

# Arizona State Boxing Commission (Report Highlights)

September 2000

In 1982, the Legislature created the Boxing Commission to provide the greatest possible physical and financial protection to boxers and others interested in the sport. The Commission also regulates kick-boxing, nontraditional fighting contests awarding money or prizes, and tough man contests awarding money. The Department of Racing is responsible for the collection of license fees and event taxes.

### Our Conclusions:

The Commission needs to do more to provide participants both physical and financial protection. Further, both the Commission and the Department of Racing need to do more to solve remaining revenue collection problems. Finally, the Legislature should give the Commission regulatory authority over amateur nontraditional and tough man contests.

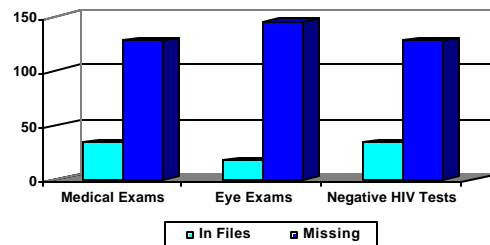
Boxing Match



### Physical and Financial Protection Improvements Needed

**Medical licensing information missing**—Boxers must provide a current medical exam, eye exam, and HIV test results to get a license. But Commission files lack such documentation for most of the 163 boxers licensed between January 1999 and June 2000:

Missing Medical Information



**Event medical information also missing**—Commission files also lack documentation supporting that boxers have had:

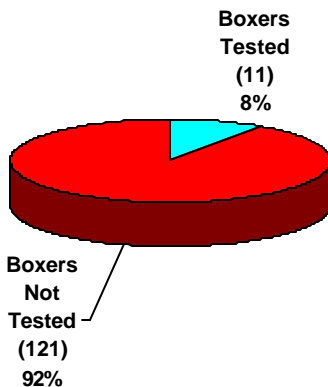
- physicals at the weigh-in
- physicals right before the event
- post-fight physicals if knocked out or injured

There is also no documentation that referees have had physicals before entering the ring.

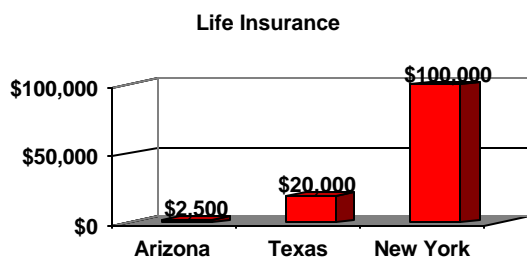
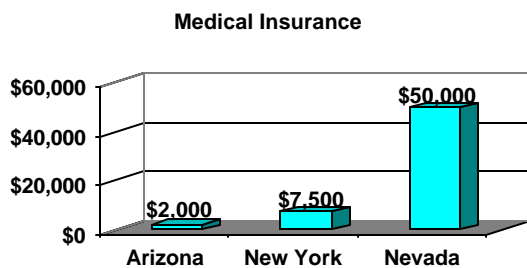
**Commission approval not always received**—Boxers over the age of 32 and boxers who have not waited the required number of days between fights or who exceed

acceptable weight ranges must get special Commission approval to fight. However, the Executive Director, rather than the Commission, has been giving this approval.

**Few random drug tests**—The Commission Chairman said that he would like to randomly drug test participants in one contest per event but does not have the budget for it. A drug test costs about \$35 per boxer. In fiscal year 2000, drug tests were performed at only 5 of 13 events and few boxers were tested:



**Insurance coverage too low**—In Arizona, the amount of insurance coverage promoters are required to buy for boxers in case of injury or death is too low:



**Two licensing changes needed**—Two changes could help make the licensing process more efficient:

1. The Executive Director should be given authority to issue licenses to participants, rather than the Commission having to approve all licenses. Most licenses are issued at the weigh-in and Commission approval is not practical.
2. The Commission should be allowed to annually *renew* licenses rather than having to issue *new* licenses each year. This would eliminate the need to conduct annual background checks on current licensees.

Other states have these licensing efficiencies:

- California
- Nevada
- New Jersey
- New York

**The Commission should:**

- ✓ Ensure that all boxers have current medical and eye exams and negative HIV tests prior to licensure.
- ✓ Take special action to approve licenses and fights for boxers who do not meet requirements.
- ✓ Conduct and document all weigh-in, pre-fight, post-fight, and referee physicals.
- ✓ Implement a more intensive drug testing program paid for by the promoters.

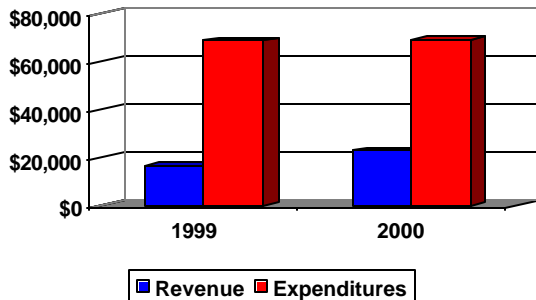
**The Legislature should:**

- ✓ Increase the minimum amount of boxer medical and life insurance coverage.
- ✓ Allow the Commission to delegate licensing authority to its Executive Director.
- ✓ Allow the Commission to issue annual license renewals.

## Boxing Revenue Collection Somewhat Improved

While boxing revenues do not cover the cost of regulation, the State should do as much as possible to collect the revenue.

Expenditures v. Revenues  
Fiscal Years 1999 and 2000



This Office identified collection problems in 1981 that have persisted for years. However, some improvements have occurred since our 1996 audit:

- Promoters must provide a bond to guarantee participants and taxes are paid.
- Department of Racing issues some noncompliance letters.
- Department schedules meeting to calculate and collect taxes.

**Long-term problems persist**—Despite these improvements, promoters are still not:

- Providing a notarized statement from the ticket printer showing the total number of tickets printed in each price category
  - ☞ *9 of 13 manifests were not timely.*
- Meeting with the Department within 3 days after the event to account for unsold tickets
  - ☞ *6 of 13 meetings were late.*
- Paying the event tax within 10 days of the event
  - ☞ *7 of 13 payments were late.*

For violations such as these, the Commission can:

- Fine up to \$1,000
- Suspend licenses
- Revoke licenses

However, the Commission has never disciplined promoters for revenue-related non-compliance.

Further the Department has not notified the Commission of all the violations.

- Only 6 of 22 violations were formally reported to the Commission in fiscal year 2000.

The Department attributes this problem to turnover and the lack of a trained employee.

### The Department of Racing should:

- ✓ Adequately train an employee to perform all boxing revenue collection tasks.
- ✓ Send letters of noncompliance to the Commission for all violations.

### The Commission should:

- ✓ Take appropriate disciplinary action for revenue violations.

## Amateur Nontraditional and Tough Man Contests Should Be Regulated

The Commission regulates:

- Professional boxing and kick-boxing events
- Amateur boxing and kick-boxing events that are not under another standard-setting body, such as an Olympic organization
- Nontraditional contests for prizes or money
- Tough man contests for money

**Some events may avoid regulation—** Because amateur nontraditional events do not fall within the Commission’s jurisdiction, some professional events may claim to be amateur and avoid regulation.

For example, auditors attended a June 2000 cage fight that awarded trophies but was not regulated by the Commission.

**Cage Fighting**



**Regulation would be beneficial—**Giving the Commission regulatory authority over amateur events would be beneficial in three ways:

- Events could not avoid regulation;
- Amateur contestants’ safety could be better protected; and
- Commission revenues could be increased.

Some states have banned nontraditional events altogether. Other states, such as New Mexico and Texas, regulate all events whether they are amateur or professional.

**The Legislature should:**

- ✓ Give the Commission regulatory authority over all nontraditional and tough man contests.

**To Obtain More Information**

- A copy of the full report can be obtained by calling (602) 553-0333 or by visiting our Web site at:

[www.auditorgen.state.az.us](http://www.auditorgen.state.az.us)

- The contact person for this report is **Melanie Chesney.**