

1010 Hurley Way, Suite 300
Sacramento, CA 95825
(916) 263-6000
Fax (916) 263-6042

CALIFORNIA HORSE RACING BOARD

Los Alamitos Race Course
4961 E. Katella Avenue
Los Alamitos, CA 90720

Contact: Mike Marten
(714) 820-2748
Cell: (714) 240-1870
Fax (714) 821-6232

CHRB ADVISORY**MAY 18, 2006**

California Horse Racing Board Chairman Richard B. Shapiro today refuted a statement in a press release issued Wednesday by an organization calling itself "CTBAboardwatch," which indicated incorrectly that Chairman Shapiro had agreed to ask the California Attorney General to investigate allegations made by the organization concerning certain activities of the California Thoroughbred Breeders Association (CTBA).

"At no time have I contacted the Attorney General's Office or any other outside agency in regards to their investigating any of the issues that were raised in an e-mail to me from Michael Power (who is associated with CTBAboardwatch)," said Chairman Shapiro. "After reading his erroneous press release, I contacted Mr. Power and asked him to retract any statement of involvement with the Attorney General's Office. At this time, he has not issued any retraction. I am upset and disappointed that anyone would mischaracterize me or misstate the actions of the Attorney General."

In the press release that was distributed to the news media Wednesday, CTBAboardwatch cited Eric Johnson, a consultant with the Assembly Governmental Organization Committee, as the source of the information. However, Johnson said Thursday, "I informed Mr. Power that the California Horse Racing Board, not California Attorney General Bill Lockyer, would look into his allegation for substance and/or merit. I trust the CHRB will deal with this matter like all issues or requests that they receive from the general public."

The CTBAboardwatch allegations involve the way the CTBA handles funds that are legislatively earmarked for certain programs. In a separate response, CTBA Executive Vice President and General Manager Doug Burge said Thursday, "I have previously reviewed this matter with CHRB staff and welcome further discussions with CTBA members regarding the Association's audited financial statements."

Providing some background, Chairman Shapiro explained, "Upon receipt of an e-mail from Mr. Power raising certain issues and concerns regarding the CTBA, I advised the CHRB staff that we should review those issues and concerns internally, including discussing the matter with the CTBA. I also advised Eric Johnson that our staff would review the matter, just as we look into any issues raised by the public.

"At this time, we do not know all of the facts. I certainly would not ask the Attorney General's Office to look into any matter unless the CHRB first conducted a thorough internal review and decided there was an issue requiring the involvement of that office. To be clear, the CHRB has received reports from the CTBA in the past and has never found any wrongdoing. In no way am I asserting any wrongdoing by the CTBA at this time or validating any of the matters raised by Mr. Power, but as in all similar situations, the CHRB will look into this matter in order to protect the best interests of the public and the horse-racing industry."

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