYS also provides for representation at NYSS race draws and representation at most NYSS racing events, as well as management of an industry website which tracks daily changes in the points based system for all divisions of Sire Stakes, Excelsior and County Fair events. The HHBNYS provides this service with a staff headed by Betty Holt and two office employees. Their projected budget for 2017 was to be \$157,500.

Conversely, Capitol Hill Management Services Inc. has submitted a working budget of \$48,500 to administer this same program for 2017. With this bid, the New York Sire Stakes program will be one of 300 clients of this firm.

As horsemen that are invested and interested in the future welfare of the New York program, we have several grave concerns with the direction in which the Agriculture and New York State Horse Breeding and Development Fund is steering us.

Prior to this year, the bylaws governing the administration of the management and integrity of the NYSS program has always contained a "lobbying clause" in each and every contract between the HHBNYS and the Agriculture and New York State Horse Breeding Development Fund.

Specifically:

1. Political Activity. Funds provided pursuant to this Agreement shall not be used for any partisan political activity, or for activities that may influence legislation or the election or defeat of any candidate for public office.

Based on Capitol Hill Management Services Inc. connection with political lobbying, we find it very curious that this language was removed from the contract this year. Further, we feel this proposed arrangement with Capitol Hill Management Services should not proceed until its officers and the officers of the Agriculture and New York State Horse Breeding and Development Fund explain, publicly under oath, why the so called "lobbying clause" in the agreement was deleted this year after being a part of the contract for so many previous years.

Did Capitol Hill Management Services lobby for the change in the contract knowing that it would benefit from it? Did the Agriculture and New York State Horse Breeding and Development Fund members who approved the change receive some sort of benefit for deleting the clause? At a minimum the timing of the change in the proposed agreement and a lobbyist's push for the work, raise profound questions of ethics and propriety that must be answered for industry participants -- owners, trainers, drivers, breeders, etc. -- to have any measure of confidence that the proposed new agreement isn't some sort of "sweetheart" deal.

Another requirement clause in the contract calls for the successful bidder to have a minimum of two years experience in the scope of work required. The successful bidder must have demonstrated knowledge of competitive equine racing programs that include point standings. While John Graziano Jr. may have some knowledge of Thoroughbred racing, we argue it doesn't make him necessarily experienced in tracking and administering a NYSS points based system program that involves multiple categories of sex and gait. NY Thoroughbred racing does not have a like format. In fact, no argument can be made that Capitol Hill Management Services has the requisite training under the rules. Nor has Capitol Hill Management Services publicly explained how it is going to do the same job or a better job of administering the program for one-third the cost, a difference that is so great as to raise questions about whether it is even possible for the scope of work to be performed at a level to which the industry has become accustomed. At a minimum, Capitol Hill Management Services should be required to publicly and precisely disclose how it intends to do the work. Which people, specifically, will be involved and what is their knowledge? What will be the scope of their work?

As experienced horsemen that have worked for years with the HHBNYS, we know full well the depth of work involved and hours of commitment needed to provide the excellence in service required to fulfill the needs of this program.

Each day there are a myriad of issues be it breeding, racing or otherwise that must be addressed by experienced and confident personnel.

Race draw oversight, coupled entries and eligibility issues are regular issues that need professional and seasoned people to oversee and implement a successful and orderly program. As participants in the New York Sire Stakes program we rely on the ease of communication between horsemen and the HHBNYS to help answer and sort sometimes difficult interpretations of bylaws. Often times needing answers at odd hours of the day, weekday or weekend. These are circumstances that are often unpredictable but in need of immediate attention and direction. These are issues that we have historically relied upon the HHBNYS to respond to and handle with confidence.

Everyone wants to keep costs down but the suspicious manner in which the contract was changed and the way in which the new group seeks to proceed, raises fundamental questions that must be cleared before the HHBNYS is replaced. We realize that the HHBNYS has not always perfectly administered the program but it has done so consistently in a way that has earned it the trust and respect of virtually every participant in the NYSS program. The HHBNYS deserves better than to be cast aside in this manner.

As investors and participants in the New York Sire Stakes program we are outraged and dismayed with the current direction of the Agriculture and New York State Horse Breeding and Development Fund. This is not the type of leadership we can endorse or accept.

The Agriculture and New York State Horse Breeding and Development Fund has a planned meeting scheduled for Thursday (April 27), at which time they are expected to "rubber stamp" their approval of Capitol Hill Management Services Inc. as the new administrative arm of OUR New York Sire Stakes program.

We suggest that fellow horseman that feel similarly with us, contact the members of the Agriculture and New York State Horse Breeding and Development Fund directly to express your like disdain.

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Time is of the essence people. Please make the call or send an email now. Let's keep control on how OUR New York Sire Stakes program is administered.

Respectfully submitted....

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