

Top cop inherits hard issues

By MATT HEGARTY

On Jan. 13, federal prosecutors in New York released an indictment accusing 17 people of a variety of crimes in horse racing, including running an illegal gambling ring and conspiring to fix a race by giving a horse a banned medication.

That same afternoon, Frank Fabian completed his final interview with the Thoroughbred Racing and Protective Bureau, a private investigative agency owned by racetracks. Fabian, a longtime veteran of the FBI, had made the final cut in a search to replace Paul Berube, who was retiring as TRPB president, a job Berube had held since 1988.

So what did Thoroughbred racing's potential new sheriff think the next morning after reading about the sport's biggest scandal since the rigged ticket in the 2002 Breeders' Cup pick six?

"I didn't think I could walk into it at any better time," said Fabian.

Fabian, 53, was hired as racing's top security official in February, leaving behind a 20-year career at the FBI. He received the agency's highest honor in 1996, the Director's Award for Excellence in Investigation, for breaking up a violent drug-running ring in Indianapolis. His last position at the FBI was assistant section chief in the counterterrorism division, sifting through mazes of financial transactions in the hopes of shutting off the flow of money to terrorist groups.

Thoroughbred racing's problems might seem to pale compared with terrorism, gang wars, and undercover investigations of the Lucchese and Genovese crime families - other Fabian specialties at the FBI. But, like many FBI agents approaching mandatory retirement at the age of 57, he was getting restless sitting behind a desk in Washington. The TRPB was an interesting possibility. Its first president was Spencer Drayton, an assistant to FBI Director J. Edgar Hoover, who played a role in the racing bureau's founding in 1946.

"When I did some research and started reading about the history of the TRPB, going back to the establishment and Spencer Drayton and its affiliation with the FBI and all that it stood for as to the integrity of racing, I just thought, what a unique opportunity," Fabian said recently from his office in Fair Hill, Md. "And I still think that, every day I walk into this office."

The bureau is a private agency owned by racetracks, charged with protecting the integrity of a game that has known its share of checkered schemes. The bureau's first major initiative was tattooing horses on the lip to prevent the use of ringers, and it has since branched into analyses of wagering pools to keep up with the increasingly sophisticated technology in the country's electronic betting network.

Members of the TRPB board said Fabian was an obvious selection, citing his experience and energy.

"What most stood out was the resume," said Sherwood Chillingworth, a TRPB board member and the executive vice president of the Oak Tree Racing Association. "But you also had someone who was very enthusiastic and who has a lot of experience in broad investigations."

The industry's integrity has perhaps never been more under attack than in 2005, in part because of the indictment, in part because of lingering suspicions about racing's bet-processing network in the wake of the Breeders' Cup pick six scandal, and in part because of stubbornly held perceptions among some bettors and trainers that performance-enhancing medications are being widely abused.

Fabian said that the TRPB's two priorities continue to be those underscored by the January indictment: abuse of performance-enhancing medications and the regulation of betting shops that offer rebates, particularly offshore shops that are typically in jurisdictions in which regulation is either nonexistent or far below standards in major racing states.

"The issues of medication, wagering, and tote security are upon us right now," Fabian said, "and they are not going away easily."

Already, the TRPB has sent a team of plainclothes investigators to Keeneland Racecourse, Churchill Downs, and Pimlico Race Course to monitor horses in the Blue Grass Stakes, Kentucky Derby, and Preakness Stakes. That team - whose costs are paid by the Racing and Medication Testing Consortium, a national horse racing group seeking to reform the industry's medication and security practices - will also be in place at the Belmont Stakes on Saturday in New York.

The TRPB has prepared a packet of materials for tracks to send to betting shops, seeking information about the betting shops' owners, operations, and business practices. Some betting shop operators have privately grumbled that too much information is being sought and that the betting shops should not have to pay for the investigations - a key component in the current TRPB plan.

Under the plan, a racetrack will send a TRPB-prepared questionnaire to the betting shop, asking that it be filled out and sent back to the track. The track will then collect a \$30,000 deposit from a domestic shop or a \$50,000 deposit from an offshore shop, send the packet back to the TRPB, and pay the TRPB to conduct an investigation from the funds provided by each shop.

Fabian shrugs off any criticism.

"In my view, we are completely impartial," Fabian said. "Everyone gets a fair look, the same look, and we harbor no grudges against anyone."

Although Fabian would not disclose details, citing the shops' privacy rights, he said that the investigations were seeking information that any racetrack or OTB operator in the United States would be expected to provide to state regulators. He said that if the TRPB investigates a betting shop, the results are made available on a confidential basis to racetracks that request a report.

"There was certainly a lack of knowledge about who these people were, what were their business practices, their operations, the source of technologies that they employed," Fabian said. "All of these, I think, are clearly issues and questions for which there should be answers available for our host tracks so that

they can make decisions about whether or not to do business with these individuals, and if so, how to price that product."

Fabian declined to say how many agents the bureau has on its payroll, but he said he was concerned about a lack of resources in general and singled out the recruitment of new agents.

"This is not an industry where you learn it all in a year or two," he said. "I don't want to find myself seven or eight years down the road losing agents through attrition and retirement and not having a full set for their replacements."

Fabian, who said he intends to remain at the TRPB for at least 10 years, contended that horse racing will always be a target for a variety of schemes.

"This is a sport that involves billions of dollars in wagering, and some of the things that were going on in the early days of racing and the TRPB are still going on right now," Fabian said. "If we forget for one minute that La Cosa Nostra and organized crime are out there trying to seek an unfair advantage over our sport, as they do in any other businesses, then we are kidding ourselves."