



NEW YORK STATE SENATOR

John J. Bonacic

State Senator Says Nyra Should Waive Attorney/client Privilege They Hold Over Former Integrity Counsel

JOHN J. BONACIC May 25, 2012

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Chairman of Senate Racing, Gaming, Wagering and Judiciary Committees Says NYRA should waive protections and release report

In the wake of stunning papers filed in United States Bankruptcy Court in Manhattan yesterday by the New York Racing Association's former "Independent Business Integrity Counsel", the Chairman of the State Senate's Racing, Gaming & Wagering Committee, who also Chairs the Senate's Judiciary Committee, is urging NYRA to waive its attorney/client protection to allow for the release of documents about NYRA, held by their former Counsel.

The law firm of Getnick & Getnick was chosen by a Federal Judge in 2004 to serve as NYRA's Federal Monitor as part of a Federal deferred prosecution agreement.

In 2007, NYRA voluntarily retained the law firm as business integrity counsel. NYRA used that court approved five year contract as one of the reasons they should be granted a decades long franchise to run racing, which they were awarded in 2008. In the negotiations over the 2008 franchise, NYRA attempted to make the case that they no longer had any ethical or potentially corruption related issues, in part because they were voluntarily going to keep Getnick & Getnick on.

The Legislature, as part of granting NYRA a continuing franchise to run horse races at New York's top tracks, mandated NYRA to have an integrity counsel as part of the continuation of the franchise, to protect horses jockeys bettors and to promote accountability.

Now, Getnick & Getnick's report and documents on NYRA's conduct while Getnick was their Counsel, which were delivered by Getnick in 2011 to each of NYRA's Board Members, are being withheld while NYRA is being re-organized by the State.

"Getnick was paid a substantial amount for their services. The services were not intended for the benefit of NYRA, but rather for the benefit of the racing fans who trusted NYRA to run a fair racing operation. Now, NYRA is using the attorney/client privilege as a sword

and a shield – a sword to stab at the public’s quest for integrity, and a shield from the public’s right to know the whole truth and nothing but the truth in relation to NYRA.” Senator Bonacic is arguing that NYRA was mandated to have Integrity Counsel for accountability and transparency for the benefit of the public, not for the benefit of NYRA. “What good is having an integrity counsel if they can’t blow the whistle when NYRA functions without integrity? We have no idea if NYRA’s recent betting scandal, where they unlawfully held winnings from bettors was a complete anomaly or the tip of the iceberg because NYRA is invoking a privilege to hide information that rightfully the public has a right to see,” Bonacic said.

Earlier this week Governor Cuomo reached an agreement with Legislative Leaders and NYRA over a restructuring of NYRA’s Board which would allow the State leaders rather than NYRA’s existing Board to choose a new Board. “The Governor has done a great job here. The only question is whether any of the existing NYRA Board members should have any involvement in picking any Board members of the ‘new NYRA’. We truly cannot answer that question as long as NYRA is keeping their integrity related documents a secret,” Bonacic said.

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