PUBLIC

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION
OFFICE OF ADMINISTRATIVE LAW JUDGES
FTC DOCKET NO. 9444

COMMISSIONERS: Andrew N. Ferguson, Chair
Mark R. Meador

IN THE MATTER OF:

EUSABIO JUAREZ-RUFFINO **APPELLANT**

THE AUTHORITY'S RESPONSE TO APPELLANT'S APPLICATION FOR REVIEW

Comes now the Horseracing Integrity and Safety Authority, Inc. ("**HISA**") pursuant to 16 CFR §1.147 and submits the following Response to Appellant's Application for Review, dated May 28, 2026.

CERTIFICATE OF SERVICE

Pursuant to 16 CFR §1.146(a) and 16 CFR §4.4(b), a copy of this Response to Appellant's Application for Review is being served on June 5, 2026, via Administrative E-File System and by emailing a copy to the below listed. I further certify that no portion of the filing was drafted by generative artificial intelligence ("AI") and any language in the filing that was drafted by generative AI was checked for accuracy by human attorneys or paralegals using printed legal reporters or online legal databases.

Hon. Jay L. Himes Administrative Law Judge
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/s/ *Bryan Beauman*
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I. OVERVIEW

On October 2, 2025, a decision was issued under the Authority's Anti-Doping and Medication Control Program ("**ADMC Program**") finding that Appellant committed his first Anti-Doping Rule Violation (**"ADRV"**) of Rule 3214(a) for Possession of a Banned Substance, and imposing, among other things, a 24-month period of Ineligibility and a $10,000 fine.

On October 10, 2025, Appellant appealed, challenging those Consequences. On April 28, 2026, Administrative Law Judge Jay L. Himes (the "**ALJ**") issued a decision affirming the 24-month period of Ineligibility and modifying the imposed fine by increasing it to $25,000.00 (the "**ALJ's Decision**").

On May 28, 2026, Appellant filed an Application for Review (the "**Application**"). As an initial matter and based upon his references to the "Initial Decision," Appellant appears to be seeking review of both the Arbitrator's Decision and the ALJ's Decision. However, 16 CFR §1.147(c)(1) makes clear that the nature of the Commission's review is limited to review "of the factual findings and conclusions of law made by the Administrative Law Judge." In addition, 16 CFR §1.147(b)(4)(ii) provides that the standard by which the Commission determines whether to grant an application for review upon a "reasonable showing"—a standard which Appellant has not even addressed.

None of the alleged errors raised by Appellant warrant review by the Commission. At its core, Appellant's argument attacks the ALJ's legal conclusions, Fault analysis, and generally, the ALJ's application of ADMC Program Rule 3223, i.e., the statutory Consequences. Appellant relies upon arguments completely inconsistent with the record evidence to support his assertion that the ALJ wrongly found that Appellant's explanation was not supported by that evidence.

II. APPELLANT HAS NOT MET THE REQUIRED STANDARD FOR REVIEW

The Application does not include any claim that there was *any* prejudicial error in the conduct of the proceedings before the ALJ; Appellant merely challenges the ALJ's legal determinations. Appellant's assignments of error, when properly assessed, do not meet the requirements for review set forth in 16 CFR §1.147(b)(4)(ii).

Appellant argues that the ALJ should have found his sole alibi witness, Mr. Luis Terrazas, credible based upon a handful of vague, yet generally consistent statements made by Mr. Terrazas throughout the inception of Appellant's case. However, the ALJ's Decision carefully and thoughtfully bore out how the ALJ arrived at his determination that Mr. Terrazas' testimony was "fabricated" and that the Appellant's version of facts was ultimately "contrived."[1]

In his 56-page Decision, the ALJ charted Mr. Terrazas' account of the alleged events, analyzing each aspect of Mr. Terrazas' testimony before considering its weight and implication in relation to the ALJ's analysis of Appellant's Fault. The ALJ's Decision articulated precisely how he came to the determination that Mr. Terrazas' testimony was not credible, and the ALJ outlined the manner in which Mr. Terrazas' prior statements conflicted with and throughout the near entirety of his testimony before the ALJ himself.

The ALJ also detailed how Mr. Terrazas' testimony conflicted with several aspects of Appellant's rendition of events. The ALJ highlighted multiple inconsistencies involving timelines and major details which could not be and were not reconciled by the evidence or established facts. The ALJ properly found that Mr. Terrazas was unable to "testify credibly on matters—whether big or small" and further determined Mr. Terrazas to be biased and partial to Appellant based upon

[1] ALJ's Decision, pp. 44, 51 & 54.

the nature of their years-long friendship.[2]

The ALJ's Decision properly addressed how he arrived at his finding regarding Appellant's Fault and the assessed Consequences:

> My review here is de novo and based on the full record, including the testimony of Mr. Terrazas, which the Arbitrator did not have. I find no basis for reducing the fine from the $25,000 maximum. The Possession prohibition in Rule 3214(a) is a strict liability violation. Intent and actual or potential benefit are irrelevant as a matter of law except insofar as either may bear on the NF or NSF analysis. Lack of a bad intent, or the absence of individual benefit, are simply part of the "utmost caution" or "totality of the circumstances" analyses that NF or NSF take into account.
>
> Here, the evidence—and my de novo assessment of the veracity of the evidence Mr. Juarez introduced—weigh so heavily against him that neither professed lack of intent to cheat or to benefit reduce the Ineligibility period. Therefore, they do not provide any cognizable offset against the $25,000 maximum fine. Indeed, if, as I have concluded, Mr. Juarez has fabricated his defense, then there is indeed wrongdoing, committed before the Arbitrator and attempted on this review. Maximum deterrence is appropriate when, as here, evidence that is more likely than not false is offered in an effort to influence the fact-finding process.
>
> Thus, in reducing the fine from the $25,000 maximum to $10,000, the Arbitrator relied on considerations that fail to justify departing from the "convention" adopted in HSIA cases that the fine should "follow" the fault. The reduction is "not in accordance with law." On review, I may "modify, [or] set aside, . . . in whole or in part," the sanctions imposed, and "make any finding or conclusion that, in [the Court's] judgment . . . is proper and based on the record." Therefore, I hold that the $25,000 maximum fine should be imposed.[3]

For these reasons, Appellant's application fails to meet the applicable standard for review set forth in 16 CFR §1.1.27(b)(4)(ii), and, therefore, Appellant's application for review should be denied by the Commission.

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[2] ALJ's Decision, pp. 41-42.
[3] ALJ's Decision, pp. 51-52.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 5th day of June, 2026.

/s/*Bryan H. Beauman*

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