

**COMMONWEALTH OF MASSACHUSETTS**  
**MASSACHUSETTS GAMING COMMISSION**

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In the Matter of )  
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Request of American Wagering Inc. d/b/a Caesars Sportsbook for )  
A Durable Finding of Suitability )  
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**DECISION GRANTING AMERICAN WAGERING INC. D/B/A CAESARS  
SPORTSBOOK A DURABLE FINDING OF SUITABILITY**

**DECISION AND ORDER**

This matter came before the Massachusetts Gaming Commission (“Commission”) upon a request by American Wagering Inc. d/b/a Caesars Sportsbook (“Caesars”) for an adjudicatory hearing to consider a durable finding of suitability for a category 3 sports wagering license. On September 4, 2024, the Commission conducted an adjudicatory hearing relative to the matter using remote collaboration technology. The hearing was held as described in 205 CMR 215.01(d) and 205 CMR 101.01(2)(a), and conducted in accordance with 205 CMR 101.01, the informal fair hearing rules outlined in 801 CMR 1.02, and G.L. c. 30A. Acting Chief Enforcement Counsel Kathleen Kramer represented the Investigations and Enforcement Bureau (“IEB”) , and Jeffrey P. Hendricks, Senior Vice President and Assistant General Counsel for Caesars represented the petitioners. After hearing and deliberation of the matter, the Commission hereby **GRANTS** Caesars a durable finding of suitability.

**EXHIBITS**

The following exhibits were introduced without objection at the hearing and reviewed and considered by the Commission:

1. Notice of Hearing
2. IEB Report Regarding Full Suitability Investigation in Re: The Application of American Wagering, Inc. (d/b/a Caesars Sportsbook) for a Category 3 Sports Wagering License (Tethered), Dated August 22, 2024
3. IEB Report Regarding Review for Preliminary Suitability, Dated December 12, 2022
4. Report Regarding Review for Financial Suitability of American Wagering, Inc. d/b/a Caesars Sportsbook, dated August 22, 2024
5. Anthony Carano Individual Qualifier Reports
6. Eric Hession Individual Qualifier Reports

7. Edward Quatmann Individual Qualifier Reports
8. Thomas Reeg Individual Qualifier Reports
9. Bret Yunker Individual Qualifier Reports

The following individuals testified at the hearing:

- Kevin Murphy, Civilian Investigator, IEB
- Monica Chang, Division Chief, Financial Investigations, IEB
- Chris Fitzgerald, RSM US LLP (“RSM”)
- Connor Loughlin, RSM
- Gianna Kubiak, RSM
- Greg Naviloff, RSM
- Eric Hession, President, American Wagering Inc.
- Edmund Quatmann, Jr., Executive Vice President, Chief Legal Officer, Secretary, Caesars Entertainment
- Thomas Reeg, Chief Executive Officer, Caesars Entertainment
- Bret Yunker, Chief Financial Officer and Treasurer, Caesars Entertainment
- Jeffrey P. Hendricks, Senior Vice President and Assistant General Counsel, Regulatory and Compliance

### **FINDINGS OF FACT AND PROCEDURAL HISTORY**

The Commission’s decision is based upon the information contained in the exhibits as well as the witness testimony presented at the hearing. All witnesses were duly sworn in, and the Commission finds that each testified credibly. The Commission adopts all factual findings contained in the IEB’s submitted exhibits, including Exhibits 2-9 as set forth above. The Commission sets forth the relevant facts contained in those exhibits here.

Caesars submitted an application for a Category 3 sports wagering operator license pursuant to G.L. c. 23N, § 6(b)(3), which included four entity qualifiers and five individual qualifiers,<sup>1</sup> by the November 21, 2022, deadline. The IEB conducted a review for preliminary suitability pursuant to 205 CMR 215.01(2)(a) and (b) and submitted its Report Regarding Review for Preliminary Suitability to the Commission on December 12, 2022.

On December 19, 2022, the Commission voted unanimously at a public meeting to allow Caesars to request a temporary Category 3 sports wagering license subject to conditions specifically set forth in 205 CMR 220.01. On February 23, 2023, the Commission’s Executive Director issued a temporary Category 3 sports wagering license to Caesars. The Commission approved Caesars’ operations certificate on March 10, 2023, and began operations on the same day.

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<sup>1</sup> William Hill US HoldCo, Inc., Caesars Entertainment, Inc., Capital Group Companies Inc., Vanguard Group Inc., Thomas Reeg, Anthony Carano, Edmund Quatmann, Jr., Bret Yunker, and Eric Hession.

Subsequent to the Commission's issuance of the temporary Category 3 sports wagering license, the Massachusetts State Police Gaming Enforcement Unit assigned to the IEB ("GEU") performed a further preliminary review of the Applicant. This included a review of both law enforcement sensitive and publicly available databases. No automatically disqualifying information was discovered during this review.

In addition, the Licensing Division re-scoped Caesars' Application based on the legislative amendment to G.L. c. 23N, § 5(b) and 205 CMR 215.02, identifying the entity and individual qualifiers referenced above. On June 20, 2023, the Licensing Division deemed the Application administratively complete, and it transmitted the Application to the IEB for its full investigation.

IEB, including members of the Financial Investigations Division and the GEU, performed this investigation for durable suitability under the direction of the IEB Director consistent with the directives of the Commission and in accordance with 205 CMR 215.01(1)(c).

The IEB also retained contract investigators comprised of retired members of the Massachusetts State Police, including former members of the GEU, and contract investigators from RSM. The investigation was supervised by GEU supervisory staff and, for financial matters, by the Chief of the IEB's Financial Investigations Division. The IEB's Chief Enforcement Counsel managed, reviewed, and provided guidance for this investigation.

On September 4, 2024, the Commission held an adjudicatory hearing using remote collaboration technology to review Caesars' request for a finding of durable suitability. The hearing was held as described in 205 CMR 215.01(1)(d) and 205 CMR 101.01(2)(a), and conducted in accordance with 205 CMR 101.01, the informal fair hearing rules outlined in 801 CMR 1.02, and G.L. c. 30A.

## **ANALYSIS**

On December 20, 2022, the Commission awarded Caesars a preliminary finding of suitability when it initially applied for a sports wagering operator license in November of 2022. That determination was based on a review of a host of factors set forth in both statute and regulation, including the following:

- the overall reputation of the applicant;
- the integrity, honesty, good character and reputation of the applicant/qualifier;
- the financial stability, integrity and background of the applicant/qualifier;
- the business practices and the business ability of the applicant to establish and maintain a successful sports wagering operation;
- whether the applicant/qualifier has a history of compliance with gaming or sports wagering licensing requirements in other jurisdictions;

- whether the applicant/qualifier, at the time of application, is a defendant in litigation;
- the suitability of all parties in interest to the license, including affiliates and close associates, and the financial resources of the applicant;
- whether the applicant/qualifier is ineligible to hold a license under 205 CMR 215.01(4), M.G.L. c. 23N, § 9(a), or G.L. c. 23N, § 6(e);
- whether the applicant/qualifier has been convicted of a crime of moral turpitude;
- whether, and to what extent, the applicant/qualifier has associated with members of organized crime and other Persons of disreputable character; and
- the extent to which the applicant/qualifier has cooperated with the IEB during the review of the application.

In reviewing Caesars' request for a finding of durable suitability, the Commission heard extensive testimony regarding Caesars' entity qualifiers, individual qualifiers and its financial suitability. Much of the testimony was presented in private session in accordance with 205 CMR 101.01(7) given its sensitive and competitive nature. No evidence of adverse findings with respect to any individual qualifier or entity qualifier were disclosed, nor were there any concerns about Caesars' financial suitability.

RSM additionally provided detailed reporting on its investigation and evaluation of Caesars' corporate governance structure including its compliance program and its recent responses to compliance incidents, most notably a cybersecurity attack in 2023. RSM concluded that Caesars had no critical risk areas and had either addressed or was working to address all of the lower-level risk areas that were identified.

The Commission is encouraged by Caesars' efforts to ameliorate the risk areas identified during the Commission's suitability investigation and expects that Caesars will continue to keep the Commission updated with its progress in that respect including resolving any outstanding risk areas promptly. The Commission further specifically requests that Caesars continue to apprise Commission staff of its updates to policies and procedures concerning cyber defense.

There was also discussion concerning Caesars' \$150,000 fine from the Ohio Casino Control Commission as a result of the actions of a third-party marketing affiliate. Representatives of Caesars testified as to the controls in place to prevent such events and approves of the steps that Caesars has taken to reduce the likelihood of anything similar happening in the future including the termination of the relationship with that affiliate. The Commission would similarly request to be kept updated on any substantive changes with respect to Caesars policies and procedures concerning third-party marketing affiliate oversight.

The Commission recognizes Caesars' obligation to maintain ongoing suitability as a licensee in the Commonwealth, and viewing the record as a whole, the Commission finds that there is clear and convincing evidence of Caesars' durable suitability.

**CONCLUSION AND ORDER**

For the foregoing reasons, the Commission finds that Caesars has demonstrated its suitability by clear and convincing evidence, and accordingly, issues a **POSITIVE** determination of suitability.

**SO ORDERED**

**MASSACHUSETTS GAMING COMMISSION**



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Jordan M. Maynard, Interim Chair



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Eileen M. O'Brien, Commissioner



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Bradford R. Hill, Commissioner



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Nakisha L. Skinner, Commissioner