

Office of the Commissioner
MAJOR LEAGUE BASEBALL



MEMORANDUM

TO: Commissioner Selig
Bob DuPuy

FROM: Sandy Alderson

DATE: September 23, 2009

RE: Dominican Republic Committee

In May of this year, I was appointed by Commissioner Selig as chair of a committee to examine Major League Baseball and Club operations in the Dominican Republic. The committee is also comprised of general managers Omar Minaya, Bill Smith and Larry Beinfest, and Dan Halem, Joe Garagiola Jr., Lou Melendez, Dan Mullin and George Hanna from the Office of the Commissioner. Bob DuPuy, Rob Manfred, Jimmie Lee Solomon and Nelson Tejada also participated in committee deliberations.

In light of the complexity of the issues, the committee decided to explore the current problems affecting baseball operations in the Dominican Republic first, and then to consider issues with broader, longer term implications. The purpose of this memorandum is to provide the committee's recommendations on the shorter term issues.

The committee is still actively considering the broader issues facing MLB in the Dominican Republic, including the feasibility of an international draft and the impact of such a draft on the Clubs' current operations in the country. The committee is also considering, possibly in conjunction with an expanded draft, a long-term strategy for developing baseball talent in the country, including the extension of the RBI program and the use of centrally-operated baseball academies. These topics will be the subject of a separate report.

I. Background.

In early June, prior to the first meeting of the committee, Dan Halem and I traveled to the DR to interview employees of MLB's Dominican Republic Office ("DRO"), academy directors and international scouts employed by Clubs in the Dominican Republic, officials of the United States Embassy in Santo Domingo, and officials of the Dominican Republic government. The results of those interviews were discussed with the full committee in a meeting in New York City on June 25, 2009.

A serious problem in the Dominican Republic is the use of performance enhancing drugs (“PED”). The Office of the Commissioner began drug testing in the Dominican Summer League (“DSL”) in 2004, but, due to Dominican Republic labor law restrictions, players in the Dominican Republic were not suspended for a positive test until the 2008 season. Although the annual number of tests performed has increased by over 500 since 2004, positive test rates have decreased from 11% in 2004 to 1.7% in 2009 (as of August 25th). The Office of the Commissioner has an educational program tailored to the Dominican Republic which is overseen by Raymond Blais, who was hired into the DRO to oversee drug program issues in the country. The program includes providing educational presentations at each academy at least twice during each DSL season and conducting educational counseling sessions with all players who test positive. Despite the progress that has been made, the rate of positive tests in the Dominican Republic still is substantially higher than that in the United States, and the role of buscones facilitating drug use by players remains an impediment to further progress. Several of the recommendations in this memorandum should help to further reduce the use of performance enhancing drugs by Dominican players before and after their signing by Clubs.

A second serious problem facing MLB in the Dominican Republic is age and identity fraud, which has become pervasive in recent years. Despite its investigative efforts (which have saved Clubs tens of millions of dollars), Clubs nevertheless collectively have paid millions of dollars in signing bonuses to players who were later found to have lied about their age or identity. For this reason, many of these players, after receiving their bonuses, have been denied visas to enter the United States, preventing Clubs from recouping any of their investment in the player.

Officials of the U.S. Embassy with whom we spoke were critical of the quality of MLB’s past age and identity investigations. In many cases the consular section of the embassy conducts its own investigations on players prior to issuing them a U.S. visa, and embassy criticism of MLB efforts is based on numerous instances in which consulate investigations revealed age or identity fraud after the same players had been cleared by MLB. While the quality of MLB investigations has significantly improved in the last year (as recognized by the consulate officials themselves), the recommendations discussed in this memorandum should result in further improvement.

The Club academy directors and international scouts with whom we met stated that corrupt buscones were a major problem for Clubs, but that Clubs were hesitant to confront these buscones out of a concern that the Clubs would be denied access to the buscones’ players. They further stated that corruption among Club officials in the Dominican Republic is prevalent. The Club employees expressed the view that the DRO should become more involved in pursuing legal action against corrupt buscones and should impose more stringent penalties on Club personnel who engage in wrongdoing. They also expressed the view that the DRO does not have sufficient resources to address the problems in the country.