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## CALIFORNIA HORSE RACING BOARD



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CHRB NEWS RELEASE

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### CHRB ADVISORY ON WAGERING REVIEW

SACRAMENTO, CA – The California Horse Racing Board has completed its review of wagering on the fifth race at Hollywood Park on April 24, 2011, and determined that all wagers were placed legally before the start of the race. The evidence is substantial and reaffirms that the wagering system in California is secure.

The CHRB received complaints about a late odds change on the winner of the fifth race, #9 Ninth Infantry, a horse that broke alertly and went on to win by more than three lengths. Because the displayed odds dropped from 16-1 down to 9-1 after the start of the race, some people suspected that a wager or wagers were placed after the start, commonly known as past posting. The CHRB has investigated similar complaints about other races over the years and has determined in every instance that all wagers were placed legally before the start of each race even though the infield totalizator board did not show the updated odds until after the start of the race.

The concern most commonly expressed in these instances is that “the money always comes in on the winner, never on the loser.” Furthermore, a common concern is that the late money “always seems to come in on a horse that breaks well,” indicating a belief by critics that cheaters observe the start before making their wagers. The CHRB review of the April 24 program at Hollywood Park addresses both of these concerns.

System logs and transaction reports show there were numerous large wagers placed on Ninth Infantry, including wagers of \$252, \$425, \$1,030, and \$5000 at various locations. All of those bets were placed before the start of the race – without exception – and most of them were reflected in the posted odds before the start. The \$5,000 wager – most responsible for the drop in the odds – was made just three seconds before the start of the race. No wager made anywhere just three seconds before the race could have been processed and displayed in the odds before the start of the race. The \$5,000 wager was made at a walk-up window at a Nevada location, meaning the bettor was issued a printed pari-mutuel ticket rather than a purely electronic transaction through a wagering account.

It is significant that the transaction logs for the Nevada location show that two other hardcopy \$5,000 win wagers were placed at the same location on the two races that preceded the Ninth Infantry race. Both of those \$5,000 wagers were losers. One was placed on #3 Steve’s Blue Sky, helping make her the favorite. This wager was placed 17 seconds before the start of the third race and was not reflected on the infield tote board until after the start. Significantly, Steve’s Blue Sky

broke sixth in the field of eight and quickly dropped back to last. She wound up finishing seventh. During the early running of that race, the \$5,000 wager showed up in the odds displays, helping to drop Steve's Blue Sky from 5/2 to 9/5. The other \$5,000 wager placed at the same location, also 17 seconds before the start of the race, was a win bet on #4 Nonrefundable in the fourth race. Nonrefundable broke alertly and dueled for the lead before finishing second. During the race, the \$5,000 wager showed up in the odds displays, helping to drop Nonrefundable from 9/2 to 4-1.

The \$5,000 win wager on Ninth Infantry, which was made three seconds before the start, was processed and then displayed on the infield tote board 17 seconds after the start. This was seven seconds slower than the industry standard of posting near-final odds 10 seconds after the start but nonetheless marked a significant improvement over the time it took to display such odds prior to 2007. In an effort to deal with the problem of late odds changes, the 2020 Committee, which is the industry's technical committee meeting under the umbrella of the TRA, recommended in 2007 the adoption of a single 10-second forced odds cycle after the win pool is closed. Adoption by United Tote- and Sportech- (then Scientific Games) supported racetracks was immediate. AmTote-supported tracks adopted this practice over the following 24 months. The 10-seconds forced cycle, or 'almost final' is a summation of the host and all finals from guests that have been received within 10 seconds of stop betting for the win pool, and has been audited at levels of odds representing over 98% of the win pool.

In other words, shortly after the start, virtually all wagers are reflected on the infield tote board. Additional time elapses before television, online, and streaming video displays are updated. The CHRB and other regulators and industry groups are continuously working with the racetracks, racing networks, and other wagering outlets to speed up and improve the display of odds. In fact, TVG and HRTV are providing more timely odds updates now than just a few years ago. Additional improvements for all odds displays are anticipated in the near future.

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