

House Energy and Commerce Committee
Subcommittee on Oversight and Investigations Hearing:
“Thoroughbred Horse Racing Jockeys and Workers: Examining On-Track Injury
Insurance and Other Health and Welfare Issues”

May 9, 2006

Testimony of Darrell Haire, Interim National Manager
The Jockeys’ Guild

Mr. Chairman and Members of the Committee:

I am Darrell Haire and I am the Interim National Manager of the Jockeys’ Guild. I am very pleased to be back here testifying before you. When I was last before the Committee, we had just retaken control and were trying to get on our feet.

I am pleased to report to you that we have restored order to the business of running the Guild. It hasn’t been easy and big challenges remain. We have had to make some very tough decisions, but we are moving forward and getting the job done.

On the day Mr. Gertmenian and the Matrix team was terminated, we were left with \$6,000 in the Bank, nearly a half a million dollars in unpaid medical bills, disabled jockeys who needed to be paid, an accounting system that was in disarray, and one employee and a graduate student intern in the office. And within a few days, we realized that we would have to move offices to avoid the double rent we were paying Matrix.

On that first day, Mr. Chairman, we decided that we would not declare bankruptcy, that we would do everything in our power to get the Guild back on its feet and moving again. Jockeys and their wives volunteered to work in our office and we worked 7 days a week, 12 hours a day to get things moving again.

Immediately, and taking a significant leap of faith, the Chairperson of the California Horseracing Board, Richard Shapiro, authorized the payment of hundreds of thousands of dollars of back health insurance funds that had been withheld while the CHRB investigated allegations of financial misconduct by Dr. Gertmenian. Shortly thereafter, led by Magna Entertainment Company, many racetracks began sending back media rights payments to the Guild. And our members, the backbone of our organization, stuck with us.

Our Board of Directors realized that, in order to get our financial house in order, we needed to institute a series of painful fiscal reforms to cut costs. These included:

- Increasing the eligibility requirements for our temporary disability program to minimum of 100 mounts in the current or previous calendar year.
- Raising our dues by 25%, from \$3 per mount to \$4 per mount.
- Creating a consistent policy in our permanent disability program so that all participants get the same benefits.
- Requiring that all jockeys who are in arrears in health insurance premiums make arrangements to pay their back premiums or lose coverage. We have recently terminated approximately 100 jockeys from the plan after making every effort to get them to pay the premiums they owe.
- Creating a Rules Committee charged with insuring that our members do not get behind in their health premium payments and to take action if they do.

In addition to fiscal reforms, we have instituted a number of institutional reforms to make our organization more democratic and more accountable to its membership. At our recent national assembly in Dallas, Texas, we approved amendments to our bylaws that did the following:

- Established a new system of national direct elections of the Guild Senate, to be held in June of this year and every two years thereafter.

- The Senators would run for office and represent three regions of the country, a western, central, and eastern region.
- The Senators would then elect a new Board of Directors.

Finally, we have improved our previously nonexistent system of internal communications. We have a web site that is regularly updated with current information to our members and we are informing our members by mail and in every jockeys' room in the country of new policies and issues as they arise.

We continue to represent our members vigorously at the racetracks, before the racing commissions around the country, and in front of state legislatures.

While we are not out of the woods yet and are still operating on a day-to-day basis, every day we are making progress towards restoring the integrity and strength of our organization.

Mr. Chairman, due to the determination of our members and help from our friends—including the members of this Committee—the Jockeys' Guild is moving in the right direction again.

Thank you again for the opportunity to be here today.