

Testimony of Leonard Allen
Before the Senate Standing Committee on Racing, Gaming and Wagering
NYS Senate Hearing
Room 8
Legislative Office Building
Albany, New York

Good morning. Let me begin by thanking Chairman Bonacic and the members of the committee for allowing me to testify on the future racing, wagering and gaming in New York State.

December 8, 2010 will go down in history as one of the darkest days in the history of New York State. The actions of a few individuals who misinformed this legislative body before a critical vote to prevent the closure of the New York City Off-Track Betting Corporation. The result of the closure was the loss of employment and medical benefits for hundreds of working New Yorkers who for years sacrificed with blood, sweat and tears to preserve a corporation which was generating over \$750 million in revenue for the State of New York.

The closure of the New York City Off-Track Betting Corporation has had a devastating effect on New York State's economy and racing industry. Considering the fact that last year almost 50% of all wagering transactions were done through the New York City Off-Track Betting Corporation, the discussion of the future of the racing industry cannot take place without discussing the future of NYCOTB. The industry has already seen a loss of business and revenue going overseas through internet betting. Even more disturbing is the ongoing rumblings around the State regarding a potential resurgence for the involvement of organized crime as a result of New York City's Off-Track Betting closure.

As you may know, last week New York State Court restored the temporary restraining order which warranted the continuation of benefits for retired New York City Off-Track Betting employees and is still considering the additional liabilities to this State for former employees of the New York City Off-Track Betting Corporation. This will represent a multi-million dollar liability to the State without the benefit of \$750 million in proceeds from the corporation.

That is why we believe it is vital for this body, working with the office of our new governor, Andrew Cuomo, and the New York State Assembly to come together for the benefit of our taxpayers, the racing industry, the retired and active workers of the New York City Off-Track Betting Corporation and re-open a newly constituted entity with all the tools necessary to recapture the lost revenue for the State and to insure the future viability of an industry which provides thousands of jobs to the state economy.

Local 2021 remains committed to working with all partners to re-establish NYC OTB as we have done from the beginning of this process. In these difficult financial time where the State is trying to cut services and identify new sources of revenue, we need our elected officials to have the courage to do what is right for the working people of the State.

Thank you.

I will entertain any questions you may have at this moment.