STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

A PERFORMANCE AUDIT
OF THE

ATHLETIC COMMISSION

DECEMBER 1981

A REPORT TO THE
ARIZONA STATE LEGISLATURE

REPORT 81-20

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STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

December 23, 1981

Members of the Arizona Legislature
The Honorable Bruce Babbitt, Governor
Mr. Gerald Maltz, Chairman
Athletic Commission

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Athletic Commission. This report is in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. The performance audit was conducted as a part of the Sunset review set forth in A.R.S. §§41-2351 through 41-2379.

The blue pages present a summary of the report; a response from the Chairman, Mr. Gerald Maltz is found on the yellow pages preceding the appendices.

My staff and I will be pleased to discuss or clarify items in the report.

Respectfully submitted,

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SUMMARY

The Office of the Auditor General has conducted a performance audit of the Athletic Commission in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset Review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

The Athletic Commission was created in 1958 to regulate all professional boxing, sparring and wrestling matches and exhibitions conducted within counties with a population of one hundred twenty-five thousand or more and in smaller counties, if requested to do so, via a County Board of Supervisors' resolution. Today the Commission regulates all professional boxing and wrestling contests in the State.

The three members of the Commission are appointed by the Governor to three-year terms. The Commission has no full-time support staff. However, the Commission does employ an executive secretary on a part-time basis.

The Commission licenses referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, boxers, wrestlers, managers and seconds.

Our review revealed that the Commission has not fulfilled its responsibility to ensure that participants in professional boxing comply with statutory requirements. As a result, some unlicensed individuals have participated in professional boxing and promoters have not paid the two percent gate tax in compliance with the statutes. (page 7)

Our review also found that changes are needed to improve the regulation of boxing and better protect participants from harm. (page 15)

Further, our review found that the Commission has not complied with all statutory requirements dealing with professional wrestling. However, the results of these noncompliances do not threaten the health, safety and welfare of the public or participants. Deregulation of professional wrestling could occur without endangering the health and safety of the public or participants. (page 25)

Finally, the Commission has not complied with A.R.S. §5-224.D regarding the requirement that it hold monthly meetings. However, given the amount of business the Commission must transact, and the state of the Commission's finances, this requirement appears unnecessary. Also, with reference to the Commission's finances, the commissioners and the Commission's executive secretary have not been paid all of the per diem and compensation to which they are entitled. (page 31)

Consideration should be given to the following recommendations:

1. The Commission should require that all participants in professional boxing be licensed and pay all fees due to the State.

2. The Commission should require that ringside physicians and Commission staff file reports as specified in the statutes.

3. The Commission should require that promoters comply with the provisions of A.R.S. §5-233 and that promoters provide evidence of that compliance.

4. The Commission should collect all fees due to the State under the provisions of A.R.S. §5-235.

5. The Commission expand its pre-fight examination to encompass a review of a fighter's: hearing, vision, mouth, glands, respiratory system, blood pressure, heart, abdomen, reflexes, nervous system and hands. In addition, tests should be made for hernias and drug or alcohol usage and urine tests should be performed.

6. The Legislature enact legislation requiring fighters to have annual physical examinations.

7. The Commission develop and maintain a comprehensive medical history on each fighter which should be periodically reviewed by a Commission physician for indications of cumulative physical damage.

8. The Commission obtain from the New York Boxing Commission its recorded seminar on boxing injuries and require all ringside physicians to view the recording.

9. The Legislature enact legislation to provide ring physicians with the authority to stop a fight and examine a fighter.

10. The Commission strengthen its licensing procedures by fingerprinting applicants and contacting other boxing commissions regarding suspensions, knockouts or other injuries and won/lost records.

11. The Commission consider developing a "passport" system of licensing similar to that used by the New York Boxing Commission.

12. The Legislature enact legislation increasing the gross receipts tax and revising the provisions governing the tax on television and radio royalties in order to help fund the above recommendations.

13. The Legislature should consider eliminating statutory provisions regulating professional wrestling.

INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit of the Athletic Commission in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset Review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

The Athletic Commission was created in 1958 to regulate all professional boxing, sparring and wrestling matches and exhibitions conducted within counties with a population of one hundred twenty-five thousand or more and in smaller counties, if requested to do so, via a County Board of Supervisors' resolution. Today the Commission regulates all professional boxing and wrestling contests in the State.

The three members of the Commission are appointed by the Governor to three-year terms. The Commission has no full-time support staff. Support functions are handled by the Arizona State Boards Administrative Office (ASBAO), which was created in 1976. ASBAO serves as the support staff for the Commission and ten other State boards or commissions, providing secretarial and clerical services for each tenant board or commission. The Commission does employ an executive secretary on a part-time basis.

The Commission licenses referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, boxers, wrestlers, managers and seconds.

The Commission is funded through fees charged for licenses and the collection of a two percent tax on adjusted gross receipts for professional boxing or wrestling matches or exhibitions. Ninety percent of the fees collected are deposited in the State Athletic Commission Fund. The remaining ten percent is deposited in the State General Fund. Table I illustrates the expenditures of the Commission for fiscal years 1977-78 through 1980-81 and the appropriation for fiscal year 1981-82.

TABLE I

SUMMARY OF COMMISSION EXPENDITURES FOR FISCAL YEARS 1977-78 THROUGH 1980-81 AND THE APPROPRIATION FOR FISCAL YEAR 1981-82

	1977-78	1978-79	1979-80	1980-81	Appropriation 1981-82
Personal services	$1,900	$2,400	$2,200	$3,300	
Employee related	83	400	400	600	
Professional and outside services	1,522	2,400	2,700	4,400	
Travel in state		500	800	1,000	
Travel out of state			100		
Other operating expense	329	500	1,300	1,500	
Equipment				200	
	$3,834	$6,200	$7,500	$11,000	$18,900 *

The Auditor General expresses gratitude to the members of the Athletic Commission and to the staff of the ASBAO for their cooperation, assistance and consideration during the course of the audit.

* For fiscal year 1981-82, the Board received a lump sum appropriation of $18,900.

SUNSET FACTORS

SUNSET FACTOR: OBJECTIVE AND PURPOSE IN ESTABLISHING THE COMMISSION

The Athletic Commission was created in 1958 to regulate professional boxing, sparring and wrestling matches and exhibitions in Arizona.

According to Commission records, its goals are to

> "Assure that the greatest possible protection, both physically and financially, is provided participants and all interested parties of boxing and wrestling matches. Collect the complete and proper amount of tax revenue due the commission."

SUNSET FACTOR: THE DEGREE TO WHICH THE AGENCY HAS BEEN ABLE TO RESPOND TO THE NEEDS OF THE PUBLIC AND THE EFFICIENCY WITH WHICH IT HAS OPERATED

The Athletic Commission has not fulfilled its responsibility to ensure that participants in professional boxing comply with statutory requirements. As a result, some unlicensed individuals have participated in professional boxing and promoters have not paid the two percent gate tax in compliance with the statutes. (page 7)

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS ENCOURAGED INPUT FROM THE PUBLIC BEFORE PROMULGATING ITS RULES AND REGULATIONS AND THE EXTENT TO WHICH IT HAS INFORMED THE PUBLIC AS TO ITS ACTIONS AND THEIR EXPECTED IMPACT ON THE PUBLIC

Meetings of the Commission are open to the public. Notices of meetings are posted in the Occupational Licensing Building and are circulated to interested parties through direct mailings. The Commission has heard statements from public organizations and individuals and has made an effort to incorporate such public input into its procedures.

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS BEEN ABLE TO INVESTIGATE AND RESOLVE COMPLAINTS THAT ARE WITHIN ITS JURISDICTION

During the period January 1, 1981, to August 1, 1981, the Commission received only two complaints. Our review determined that the Commission reviewed and resolved both complaints in a timely manner.

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS OPERATED WITHIN THE PUBLIC INTEREST

The Commission has taken positive actions to protect fighters from physical harm including requiring accident insurance for boxers and protective padding for ring floors. The Commission has also developed boxer-promoter contracts requiring information about prior fights and has required matchmakers to justify in writing why proposed fights would be competitive. However, the Commission may not have operated in the public interest to the extent that it has allowed unlicensed individuals to participate in professional boxing and some promoters to not pay the two percent gate tax in compliance with the statutes.

SUNSET FACTOR: THE EXTENT TO WHICH THE RULES AND REGULATIONS PROMULGATED BY THE COMMISSION ARE CONSISTENT WITH LEGISLATIVE MANDATE

Following passage of new legislation in 1980, the Commission promulgated new rules which were certified by the Attorney General in January 1981.

SUNSET FACTOR: THE EXTENT TO WHICH THE ATTORNEY GENERAL OR ANY OTHER AGENCY OF STATE GOVERNMENT HAS THE AUTHORITY TO PROSECUTE ACTIONS UNDER THE ENABLING LEGISLATION

A.R.S. §5-236 states, in part:

> "A person is guilty of a class 2 misdemeanor who:
> "1. Conducts, holds or gives boxing or wrestling contests or participates in any boxing or wrestling contest without first having procured an appropriate license as prescribed in this article.

"2.Violates any provision of this chapter or any rule or regulation adopted pursuant to this chapter."

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS ADDRESSED DEFICIENCIES IN ITS ENABLING STATUTES WHICH PREVENT IT FROM FULFILLING ITS STATUTORY MANDATE

The Athletic Commission developed proposed legislation for the 1980 Legislative Session which was passed, signed by the Governor and became effective in 1980. This new legislation gave the Commission statewide jurisdiction over boxing and wrestling and more discretionary authority regarding fees and the conduct of boxing and wrestling matches. This legislation was prompted in part to obtain control over "barroom boxing" and "toughman" contests which prior to the legislation did not fall under Commission control.

SUNSET FACTOR: THE EXTENT TO WHICH CHANGES ARE NECESSARY IN THE LAWS OF THE COMMISSION TO ADEQUATELY COMPLY WITH THE FACTORS LISTED IN THIS SUBSECTION.

Ring physicians should be given statutory authority to stop a contest and examine a boxer to determine whether the boxer is physically capable of continuing. (page 20)

A.R.S. §5-235 should be amended to increase the two percent tax on gross receipts, and to revise the provisions governing the tax on television receipts. (page 21)

A.R.S. §5-225 should be amended to eliminate the regulation of professional wrestling. (page 29)

A.R.S. §5-224.D and related provisions should be amended to delete the requirement of monthly meetings. (page 31)

FINDING I

THE ATHLETIC COMMISSION HAS NOT FULFILLED ITS RESPONSIBILITY TO ENSURE THAT PARTICIPANTS IN PROFESSIONAL BOXING COMPLY WITH STATUTORY REQUIREMENTS. AS A RESULT, SOME UNLICENSED INDIVIDUALS HAVE PARTICIPATED IN PROFESSIONAL BOXING AND PROMOTERS HAVE NOT PAID THE TWO PERCENT GATE TAX IN COMPLIANCE WITH THE STATUTES.

A.R.S. §5-227.A states:

> "The commission shall:
> "1. Have sole discretion, management, control and jurisdiction over all (boxing) and wrestling contests held within the state unless exempt from application of this chapter by §5-222.
>
> "2. Have sole control, authority and jurisdiction over any licenses required by this chapter."

Our review of the Athletic Commission revealed that

1. The Commission has not required that all participants in professional boxing be licensed as required by A.R.S. §5-228.

2. The Commission has not required that ring physicians and Commission staff comply with the reporting provisions of A.R.S. §§5-233 and 5-225 respectively. For eight of the nine boxing matches held from January 1, 1981, through September 30, 1981, the Commission is unable to provide evidence that any physician attended the matches as required by A.R.S. §5-233.

3. The Commission has not required that all boxing promoters pay to the State the tax on gross receipts specified in A.R.S. §5-235.

The Commission Has Not Required That All Participants in Professional Boxing Be Licensed As Required By A.R.S. §5-228

A.R.S. §5-228 states:

> "All referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, boxers and wrestlers and their managers and seconds are required to be licensed by the commission. The commission shall not permit any such person to participate in the holding of any boxing or wrestling contest unless he shall have first procured a license." (Emphasis added)

Our review of the license files maintained by the Athletic Commission revealed that the Commission has allowed professional boxers to compete in boxing matches without being licensed by the Athletic Commission. In one recent match, four boxers competed without being licensed. Four managers were also unlicensed and so was a second* to a boxer.

A.R.S. §5-236 states:

> "A person is guilty of a class 2 misdemeanor who:
>
> "1. Conducts, holds or gives boxing or wrestling contests or participates in any boxing or wrestling contest without first having procured an appropriate license as prescribed in this article.
>
> "2. Violates any provision of this chapter or any rule or regulation adopted pursuant to this chapter."

* A second is an assistant to a boxer.

Thus, the four boxers* who were not licensed could be guilty of a class 2 misdemeanor under the provisions of A.R.S. §5-236 and the Commissioners could be disciplined for their failure to comply with A.R.S. §5-228 which states that the Commission shall not permit unlicensed individuals to participate in boxing matches. The Arizona Criminal Code states that individuals convicted of a class 2 misdemeanor may be imprisoned for up to four months and may be fined up to $750 for each offense.

In addition, by failing to license the individuals involved in this one match the Commission failed to collect $250.00 in license fees.

The Commission appears to take a casual approach toward the licensure requirement. During pre-fight weigh-ins and other activities, Commission staff announce that all contestants should be licensed and anyone wishing to obtain a license could do so at any time prior to fight time. Had the Commission checked the boxers' names against the master licensee listing maintained by the ASBAO, it would have been immediately aware of all individuals who were not licensed and could have required that these individuals become licensed prior to fight time.

The Commission Has Not Required That Ring Physicians and Commission Staff Comply With the Reporting Provisions Of A.R.S. §§5-233 and 5-225 Respectively

A.R.S. §5-233.A states:

> "All boxers, wrestlers and referees shall be examined by a physician licensed by this state before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination...." (Emphasis added)

* One of the unlicensed boxers was ranked as the number two Junior Welterweight in the world. He participated in a September 29, 1981, boxing match in Phoenix, Arizona.

Our review of the records of all professional boxing matches held from January 1, 1981, through September 30, 1981, revealed that only one written report was filed for the nine matches held during that period. An "official results form" is submitted for each boxing match which contains information on the blood pressure of each contestant and the official weight of each fighter. According to Commission staff, this report is the written report specified in A.R.S. §5-233.A. However, only one of the nine official result forms was signed by a physician. According to the Commissioners, the physicians report verbally to the Commission. A verbal report is not in compliance with the written report requirement specified in A.R.S. §233.A. Further, the Commission was not able to document that verbal reports have always been made.

A.R.S. §5-225.A. states:

> "All boxing or wrestling contests are subject to the provisions of this chapter. The commission shall for every contest:
> "1. Direct a deputy to be present.
> "2. Direct the deputy to make a written report."

Our review of the files of the nine boxing matches held from January 1, 1981, to September 30, 1981, revealed that no written reports were filed by any Commission staff during that time.

Each boxing match held in Arizona is given a separate file in the Commission's office. That file should contain: 1) a copy of the boxing program; 2) the judges' score cards; 3) the "official results form"; 4) a "payoff sheet" which shows the amount the promoter paid each fighter; 5) a report which shows how much is paid to the referees, judges, timekeepers and other participants; and 6) copies of the Commission-approved contracts between the boxers and the promoters.

Our review of these fight files revealed that the information and documentation in the files is grossly inadequate.

The payoff sheet contained in the files is to show the amount paid to each boxer, and the boxer is required to initial the payoff sheet to show that the boxer has received payment from the promoter. Administrative rule R4-3-406 states:

> "A. All contestants shall be paid in full according to their contracts, and no part or percentage of their remuneration may be withheld except by order of an official of the Commission, nor shall any part thereof be returned through arrangement with the boxer or his manager to any matchmaker or promoter.
>
> "B. Payment shall be made immediately after the contest or card under the supervision of a Commission representative."

In reviewing the "payoff sheet" for recent matches, we noted numerous discrepancies between the amounts paid to the contestants and the amounts specified in the boxers' contracts. Commission representatives informed our staff that boxers may receive advances or have deductions made for license fees, thus creating some of the discrepancies. However, formal documentation of these differences is not made.

The Athletic Commissioners informed our staff that the boxers are required to initial the "payoff sheet" to verify that payment has been received. However, in a recent match, we noted that the promoter initialed five payments for boxers and told the boxers that he would pay them at a later time. Another boxer's payment was not listed and the payment was not initialed, thus precluding a determination that payment was made. Finally, no Commissioner or staff member sign "payoff sheets" to verify that he witnessed the payments.

The Commission report on the amounts paid to judges, referees, timekeepers and other required personnel is difficult to understand. There appears to be little or no organization on the report and dollar amounts are entered in numerous locations for no apparent reason. In one case, we noted that a single individual was listed with five separate dollar amounts scattered around the name. Based on this report, it is impossible to accurately determine how much, if any, money was paid to each individual.

These sorts of problems were common throughout all of the boxing files maintained at the Commission's office.

For Eight of the Nine Boxing Matches Held From January 1, 1981, Through September 30, 1981, the Commission Is Unable To Provide Written Evidence That Any Physician Attended The Matches As Required By A.R.S. §5-233

A.R.S. §5-233.B states:

> "Every person holding or sponsoring any boxing or wrestling contest shall have in attendance at every boxing or wrestling contest a physician licensed by this state...."

During our review of the records filed in the Commission office concerning the nine matches held from January 1, 1981, to September 30, 1981, we noted that only one of these boxing files contained documentation to show that a physician had attended the match as required by law.

The ring physician is responsible for ensuring that professional boxers are physically capable of competing in a match. The physician is required to perform two physical examinations of the boxers prior to the fight and is required to attend to any boxer who is knocked out or injured. The Commissioners assured audit staff that a physician has been in attendance at each boxing contest. However, there is no documentation for eight of the nine matches to support this, and we were unable to locate any documentation to show that the two required physical examinations were performed before the match.

The Commission Has Not Required That All Boxing Promoters Pay To the State the Tax On Gross Receipts Specified In A.R.S. §5-235

A.R.S. §5-235 states in part:

> "A. Any person who promotes a professional boxing or wrestling match or exhibition shall within ten days thereafter pay to the commission two percent of the gross receipts, after the deduction of city, state and federal taxes, of such match or exhibition.
>
> "B. After reasonable notice and hearing open to the public, the commission may revoke the license of any person licensed under the provisions of this article for violation of this article or the rules and regulations of the Commission promulgated under this article...."

Our review of the Commission's records revealed that of the nine matches held from January 1, 1981, to October 15, 1981, the gross receipts tax was properly paid for two, paid late for two, and not paid for five as of October 15, 1981. The Commission has not exercised its diciplinary authority in A.R.S. §5-235.B to force the promoters to pay the State, and the Commission allowed one promoter to continue to hold boxing matches despite the fact that he had not submitted payment for three matches, two of which were held prior to June 1, 1981. The unpaid gross revenue taxes due the State cannot be determined because the Commission does not maintain records which provide any indication of the amount of gross receipts for a match.

CONCLUSIONS

Our review of the Athletic Commission revealed that the Commission has not required that

1. All participants in professional boxing be licensed as required by A.R.S. §5-228,

2. Ring physicians and Commission staff comply with the reporting provisions of A.R.S. §§5-233 and 5-225, respectively, and

3. All boxing promoters pay to the State the tax on gross receipts specified in A.R.S. §5-235.

Of the nine boxing matches held from January 1, 1981, through September 30, 1981, the Commission is unable to provide evidence that any physician attended eight of the matches or that proper payment of the gross receipts tax was made for seven matches.

RECOMMENDATIONS

Consideration should be given to the following recommendations:

1. The Commission should require that all participants in professional boxing be licensed and pay all fees due to the State.

2. The Commission should require that ring physicians and Commission staff file reports as specified in the statutes.

3. The Commission should require that promoters have a physician in attendance at each match as specification A.R.S. §5-233.B and that promoters provide evidence of that compliance.

4. The Commission should collect all fees due to the State under the provisions of A.R.S. §5-235.

FINDING II

CHANGES ARE NEEDED TO IMPROVE THE REGULATION OF BOXING AND BETTER PROTECT PARTICIPANTS FROM PHYSICAL HARM.

In January 1981, the Task Force on Boxing in Canada issued a report on the regulation of boxing in Canada. In this report, the Task Force stated:

> "In July of this year, Cleveland Denny died following blows received seventeen days earlier in a non-title fight with Gaetan Hart in Montreal. Previous recent knockouts and difficult fights not knowingly reported to fight officials may possibly have caused the death. Earlier, Ralph Racine was also knocked out and lapsed into a lengthy coma. Fortunately, he has recovered consciousness and mobility but may never completely return to normal in all respects. More recently, Johnny Owen of Wales died following a fight in California. Owen was floored three times during the fight and many ringside observers thought that the referee should have stopped the fight before the fatal blow was struck.
>
> "This brings the total boxing deaths in the last 35 years to approximately 335 in addition to the hundreds of boxers who have suffered brain damages of varying degrees often changing their personalities forever."

The Canadian report also stated that research into boxing injuries, especially with regard to brain damage is almost nonexistent. While there apparently have been no ring-related fatalities in Arizona, the recent deaths of boxers in California and New York clearly illustrate the potential harm to professional boxers.

The Commission has taken positive actions to protect boxers from physical harm including requiring protective padding for ring floors and accident insurance for boxers. The Commission has also sought to protect fighters against mismatches by developing boxer-promoter contracts requiring information about prior fights and by requiring matchmakers to specify in writing why proposed fights would be competitive. However, our review of the Commission revealed that statutory and administrative changes are needed if the Commission is to adequately regulate boxing and protect participants from physical harm. Specifically:

- The Commission needs to improve its licensing operation.
- Medical examinations for boxers need to be more extensive and thorough.
- Ring physicians should be better trained and given additional authority.
- Additional funding should be provided to the Commission.

The Commission Needs To Improve Its Licensing Operation

Current Commission licensing procedures provide little in the way of protection for boxing participants. During our review of the Commission we noted the following deficiencies in the Commission's licensing operation.

First, as noted on page 9, the Commission is not licensing all of the boxing participants that it is required to license. Second, the Commission does not adequately verify the information it receives from those participants it does license.

For example, the Commission does not take fingerprints or otherwise review applicants for criminal records. Further, the Commission does little to 1) determine that a licensee is not under suspension in other jurisdictions, 2) verify the licensee's won/lost record, or 3) ascertain recent knockouts or injuries that a licensee has suffered.

The Commission's failure to investigate or review applicants for licensing is partially due to the nature of the boxing industry. Some factors inherent in the boxing industry which make licensing difficult are these:

- Mobility of the participants - Boxers are extremely mobile in that they may fight not only in many different states, but also different countries. Many fighters appearing in Arizona fights do not reside in Arizona and seek a license only for a specific event. Further, these persons may arrive in Arizona only hours before a fight and then leave the State soon thereafter.
- Instability of fight programs - Training injuries, illnesses or other unforeseen events may result in an unlicensed boxer being added to a fight program just prior to a fight. In such instances the time available to investigate applicants for licensure is particularly limited.
- Absence of interjurisdictional regulatory efforts - Unlike many other regulated industries, there are no established interjurisdictional regulatory programs among the different state commissions regulating boxing. For example, there is no national association of state boxing commissions or other comparable body, no nationwide information system on boxing licensees and no formal system for sharing regulatory information among the different states. Therefore, the Commission has no means to quickly review a license applicant.

The New York Boxing Commission has adopted a system of monitoring it's licensees that may be worthy of implementation in Arizona.

Individuals wishing to participate in professional boxing in New York are required to obtain a "Boxing Passport" before they are allowed to compete. The passport contains the following information:

- boxer's name,
- date of birth,
- passport number,
- identification photograph,

- boxer's signature,
- medical history and results of required annual physical,
- fight record, and
- any necessary notes such as suspensions.

To keep the passports current, the Commission requires that

- boxers surrender their passports on the day of their fights, usually at weigh-in;
- the passports be reviewed carefully to ensure that the boxer is not under suspension and that he is physically capable of competing as attested to by the annual physical and the prefight physical given to the boxer;
- the Commission representatives fill in the fight results in the boxing passport, including notations of knockouts or suspensions; and
- when the purses are distributed, the passports are then returned to the contestants.

The New York Boxing Commission asks other states to obtain and update the passports when New York fighters appear in fights outside of New York.

More Extensive
Medical Examinations

The report by the Task Force on Boxing in Canada recommended extensive and regular medical examinations for boxers as part of licensing. When compared with the Task Force recommendations, the medical examinations performed by ring physicians in Arizona are decidedly deficient.

Boxing can result in brain damage, serious physical impairment or death. These consequences can be the result of one fight or several fights. To protect against such consequences the Canadian study recommended that more comprehensive prefight examinations and annual examinations be made.

The Canadian study recommended that a prefight examination encompass a review of the following areas: hearing, vision, mouth, glands, respiratory system, blood pressure, heart, abdomen, hernia, reflexes, nervous system and hands. In addition it recommended that a urine test be required and a test made for evidence of alcohol or drug use.

Further, the Canadian study recommended that boxers undergo comprehensive medical examinations annually and that a boxing authority maintain a medical history on each licensee. The study recommended that the annual examination include an electroencephalogram, an electrocardiogram, a chest X ray, a complete blood analysis, a complete urinalysis, serological tests and, if indicated, a catscan.

By way of contrast, in Arizona only two superficial medical examinations are performed. The first examination is conducted during the weigh-in on the day of the fight and the second is conducted immediately before the fight. These examinations consist of a blood pressure reading and a visual scan of the contestant by the ring physician for signs of physical ailments and drug or alcohol use. Further, as reported on page 11, these physicals are not always documented, and no medical history is maintained on the licensees.

A.R.S. §5-233 states:

> "A. All boxers, wrestlers and referees shall be examined by a physician licensed by this state before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The cost of the examination is payable by the person conducting the contest or exhibition." (Emphasis added)

There are no other medical examination requirements although the Commission can direct fighters who have suffered multiple knockouts to obtain catscans or EEG's before fighting again. They have done so only once.

Of the other states that regulate boxing, at least eleven states have statutory provisions requiring annual medical examinations. These states are California, Connecticut, Delaware, Hawaii, Idaho, Illinois, New York, Massachusetts, Tennessee, Utah and Virgina. The Commission has considered requiring annual medical examinations but has rejected the idea because of budget constraints and the financial hardships such a requirement would impose on Arizona boxers. For example, the medical tests for such examinations cost $120* for an EEG, $40* for an EKG, $41** for a chest X ray and $10* for a complete blood analysis. If required, a catscan would cost an additional $216.** Some fighters earn as little as $150 a fight.

The Canadian Task Force felt the annual examinations and tests to be so critical that it recommended the examinations be partly funded from taxes on boxing events.

Ring Physician Training And Authority

The Commission will grant a license as a ring physician to any Arizona licensed M.D. or Osteopath. No special training is required. The Task Force on Boxing in Canada recommended that all ring physicians be required to complete a special training program in the medical aspects of boxing with emphasis on brain and eye injuries.*** Arizona's Athletic Commission has no such requirement. The New York Boxing Commission uses an eight-hour professional seminar for ring physicians dealing with the medical aspects of boxing. Audit staff was informed by the New York Boxing Commission that it is making a video recording of one of these seminars and is willing to make a copy available to the Arizona Commission.

* Memorial Hospital of Phoenix

** University of Arizona Diagnostic Radiology Department

*** The Task Force also recommended that all referees, trainers and cornermen be required to complete an educational program on the pertinent medical aspects of boxing.

The Canadian Task Force on Boxing recommended that ring physicians be given the authority to stop a contest and examine a boxer to determine if the boxer is physically capable of continuing the match. Ring physicians in New York and California have the authority to stop a match and examine the boxer. In Arizona, ring physicians do not have the authority to stop a match.

Additional Funding

Presently the Commission does not have adequate staff or funding to implement additional licensing and control measures and medical requirements. While the Commission's fiscal year 1981-82 budget appropriation of $18,900 represents a 72 percent increase over fiscal year 1980-81, it still does not appear to be adequate to support the licensing and medical examination procedures that are necessary given that

- the Commission presently licenses 71 boxers, 27 wrestlers and 97 other individuals,
- the cost to administer the medical tests for annual medical examinations is estimated to be $211 per licensee or approximately $15,000 for the 71 boxers currently licensed, and
- the Commissioners and their executive secretary were not paid the full per diem and compensation due them in fiscal year 1980-81. (page 31)

As a part of our review, we surveyed the Athletic Commission in 36 other states* which regulate professional boxing and wrestling. Our survey revealed that Arizona's two percent of gross receipts is the third lowest rate in these 37 states. This information is presented in Table II.

* Our survey revealed that professional boxing is regulated in at least 37 states and not regulated in 9 states. We received no response from 4 states.

TABLE II

SUMMARY OF EACH STATE'S TAX ON RECEIPTS FROM PROFESSIONAL BOXING AND WRESTLING

	Percentage on Gate Receipts
Illinois	10%
Indiana	10
Maryland	10
Michigan	10
New Jersey	10
Wisconsin	10
Arkansas	5
California	5
Connecticut	5
Delaware	5
Idaho	5
Iowa	5
Kentucky	5
Massachusetts	5
Minnesota	5
Mississippi	5
Missouri	5
Nebraska	5
New Hampshire	5
New York	5
North Dakota	5
Ohio	5
Pennsylvania	5
Rhode Island	5
Utah	5
Vermont	5
Virginia	5
Washington	5
Alabama	4
Nevada	4
New Mexico	4
Tennessee	4
Maine	3
Texas	3
ARIZONA	2
Hawaii	0
West Virginia	0

During fiscal year 1980-81 total gross revenues for boxing and wrestling matches after deductions for city, state and federal taxes were at least $218,648. This resulted in a gross receipt tax payment of $4,372.96. The fiscal impact various rates would have had on fiscal year 1980-81 gross receipts taxes follows.

1980-1981 Gross Revenues After Allowed Deductions	Gross Receipts Tax Rates	Gross Receipts Taxes Generated By The Indicated Rate	Increases In Gross Receipts Taxes Resulting From Higher Rates
$218,648	2 %	$ 4,372.96	
218,648	3	6,559.44	$ 2,186.96
218,648	4	8,745.92	4,372.96
218,648	5	10,932.40	6,559.44
218,648	10	21,864.80	17,491.84

Tax On Televised Events

A.R.S. §5-235 not only provides for a two percent tax on gross receipts from boxing and wrestling matches but also provides that the Commission shall receive two percent of the royalties from television or radio broadcasts. However, this two percent figure is computed after deductions for purse payments, which has resulted in the State receiving no payment. For example the Shields-Hearns match produced TV royalties of $295,000. Two percent of this figure is $5,900.00. However, the promoter of this match reported that purse payments exceeded $300,000. As a result, the State did not get any royalties from the broadcasting of this event. Had the gross receipts tax been applied before purse deductions the State would have received $5,900 from this fight.

CONCLUSION

Statutory and administrative changes are needed if the Commission is to adequately regulate boxing and protect participants from physical harm.

RECOMMENDATIONS

Consideration should be given to the following recommendations:

1. The Commission expand its medical examinations to encompass a review of a fighter's hearing, vision, mouth, glands, respiratory system, blood pressure, heart, abdomen, reflexes, nervous system and hands. In addition, tests should be made for hernias and drug or alcohol usage and urine tests should be performed.

2. The Legislature enact legislation requiring fighters to have annual physical examinations.

3. The Commission develop and maintain a comprehensive medical history on each fighter which should be periodically reviewed by a Commission physician for indications of cumulative physical damage.

4. The Commission obtain from the New York Boxing Commission its recorded seminar on boxing injuries and require all ring physicians to view the recording.

5. The Legislature enact legislation to provide ring physicians with the authority to stop a fight and examine a fighter.

6. The Commission strengthen its licensing procedures by fingerprinting applicants and contacting other boxing commissions regarding suspensions, knockouts or other injuries, and won/lost records.

7. The Commission consider developing a "passport" system of licensing similar to that used by the New York Boxing Commission.

8. The Legislature enact legislation increasing the gross receipts tax and revising the provisions governing the tax on television and radio royalties in order to help fund the above recommendations.

FINDING III

THE ATHLETIC COMMISSION HAS NOT COMPLIED WITH ALL STATUTORY REQUIREMENTS DEALING WITH PROFESSIONAL WRESTLING. HOWEVER, THE RESULTS OF THESE NONCOMPLIANCES DO NOT THREATEN THE HEALTH, SAFETY AND WELFARE OF THE PUBLIC OR PARTICIPANTS. FURTHER, DEREGULATION OF PROFESSIONAL WRESTLING COULD OCCUR WITHOUT ENDANGERING THE HEALTH AND SAFETY OF THE PUBLIC OR PARTICIPANTS.

Under Arizona statutory provisions, professional wrestling is regulated much the same as professional boxing. Our review revealed that if statutes relating to professional wrestling are amended to either regulate it as an exhibition or deregulate it altogether, the Commission would be able to allocate its limited resources to more critical areas without increasing the likelihood of physical or financial harm to the public or the participants in professional wrestling. In addition, of the 28 other states that regulate wrestling, nine regulate it as an exhibition not an athletic contest.

Statutory Provisions Relating To Wrestling

A.R.S. §5-238 states that

> "The commission may withhold all or part of a purse or other monies payable to any contestant, manager or second if in the judgement of the commission a boxing contestant is participating in a sham or fake boxing contest or is otherwise not competing honestly or to the best of his ability."

A.R.S. §5-236 states that

> "A person is guilty of a class 2 misdemeanor who:
>
> . . . . . .
>
> "2. Violates any provision of this chapter or any rule or regulation adopted pursuant to this chapter."

Thus, a boxer who participates in a sham contest may be penalized in criminal and/or civil action. No such statutory provisions exists for professional wrestlers.

A.R.S. §5-225.A states:

> "All boxing or wrestling contests are subject to the provisions of this chapter. The commission shall for every contest:
> "1. Direct a deputy to be present.
>
> "2. Direct the deputy to make a written report."

Our review of the implementation of this requirement revealed that the Commission has appointed a deputy inspector to attend each wrestling contest.* However, the deputy inspector does not file written reports after wrestling matches.

It should be noted that while the Commission requires the deputy inspector to attend wrestling matches he is not compensated for doing so.**

A.R.S. §5-228 states:

> "All referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, boxers and wrestlers and their managers and seconds are required to be licensed by the commission. The commission shall not permit any such person to participate in the holding of any boxing or wrestling contest unless he shall have first procured a license."

During our review of the license files maintained by the Commission, we noted that the following wrestling officials did not have license files:

- Ring announcer,
- Timekeeper,
- Ringside physician, and
- Manager.

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* As of September 30, 1981, there is only one active promoter in Arizona. Matches are held in Phoenix every Friday night.

** See page 22 for a complete discussion of the Commission's limited financial resources.

According to the deputy inspector the ringside physician was licensed but the license card had apparently been misplaced or lost. The Commission issued a duplicate license to the ringside physician.

A.R.S. §5-233.A states:

> "All boxers, wrestlers and referees shall be examined by a physician licensed by this state before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination...."

During our audit we attended two professional wrestling matches. At the first match, the ringside physician was observed taking the blood pressure of the referees and each professional wrestler and "looking over" each contestant to satisfy himself that they were physically capable of participating in the match. The ringside physician did not submit a written report to the Commission. During the second match, audit staff was informed that the ringside physician had been called away on a medical emergency unrelated to wrestling and did not return to the match. Although the Commission staff assured the audit staff that the required physician's report had been submitted, it could not be determined if the required physical examinations were performed.

Our review of the records relating to wrestling in the Commission's files contained no physician's report for any match held in fiscal year 1980-81 or 1981-82 (through September 1, 1981).

A.R.S. §5-234 states:

> "If a boxing or wrestling contest is held within the corporate limits of a city or town, the chief of police shall assign not less than one officer to attend the contest, and if a boxing or wrestling contest is being held without the corporate limits of a city or town, the county sheriff shall assign not less than one of his deputies to attend...."

During our visits to professional wrestling matches, we did not see any uniformed officers in attendance. The promoter for the wrestling matches had arranged for karate students from a local karate school to provide security at the matches.

A.R.S. §5-235.D states:

> "At the end of each month the secretary shall report to the department of administration division of finance the total amount received under this article from all sources including license fees and shall deposit the amount with the state treasurer, who shall place it in a special fund known as the state athletic commission fund."

Our review determined that the Commission has not made a deposit with the State Treasurer from July 1, 1981, through September 15, 1981. During that time, total fees collected were $287.78, of which $215 were license fees and $72.78 was the two percent gate tax specified in A.R.S. §5-235.

Despite the general noncompliance with statutory requirements relating to professional wrestling, we were unable to identify any potential harm to the public or to professional wrestling participants.

Deregulation of Professional Wrestling

As of September 1, 1981, Arizona is one of 29 states which regulate professional wrestling. Of the other 28 states, nine regulate wrestling as an exhibition or entertainment sport rather than an athletic contest. These nine states are Illinois, Michigan, Missouri, Nevada, New Hampshire, New Jersey, New Mexico, New York and North Dakota. These states regulate professional wrestling as an exhibition rather than an athletic contest because the purpose of an exhibition is to entertain the audience and to display wrestling skills rather than to determine which of two contestants is the better wrestler. In California, professional wrestling may be presented to the public as an exhibition or a contest. If the wrestling match is announced as a contest, and the commission determines that the wrestlers have participated in a sham, the purse money may be forfeited and the participants could have their licenses suspended or revoked. If the match is announced as an exhibition, no such penalties can be imposed. Under the present Arizona statutes, there is no penalty for participation in a sham wrestling match.

Many states feel that wrestling is a sham and, if regulated, should be regulated as an exhibition, not as a contest. A professional wrestling promoter told our staff that wrestling is not a sham. He stated that the outcome of matches is not predetermined, and that each wrestler is doing his or her best to win each match. He did, however, concede that matches may involve "highlights" which may not result in an immediate victory for one wrestler or the other, but do provide an entertaining evening for the audience. These "highlights" include such things as flying hammerlocks, body slams and throwing wrestlers through the ropes onto the officials' table.

The current level of Commission regulation of professional wrestling is so limited as to be meaningless. Commission presence at matches is as much entertainment value as regulatory value. For example, at a recent match the Commission's representative described to our auditors his part in the following prearranged script. First he would be called upon to order a wrestler to remove an axe handle from the ring. The wrestler would refuse, and the Commission's representative would threaten to revoke the wrestler's license. The wrestler would eventually hand over the axe handle to the Commission's representative. The script was acted out exactly as described. At another match, a wrestler was "fined" $100 by the Commission representative for assaulting a referee. However, the incident was a hoax to entertain the fans and no fine was actually imposed. Such activity is not unusual at wrestling matches. Referees, managers, promoters and State officials are all part of the show. The chairman of the Athletic Commission stated that if wrestling is regulated it should be regulated by whoever regulates entertainment--not the Athletic Commission.

CONCLUSION

Deregulating professional wrestling would not increase the likelihood of physical or financial harm to the public or the participants in professional wrestling.

RECOMMENDATION

Consideration should be given to eliminating statutory provisions regulating professional wrestling.

FINDING IV

THE COMMISSION HAS NOT COMPLIED WITH A.R.S. §5-224.D REGARDING THE FREQUENCY OF MEETINGS. COMMISSIONERS AND THE COMMISSION'S EXECUTIVE SECRETARY HAVE NOT BEEN PAID ALL OF THE PER DIEM AND COMPENSATION TO WHICH THEY ARE ENTITLED.

A.R.S. §5-224.D states:

> "The commission shall hold a regular meeting once in each calendar month and in addition may hold special meetings. All meetings of the commission shall be open to the public and reasonable notice of the meetings shall be given."

During the 33-month period from January 1, 1979, through September 30, 1981, the Commission did not hold ten of the statutorily required meetings. For the ten monthly meetings not held, three meetings were scheduled but subsequently canceled, and seven were not scheduled.

The 23 meetings that were held during the 33-month period ending September 30, 1981, lasted an average of one hour. It should be noted that the Commissioners are entitled to receive $30 per diem plus travel expenses for attending meetings. However, because of the Commission's limited financial resources, the Commissioners and their executive secretary have not been paid the full per diem or compensation to which they are entitled. As a result, for fiscal year 1980-81 each athletic commissioner was underpaid approximately $210 and the Commission's executive secretary was underpaid $813.

It is ironic that the Commission has not collected all of the license fees and gross receipts taxes that it should have given its current limited financial resources. (pages 9 and 13)

In our opinion the requirements of A.R.S. §5-224.D place an unnecessary burden on the Athletic Commission given the brevity of most Commission meetings and the limited financial resources available to the Commission.

CONCLUSION

The Commission has not complied with ARS §5-224.D regarding the frequency of meetings. Commissioners and the Commission executive secretary have not been paid all of the per diem and compensation to which they are entitled.

RECOMMENDATION

The Legislature should amend A.R.S. §5-224.D to delete the requirement of monthly Athletic Commission meetings.

ARIZONA STATE ATHLETIC COMMISSION

1645 West Jefferson Phoenix, Arizona 85007
(602) 271-3095

December 16, 1981

Douglas R. Norton
Auditor General,
State of Arizona
State Capitol
Suite 200
Phoenix, Arizona 85007

Re: Comments on the Performance Audit of the Athletic Commission

Dear Mr. Norton:

Thank you for your letter of December 10 enclosing your preliminary draft report. You have not provided us with a reasonable time to respond in the manner in which we should. As you know, the Commissioners reside in different cities and have full-time occupations. The time available is insufficient for us to investigate, meet, analyze and prepare a detailed response. Nevertheless, members of your staff were gracious enough to meet with me on December 15 and we had a constructive meeting which resulted in revision of the preliminary draft. The following is our comments about the report as revised after the December 15, 1981 meeting.

1. As you know, we welcomed the performance audit and extended ourselves to your staff. We welcome constructive criticism and recognize the need for improvement, especially with regard to our record keeping. Much of what appears in the report is constructive. However, the overall impression created is misleading. It appears that your staff believed their mission was to find and accentuate the negative rather than the positive. The report turns uncommon errors into general propositions. Although we were told recently by your staff that the report was going to state that we were doing the best possible job with insufficient funding and insufficient staff, the tone of the report, its point headings, and the language used, implies a pattern of neglect. As demonstrated below, that is not the case.

2. We agree that our basic problem is, as you state, that "presently the Commission does not have adequate staff or funding to implement additional licensing and control measures and medical requirements." The Commission is effectively broke, and we rely entirely on part-time volunteers. Clerical assistance at the ASBAO office is extremely limited. Our volunteers are people who participate because of their dedication to boxing. They do not have clerical or accounting acumen. Our record keeping is not what it should be but it has vastly improved over what it was a few years ago. We would welcome an accountant type to perform our record keeping functions. He certainly could do it better than our volunteers can. However, accountants do not volunteer as executive secretaries, inspectors, and deputies. People who love boxing do.

3. It is unrealistic to expect the taxpayers of Arizona to fund the Athletic Commission so that we can have an operation comparable to California or New York, or approaching the ideal one envisioned by your auditors. Boxing simply does not command that type of attention and respect in Arizona. Presently, we have only one active promoter in the entire state and a maximum of 12 fight cards a year. Most of the fighters are from out-of-state and arrive on the date of the fight and leave afterwards. The factors that you list at page 18 that make informed licensing difficult are ever-present obstacles and there is no remedy in the near future. A preliminary fighter is lucky if he clears $300-$400 a year before taxes. To require an annual physical exam (whether he fights or not), and sophisticated medical testing which according to your own computation would cost at least $427, imposes requirements that are not enforceable and/or financially unfair. If we increase bureaucracy, increase taxes, require boxers and promoters to incur expenses they cannot afford, we will regulate boxing out of existence. A more realistic goal is to do what is necessary to avoid any serious ring injury and to assure that every fighter gets paid. We have accomplished that.

4. The omissions in statutory compliance which you found have no direct relationship to safety. The Commission's record on safety is exemplary. In the two and one-half years that I have served on the Athletic Commission, I have observed over 100 professional boxers in action in Arizona. Not one sustained a serious injury in the ring. Al Munoz has been on

the Commission for almost six years and has observed many hundreds of professional boxers in action in Arizona and not one has sustained serious injury in the ring. Steve Eisner has promoted fights in Phoenix for nine years, and of the approximately 600 fighters that have fought on his cards, he reports that not one has sustained serious injury in an Arizona ring. That is not simply the result of dumb luck. It is the result in large part of the Commission doing its job. Our safety record would not be exemplary if the matches were not competitive, pre-fight physicals were not meaningful, safe equipment were not required, and referees and ringside physicians were not performing well.

5. As mentioned above, your report accentuated the negative and passes quickly over the positive. The achievements of the present Athletic Commission include the following:

(a) Prior to April of 1980, the statutory law that was in effect rendered us, in the opinion of the Attorney General, impotent to act as an Athletic Commission. We were instructed that we would be acting ultra vires if we regulated the conduct of boxing matches, and if we enforced our rules. For several years the Commission operated under the dilemma that strict enforcement of the rules would precipitate a court challenge and a finding of illegality. Initial attempts to enlist legislative support to change the law were unsuccessful. When I was appointed to the Commission in April 1979, it became our compulsion to get the law changed. The Commission worked for over a year to get the new law which was effective in April, 1980. I drafted the legislation which revised all of the existing statutory law. Over a hundred hours were spent by us in researching laws of other jurisdictions, drafting the proposed law, appearing before legislative committees in the House and Senate, overcoming opposition, working out compromises. The time spent was to the detriment of our livelihoods.

(b) When the new law became effective, it was necessary to promulgate new rules to put the law into operation. I wrote the rules. Again, it required expending many, many hours. Because of all the bureaucratic red tape involved in getting rules approved, it was not until January of 1981 that they were certified. That was the first time the Commission, according to the Attorney General, had the legal predicates to operate like a real boxing Commission. In that sense, we are less than a year old.

(c) This Commission is the first to insist on accident insurance for boxers, the first to require protective ring padding, the first to promulgate meaningful forms of boxer-promoter contracts which are specifically designed to illicit information addressed to safety, and the first to require matchmakers to deliver fight programs in advance and in writing setting forth the material facts regarding each contestant, his physical attributes, his record, the results and date of his last fight, and why the matchmaker thinks the match is competitive.

(d) This Commission joined the World Boxing Association and the World Boxing Council in an effort to encourage world championship matches in Arizona. In the past two years, there have been four (nationally televised) world championship fights in Arizona. Prior to that there were none. Needless to say, those events are good for Arizona's economy. We faciliated those events by refusing (against substantial pressure) to adopt a protectionist attitude towards local promoters, by supporting a low tax which is competitive with other venues, and by regulating only when required and minimizing bureaucracy.

(e) International representives at our championship matches have been uniformly laudatory about the performance of our Commission as compared to other commissions, and the performance of our officials. The former Executive Secretary of the World Boxing Association has said that our new rules are the best in the world, and that this Commission is one of the best he has ever seen. Many of the long-time Phoenix and Tucson boxing people have said on numerous occasions, publicly and privately, that before this Commission there was anarchy, but now there is some order.

6. You conclude that "the Commission has not required that all participants in professional boxing be licensed as required by A.R.S. §5-228." The use of the phrase "not required" implies conscious omission. A more precise statement of your findings is that in a small percentage of cases there were no license applications on file at the ASBAO office for boxers who had competed in Arizona at the time the files were reviewed. The Commission attempts to license all boxers before they compete. About a year ago, we discovered that our Executive Secretary and our inspectors, who are charged with licensing at the weigh-in, were relying on memory in determining who

needed a license. That is plainly insufficient. We then requested that the ASBAO prepare master lists of licensees for use at weigh-ins, and we instructed our Executive Secretary and inspectors to ask each boxer weighing in to show his license and to show identification before a license is issued. Those procedures should be in force. Sometimes what appear to be examples of fighters who have competed but have not been licensed, may result from one of the following. First, our Executive Secretary collects all Phoenix license applications the day of the fight and keeps them until his next visit to the ASBAO office which may be a week to three weeks later. Thus, what may appear to be a situation of an unlicensed boxer, may actually be one of an application not yet filed. Second, there have been errors in filing by the clerical staff at the ASBAO office which serves ten or more other commissions.

The recent situation concerning four Detroit fighters who did not complete their license applications before they returned home was not a common occurrence. In that case, our Executive Secretary was not able to attend the weigh-in because of his job and we were understaffed at the weigh-in. The money for the licenses was collected before the fight and the licenses were set aside and the names of the fighters filled in before the fight. Our Executive Secretary intended to have the applications completed after the fight but, by the time he had completed his overseeing that the fighters were paid, the Detroit fighters had left and were on their way home.

I assure you that the Athletic Commission attempts to license every participant in professional boxing. The omissions are only a small percentage of the total of those that have been licensed. Although there is no good excuse for the omissions, they are certainly not the rule and they do not justify the conclusion that we have "not required" participants to be licensed.

7. You also conclude that "the Commission has not required that all boxing promoters pay to the State the tax on gross receipts specified in A.R.S. §5-235." Again, the phrase "not required," bespeaks a conscious omission. More precisely, what you found is that the Commission does not maintain specific written records at the ASBAO office from which it can be easily verified that the taxes have been paid. I personally conduct a follow-up to see that there is a check for the payment of taxes for every fight in Tucson.

Our Executive Secretary does the same thing with respect to the Phoenix fights. When the ASBAO office tells him that a check has been received, he does not make any further inquiry of the promoter. Mr. Montano assures me that all taxes on Phoenix fights during the last two years have been paid. Steve Eisner, the only active promoter in Phoenix, tells me that he has cancelled checks showing the payment of taxes for all fights for the past two years.

Certainly, the procedure would be better if we had a log or a ledger which listed every fight and the date the tax was received. We will instruct the ASBAO office to do that.

8. Bad record keeping notwithstanding, the Commissioners provided testimonial evidence to your investigators that no fight proceeds in Arizona without the attendance of a ringside physician. That is the fact. There has not been a single instance during the tenure of the present Commission in which a fight has proceeded without the attendance of a ringside physician. Indeed, I personally was involved in instances in which the Commission faced a belligerent crowd because it delayed scheduled cards until the ringside physician arrived.

9. Several miscellaneous items. Our ringside physicians are very well qualified. Dr. Lake, our Phoenix physician, was recently named to the World Boxing Hall of Fame. He has attended at over a thousand fights, professional and amateur, in many states. Dr. Varon, our Tucson physician, has also attended at over a thousand fights. Their examinations are not as superficial as you make them appear. The examinations that I have witnessed at the weigh-in include blood pressure check, respiratory system check, visual and tactile examination of hearing, vision, mouth, glands, abdomen, and reflexes, and hands. I do not think urinalysis is required before every fight. Time and expense constraints out-weigh theoretical desirability. We have required uninalysis in the past in important fights.

We have been attempting for over a year to work through the Attorney General's office to get access to criminal records maintained by State authorities. This is particularly important in licensing promoters and managers. Thus far, we have not been granted the authority.

10. The implication that boxing is essentially unregulated is a flight from reality. We pass on proposed matches and refuse to permit those which we do not believe competitive. We conduct a weigh-in and a pre-fight physical. Catscans and EEG's have been required in a few cases where we thought it was necessary. We attempt to license all participants. Another physical is conducted in the dressing room, equipment is checked. We require a safe ring with protective padding. Fights do not proceed if ringside physicians object. Fighters who are knocked out are suspended for 30 days and notice of suspension is sent to commissions in four other states. We have suspended boxers permanently who have shown inability to compete or because of age. We have denied as well as granted licenses to promoters. We attempt to collect the 2% tax in all cases. Did the boxing promoters your staff interviewed tell you that boxing was essentially unregulated? They tell us the contrary, and sometimes complain about too much regulation.

11. Some of your recommended changes are good, some not affordable, some unenforceable, some bad for boxing. I trust that we will have an opportunity to address them if bills are introduced to the legislature incorporating any of your proposals. I would appreciate your giving us notice of any such activity.

The Commission again thanks your staff for their courteousness and sincerity. They are fine young men.

Very truly yours,

ARIZONA STATE ATHLETIC COMMISSION

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GM:nh

cc: Al Munoz
Ray Johnson
Johnny Montano