

Tournament Brouhaha

The winners' purses for the 2017 Breeders' Cup Betting Challenge were delayed for more than a month because organizers believed that several players worked together to game the contest.

And this is news to whom?

Here's what happened:

While the BCBC nominally required bettors to make at least \$600 in bets on five races on the Friday BC card, and at least \$900 on five races on Saturday, players who skipped races were penalized points, not money. Therefore, players could keep their \$7,500 betting bankroll intact (there was also a \$2,500 entry fee per person) while biding their time for one big plunge.

And that's what many players did. You don't win these contests by betting small money on many winners. Instead, experienced real-money players understand that they have to go all in (or almost all in) on something very, very long. If there are 400 entries in a contest, your chances of winning are something like 1 in 400. However, if you make one giant bet on some 30-1 shot instead—and by giant I mean pretty much your whole bankroll, not just a crummy \$1,000 or so—you cut your odds to winning the tournament to maybe 1 in 40.

And if you have two entries, you cut your odds even further. And if you have two and your friend has two, and you don't overlap by betting the same horses, you're even closer to victory.

So, over the years, players have ignored tournament rules about collusion. After all, are you "colluding" when you ask your buddy his strategy? Or handicap the races with him? Or make a decision on what to bet based on a collective group plan? Tricky questions.

A number of players signed a letter accusing several participants of collusion, and Breeders' Cup officials then hired a law firm to conduct an independent investigation. Their report cleared winner Nisan Gabbay (who picked up the \$300,000 first prize in addition to his real-money total of more than \$176,000) and his tournament partner, Ken

McFarland, of improprieties. The two own a limited liability company to manage their tournament winnings. In the BCBC, Gabbay bet nothing on the first day while McFarland's entry went south. With his bankroll still relatively pristine with two races to go, Gabbay bet \$4,000 on 14-1 winner Talismanic in the next-to-last race, then hit the \$17 Gun Runner-Collected exacta--\$15,000 worth--to up his total to more than \$176,000, enough to win the contest. While it's a pretty sure bet that the pair mapped out a plan together, the report concluded that this didn't give them an unfair advantage.

Not so lucky was ninth-place finisher Eric Moomey, who was disqualified. The report revealed that he and Roger Ball, who each had two entries, combined forces to cover every horse in the Juvenile Fillies with no overlapping wagers among the four separate entries, as well as all European entries except one in the Juvenile Turf, again with no overlapping wagers. They made all these bets on the same four wagering machines, nearly at the same time. The report concluded that combining four separate entries to create a larger bankroll, then using that bankroll to wager on more horses in a single race, gave the pair an unfair advantage over those players who had only one or two entries.

Complaints about other players were dismissed.

Contest results—since deleted from the Breeders' Cup website—show that of the 413 entrants, more than half wound up with a final total of \$0 from their original \$7,500 bankrolls. (Some players also ponied up \$2,500 for the entry fee, although many others qualified via low-cost feeder events). Only 89 entrants wound up with more than their original \$7,500 stake. If a player had two entries, chances were good that he blew his entire \$15,000-\$20,000 stake for the weekend. How many people do you know who can afford to lose this kind of money?

From the time thoroughbred tournament play began in the 1970's, players have tried to figure out how to win contests, which is different from determining who is the best handicapper.

These are two completely different skills. For example, in a tournament, it might be a smart play to bet a 20-1 shot who really should be more like 35-1. In daily play, it would be a sure ticket to bankruptcy.

Well heeled players have long played multiple entries. For instance, while many

tournaments restricted any individual from controlling more than two entries, Joe Blow would fill out two entries—along with two more each by his wife Sally, his cousin Jimmy, and his brother-in-law Bobby. Sometimes not only would Joe make all the selections, but at some tournaments nobody checked to see who turned in the contest forms, and Sally and Jimmy and Bobby might be a thousand miles away. So with only a couple of races to go, Joe could cover every longshot, rather than having to take a shot with one.

Sometimes players would split--you get half of my winnings and I get half of yours. We each might play our own entry, or we might discuss how best to use our entries to maximize our gains.

Monitoring the opposition's bankrolls throughout the tournament has been another popular strategy. Let's say you were far back with one race to go. You would calculate what payoff you would need in the final race to take the lead, then bet that horse whether you thought he had any chance to win or not. Of course, somebody above you might bet that same horse, but maybe nobody would. This strategy has proved popular both in real-money tournaments (where one big bet could win the contest) and mythical-bet tournaments (where, depending on the number of races and size of the field, you might have to hit several wacky ones). As in a Santa Anita tournament years ago in which only one of the 295 entrants bet a 42-1 shot in the last race of the contest, a simulcast from Golden Gate--and guess who won the \$25,000 first prize? The most notorious of these stories was probably the 1997 Sports Haven Handicapping Challenge where the 19 top finishers all made maximum bets on a \$213.80 winner.

What's new is not the strategies, but the crackdown. These tournaments have never been about who outhandicaps whom. Instead, they're about who has a big bankroll in the first place (to enter many tournaments, including possibly flying to several on-track events), who fearlessly bets huge in real-money events (possibly because some or all of the betting stake was contributed by outside sponsors), and who's not afraid to go 0-for-the-whole-tournament in an attempt to take down the big money.

In a 1996 report called *Tournament Strategies*, I wrote, "If a wide enough bet variation is permitted, perhaps even just one longshot will get you all the money. In tournaments where you can bet virtually anything you want, it pays to take a shot by

betting your whole bankroll on a single longshot in one race.” And that’s what just about every real-money tournament player does these days—take a shot with something bizarre, hope to get lucky, and pray that nobody else has landed on the same crazy exacta or trifecta. The second-place finisher in the BCBC, for instance, played a bunch of wacky daily doubles and hit a \$100 daily double combining \$65.40 winner Stormy Liberal with \$135.40 winner Bar of Gold that paid \$2546.40 for \$2; his second-place prize was a nifty \$225,000.

The tournament scene has undergone big changes recently. The Daily Racing Form has its own circuit now, all online, with winners of small events qualifying for its own World Championship of Handicapping and/or the Horse Player World Series. The rival tour, the National Horseplayers Championship, is connected with the National Thoroughbred Racing Association, the Form’s former partner. On-track and some online tournament sites such as horsetourneys.com and derbywars.com funnel qualifiers for some of their larger tournaments to the NHC (these online sites also offer events with small entry fees which do not offer seats at the big-money tourneys).

Most events use mythical bankrolls or require tiny bets (e.g., \$2 to win on each pick). They may not be as exciting as a real-money tournament where every race offers a chance to dial up some giant score, but they’re exciting enough for most players, and a lot less risky.

If you’re interested in playing a tournament, study the rules. Generally, tournaments are tests of nothing more than short-term luck. So what? If you win one, you can brag. And if you win a big one, you can brag forever.