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**Minutes**  
**Oregon Racing Commission**  
**June 20, 2024**

**Meeting Detail**

The Oregon Racing Commission (ORC) met at 1:30 p.m. Thursday, June 20th, 2024, remotely via Zoom videoconference.

**Call to Order and Roll Call**

Chair Doherty called the meeting to order at 1:30 p.m. and Karen Parkman conducted roll call.

**In Attendance**

**Commissioners:** Margaret Doherty, Quinn Berry, Scott Beckstead, and Lindsay Fowler.

**Staff:** Connie Winn, Executive Director; Karen Parkman, Program and Administrative Coordinator; Kelly Routt, Assistant Attorney General (AAG)

**Excused**

Commissioner Diego Conde

**Approvals:**

**Meeting Agenda**

**Action:** Approval of the June meeting agenda.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

Chair Doherty announced the commission would enter executive session at 1:45 p.m.

**Meeting Minutes**

**Action:** Approval of the May meeting minutes.

**Moved by:** Commissioner Beckstead

**Seconded:** Commissioner Fowler

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**OLD BUSINESS:**

**Executive Director's report**

Chair Doherty began by reading the ORC mission statement.

Director Winn reported that Chair Doherty recommended quarterly financial updates and the reading of the ORC mission statement at the start of each meeting. Director Winn read legislative statute 462.304 (1) in addition to the mission statement.

Director Winn reported that Southern Oregon Horse Racing Association (SOHRA) and Eastern Oregon Livestock Show (EOLS) made improvements to safety and security measures this year.

The ORC is compiling survey feedback, which will close on June 30<sup>th</sup> and is available on the ORC website homepage.

Director Winn reported that the Horse Racing Association (HRA) has submitted all documents required for their fall license and thanked Rod Lowe.

Director Winn reminded the attendees that the next ORC meeting will be hosted on Microsoft Teams, not Zoom.

**Best Practices Committee Report**

Commissioner Beckstead reported that the Best Practices Committee met and discussed the evaluation of the commission and the Executive Director. The committee concluded that a neutral third party should facilitate the evaluation process and report the results to the commission. Karen Parkman is working on finding someone for that task. The Executive Director's evaluation will occur today. Director Winn reported a facilitator will host the Executive Director evaluation during the executive session today, and then report the results to Director Winn. The commission evaluation will occur during the August meeting during open session.

Commissioner Beckstead reported on his visit to Grants Pass Downs and that he learned a lot and appreciated everything that went into the races and doing a great job.

**Advanced Deposit Wagering (ADW) Committee Report**

Micah Lloyd reported that the ADW Committee met to discuss public reporting methods of ADW handles. Currently, each individual ADW's quarterly handle is posted on the ORC website. Some non-publicly traded ADWs have requested the ORC review this process. The ORC does not have

a current recommendation. The current process will continue until further review of other states is conducted.

**NEW BUSINESS:**

**EXECUTIVE SESSION (closed to the public) – Review of Executive Director**

Pursuant to ORS 192.660(2)(i), the Commission entered executive session at 1:45 p.m. to conduct the annual performance review of the Executive Director. The executive session concluded at 2:53 p.m. and Chair Doherty called the public meeting back to order.

**Fiscal Year End Review of ADW Licenses:**

- A. **AmWest Entertainment, LLC**
- B. **eBet Technologies, Inc.**
- C. **Game Play Network, Inc.**
- D. **NYRA Bets**
- E. **TVG**
- F. **TwinSpires**
- G. **Xpressbet, LLC**

Micah Lloyd reported that no action is needed today. He reported that key highlights for each ADW and welcomed representatives attending the meeting for each company to comment.

**AmWest Entertainment, LLC** operates at AmWager.com and their current license expires at the end of the 2026 fiscal year. Their last audit was in October 2023. AmWest’s Oregon Source Market Mitigation Plan is pending and will have to be finalized by the ORC prior to taking wagers July 1<sup>st</sup>. William Alempijevic, the AmWest COO, thanked the commission and commented that he looks forward to continuing to work with Oregon and supporting Oregon’s racing industry.

**EBet Technologies, Inc.** has a current license through 2026 and their last audit was in August 2023, and they have one scheduled for July. Their Oregon Source Market Mitigation Plan has been confirmed. There were no issues to report, and they are in good standing with the ORC.

**Game Play Network, Inc (GPN)** has a current license through June 20, 2028. Their last audit was in March 2024. Their Oregon Source Market Mitigation Plan is pending and must be confirmed by the ORC prior to taking wagers on July 1<sup>st</sup>. Rod Lowe commented that he does have a Source Market Plan for a shorter term that is in play now. Mr. Lloyd requested he send that over for ORC records. GPN is in good standing with the ORC. Russel Fine, from GPN, thanked Rod for mentioning the interim Source Market agreement and thanked the commission.

**NYRA Bets** has a current license through June 2026. Their last audit was in September 2023, and their next is scheduled following eBet. Their Oregon Source Market Mitigation Plan is pending and must be confirmed by the ORC prior to taking wagers on July 1<sup>st</sup>.

**ODS Technologies**, operating as TVG.com and racing.fanduel.com, has a current license through June 2026. They had an audit in April 2023 and are currently undergoing an audit which will be

completed this month. Their Oregon Source Market Mitigation Plan is pending and must be confirmed by the ORC prior to taking wagers on July 1<sup>st</sup>.

**TwinSpires** has a current license through June 2026. Their last audit was in November 2023 and no issues were noted. Their Oregon Source Market Mitigation Plan is complete, pending confirmation.

**Xpressbet, LLC** has a current license through June 2026. Their last audit was in March 2023, and they have one scheduled for August. Their Oregon Source Market Mitigation Plan is confirmed. Audrey Edwards thanked the commission on behalf of Xpressbet.

There were not any issues to report. All ADWs have paid their fees and taxes, obtained individual licenses for the appropriate staff, and remain in good standing with the ORC.

### **Discussion and possible approval of Totalizer (Tote) Licenses: - Micah Lloyd**

#### **A. AmTote International**

All requested materials received, and necessary information has been verified. The third-party SOC-2 audit showed no issues and all fees have been paid. The ORC recommends conditional approval, as two individual licenses for new officers are pending.

**Action:** Approve a conditional license for AmTote International.

**Moved by:** Commissioner Beckstead

**Seconded:** Commissioner Fowler

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

Audrey Edwards, an AmTote representative commented that she will notify Jeremy Rockman of the pending items.

#### **B. Colossus Limited**

All requested materials received, and necessary information has been verified. The third-party SOC-2 audit showed no issues and all fees have been paid. The ORC recommends approval of a 1-year license.

**Action:** Approve a 1-year license for Colossus Limited.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

#### **C. Global Tote**

All requested materials received, and necessary information has been verified. The third-party SOC-2 audit showed no issues and all fees have been paid. The ORC recommends approval of a 1-year license.

**Action:** Approve a 1-year license for Global Tote.

**Moved by:** Commissioner Beckstead

**Seconded:** Commissioner Fowler

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**D. I-Neda Ltd**

All requested materials received, and necessary information has been verified. The third-party SOC-2 audit showed no issues and all fees have been paid. The ORC recommends approval of a 1-year license.

**Action:** Approve a 1-year license for I-Neda Ltd.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**E. United Tote**

All requested materials received, and necessary information has been verified. The third-party SOC-2 audit showed no issues and all fees have been paid. The ORC recommends approval of a 1-year license.

**Action:** Approve a 1-year license for United Tote.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**HRA, LLC Report**

Rod Low reported that all requirements for insurance and jockey insurance have been met. All licenses are complete, and plans are coming together for the fall meet. Horses will be able to arrive on September 1<sup>st</sup> and stall applications have started to arrive. Races will begin on September 8<sup>th</sup>. There have been a couple Off Track Betting (OTB) location changes. The Salem OTB has moved from Capital Cantina to Half Court. A couple OTBs are in the process of closing, but replacement prospects are in the works.

Rod also reported the opening weekend for the SOHRA meet went well, with 8 races on Saturday, and 10 races on Sunday. The total attendance was 7,305 people, the total handle was \$104,250, and purses paid out was \$88,000. Compared to 2023, attendance was up by 1,000 people and the handle was up by \$17,400. Next weekend has 8 races filled for each day.

### **Quarterly Budget Review**

Director Winn reported there are several factors contributing to the budget currently. First, there was a large inflationary cost for the last two years, which included a 13% increase in wages. There was also a request to increase the ending balance for this biennium by \$500,000, which decreased the normal funds available for Industry allocations.

The legislatively approved budget for the 2023-2025 biennium breaks down to just under \$3 million for personal services, \$1.3 million for services and supplies, and \$2.9 million for special payments for a total of \$7.26 million. The ORC approved an additional \$323 thousand for special payments to industry from underspent funds, to help mitigate the budget decrease from the \$500 thousand taken for the ending balance. The overall ending balance as of April 2024 is \$257,309.17 more than expected and is projected to be \$1,073,103.34. Considerations going forward include inflationary pay increases and inflation on all other supplies and services. The inflation for pay for 2025-2027 is set at 5%. Current models show a decrease from \$2.9 million to \$2.5 million for Hub funds. The ORC does have some plans to make up for these decreases and additional sources of revenue are anticipated.

Additional factors that are being watched and have an unknown impact include definition of a casino, legislation the associations are working on, greyhound racing phase-out, and unpredictable economic factors.

### **Discussion and possible approval to start the rule making process:**

#### **A. 462-120-0010 (2) Who must be licensed**

Director Winn reported that this change adds a single word to make it compliant with another section. It states that anyone who has access to account holder information must have a license.

**Action:** Approval to begin the rulemaking process for 462-120-0010.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**Discussion and possible adoption of the following rules:**

**A. 462-160-0130 Medication and prohibited substances**

Director Winn reported that Commissioner Berry conducted a hearing concerning 462-160-0130. Commissioner Berry reported that there were no comments during the hearing. This rule changes timing and dosing for Lasix and ensures language is consistent for Quarter Horse regulations.

**Action:** Approve the adoption of 462-160-0130.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**B. 462-160-0145 Necropsy – Creates a new rule – Minor changes for clarification**

Director Winn reported that there was feedback received, including a letter included in the meeting packet. There was concern about clarification of language, which was fixed.

**Action:** Approve the adoption of 462-160-0145.

**Moved by:** Commissioner Beckstead

**Seconded:** Commissioner Fowler

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**C. 462-210-0040 (1) – Amends funding**

Director Winn reported that this rule clarifies that changes to the processing of payments or technology much be vetted by the ORC before utilizing.

**Action:** Approve the adoption of 462-210-0040.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).

**PUBLIC COMMENT:**

None.

## **CONTESTED CASES:**

### **Final Order by Default – Vichien Chattong – Kelly Routt, AAG**

Kelly Routt presented the Final Order by Default concerning Vichien Chattong, commission case number GPD23-002. Vichien Chattong holds Owner, Trainer, and Groom licenses with the ORC. The ORC's Board of Stewards requested Mr. Chattong make an appearance before the Board on October 12, 2023, regarding conduct at a race meet on October 2<sup>nd</sup>, which he did not attend. He was the owner and trainer of a horse involved in a catastrophic accident on that day. The ORC veterinarian evaluated the horse and determined she should be euthanized. Mr. Chattong refused euthanasia and that another owner was involved in deciding the horse should be taken back to the barn for treatment. The horse was euthanized the following day. Records show Mr. Chattong was the only recorded owner of the horse. The ORC subsequently discovered that Mr. Chattong had also failed to disclose license suspensions in California and Arizona. The Board issued a ruling on October 16, 2023, imposing a 1-year suspension of Mr. Chattong from all Oregon Racetracks (front-side and back-side), all OTBs, and any premises regulated by the ORC. Mr. Chattong applied for an appeal and submitted a \$50 filing fee check per statute. However, he did not make the check payable to the ORC. The ORC requested a new check but did not receive a response. Mr. Chattong received a formal notice of Intent to Suspend License along with another request for the filing fee. Mr. Chattong failed to submit the filing fee, resulting in today's action of issuing a Final Order by Default. The Formal Notice of Intent found Mr. Chattong to be in violation of OAR 462-130-0010 (1)(g) (AA), OAR 462-120-0040 (4), OAR 462-140-0320 (3), and OAR 462-130-0010 (1)(Q).

The recommendation is the approval of a Final Order of Default which would result in a 1-year suspension of Mr. Chattong from all Oregon Racetracks (front-side and back-side), all OTBs, and any premises regulated by the ORC.

Commissioner Beckstead questioned if the Commission has the authority to modify the penalty. Ms. Routt responded no in this case, as this is an adoption of the Steward's Ruling. Commissioner Beckstead replied that this individual was in violation of the ORC's commitment to equine safety and welfare as well as honesty and integrity. In his opinion, Mr. Chattong should receive a life-time ban from racing in Oregon. Commissioner Fowler asked if the ORC has a say in whether Mr. Chattong receives another license after his 1-year suspension ends. Ms. Routt responded that if Mr. Chattong did reapply for another license in the future, the ORC has all the information recorded to determine if another license will be issued.

**Action:** Approval of the Order by Default concerning Vichien Chattong.

**Moved by:** Commissioner Fowler

**Seconded:** Commissioner Beckstead

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).



**CONFIRMATION OF NEXT COMMISSION MEETING:**

The next commission meeting is scheduled for August 22nd, 2024, at 1:30 P.M. remotely via Microsoft Teams videoconference.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 3:48 p.m.

**Action:** Adjourn the meeting.

**Moved by:** Commissioner Beckstead

**Seconded:** Commissioner Fowler

**Vote:** Commissioners Doherty, Berry, Fowler and Beckstead voted AYE, and the motion was carried unanimously (4:0).