

**COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS GAMING COMMISSION**

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In the Matter of )  
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Application of BetMGM, LLC for a Tethered Category 3 )  
Sports Wagering Operator License )  
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**DECISION DEEMING BETMGM, LLC ELIGIBLE TO REQUEST A TEMPORARY  
TETHERED CATEGORY 3 SPORTS WAGERING OPERATOR LICENSE<sup>1</sup>**

**I. Introduction**

BetMGM, LLC (“MGM”) applied to the Massachusetts Gaming Commission (“MGC” or “Commission”) for a Tethered Category 3 Sports Wagering License. Under G.L. c. 23N, the Commission may issue a Tethered Category 3 Sports Wagering License (“License”) to an entity that offers sports wagering in connection with a Category 1 or 2 license, and through a mobile application or other digital platform that meets the requirements of c. 23N and the rules and regulations of the Commission. For the following reasons, the Commission hereby deems BetMGM eligible to request a License.

**II. Procedural History**

On November 21, 2022, the Commission received BetMGM’s Sports Wagering License Application (“Application”), including the \$200,000 application fee. *See* G.L. c. 23N, § 7(A) and 205 CMR 214.01. The MGC Division of Licensing reviewed the Application for administrative sufficiency and determined that the application was sufficient. *See* 205 CMR 218.03. Pursuant to 205 CMR 218.05 and 218.06 on December 12, 2022, the Commission held a virtual public meeting to hear public comments on all Tethered Category 3 Sports Wagering applications. On December 19, 2022, the Commission held a virtual public meeting to determine whether to issue BetMGM a preliminary finding of suitability, which included hearing an informal presentation from BetMGM and the Commission’s consultants. *See* 205 CMR 218.04(1)(a)-(b), 218.05(1)(b), 218.06(1). At that same meeting, the Commission deliberated on the Application and on December 19, 2022, found BetMGM preliminary suitable and eligible to request a Temporary License. *See* 205 CMR 215.01(2)(c)-(d), 218.06(4)-(5), 218.07(1)(a).

**III. Findings and Evaluation**

In evaluating whether to issue the Category 3 Sports Wagering License to BetMGM the Commission considered: all information in the application submitted by BetMGM, the public comments made on December 12, 2022, the presentations made by BetMGM and the

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<sup>1</sup> All facts referenced in this decision were current as of the date of the respective hearings referenced in the Procedural History for this applicant.

Commission's external consultants<sup>2</sup> on December 19, 2022, and a written report prepared by the Investigations and Enforcement Bureau ("IEB" or "Bureau") in accordance with 205 CMR 215.01(2)(b).

In accordance with 205 CMR 218.06(5), in determining whether to deem BetMGM eligible to request a Temporary Tethered Category 3 Sports Wagering License, the Commission evaluated all materials and information in the record to determine whether a license award would benefit the Commonwealth, and considered the following factors:

- a) BetMGM's experience and expertise related to Sports Wagering, including:
  1. BetMGM's ability to offer Sports Wagering in the Commonwealth;
  2. A description of BetMGM's proposed Sports Wagering Platform;
  3. The technical features & operation of BetMGM's proposed Sports Wagering Platform;
- b) The economic impact and other benefits to the Commonwealth if BetMGM is awarded a License, including:
  1. Employment opportunities within the Commonwealth;
  2. Projected revenue;
  3. Community engagement;
- c) BetMGM's proposed measures related to responsible gaming, including:
  1. BetMGM's responsible gaming policies;
  2. BetMGM's advertising and promotional plans;
  3. BetMGM's history of demonstrated commitment to responsible gaming;
- d) A description of BetMGM's willingness to foster racial, ethnic, and gender diversity, equity, and inclusion, including:
  1. Within BetMGM's workforce;
  2. Through BetMGM's supplier spend;
  3. In BetMGM's corporate structure;
- e) The technology that BetMGM intends to use in its operation, including:
  1. Geofencing;
  2. Know your customer measures; and
  3. Technological expertise and reliability;
- f) The suitability of BetMGM and its qualifiers, including:

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<sup>2</sup> The consultants include RSM US LLP ("RSM"), which presented on BetMGM's financial projections; Gaming Laboratories International LLC ("GLI"), which presented on technology considerations; and the Commission's Investigations and Enforcement Bureau ("IEB"), which presented on BetMGM's suitability.

1. BetMGM's corporate integrity;
2. The integrity of BetMGM's individual qualifiers;
3. BetMGM's financial stability, integrity, and background;
4. BetMGM's history of compliance with gaming or Sports Wagering licensing requirements in other jurisdictions; and

g) Any other appropriate factor, in the Commission's discretion.

Further, the Commission decided whether each section of BetMGM's application addressing these factors failed to meet, met, or exceeded expectations.

Ultimately, the Commission finds there is substantial evidence in the record to conclude that BetMGM's proposed Sports Wagering operation meets the requirements set forth in G.L. c.23N and 205 CMR 218. The Commission further finds there is substantial evidence to adopt the following specific findings of fact and conclusions of law related to BetMGM's application.

**A. Experience and Expertise Related to Sports Wagering**

BetMGM, a joint venture of MGM Resorts International and Entain, was established in 2018 and has since grown into an industry leader in online sports betting and gaming. As of December 19, 2022, BetMGM offered sports wagering and igaming in 25 states and cities across North America, and had 31 market access agreements in the United States, reaching 41% of the United States adult population. BetMGM's growth has been mirrored in the growth of its compliance team, which now includes 75 individuals ensuring compliance in all aspects of the company's business, including anti-money laundering efforts, technology, licensing, and operations.

BetMGM plans to use its proprietary technology to assist in MGM Springfield's provision of a physical sportsbook by providing MGM Springfield 24/7 trading and risk operations services. While BetMGM would be responsible for all the regulatory and operational functionalities at MGM Springfield's physical sportsbook, BetMGM and MGM Springfield would each be responsible for their own regulatory compliance.

The Commission raised questions about whether BetMGM's platform retains patron data when one patron attempts to share information about a specific bet with another patron. BetMGM stated that if one patron tries to send another patron a link to the page on which they are attempting to place a bet, the receiver would receive a logged-out sportsbook page. In order for the receiver to place a bet, they would first have to create an account and go through the Know-Your-Customer process. Within the application, a patron can share their bet by emailing their bet slip to another individual but no other information besides the receiver's email address is shared.

The Commission also posed questions about whether BetMGM controls the content shared by third-party affiliates for marketing and promotional purposes. BetMGM responded that it communicates its marketing and promotion standards to all affiliates. While BetMGM does not review every piece of marketing created by its affiliates, it closely monitors the content posted by its affiliates, and remains in constant dialogue with them to maintain cooperation. In the event that marketing or promotional content is substandard, BetMGM is able to immediately respond and reviews each incident on a case-by-case basis to determine appropriate remedial action.

Overall, there is substantial evidence that BetMGM has the experience and expertise required to develop and operate a Sports Wagering Platform. Therefore, BetMGM's proposal in the experience and expertise category meets expectations.

<b>SUMMARY OF EVALUATION BY CRITERIA</b>	
<b>Criteria</b>	<b>Finding</b>
BetMGM's ability to offer Sports Wagering in the Commonwealth	<p>As of December 19, 2022, BetMGM offered sports wagering and igaming in 25 states and cities across North America and has been vetted and issued sports betting and igaming licenses by 27 regulatory bodies. Most recently, as of December 19, 2022, BetMGM secured a license in the state of Maryland.</p> <p>For the reasons stated above, the Commission unanimously agreed that BetMGM has sufficient ability to offer Sports Wagering in the Commonwealth.</p>
Description of BetMGM's proposed Sports Wagering Platform	BetMGM described its proposed Sports Wagering Platform on pages 28-58 of its Application and the Commission found it satisfactory.
Technical features and operation of BetMGM's proposed Sports Wagering Platform	<p>As BetMGM explained in its presentation at the December 19 hearing, its Trading Department performs internal risk management, including setting, creating, and moving lines. The Trading Department works closely with the Compliance Department in order to identify suspicious activity. When suspicious activity is detected, it is escalated to US Integrity, a third-party provider with experience working with operators, regulators, and law enforcement.</p> <p>BetMGM further described the technical features and operations of its proposed Sports Wagering Platform on pages 59-95 of its Application and the Commission found those satisfactory.</p>

**B. Economic Impact**

In its Application, BetMGM stated it currently has two employees who live within the Commonwealth, both of whom are working remotely. BetMGM further stated that while planning is still ongoing and not yet finalized, BetMGM anticipates employing one full-time employee as the Sportsbook Manager at the proposed sportsbook at MGM Springfield.

The Commission asked BetMGM to explain its plans to partner with entities in the state and community, such as the Massachusetts Lottery and local establishments. BetMGM stated that it does not currently have a commercial relationship with the Lottery, but would work closely with

its retail partner, MGM Springfield, to ensure a successful relationship with the Lottery. BetMGM also stated that it envisions developing relationships with local establishments for marketing purposes and promoting BetMGM’s platform. BetMGM’s community engagement efforts would originate from its Employee Resource Groups, which are allotted funds to engage with the community through charitable giving, event sponsorship, etc.

The Commission asked BetMGM to describe in more detail its diversity spending and workforce hiring goals. BetMGM responded that it is currently engaging in a goal setting process and anticipates that its goals will be set by Q1 of 2023. Once its goals are set, BetMGM will begin to implement those goals department by department. While BetMGM develops its goals, it is also in the process of identifying which of its existing vendors are minority, women, veteran, and LGBTQ owned or a small business and will use this information to understand its current diversity spending and set its diversity spending goals. The Commission encouraged BetMGM to continue to gather more information about its diversity spending.

Overall, there is substantial evidence that BetMGM’s proposal in the economic impact category meets expectations.

<b>SUMMARY OF EVALUATION BY CRITERIA</b>	
<b>Criteria</b>	<b>Finding</b>
Employment opportunities within the Commonwealth	<p>As BetMGM stated in its Application, BetMGM currently has two employees within the Commonwealth, and anticipates hiring one additional full-time position as the Sportsbook Manager at MGM Springfield’s retail sportsbook.</p> <p>The Commission was satisfied by this proposed employment plan.</p>
Projected revenue	BetMGM described its projected Sports Wagering revenue on pages 415-442 of its Application and the Commission found it satisfactory.
Community engagement	<p>In its Application, BetMGM stated its community engagement efforts would build on and add to MGM Springfield’s existing partnerships with local and regional community groups, tourism, economic development organizations, and third party stakeholders.</p> <p>During the December 19, 2022, hearing, BetMGM stated its community engagement efforts would be facilitated by its Employee Resource Groups, which are given resources to engage in charitable giving and event sponsorships that align with the mission and goals of the Employee Resource Groups.</p>

	The Commission was satisfied by BetMGM’s representations regarding its plans for community engagement.
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**C. Responsible Gaming**

BetMGM stated its responsible gaming program would be similar to that of MGM Springfield to provide consistency between the retail sportsbook and the sports wagering platform. In that respect, BetMGM plans to implement GameSense in the digital arena and use it as the foundation of its responsible gaming program.

BetMGM also plans to train its employees on responsible gaming principles at least annually so they are empowered and informed to provide customers direct support and assistance. Employees who interact with customers, such as the customer service and VIP teams, will receive more in-depth training on communications and player activity than the standard training provided to all employees. BetMGM also plans to roll out harm reduction training for its employees in the next few months.

On the customer-facing side, BetMGM has overhauled its website to align with GameSense and has created a page for family members and loved ones of patrons to learn about problem gaming behavior. BetMGM also provides and promotes limit setting options to its customers. BetMGM abides by the American Gaming Association’s marketing code of conduct to ensure that BetMGM does not market or create content aimed at underage audiences, encourage over participation, or overrepresent the likelihood of success in gaming, and includes the gambling help-line on all advertisements.

The Commission asked BetMGM to confirm that it would prevent the use of credit cards to fund sports wagering in the Commonwealth. BetMGM confirmed that it has the capability to prevent patrons from using credit cards to participate in sports wagering, and further that it has the ability to ensure that patrons are not able to use credit cards “one step removed,” such as through Apple Pay and PayPal. The Commission was concerned that BetMGM’s website does not have the phone number for Massachusetts’s problem gambling helpline. BetMGM said it plans to clone its website to create a link to a jurisdictional specific responsible gaming website so that when patrons click on a responsible gaming or GameSense logo they are directed to a responsible gaming website with Massachusetts specific resources.

Overall, there is substantial evidence that BetMGM’s proposal in the responsible gaming category meets expectations.

<b>SUMMARY OF EVALUATION BY CRITERIA</b>	
<b>Criteria</b>	<b>Finding</b>
Responsible gaming policies	As BetMGM explained in its presentation at the December 19 hearing, BetMGM intends to utilize GameSense as the foundation of its responsible gaming program. BetMGM trains its employees annually on responsible gaming, and offers in-depth training to those employees who interact more frequently with customers. BetMGM offers responsible gaming resources to the public, including limit setting tools and educational materials to help individuals understand the signs of problem gambling. The Commission was satisfied by BetMGM’s responsible gaming policies.
Advertising and promotional plans	<p>BetMGM abides by the American Gaming Association Responsible Gaming Code of Conduct. BetMGM does not advertise to underage markets, does not encourage over participation in gaming, and does not overrepresent the likelihood of success in gaming. BetMGM includes information regarding the gaming help-line in all its advertisements.</p> <p>The Commission was satisfied that BetMGM’s advertising and promotional plans would adhere to its responsible gaming policies.</p>
History of demonstrated commitment to responsible gaming	<b>See Responsible Gaming Policies, above.</b>

**D. Diversity, Equity, and Inclusion**

The Commission included Diversity, Equity, and Inclusion as stand-alone considerations to demonstrate the value it places on this category of an applicant’s application.

As explained by BetMGM during the December 19, 2022, hearing, diversity, equity and inclusion is a core value of BetMGM. BetMGM strives to have an inclusive culture and to that end, formalized employee grassroots diversity, equity, and inclusion efforts into an official diversity, equity, and inclusion program in 2021. BetMGM’s diversity, equity, and inclusion program includes seven employee resource groups, as well as mandatory trainings on diversity, equity, and inclusion fundamentals and allyship for all employees.

To promote diversity in its workforce, BetMGM is utilizing artificial intelligence to generate gender neutral and inclusive job descriptions. Those job descriptions will be provided to organizations with which BetMGM has long-term institutional relationships, as well as the internal employee resource groups. BetMGM is also planning to launch an empower

mentorship program for underrepresented employees, and plans to annualize its diversity, equity, and inclusion goals so it can increase representation and support equitable processes.

The Commission noted BetMGM’s inclusion in its Application of a self-assessment and survey on diversity, equity, and inclusion. BetMGM stated that the self-assessment and survey is meant to be a starting point, and to inform BetMGM’s future diversity, equity, and inclusion goals. While BetMGM is at its foundational stages, it has made investments across the entire company to continue to promote diversity, equity, and inclusion.

There is therefore substantial evidence that BetMGM’s commitment to Diversity, Equity, and Inclusion meets expectations.

<b>SUMMARY OF EVALUATION BY CRITERIA</b>	
<b>Criteria</b>	<b>Finding</b>
Workforce	<p>BetMGM’s workforce has the following demographics: 67% male, 31% female, and 2% non-binary; 52% white, 18% Hispanic/Latinx, 15% Black, 8% Asian, and 5% mixed race.</p> <p>Of the 40 individuals who hold the position of director and senior director, 29 are white (20 male, 9 female), 6 are Asian (5 male, 1 female), 3 are Latinx (3 male), and 2 are mixed-race (1 male, 1 female), which amounts to a total of 11 people of color and 15 women.</p> <p>Of the 119 individuals who hold the position of manager, 54 are white men, 25 are white women, 9 are Asian men, 6 are Asian women, 9 are Black men, 3 are Black women, 5 are Latinx men, 3 are Latinx women, 2 are multi-racial men, 3 are multi-racial women, which amounts to a total of 25 people of color and 40 women.</p> <p>The Commission was satisfied by BetMGM’s workforce.</p>
Supplier spend	<p>BetMGM described its supplier spend goals on page 511 of its Application and the Commission found it satisfactory.</p>
Corporate structure	<p>BetMGM’s 9-member C-suite includes 2 female members, and 1 member who is a person of color.</p> <p>The Commission was satisfied by BetMGM’s corporate structure.</p>



**E. Technology**

BetMGM stated during the December 19, 2022, hearing that it has developed a proprietary sports wagering platform which is live in 19 jurisdictions, 18 of which have been tested by the Commission’s technology consultants, GLI. To ensure that sports wagering is limited to the jurisdictions in which it is licensed, BetMGM’s platform is fully integrated with GeoComply, and as a result, BetMGM can utilize the tools on a mobile device to detect and verify a patron’s location.

BetMGM fully demonstrated its platform to the Commission, from identity and age verification to responsible gaming tools and customer service. In response to questions raised by the Commission, BetMGM clarified that customer service is available by chat 24/7, but that customer service over the phone is only available from 11:00 AM to 8:00 PM, the hours during which BetMGM experiences the most patron volume. If a patron were to send a message that indicated problem gambling behavior over the chat during an hour that phone customer service is not available, BetMGM would continue to escalate the message as appropriate up to and including the potential for a wellness check by law enforcement. The Commission also encouraged BetMGM to provide customer service over the phone in languages beyond English.

Overall, there is substantial evidence that BetMGM’s proposal in the technology category meets expectations.

<b>SUMMARY OF EVALUATION BY CRITERIA</b>	
<b>Criteria</b>	<b>Finding</b>
Geofencing	BetMGM described its geofencing measures on page 583-584 of its Application and the Commission found it satisfactory.
Know your customer	BetMGM described its know your customer measures on page 585-589 of its Application and the Commission found it satisfactory.
Technological expertise and reliability	BetMGM described its technological expertise and reliability on page 590-599 of its Application and the Commission found it satisfactory.

**F. Suitability of BetMGM and Its Qualifiers**

The Commission noted concerns about the ability to evaluate the suitability of Entain, one of the entities which forms the joint venture from which BetMGM was created and which is an entity qualifier to BetMGM, given the various fines and settlements to which Entain is a party. Martin Lycka, the Senior Vice President for American Regulatory Affairs and Responsible Gambling at Entain, provided the history surrounding a settlement entered into with the UK Gambling Commission. Mr. Lycka stated that the settlement arose from incidents relating to responsible gaming and anti-money laundering occurring between June 2019 and June 2020, and in which Entain did not handle the issues to the satisfaction of the UK Gambling Commission. Entain was subject to a 70-count indictment stemming from

these incidents, but was ultimately found guilty of only 6 of those counts. Mr. Lycka stated that while Entain could have contested those 6 counts, Entain ultimately decided not to in order to maintain a positive and cooperative approach with the UK Gambling Commission. Since that settlement, Entain has developed a new responsible gaming program, hired additional employees for its responsible gaming and anti-money laundering teams, and enhanced its training.

The Commission noted its concerns about fines BetMGM had been subject to, including multiple fines in the same jurisdiction in the early years of BetMGM. BetMGM stated that those violations arose from manual errors during an early time in BetMGM's operation when it did not have a dedicated trade and compliance team. BetMGM stated that its practices, processes, and controls are different now to mitigate the risk of similar future incidents, and that it closely tracks trends in errors to determine whether implemented remedial actions are effective. IEB Director Lillios added that it is not surprising that any given sports wagering operator has incurred fines, as sports wagering is a highly regulated industry and operators often operate in many jurisdictions. The IEB's focus is: (i) whether a sports wagering operator commits multiple violations of the same type without addressing those violations for a long period of time; (ii) whether violations are inadvertent or intentional; (iii) whether fines are paid in a timely fashion; and (iv) whether the operator has implemented any audit functions.

The Commission went into executive session pursuant to G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to discuss an ongoing confidential investigation, BetMGM's collaboration in a marketing agreement, ongoing litigation regarding alleged patent infringement, seven episodes related to Entain's regulator's settlement, and ongoing judicial and administrative proceedings in Maryland. The Commission ultimately concluded those matters did not negatively impact BetMGM's suitability at that point in time and would be further investigated.

The Commission may determine that an applicant or qualifier is suitable to hold a Sports Wagering license based on (1) the applicant and its qualifiers, or the qualifier, certifying to their suitability under the pains and penalties of perjury, and (2) the IEB's investigative report. *See* 205 CMR 215.01(2)(a). The Commission deliberated on BetMGM's preliminary suitability during its deliberations on BetMGM's application on December 19, 2022. *See* 205 CMR 215.01(2)(c). Based on BetMGM's and its qualifiers' certifications, the IEB's investigative report, information obtained through previous investigations into BetMGM and its qualifiers as described above, the Commission determined that BetMGM and its qualifiers are suitable to hold a Sports Wagering license. *See* 205 CMR 215.01(2)(d)(1).

The Commission is satisfied with BetMGM's suitability, and that of its qualifiers. It therefore found BetMGM preliminarily suitable, and concluded there is substantial evidence that BetMGM's suitability meets expectations.

<b>SUMMARY OF EVALUATION BY CRITERIA</b>	
<b>Criteria</b>	<b>Finding</b>
Corporate integrity	BetMGM is suitable to hold a Sports Wagering license.
Individual qualifier integrity	The IEB’s investigative report prepared for the purposes of this License decision did not reveal any disqualifying information concerning BetMGM or its qualifiers’ integrity, honesty, good character, or reputation.
Financial stability, integrity, and background	BetMGM’s Independent Audit Report and Material Weakness Statement submitted pursuant to 205 CMR 139.07(1), and its quarterly spending reports, did not reveal any disqualifying information concerning BetMGM or its financial stability, integrity, or background.
History of compliance	See narrative description of Suitability of BetMGM and its qualifiers, above.

**IV. Award**

**THE COMMISSION FINDS THAT THERE IS SUBSTANTIAL EVIDENCE IN THE RECORD THAT BETMGM’S APPLICATION MEETS EXPECTATIONS IN ALL CATEGORIES AND THAT BETMGM IS ELIGIBLE FOR A TEMPORARY TETHERED CATEGORY 3 SPORTS WAGERING LICENSE.**

On November 21, 2022, the MGC received BetMGM’s request for a License, and an initial licensing fee of \$1,000,000 payable to the Commission. *See* 205 CMR 219.02(1). On December 19, 2022, the Commission deemed BetMGM (“Licensee”) eligible to request a Temporary Tethered Category 3 Sports Wagering Operator License (“License”) pursuant to the terms and conditions of this Agreement (“Agreement”). On December 19, 2022, the Commission voted to issue the requested License. *See* 205 CMR 219.02(3).

This License is subject to the following conditions:

1. Compliance with all of the requirements of G.L. c. 23N, as now in effect and as hereafter amended and 205 CMR, as now in effect and as hereafter amended.
2. Compliance with all applicable federal, state, and local laws, rules and regulations, now in effect or as hereafter amended or promulgated.
3. Compliance with the license conditions required by 205 CMR 220, namely:
  - a. That the Licensee obtain an Operation Certificate before conducting any Sports Wagering in the Commonwealth;
  - b. That the Licensee comply with all terms and conditions of its license and Operation Certificate;


- c. That the Licensee comply with G.L. c. 23N and all rules and regulations of the Commission;
  - d. That the Licensee make all required payments to the Commission in a timely manner;
  - e. That the Licensee maintain its suitability to hold a Sports Wagering license; and
  - f. That the Licensee conduct Sports Wagering in accordance with its approved system of internal controls, and in accordance with its approved house rules, in accordance with G.L. c. 23N, § 10(a) and with 205 CMR.
4. Compliance with the following license conditions discussed on December 19, 2022:
    - a. The Licensee provide timely and ongoing notice to the IEB about any developments in the matters being confidentially investigated and discussed during Executive Session.
    - b. The Licensee supplement its vendor diversity list
  5. The Licensee post the License, in a form prescribed by the Commission, in a location continuously conspicuous to the public on the Licensee's Sports Wagering Platform and website at all times.
  6. Payment of assessments made pursuant 205 CMR 221.00 in accordance with that regulation.
  7. The Sports Wagering Operation shall substantially conform to the information included in the application filed by the Licensee and abide by all affirmative statements made in the Licensee's application.
  8. The term of the License awarded to Licensee commences upon February 23, 2023, and shall expire as set out in 205 CMR 219.03.

**SO ORDERED**

**MASSACHUSETTS GAMING COMMISSION**



Cathy Judd-Stein, Chair



Eileen M. O'Brien, Commissioner



Bradford R. Hill, Commissioner



Nakisha L. Skinner, Commissioner



Jordan M. Maynard, Commissioner