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NYC OTB lost its credibility with shutdown threat, Assemblywoman Gunther says

By Victor Whitman
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MONTICELLO — A state lawmaker is slamming the New York City Off Track Betting Corp., saying the company created a phony crisis in a failed bid to win concessions.

The OTB announced it was shutting down by the end of business Sunday unless it could reach a deal with Gov. David Paterson and the state Legislature.

It was asking for a temporary waiver on certain fees to the racing industry, which would have meant a \$2 million reduction in payments to Empire Resorts' Monticello Casino & Raceway and local horsemen, and also severely hurt the track in Yonkers.

But after state lawmakers left Albany on Friday without taking action, the OTB announced it was staying open for a year and was rescinding 1,300 layoffs.

The company announced it plans to negotiate with the New York Racing Association and other creditors in U.S. Bankruptcy Court, and defer some payments.

"What a tremendous waste of time and energy," said Assemblywoman Aileen Gunther, D-C-Forestburgh, who last week expressed concern that the OTB might shut down.

"OTB's credibility is shot," she said. "Following years of bad business decisions and indifference to the New York racing industry, NYC OTB manufactured a crisis in which the futures of approximately 1,300 OTB employees and union members were forced to be weighed against the long-term health and well-being of a racing industry responsible for more than 40,000 jobs across the state of New York."

Empire Resorts and Yonkers vigorously opposed any deal to reduce their payments, saying last week it was better for the OTB to close.


"Empire Resorts will be working closely with the United States Bankruptcy Court and the creditor's committee to obtain a viable solution that deals with the creditors fairly," Empire's Executive Vice President Charlie Degliomini said.

"New York City OTB still needs to address the \$5 million they already owe us and our horsemen.

"Also, we are troubled by OTB's belief they can unilaterally defer other payments without the permission of the court."

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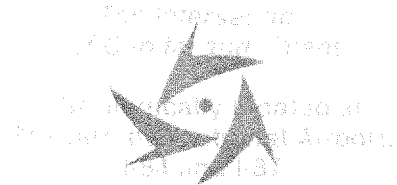
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