



NOTICE OF MEETING AND AGENDA

Pursuant to the Massachusetts Open Meeting Law (G.L. c. 30A, §§ 18-25), St. 2022, c. 107, and St. 2023, c. 2, notice is hereby given of a public meeting of the **Massachusetts Gaming Commission**. The meeting will take place:

Thursday | January 9, 2025 | 9:30 a.m.
VIA REMOTE ACCESS: 1-646-741-5292
MEETING ID/ PARTICIPANT CODE: 112 705 1241
All meetings are streamed live at www.massgaming.com.

Please note that the Commission will conduct this public meeting remotely utilizing collaboration technology. Use of this technology is intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public. If there is any technical problem with the Commission's remote connection, an alternative conference line will be noticed immediately on www.massgaming.com.

All documents and presentations related to this agenda will be available for your review on the morning of the meeting date by visiting our website and clicking on the News header, under the Meeting Archives drop-down.

PUBLIC MEETING - #543

1. Call to Order – Jordan Maynard, Chair

2. Meeting Minutes
 - a. August 18, 2023 **VOTE**
 - b. December 14, 2023 **VOTE**
 - c. July 11, 2024 **VOTE**

3. Administrative Update – Dean Serpa, Executive Director

4. Legal – Todd Grossman, General Counsel
 - a. Classification review of Bally's Interactive, LLC transaction including possible consideration of request for waiver from transfer of interest provisions described in 205 CMR 229 – Jed Nosal, Womble Bond Dickinson; Bob Ross, Greenberg Traurig **VOTE**



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- b. 205 CMR 238.12: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering- Discussion and Review of Regulation Amendments and Small Business Impact Statement for authorization to begin the promulgation process by Commission – Justin Stempeck, Deputy General Counsel **VOTE**

- 5. Sports Wagering Division – Carrie Torrissi, Chief of Sports Wagering Division
 - a. Request for Extension of Temporary Waiver for all Sports Wagering Operators from 205 CMR 238.12 – Carrie Torrissi, Chief of Sports Wagering Division **VOTE**
 - b. Request for Temporary Waiver for BetMGM from 205 CMR 255.02(1)(b) – Carrie Torrissi, Chief of Sports Wagering Division **VOTE**
 - c. Update to House Rules - Andrew Steffen, Compliance and Operations Manager
 - I. FanDuel **VOTE**
 - II. BetMGM **VOTE**

- 6. Information Technology – Katrina Jagroop-Gomes, Chief Information Officer
 - a. Review of compliance by Bally Bet with 205 CMR 243.01(x) relative to technical security control audit – Cristian Taveras, Gaming Technical Compliance Manager **VOTE**

- 7. Research and Responsible Gaming – Mark Vander Linden, Director of Research and Responsible Gaming
 - a. Update to the MGC Responsible Gaming Framework
 - b. Update on Bet Blocking Software
 - c. AI Working Group Update

- 8. Investigations and Enforcement Bureau – Caitlin Monahan, Chief of Investigations and Enforcement Bureau
 - a. Review of the IEB’s Recommendation of Assessment of a Civil Administrative Penalty pursuant to 205 CMR 232.02(2) regarding noncompliance with permissible sports wagering offerings by Penn Sports Interactive – Nathaniel Kennedy, Enforcement Counsel; Kathleen Kramer, Chief Enforcement Counsel **VOTE**
 - b. Briefing on noncompliance matter related to Temporary Category 3 Sports Wagering Licensee FBG Enterprises Opco, LLC, d/b/a Fanatics Betting and Gaming and discussion regarding next steps. Alleged noncompliance relates



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to offering wagering on unauthorized event in violation of G.L. c. 23N, § 3, 205 CMR 247.01(2)(a)(2), and the Massachusetts Sports Wagering Catalog – Diandra Franks, Enforcement Counsel

- c. IEB Request for a waiver from 205 CMR 234.02, which requires sports wagering vendor applicants to submit three years of independent audited financial statements – Caitlin Monahan, IEB Director; Monica Chang, Chief of the Financial Investigation Division **VOTE**

- 9. Discussion regarding collective bargaining of the SEIU Local 888 Agreement – Dean Serpa, Executive Director; Caitlin Monahan, IEB Director; David Connelly, Esq., outside counsel to MGC

- a. Executive Session **VOTE**

The Commission anticipates that it will meet in executive session in accordance with G.L. c. 30A, § 21(a)(3) to discuss strategy with respect to collective bargaining of the SEIU Local 888 Agreement, as discussion at an open meeting may have a detrimental effect on the bargaining position of the Commission.

- 10. Executive Session Minutes

- a. Executive Session **VOTE**

The Commission anticipates that it will meet in executive session to review minutes from previous executive session, as their discussion at an open meeting may frustrate the intended purpose for which the executive session was convened, pursuant to G.L. c. 30A, § 21(a)(4), c. 30A, §21(a)(7), and G.L. c. 4, § 7(26)(f): **May 30, 2023**; G.L. c. 30A, §21(a)(3), and G.L. c. 30A, §21(a)(6): **September 21, 2023**; and G.L. c. 30A, § 21(a)(7), G.L. c. 23N, § 6(i) and G. L. c. 4, § 7(26)(n): **December 16, 2024**;

- I. May 30, 2023 **VOTE**
- II. September 21, 2023 **VOTE**
- III. December 16, 2024 **VOTE**

- 11. Commissioner Updates

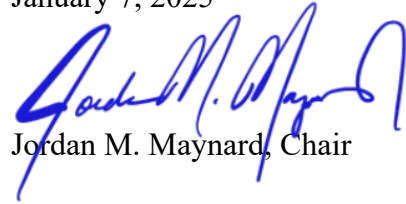
- 12. Other Business - Reserved for matters the Chair did not reasonably anticipate at the time of posting.



Massachusetts Gaming Commission

I certify that this Notice was posted as “Massachusetts Gaming Commission Meeting” at www.massgaming.com and emailed to regs@sec.state.ma.us. Posted to Website: January 7, 2025 | 9:30 a.m. EST

January 7, 2025



Jordan M. Maynard, Chair

*If there are any questions pertaining to accessibility and/or further assistance is needed,
please email Grace.Robinson@massgaming.gov.*



Massachusetts Gaming Commission

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Massachusetts Gaming Commission Meeting Minutes

Date/Time: August 18, 2023, 10:00 a.m.
Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 542 9895

The Commission conducted this public meeting remotely utilizing collaboration technology. Use of this technology was intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public.

Commissioners Present:

Chair Cathy Judd-Stein
Commissioner Eileen O'Brien
Commissioner Bradford Hill
Commissioner Nakisha Skinner
Commissioner Jordan Maynard

1. [Call to Order](#) (00:00)

Chair Judd-Stein called to order the 472nd Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Legal Framework Relative to the Award of a Sports Wagering License](#) (00:37)

Chair Judd-Stein stated that this meeting was a continuation of the evaluation of the category two sports wagering application submitted by Massasoit Greyhound Association, Inc. d/b/a Raynham Park ("Raynham"). She noted that this application was previously discussed on June 12, 2023, June 20, 2023, and August 1, 2023.

Interim Executive Director and General Counsel Todd Grossman noted that at the August 1, 2023 meeting the Commission discussed Raynham's written requests for the withdrawal of

individual qualifier Christopher J. Carney and the entity qualifier Christopher J. Carney Subchapter S Trust.

Mr. Grossman stated the Commission had continued the discussion from August 1, 2023 until this meeting to allow the Investigations and Enforcement Bureau (“IEB”) to prepare a response to the two requests for withdrawal submitted by Raynham. He stated that the Commission anticipated that the review of the requests to withdraw and the evaluation of Raynham’s application would take place together at this meeting.

Mr. Grossman explained that American Wagering Inc. d/b/a Caesars Sportsbook (“Caesars”) had terminated their operating lease agreement with Raynham. He noted that as a result of the termination of the agreement, Raynham was without an entity to operate the sportsbook. He noted that Caesars filed a request to withdraw as a qualifier in connection with Raynham’s application. He stated that this was not set for discussion at this meeting due to the late receipt of the filing. He stated that it was difficult to envision granting a temporary license given this situation, but that the Commission could still evaluate preliminary suitability and Raynham’s requests for withdrawal. He stated that it would be prudent to have a finding on the request for withdrawals before coming to a decision on preliminary suitability, and that any finding must be supported by substantial evidence.

The Commission discussed the order in which the topics should be considered. Deputy General Counsel Monahan stated that the Commission could hear the presentations on both preliminary suitability and the requests for withdrawal before making a decision on either. The Commission agreed to move forward with the presentations as they were included in the agenda. Deputy General Counsel Monahan described the legal framework for establishing preliminary suitability in accordance with G.L. c. 23N, § 6 and 205 CMR 215.01(3). She explained that the description of who shall be a qualifier was in accordance with 205 CMR 215 and G.L. c. 23N, § 5(b).

a. [General Update from Massasoit Greyhound Association, Inc.](#) (27:55)

Attorney Jed Nosal, Counsel for Raynham from the law firm Womble Bond Dickinson LLP, explained that Raynham would be able to revive the agreement with Caesars should it be granted a preliminary finding of suitability. He reiterated his request that the Commission make a determination on the request for withdrawal before considering the suitability of Raynham. The Commission reiterated its position that the discussion would move forward as stated in the agenda.

Commissioner Skinner inquired about how preliminary suitability would be bifurcated from the Commission’s evaluation of Raynham’s application. Mr. Nosal stated that Raynham was requesting a finding of preliminary suitability under 205 CMR 215, which the Commission would later consider in regard to the application review under 205 CMR 218. Deputy General Counsel Monahan noted that the decision regarding preliminary suitability under 205 CMR 215 would be considered as one of the factors in the Commission’s review under 205 CMR 218.

Commissioner Hill explained that he viewed Raynham's application as incomplete with the removal of Caesars. He asked why the Commission was moving forward on this application. Chair Judd-Stein stated that Raynham requested to be heard on the withdrawal and that the IEB wanted to move forward on preliminary suitability. She noted that new facts could arise at any time, and that the Commission should address what can be addressed.

Commissioner Skinner sought clarification regarding the intersection between 205 CMR 215 and 205 CMR 218. Mr. Nosal stated that Raynham was requesting a preliminary finding of suitability so that it could reenter the operating agreement with Caesars. He stated that the request was for a finding of preliminary suitability under 205 CMR 215, and not part of the application evaluation process under 205 CMR 218. Deputy General Counsel Monahan noted that a decision under 205 CMR 215 and 205 CMR 218 is functionally identical.

Commissioner Skinner asked if a determination could be made outside of the consideration of the total application. Commissioner Maynard expressed he was comfortable moving forward based upon the information presented, and that a final determination could be made if Raynham received a new operating agreement. Deputy General Counsel Monahan stated that the determination of suitability was holistic, and that the Commission would have to consider Caesars' withdrawal and its implications regarding suitability. Chair Judd-Stein suggested the Commission impose conditions. Deputy General Counsel Monahan noted that without Caesars, there was a large hole in Raynham's application.

Mr. Grossman stated that the Commission was not obligated to move forward as it was not a traditional application review. He stated that the Commission could listen to presentations and reach a determination regarding preliminary suitability. Chair Judd-Stein stated that conditions could be attached. Commissioner O'Brien noted that the Commission could also choose to not provide a finding on suitability at the end of discussions. Commissioner Maynard noted that additional information could be requested, and that the Commission could also make a determination on withdrawal even without a decision on preliminary suitability.

3. Presentations and Analysis Relevant to Review and Evaluation of Application for Category 2 Sports Wagering Operator License: (1:31:01)

a. IEB Report Regarding Review for Preliminary Suitability of the Applicant (G.L. c. 23N, § 6: c. 23N, § 9: 205 CMR 218.06(5)(f): 205 CMR 215) (1:31:01)

Loretta Lillios, Director of the IEB, introduced Senior Enforcement Counsel Kathleen Kramer. Counsel Kramer discussed the IEB's report on the preliminary suitability of category two sports wagering applicant Raynham. Counsel Kramer outlined a history of environmental infractions related to Patriot Recycling, a business connected to individual qualifier Christopher Carney. She explained that Patriot Recycling had reached multiple administrative consent orders with the Massachusetts Department of Environmental Protection. She noted that none of these matters were disclosed by the applicant or qualifiers in the application materials. She explained that there

was also an ongoing civil lawsuit against C. Carney Environmental due to allegations of contaminated drinking water. She noted that additional matters would be better reserved for executive session.

Chair Judd-Stein noted that Director of Racing Alex Lightbown worked with the Carney family since 1992, and asked if she could direct questions to Director Lightbown regarding Christopher Carney's role in the organization. Mr. Nosal stated that he did not want to introduce new information that was not previously reviewed by the parties. Chief Enforcement Counsel Heather Hall agreed.

Mr. Nosal and the Commission discussed the procedure for discussing the IEB's supplemental report and whether it could be addressed at this stage. Mr. Nosal noted that while the report was a response to Raynham's requests to withdraw, several of the documents were relevant to suitability. Director Lillios stated that the facts appropriate for the public should be reviewed, and that the Commission could enter executive session to discuss the summary of materials in the IEB's July report. She stated that it was not surprising that suitability was raised in the IEB's supplemental filing as it discussed suitability in the context of withdrawal.

Mr. Grossman stated that topics for executive session must be identified to see if the topic complies with G.L. c. 23N, § 6(i). He stated that financial information would be appropriate for executive session. Counsel Hall noted that ongoing investigation related matters referred to by Counsel Kramer would be appropriate for discussion in executive session. Mr. Grossman explained that certain investigatory materials could be reviewed in executive session pursuant to G.L. c. 4, §7(26)(f).

i. [Executive Session](#) (2:20:23)

Chair Judd-Stein stated that the Commission anticipated that it may meet in executive session in conjunction with its review of the application in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to consider information submitted by the applicant in the course of its application for an operator license that is a trade secret, competitively-sensitive or proprietary and which if disclosed publicly would place the applicant at a competitive disadvantage and/or G.L. c. 4, §7(26)(f) to consider investigatory materials necessarily compiled out of the public view by law enforcement or other investigatory officials, the disclosure of which materials would probably so prejudice the possibility of effective law enforcement that such disclosure would not be in the public interest.

Commissioner O'Brien moved that the Commission go into executive session for the reasons specified by the Chair, specifically related to G.L. c. 23N, § 6(i) and G.L. c. 4, § 7(26)(f), and on the matters related thereto. Commissioner Maynard seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Commissioner Maynard: Aye.
Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Transcriber's Note: The Commission entered executive session and resumed the public meeting of the Commission at [4:26:07](#).

4. [Request for Withdrawal of Individual Qualifier and Entity Qualifier and IEB Response to Requests to Withdraw and Supplemental Submission on Suitability](#) (4:27:29)

Attorney Michael Morizio, Counsel from Morizio Law representing Christopher Carney, explained the rationale behind Raynham's request to withdraw Christopher Carney and the trustees of the Christopher J. Carney Subchapter S Trust from the qualifier process.

Mr. Morizio stated that Christopher Carney did not meet the definition of qualifier under G.L. c. 23N, § 5(b) and that Mr. Carney did not exhibit control of Raynham in accordance with G.L. c. 156D. He reiterated that Mr. Carney was not an officer of Raynham, and that Christopher Carney did not have any right of control. He requested that the Commission remove Christopher Carney and the trust as qualifiers.

Commissioner Skinner asked about Christopher Carney's former role within Raynham. Mr. Morizio explained that Christopher Carney was previously involved in construction aspects, including preparing the site, zoning functions, and other construction activities. He stated that Mr. Carney had never been involved in the operations of Raynham, and that Mr. Carney was not in a position of management or control. He noted that Raynham considered appointing Mr. Carney as the COO after Mr. Carney was identified as a qualifier by the IEB.

Commissioner O'Brien stated that the Commission's regulations set standards for who is considered a qualifier. She stated that Christopher Carney was intricately intertwined with Raynham, and that Mr. Carney himself spoke affirmatively that he was involved with Raynham.

Mr. Morizio stated that as a matter of law under G.L. c. 156D, Christopher Carney had no control over the organization. Commissioner O'Brien reiterated that Mr. Carney had provided statements that he was historically involved with Raynham. She stated that it was difficult to say he was not a qualifier under 205 CMR 215.02(1)(a)(4).

Mr. Morizio noted that the Commission's regulation had to be read consistently with legislative directive. Commissioner O'Brien noted that she was not arguing a point of law but the facts about whether Christopher Carney met the definition of qualifier under 215.02(1)(a)(4). Mr. Morizio stated that the regulation had to be read consistently with the statute. Commissioner O'Brien asked how Mr. Carney would not fall under the definition 205 CMR 215.02(1)(a)(4)

based upon the facts, not based on legal analysis. Commissioner O'Brien then withdrew her question.

Commissioner Hill stated he would like to hear an answer to the question previously posed by Commissioner O'Brien. Mr. Morizio stated that Christopher Carney was not involved with the business that was under the Commission's jurisdiction. He stated that Mr. Carney was only involved with construction, not the simulcasting business. Commissioner Hill noted that Mr. Carney's statements to the IEB said otherwise.

Mr. Morizio noted that Christopher Carney was proposed to become the COO of Raynham after he was designated a qualifier. He stated that Mr. Carney was only involved with construction requirements before sports wagering was legalized. Commissioner Maynard asked if Raynham's business relationship with Mr. Carney was severed. Mr. Morizio stated that Raynham had been controlled by George Carney for fifty-seven years. He stated that Raynham would accept any condition the Commission considered related to Christopher Carney.

Commissioner Skinner noted that Christopher Carney was perceived to be involved in the culture at Raynham in an informal capacity and asked what would stop him from continuing in that informal capacity. Mr. Morizio stated that the Commission would have onsite representatives and that Raynham's operating partner would have independent control. Commissioner Skinner noted that her concerns were regarding back of house actions, such as brokering transactions. Mr. Nosal stated that Mr. Carney's involvement in those processes would jeopardize Raynham's license. He noted that requirements for internal controls would require internal changes from the corporate perspective.

Chair Judd-Stein noted that Director Lightbown worked with the Carney family for years. She noted that asking questions to Director Lightbown was outside the scope of the IEB report but asked if it was permissible during this public meeting. Mr. Grossman stated that Director Lightbown could answer questions regarding her historical interactions with Raynham.

Director Lightbown detailed her history of working with Raynham since 1992. She stated that George Carney was historically in charge, and that she more recently worked with Sue Rogers and Joe Capucci. She stated that Raynham was not run by Christopher Carney.

Commissioner O'Brien noted that Christopher Carney stated in an interview with the IEB that he had a management role inside the facility for the last two years. She asked Mr. Carney to explain the scope of his management role. Mr. Carney stated that he performed outside services such as demolition, lot maintenance, and construction work.

Counsel Hall noted that the burden was on Raynham to demonstrate good cause to remove its two qualifiers. She stated that while Christopher Carney may not be an officer, director, or employee of Raynham, he had represented himself as having a more significant role. She explained that there were several media articles which referenced Mr. Carney as owning or

running Raynham. She stated that some articles referenced Mr. Carney as having a role in negotiations with Caesars.

Counsel Hall stated that the IEB had just received a filing from the Secretary of State listing Christopher Carney as a vice president for Raynham. She stated that the information was not listed in the IEB's report or supplemental report because they did not receive the information until the day of the meeting. She stated that the Commission must decide whether Mr. Carney and the trust were sufficiently extricated before removing him as a qualifier. She noted that Mr. Carney's role and the environmental matters were relevant to the suitability of Raynham.

Commissioner O'Brien asked when the document from the Secretary of the Commonwealth was requested. Counsel Hall stated that the document was a Statement of Change under G.L. c. 156D. Mr. Nosal stated that he could not respond to a document which he had not seen. Mr. Morizio reiterated that Christopher Carney was only involved with construction, which was outside of the Commission's jurisdiction. He stated that there was nothing in the scoping survey that suggested Mr. Carney had to be listed. Mr. Nosal noted that Mr. Carney was identified in the scoping survey. Counsel Hall stated that Mr. Carney was not identified to be in a management role.

Commissioner Skinner inquired about when the news articles were written and how they related to the document received by the Secretary of the Commonwealth. Mr. Grossman stated that it was inequitable to consider information that the parties had yet to review. Commissioner Skinner withdrew her question. The Commission requested that the document from the Secretary of the Commonwealth be distributed.

Chair Judd-Stein requested guidance on the process for the request to withdraw. Commissioner Skinner stated that there were questions regarding whether Christopher Carney had sufficiently disentangled himself from the affairs of the applicant. Mr. Grossman noted that historically, the Commission considered whether an individual was a close associate of the applicant, a business association of the applicant, whether the individual was involved in day-to-day operations, and whether the individual had communications with the officers and directors.

Deputy General Counsel Monahan explained that G.L. c. 23N, § 5(b) set out which individuals were mandatory qualifiers, and that discretionary qualifiers were defined by 205 CMR 215. She noted that the legislature set up the minimum standards for qualifiers and that the Commission had the discretion to establish additional parameters. She stated that the Commission could designate any individual with a business association with the applicant as a qualifier. Chair Judd-Stein asked if business association was defined anywhere in the regulation. Deputy General Counsel Monahan stated that it was not defined in the regulation, but that the Commission could review how it was interpreted during previous withdrawal requests.

Chair Judd-Stein stated that she did not see where Christopher Carney had significant influence over Raynham's simulcasting or sports wagering business. Counsel Hall stated that Mr. Carney was in the center of negotiations with Caesars, and that he was authorized to represent Raynham

in other business dealings, evidenced by Mr. Carney's signature on a document related to Raynham dated July 14, 2023. Mr. Morizio stated that the document was a memorandum of understanding related to the sale of land in Brockton. He stated that this land was not related to simulcasting and outside of the Commission's jurisdiction. Counsel Hall noted that Mr. Carney was representing Raynham in that negotiation. Commissioner O'Brien stated that the Commission must look at the totality of evidence when making a decision, and that the Commission had authority over Raynham as a licensee.

Counsel Hall stated that the land deal in Brockton was connected to a promissory note that was included in Raynham's submission relative to its withdrawal. Mr. Morizio stated that the Brockton deal was irrelevant to the question before the Commission regarding Raynham's request for withdrawal. He reiterated that Christopher Carney was not in a position of influence and no longer had a connection to Raynham.

Director Lillios mentioned the document received from the Secretary of the Commonwealth. Chair Judd-Stein stated that she still did not have a chance to review the document, even though it had since been distributed to the Commission. Commissioner O'Brien stated that she believed the document was relevant, but that the parties should have a chance to respond to it. She suggested the discussion of these topics be continued on the scheduled rollover date, Monday August 21, 2023.

Chair Judd-Stein stated that she did not see entanglement between preliminary suitability and the requests for withdrawal. She asked Mr. Grossman to explain why the requests for withdrawal should be addressed before preliminary suitability. He stated that it was important to identify who the qualifiers are before determining preliminary suitability. He stated that to render a full decision, the Commission would have to know whether Christopher Carney and the trust were qualifiers.

Commissioner Skinner asked to hear from the IEB. Director Lillios stated that it was important to hear all relevant issues before making either decision. She stated that she did not want the Commission to consider the two questions in isolation. Mr. Nosal stated that there was a difference between presenting information and deliberation. He reiterated that Raynham wanted the requests to withdraw to be considered first.

Commissioner Maynard asked if there was a mechanism for the withdrawals to be granted with conditions. Mr. Nosal stated that conditions could be applied in accordance with 205 CMR 215.01(d)(1).

The Commission and representatives from Raynham reached an agreement to continue the discussions regarding preliminary suitability and Raynham's requests for withdrawal on Monday, August 21, 2023.

Chair Judd-Stein asked if the parties could agree not to introduce any additional information from this point forward. Commissioner Maynard stated that he did not want the Commission to hamstring itself by not considering relevant information. Commissioner Skinner noted that it was important for the Commission to hear all information presented before reaching a decision on the requests for withdrawal.

5. [Other Business](#) (7:24:35)

Hearing no other business, Chair Judd-Stein requested a motion to adjourn.

Commissioner Skinner moved to adjourn. The motion was seconded by Commissioner Hill.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda dated August 16, 2023](#)



Massachusetts Gaming Commission Meeting Minutes

Date/Time: December 14, 2023, 9:30 a.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 662 8903

The Commission conducted this public meeting remotely utilizing collaboration technology. The use of this technology was intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public.

Commissioners Present:

Chair Cathy Judd-Stein
Commissioner Eileen O'Brien
Commissioner Bradford Hill
Commissioner Nakisha Skinner
Commissioner Jordan Maynard

1. [Call to Order](#) (00:07)

Chair Judd-Stein called to order the 492nd Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Meeting Minutes](#) (00:58)
a. March 8, 2023
b. March 9, 2023

Commissioner Maynard moved to approve the minutes from March 8, and March 9, 2023 as included in the Commissioners Packet and discussed today, subject to any necessary edits for typographical errors and non-material matters. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.

Commissioner Maynard: Aye.
Chair Judd-Stein: Aye.
The motion passed unanimously, 5-0.

3. [Administrative Update](#) (02:10)

Interim Executive Director and General Counsel Todd Grossman noted that there were three updates for Commissioners at today's meeting.

a. [Update on Holiday Plans for the Casinos](#) (2:49)

Burke Cain, Chief of the Gaming Agents Division, provided an update on the holiday plans at the three gaming establishments, Plainridge Park Casino, Encore Boston Harbor, and MGM Springfield. Chief Cain reported that each casino had specific charity efforts during the holiday season. MGM Springfield hosted the Mayflower Marathon, a food collection and donation drive that resulted in over \$212,000 worth of food and cash donations. Chief Cain noted that these donations would help sustain the local food bank for approximately six months. MGM Springfield also held a Toys for Tots Holiday Drive, collecting toys at both the casino entrance and "back of house" locations. Plainridge Park Casino reported that the property was anticipating between 3,000 to 4,000 guests for their New Year's celebration. Chief Cain noted that PPC is also hosting several holiday events including a "Deck the Halls" giveaway with over 6,000 jackets given out, and several holiday-themed dining options. Encore Boston Harbor employees assembled over 550,000 meals as part of their Feed the Funnel Initiative at the end of November and early December. He reported that these meals were distributed locally within the community. Commissioner Hill requested that Chief Cain please relay to the casinos that food bank donations were greatly needed this year due to increased food insecurity. Chief Cain confirmed that he would relay the message to the three properties.

b. [Plainridge 2023 Meet Wrap Up](#) (07:04)

Director of Racing, Dr. Alexandra Lightbown offered a recap of the racing season at Plainridge Park Racecourse, highlighting the successful completion of the season without major incidents and noted that the team received additional support at the end of the season. Dr. Lightbown praised the State Police's Gaming Enforcement Unit's involvement in ensuring the safety and success of the meet this last year. She stated that the Unit played a crucial role in the Sire Stakes program finals by assisting with the quarantine of horses arriving the day before the event. Chair Judd-Stein congratulated Dr. Lightbown and her staff on a safe and successful racing season.

c. [Racing Annual Report](#) (08:54)

Dr. Lightbown and Financial Analyst, Chad Bourque, presented the 2022 Annual Report for the Racing Division. *The Annual Report was included on pages 32 through 52 in the Commission's meeting packet.* Mr. Bourque reported that total revenue in 2022 was \$2,368,053 and provided insights on the handle and revenue data within the report. Chair Judd-Stein inquired if Mr. Bourque knew why there was an 18 percent decrease in revenue from 2021. Mr. Bourque explained that the uptick in 2021 revenue could be attributed to the rise in horse race wagering

while other forms of wagering like casino gaming were not occurring during the COVID-19 pandemic.

4. [Commissioners' Updates](#) (16:04)

- a. Complaint filed in *Scanlon, et al. v. DraftKings, Inc.*, Middlesex Superior Court Docket No. 23CU3402 – DraftKings

Chair Judd-Stein stated that a complaint was filed against DraftKings in Massachusetts Superior Court. She asked that the Investigations and Enforcement Bureau (“IEB”) review and monitor the litigation to determine if any of the Commission’s regulations were implicated.

Commissioner O'Brien expressed a desire to examine the complaint in more detail, specifically regarding its connection to bonus offers and whether those offers could be considered deceptive or unfair. Commissioner O'Brien requested clarification on the timeline for receiving updates from IEB and when a Licensee should notify the Commission of ongoing legal matters, like being named in a civil suit. Deputy General Counsel Monahan noted that there were no regulations on the matter regarding timing. Interim Director of the IEB, Heather Hall noted that the complaint was filed on December 8, 2023, but had not yet been served upon the operator. She clarified that they were notified by the operator on December 10, 2023.

Commissioner Skinner asked for clarification on whether any Commission regulations were violated in the DraftKings lawsuit. Commissioner Skinner also sought clarification on what the IEB monitoring of the lawsuit entailed. Interim IEB Director Hall, indicated that there was no concern with the disclosures made by DraftKings, but noted that the IEB had not yet had time to conduct a thorough review of the complaint.

Commissioner Skinner suggested that it could be beneficial to request the 17-page letter issued by DraftKings that was being referenced in several media reports. The Chair agreed and requested the IEB to obtain a copy of the 17-page letter reportedly published by DraftKings in response to the lawsuit.

Chair Judd-Stein concluded the discussion and noted that IEB would advise and review the lawsuit, but that the Commission was not directly involved in the litigation.

5. [Human Resources](#) (23:54)

- a. Recommendation to Commissioners for Prospective Appointment of Interim IEB Director

Chief People and Diversity Officer, David Muldrew, presented a recommendation for the Interim IEB Director position. Chief Muldrew explained that multiple candidates had expressed interest in the position. Following individual discussions with Chief Muldrew, several candidates self-selected out of the process. The remaining candidate participated in an interview with Chief Muldrew. Based on the candidate's interview responses, skill set, and past work experience, Muldrew recommended Deputy General Counsel Caitlin Monahan for the Interim IEB Director position.

Commissioner O'Brien made a motion to adopt Chief Muldrew's recommendation to appoint Caitlin Monahan as Interim IEB Director. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Commissioner Maynard: Aye.
Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Chair Judd-Stein stated her confidence in Monahan's ability and looked forward to her work with the IEB. Ms. Monahan thanked the Commission for the opportunity and expressed her anticipation for working with the IEB team.

6. [Mission Statement Update](#) (28:35)

Commissioners O'Brien and Maynard provided a brief update on the mission statement revision process to their fellow Commissioners and meeting participants. *A memorandum and draft mission statement were included in the Commission's meeting packet on pages 53 through 55.*

Commissioner O'Brien stated that the update before the Commission was a necessary means of communication given open meeting law requirements for dissemination of documents between Commissioners. Commissioner O'Brien stated that the revised and proposed mission statement would be distributed at today's meeting, and a vote would take place at a future meeting, to allow the other Commissioners time to review and consider the proposed changes. Commissioner Maynard noted that the Commission's existing mission statement had not been revised since its inception and needed to reflect the addition of sports wagering within the Commission's responsibilities and to capture the Commission's efforts in the next 10 years.

Commissioner Maynard and Commissioner O'Brien expressed their gratitude to the members of the working group, and their efforts in bringing their proposal to the final stages. Chair Judd-Stein thanked the group for their contributions as well.

7. [Internship Program Update](#) (30:43)

Commissioners O'Brien and Maynard briefly discussed their ongoing efforts to establish an intern program and relevant considerations of their team.

Commissioner Maynard explained the program was in its early stages and the goal of establishing a pilot program. Commissioner Maynard stated that Chief Muldrew was able to obtain materials from the Massachusetts Department of Transportation (MassDOT) that they used for recruitment of interns at college campuses. He added that the materials allowed the

MGC team to review MassDOT's internship program content, timelines, and recruitment strategies and to make their own considerations for the MGC program. The next steps for the internship program will include confirming with managers within the Commission to determine if they would like to participate in the program and discussing relevant materials and the budget to accommodate intern-placements, as well as remuneration or payment for interns. Commissioner O'Brien thanked the team for working on this project.

Chair Judd-Stein thanked Commissioners O'Brien and Maynard and staff for their efforts and progress on the program. She stated that the internship program was an important initiative, noting that it could be a great pipeline for talented candidates at the MGC.

8. [Legal](#) (57:26)
 - a. 205 CMR 258: Sports Wagering Operator Cessation. Review of Regulation and Amended Small Business Impact Statement for final adoption, and filing

Transcriber's Note: This item was reviewed later in the agenda to accommodate the schedule of Attorney Makarios. It has been included here in the original position within the meeting's agenda, however.

Attorney Mina Makarios, outside counsel from the law firm Anderson & Kreiger, walked the Commissioners through the final draft of 205 CMR 258. *The draft regulation, memorandum, and Amended Small Business Impact statement were included in the meeting packet on pages 56 through 65.* 205 CMR 258 had been filed by emergency on October 19, 2023 and made its way through the required stages of promulgation since its filing. Attorney Makarios stated that the Commission had received no comments on the regulation since its emergency filing, and that there had been no additional changes made to the regulation since it was first presented to the Commission in October.

As the two regulations were so closely related, Chair Judd-Stein recommended that the vote on 205 CMR 258 be held until after the review of 205 CMR 238.12.

- b. 205 CMR 238.12: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering – Reserve Requirement. Review of Regulation and Amended Small Business Impact Statement for final adoption, and filing

Attorney Makarios and Deputy General Counsel Carrie Torrisi then presented the final draft of 205 CMR 238.12 to the Commission for approval. *The draft regulation, memorandum, and Amended Small Business Impact statement, and public comment were included in the meeting packet on pages 65 through 70.* The regulation had made its way through the promulgation process since October 19, 2023 and had received one comment from BetMGM. After reviewing the comment, the legal team did not recommend accepting the comment.

Attorney Makarios stated that 205 CMR 238.12 included a reference to a reserve requirement in general for all of the liabilities that needed to be held in a reserve by a sports wagering operator. He explained that the proposed changes added language to clarify what portion of the reserve needed to be held in the form of a letter of credit. He added that proposed changes came in response to questions the Commission had raised about whether bankruptcy courts would treat outstanding liabilities from wagers the same way they would treat other liabilities.

CFAO Lennon explained that the changes made to the regulation were made in an effort to accommodate the operators. He noted that the letter of credit would free up more cash reserves for the operator. He noted that there would be one additional change to the regulation regarding the letter of credit, but that the change was not within the scope of the regulation that was presented today.

Commissioner Hill moved that the Commission approve the Amended Small Business Impact Statement and the draft of 205 CMR 258 as included in the Commissioner's Packet and discussed here today, and further that the staff be authorized to take the steps necessary to file the required documentation with the Secretary of the Commonwealth to finalize the regulation promulgation process.

Commissioner Hill further moved that the Commission approve the Amended Small Business Impact Statement and the draft of 205 CMR 238.12 as included in the Commissioner's Packet and discussed here today, and further that the staff be authorized to take the steps necessary to file the required documentation with the Secretary of the Commonwealth to finalize the regulation promulgation process. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

9. Sports Wagering Division

- a. [Sports Wagering Operators' Requests for Waivers from 205 CMR 257.04. Operators requesting waivers include FanDuel, Fanatics, BetMGM, Betr, and Caesars \(01:20:11\)](#)

Attorney Makarios and the Sports Wagering Division began the discussion by providing Commissioners with an overview and history of 205 CMR 257: *Sports Wagering Data Privacy*, including its promulgation and the waiver requests received by the division since its inception. *The Division's memorandum, Operator Requests for Temporary Waivers from Certain Provisions of 205 CMR 257 and Implementation Details, comments, and submissions from Operators were included in the meeting packet on pages 71 through 177.*

205 CMR 257 was approved for final filing on August 8, 2023, and it went into effect on September 1, 2023. The Commission issued a uniform waiver to operators through November 17, 2023. Operators were required to submit their implementation plans for 205 CMR 257, as well as requests for waivers, by November 1, 2023. The Sports Wagering team and legal counsel reviewed the requests and compiled charts summarizing the requests by operator and by regulation section. *The charts were included in the meeting packet on pages 171 through 177.*

Commissioners, Attorney Makarious and the Sports Wagering Division engaged in discussion about whether to grant a waiver to operators who requested to permanently waive certain provisions of the regulations, especially 257.04(1)(d), which gave patrons the right to impose additional restrictions on the use of their data. Some Commissioners expressed hesitation to permanently waive provisions of the regulation.

Commissioner O'Brien stated that she was concerned about granting permanent waivers and suggested granting waivers for a defined period of time, such as three or five years, to allow the commission to revisit the issue. She also noted that other states were moving toward data privacy regulations, so permanently waiving provisions of the Massachusetts regulation could put the state at a disadvantage.

Attorney Makarious noted that permanently waiving certain provisions would be in line with other jurisdictions' current approaches and would not adversely affect the public interest. He also explained that if the Commission decided to adopt stricter data privacy regulations in the future, they could revisit or update the regulations at that time.

The Commission reached consensus that the Sports Wagering Division prepare a matrix comparing 205 CMR 257's provisions with the data privacy regulations in other states. They also asked Attorney Makarious and the Legal Division to provide additional information about the potential impact of permanently waiving certain provisions of 205 CMR 257.

Commissioner O'Brien moved that in accordance with 205 CMR 202.03(2), that the Commission issue a waiver, as further detailed in the materials in the Commissioner's packet and as discussed here today, as granting the waivers requested in the packet meets the requirements specified in 205 CMR 102.03(4) and is consistent with the purposes of General Law Chapter 23N, namely that the licensees be given a waiver from the requirements outlined in 205 CMR 257.04 through June 30, 2024. Commissioner Maynard seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

b. [Potential noncompliance matter related to G.L. c. 23N, § 3 and 205 CMR 247.01\(2\)\(a\)\(2\): Fanatics \(35:45\)](#)

Transcriber's Note: This agenda item was reviewed by the Commission earlier in the meeting to accommodate a scheduling concern. It has been included here in the original order, for consistency with the posted meeting's agenda.

Andrew Steffen, Interim Sports Wagering Operations Manager, presented a potential non-compliance matter regarding Fanatics Betting and Gaming (“Fanatics”) offering wagers that were not permissible. *The Sports Wagering Division's memorandum detailing the potential non-compliance matter was included in the meeting packet on page 178 though 179.*

Operations Manager Steffen highlighted that the non-compliance matter was self-reported by Fanatics. The operator mistakenly accepted a futures wager for Boston College who was playing in the Wasabi Fenway Bowl scheduled for December 28, 2023. Compliance Manager Steffen stated that the single wager was made at approximately 2:21 p.m. eastern time on December 5th in the amount of \$50.

He reported that Fanatics' report explained that prohibited market was mistakenly turned “on” by a Fanatics trader manually during the daily market process. Fanatics promptly turned the market “off” in their backend system once they discovered the error, and the prohibited market was no longer available to its customers. He noted that per G.L. Chapter 23N, §3(a), a collegiate tournament is defined as a series of Collegiate sports or athletic events involving four or more collegiate teams that make up a single unit of competition. He explained that the Wasabi Bowl game was not a tournament and was being brought forward to Commissioners as a potential non-compliance matter. Michael Lavine from Fanatics was also present to answer any questions from Commissioners.

Catlin Monahan, Deputy General Counsel, provided background information regarding how prior non-compliance cases have been handled and reminded the Commission of its three options regarding the matter. She explained that the Commission could either: issue a civil administrative penalty, refer the matter to the IEB for review and further investigation, or they could evaluate the matter through an adjudicatory hearing. Deputy General Counsel Monahan noted that this matter was in a slightly different stage because it had not been sent to the IEB yet and was reported directly from the Sports Wagering Division. She noted that it was within the authority of the Commission to decide how to act upon the matter.

Commissioner O'Brien expressed her support for treating operators equitably when non-compliance events occurred, but moving expeditiously in this matter, given the self-reporting and the lower level of circumstances on this matter. Commissioner Maynard agreed and noted that this was a futures bet, and the event had not yet occurred. He also offered his gratitude to Fanatics for reporting the error.

Commissioner Skinner noted that there were degrees of non-compliance and reasoned that this incident was more minor in nature. She suggested that this instance would benefit from further

discussion and considering whether this would be a lower-level categorization of an incident that may not need to come before the Commission. Chair Judd-Stein applauded Fanatics for catching the error and self-reporting the issue.

Chair Judd-Stein expressed that it would be beneficial to receive more information before deciding how to move forward. She stated that she also wanted to review the three previous incidents and decisions for cases with similar facts. Commissioner Hill agreed with Commissioner O'Brien's assessment and pointed out that, for the sake of consistency, the Commission should select the third option of an adjudicatory hearing until a formal policy is in place. Commissioner Hill expressed his view that matters like this would typically fall under option one, a lower-level incident that potentially wouldn't go before the Commission.

Heather Hall, Interim IEB Director and Chief Enforcement Counsel, stated that the IEB could provide a summary memo to the Commissioners with information regarding the incident. She noted that the document may allow the Commission to make a more informed decision on how to proceed. Chair Judd-Stein thanked Ms. Hall for this option.

10. [IEB](#) (1:37:24)

- a. Potential noncompliance matter related to G.L. c. 23N, Section 13; 205 CMR 247.07 and 248.10: DraftKings

Interim IEB Director, Heather Hall and IEB Enforcement Counsel Zachary Mercer provided an update to the Commissioners about a non-compliance issue regarding sports wagering operator, DraftKings. Attorney Mercer reported that on May 31, 2023, DraftKings notified the MGC's Sports Wagering Director, Bruce Band, that it had been allowing the use of credit card funds for Massachusetts wagers since its launch on March 10, 2023. Attorney Mercer stated the practice violates both Massachusetts regulations and the Sports Wagering Law, G.L. Chapter 23N.

Attorney Mercer stated that DraftKings discovered this issue on May 30, 2023. Attorney Mercer stated that prior to the issuance of Draft Kings' sports wagering license, former Executive Director, Karen Wells, submitted a series of questions to DraftKings to better understand the safeguards DraftKings' had established to prevent the use of credit card funds in Massachusetts. DraftKings responded that they used their own geolocation services to lock funds in states where using credit cards for wagers was prohibited, such as Massachusetts.

On June 21, 2023, DraftKings submitted a report on the incident detailing the number of users affected, the total handle, the reasons for the issue, and the remedial measures taken. They claimed to have implemented a software update on May 31, 2023 to block the use of out-of-state credit card funds in Massachusetts. However, on July 14, 2023, DraftKings contacted Director Band with an update. The operator admitted that the software update had been ineffective, and out-of-state credit card funds were still being used for wagering in Massachusetts. This practice continued until July 13, 2023 when DraftKings discovered the continued issue and implemented another software update that evening. On August 1, 2023, DraftKings submitted a second report with updated figures for the entirety of the non-compliance event. Through their review, the IEB determined that 218 users were involved in the noncompliance, wagering a total of \$83,900

between March 10, 2023 and July 13, 2023. Attorney Mercer stated that representatives of DraftKings had explained that the first error, a failure to enact proper safeguards at launch, was reportedly due to internal miscommunication within DraftKings staff. The second error, the ineffective initial software update, was due to a technical coding error. Additionally, Draft Kings has reported that they have made remedial efforts to ensure these kinds of errors do not occur going forward.

Commissioner O'Brien stated that she considered this violation egregious and that she wanted an adjudicatory hearing on this noncompliance matter. She also requested that the individual who made the initial representations to Executive Director Wells that the error was fixed be identified to determine if they were a Qualifier and included in the hearing notice for the noncompliance matter. General Counsel Grossman confirmed that this could be determined as the notice was constructed.

Commissioner Hill agreed with Commissioner O'Brien's assessment and noted that he believed the Commission should pursue the "strongest option" in this case. Commissioners reached consensus that an adjudicatory hearing was warranted for this issue.

Interim IEB Director Heather Hall noted that in prior adjudicatory hearings, the IEB was not a party, but that it could be determined at a later date how to proceed in this matter. She also added that the IEB could assist the Commissioners in determining whom the individuals who made the statements to Director Wells on behalf of DraftKings as well. General Counsel Grossman recommended that the Commission would benefit from a fulsome investigation by the IEB, and then holding an adjudicatory hearing after scheduling, and compiling witness lists and exhibits.

Chair Judd-Stein requested that this matter be prioritized, and whether recourse for patrons who were able to wager using credit card funds should also be explored. Commissioners agreed with both of these points.

11. [Research & Responsible Gaming](#) (1:50:05)

- a. Update on Railing Installation Near GameSense Information Center, MGM Springfield

Mark Vander Linden, Director of Research and Responsible Gaming, provided an update on railing installation and concerns at the MGM Springfield. The matter had been previously discussed at the November 2, 2023, meeting. The railing in question was erected around the perimeter of the gaming floor at MGM Springfield, but in doing so, it inadvertently created a barrier for patrons trying to access the GameSense Info Center and nearby restrooms.

Director Vander Linden explained that the Commissioners had expressed concerns at the previous meeting, noting that the railing would impede access to the important services provided by the GameSense Info Center, potentially deterring individuals who may need or benefit from assistance by GameSense Advisors. Director Vander Linden reported that the issue had been resolved and introduced Daniel Miller, Compliance Officer Manager at MGM Springfield, to provide further details.

Mr. Miller shared photos of the updated area around the GameSense Info Center, highlighting the removal of the railing section that had previously blocked the entrance. Commissioner Maynard thanked Mr. Miller and MGM for addressing the issue and emphasized the importance of ensuring unimpeded access for those who need help.

Commissioner Hill also expressed his appreciation for the quick action taken by MGM Springfield to correct the situation.

Commissioner O'Brien echoed the positive sentiments of her fellow Commissioners and thanked Mr. Miller for being receptive during their walkthrough the previous month. She raised a separate issue, noting that a few slot machines were blocking the direct line of sight to the GameSense Info Center within the photos. She asked if Mr. Miller would provide a photograph of the view from a straight-on perspective to assess the current visibility of the center. Miller agreed to send the photos as requested.

Transcriber's Note: Commissioners took a short 10-minute break and then returned to the meeting at 12:20PM EST. Roll calls were taken, and all the Commissioners were present.

12. [Racing](#) (2:13:14)

Director of Racing, Dr. Alex Lightbown presented on requests submitted by three racing meeting licenses, Plainridge Park Casino, Suffolk Downs, and Raynham Park.

- a. Plainridge Park Casino Requests
 - i. Request for Approval of 2024 Simulcast Export Signals

Dr. Lightbown noted that this request had been included as Exhibit 28 in PPC's horse racing meeting license application for a license to hold or conduct a racing meeting in 2024. *This request was included on page 180 of the meeting packet.* She noted that it outlined the locations where Plainridge Park Casino intended to export its simulcast signals.

Commissioner Hill moved that the Commission approve Plainridge Park Casino's request for approval of the 2024 Simulcast Export Signals as included in the Commissioners Packet and discussed here today. Commissioner Maynard seconded the motion.

Roll call vote:

<i>Commissioner O'Brien:</i>	<i>Aye.</i>
<i>Commissioner Hill:</i>	<i>Aye.</i>
<i>Commissioner Skinner:</i>	<i>Aye.</i>
<i>Commissioner Maynard:</i>	<i>Aye.</i>
<i>Chair Judd-Stein:</i>	<i>Aye.</i>

The motion passed unanimously, 5-0.

ii. Request for Approval of 2024 Simulcast Import Signals

Dr. Lightbown noted that this request had been included as Exhibit 27 in PPC’s horse racing meeting license application for a license to hold or conduct a racing meeting in 2024. *This request was included on page 198 of the meeting packet.* She noted that it outlined the locations where Plainridge Park Casino intended to import its simulcast signals. Commissioner Maynard inquired about whether there were any issues with the imports, particularly regarding the length of the contract. Dr. Lightbown replied that there were no issues and explained that Plainridge Park Casino had one-year contracts with their import providers.

Commissioner Hill moved that the Commission approve Plainridge Park Casino’s request for approval of the 2024 Simulcast Import Signals as included in the Commissioners Packet and discussed here today. Commissioner Skinner seconded the motion.

Roll call vote:

Commissioner O’Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Commissioner Maynard: Aye.
Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

iii. Request for 2024 Premium-Free Period

Dr. Lightbown then reported that Plainridge Park Casino requested a premium-free period from June 16, 2024 to September 7, 2024. She noted that this was also included as an exhibit to PPC’s racing application. *This request was included on page 202 of the meeting packet.*

Commissioner Hill moved that the Commission approve Plainridge Park Casino’s request for approval of their premium-free period from Sunday, June 16, 2024 to Saturday, September 7, 2024, as included in the Commissioners Packet and discussed here today. Commissioner O’Brien seconded the motion.

Roll call vote:

Commissioner O’Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Commissioner Maynard: Aye.
Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

iv. Request for Approval of 2024 Account Wagering Provider

Dr. Lightbown explained that the ADW provider request involved the Commission’s continued authorization of PENN ADW, LLC, (d/b/a) Hollywood Races, as the account wagering provider for Plainridge Park Casino. This was also included as an exhibit to their racing application. *This request was included on page 204 of the meeting packet.* She added that their system utilized the eBet Technologies platform and was initially approved by the Commission on October 26, 2016.

Commissioner Hill moved that the Commission approve Plainridge Park Casino’s request for approval of their account wagering through PENN ADW, LLC, d/b/a Hollywood Races, using the eBet Technologies platform, as included in the Commissioners Packet and discussed here today. Commissioner O’Brien seconded the motion.

Roll call vote:

<i>Commissioner O’Brien:</i>	<i>Aye.</i>
<i>Commissioner Hill:</i>	<i>Aye.</i>
<i>Commissioner Skinner:</i>	<i>Aye.</i>
<i>Commissioner Maynard:</i>	<i>Aye.</i>
<i>Chair Judd-Stein:</i>	<i>Aye.</i>

The motion passed unanimously, 5-0.

b. [Suffolk Downs Requests](#) (2:20:54)

Dr. Lightbown then introduced the next set of requests from the licensee, Suffolk Downs. She noted that Attorney Bruce Barnett and Mr. Buckley from Suffolk Downs were present at the meeting to answer questions.

i. Request for Approval of 2024 Simulcast Import Signals

Dr. Lightbown reported that Suffolk Downs had requested approval for its 2024 simulcast import signal locations, which had been submitted on December 7, 2023. *The request was included on page 206 of the meeting packet.* Commissioner Maynard asked if any of the signals were different from the previous year. Dr. Lightbown responded that the list was the same as what was submitted to the Commission in the previous year.

Commissioner Hill moved that the Commission approve Suffolk Downs’ request for approval of the 2024 Simulcast Import Signals as included in the Commissioners Packet and discussed here today. Commissioner O’Brien seconded the motion.

Roll call vote:

<i>Commissioner O’Brien:</i>	<i>Aye.</i>
<i>Commissioner Hill:</i>	<i>Aye.</i>
<i>Commissioner Skinner:</i>	<i>Aye.</i>
<i>Commissioner Maynard:</i>	<i>Aye.</i>
<i>Chair Judd-Stein:</i>	<i>Aye.</i>

The motion passed unanimously, 5-0.

ii. Request for 2024 Premium-Free Period

Dr. Lightbown then reported that Suffolk Downs had requested a premium-free period from October 9, 2024 through December 31, 2024. *This request was included on page 210 of the meeting packet.*

Commissioner O'Brien moved that the Commission approve Suffolk Downs' request for approval of their premium free period from October 9, 2024 through December 31, 2024 as included in the Commissioners Packet and discussed here today. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

iii. Request for Approval of 2024 Account Wagering Providers

Dr. Lightbown explained that Suffolk Downs requested approval of nine ADW vendors for 2024, all of which had previously been approved by the MGC except for AmWest Entertainment, d/b/a AmWager. Dr. Lightbown provided background information on AmWest Entertainment, highlighting its operational history since 2009 and its licensing in Oregon and several other states. *A memorandum and slide deck with additional details were included in the commissioner packet on pages 212 through 221.*

Commissioner O'Brien sought confirmation from Mr. Buckley that there had been no issues of compliance by AmWest in other jurisdictions. Mr. Buckley confirmed that this was accurate. Commissioner O'Brien requested confirmation from Legal that the account deposit wagering provider FanDuel was not also providing access to account deposit wagering via its sports wagering platform. General Counsel Grossman confirmed that operators were not permitted to offer account deposit wagering within their sports wagering platform and needed to offer a separate platform for account deposit wagering.

Commissioner Hill moved that the Commission approve Suffolk Downs' request for approval of XpressBet LLC and 1/ST Bet, TVG, Twin Spires, FanDuel Racing, NYRAbets, BetMGM, Caesars Racebook, DK Horse, and AmWest Entertainment ADW d/b/a AmWager as their Advance Deposit Wagering vendors, for parimutuel wagering purposes only, as included in the Commissioners Packet and discussed here today. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

c. [Raynham Park Requests](#) (2:32:14)

Dr. Lightbown then introduced the next set of requests from the licensee, Raynham Park. She noted that Sue Rodrigues and George Carney were present at the meeting to answer questions on behalf of Raynham Park. *The memorandum from the Division of Racing and requests from Raynham Park were included in the meeting packet on page 222 through 231.*

i. Request for Approval of 2024 Simulcast Import Signals

Dr. Lightbown reported that Raynham had requested approval for its 2024 simulcast import signal locations, which had been submitted on December 7, 2023. *The request was included on page 222 of the meeting packet.*

Commissioner Maynard moved that the Commission approve the Massasoit Greyhound Association and Taunton Dog Track requests for approval of their simulcast import signals, as included in the Commissioners Packet and discussed here today. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

ii. Request for Approval of 2024 Account Wagering Provider

Dr. Lightbown presented a request from Raynham for the continued approval of their existing ADW program, Dial2Bet, facilitated by US Off-Track, LLC. *The request was included on page 229 of the meeting packet.*

Commissioner Hill moved that the Commission approve the Massasoit Greyhound Association and Taunton Dog Track's requests for approval of Dial2Bet and US Off-Track,

LLC for account wagering, as included in the Commissioners Packet and discussed here today. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

13. [Community Affairs Division](#) (2:35:45)

- a. Community Mitigation Fund: 2023 Grant Modification
 - i. Springfield Young Adult Gambling Project

Chief of the Community Affairs Division, Joe Delaney provided an overview and discussion of the request from the Springfield Department of Health and Human Services (DHHS) that concerned modification of a 2023 Community Mitigation Fund Grant awarded to the City of Springfield. *The request and a memorandum from the Division were included in the Commissioner's packet on page 232 through 238.*

Chief Delaney explained that the grant was initially awarded for \$250,000 to support the Springfield Youth Adult Gambling Project, led by the Public Health Institute of Western Massachusetts. The project aimed to address gambling addiction and promote responsible gambling habits among Springfield youth and adults. He further explained that the City of Springfield was now requesting an additional \$34,772, bringing the total grant amount to \$284,772.

Chief Delaney explained that the Springfield Youth Adult Gambling Project had been designated as a pilot program and had encountered unforeseen expenses due to the evolving nature of the project. He drew a parallel to a previous instance in 2016 where a similar budget increase was approved for a different pilot project that occurred in Springfield. Chief Delaney explained that the current Community Mitigation Fund Guidelines did not specifically address procedures for grant modification or budget increases. However, he noted that a provision in the guidelines did allow for waivers or variances under certain circumstances.

Chair Judd-Stein raised a question regarding the nature of the request, seeking clarification on whether it was considered a waiver or a variance by the Division. Chief Delaney acknowledged that the terms "waiver" and "variance" could be used interchangeably in this context.

Commissioner O'Brien recalled a previous conversation about an "emergency bucket" within the Community Mitigation Fund and questioned whether the additional funds could be sourced from that reserve. Chief Delaney confirmed that the emergency funds were not being utilized for this

request, as the team didn't think it quite fell within the definition. He explained that the guidelines defined an Emergency Mitigation Grant as being used to "cover newly identified impacts of an emergency nature that would cause significant harm to a community if it were not remedied in an expeditious fashion." While the Springfield project didn't fit this definition, Chief Delaney acknowledged that disbanding the youth group conducting the study would have a negative impact on the project. He added that the increase could be accommodated within the existing Community Mitigation Fund allocation for Region B. Chief Delaney explained that the Commission could label this as an emergency provision, but that the Division was not seeking that designation for this grant modification, given the remaining fund allocation. Commissioner O'Brien noted that the definition for "emergency mitigation" could be something to continue to work on and consider as these kinds of issues arise.

Commissioner Hill expressed his support for the program and the allocation. Commissioner Skinner expressed her support for the additional funding. She also expressed her support to amend the guidelines to be able to allocate funds for these kinds of issues in the future.

Commissioner O'Brien moved that the Commission approve modification of the 2023 Community Mitigation Fund Grant to the City of Springfield for the Springfield Youth Adult Gambling project by providing an additional \$34,772 in funding as further detailed in the materials in the commissioner's packet and discussed here today. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

14. [MGC Diversity Update](#) (2:51:33)

Boniswa Sundai, Senior DEI Program Manager and John Scully, Finance and Budget Office Manager, presented a report on the Commission's current fiscal year 2024 metrics for workforce diversity and spending on diversity vendors and businesses. *The report was included in the meeting packet on pages 239 through 240.*

Ms. Sundai explained that the Commission has been committed to diversity since its inception, originally adhering to the Operational Services Division (OSD) procurement policies, and later partnering with the newly established Supplier Diversity Office (SDO). The SDO's mission is to increase opportunities for certified diverse businesses, setting benchmarks for state agencies to meet in various spending categories.

Mr. Scully then presented on the charts and metrics included in the meeting packet. He noted that within the final spend for Fiscal Year 2023 (FY23), the Commission exceeded spending benchmarks in all categories except for veteran-owned businesses.

Commissioner Maynard inquired about the Commission's process for capturing data on employees who identify as veterans, persons with disabilities, or members of the LGBTQ+ community. Ms. Sundai acknowledged that while the Commission does collect some diversity data, it was somewhat limited. She mentioned that the Commission currently relies on a self-disclosure form that does not offer non-binary gender options or comprehensive selections for other diversity categories. Commissioner Maynard noted that these levels of identification and reporting were crucial to the mission of the Commission. Ms. Sundai stated that the Commission is considering implementing a new self-disclosure form in the coming year to improve data collection and provide employees with more inclusive options for self-identification.

CFAO Derek Lennon added that the Commission's women-owned business spending was significantly high due to a substantial contract with The Mass Council on Gaming and Health, a certified women-owned non-profit organization. He also noted the importance of diversifying the vendor pool to avoid over-reliance on any single vendor.

Commissioner O'Brien praised the progress made in the diversity spending category and acknowledged the SDO as a valuable state partner. She also highlighted the work done by the Commission's Human Resources Division in implementing proper guidelines for handling sensitive questions related to diversity data collection, while emphasizing compliance with legal and ethical standards, but acknowledged that veteran spending continues to be a challenge for many agencies. She agreed with Commissioner Maynard that improving data collection and reporting is crucial.

Mr. Scully explained that the Supplier Diversity Office (SDO) acknowledged that meeting veteran spending goals was difficult for most state agencies. He noted that the difficulty stems from the fact that many SDO-certified veteran-owned businesses were concentrated in the construction industry, making it challenging to find veteran-owned vendors that aligned with the Commission's needs. Commissioner O'Brien suggested partnering with licensees to identify their veteran suppliers, which could provide the MGC with new vendor options. Mr. Scully agreed.

The presentation concluded with acknowledgments from various Commissioners, commending the work of Ms. Sundai, Mr. Scully, and the team in promoting diversity within the agency.

15. [Legislative Update](#) (03:10:32)

- a. Presentation of Draft Letter to the Legislature Proposing Amendments to Gaming, Sports Wagering, and Horse Racing Laws for the Commissioners' Consideration

Commissioner Hill provided an overview of the letter that was drafted to the Legislature regarding the relevant duties and responsibilities of the Commission. He noted that the purpose of the letter was to request specific amendments to relevant statutes applicable to the

Commission based on the experiences of staff over the last year. *The letter was included in the meeting packet on pages 242 through 245.* Interim Executive Director Grossman and Commissioner Hill then walked Commissioners through the various provisions within the draft letter.

Commissioner O'Brien requested clarification on certain proposed amendments, particularly those related to the cooling-off period of private sector employees and stated they should be discussed further prior to sending the letter. Commissioner Maynard agreed that this item should be kept as-is, in the best interest of avoiding agency capture. Commissioners reached consensus on removing this provision on the letter and discussing the provision further at a future meeting, given its operational implications.

Commissioner Skinner expressed the desire to have more time to review the letter's contents and fully grasp the implications of each proposed amendment. She specifically mentioned the need to understand the current legal landscape and explore all available options before making a decision to send the letter to the Legislature.

Commissioner Hill acknowledged Commissioner Skinner's request for additional time and emphasized the importance of sending the letter to legislative leaders sooner rather than later. He stated that an earlier submission would give lawmakers more time to consider the proposed changes, especially in light of upcoming budget discussions and potential supplemental budgets.

Commissioner Hill also noted his preference that the letter be incorporated into the legislative process early enough to be included as outside sections in relevant bills, rather than treated as stand-alone bills. He believed this approach would increase the likelihood of the amendments being adopted.

Commissioner O'Brien expressed her agreement with Commissioner Skinner and suggested voting on the letter at the next meeting.

Chair Judd-Stein offered clarification that a vote on the letter was not expected during this meeting. She stated that she viewed the current agenda item as an opportunity to initiate a conversation and gather initial feedback from Commissioners.

Interim Executive Director Grossman confirmed that the letter could be sent to the legislature at any time, emphasizing flexibility in the timeline. He also acknowledged the complexities and competing interests surrounding certain proposed amendments, such as those pertaining to data collection. He assured Commissioners that the team would work towards finding solutions that addressed both operational concerns raised by the Commissioners, and the need for robust regulatory oversight.

Commissioners reached consensus that the Commission would continue discussions and refine the language of the letter, ensuring it reflected the Commission's shared goals while addressing the concerns raised by Commissioners at today's meeting. Commissioner Hill requested that the letter be shared publicly online so that the changes could be shared with the public. The Chief of

the Communications Division, Thomas Mills, confirmed that a press release containing the draft letter could be posted online.

16. [Other Business](#) (3:39:00)

Hearing no other business, Chair Judd-Stein requested a motion to adjourn.

Commissioner O'Brien moved to adjourn. The motion was seconded by Commissioner Maynard.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0. Meeting Adjourned.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda](#) dated December 12, 2023
2. [Commissioner's Packet](#) from the December 14, 2023 public meeting.



Massachusetts Gaming Commission Meeting Minutes

Date/Time: July 11, 2024, 10:00 a.m.
Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 464 9610

The Commission conducted this public meeting remotely utilizing collaboration technology. Use of this technology was intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public.

Commissioners Present:

Interim Chair Jordan Maynard
Commissioner Eileen O'Brien
Commissioner Bradford Hill
Commissioner Nakisha Skinner

1. [Call to Order](#) (00:07)

Interim Chair Maynard called to order the 524th Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all four commissioners were present for the meeting.

2. [Meeting Minutes](#) (00:31)

Interim Chair Maynard moved that the Commission approve the minutes for the December 14, 2022 public meeting that are included in the Commissioners' Packet, subject to any necessary corrections for typographical errors or any other non-material matters. Commissioner Skinner seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

3. [Administrative Update](#) (01:27)

a. [Discussion of Commissioner Involvement in Hiring Process for Staff Vacancies: I. Chief Enforcement Counsel/Assistant Director of the IEB and II. Division Chief, Sports Wagering](#) (01:45)

Executive Director Dean Serpa notified the Commissioners that the agency is currently working to fill two senior positions: (1) the Chief Enforcement Counsel/Assistant Director of the Investigations and Enforcement Bureau (IEB) and (2) the Division Director, Sports Wagering Division. He referred to Human Resources Policy 1.03.01, which states that “if there is a vacancy in a position that has been designated as a major policymaking position, or other reason why a need arises to fill such a position, the Commission shall determine its level of involvement in the hiring process,” and provided additional background. He stated that today’s discussion is to determine to what extent the Commission would “determine its level of involvement” as allowed by policy for these positions.

Commissioner O’Brien mentioned that this was a deliberate policy that was put in place in 2022 and expressed that she would like Commission involvement in the hiring for these two positions by having representation on the screening committees and the ability to interview the final candidates. Commissioner Hill agreed with Commissioner O’Brien and then asked Director of the IEB Caitlin Monahan where the IEB is in their hiring process. Director Monahan mentioned that she was not aware of the policy before posting for this role. She stated that an initial hiring committee is already in place and the IEB has established a preliminary list of candidates but have not yet reached out to those candidates. Commissioner Hill expressed an interest on serving on the hiring committee for the Division Director of the Sports Wagering Division position. Commissioner Skinner inquired about what Commissioner participation will look like for both committees. A discussion ensued about the previous hiring process for these two positions and whether that predated the policy currently being discussed. Commissioner O’Brien expressed interest in serving on the hiring committee for the Chief Enforcement Counsel/Assistant Director of the IEB role. Commissioner Skinner stated she is interested in having the final candidates coming before the Commission for consideration before an offer is made. Interim Chair Maynard stated he doesn’t need to sit on either committee. General Counsel Todd Grossman confirmed a vote did not need to be taken.

4. [Legislative Update](#) (15:39)

Commissioner Hill confirmed he did not have an update today.

5. [Succession of Officers and Positions](#) (16:04)

Commissioner O’Brien summarized that she is the presumptive nominee for Treasurer and Commissioner Skinner is the presumptive nominee for Secretary. Based on this information, Commissioner Hill moved that in accordance with M.G.L. c. 23K, §3(f), the Commission

appoint Commissioner O'Brien as Treasurer for a term of one year to start August 1, 2024 and further moved in accordance with M.G.L. c. 23K, §3(f), the Commission appoint Commissioner Skinner as Secretary for a term of one year. Interim Chair Maynard seconded the motion. Commissioner O'Brien added a friendly amendment to the motion that the Secretary's term would be effective July 15, 2024.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

6. [Community Affairs Division](#) (19:07)

a. [Community Mitigation Fund, Everett FY 2025 Public Safety Application](#) (19:17)

Chief of the Community Affairs Division Joseph Delaney introduced the Everett Community Mitigation Fund application for the ShotSpotter system and welcomed Chief Paul Strong and Captain Paul Landry as representatives from the Everett Police Department to answer any questions about the ShotSpotter system. Commissioner Hill asked to hear from Chief Strong about his view of the program. Chief Strong summarized the previous report that the Everett Police Department submitted to the Commission and explained the program that is currently implemented. He emphasized that their number one priority is the utmost safety of patrons. Commissioner Hill asked about whether the Everett Police Department received any complaints from the city or citizenry about the program. Chief Strong confirmed that they are quite happy, and no one refused to put the monitors on their homes. Interim Chair Maynard asked whether it is a 0.32 square mile expansion of the technology that already exists. Captain Landry confirmed that was correct and provided additional background information about how this technology helps to zoom into a specific location.

Commissioner Skinner expressed concern about using Community Mitigation Fund money towards the ShotSpotter system technology, citing concerns raised about over-policing, especially in communities of color. Chief Strong commented that they're not like other parts of the country, that Everett is one of the most diverse cities in Massachusetts, and that they have been doing community policing for 30+ years. Commissioner Skinner confirmed that it is not her role to comment on the broader impact questions. Commissioner O'Brien commented that she thinks this is an appropriate request and supports it based on the efficacy of the equipment for Everett. Interim Chair Maynard agreed. Chief Delaney added that the review team recommended approval of this request when it was first reviewed. Chief Delaney confirmed that the proposed amount to be granted to the City of Everett is for their entire application, including an additional \$55,000 in funds for the ShotSpotter technology.

Commissioner Hill moved that the Commission approve the City of Everett's application for funding from the Community Mitigation Fund in the amount of \$2,403,400 for the purposes described in the submitted application and materials included in the Commissioners' Packet on

June 6, 2024 and July 11, 2024, and for the reasons described therein and discussed here on June 6, 2024 and July 11, 2024 and further that the Commission staff be authorized to execute a grant instrument commemorating these awards in accordance with 205 CMR 153.04. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Nay.

Interim Chair Maynard: Aye.

The motion passed with a majority of the vote, 3-1.

7. [Sports Wagering Division](#) (37:20)

a. [Request for Amendment to House Rules](#) (37:32)

I. [Fanatics](#) (37:40)

Sports Wagering Operations Manager Andrew Steffen introduced the topic of house rule updates for the Commission. He started with a general overview of the request from Fanatics Sportsbook on June 25, 2024 to update sections on a variety of sporting events to reflect clarification and additional product offerings. Manager Steffen then stated that the Sports Wagering Division confirmed that all requirements had been met under 205 CMR 247.02 and had no reservations about approving these changes.

Commissioner Hill moved for the Commission to approve the updates to Fanatics house rules as included in the Commissioners' Packet and discussed here today. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

II. [Penn Sports Interactive](#) (44:24)

Manager Steffen then moved onto house rule updates from Penn Sports Interactive (PSI) sent on June 12, 2024. He reviewed the specific changes requested, the biggest change of which was an update to the format of the house rules to be clearer and more user friendly and reduce the number of patron complaints. He further noted that changes included a reduction in the overall max bet amount and additional language on Olympic events and markets. Manager Steffen then stated that the Sports Wagering Division confirmed that all requirements have been met under 205 CMR 247.02 and had no reservations about approving these changes. Commissioner

O'Brien recalled a previous discussion on what was going to be allowed in terms of events that were awarded based on judge assessment (i.e. boxing, gymnastics) and asked where our catalog stands in terms of the Olympics. Manager Steffen confirmed those events are not allowed. Commissioner Hill asked for examples of judged events, which Manager Steffen then provided.

Commissioner O'Brien moved that the Commission approve the revised Penn Sports Interactive house rules as included in the Commissioners' Packet and discussed here today. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

b. [Extension of Waiver issued to DraftKings and BetMGM from 205 CMR 257.03\(4\)](#) (50:02)

Sports Wagering Business Manager Crystal Beauchemin introduced 205 CMR 257.03(4) and reviewed the background of the regulation. She summarized that the Sports Wagering Division recommended extending the waiver issued to DraftKings and BetMGM on March 28, 2024 under 205 CMR 257.03(4) until November 15, 2024. Commissioner O'Brien asked whether the Division was confident these protections exist. Manager Beauchemin affirmed that security measures are in place.

Commissioner Skinner moved that the Commission extend the waivers that it issued on March 14, 2024 to DraftKings and BetMGM in accordance with 205 CMR 202.03(2) and with the requirements outlined in 205 CMR 257.03(4) until November 15, 2024, as granting the waiver meets the requirements specified in 205 CMR 102.03(4) and is consistent with the purposes of G.L. c. 23N. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0

8. [Research and Responsible Gaming](#) (54:39)

a. [Debrief and Discussion of Next Steps from MGC Sponsored Conference](#) (55:03)

Director of the Research and Responsible Gaming Division Mark Vander Linden discussed the MGC's Responsible Gaming Conference. He described the conference, including its theme,

which was “Using Research to Rewrite the Playbook: Examining Social Impacts of Sports Betting and the Changing Gambling Landscape.” He then summarized the evaluation of the conference sessions and key takeaways. Director Vander Linden asked the Commissioners what their thoughts were on next steps. Commissioner O’Brien stated this conference was a step forward in regard to looking at the impacts of advertising, particularly on youth, which she noted that Interim Chair Maynard and Commissioner Hill were working on with the Massachusetts Attorney General’s Office. Commissioner Hill added that it is a continuing partnership between the Commission and the Massachusetts Attorney General’s Office. Interim Chair Maynard commented that he found the conference really enlightening and that he was impressed with the number of different regulators in the room.

9. [Legal](#) (1:10:39)

a. [Discussion of Amendments to Ohio Administrative Code Rule 3775-16-09: Promotions and Bonuses prohibiting promotions and bonuses unrelated to gaming transactions and Discussion of possible Amendments to 205 CMR 256 Related to Promotions and Bonuses](#) (1:10:52)

Deputy General Counsel Carrie Torrissi discussed regulatory amendments to Ohio’s Administrative Code regarding sports wagering promotions linked to non-gaming transactions and directed to individuals under 21 years old, which were introduced in June, and three similar proposed amendments to the Commission’s regulation at 205 CMR 256. Deputy General Counsel Torrissi clarified that the Legal Division was not asking the Commission to discuss the three possible regulations in detail today but was rather seeking input from the Commission about whether they would like to move forward with amendments or keep the regulation as is. She summarized key points from comments received from Operators and then discussed considerations for the Commission.

Interim Chair Maynard asked which of the three proposals is closest to Ohio’s regulations. Deputy General Counsel Torrissi confirmed it was the first proposal and further indicated that the three proposed regulations would all be more explicit regarding a prohibition on promotions linked to non-gaming transactions by those under 21 years old than what is currently in the regulations. Commissioner O’Brien asked about the timing of implementation of the Ohio regulation as, if Ohio’s regulation was in effect, the Commission would not be creating any new requirements for those Operators already complying with Ohio’s regulation. Deputy General Counsel Torrissi responded that implementation of regulations in Ohio takes about five months and would likely not be done until closer to the end of the year. Commissioner O’Brien stated her support for pursuing language on this. She noted there is a distinction between an affirmative obligation to confirm a patron is 21 years old rather than believing they are 21 years old and that this is not an unreasonable request. Commissioner Skinner noted that she believes this is worthy of further discussion. She referred to comments from one Operator who had discussions with OH that seemed to result in a more workable solution for them and was interested in hearing more information. Deputy General Counsel Torrissi responded that after discussions with that Operator, where they landed with Ohio related to how Ohio would interpret and apply the regulation and that there were no changes to the language.

Commissioner Skinner noted her concern about third-party marketing from Operators after an individual signs up for marketing materials from another establishment and that she wants to hear from the Operators on that. Commissioner O'Brien noted that there is an opt-in versus opt-out requirement that Operators must comply with in our data privacy regulations and asked whether that would be applicable also to third-party marketers. Anderson and Krieger Partner and Attorney Mina Makarious stated that it would under 205 CMR 257. He noted that the question now in considering adoption of a regulation similar to Ohio would be what has the Operator already done to comply with data privacy requirements. A discussion ensued about what information the Operator is actively monitoring related to data privacy. Interim Chair Maynard stated that he is interested in further discussion. Deputy General Counsel Torrisi clarified that there are two possible discussions the Commission could have: one is on third-party marketing, which she would like to work closely on with Director Vander Linden, and the other is on targeted post-transaction marketing and promotion. Commissioner O'Brien agreed with that breakdown. Commissioner Skinner asked for advertising examples and scenarios from the Operators. Deputy General Counsel Torrisi confirmed she will ask the Operators.

After a brief break, Interim Chair Maynard welcomed attendees back. Roll call attendance was taken with all Commissioners present.

10. [Investigations and Enforcement Bureau](#) (1:46:20)

a. [Encore Boston Harbor Request for Amendment to Beverage License](#) (1:46:34)

Chief of the Licensing Division Karalyn O'Brien introduced the topic of Encore Boston Harbor's request to amend their beverage license for a new restaurant, Giardino's. Licensing Manager David MacKay provided additional background about the request, including the update to the primary beverage manager. Manager MacKay confirmed that after reviewing the amendment application and performing the on-site inspection, the Licensing Division recommended that the Commission approve Encore Boston Harbor's amendment application to add Giardino's licensed area to the Encore Boston Harbor gaming beverage license and change the Beverage Area Manager to Brian Fountain. Commissioner O'Brien asked whether the change of the Beverage Area Manager was a change of position or person. Manager MacKay confirmed it was a change of person. Commissioner Skinner asked whether there was ever a time that there wasn't a beverage manager on the property. Manager MacKay confirmed that he believed that did occur. Chief O'Brien clarified that there are several managers responsible for beverage-related responsibilities. Commissioner Skinner asked whether their licenses are temporary. Chief O'Brien stated that the issuance of their licenses or registrations was in progress other than those exempt positions.

Commissioner Hill moved that the Commission approve Encore Boston Harbor's gaming beverage license amendment request to add Giardino's as a new licensed area in accordance with G.L. c. 23K, §26 and 205 CMR 136.03 and 136.04 and further that the Commission approve Encore Boston Harbor's request to change the Beverage Area Manager to Brian Fountain. Commissioner Skinner seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

- b. [Review of the IEB's Recommendation of Assessment of a Civil Administrative Penalty Pursuant to 205 CMR 232.02\(2\) regarding noncompliance with permissible sports wagering offerings by Fanatics Betting and Gaming \(1:53:16\)](#)

Director Monahan then moved on to a review of the IEB's recommendation of assessment of a civil administrative penalty pursuant to 205 CMR 232.02(2) regarding non-compliance of permissible sports wagering offerings by Fanatics. Enforcement Counsel Zachary Mercer presented the IEB's recommendation and provided background on the facts and incident which involved a non-tournament collegiate basketball game featuring a Massachusetts-based team being made available for wagering. He summarized that the IEB recommendation was that the Commission assess a \$15,000 civil administrative penalty and at this stage is asking the Commission to vote on one of two available options pursuant to 205 CMR 232.02(3)(a) and (b): one is to adopt the IEB's recommendation as its final decision and the other is to reject the IEB's recommendation and issue a notice of intent to adopt a separate recommendation following an adjudicatory hearing.

Commissioner Skinner asked whether, when an Operator cancels a leg of a parlay wager, the bettor has the wager amount completely refunded or is it pro-rated. Counsel Mercer confirmed that it is his understanding pro-rating is not available because it is not possible to break down the bet into components as they are part of a whole package. Director Monahan added that pursuant to 205 CMR 247.03(11), the bettors don't get refunded in the event of a cancellation. Commissioners Skinner and Hill both stated that they are in favor of adopting the IEB's recommendation.

Commissioner Skinner moved that the Commission adopt the recommendation of the IEB as its final decision to assess a civil administrative penalty against FBG Enterprises Opco, LLC d/b/a Fanatics Betting and Gaming for the reasons outlined in the Commissioners' Packet and discussed here today. Commissioner Hill seconded the motion.

Roll call vote:
Commissioner O'Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

- c. [Update on IEB review of potential noncompliance of 205 CMR 248.04\(4\) by American Wagering Inc., d/b/a Caesars Sportsbook, a temporary Category 3 sports wagering licensee, as requested by the Commission](#) (1:59:49)

Director Monahan then moved on to the IEB's next agenda item, which was an update of the IEB's review of a potential non-compliance matter. Counsel Mercer provided background and context on the incident which stemmed from American Wagering Inc., d/b/a Caesars Sportsbook's request for a variance from regulatory requirements for having knowledge-based authentication questions under 205 CMR 248.04(4) and the IEB's concern regarding their failure to have such questions since launch. He confirmed that the IEB is seeking guidance on how the Commission would like to proceed: to move the matter to an adjudicatory hearing, refer the matter back to the IEB pursuant to 205 CMR 232 or, under G.L. c. 23N, §16, issue a civil administrative penalty and start that process.

Interim Chair Maynard asked whether this was a technical violation of the regulation. Counsel Mercer stated that Caesars requested no further waiver from the regulatory requirements after a blanket waiver issued to the Operators expired and was therefore out of compliance since September 1. Commissioner O'Brien stated that the Operator has a continuing obligation to be in compliance and asked whether there was some communication on our end that led them to believe they were in compliance when they in fact were not. A discussion ensued about which path would help clarify that question. Commissioner Skinner noted that she was leaning towards having an adjudicatory hearing on the matter and that she wanted the opportunity to hear from the Operator directly. Commissioner Hill stated that he would like the IEB to find out the answer to Commissioner O'Brien's question before deciding which path to take. Interim Chair Maynard noted that whether the Operator knew they were in violation of the regulation versus if they were led to believe that they were compliant would dictate his decision. A discussion ensued about the outstanding questions that the Commission would like to have answered. Director Monahan asked for another opportunity to provide an update in the future.

- d. [Executive Session – Security at the Casino Facilities](#) (2:20:08)

Director Monahan requested an executive session to discuss security at the casino facilities.

Interim Chair Maynard stated that the Commission anticipates it will meet in Executive Session in accordance with G.L. c.30A, §21(a)(4), c.30A, §21(a)(7), and G.L. c. 4, §7(26)(f) to discuss the use and deployment of security personnel or devices, or strategies with respect thereto at Encore Boston Harbor, MGM Springfield and Plainridge Park Casino, specifically with regard to firearms and parking garage security, and to discuss investigatory materials related to MGM parking garage security, necessarily compiled out of the public view by the IEB the disclosure of which materials would probably so prejudice the possibility of effective law enforcement that such disclosure would not be in the public interest. The public session of the Commission meeting will not reconvene at the conclusion of the Executive Session.

Commissioner O'Brien moved to go into Executive Session on the matters and for the reasons stated by the Interim Chair. The motion was seconded by Commissioner Skinner.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

11. [Commissioner Updates](#) (2:21:05)

Upon request from the Interim Chair, no commissioner updates were noted.

12. [Other Business](#) (2:21:11)

Upon request from the Interim Chair Maynard, no other business was noted.

Transcriber's note: The Commission's vote to enter Executive Session occurred after Items #11 and 12. The Commission entered an Executive Session and did not reconvene the public meeting at the conclusion of the Executive Session.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda dated July 11, 2024](#)
2. [Commissioner's Packet from the July 11, 2024 Meeting](#) (posted on massgaming.com)



TO: Chair Jordan Maynard
Commissioner Eileen O'Brien
Commissioner Brad Hill
Commissioner Nakisha Skinner
Commissioner Paul Brodeur

FROM: Justin Stempeck, Deputy General Counsel
Carrie Torrisi, Chief of Sports Wagering Division
Derek Lennon, Chief Financial and Accounting Officer

DATE: December 27, 2024

RE: Feedback in Response to Potential Revisions to 205 CMR 238.12

During the November 7, 2024, Commission meeting the Commission heard a presentation regarding the history and current practice of the letter of credit requirement set forth in our regulations at 205 CMR 238.12. In short, 205 CMR 238.12 requires a sports wagering operator's liabilities (*i.e.*, money being wagered and potential winnings) to be backed up with a letter of credit but does not require that the funds in patron sports wagering accounts to be included in a letter of credit. With respect to the funds in sports wagering accounts, the regulation provides the operators with options and permits them to back up those patron funds through a letter of credit, cash reserves, or a combination thereof. It also requires patron accounts to be held in segregated accounts apart from other funds of the operator. In effect, it allows an operator to commingle funds and use such funds for operations where an operator has secured patron funds through a letter of credit but requires an operator to protect patron funds through a segregated account or cash reserves where an Operator does not utilize a letter of credit.

At that meeting we also reviewed a variety of other options, ultimately presenting the Commission with 3 possible choices:

- (1) require that the funds in sports wagering accounts, in addition to the operators' liabilities, be included in the letter of credit,
- (2) require that the funds in sports wagering accounts, and *not* the operators' liabilities, be included in the letter of credit, or
- (3) keep the regulation as is (requiring that the operators' liabilities, and not the funds in sports wagering accounts, be included in the letter of credit.

The Commission discussed the matter and ultimately asked for feedback from the public, from our licensees, and from the Attorney General's Office. We have attached all the written feedback we received to this memo, but we will also briefly summarize the comments in turn.

Public Comment

The Commission received one public comment after posting this subject and requesting input. The commenter noted a preference for protection of both account funds and account liabilities.

Licensee Comments

Bally's

Bally's agreed with the public commenter and voiced a preference for expanding the letter of credit coverage to include funds being wagered and funds held in sports wagering accounts.

MGM Springfield

MGM Springfield noted they did not support a letter of credit requirement that would cover retail future wagers given that the overall sum of the wager amounts is more than insured by the property's daily operating cash and cash equivalent reserves. They further explained that MGM Springfield has the backing of their parent company's liquidity balance sheet to address any risk of their retail sportsbook ceasing operations. Finally, they noted that obtaining and maintaining a letter of credit for a relatively low balance would be "time consuming, costly and adversely affect our overall borrowing power in the financial market."

Fanatics

Fanatics commented that they support the regulation in its current form, noting that the Commission already has visibility into operators' finances and receives a monthly attestation regarding the maintenance of adequate reserves. Fanatics did, however, request clarification on how operators should calculate the letter of credit.

FanDuel

FanDuel previously requested and was granted a waiver of 205 CMR 238.12 allowing them to continue to maintain a cash reserve in an amount necessary to cover any outstanding liability for Massachusetts. Their written comments reflect their desire to continue to address risk in this manner. FanDuel provided a detailed explanation of the procedural and operational difficulties with acquiring and maintaining a letter of credit to address ever shifting liabilities and their preference to do so via a cash reserve. They additionally provided redlined regulations on how such an option could be memorialized. FanDuel noted that if the Commission is disinclined to consider the cash reserve option, they would prefer that the original regulation remain.

DraftKings

DraftKings noted in their written response that they prefer keeping the original regulation in place while also requesting the ability to back up their reserves with a surety bond. DraftKings

noted the fact that surety bonds are significantly less expensive than letters of credit and accepted in many other jurisdictions for this purpose.

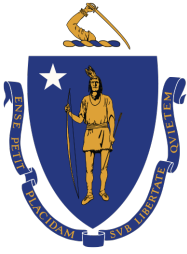
Attorney General Comment

We reached out to the Attorney General's Office for their response to this regulation and the various options presented. Given their focus on consumer protection, they prefer expanding the scope of the letter of credit requirement to include accounts and liabilities.

Options for Consideration

After receiving the above comments, the choices that we initially presented on November 7, 2024, include two additional choices as suggested by FanDuel and DraftKings (options 4 and 5 respectively):

1. **Maintaining the current regulation:** In this scenario, patron wagers would be protected by a letter of credit. Money in patron accounts and which is not currently being wagered would, at the operator's option, be protected by placement in a segregated account or by backup through a letter of credit or cash reserves.
2. **Expanding the Scope of the Letter of Credit Requirement:** Here, the Commission would expand the reach of the 205 CMR 238.12(1)'s letter of credit requirement to apply to money being wagered and money held in sports wagering accounts. This means that operators would have to post larger letters of credit. This approach is the most protective of patron funds but would be the costliest for operators.
3. **Revising 205 CMR 238.12 to require Letters of Credit *only* for Sports Wagering Accounts:** Under this option, the Commission would not require a letter of credit as backup for wagered funds, but only for moneys not currently being wagered. This would be less expensive for operators than the second option. It would be based on the rationale that patrons engaging in wagers are already risking the money placed on the wager but have a higher expectation of security in their account funds.
4. **Revising 205 CMR 238.12 to allow for daily cash reserve management to replace the letter of credit requirement:** In this scenario suggested by FanDuel, the letter of credit requirement to cover patron wagers is removed and daily cash reserves are substituted as an approved method of funds protection.
5. **Revising 205 CMR 238.12 to allow for use of a surety bond:** This option, suggested by DraftKings would add the option of using a surety bond, in lieu of a letter of credit as a means to protect patron wagers.



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL

ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

ANDREA JOY CAMPBELL
ATTORNEY GENERAL

(617) 727-2200
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January 6, 2025

VIA EMAIL

Jordan Maynard, Chair
Paul Brodeur, Commissioner
Bradford R. Hill, Commissioner
Eileen O'Brien, Commissioner
Nakisha Skinner, Commissioner
c/o Justin Stempeck, Deputy General Counsel
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

**Re: Additional Uniform Standards of Accounting Procedures and Internal Controls
for Sports Wagering, 205 CMR 238.12**

Dear Chair Maynard, Commissioners Brodeur, Hill, O'Brien, and Skinner, and Deputy General Counsel Stempeck:

The Attorney General's Office ("AGO") welcomes the opportunity to comment on the Massachusetts Gaming Commission's (the "Commission") Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering, 205 CMR 238.00, *et seq.*, specifically regarding the reserve requirement and irrevocable letter of credit for Sports Wagering Operators ("Operators") pursuant to 205 CMR 238.12(1).

Should the Commission amend 205 CMR 238.12(1), we would urge the Commission to clarify the currently existing language to ensure that Operators sufficiently protect the Commonwealth's consumers who entrust these Operators with their personal funds. The Commission's licensure and approval of an Operator could reasonably lead the consumer to believe that their money, as held by the Operator, would be sufficiently protected and available to be withdrawn at any time, especially when an Operator ceases to continue doing business in the Commonwealth.

Currently 205 CMR 238.12(1) leaves room for ambiguity that could jeopardize consumers' access to their funds. The provision currently requires Operators to have a system of internal controls that maintain a "reserve in the amount necessary to ensure the security of funds held in Sports Wagering Accounts and the ability to cover the outstanding Sports Wagering Liability." However, 238.12(1) includes a second provision that requires specifically that the reserve intended to cover Sports Wagering Liability be in the form of an irrevocable letter of credit which the Commission may draw from if an Operator ceases operating pursuant to 205 CMR

258.00. Notably absent is a requirement that funds in Sports Wagering Accounts also be protected in an account that can be drawn upon if the operator ceases operations.

Any amendment should clarify that an Operator must demonstrate that it has sufficient financial assets to cover both the funds held in participants' accounts and Sports Wagering Liability and from which the Commission may draw if an Operator ceases to operate at any point in time. After all, a consumer is entitled to money that belongs to them.

Furthermore, "Sports Wagering Liability" is not currently a defined term in the regulation. Any amendment this Commission considers should include a definition in order to help the industry, enforcement bodies, and consumers have an unambiguous understanding of what the term means. This definition should include the amounts accepted by Operators on wagers whose outcomes have not been determined, amounts owed but unpaid on winning wagers, and amounts that may become due once a winning outcome on an accepted wager becomes determined.

As a regulated business choosing to operate in the Commonwealth, Sports Wagering Operators bear a responsibility to their patrons and the public as a whole to ensure that their patrons' money indeed belongs to the patron and that a patron who decides to let their money sit in an account on an Operators' database is not left helpless and deprived of their property if that Operator suddenly ceases to operate.

The Attorney General's Office appreciates the opportunity to offer these comments to the Commission. The AGO stands ready to support and partner with the Commission in promoting safety and responsibility in sports wagering. We encourage the Commission to implement the suggestions offered here as an important step in that effort.

Respectfully submitted,



Jared Rinehimer
Chief, Privacy and Responsible Technology Division

Alda Chan
Assistant Attorney General, Consumer Protection Division



December 6, 2024

Via E-Mail to Justin.Stempeck@massgaming.gov

Mr. Justin Stempeck
Deputy General Counsel
Massachusetts Gaming Commission
101 Federal St., 12th Floor
Boston, MA 02110

Dear Mr. Stempeck:

In response to Sports Wagering Division Chief Carrie Torrisi's November 7 request for feedback on the potential changes to 205 CMR 238.12: Reserve Requirement, DraftKings Inc. ("DraftKings") submits the following comments for consideration. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with sports wagering regulatory frameworks, and submits these comments based on its operational knowledge in multiple regulated markets. DraftKings would also welcome the opportunity to speak directly with the Massachusetts Gaming Commission ("Commission") about the comments addressed below.

Option 1 - Status Quo

DraftKings respectfully requests that the Commission select Option 1, which would maintain the current regulation requiring patron wagers to be protected by a letter of credit. Additionally, DraftKings requests that the Commission allow operators to have the option to back up their reserves with a surety bond or a letter of credit. Surety bonds provide protection similar to a letter of credit, but are significantly less expensive and onerous for operators. DraftKings uses surety bonds for this purpose in many jurisdictions, including Illinois, Michigan, New York, and Ohio, among others. Additionally, the requirement that a surety bond for this purpose must be approved by the Commission means that any such bond could contain express language making the bankruptcy protection clear.

Preferred Language for Option 1:

1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan to maintain and protect sufficient cash and other supplies to conduct Sports Wagering at all times through a reserve in the amount necessary to ensure the security of funds held in Sports Wagering Accounts and the ability to cover the outstanding Sports Wagering liability, including the amounts accepted by the Sports Wagering Operator on Sports Wagers whose outcomes have not been determined and amounts owed but unpaid on winning Sports Wagering tickets or vouchers. The reserve may be in the form of Cash, Cash Equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof; provided that the amount of the reserve intended to cover the Sports Wagering liability must be in the form of, or backed up by, an irrevocable letter of credit **or surety bond** approved by the Commission and which may be drawn by the Commission in the event of cessation of Sports Wagering Operations in accordance with 205 CMR 258.00.

(2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure funds in Sports Wagering Accounts, including pending withdrawals, are either:



- (a) Held in trust for the patron in a Segregated Account managed in accordance with 205 CMR 248.00: Sports Wagering Account Management;
- (b) Held in the form of cash reserves;
- (c) Backed up by an irrevocable letter of credit **or surety bond** approved by the Commission; or
- (d) A combination of the forms described in 205 CMR 238.12(2)(a) through (c).

The amount held pursuant to 205 CMR 238.12 shall be an amount equal to 110% of the total funds held in Sports Wagering Accounts, as estimated and reported the most recent quarter of the Fiscal year.

(3) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall implement procedures that are reasonably designed to:

- (a) Ensure that the funds in the Segregated Account or cash held in reserve do not belong to the Sports Wagering Operator and are not available to creditors other than the patron whose funds are being held;
- (b) Prevent commingling of funds in the Segregated Account or cash held in reserve with other funds including, without limitation, funds of the Sports Wagering Operator; and
- (c) Ensure that letters of credit **or surety bonds** approved by the Commission pursuant to 205 CMR 238.12(2)(c) are not available to creditors of the Sports Wagering Operator, except than as set forth in such letters of credit **or surety bonds**.

Option 2 - Status Quo

As noted in the original notice, Option 2 would be the most costly for operators without providing a commensurate amount of protection. DraftKings respectfully requests the Commission not take this route.

Option 3 - Status Quo

If the Commission chooses Option 3, intending to specifically introduce a letter of credit requirement for funds not currently being wagered, DraftKings requests that the Commission allow operators to have the option to back up their reserves with a surety bond or a letter of credit. As discussed above, surety bonds provide protection similar to a letter of credit but are significantly less expensive and onerous for operators.

Preferred Language for Option 3:

(1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan to maintain and protect sufficient cash and other supplies to conduct Sports Wagering at all times through an irrevocable letter of credit **or surety bond** in the amount necessary to ensure the security of funds held in Sports Wagering Accounts and an amount of reserves adequate to cover the outstanding Sports Wagering liability consisting of the amounts accepted by the Sports Wagering Operator on Sports Wagers whose outcomes have not been determined and amounts owed but unpaid on winning Sports Wagering tickets or vouchers. The Sports Wagering Operator's reserve to cover the costs of its operations generally may be in the form of Cash, Cash Equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof; provided that the amount of the reserve intended to ensure the security of funds in Sports Wagering Accounts must be in the form of, or backed up by, an irrevocable letter of credit **or surety bond** approved by the Commission and which may be drawn by the Commission in the event of cessation of Sports Wagering Operations in accordance with 205 CMR 258.00.



(2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure funds in Sports Wagering Accounts, including pending withdrawals, are:

- (a) Held in trust for the patron in a Segregated Account managed in accordance with 205 CMR 248.00; and
- (b) Backed up by an irrevocable letter of credit **or surety bond** approved by the Commission; pursuant to 205 CMR 238.12(1).

(3) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall implement procedures that are reasonably designed to:

- (a) Ensure that the funds in a Segregated Account or cash held in reserve do not belong to the Sports Wagering Operator and are not available to creditors other than the patron whose funds are being held; and
- (b) Prevent commingling of funds in the Segregated Account or cash held in reserve with other funds including, without limitation, funds of the Sports Wagering Operator.
- (c) Ensure that letters of credit **or surety bonds** approved by the Commission pursuant to 205 CMR 238.12(2)(c) are not available to creditors of the Sports Wagering Operator, except than as set forth in such letters of credit **or surety bonds**.

* * * * *

Thank you for your consideration of DraftKings' comments regarding the Commission's proposed changes to 205 CMR 238.12: Reserve Requirement. Please feel free to reach out should you or anyone else at the Commission have any questions about our submission or our experience in other regulated jurisdictions.

Sincerely,

DraftKings Inc.



Cory Fox
Cory.Fox@fanduel.com

December 6, 2024

Via Email to justin.stempeck@massgaming.gov
Justin Stempeck – Deputy General Counsel
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Re: FanDuel comments on potential regulatory options for 205 CMR 238.12

Dear Deputy General Counsel Stempeck:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Massachusetts Gaming Commission’s (“Commission”) consideration of potential revisions to 205 CMR 238.12 related to reserve requirements. Per the Commission’s letter distributed to sports wagering operators on October 31, the Commission is exploring three potential options for its reserve regulation. Based on our extensive experience as an online sports wagering operator and as a collaborator with sports wagering regulators in many jurisdictions in the development of their regulations, we offer constructive feedback for the Commission’s consideration on the potential amendments to its reserve regulation.

At the outset, FanDuel is committed to protecting the funds held by our customers and believes that such protection for the entire online gaming industry is critical to protecting the success and reputation of the industry. We appreciate the Commission’s careful consideration to this important policy matter.

Further, we thank the Commission for taking the time to review our concerns and consider the significant impacts the potential revisions may have. As the Commission is aware, FanDuel submitted a waiver request to the Commission related to this matter on September 17, 2024, which the Commission approved at its October 10 Open Meeting. In that approved waiver request, we articulated our concerns with the regulation as constructed and our preference to continue maintaining a cash reserve in an amount necessary to ensure the ability to cover the outstanding liability for our Massachusetts online sports wagering obligations, as required by the original reserve regulation. Our position on this matter has not changed since this waiver request was submitted – and we offer additional constructive feedback below.

FanDuel appreciates the intent behind the changes to the regulation, which attempt to balance the hardships associated with daily reserve management with the need for segregated funds to ensure operators in the Commonwealth – particularly those that may not have significant scale – have a backstop for adverse business conditions. We are committed to protecting our customers in Massachusetts by engaging in responsible reserve management to ensure funds are always available. However, FanDuel believes that the Commission might be overlooking the practical challenges that a required letter of credit would pose to the Massachusetts sports betting landscape. Liabilities in the sports betting industry change every minute, as the outcomes of sporting events, as well as customer deposit and withdrawal activity, are volatile and unpredictable. These ever-changing liabilities, and the realities of financial institutions and financial instrument flexibility, make it impractical for operators to have a letter of credit that accurately reflects the



ebbs and flows of the sports betting industry. Letters of credit are operationally difficult to modify, and the logistical challenges of updating them on a quarterly basis with information that would not be known until a later date presents further operational hurdles. Letters of credit also raise concerns about potential reserve shortfalls, depending on the calculation methodology the Commission may choose to implement.

As stated in our September 17 waiver request, daily cash reserve management is better aligned with the ever-changing liabilities associated with sports wagering. For context, in Massachusetts, FanDuel currently maintains a cash reserve to cover the outstanding liability for all our online sports wagering obligations, which is adjusted as needed to reflect updated liabilities. As described in our internal controls, FanDuel verifies that the cash balance of the account is greater than its potential liability associated with our Massachusetts sports wagering operation, consisting of funds held by FanDuel in patron accounts, total amount of funds accepted by FanDuel as wagers on sports events with outcomes that have not been determined yet, and money owed but unpaid by FanDuel to patrons on winning wagers. In the event the potential liability on a given business day is higher than the segregated cash balance in the account, FanDuel adds the necessary funds to the account on the following business day to cover this gap.

FanDuel believes this type of reserve management is best suited for constantly shifting liabilities in the sports wagering industry, as evidenced by its use throughout the jurisdictions in which FanDuel operates, including Massachusetts. As the Commission is aware, this system is also the preferred method of reserve management throughout the regulated industry, as noted in its guidance that "...no other state currently requires a letter of credit to back up sports wagering accounts or wagers."

While FanDuel understands this option is not currently one that the Commission is offering, we respectfully request the Commission consider daily cash reserve management as an option for operators without the need for a letter of credit. This type of reserve management would allow operators to be more flexible and maintain reserves as needed to reflect updated liabilities. Whereas a letter of credit would only be updated quarterly, cash reserves would be updated each business day, if necessary. Due to banking holidays and weekends, the only time when operators would not be permitted to update reserves is when banks are closed. In this event, operators would adjust the reserves on the following business day. To account for this scenario, we would respectfully request language to that effect. We have provided the suggested language below for your review and consideration. For the sake of clarity, proposed additions will be shown in underline in red text and proposed deletions will be shown in [~~brackets and struck through~~] in red text.

205 CMR 238.12: Reserve Requirement

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan to maintain and protect sufficient cash and other supplies to conduct Sports Wagering at all times through a reserve in the amount necessary to ensure the security of funds held in Sports Wagering Accounts and the ability to cover the outstanding Sports Wagering liability, including the amounts accepted by the Sports Wagering Operator on Sports Wagers whose outcomes have not been determined and amounts owed but unpaid on winning Sports Wagering tickets or vouchers. The reserve may be in the form of Cash, Cash Equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof~~[- provided that the amount of the reserve intended to cover the Sports Wagering liability must be in the form of, or backed up by, an irrevocable~~



~~letter of credit approved by the Commission and which may be drawn by the Commission in the event of cessation of Sports Wagering Operations in accordance with 205 CMR 258.00].~~

- (2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure funds in Sports Wagering Accounts, including pending withdrawals, are either:
 - a) Held in trust for the patron in a Segregated Account managed in accordance with 205 CMR 248.00;
 - b) Held in the form of cash reserves;
 - c) Backed up by an irrevocable letter of credit approved by the Commission; or
 - d) A combination of the forms described in 205 CMR 238.12(2)(a)-(c).

The amount held pursuant to this section 205 CMR 238.12 shall be an amount [~~equal to 110% of the total funds held in Sports Wagering Accounts, as estimated and reported the most recent quarter of the Fiscal Year~~] necessary to satisfy the reserve requirements pursuant to this section.

(3) – (4) no change.

- (5) The Commission may audit a Sports Wagering Operator’s reserve at any time and may direct a Sports Wagering Operator to take any action necessary to ensure the purposes of 205 CMR 238.12 are achieved, including but not limited to, requiring the Sports Wagering Operator to modify the form of its reserve or increase the amount of its reserve. For the avoidance of doubt, a Sports Wagering Operator shall be deemed to meet the reserve requirements described in 205 CMR 238.12 if the Sports Wagering Operator adds sufficient funds to cover the calculated requirement prior to the end of the following business day.

In the alternative, FanDuel would recommend the Commission choose option 1 to maintain the current regulation, as this option does permit cash reserve management in some manner. If this is the Commission’s preferred option, the Commission should consider how its requirement can be put into effect by operators, and whether usage of a letter of credit will lead to potential reserve shortfalls.

We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,

Cory Fox
Vice President for Product and New Market Compliance



December 6, 2024

Mr. Justin Stempeck
Deputy General Counsel
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Re: Fanatics Betting & Gaming Comments on 205 CMR 238.12

Mr. Stempeck:

Fanatics Betting & Gaming (“FBG”) thanks you for the opportunity to provide comments on the amendments being proposed to 205 CMR 238.12 regarding the reserve requirement. While FBG appreciates the Massachusetts Gaming Commission’s concern that adequate reserves are maintained in the unlikely event of a bankruptcy, FBG believes that the regulation, as currently written, provides adequate coverage to protect player funds.

The protections afforded by 205 CMR 238.12 in its current state are already the most consumer protective of any jurisdiction in the country and FBG believes that expanding the scope of what is required to be backed up by a letter of credit would be unnecessarily costly and burdensome to sports wagering operators. As the Massachusetts Gaming Commission has visibility into sports wagering operators’ finances and receives an attestation each month regarding the maintenance of adequate reserves, FBG believes that expanding the scope of the letter of credit is unnecessary.

FBG does request that the regulation, while continuing to require a letter of credit to solely cover patron wagers, clarify how sports wagering operators should calculate the letter of credit.

Thank you.

Sincerely,

Fanatics Betting & Gaming

cc: Carrie Torrisi, Chief of Sports Wagering Division

From: Miller, Daniel
Sent: Friday, December 6, 2024 12:55 PM
To: Stempeck, Justin
Cc: Torrisi, Carrie; Kim, Augustine
Subject: RE: [External] Regulation Comments Requested

Good afternoon Justin,

I'm sorry for the late response on this matter, but MGMS has the following comment on this reserve related topic:

MGMS respectfully states that the requirement of an irrevocable letter of credit, to financially back any retail futures wagers, (given that our retail operation has no sports wagering accounts) is overly burdensome and predominantly unnecessary. First, the overall sum of wager amounts, handled by our retail book, is more than insured by our property's daily operating cash and cash equivalent reserves. Second, in the unlikely scenarios MGMS's retail book were to cease operation and/or those funds were insufficient, we have the full support and backing of our parent company's liquidity balance sheet, of over \$1Bn. Lastly, to acquire and maintain such a letter of credit for a relatively low balance, will be time consuming, costly and adversely affect our overall borrowing power in the financial market.

Kindly,

Daniel Miller
Compliance Director
dmiller@mgmspringfield.com
O: 413-273-5864

One MGM Way
Springfield, MA 01103
mgmspringfield.com / empirecitycasino.mgmresorts.com



From: Helen Giroux
Sent: Friday, December 6, 2024 12:12 PM
To: Stempeck, Justin
Cc: Torrisi, Carrie
Subject: RE: Regulation Comments Requested

Hi Justin,

We reviewed the document and prefer option 2 out of the three options provided.

1. Maintaining the current regulation; In this scenario, patron wagers would be protected by a letter of credit; Money in patron accounts and which is not currently being wagered would be at the operator's option to be protected by placement in a segregated account or by backup through a letter of credit or cash reserves;
2. Expanding the Scope of the Letter of Credit Requirement; Here, the Commission would expand the reach of the 86 CMR.89 78(7)'s letter of credit requirement to apply to money being wagered and money held in sports wagering accounts; This means that operators would have to post larger letters of credit; This approach is the most protective of patron funds but would be the most costly for operators;
3. Revising 86 CMR.89 78 to require Letters of Credit only for Sports Wagering Accounts; Under this option, the Commission would not require a letter of credit as backup for wagered funds but only for moneys not currently being wagered; This would be less expensive for operators than the second option; It would be based on the rationale that patrons engaging in wagers are already risking the money placed on the wager but have a higher expectation of security in their account funds;

Thank you.

Helen Giroux

Compliance Manager | Interactive North America



ballys.com

From: David Manning
Sent: Tuesday, November 19, 2024 6:30 PM
To: MGCcomments <MGCcomments@massgaming.gov>
Subject: Letter of Credit and comments on Tyson-Paul fight

You don't often get email from archiem1959@gmail.com. [Learn why this is important](#)

Hi:

I say number 1.

Cover money being wagered and money held in sports wagering accounts.

And shame on the Gaming Commission on allowing bets on the Tyson-Paul fight.

The gaming commission should have made an attempt to research the rules of the fight beforehand.

No one ever heard of The War of the Worlds Muhammad Ali vs. Antonio Inoki June 26, 1976?

Go do some work and research that event to see if it would have been a sporting event to put odds on!

New York

Pennsylvania

Colorado

Vermont

Louisiana

Kentucky

Those states prohibited legal wagering on the Mike Tyson-Jake Paul fight.

I'm proud that the following states gave the middle finger to a fight where it was 8 rounds, 2 minute rounds and 14 oz. gloves.

That is not a boxing match!

Give them pillows to fight with instead!

In Pennsylvania, regulators determined the fight was simply not within the boundaries of a traditional fight. "We just consider it an untraditional boxing event that's more of an exhibition," Richard McGarvey of Pennsylvania Gaming Control Board told USA TODAY, "We just said, 'Not in Pennsylvania.'"

Dave Manning



TO: Chair Jordan Maynard
Commissioner Eileen O'Brien
Commissioner Brad Hill
Commissioner Nakisha Skinner

FROM: Justin Stempeck, Deputy General Counsel
Carrie Torrissi, Chief of Sports Wagering Division
Derek Lennon, Chief Financial and Accounting Officer

DATE: October 31, 2024

RE: Potential Revisions to 205 CMR 238.12

In October 2023, the Commission adopted 205 CMR 238.12 requiring sports wagering operators to obtain a letter of credit to ensure adequate funds are available to compensate patrons in the event of the cessation of sports wagering operations. Following the adoption of 205 CMR 238.12, Commission staff reviewed whether a letter of credit is also beneficial to protect patron deposits. In the Spring of 2024, the Commission determined that it was but chose to provide sports wagering operators with the *option* of using a letter of credit to back up patron deposits, rather than requiring such a letter. The regulation was amended accordingly. To our knowledge, no other state currently requires a letter of credit to back up sports wagering accounts or wagers.

As currently written, 205 CMR 238.12 requires a sports wagering operator's liabilities (*i.e.*, money being wagered and potential winnings) to be backed up with a letter of credit but does not require that the funds in patron sports wagering accounts to be included in a letter of credit. With respect to the funds in sports wagering accounts, the regulation provides the operators with options and permits them to back up those patron funds through a letter of credit, cash reserves, or a combination thereof. It also requires patron accounts to be held in segregated accounts apart from other funds of the operator. In effect, it allows an operator to commingle funds and use such funds for operations where an operator has secured patron funds through a letter of credit but requires an operator to protect patron funds through a segregated account or cash reserves where an Operator does not utilize a letter of credit.

We have since further reviewed 205 CMR 238.12 and discussed it with both bankruptcy counsel and, through the Sports Wagering Division and Finance teams, the operators. Bankruptcy counsel has noted that although the requirement for segregated patron accounts *could* protect the funds in those accounts from being swept into the bankruptcy estate (and thus protect them for use to pay a bankrupt operator's creditors), this issue would likely be litigated in the context of a

particular bankruptcy. A letter of credit would be a safer option because it is not held by the Operator, and thus would not be made part of the bankruptcy estate. Operators prefer the current approach, which grants them greater flexibility to utilize assets as needed and does not add the costs associated with maintaining larger letters of credit.

The question at issue is whether the Commission would like to (1) require that the funds in sports wagering accounts, in addition to the operators' liabilities, be included in the letter of credit, (2) require that the funds in sports wagering accounts, and *not* the operators' liabilities, be included in the letter of credit, or (3) keep its regulation as is (requiring that the operators' liabilities, and not the funds in sports wagering accounts, be included in the letter of credit).

Based on that question, the Legal, Finance, and Sports Wagering divisions propose for consideration the following options for possible changes to 205 CMR 238.12:

1. **Maintaining the current regulation:** In this scenario, patron wagers would be protected by a letter of credit. Money in patron accounts and which is not currently being wagered would, at the operator's option, be protected by placement in a segregated account or by backup through a letter of credit or cash reserves.
2. **Expanding the Scope of the Letter of Credit Requirement:** Here, the Commission would expand the reach of the 205 CMR 238.12(1)'s letter of credit requirement to apply to money being wagered and money held in sports wagering accounts. This means that operators would have to post larger letters of credit. This approach is the most protective of patron funds but would be the most costly for operators. See attached Option 2.
3. **Revising 205 CMR 238.12 to require Letters of Credit *only* for Sports Wagering Accounts:** Under this option, the Commission would not require a letter of credit as backup for wagered funds, but only for moneys not currently being wagered. This would be less expensive for operators than the second option. It would be based on the rationale that patrons engaging in wagers are already risking the money placed on the wager but have a higher expectation of security in their account funds. See attached Option 3.

205 CMR 238.00: ADDITIONAL UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL CONTROLS FOR SPORTS WAGERING

Section

238.12 Reserve Requirement

238.12: Reserve Requirement

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan to maintain and protect sufficient cash and other supplies to conduct Sports Wagering at all times through a ~~reserve an irrevocable letter of credit~~ in the amount necessary to ensure the security of funds held in Sports Wagering Accounts and the ability to cover the outstanding Sports Wagering liability ~~consisting of, including~~ the amounts accepted by the Sports Wagering Operator on Sports Wagers whose outcomes have not been determined and amounts owed but unpaid on winning Sports Wagering tickets or vouchers. The ~~Sports Wagering Operator's~~ reserve ~~to cover the costs of its operations generally~~ may be in the form of Cash, Cash Equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof; provided that the amount of the reserve intended to ~~ensure the security of funds in Sports Wagering Accounts and cover the~~ Sports Wagering liability must be in the form of, or backed up by, an irrevocable letter of credit approved by the Commission and which may be drawn by the Commission in the event of cessation of Sports Wagering Operations in accordance with 205 CMR 258.00.
- (2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure funds in Sports Wagering Accounts, including pending withdrawals, are ~~either~~:
 - (a) Held in trust for the patron in a Segregated Account managed in accordance with 205 CMR 248.00; ~~and~~
 - ~~(b) Held in the form of cash reserves;~~
 - ~~(e)(b)~~ Backed up by an irrevocable letter of credit approved by the Commission; ~~pursuant to 205 CMR 238.12(1). or~~
 - ~~(d)(c) A combination of the forms described in 205 CMR 238.12(2)(a) (e).~~The amount held pursuant to this section 205 CMR 238.12 shall be an amount equal to 110% of the total funds held in Sports Wagering Accounts, as estimated and reported the most recent quarter of the Fiscal Year.
- (3) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall implement procedures that are reasonably designed to:
 - (a) Ensure that the funds in ~~the a~~ Segregated Account or cash held in reserve do not belong to the Sports Wagering Operator and are not available to creditors other than the patron whose funds are being held; and
 - (b) Prevent commingling of funds in the Segregated Account or cash held in reserve with other funds including, without limitation, funds of the Sports Wagering Operator.
 - (c) Ensure that letters of credit approved by the Commission pursuant to 205 CMR 238.12(2)(c) are not available to creditors of the Sports Wagering Operator, except than as set forth in such letters of credit.

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- (4) A Sports Wagering Operator must have access to all Sports Wagering Accounts and Sports Wager data to ensure the amount of its reserve is sufficient. Unless otherwise directed by the Commission, a Sports Wagering Operator must file a monthly attestation with the Commission, in the form and manner prescribed by the Commission, that funds have been safeguarded in accordance with 205 CMR 238.12.
- (5) The Commission may audit a Sports Wagering Operator's reserve at any time and may direct a Sports Wagering Operator to take any action necessary to ensure the purposes of 205 CMR 238.12 are achieved, including but not limited to, requiring the Sports Wagering Operator to modify the form of its reserve or increase the amount of its reserve.

205 CMR 238.00: ADDITIONAL UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL CONTROLS FOR SPORTS WAGERING

Section

238.12 Reserve Requirement

238.12: Reserve Requirement

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan to maintain and protect sufficient cash and other supplies to conduct Sports Wagering at all times through a ~~reserve-an irrevocable letter of credit~~ in the amount necessary to ensure the security of funds held in Sports Wagering Accounts and ~~an amount of reserves adequate the ability~~ to cover the outstanding Sports Wagering liability ~~consisting of , including~~ the amounts accepted by the Sports Wagering Operator on Sports Wagers whose outcomes have not been determined and amounts owed but unpaid on winning Sports Wagering tickets or vouchers. ~~The Sports Wagering Operator's reserve to cover the costs of its operations generally. The reserve~~ may be in the form of Cash, Cash Equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof; provided that the amount of the reserve intended to ~~ensure the security of funds in Sports Wagering Accounts eover the Sports Wagering liability~~ must be in the form of, or backed up by, an irrevocable letter of credit approved by the Commission and which may be drawn by the Commission in the event of cessation of Sports Wagering Operations in accordance with 205 CMR 258.00.
- (2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure funds in Sports Wagering Accounts, including pending withdrawals, are ~~either~~:
 - (a) Held in trust for the patron in a Segregated Account managed in accordance with 205 CMR 248.00; ~~and~~
 - ~~(b) Held in the form of cash reserves;~~
 - ~~(e)(b)~~ Backed up by an irrevocable letter of credit approved by the Commission; ~~pursuant to 205 CMR 238.12(1). or~~
 - ~~(d)(c) A combination of the forms described in 205 CMR 238.12(2)(a) (e).~~

The amount held pursuant to this section 205 CMR 238.12 shall be an amount equal to 110% of the total funds held in Sports Wagering Accounts, as estimated and reported the most recent quarter of the Fiscal Year.
- (3) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall implement procedures that are reasonably designed to:
 - (a) Ensure that the funds in ~~the a~~ Segregated Account or cash held in reserve do not belong to the Sports Wagering Operator and are not available to creditors other than the patron whose funds are being held; and
 - (b) Prevent commingling of funds in the Segregated Account or cash held in reserve with other funds including, without limitation, funds of the Sports Wagering Operator.
 - (c) Ensure that letters of credit approved by the Commission pursuant to 205 CMR 238.12(2)(c) are not available to creditors of the Sports Wagering Operator, except than as set forth in such letters of credit.

Commented [MM1]: Note: SoS accidentally put one m in its version.

- (4) A Sports Wagering Operator must have access to all Sports Wagering Accounts and Sports Wager data to ensure the amount of its reserve is sufficient. Unless otherwise directed by the Commission, a Sports Wagering Operator must file a monthly attestation with the Commission, in the form and manner prescribed by the Commission, that funds have been safeguarded in accordance with 205 CMR 238.12.
- (5) The Commission may audit a Sports Wagering Operator's reserve at any time and may direct a Sports Wagering Operator to take any action necessary to ensure the purposes of 205 CMR 238.12 are achieved, including but not limited to, requiring the Sports Wagering Operator to modify the form of its reserve or increase the amount of its reserve.



SMALL BUSINESS IMPACT STATEMENT

The Massachusetts Gaming Commission (“Commission”) hereby files this Small Business Impact Statement in accordance with G.L. c. 30A, §2, relative to the proposed amendments to **205 CMR 238 ADDITIONAL UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL CONTROLS FOR SPORTS WAGERING**, specifically 205 CMR 238.12: Reserve Requirement.

This regulation was promulgated as part of the process of promulgating regulations governing sports wagering in the Commonwealth, and is authorized by G.L. c. 23N, §4. This regulation governs the internal standards to which sports wagering operators must adhere to in the provision of sports wagering in the Commonwealth, and 205 CMR 238.12 specifically details the reserve accounts required of Operators.

This regulation is unlikely to have an impact on small businesses as it governs the behavior of Sports Wagering Operators who are not small businesses. Under G.L. c.30A, §2, the Commission offers the following responses to the statutory questions:

1. Estimate of the number of small businesses subject to the proposed regulation:

This regulation is unlikely to have an impact on small businesses.

2. State the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation:

There are no projected reporting, recordkeeping, or other administrative costs required for small businesses to comply with this regulation.

3. State the appropriateness of performance standards versus design standards:

No standards applicable to small businesses are set forth. Provided standards are performance standards.

4. Identify regulations of the promulgating agency, or of another agency or department of the Commonwealth, which may duplicate or conflict with the proposed regulation:

There are no conflicting regulations in 205 CMR, and the Commission is unaware of any conflicting or duplicating regulations of any other agency or department of the Commonwealth.

5. State whether the proposed regulation is likely to deter or encourage the formation of new businesses in the Commonwealth:



Massachusetts Gaming Commission

This amendment is unlikely to have any impact on the formation of new businesses in the Commonwealth.

Massachusetts Gaming Commission
By:

/s/ Justin Stempeck
Justin Stempeck, Deputy General Counsel

Dated: January 3, 2025



Massachusetts Gaming Commission



To: Jordan Maynard, Chair
Eileen O'Brien, Commissioner
Brad Hill, Commissioner
Nakisha Skinner, Commissioner
Paul Brodeur, Commissioner

From: Carrie Torrisi, Chief of Sports Wagering Division

Date: January 9, 2025

Re: Request for Extension of Temporary Waiver from 205 CMR 238.12

On October 10, 2024, the Commission approved a temporary waiver from 205 CMR 238.12 for all sports wagering operators until March 1, 2025, with the intention that the Commission would promulgate updates to 205 CMR 238.12 during that timeframe. The Legal Department presented proposed changes to 205 CMR 238.12 on November 7, 2024, and the Commission asked the Legal Department to seek public comment on the options proposed. The Legal Department is now returning to the Commission on January 9, 2024, to discuss feedback received and several regulation amendment options.

Given that any updates to the regulation will not go into effect before March 1, 2025, the Sports Wagering Division requests an extension of the waiver issued on October 10, 2024, until April 1, 2025 (assuming that the Commission votes on January 9, 2025, to begin the promulgation process).



To: Jordan Maynard, Chair
Eileen O'Brien, Commissioner
Brad Hill, Commissioner
Nakisha Skinner, Commissioner
Paul Brodeur, Commissioner

From: Carrie Torrisi, Chief of Sports Wagering Division

Date: January 9, 2025

Re: BetMGM Temporary Waiver from 205 CMR 255.02(1)(b)

The Commission's regulation 205 CMR 255.02(1)(b) permits an individual who has designated themselves as subject to sports wagering limitations to set a limitation on placing a wager once that individual has, during a day, week, or month, wagered a specified cumulative dollar amount. In early 2024, the Sports Wagering Division identified that BetMGM was not in compliance with this provision as their offerings included limitations related to total loss amounts but not to total wager amounts. On July 15, 2024, following discussions between BetMGM and the Sports Wagering Division, BetMGM submitted a request for a waiver from this provision until December 31, 2024, so that it could build the appropriate technology into its platform. The Sports Wagering Division approved that waiver request on August 7, 2024.

205 CMR 255.06 authorizes the Sports Wagering and Responsible Gaming Divisions to approve a sports wagering operator's use of additional or different limitations than those identified in 205 CMR 255.02(1) but does not authorize the two Divisions to approve general waivers from provisions of 205 CMR 255 (which are required to come to the Commission for approval). It seems that there was a misunderstanding as to the authority granted to the Sports Wagering and Responsible Gaming Divisions under 205 CMR 255.06.

On December 17, 2024, BetMGM submitted a request to extend their temporary waiver through January 31, 2025, to allow time for additional testing. Upon receipt of this request, the Sports Wagering Division identified that the initial waiver request should have come to the Commission for approval. While the Sports Wagering Division has no concerns with this temporary waiver request, we now request that the Commission approve BetMGM's December 17th and July 15th waiver requests to ensure that this waiver process is in compliance with our regulations and issue a temporary waiver to BetMGM from the provisions of 205 CMR 255.02(1)(b) through January 31, 2025.



MASSACHUSETTS GAMING COMMISSION WAIVER/VARIANCE REQUEST FORM

In accordance with 205 CMR 202.03; 205 CMR 102.03(4)

Please fill out and address all areas of the form with blue section headers. If a specific line does not apply to the request, please place 'NA' in the response field. Each section will extend to accommodate large answers.

CONTACT INFORMATION

DATE: 7/15/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): BetMGM

NAME OF INDIVIDUAL COMPILING REQUEST: Lucas Niglio

TITLE OF INDIVIDUAL COMPILING REQUEST: Senior Responsible Gaming Compliance Analyst

CONTACT EMAIL ADDRESS: lucas.niglio@betmgm.com

CONTACT PHONE NUMBER: 732-832-6904

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):
richard.taylor@betmgm.com

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 255.02 (1)(b)

REGULATION SECTION TITLE: Play Management - Limitations

REGULATION LANGUAGE/TEXT:

(1) Individuals who designate themselves as subject to limitations regarding Sports Wagering shall select one or more of the following specific activities subject to the limitations:

(b) placing a Wager once an individual has, during a day, week, or month, Wagered a specified cumulative dollar amount; and

REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: December 31, 2024



Per 205 CMR 102.03(4)(b)

PLEASE EXPLAIN THE BASIS FOR THE PROPOSED WAIVER/VARIANCE SOUGHT:

To offer wager limits in conjunction with loss limits, it will require significant development work and testing to ensure that neither of these limits impact one another as they both exist in the cashier system. BetMGM has no other jurisdiction where wager and loss limits are both offered.

Per 205 CMR 102.03 (4)(a)(4)

PLEASE INDICATE THE SUBSTANTIAL HARDSHIP/IMPACT YOUR ENTITY WOULD INCUR IF WAIVER/VARIANCE IS NOT APPROVED BY COMMISSION:

BetMGM wants to ensure that when the new limit is put in place patrons will not be able to exceed either their loss limit or wager limit. BetMGM wants to extensively test the features prior to deployment.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

This will impact regulatory requests in other jurisdictions that BetMGM operates in. BetMGM would need to request extensions from other regulators for technical developments that those jurisdictions have requested as well.

DETERMINATION

Pursuant to 205 CMR 102.03(4)(a), and 205 CMR 202.03(2), the Commission may waive or grant a variance if the Commission finds that:

1. Granting the waiver or variance is consistent with the purposes of M.G.L. c. 23K and c. 23N;
2. Granting the waiver or variance will not interfere with the ability of the commission or the bureau to fulfill its duties;
3. Granting the waiver or variance will not adversely affect the public interest; and
4. Not granting the waiver or variance would cause a substantial hardship to the person requesting the waiver or variance.

Pursuant to 205 CMR 102.03 (4)(c), any waiver request not acted on by the Commission within 60 days of filing shall be deemed denied.





MASSACHUSETTS GAMING COMMISSION WAIVER/VARIANCE REQUEST FORM

In accordance with 205 CMR 202.03; 205 CMR 102.03(4)

Please fill out and address all areas of the form with blue section headers. If a specific line does not apply to the request, please place 'NA' in the response field. Each section will extend to accommodate large answers.

CONTACT INFORMATION

DATE: 12/17/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): BetMGM

NAME OF INDIVIDUAL COMPILING REQUEST: Lucas Niglio

TITLE OF INDIVIDUAL COMPILING REQUEST: Senior Responsible Gaming Compliance Analyst

CONTACT EMAIL ADDRESS: lucas.niglio@betmgm.com

CONTACT PHONE NUMBER: 732-832-6904

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):
richard.taylor@betmgm.com

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 255.02 (1)(b)

REGULATION SECTION TITLE: Play Management - Limitations

REGULATION LANGUAGE/TEXT:

(1) Individuals who designate themselves as subject to limitations regarding Sports Wagering shall select one or more of the following specific activities subject to the limitations:

(b) placing a Wager once an individual has, during a day, week, or month, Wagered a specified cumulative dollar amount; and

REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: January 31, 2025

Per 205 CMR 102.03(4)(b)

PLEASE EXPLAIN THE BASIS FOR THE PROPOSED WAIVER/VARIANCE SOUGHT:

BetMGM has an impending code freeze beginning on December 19, 2024, and ending January 6, 2025, which means the last day to implement the change before the current due date of December 31, 2024 would be on December 18, 2024. BetMGM has completed the development of the enhancements from



the corrective actions, however, BetMGM wants to extend the internal testing phase to ensure optimal functionality and address any remaining issues. This additional testing is critical to delivering the best possible outcome.

Per 205 CMR 102.03 (4)(a)(4)

PLEASE INDICATE THE SUBSTANTIAL HARDSHIP/IMPACT YOUR ENTITY WOULD INCUR IF WAIVER/VARIANCE IS NOT APPROVED BY COMMISSION:

BetMGM would like to ensure a successful launch of the new wager limit offered to ensure it does not impact the other limits offered and that the changes are compatible with all jurisdictions that BetMGM operates in. BetMGM would need to launch the changes during a company-wide code freeze and not be able to test everything that BetMGM Test Engineering team would like to test before enabling the new limit.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

Many BetMGM employees needed to complete this project will be out of the office due to the upcoming holidays.

DETERMINATION

Pursuant to 205 CMR 102.03(4)(a), and 205 CMR 202.03(2), the Commission may waive or grant a variance if the Commission finds that:

1. Granting the waiver or variance is consistent with the purposes of M.G.L. c. 23K and c. 23N;
2. Granting the waiver or variance will not interfere with the ability of the commission or the bureau to fulfill its duties;
3. Granting the waiver or variance will not adversely affect the public interest; and
4. Not granting the waiver or variance would cause a substantial hardship to the person requesting the waiver or variance.

Pursuant to 205 CMR 102.03 (4)(c), any waiver request not acted on by the Commission within 60 days of filing shall be deemed denied.





Sports Wagering Division

5. **Tennis:** Revisions for settlement clarification regarding total games markets and Aces / Double Fault related markets.

CONCLUDING STATEMENT:

The Sports Wagering Division confirms all requirements have been met under 205 CMR 247.02 and recommends approving these changes.

Baseball

Player Props

- Batter Up Plate Appearance 3-Way: Listed players must record the relevant plate appearance for bets to stand. If listed players do not record a plate appearance, bets on that player will be void. If a player is substituted out of the game between plate appearances, bets on plate appearances that have already occurred will stand. However, bets on future plate appearance markets will be voided. For settlement purposes hit by pitches (HBPs) will be settled as “Any Other Outcome”. A fielder’s choice, catcher’s interference, or reach on error will all be ruled as an “other outcome.” A pitch must be thrown in the plate appearance for bets to be action. If no pitch is thrown in the plate appearance (i.e., the pitching team elects to intentionally walk the batter before any pitches are thrown) bets on the market will be void. This shall not however impact other markets which are impacted by the result (i.e., the intentional walk results in an RBI for the batter).
- If listed players do not record a plate appearance, bets on that player will be void. If a player is substituted out of the game between plate appearances, bets on plate appearances that have already occurred will stand. However, bets on future plate appearance markets will be voided. For settlement purposes, hit by pitches (HBPs) will be settled as Walk/HBP. A fielder’s choice, catcher’s interference, or reach on error will all be ruled as an “other outcome.” A pitch must be thrown in the plate appearance for bets to be action. If no pitch is thrown in the plate appearance (i.e., the pitching team elects to intentionally walk the batter before any pitches are thrown) bets on the market will be void. This shall not however impact other markets which are impacted by the result (i.e., the intentional walk results in an RBI for the batter).
- Player to Hit Longest Home Run of Day: If listed player is in the starting line-up, bets are action. Any non-starters will be voided. Distance of home run markets will be settled according to official results as published by MLB’s Statcast.
- Player to Hit a Home Run in First Plate Appearance: Listed players must record at least one plate appearance for bets to stand. If listed players do not record a plate appearance, bets on that player will be void. For settlement purposes, an intentional walk will count as a plate appearance.

Futures Markets + Other Specials

- MLB Spring Training:
 - Results are official as per MLB.com
 - Games may be shortened at either team’s discretion. In the event of a shortened game:
 - Money Line bets will be settled as per the 4.5 Innings Rule.

- [Bets on Total Run markets that are unequivocally determined will stand. Run Line Markets shall be voided as per 8.5 Inning Rule.](#)
- [In the event of a tie, all Money Line bets will be void.](#)

Basketball

Overview of Specific Markets – NBA, NCAA and WNBA Basketball

- Last point market: [Resulted on last point, inclusive of overtime.is settled on last point in regulation time.](#)
- Early Quarter Markets: All markers referring to a set time period (such as “First Minute” or “First 3 minutes”) will be settled according to the official [nba.com/ncaa.com play-by-play data to determine the timing of any relevant events or recorded statistics. All markets referring to a set time period will include the :00. For example, when betting X+ Points in First Minute of the Game for CBB, any points scored at 19:00 would count towards the first minute total.](#)
- [Team to go on X Run \(e.g. Team X to go on a 15-0 run\): “Yes” wagers will be settled as a winner if team scores specified number of points prior to opposing team scoring their next point.](#)
- [X+ Lead Changes: A “lead change” refers to any time Team X falls behind Team Y, and vice versa. A tie does not count as a lead change.](#)
- [“Top 25” in CBB is defined as the Associated Press Top 25.](#)

Cricket

- [Match Betting](#)
 - [Description: Who will win the match?](#)
 - [All match betting will be settled in accordance with official competition rules. In matches affected by adverse weather, bets will be settled according to the official result.](#)
 - [If there is no official result, all bets will be void.](#)
 - [In the case of a tie, if the official competition rules do not determine a winner, then dead- heat rules will apply. In competitions where a bowl off or super over determines a winner, bets will be settled on the official result.](#)
 - [In First Class Matches, if the official result is a tie, bets will be settled as a dead-heat between both teams. Bets on the draw will be settled as losers.](#)
 - [If a match is abandoned due to external factors, then bets will be void unless a winner is declared based on the official competition rules.](#)
 - [If a match is cancelled, then all bets will be void if it is not replayed or restarted within 48 hours of its advertised start time.](#)
- [Match Betting: Double Chance](#)
 - [Description: Will the match result be either of the three options given?](#)
 - [A tie will be settled as a dead heat.](#)

- All match betting will be settled in accordance with official competition rules. If there is no official result, all bets will be void.
- Match Betting: Draw No Bet
 - Description: Who will win the match given that all bets will be void if the match is a draw?
 - A tie will be settled as a dead heat.
 - All match betting will be settled in accordance with official competition rules.
 - If there is no official result, all bets will be void.
- Tied Match
 - Description: Will the match be tied?
 - All bets will be settled according to the official result.
 - If the match is abandoned or there is no official result, all bets will be void.
 - For First Class matches a tie is when the side batting second is bowled out for a second time with scores level.
- Player Runs (Batter Runs/Fours/Sixes)
 - Description: How many runs will the named batter score?
 - Rules: If the batter finishes the innings not out at the end of an innings, their score will be the final result. If a batter does not bat, the bet will be void.
 - If a batter retires hurt, but returns later, the total runs scored by that batter in the innings will count. If the batter does not return later, the final result will be as it stood when the batter retired.
 - In limited overs matches, bets will be void if it has not been possible to complete at least 80% of the scheduled overs in either innings due to external factors, including bad weather, unless settlement has been determined, or goes on to be determined. Result will be considered determined if the line at which the bet was placed is passed, or the batter is dismissed.
 - In drawn First Class matches, bets will be void if fewer than 200 overs are bowled, unless settlement of the bet has already been determined.
 - For pre-match bets, only the batter's first innings will count.
 - Runs scored in a super over do not count.
- Fall of Wicket
 - Description: How many runs will the batting team have scored when the next wicket falls?
 - Rules: If the partnership is ended by the end of an innings, bets will settle at the final score.
 - For settlement purposes, a batter retiring hurt does not count as a wicket.
 - In limited overs matches, bets will be void if it has not been possible to complete at least 80% of the scheduled overs in either innings due to external factors, unless settlement has already been determined, or goes

on to be determined. Result will be considered determined if the line at which the bet was placed is passed, or the wicket in question falls.

- In drawn First Class matches, bets will be void if fewer than 200 overs have been bowled, unless settlement of the bet has already been determined.
- Player To Score a 50 / 100
 - This refers to individual players to score 50 / 100 or more runs (as applicable).
 - Bets on this market will be settled regardless of whether the player reaches the crease providing they are in the starting eleven.
 - Any players not listed in the starting eleven will have all bets on them void.
- Player to Hit a 6
 - Bets on this market will stand regardless of whether the player reaches the crease, as long as they are included in the starting eleven. Bets places on any player not named in the starting eleven are void. For the avoidance of doubt, a player running six does not count for this market.
- Runs Scored at loss of 4 wickets
 - This market will be settled based on the total number of runs scored at the fall of the fourth wicket.
 - If the fourth wicket doesn't fall, the market will be settled based on whatever score the team has achieved at the end of the innings.
- Top Tournament Wicket Taker
 - All in play or not (i.e., if a player does not take part in the tournament, bets placed on that player will stand).
 - If two or more players take the same number of wickets, dead heat rules will apply.
- Top Tournament Runscorer
 - All in play or not (i.e., if a player does not take part in the tournament, bets placed on that player will stand).
 - If two or more players score the same number of runs, then dead heat rules will apply.
- Player Runs (Batter Runs/Fours/Sixes)
 - Description: How many runs will the named batter score?
 - Rules: If the batter finishes the innings not out at the end of an innings, their score will be the final result. If a batter does not bat, the bet will be void.
 - If a batter retires hurt, but returns later, the total runs scored by that batter in the innings will count. If the batter does not return later, the final result will be as it stood when the batter retired.
 - In limited overs matches, bets will be void if it has not been possible to complete at least 80% of the scheduled overs in either innings due to external factors, including bad weather, unless settlement has been determined, or goes on to be determined. Result will be considered

determined if the line at which the bet was placed is passed, or the batter is dismissed.

- In drawn First Class matches, bets will be void if fewer than 200 overs are bowled, unless settlement of the bet has already been determined.
- For pre-match bets, only the batter's first innings will count.
- Runs scored in a super over do not count.
- First Ball of the Match
 - This market will be settled on the outcome of the first completed delivery, excluding any deliveries declared as dead ball.
 - In limited overs cricket this market will be resulted on the first ball of the match regardless of any reductions in overs providing it is bowled.
- Fall of Wicket
 - Description: How many runs will the batting team have scored when the next wicket falls?
 - Rules: If the partnership is ended by the end of an innings, bets will settle at the final score.
 - For settlement purposes, a batter retiring hurt does not count as a wicket.
 - In limited overs matches, bets will be void if it has not been possible to complete at least 80% of the scheduled overs in either innings due to external factors, unless settlement has already been determined, or goes on to be determined. Result will be considered determined if the line at which the bet was placed is passed, or the wicket in question falls.
 - In drawn First Class matches, bets will be void if fewer than 200 overs have been bowled, unless settlement of the bet has already been determined.
- To Score 10/20/30/40 Runs
 - Markets will be settled regardless of whether the player reaches the crease providing they are included in the starting eleven.
 - If not included in the eleven, then bets on these selections will be void.
- Player To Score a 50 / 100
 - This refers to individual players to score 50 / 100 or more runs (as applicable).
 - Bets on this market will be settled regardless of whether the player reaches the crease providing they are in the starting eleven.
 - Any players not listed in the starting eleven will have all bets on them void.
- Margin Betting
 - If the match is tied and goes to a super over, this market will be settled as a tie. If either team's innings in a limited overs match is reduced by more than 10% due to external factors, then bets on this market will be void.
- Player to Hit a 6
 - Bets on this market will stand regardless of whether the player reaches the crease, as long as they are included in the starting eleven. Bets

places on any player not named in the starting eleven are void. For the avoidance of doubt, a player running six does not count for this market.

- Six and Out
 - This market will be settled if, during a match, a player hits a "six" and also takes a wicket. Players named in the starting eleven that do not bat/bowl are deemed to have taken part and bets on any such players will be settled as losing bets.
 - Bets placed on any player who is not named in the starting eleven will be void.
 - Should the innings be shortened for any reason other than it reaching its natural conclusion then all unequivocally decided bets will be settled while all others shall be void.
- First/Second Innings Highest 5 Over period
 - If either team's innings in a limited overs match is reduced due to external factors, then bets on this market will be void.
 - For Limited overs matches, should the winner already be unequivocally decided even if the innings were to be played out to its natural conclusion, the market will be settled as normal despite any reduction.
- Runs Scored at loss of 4 wickets
 - This market will be settled based on the total number of runs scored at the fall of the fourth wicket.
 - If the fourth wicket doesn't fall, the market will be settled based on whatever score the team has achieved at the end of the innings.
- To win the Match/Top Team Runscorer Double
 - In a 2-innings match (i.e., test match or county championship), the top team runscorer part of this market applies to the first innings only (unless otherwise stated).
 - Depending on the type of match, the following minimum overs must be bowled in the winning team's innings for bets to stand:
 - Test Matches: 50 overs
 - County Championship: 50 overs
 - 50 over match: 25 overs
 - 40 over match: 20 overs
 - 20 over match: 10 overs
 - However, in all cases, bets will stand if the innings reaches its natural conclusion in fewer overs than the above requirement. Bets placed on any player not named in the starting eleven will be void.
 - Players named in the starting eleven that do not bat are deemed to have taken part and bets on any such players will be settled as losing bets.
 - If two or more players score the same number of runs, then dead heat rules will apply.
 - For Limited overs matches—Should the winner already be unequivocally decided even if the innings were to be played out to its natural conclusion, the market will be settled as normal despite any reduction.

- Top Team A/B Runscorer double/Top Team Runscorer/Top Team Wicket Taker Double
 - In a 2-innings match (i.e., test match or county championship), this market applies to the first innings only (unless otherwise stated).
 - Depending on the type of match, the following minimum overs must be bowled in the applicable team's innings for bets to stand:
 - Test Matches: 50 overs
 - County Championship: 50 overs
 - 50 over match: 25 overs
 - 40 over match: 20 overs
 - 20 over match: 10 overs
 - However, in all cases, bets will stand if the innings reaches its natural conclusion in fewer overs than the above requirement. Bets placed on any player not named in the starting eleven will be void.
 - Players named in the starting eleven that do not bat are deemed to have taken part and bets on any such players will be settled as losing bets.
 - If two or more players score the same number of runs, then dead heat rules will apply.
- Top Tournament Wicket Taker
 - All in play or not (i.e., if a player does not take part in the tournament, bets placed on that player will stand).
 - If two or more players take the same number of wickets, dead heat rules will apply.
- Top Tournament Runscorer
 - All in play or not (i.e., if a player does not take part in the tournament, bets placed on that player will stand).
 - If two or more players score the same number of runs, then dead heat rules will apply.
- Completed Match
 - This market will be settled based on whether there will be a result declared on this limited overs match or whether the match will be abandoned/declared a no result.
 - For the avoidance of doubt, an official result declared other than that the match is abandoned or declared a no result will mean "yes" is the winning selection in this market.
 - If the match is abandoned or declared a no result this will mean "no" is the winning selection in this market.
 - Please be aware that this market will carry over onto any reserve day and will be settled on the official result of the match. If a match is postponed or abandoned for any reason other than weather (which may include but is not limited to: dangerous or unplayable wicket or outfield; pitch vandalism; strike or boycott; crowd protests/violence; floodlight failure; stadium damage; acts of terrorism; and acts of God), FanDuel Sportsbook reserves the right to void all bets on this market.
- Direction of first boundary

- This market will be settled on the direction of the first boundary that comes off the bat (given as runs to the batsman).
- This market includes both fours and sixes.
- Cricket Rules for Specials Markets
 - For the settlement of specials market selections, a wicket will not be deemed to have occurred if a batsman retires from play.
 - If any player who is part of a specials market selection does not take part in the relevant event, the whole bet will be void.
 - Where we have made an obvious or manifest pricing or descriptive (i.e., wording) error in respect of a specials selection, we reserve the right to cancel and subsequently to offer the bet at the correct price or pursuant to a different description.
 - For specials bets relating to series betting, when the full number of scheduled matches within the relevant series is not played for any reason, we reserve the right to void any markets which relate to the series as a whole.
 - If a team's innings in a test match or county championship match lasts less than sixty overs for any "external" reason (i.e., other than in circumstances where the innings has reached its natural conclusion) then specials bets relating to that team's innings will be void.
 - For limited overs matches, specials bets involving the number of runs to be scored will be settled based on the final number of runs achieved by each side (including any extras or penalty runs awarded during the match). Should there be a reduction in the scheduled number of overs to take place during an innings, any Specials Markets bets in respect of the match will stand if the reduction amounts to no more than 20% of the total number of overs that were scheduled in respect of that innings at the time the Specials Markets bet was placed. Should the reduction in overs be greater than 20% then all Specials Markets bets in respect of that match shall be void (irrespective of the total number of runs achieved by either team) unless the bet in question had been unequivocally determined at the time of the curtailed completion of the match (i.e. such that, at the time of the curtailed completion, the outcome of the bet could not have been different had the additional scheduled overs been played).
- Match Betting
 - Description: Who will win the match?
 - All match betting will be settled in accordance with official competition rules. In matches affected by adverse weather, bets will be settled according to the official result.
 - If there is no official result, all bets will be void.
 - In the case of a tie, if the official competition rules do not determine a winner, then dead heat rules will apply. In competitions where a bowl off or super over determines a winner, bets will be settled on the official result.

- In First Class Matches, if the official result is a tie, bets will be settled as a dead heat between both teams. Bets on the draw will be settled as losers.
- If a match is abandoned due to external factors, then bets will be void unless a winner is declared based on the official competition rules.
- If a match is cancelled, then all bets will be void if it is not replayed or restarted within 48 hours of its advertised start time.
- Match Betting: Double Chance
 - Description: Will the match result be either of the three options given?
 - A tie will be settled as a dead heat.
 - All match betting will be settled in accordance with official competition rules. If there is no official result, all bets will be void.
- Match Betting: Draw No Bet
 - Description: Who will win the match given that all bets will be void if the match is a draw?
 - A tie will be settled as a dead heat.
 - All match betting will be settled in accordance with official competition rules.
 - If there is no official result, all bets will be void.
- Tied Match
 - Description: Will the match be tied?
 - All bets will be settled according to the official result.
 - If the match is abandoned or there is no official result, all bets will be void.
 - For First Class matches a tie is when the side batting second is bowled out for a second time with scores level.
- Cricket Rules for Specials Markets
 - For the settlement of specials market selections, a wicket will not be deemed to have occurred if a batsman retires from play.
 - If any player who is part of a specials market selection does not take part in the relevant event, the whole bet will be void.
 - Where we have made an obvious or manifest pricing or descriptive (i.e., wording) error in respect of a specials selection, we reserve the right to cancel and subsequently to offer the bet at the correct price or pursuant to a different description.
 - For specials bets relating to series betting, when the full number of scheduled matches within the relevant series is not played for any reason, we reserve the right to void any markets which relate to the series as a whole.
 - If a team's innings in a test match or county championship match lasts less than sixty overs for any "external" reason (i.e., other than in circumstances where the innings has reached its natural conclusion) then specials bets relating to that team's innings will be void.
 - For limited overs matches, specials bets involving the number of runs to be scored will be settled based on the final number of runs achieved by

each side (including any extras or penalty runs awarded during the match). Should there be a reduction in the scheduled number of overs to take place during an innings, any Specials Markets bets in respect of the match will stand if the reduction amounts to no more than 20% of the total number of overs that were scheduled in respect of that innings at the time the Specials Markets bet was placed. Should the reduction in overs be greater than 20% then all Specials Markets bets in respect of that match shall be void (irrespective of the total number of runs achieved by either team) unless the bet in question had been unequivocally determined at the time of the curtailed completion of the match (i.e. such that, at the time of the curtailed completion, the outcome of the bet could not have been different had the additional scheduled overs been played).

Soccer

Abandoned, Postponed, Venue Changed or Unplayed Matches

- Postponed Matches (All):
- If any match is postponed and rescheduled, we will take the following action:
 - If the match is confirmed to take place within the current or following 3 days of the original local event kick-off date, all bets on the match will stand, unless confirmation of the rescheduled start time is not received within 3 hours of the original kick-off, single bets will be void and multiple bets will be settled on the remaining selections.
 - Please note that games which have their kick-off altered prior to the kick-off time will not be classed as postponed.
 - Should the rescheduled time be outside of the following three days, undetermined bets will be void regardless of the announcement coming within 3 hours or not.
- ~~If a match is postponed, all undetermined bets will be voided as long as the match does not start before 23:59 local time (or if FanDuel believes that a match will not have started by such time) on its scheduled date.~~
- ~~Fixtures that are rearranged before the scheduled kick-off date will not be regarded as postponements and all bets will stand, as long as the rescheduled date is within 72 hours of the original kick-off time.~~
- If the venue of a match is other than what is indicated on our website, the bet will stand provided the match has not been switched to the opponent's ground, in which case the match will be declared void. Notwithstanding this rule, in major international tournaments (e.g., World Cup, European Championships), all venues will be deemed neutral. If the scheduled venue of a match is changed, including if the venue changes to a new venue in a different country, all bets will stand.
- Abandoned Matches:

- If a match is abandoned after it has already kicked off, any bets where the outcome has already been decided will stand. All other selections will be made void.
 - If it is announced within 3 hours of kick off that the game is due to restart within 3 days of the initial abandonment, all bets will stand. Undetermined bets will be void if no information is received within 3 hours of the initial abandonment.
- Games where a referee removes the players from the field of play for a temporary period but resumes the remaining minutes of play by midnight local event time will not be deemed as abandoned and all bets will stand.
- ~~If a match starts but is later abandoned, all undetermined bets will be voided as long as the match is not played to a finish before midnight local time on its scheduled date.~~
- ~~For major tournaments (such as the World Cup), if a game is delayed beyond midnight local time, all bets will stand and be settled once the game is played, as long as the game is played to a finish within 72 hours.~~

Tennis

- Total Games/Spread Games related markets - For the purposes of such markets a tie-break is counted as one game. In the event of forfeited points or games, these will count for final settlement. In the event of retirement, all total games/handicap games related bets will be void unless the match has reached an unconditional conclusion whereby if the match was completed in its entirety, the outcome of the relevant bet would have been guaranteed.
 - Example: If a customer places a bet on Over 18.5 Total Match games and a retirement occurs with the score line 7-6 5-0, this bet will be deemed a Winner as should the match have reached its natural conclusion, it was guaranteed to reach at least 19 total match games. Conversely, all bets on Under 18.5 Total Match games will be deemed a Loser. Bets whereby the outcome is not guaranteed (eg. Over & Under 19.5 Total Match Games) will be void.
- ~~Total Games/Point Spread (Handicap) related markets: For the purposes of such markets, a tie-break is counted as one game. Forfeited points or games will count for final settlement purposes. For the purpose of Total Games related markets, should a player retire or be disqualified, bets will settle as Win/Loss based off the minimum possible games should the match have been played to conclusion (e.g., A player retires with the score 6-4, 3-2. Total Games would be settled off the minimum amount of games left i.e., 6-4, 6-2 in a 3 set match or 6-4, 6-2, 6-0 in a 5 set match).~~
- Aces / Double Fault related markets: The match must be completed for bets to stand, except in the case of the first ace or first double fault markets. These markets will be settled on the basis of official scoring providers or official tournament websites (and in the event of any discrepancies between data of official scoring providers and that of tournament websites, the data of official tournaments data feed partners will take precedence).
- ~~Aces / Double Fault related markets: The match must be completed for bets to stand, except in the case of the first ace or first double fault markets. These markets will be~~

~~settled on the basis of official scoring providers or official tournament websites (and in the event of any discrepancies between data of official scoring providers and that of tournament websites, the data of tournament websites will take precedence).~~

~~Notwithstanding the foregoing, for ace/double fault related markets:~~

- ~~▪—ITF matches will be settled on the basis of data from Sportradar and the tournament website of the ITF (and, in the event of any discrepancy, the data of the tournament website of the ITF will take precedence); and~~
- ~~▪—ATP and WTA matches will be settled on the basis of data from IMG and the tournament websites of ATP/WTA (and, in the event of any discrepancy, the data of the tournament websites of the ATP/WTA, as applicable, will take precedence).~~



CONCLUDING STATEMENT:

The Sports Wagering Division confirms this change meets the requirements pursuant to 205 CMR 247.02 and recommends approving this revision to align with the GLI standard.



TO: Jordan Maynard, Chair
Eileen O'Brien, Commissioner
Bradford Hill, Commissioner
Nakisha Skinner, Commissioner
Paul Brodeur, Commissioner

FROM: Cristian Taveras, Gaming Technical Compliance Manager
Katrina Jagroop-Gomes, Chief Information Officer
Kevin Gauvreau, Information and Network Security Manager

CC: Dean Serpa, Executive Director
Carrie Torrisi, Division Chief, Sports Wagering Division Chief

DATE: January 3, 2025

RE: Technical Security Control Audit

Executive Summary:

Pursuant to [205 CMR 234.01\(1\)\(x\)](#), sports wagering operators are required to conduct a technical security control audit by an approved independent technical expert. The scope of the audit includes the following:

- a. A vulnerability assessment of all digital platforms, mobile applications, internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, the servers, and applications transferring, storing, and/or processing personally identifiable information and/or other sensitive information connected to or present on the networks.
- b. A penetration test of all digital platforms, mobile applications, internal, external, and wireless networks to confirm if identified vulnerabilities of all devices, the servers, and applications are susceptible to compromise.
- c. A review of the firewall rules to verify the operating condition of the firewall and the effectiveness of its security configuration and rule sets performed on all the perimeter firewalls and the internal firewalls;
- d. An information security assessment against the provisions adopted in M.G.L. c. 23N, 205 CMR, this appendix with generally accepted professional standards, and as approved by the Commission;
- e. If a cloud service provider is in use, an assessment performed on the access controls, account management, logging, and monitoring, and over security configurations of their cloud tenant;



Massachusetts Gaming Commission

- f. An evaluation of information security services, payment services (financial institutions, payment processors, etc.), location services, and any other wagering services which may be offered directly by the Operator or involve the use of third parties against the provisions adopted in these rules; and
- g. Any other specific criteria or standards for the technical security control audit as prescribed by the Commission or its designee.

The ITS Gaming Technical Compliance and Information Security teams have reviewed the security audit reports and remediation plans from the independent technical experts for Bally Bet.

Following our review and in accordance with regulation 205 CMR 243.01(1)(x)(5), no immediate remediation was required, as none of the findings were classified as "High" severity. Based on this, we conclude that Bally Bet is in compliance with the regulation.



Massachusetts Gaming Commission



TO: Chair Maynard, Commissioners O'Brien, Hill, Skinner, Brodeur

FROM: Mark Vander Linden, Director of Research & Responsible Gaming,
Long Banh, Responsible Gaming Manager, Bonnie Andrews, Sr.
Research Manager

DATE: January 9, 2025

RE: Update to the MGC Responsible Gaming Framework

In 2014, the Massachusetts Gaming Commission released the first Responsible Gaming Framework (RGF). The RGF supported the implementation of the 2011 Expanded Gaming law in Massachusetts by providing an approach through which licensees could ensure their general practices were consistent with the Commission's expectations that gaming in the Commonwealth be conducted in a manner to minimize harm. Guiding principles of the framework led to the development and implementation of such programs as [GameSense](#) and [PlayMyWay](#).

In 2018, the second version of the [Responsible Gaming Framework](#) was released. This version leveraged findings and insights from the MGC's research agenda to further refine responsible gaming strategies and tactics. In addition, it provided the foundation for two timely white papers, *Responsible Gaming Considerations for Gambling Advertising* (2022) and *Applying Principles of the Massachusetts Responsible Gaming Framework to Sports Wagering Policy and Practice* (2021).

During the past year, we've begun to draft version three of the Framework. As the gambling landscape and the state of responsible gaming evidence continue to evolve, so too should the Commission's approach. The attached document is intended for discussion, as well as to provide an overview of a more detailed framework currently underway.



Massachusetts Gaming Commission

PLAYER HEALTH FRAMEWORK

MASSACHUSETTS GAMING COMMISSION



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“We believe safer gambling is a shared responsibility.

This differs from the historical ‘responsible gambling’ paradigm that focuses responsibility on the individual, resulting in suboptimal regulation and standards. Further, by placing individuals as being solely responsible for their gambling, those who were unable to control their gambling were seen as ‘irresponsible’ and stigmatized. The stigma of harmful gambling is often internalized by the individuals who gamble. This can lead to concealing problems and avoiding treatment which can further aggravate harm. The MGC and their licenses strive to use non-stigmatizing terms, definitions, and language. This position has led to **renaming** our previous ‘Responsible Gaming Framework’ to **‘Player Health Framework’.**”

*Mark Vander Linden
Director of Research and Responsible Gaming*

WHAT IS PLAYER HEALTH

Player health is about prioritizing the well-being of individuals who choose to gamble. It includes promoting healthy behaviors and minimizing gambling-related risks.

Player health is a shared responsibility between the MGC, their licensees, and their customers.

OUR GOAL

Promote player health by reducing gambling-related social harms.

We accomplish this by providing an effective, sustainable, measurable, socially responsible, and accountable approach to gambling.

WHAT IS THE PLAYER HEALTH FRAMEWORK?

The Player Health Framework (Framework) is the strategic guide of the Massachusetts Gaming Commissions (MGC) to create a responsible and ethical approach to legalized gambling. The Framework is intended to help prevent and mitigate social impacts and costs related to legalized gambling in the Commonwealth of Massachusetts by informing gambling regulation and providing an overall orientation to safer gaming practice and policy adopted by the MGC and gaming licensees.

The Framework provides an approach through which gaming licensees can ensure their practices are consistent with the Commission’s expectations that legalized gambling in the Commonwealth will be conducted in a manner to minimize harm.

The Framework supports the implementation of the expanded gaming laws of the Commonwealth of Massachusetts. The legislation includes a number of key mandates to ensure the successful implementation of expanded gaming, including protection for communities and the prevention and mitigation of social impacts and costs.

The Framework was created by the Massachusetts Gaming Commission as a component of a broader approach to prevent and mitigate social impacts and costs related to legalized gambling in the Commonwealth of Massachusetts. These efforts are supported by the Public Health Trust Fund.

THE PUBLIC HEALTH TRUST FUND

Public Health Trust Fund was established to allocate significant resources to research, prevention, intervention, treatment, and recovery support services to mitigate the harmful effects of problem gambling and related issues.

The Fund is overseen by the Executive Office of Health and Human Services. Massachusetts Department of Public Health, Office of Problem Gambling Services, provides relevant public health programs and services and MGC conducts relevant research and responsible gaming activities.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES



PUBLIC HEALTH TRUST FUND



DEPARTMENT OF PUBLIC HEALTH

Within the department, the Office of Problem Gambling Services provides relevant public health programs and services.



MASSACHUSETTS GAMING COMMISSION

Conducts relevant research and responsible gaming activities. Promotes research & evidence-based best practices.

PLAYER HEALTH FRAMEWORK: CORE PRINCIPLES

SHARED RESPONSIBILITY

As the regulators of legalized gambling in Massachusetts, the MGC has a critical, yet limited, role in supporting player health. Other governmental agencies and entities; health, science and academic communities; gambling licensees and the broader gambling industry; sports leagues; advertisers and the media; and gambling consumers must all take part to effectively minimize harm caused or exacerbated by gambling.

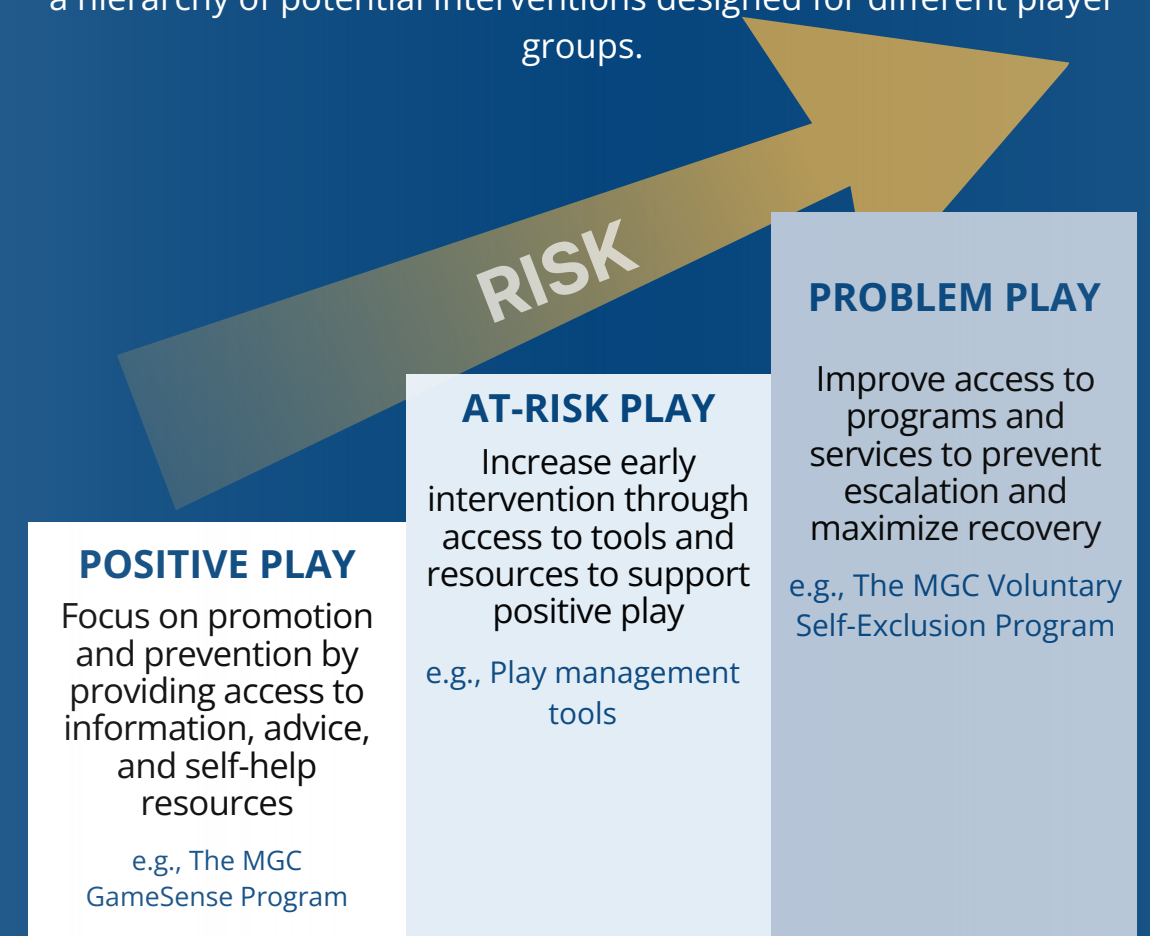
PRECAUTIONARY APPROACH

The current knowledge base regarding the effectiveness of responsible gambling interventions is limited. In this context, it will not always be desirable or possible for MGC to defer regulatory decisions until definitive evidence is available to support a particular intervention or technology. Under such circumstances, a precautionary approach is warranted.

A precautionary approach states that when an activity causes some threat or harm to the public or the environment, general precautionary measures should be taken. Lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent harm.

STEPPED-CARE APPROACH

The Framework generally follows a stepped-care approach toward harm prevention. This approach suggests the riskier the playing behavior, the more focused the intervention needs to be, resulting in a hierarchy of potential interventions designed for different player groups.



OUR MISSION

The mission of the Massachusetts Gaming Commission is to regulate the legal casino, horse racing, and sports wagering industries with integrity and transparency. **Our goal is to maximize consumer protections, minimize negative impacts, and promote responsible gaming through regulation, research, and informed policy making.** The Commission endeavors to create a fair and safe gaming environment in the Commonwealth while fostering economic benefits and a diverse workforce for its licensees, residents, and businesses.

The Massachusetts Gaming Commission creates and maintains a fair, transparent, and participatory process for implementing the expanded gaming law (Chapter 194 of the Acts of 2011, M.G.L. chapter 23K, or “the Gaming Act”; MGL chapter 23N – Sports Wagering) of the Commonwealth of Massachusetts.

OUR CORE FUNCTIONS

The core functions of the MGC are to **regulate** all forms of legalized gambling that fall under the jurisdiction of the MGC; to develop and implement a **research** agenda to increase our knowledge and understanding of gambling related harms and measures to reduce those harms; and to **educate** the public, policy makers, gaming licensees and others on evidence informed practices to protect player health. These three activities, to regulate, research, and educate, encompass our player health strategies (depicted on the next page). Our player health strategies describe the areas where MGC licensees are to focus their efforts to achieve our shared goal to promote player health.

Each strategy contains a number of related practices that are described in our companion publication, "Protecting Our Players: The MGC Licensee Guide to the Player Health Framework." This guide explains in detail how gaming licensees are responsible for ensuring their commitment to the relevant practices and compliance with related regulations.

In a rapidly developing industry, responsible gaming strategies and practices will continue to evolve in response to innovation and new evidence related to problem gambling and responsible gaming. The MGC Player Health Framework strategies and practices will be periodically reviewed and revised.



OUR PLAYER HEALTH FRAMEWORK



OUR STRATEGIES

1. Commit to environmental, social, & governance	MGC will commit to environmental, social, and governance (ESG) responsible business practices and require their licensees to develop their own Code of Practice that will reflect strategies described in the MGC Player Health Framework including increased accountability through transparent targets and goal setting, measurement, monitoring and reporting.
2. Support Positive Play	MGC will play a leadership role in supporting positive play in Massachusetts through its research, policy initiatives, and regulations supporting their Licensees' efforts to assist players in healthy gambling behaviors, including providing their patrons with evidence-informed player safeguard programs and services.
3. Promote Public Health and Safety	MGC will promote public health and safety by ensuring gaming licensees prevent underage gambling, provide protections against child and elder neglect or abandonment, create smoke-free and vape-free environments, serve alcoholic beverages responsibly, identify and assist patrons in need, encourage breaks in play, and assist family and affected others.

4. Ensure Responsible Marketing	MGC will research the impact of gambling marketing on community health and develop policies and regulations to ensure the marketing efforts of their licensees are accurate, do not target underage or vulnerable groups, and comply with industry standards, such as marketing and advertising guidelines from the MGC whitepaper on advertising .
5. Manage High Risk Financial Transactions	MGC will continue to explore and research innovative approaches to manage high-risk financial transactions and provide regulations and policy guidance to their licensees to ensure all legal, statutory, and regulatory requirements relating to financial transactions are effectively implemented.
6. Engage the Community	MGC will continue to engage the public, academic community, government partners, and others and will set expectations and guidance to their gaming licensees that they connect with internal and external communities with a focus on building collaborations and partnerships with individuals and entities addressing problem gambling and health promotion.
7. Invest in continuous learning, growth, and reporting	MGC will utilize their core values as the foundation for continuous improvement and will support gaming licensees in being responsible for continually improving their player health strategies and practices and reporting on their accomplishments.



Massachusetts is widely viewed as a leader in addressing the intersection of public health and gambling. The MGC proudly partners with their licensees and others to effectively promote player health and reduce gambling-related social harms by providing an effective, sustainable, measurable, socially responsible, and accountable approach to gambling. We look forward to hearing from you and working together in supporting player health.

Click the links to learn more about the [MGC](#), our [regulations](#), our [research](#), our [education](#) and expanded details of our [Player Health Framework](#)

The MGC extends our appreciation to Problem Gambling Solutions Inc. and the Massachusetts Council on Gaming and Health for their contributions toward this framework.



TO: Chair Maynard, Commissioners O'Brien, Hill, Skinner, and Brodeur

FROM: Mark Vander Linden, Director of Research and Responsible Gaming;
Long Banh, Responsible Gaming Program Manager

DATE: January 9, 2025

RE: Bet Blocking Application

Guided by the MGC Responsible Gaming Framework, the Commission has adopted a range of innovative responsible gaming programs intended to equip casino and sports wagering patrons with information and tools to support positive play behaviors and offer resources to individuals in distress from gambling-related harm.

In October, the Commission approved the allocation of funds to support the procurement of bet blocking software for Massachusetts residents who want to refrain from accessing digital/online gambling applications. Blocking software is installed on mobile devices and computers and prohibits users from accessing all betting sites. Blocking software provides protection in a variety of ways, including:

- Blocks legal and illegal sports wagering and iGaming sites;
- Blocks any gambling related pop-ups, and ads from appearing on the user's devices;
- Provides an additional protection for underage persons attempting to access gambling sites; and
- Provides extra layer of protection when combined with the state-wide voluntary self-exclusion program.

We are aware of one other US jurisdiction supporting the use of this software. Since January 2024, the Ohio Casino Control Commission has offered a digital blocking application to Ohio residents who have enrolled in the state Voluntary Exclusion program. Ohio Casino Control Commission reports an average of 15% of all individuals enrolled in the state Voluntary Exclusion program enrolled in the digital blocking application.

Currently, there are operators that offer bet blocking software, but we are not aware of it being available in Massachusetts.



Massachusetts Gaming Commission

There are several companies that offer this type of service. Therefore, the MGC staff are preparing a Request for Response (RFR) which we anticipate will be released later this month. We hope this resource will be available in the Spring of 2025.



Massachusetts Gaming Commission



TO: Chair Maynard, Commissioners O'Brien, Hill, Skinner, Brodeur
FROM: Mark Vander Linden, Director of Research & Responsible Gaming
DATE: January 9, 2025
RE: AI Update

For over year the Massachusetts Gaming Commission has explored the use of artificial intelligence to identify and respond to risky gambling behavior. This has included consultation and information gathered from a range of stakeholders, the formation of an internal AI work group, and a study on the use of AI in gaming environments as part of the FY25 research agenda.

The attached slides will provide Commissioners with an update on this work, and a review of possible paths forward.



Massachusetts Gaming Commission



AI Working Group Update

Overview

- As the gambling landscape evolves, driven by innovation and technology, so too must our strategies and practices to mitigate gambling-related harm. (MGC RG Framework, 2018)
- It is important for the Commission to develop and implement a strategy to effectively reduce harm in all **MGC-regulated gaming formats** by utilizing **evidence-based approaches** that target the characteristics and manifestations of risk unique to each format.
- This presentation aims to revisit the AI working group objectives and propose potential solutions for player risk identification.



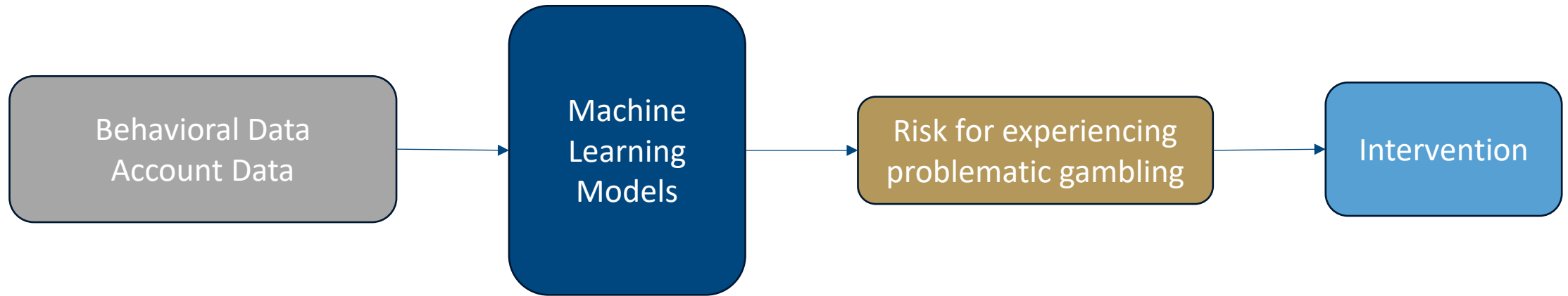
Overview

AI is an umbrella term that encompasses “many initiatives that use a computer to perform tasks that would usually require a human to complete. Includes predictive analytics, predictive modeling, behavioral analytics, machine learning, machine intelligence.

Risk identification technology – AI driven technology to identify and respond to risky gambling behavior.



Player Risk Identification Model



- Machine learning models
- Models Trained on **behavioral** and **account data** to identify players with high propensity to **self exclude**
- Identify markers of harm and effective threshold to ultimately generate risk score to identify player at risk and provide intervention for each risk level groups

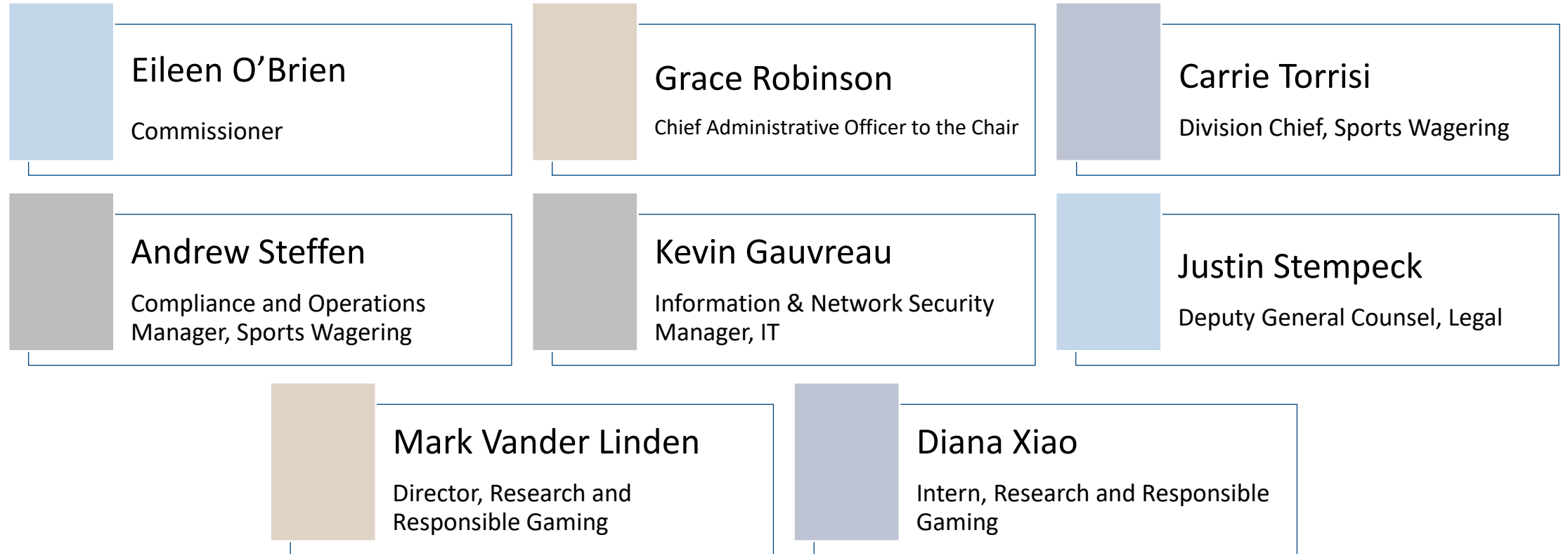


RFI for AI solution

- The MGC posted an RFI in August 2023 seeking information about **AI-driven technology solutions to identify and respond to risky gambling behavior.**
- Such technology may be used in the following gaming formats (in order of priority):
 1. Online sports wagering
 2. Land-based casinos (carded play, cashless wagering)
 3. iGaming (possible future purpose)
- **RFI respondents:** Bet Buddy (Playtech), GameScanner (Mindway AI), idPair, Player Stability eScore (TransUnion), Preventor Suite (Sustainable Interaction), Mentor (Neccton)



AI working group members



Conversation with NJ DGE

Before rolling out its Responsible Gaming (RG) Best Practices in 2023, the New Jersey Division of Gaming Enforcement (DGE) consulted with operators about their methods for identifying player risks. At that time, most operators were not utilizing technologies for this purpose. To provide operators with guideline, the New Jersey DGE developed ten triggers based on account activity and play behavior to detect potential problem gambling behavior.

Operators have the flexibility to include additional triggers or adjust the New Jersey DGE recommended threshold based on their discretion and experience.

Operators are required to participate in a monthly reporting process, allowing the New Jersey DGE to audit their practices and evaluate the effectiveness of the triggers implemented.



International Gaming Standards Association

AI Best Practices

1. Each AI algorithm must have a defined goal at inception.
2. Bi-annually Internal and external audits are required. Audit results must be available to interested parties upon request.
3. Algorithms may evolve but must adhere to regulatory and legislative requirements at all times.
4. Algorithms must include objectives to guard against bias, discrimination, and unintended consequences.
5. If unintended consequences occur, the algorithm owner must notify affected parties within 72 hours.



MGC sponsored research

Included in the FY24 MGC research agenda was a study:

The MGC sought to engage at least one qualified entity to conduct a study on **current and possible uses of artificial intelligence (AI) in the gaming industry**, with a particular focus on **marketing, player acquisition, and responsible gaming functionality/player health** in the Commonwealth.

On September 24, 2024, we awarded this study to University of Nevada, Las Vegas (UNLV), with Dr. Kasra Ghaharian serving as the principal investigator.

A final report is expected summer 2025.



Lived Experience Advisory Program

The Lived Experience Advisory Program (LEAP) of The Massachusetts Council on Gaming and Health is comprised of people in recovery from gambling disorder and their family members and loved ones.

We were invited to participate in the November and December monthly meetings of the Lived Experience Advisory Program. We spoke with the group about interventions they felt would be effective with players showing at-risk behavior.



Literature Review Findings

Existing literature revealed a list of potential markers and triggers for identifying player risks.

Predictors	models	outcome
Number of deposits ^{1 4 5 6 7}	Random Forest	Self-exclude
Number of bets ^{2 3 5 7}	Support Vector Machines	PGSI
Number of active days ^{1 3 5 6 7}	Logistic Regression	
Fluctuating wager ^{1 2}	Gradient boosting	
Canceled withdraws ⁴	Neural network	
Late night play ⁴	K-means clustering	

However, two significant limitations were noted:

- 1. Lack of precise thresholds for these markers**
- 2. Limited focus on sports betting specifically**
- 3. The field continues to evolve**



AI Meetings with Operators

From September to October 2024, we held meetings with sports wagering operators, gaining valuable insights into their use of AI for player risk identification.

Do operators use in-house or off the shelf product to identify players at risk?

- Most operators are developing in-house models for player risk identification. Some use off-the-shelf products (TransUnion, Entain)
- Some operators are in the early stages of implementing AI/AML solutions.

Experience with NJ RG best practices:

- Most operators operate in NJ and have experience with NJ RG best practices.
- Some are in the process of developing products that would exceed the RG best practices.
- Some operators prefer outcome-based approach over NJ's more prescriptive model.

Future Plans:

- Many are focusing on improving their models.
- Some are considering partnerships with off-the-shelf products.
- There's a trend towards more data-driven and predictive approaches. However, some operators are more conservative towards AI approach.



AI Meetings with Operators

Privacy and Security Concerns:

- Operators are generally cautious about player data privacy and security.
- Some have concerns about sharing data with third parties.
- There's a focus on developing internal AI policies and ensuring compliance with data security regulations.



Proposed Approach

1

Background analysis

- Establish considerations of importance (e.g., target environment(s), state of evidence and market, role for regulation vs. cooperation, etc.)
- Expert consultations
- RFI: Risk Identification & Response

2

Understand the local context

- Consult with MA operators on current solutions in place or in development
- Consult with other relevant stakeholders (e.g., MACGH recovery panel)
- Assemble MGC workgroup
- Consider research to explore further

3

Identify possible options

- Establish regulatory criteria and outcomes
- Identify and mandate one solution for all operators
- Ask operators to collaborate on a common solution or criteria
- Establish Minimum Standards and Audit Process
- Other?

4

Confirm path forward

- Review possible options and considerations
- Commission decision on path forward.



Proposed Next Steps

Audit approach: Each sports wagering operator would be allowed to develop and implement their own risk identification solutions tailored to their specific platform and player base. To ensure these solutions meet regulatory standards and effectively protect players, **the MGC would engage an independent third-party vendor to conduct periodic audits of the operators' models and practices.** These audits would evaluate the effectiveness, accuracy, and compliance of each operator's risk identification systems and responsible gaming interventions.

The audit process would include a review of the model's methodology, data inputs, risk-scoring mechanisms, and the resulting player protection measures. There should be an evaluative component to measure the effectiveness of the player protection measures.

Benefits: allows operators the **flexibility** to develop a model that best fits their platform and player base; encourages **innovation and improvement**

Challenges: selecting the best model for an audit process (off the shelf v. specific build adaptable to MGC needs); increased costs



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MEMORANDUM

TO: Chair Jordan Maynard
Commissioner Eileen O'Brien
Commissioner Bradford Hill
Commissioner Nakisha Skinner
Commissioner Paul Brodeur

FROM: Diandra Franks, Enforcement Counsel, IEB

CC: Caitlin Monahan, Director, IEB
Kathleen Kramer, Chief Enforcement Counsel/Asst. Director, IEB
Justin Stempeck, Deputy General Counsel

DATE: December 23, 2024

RE: Sports Wagering Noncompliance Matter

At the January 9, 2025, Public Meeting, the IEB will be presenting the following Sports Wagering Noncompliance matter to the Commission:

1. FBG Enterprises Opco, LLC, d/b/a Fanatics Betting and Gaming ("FBG"), Temporary Category 3 Sports Wagering Operator, 2024-SWN-056: This matter relates to FBG offering wagering on a Boston College ("BC") v. Michigan State NCAA football game scheduled for September 21, 2024, in contravention of G.L. c. 23N, § 3, 205 CMR 247.01(2)(a)(2), and the Massachusetts Sports Wagering Catalog. FBG accepted wagers on this game from September 15, 2024 – September 20, 2024. During this timeframe, FBG accepted 83 wagers for total stakes of \$3,325.88.



Massachusetts Gaming Commission



TO: Chairman Maynard, and Commissioners Brodeur, Hill, O'Brien, and Skinner
CC: Caitlin Monahan, IEB Director
FROM: Monica Chang, Financial Investigations Division Chief
Karalyn O'Brien, Licensing Division Chief
DATE: January 3, 2025
RE: Waiver Request - 205 CMR 234.02(1)(f)

Background

Per 205 CMR 234.02(1)(f), a sports wagering vendor applicant is required to provide “*an independent audit report of all financial activities and interests, including, but not limited to, the disclosure of all financial activities and interests, including, but not limited to, the disclosure of all contributions, donations, loans, loan forgiveness, or any other financial transactions to or from a gaming entity or Operator in the past three years.*” This language is similar to that required for gaming vendors under 205 CMR 134.07(3)(a)(6),¹ with the difference being that gaming regulations require five years of audited statements instead of three.

When gaming launched in the Commonwealth, the IEB learned that many vendors were not in possession of five years of audited financial statements. Because of that, a waiver was granted allowing new primary gaming vendor applicants to provide two years of audited financial statements.² The vendors also committed that they would provide audited financial statements at future renewals.

This waiver was granted in order to allow smaller companies to enter the MA casino market and compete with larger entities. Often, unless an organization is required to have their finances audited (i.e. by virtue of their corporate filings with the SEC), some companies would not have these statements, and it would be burdensome to require them to obtain five years of these statements. The IEB believed that this was consistent with the MGC’s desire to not create unreasonable barriers to entry. Further, requiring two years of the audited financials gives the IEB some insight into the vendors’ financial stability. Coupled with either independent verification of certain financial accounts (performed by the Financial Investigations internal team) or reciprocity with a jurisdiction that takes an audit approach, the IEB is able to evaluate the financial suitability of new vendors. The waiver is still in effect for new gaming vendor applications.

¹ This is also a statutory requirement enumerated in MGL 23K §31(b)(vi).

² The waiver was granted by former Executive Director Bedrosian in 2017.



Massachusetts Gaming Commission

IEB Proposal

The IEB proposes the following protocol for sports wagering vendors:

New applicants who do not have audited financial statements will be required to provide one (1) year of audited financials as part of the initial application process, and the issuance of the full license will be conditioned on the provision of complete audited financial statements moving forward for each renewal. The IEB believes this approach to be consistent with the protocol used for gaming. As with gaming, this protocol does not create unnecessary barriers to entry into the market and ultimately brings the vendors into full compliance with the Commission's regulations.

As such, the IEB is seeking a waiver from 205 CMR 234.02 requiring sports wagering vendors to submit the required three (3) years of independent audited financial statements. The waiver would allow new sports wagering vendor applicants to submit one (1) year of audited financial statements.

Waiver Request Requirements

In accordance with 205 CMR 202.03(2), which references 205 CMR 102.03(4), four requirements must be met for the Commission to consider before granting a request for waiver, as follows:

- 1. Granting the waiver or variance is consistent with the purposes of M.G.L. c.23[N];*
- 2. Granting the waiver or variance will not interfere with ability of the Commission or the Bureau to fulfill its duties;*
- 3. Granting the waiver or variance will not adversely affect the public interest; and*
- 4. Not granting the waiver or variance would cause a substantial hardship to the person requesting the waiver or variance.*

Based on the considerations discussed above, each of the requirements has been met. Particularly, the IEB's proposed protocol and waiver request would allow the IEB to evaluate the financial stability of each sports wagering vendor without delay³ and prevent undue hardships for smaller companies who want to enter the MA sports wagering market. Both are consistent with the purposes of M.G.L. c.23N and would not interfere with the Commission or Bureau from fulfilling its duties. The waiver would not adversely affect the public interest in that the audited financial statements would still be required after each vendor is granted their permanent license (and as they continue to hold the license). Not granting the waiver would cause hardship for the IEB in that the internal Financial Investigations team would need to perform independent testing of financials to determine financial suitability or outsource the evaluation to the firm of RSM US LLP. These alternatives would be potentially inefficient and costly, or both.

³ A large proportion of the sports wagering vendors have been issued temporary licenses as each Sports Wagering Operator launched the sports betting operations in the Commonwealth between January and March 2023.

