



NEW YORK STATE SENATOR
Timothy M. Kennedy

After NYS Comptroller Audit Reveals Misuse of Power at Western Regional Off-Track Betting Corporation, Senator Tim Kennedy Introduces New Legislation to Reform OTB's Policies and Board

TIMOTHY M. KENNEDY January 13, 2022

| ISSUE: **GAMING AND WAGERING, OTB**



BUFFALO, N.Y. – Senator Tim Kennedy (D-Buffalo) has introduced three pieces of new legislation designed to restructure the operations of the Western Regional Off-Track Betting Corporation. The Senate bills were drafted in direct response to **an alarming audit from the NYS Comptroller's office**, which found that the Corporation's Board **did not distribute Marketing and Promotional Program tickets** in accordance with the New York State Gaming Commission's regulations and guidelines, often using tickets for personal use instead. Additionally, it found that the Board of Directors **did not provide adequate oversight of take-home vehicles**. As a result, the CEO did not reimburse the Corporation for his personal use of

the Corporation's vehicle until the internal auditor found he was not adhering to the take-home vehicle policy.

The Senate bills would do the following:

- (S7855) revise the structure of the board based on population. As OTB profits are distributed by population, this bill would require that the membership of the board of directors be based on population.
- (S7856) cap the allowance of promotional items for certain members of the corporation. This legislation would make the gift rules governing OTB associates consistent with the Public Officers Law, Legislative Law, and Executive Law, where state employees may not receive a gift of any kind valued at an amount greater than \$15.
- (S7854) prohibit OTB corporation vehicles from being used as take-home vehicles.

"The Comptroller's report very clearly outlined mismanagement and dysfunction at the Western Regional OTB, and demonstrated a clear need for reforms at the corporation, which has been plagued with problems for years," said Senator Tim Kennedy. "Through this legislation, we're holding members accountable, revising outdated policy, and creating fairer representation on the OTB board moving forward. Taxpayers deserve better, and we intend to ensure they receive that."

"The Western Regional Off-Track Betting Corp. gave generous perks to board members, employees and others, ignoring state rules. My auditors found a troubling disregard for appropriate safeguards to hold people accountable and protect public resources," New York State Comptroller Thomas P. DiNapoli said. "Senator Kennedy is proposing legislation that addresses this mismanagement and our major audit findings. I look forward to working with Senator Kennedy on these critical reforms and holding government accountable."

The audit by the Comptroller's office took place over the course of a little more than two years, between September 2017 and December 2019.

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