

UNDERSTANDING ONTARIO

By Chris E. Wittstruck, Esq.



Chris E.
Wittstruck, Esq.

Editor's Note: The views contained in this column are that of the author alone, and do not necessarily represent the opinions or views of the United States Trotting Association.

Competing interests are the hallmark of free market economic systems. If there's only one shoe store in town, you can be confident that everybody in town will either wear expensive shoes or go barefoot. If there are five such outlets, it's a pretty good bet that just about everybody will be walking around in reasonably priced footwear.

So, too, the folks making the shoes are in constant negotiation with the retailers over wholesale pricing. The give and take is healthy, and ultimately beneficial to the consumer. Of course, when there's only one shoe store in town, that store can also freely decide just which manufacturers it wants to deal with, and which it does not. In this scenario, the quality of the shoes aren't always relevant; if the single outlet can get better terms out of one cobbler than another, they simply shun the one that wants more for its product and embrace the other guy. Since there's no competition, there's no quality or price comparison for the consumer. It's a clear case of take it or leave it, with the monopolistic outlet in complete control.

In racing, the manufacturers of the product are the horsemen. Their product is displayed and sold to the consumers, the bettors, by the racetracks. When the only track in town refuses to deal with certain horsemen, and favors others, you can rest assured that it's not the track operators who will be the ones going barefoot.

While the foregoing provides a suitable backdrop to the curious doings in the Ontario harness racing industry of late, it doesn't explain the entire scenario. By refusing to deal with the decades-long established Ontario Harness Horsemen's Association (OHHA), Woodbine Entertainment Group (WEG), the master of its namesake racino as well as Mohawk Raceway, didn't just shun the leadership and members of this group of 4,500 racing producers; it took dynamic steps to dismantle OHHA. Not surprisingly, it was all done under the convenient guise of the most misused word in harness racing: Integrity.

One such move involved the banning of all entries of OHHA's decade-long President, Jim Whelan, from the Woodbine/Mohawk entry box because of his refusal to execute a self-styled "access agreement." The document started out as a rather innocuous insurance certification, then quickly morphed into an acknowledgement of WEG rules of conduct, basically requiring horsemen to forego all of their rights at WEG tracks. Sign the agreement, and if WEG doesn't like you, then you are gone, and you have no recourse or remedy. In a further generation as a revenue sharing device, the executed documents are now being used in an attempt to substitute for collective bargaining.

A similar move demanded that OHHA agree not to represent horsemen (of course, this is its only role) if WEG decided to toss the ones WEG, in its sole discretion, decided were no good for the game. If WEG says you're a cheater, you're a cheater, even if you're simply a proactive horseman trying to better the horsemen's lot at WEG's

expense, and WEG wants to ensure that you are cast adrift with the silent acquiescence of your horsemen's organization.

If a guy is a true cheater, wouldn't that come out at a fact-finding hearing before an independent officer or court? If so, then why would WEG want to have a horseman waive his rights, and have OHHA walk away from assisting the fellow? The answer is patently obvious. Unilaterally decided "integrity violations" by a racetrack often involve little in the way of integrity issues, unless standing up for one's rights and that of fellow horsemen are considered to be acts of cheating. In a less nefarious light, tracks often simply want to rid themselves of horsemen they truly think are cheaters, without affording the accused rights. WEG's ability to act as judge, jury and executioner is enhanced if it can get horsemen to waive their right to objective review. Without anybody looking over its shoulder guarding individual rights, track management becomes the ultimate and final arbiter of the careers of horsemen.

What's the big deal with a fact-finding hearing by a commission or court? Consider the January 2009 ruling of the Superior Court of Justice in Toronto affirming a ruling of the Ontario Racing Commission and slapping WEG with \$22,000 in court costs for denying innocent owners the right to enter eligible horses at its track under a perverse and tortured theory that the horses themselves were marked with the scarlet letter of violators simply because they were in the barn of an accused cheater. Of course, by obtaining waivers of rights to appeal, WEG would be able to prevent the inconvenience of being told that it was dead wrong ever again, and avoid expenses it would rather forego.

As if securing the right to unchallenged exclusion of horsemen leaders and other vocal participants weren't enough, WEG also demanded that OHHA waive its independence as an organization by dictating to it how it must be structured and function. In this regard, WEG made various demands for change of OHHA's constitution, including requiring how directors are allocated among tracks, demanding that only horsemen with a certain number of starts be permitted to vote on contract ratification issues, and other wholly intrusive matters. Here, the shoe store has decided that it not only will refuse to negotiate with manufactures, but also has overtly attempted to control the inner workings of the manufacturers' trade association so as to ensure sweetheart terms in contracts.

When all of these attempts faltered, WEG simply did what was tried and failed a few years ago at an upstate New York harness track; it fostered the development of a rival group. Without in any way denigrating the new group's leader, a short-lived OHHA president, and the handful of other horsemen making up the faction, suffice it to say that this new group has attained the giddy glee of WEG. That's not an opinion; it's a clear fact drawn from a recent article penned by the Executive Vice President of the North American racetracks' trade group that was published in both the August edition of *Hoof Beats* and on the USTA Web site.

In the missive, written under the pretext of trumpeting the bona fides of the splinter group's president, Bill O'Donnell, the author describes OHHA's board as "belligerent" and surreally criticizes it for having the audacity to fight WEG on behalf of the horsemen. The piece is not short on demeaning statements and miscommunications about OHHA, such as that the thousands-strong group, "has been reduced to a non-entity;" has received, "the last nail in the OHHA coffin;" that its "belligerence has led to its extinction;" and that, "For all practical purposes, it is gone." Aside from the poison pen references so

expectedly emanating from that great bastion of harness racing, the desert of Arizona, the piece is much more telling in the portions that evidence a less venomous tenor and tone.

Consider the following snippets: The article indicated that OHHA felt that O'Donnell, "was too willing to compromise with Woodbine" when it allegedly gave him a lack of confidence vote within weeks of his election (in reality, O'Donnell simply resigned). It further lauded O'Donnell for being, "smart enough to understand that Woodbine Entertainment holds the cards in Ontario" and further that he, "realizes where the power lies and who calls the shots, and he respects those facts of life." It additionally stated that O'Donnell's splinter group is a "healthy development for harness racing in Ontario, and in Canada," and that WEG was "impressed at the broad representation of the group's board of directors."

When the paid spokesperson for the foxes complains that the old henhouse security company was belligerent, but that the new one "is back on a course of co-operation" and understands the "facts of life" it isn't hard to figure out what's going to happen down the road.

Of all the statements contained in the article, however, the most significant is a sentence taken from a WEG press release: "It has always been WEG's preference to partner with an association of horse people that race at our tracks and share a similar vision for honest and high-quality horse racing." Therein lies the crux of the Ontario problem.

It is undeniable that the overwhelming majority of horsemen want honest racing, and that includes OHHA horsemen. Terms like "honest" and "high-quality," like the word integrity, formulate the substance of the ruse that horsemen who stand-up to their would-be overseers, track managements, are the evil-doing scoundrels that are ruining the sport. This cruel and deceptive hoax is perpetrated by a small handful of track managements. When horsemen waive their right to appeal track rulings, they become as vulnerable as the accused witches of 17th century Salem who were executed upon evidence constituting nothing more than the screams of pewter-poisoned adolescents. Their purported "co-operation" upon the spurious excuse of integrity becomes their death warrant.

Horsemen are not circus performers. They are not the hired hands of the racetracks. They are highly skilled professionals and owners who collectively are much more financially invested in the sport than the tracks. They do not "partner" with racetracks, nor should they be expected to. When track management sells a patron a program, a hot dog and a beer, their horsemen "partners" don't see a dime of that profit. It seems that horsemen only partner with tracks when it suits management. Simply, the horsemen are the independent producers of a product that is retailed by the tracks to the public. When track managements cross a line and attempt to interfere in horsemen affairs and infringe upon their individual rights, the readily apparent integrity violation presented is the one track managements never seem to talk about.

Remember that divide and conquer is the oldest battle strategy known to man. Vigilant unity is still the best defense against it.

Chris E. Wittstruck, an attorney and director of the Standardbred Owners Association of New York, is the founder and coordinator of the Racehorse Ownership Institute at Hofstra University, New York and a charter member of the Albany Law School Racing and Gaming Law Network.