



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 | October 10, 2024 | 9:30 a.m.
VIA REMOTE ACCESS: 1-646-741-5292
MEETING ID/ PARTICIPANT CODE: 112 756 8404
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 - #536

1. Call to Order – Jordan Maynard, Interim Chair

2. Meeting Minutes
 - a. July 17, 2023 **VOTE**
 - b. July 27, 2023 **VOTE**
 - c. August 8, 2023 **VOTE**

3. Legislative Update – Commissioner Brad Hill

4. Administrative Update – Dean Serpa, Executive Director
 - a. Update on Monthly Public Release of Casino and Sports Wagering Revenue Data



Massachusetts Gaming Commission

5. Presentation of final candidate (Kathleen Kramer) for Chief Enforcement Counsel – Dean Serpa, Executive Director; Caitlin Monahan, Director of Investigations and Enforcement Bureau

6. Community Affairs Division – Joe Delaney, Director of Community Affairs
 - a. Reappointment of Local Community Mitigation Advisory Committee and Subcommittee Members **VOTE**

7. Finance – Derek Lennon, Chief Financial Officer
 - a. FY24 Budget Close Out Report

8. Sports Wagering Division – Carrie Torrisi, Director of Sports Wagering
 - a. Review of Sports Wagering Division Form for Submission and Approval of Operator Requests to Void Wagers – Andrew Steffen, Sports Wagering Operations Manager **VOTE**
 - b. Sports Wagering Operator Requests for Temporary Waiver from 205 CMR 238.12 – Crystal Beauchemin – Sports Wagering Business Manager **VOTE**
 1. Bally’s Interactive
 2. BetMGM
 3. Caesars
 4. DraftKings
 5. Encore Boston Harbor
 6. Fanatics
 7. FanDuel
 8. MGM Springfield
 9. Penn Sports Interactive
 10. Plainridge Park Casino
 - c. Update to House Rules – Fanatics - Andrew Steffen, Sports Wagering Operations Manager **VOTE**

9. Commissioner Updates

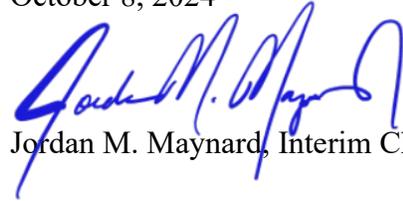
10. Other Business - Reserved for matters the Chair did not reasonably anticipate at the time of posting.



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: October 8, 2024 | 9:30 a.m. EST

October 8, 2024



Jordan M. Maynard, Interim Chair

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



Massachusetts Gaming Commission



Massachusetts Gaming Commission Meeting Minutes

Date/Time: July 17, 2023, 3:00 p.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 391 6742

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](#) (00:00)

Chair Judd-Stein called to order the 467th Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Interim Executive Director Contract Discussions](#) (00:37)

a. Executive Session

Chair Judd-Stein stated that the Commission anticipates that it would meet in executive session in accordance with G.L. c. 30A, § 21(a)(2), to conduct strategy sessions in preparation for negotiations with Todd Grossman for the position of Interim Executive Director.

Commissioner Skinner moved that the Commission go into executive session for the reasons discussed by the Chair. 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 that the public meeting would not reconvene at the end of the executive session.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda](#) dated July 13, 2023



Massachusetts Gaming Commission Meeting Minutes

Date/Time: July 27, 2023, 10:00 a.m.
Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 281 9432

The Commission conducted this public meeting remotely utilizing collaboration technology. The use of this technology was intended to ensure 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 468th 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](#) (00:45)

a. January 18, 2023

The January 18, 2023 public meeting minutes were included in the Commissioner's Packet on pages 4 through 16.

Commissioner Maynard moved that the Commission approve the minutes from the January 18, 2023 meeting that was included in the Commissioner's Packet, subject to any necessary corrections for typographical errors or other 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](#) (01:55)

Interim Executive Director and General Counsel Todd Grossman thanked the Commission for selecting him for the Interim Executive Director position. He stated that he had visited each casino and spent considerable time meeting with staff since being appointed. He stated that communication from all levels of the organization was essential.

a. [Status of Office Space due to Recent Pipe Break](#) (4:42)

Interim Executive Director Grossman stated that the Commission's Boston office had experienced extreme flooding. He stated that the scope of the damage was limited in comparison to the extent of the water flow that occurred. He stated that the source of the flood was a burst twelve-inch joint on the 17th floor that was part of the condenser water loop, and that the water reached as far down as the 10th floor. He stated that building management was responsive in addressing this issue and recommended that Commission staff who work in the Boston office work from home until it was remediated.

Interim Executive Director Grossman stated that repair efforts were well underway with thirty pieces of equipment including fans and dehumidifiers being used. He stated that a consulting team performed a moisture assessment and developed a remediation plan. He added that the remediation was expected to continue through the following week and that the situation would continue to be assessed on a weekly basis.

Chief Information Officer Katrina Jagroop-Gomes stated that the servers, switches, and main distribution frame on the 12th floor were not impacted. She stated that water damage affected smaller physical user-end equipment. She stated that the affected equipment was drying in the lab and that it was undetermined whether they were functional. She noted that a subsequent leak had impacted the lab and the hallway in its vicinity. She noted that the live-stream equipment in the public meeting room was not affected, but construction would be occurring in that area.

Chief People and Diversity Officer David Muldrew stated that there would be opportunities to meet with the building management throughout the remediation process. Commissioner Skinner noted that she was at the office and that the noise level of the remediation equipment was manageable.

4. [Sports Wagering Division](#) (12:09)

Director of Sports Wagering Bruce Band announced that Sports Wagering Operations Manager Sterl Carpenter was departing the Commission to work for the state of North Carolina. Director Band commended Mr. Carpenter for being a hard-working asset for the Commission.

The Commission thanked Mr. Carpenter for his work in standing up the Sports Wagering Division, his invaluable knowledge of gaming and sports wagering, and excellent communication with the Commissioners. Mr. Carpenter thanked the Commission and stated that his position allowed him the opportunity to learn and grow in the regulatory side of the industry.

a. [Update to Fanatics' House Rules](#) (19:54)

Mr. Carpenter explained that in accordance with 205 CMR 247.02(4) the Commission reviews all proposed changes to a licensee's house rules. He stated that 90% of the changes to Fanatics' house rules were purely grammatical or phrasing changes for clarifications. The *changes to Fanatics' House Rules* were included in the Commissioner's Packet on pages 17 through 22. Mr. Carpenter stated that the Sports Wagering Division had no reservations about the changes requested by Fanatics.

b. [Update to DraftKings' House Rules](#) (23:24)

Mr. Carpenter explained that the changes to DraftKings' house rules were similar in that 90% of the changes were related to phrasing and grammatical corrections. The *changes to DraftKings' House Rules* were included in the Commissioner's Packet on pages 23 through 27. Mr. Carpenter stated that the Sports Wagering Division had no reservations about approving the requested changes.

Commissioner Hill moved that the Commission approve the amendments to the house rules submitted by category three sports wagering operator Fanatics as included in the Commissioner's Packet and discussed here today; and further that the Commission approve the amendments to the house rules submitted by category three sports wagering operator DraftKings as included in the Commissioner's 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.

5. [Community Affairs Division](#) (27:27)

a. Review of Potential Modifications to the Community Mitigation Fund

Chief of the Community Affairs Division Joe Delaney stated that the Community Affairs Division recommended that changes be made to the Community Mitigation Fund to make the process better in the future. A *memorandum detailing potential changes to the Community Mitigation Fund* was included in the Commissioner's Packet on pages 28 through 33.

Chief Delaney stated that in 2023 the Community Mitigation Fund had \$28,000,000 available and awarded only \$10,200,000. He stated that the funds available were not being fully utilized and that the goal was to improve the use of the fund. He stated that a number of challenges in the program had been identified.

Chief Delaney stated that the first issue was that applicants struggled to identify and quantify casino-related impacts. He stated that he advised applicants to use the Commission's research agenda and other available information such as traffic studies to identify impacts. He noted that despite this, applicants were continually having difficulty in identifying and quantifying those impacts. He stated that failure to identify and quantify an impact was the largest reason for denial of grants.

Chief Delaney stated that the second issue was that many communities did not have dedicated staff for writing grant applications. He noted that this was especially true in Region B where there were smaller communities. He stated that larger communities were also having challenges related to maintaining staff to write and administer grants. He expressed concern about the ability of the communities to do good grant applications.

Chief Delaney noted that the Community Mitigation Fund program structure was also different than other grant programs. He noted that the Community Affairs Division staff would ask follow-up questions and request supplemental information. He stated that this process created extra work for the review team and the applicants. He stated that the Community Mitigation Fund is different from other grants as it is reviewed on a consensus basis and there was no formal scoring system due to the differences between grant categories.

Chief Delaney noted that all applications were required to be presented to the Commission for a vote. He noted that it was time consuming to meet with the Commissioners in two-by-two sessions, prepare a memo, and present the recommendations in the meeting. He stated that this was not typical of all grant programs, and that grant recommendations did not always rise to a commission or board.

Chief Delaney explained that another issue was that a lot of applications were received for routine municipal expenditures. He stated that the Community Mitigation Fund was designed to provide resources over and above what the commute is regularly doing. He stated that it should be clear in the guidelines that these requests are not eligible.

Chief Delaney stated that one potential way to improve the plan would be a legislative change to increase eligibility. He stated that the process could be open to more communities. He stated that it would be beneficial to explicitly state what types of projects are eligible for funding to help guide applications. He stated that revisiting the legislation could increase applications and

spending. He noted that the Commission and advisory subcommittee were hesitant to reopen G.L. Chapter 23K, but that it would take a while to implement legislative changes.

Chief Delaney stated that another option would be to change the Community Mitigation Fund Guidelines to be more prescriptive. He stated that the Community Affairs Division could review the Commission's research and include information identifying particular impacts in the guidelines. He stated that providing this information would give communities information to rely on related to identifying and quantifying impacts. He noted that the last study from Crime Analysis Consultant Christopher Bruce identified that casinos contribute to charges of driving under the influence. Chief Delaney stated that if a police department had a program focused on driving under the influence it would be eligible for funding. He stated that the Community Affairs Division should be able to pre-identify some impacts of the casinos.

Chief Delaney stated that the Local Community Mitigation Advisory Committees had discussed converting the program into a block grant program. He stated that each community would get a certain percentage of funds based on a formula and that the communities would be required to put together a work plan within the framework of the guidelines. He stated that it would give the communities certainty regarding receiving funds and incentive to apply.

Chief Delaney stated that the block grant structure would ease the administrative burden on the grantees and Commission staff. He stated that a formula would have to be developed for distributing funds that would be equitable and easy to implement. He stated that criteria for the formula would include distance from casinos, traffic studies, casino employee residency. He stated that certain programs such as the workforce program and money that goes to district attorneys' offices would be carved out before the formula is applied.

Chief Delaney stated that the Commission defines what communities are eligible to apply and stated that the Commission may want to revisit that. He proposed that the Community Affairs Division further investigate the block grant approach as it addresses more of the identified issues. He stated that the block grant structure would increase utilization of the program, improve the quality of applications, and better address and identify casino-related impacts. He stated that the Community Affairs Division could develop a proposed framework to present to the Commission at the end of August.

Commissioner O'Brien stated that she understood the request but was not certain about the structure of block grants or taking the Commission substantially out of the process for allocating the grant. She expressed support for defining potential impacts connected to the casino in the Community Mitigation Fund Guidelines. She noted that she had received an email from the grant coordinator with the Attorney General's Office offering to help on the public safety and human trafficking concerns. She stated that while things needed to be changed, she was not a fan of the block grants and would rather look into ways to expedite the Community Mitigation Fund process.

Commissioner Hill stated that he supported block grants. He suggested that the Community Affairs Division develop a proposal for the implementation of block grants to present at the end

of August and that the Commission meet with the communities to receive feedback on the proposed changes. He stated that he would like to see the proposal and comments from community leaders in a public meeting.

Commissioner Skinner expressed support for Commissioner Hill's proposal. She stated that she would like to be more informed regarding how the block grant structure works. She stated that she would like to see what the proposal looks like.

Commissioner Maynard stated that he was a proponent of making it easier to apply for grants and that anything the Commission could do to streamline the process would be helpful. He stated he would like to know more information about whether the proposed structure could be implemented quickly.

Chair Judd-Stein stated that she supported Commissioner Hill's proposal, and that she would like to hear more about block grants. She stated that she did not want to remove the Commission from the process, but that it could be a memo for the Commission to weigh in on. She stated that streamlining the process was important.

Chief Delaney stated that the Community Affairs Division would begin to develop a framework and get feedback from the grantees. He stated that if the framework was presented in late August, it would need to either be approved to begin the block grant process or denied so that the Community Affairs Division could begin revising the Community Mitigation Fund Guidelines to be more prescriptive. He stated that feedback at that meeting was critical for timely implementation before the next grant cycle.

Commissioner O'Brien clarified that she was not wholly against block grants but that she would like more information before moving forward. She stated that the Community Affairs Division put in a lot of effort trying to remedy holes in the applications they received. She stated that it would be beneficial to streamline the grant process.

Chair Judd-Stein noted that Chief Delaney had stated the Commission was hesitant to reopen G.L. Chapter 23K. She stated that she was not certain that there was a concern held by the Commission. Chief Delaney stated that this concern was expressed by the Local Community Mitigation Advisory Committees. Chair Judd-Stein noted that there were other options before legislative change, but that she would not eliminate the option of legislative change if it would be helpful in the implementation of the grant program.

6. [Racing](#) (1:01:40)

a. Review of Racing License Application for Opening a New Racetrack

Chief Veterinarian and Director of Racing Dr. Alexandra Lightbown stated that the application for opening a new racetrack asked for more detail than the application to renew a racing license. She stated that it requested details regarding the track surface, a traffic study, approval required pursuant to G.L. Chapter 128A § 13(a) and § 14, liability coverage for horses, information

regarding the leasing of property, information related to the handling of dormant advanced deposit wagering accounts, and allowed for the waiver of qualifier status.

Associate General Counsel Judith Young presented the application form for a licensee's request to open a new racetrack. The *new racetrack application* was included in the Commissioner's Packet on pages 34 through 57. Associate General Counsel Young stated that the Commission last reviewed the new racetrack application in 2022, and that this form was modified with changes put forward by Director Lightbown. Associate General Counsel Young stated that this form was intended for the 2024 racing season.

Commissioner O'Brien asked if question four should be further clarified that the applicant received final local approval. Associate General Counsel Young stated that the language could be changed to clarify that the final approval occurred, and any post-petition process or referendum was confirmed. She stated that this would also be clarified in the horseracing regulation framework that would be presented to the Commission in a few weeks.

Deputy General Counsel Caitlin Monahan noted that the statute did not include a timeframe for the override process, but that the language could be changed to require local approval be granted thirty or sixty days prior to the application deadline. She noted that an override process could still occur after final approval. Commissioner O'Brien recommended that the term "final" be included, and that Deputy General Counsel Monahan's suggestion of a timeframe be included.

Commissioner Hill asked if the term "all approvals" in section four was sufficient for the inclusion of local approvals such as the planning board and infrastructure. Associate General Counsel Young stated that section four, subsection four asked the applicant to submit a schedule of all other hospitality, federal, and land use permits, licenses, and approvals. She stated that she could specifically add the term "local" to that section to make it explicitly clear, if desired.

Chair Judd-Stein stated that it might be helpful to include more examples in each category. Associate General Counsel Young explained that section 4.1 was related to approval in accordance with G.L. Chapter 128A § 13(a) regarding local approval, and that section 4.3 was related to approval in accordance with G.L. Chapter 128A § 14 regarding county approval, and that section 4.4 set out the other state, local, and federal requirements to operate a racing facility.

Commissioner Maynard questioned why the word "may" was struck in section 4.4 with no word replacing it. Associate General Counsel Young stated that it appeared to be an accidental deletion and confirmed it would be re-inserted. Commissioner Maynard expressed support for adding language related to a timeframe to prevent possible issues related to post-petition processes. Commissioner Hill noted that the language in section 4.4 addressed his concern regarding local approvals.

Chair Judd-Stein stated that she wanted to ensure that the definition in the application of final approval would be consistent with the language regarding local referendums and the appeals process. Commissioner O'Brien stated that it would be helpful to wordsmith and capture the correct terms of art regarding the referendum. Deputy General Counsel Monahan noted that if a

town had a select board, the town had the ability to have a referendum and a vote. She expressed uncertainty as to whether there was a process past that step.

Associate General Counsel Young moved to the next edit within the application and stated that the application required an association carry animal insurance. Director Lightbown stated that typically it was the individual owner of the horses that had insurance for the animals, and that she was unsure if racetrack liability insurance covered animals. She stated that she had asked Plainridge Park Casino to look into the industry standard regarding insurance as they were the only track offering live racing.

Associate General Counsel Young stated that the application would be posted online seeking comments and brought back to the Commission after the public comment period for a final vote. Chair Judd-Stein asked if the version posted would reflect the edits made during this meeting's discussions. Associate General Counsel Young stated that she would edit the application to include the edits proposed in today's meeting, and research what final approval meant in relation to the statute. She confirmed that a redline version and clean copy would be posted so the public could clearly see all the changes made to the application.

b. [Report to the Commission on Track Matters Approved by the Director of Racing using Delegation of Authority](#) (1:41:09)

Director Lightbown explained that she had used the delegation of authority granted to the Racing Division from 2013 to approve a new starter patrol judge and two veterinarians at Plainridge Park Casino.

7. [Review of Open Meeting Law complaint filed by Patrick Higgins and Associates on July 10, 2023, regarding the Commission's July 10, 2023, meeting agenda](#) (2:09:27)

Outside Counsel from the Law Firm Anderson & Krieger, Attorney David Mackey explained that an open meeting law complaint was filed on July 10, 2023. He stated that the complaint was related to the notice of meeting and agenda, which did not list the names of the applicants interviewing. The *open meeting law complaint* was included in the Commissioner's Packet on pages 58 through 62.

Mr. Mackey stated that the complaint reflected the position that the names of the two final candidates should have been identified in the meeting notice. He noted that Commission staff had sought his input regarding the posting, and that he did not have concerns about not disclosing the candidates on the agenda as they would be fully vetted in the public meeting.

Mr. Mackey stated that a response had been drafted to the complaint which reflected that the Commission staff sought advice from outside counsel regarding the posting for the meeting and that outside counsel had advised it was permissible to withhold names until the public meeting. He stated that to the extent there was any violation it was cured within two business days when the candidates were vetted publicly.

Commissioner O'Brien asked if the open meeting law required the names to be listed. Mr. Mackey stated that there were two Attorney General's Office opinions regarding this issue. He stated that one concluded that it was not a violation, but a later opinion stated that the candidates' names should be included. Commissioner O'Brien stated that going forward, the Commission should include the name of all candidates. Mr. Mackey stated that once the finalists were identified for an interview in a public meeting, the notice of the meeting must contain the names of the finalists. Attorney Paul Kominers from Anderson and Krieger stated that there was an exception if the names of the final applicants were not known at the time the notice was posted, and the screening committee was still selecting the finalists after the meeting notice was posted.

Chair Judd-Stein asked if the response letter was needed as part of the open meeting law. Mr. Mackey replied that it was and that it would also be copied to the Attorney General's Office. Commissioner Maynard recommended including the two candidates' names in the response letter. Mr. Mackey stated that he would make that change.

Commissioner Skinner moved that the Commission approve the open meeting law complaint response as reviewed and discussed here today subject to any necessary corrections for typographical errors or other non-material matters. 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.

8. [Permanent Executive Director Hiring Update](#) (2:19:16)

a. Distribution of Draft Job Description for Executive Director

Commissioner O'Brien stated that this discussion was for further edits of the Executive Director job description and that the job description would be finalized and approved during the next Commission meeting. She noted that changes had been made based on the discussion during the July 11, 2023, meeting. She stated that the job description now incorporated all of the industries the Commission was tasked with regulating and a description that the Executive Director answers to a Commission of five full-time Commissioners. She stated that irrelevant and obsolete language was removed. She noted that the last section was split into the required skills and qualifications and preferred skills and qualifications.

Commissioner O'Brien stated that she changed "professional degree" to "professional degree or workplace equivalent". Commissioner Hill expressed support for this change. Commissioner O'Brien stated that she acknowledged that a candidate might have so much experience it was tantamount to an advanced degree. She stated that the screening committee would be in the position of determining what level of experience was tantamount to a degree.

Chair Judd-Stein supported this change and stated that some requirements could be barriers to diverse hiring. Commissioner Maynard noted that the language referred to Master of Business Administration and Juris Doctor degrees, but not Master of Public Administration. Chair Judd-Stein questioned whether an MPA would be equivalent to a JD or MBA. Commissioner Maynard stated that those with other professional degrees could be on par with other candidates.

Commissioner Maynard asked if the Commission wanted to use periods at the end of bullet points. Commissioner Skinner asked if the bullet points should be numbered to make the job description clearer. Commissioner Maynard asked if numbering items might suggest that certain items are more important. Commissioner Skinner stated that numbering the items would make it easier to go through the description. Commissioner O'Brien stated that numbers would make sense for editing but might serve as a distraction in the job posting. She stated that she wanted the description posted with bullet points.

Commissioner O'Brien noted that she had added knowledge and experience with Massachusetts open meeting laws, public records law, and conflicts of interest laws. Commissioner Hill stated that the job description looked satisfactory to him. Commissioner Maynard stated that he wanted to ensure management expectations for the team were sufficiently captured. Commissioner O'Brien noted that ten years of management of a large and varied staff were in the required skills and qualifications. Commissioner Maynard stated that language should capture his concerns. Commissioner Skinner stated that she appreciated the comment relative to diversity and that she supported the inclusion of workplace experience alongside the degree preferences.

Commissioner O'Brien moved that the Commission approve the job description for Executive Director as reviewed and discussed and edited here today subject to any necessary corrections for typographical errors or other non-material matters. 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.

b. [Review of Selection Process for Permanent Executive Director](#) (2:35:45)

Mr. Mackey stated that there was a threshold issue of whether the Commission wanted to establish a preliminary screening committee for the permanent Executive Director, position. He noted that the open meeting law allowed for screening committees to meet in executive session for an initial review of applications. He stated that screening committees could review resumes, interview applicants and select the final applicants to be interviewed in a public meeting by the Commission. He stated that the purpose of the screening committee was so that each applicant would not have to be vetted in public, which might diminish the number of applicants.

Mr. Mackey explained that the screening committee could not have more than two Commissioners but could include staff members and members of the public not associated with the Commission. He stated that the screening committee's initial meeting would be in public and that the chair of the subcommittee could then declare that meetings in public would have a detrimental effect on attracting the widest number of qualified candidates.

Mr. Mackey explained that the screening committee was limited to considering applications and interviewing. He stated that minutes must be prepared for the meetings and executive session. He asked if the Commission wanted to take advantage of the screening committee process. Chair Judd-Stein asked if the Commission could determine where the job would be posted if they choose to use the screening committee process. Mr. Mackey stated that the Commission could set guidelines for the screening committee but that they would have to be deliberated in public. Chair Judd-Stein noted that she would withdraw from consideration for the executive director screening committee.

Commissioner O'Brien stated that if a screening committee was used, the Commission should determine who will be on the committee aside from the Commissioners. She asked if there was a size limit for the screening subcommittee. Mr. Mackey stated that there was not a limit as long as there is not a quorum of the Commission.

Commissioner Hill asked if there was a way for Commissioners not on the screening committee to see who applied for the job. Mr. Mackey stated that if resumes were circulated widely, it would create concern that more members of the Commission than the sub-quorum members of the screening committee had input in the process. He stated that the Commission could at some point after the deliberation view the resumes of the applicants, but that this could be considered threatening the purpose of the screening committee.

Commissioner Hill stated that he had no objections to the screening committee, but he was disappointed that not every Commissioner would know which applicants applied. He stated that a screening committee would best streamline the hiring process.

Commissioner O'Brien noted that Chief Muldrew had previously stated that search firms can be used to cast wider nets in terms of diversity, but that Commissioner Hill had expressed dissatisfaction with search firms. She asked if there was a mechanism to use search firms to disseminate the job posting, but the Commission would receive the applications.

Chief Muldrew stated that engaging with a search firm would require a bidding process and contract. He stated that he envisioned a multi-tier approach to hiring this position including strategies to ensure the Commission is being inclusive and getting the best talent available. Commissioner Skinner suggested Commission staff review the statewide contracts with the Commonwealth to see if any search firms that prioritize diversity were included.

Chief Financial and Accounting Officer ("CFAO") Derek Lennon stated that there were some search firms under the management consultant contract, but the options were limited. He noted

that these types of firms are not paid until they are successful, and that it is typically 20 to 25% of the annual salary of the position hired. He stated that this payment would exceed the \$10,000 incidental threshold. He stated that the Commission also has authority for targeted procurements and that they could consider firms that handle senior executives. Commissioner O'Brien sought clarification whether the Commission could move forward with the screening committee and engage a search firm at the same time. CFAO Lennon stated that it was possible to do both simultaneously.

Chair Judd-Stein stated that a parallel approach could look at both paths. Chief Muldrew stated that the Commission had good internal infrastructure, but a search firm would be a benefit. He stated that due to the uniqueness of this position and talent required in the job description a search firm would have the widest net in finding candidates suited for the role.

Commissioner Maynard expressed support for the hybrid approach. He noted that the Treasurer's Office had a practice of reposting the listing if the initial candidate pool was not sufficient. Chair Judd-Stein asked if the Commission could make timeframe a part of the request for the search firm. CFAO Lennon stated the criteria for search firms could be developed including quickness to fill positions. Chief Muldrew stated that HR would work closely with the search firm vetting process.

Commissioner O'Brien stated that the Commission could be involved in choosing the search firm. She stated that she preferred the hybrid approach. Commissioner Skinner stated that she agreed with the parallel approach. The Commission reached a unanimous consensus to use a screening subcommittee and engage a search firm in parallel.

CFAO Lennon confirmed that he would work with Chief Muldrew to source diverse search firms with a proven track record. CFAO Lennon stated that they would return to the Commission with a recommendation of potential firms. Chief Muldrew stated that HR would provide an executive summary of each recruitment firm for the Commission to review.

Commissioner O'Brien stated that it would make sense to discuss the hiring for the Director of the Investigations and Enforcement Bureau ("IEB") as there would be screening committees for both that position and the Executive Director.

9. [Commissioner Updates](#) (3:02:13)

a. Interim Investigation and Enforcement Bureau Director Status Report

Chair Judd-Stein stated that Director of the IEB Loretta Lillios was retiring in August. She noted that Interim Executive Director Grossman suggested the nomination of Chief Enforcement Counsel Heather Hall as the Interim Director of the IEB. She stated that Chief Enforcement Counsel Hall's nomination would be brought forth at the next public meeting for a vote. She stated that the Commission's outside counsel would assist in assessing the process for hiring a permanent IEB Director. Chair Judd-Stein stated that Chief Enforcement Counsel Hall indicated that she was prepared to accept the interim position.

Commissioner O'Brien agreed with the nomination of Chief Enforcement Counsel Hall. Commissioner O'Brien noted that she had asked Director Lillios if she would recommend a replacement, and Director Lillios recommended Chief Enforcement Counsel Hall. Commissioner O'Brien stated that she supported voting on the nomination at the next meeting. Commissioner Hill agreed.

Chair Judd-Stein stated that it would be put on the agenda for the next meeting on August 17, 2023. Commissioner O'Brien stated that screening committees could not have more than two Commissioners. She asked how it would be decided who was on the screening committee for the Executive Director and who would be on the screening committee for the Director of the IEB.

Commissioner Hill asked that he be taken out of consideration for the screening committee for the Executive Director and stated that he would like to be considered for the screening committee for the Director of the IEB. Chair Judd-Stein stated that the selection process for the permanent IEB Director would be different. Commissioner Hill stated that he understood. Commissioner O'Brien suggested that the final decision on the screening process for the Executive Director be discussed at the August 17 meeting, so the Commission has more clarity regarding the IEB Director hiring process.

Commissioner Maynard stated that each Commissioner had unique strengths to bring to the screening committees. Chair Judd-Stein stated that the makeup of the screening committee would be discussed at the next public meeting. She stated that she did not believe a full public process was the correct way to hire these positions. Commissioner Hill agreed. Chair Judd-Stein asked if the Commission should also discuss the selection process for the permanent IEB Director the same way the Interim Director was appointed. Commissioner O'Brien stated that it might be smoother to discuss these processes at the August 17, 2023, meeting.

Next, Commissioner Hill provided a legislative update that the House and the Senate had developed different versions of the supplemental budget which included the language for the extension of simulcasting. He noted that the Senate budget only extended simulcasting for a year while the House budget extended it for five years. He stated that the bill would likely go forward to conference committee.

Chair Judd-Stein asked if the deadline for the bill to pass was July 31. Commissioner Hill confirmed that was correct. Chair Judd-Stein recommended writing a letter to the Legislature stating that if action wasn't taken, jobs related to horseracing and simulcasting would be at risk. Commissioner Hill stated that a letter would be appropriate but that it could also be appropriate for the Executive Director to call the Speaker and Senate president to remind them.

10. [Legal](#) (3:19:23)

a. FBT Everett Realty, LLC v. Massachusetts Gaming Commission

I. Executive Session

Chair Judd-Stein stated that the Commission anticipates that it would meet in executive session in accordance with G.L. c.30A, §21(a)(3) to discuss strategy with respect to FBT Everett Realty, LLC v. Massachusetts Gaming Commission, as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission.

Commissioner O'Brien moved that the Commission go into executive session for the reasons and on the matter just stated by the Chair. 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.

b. [Gattineri v. Wynn MA, LLC, et al.](#) (3:20:42)

I. Executive Session

Chair Judd-Stein stated that 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 Gattineri v. Wynn MA, LLC, as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission.

Commissioner Hill moved that the Commission meet in executive session in accordance with G.L. c. 30A, §21(a)(3) to discuss strategy with respect to Gattineri v. Wynn MA, LLC as discussion at an open meeting may have a detrimental effect on the litigation position of the Commission. 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. [Ferris, et al. v. Wynn Resorts Limited, et al.](#) (3:21:46)

I. Executive Session

Chair Judd-Stein stated that 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 Ferris, et al. v. Wynn

Resorts Limited, et al., as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission.

Commissioner Skinner moved that the Commission meet in executive session in accordance with G.L. c. 30A, §21(a)(3) to discuss strategy with respect to Ferris, et al. v. Wynn Resorts Limited, et al., as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission. 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.

Chair Judd-Stein stated that the Commission would not reconvene the public meeting at the end of the executive session.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda](#) dated July 25, 2023
2. [Commissioner's Packet](#) from July 27, 2023, meeting (posted on massgaming.com)

Massachusetts Gaming Commission Meeting Minutes



Date/Time: August 8, 2023, 10:00 a.m.
Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 750 7290

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 470th Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Administrative Update](#) (00:48)

Interim Executive Director and General Counsel Todd Grossman stated that environmental tests were performed, and it was confirmed that the Boston office was dry. He stated that tested air results would be available shortly. He stated that construction plans would be ready by the end of the week or early in the following week. He stated that Commission staff that work in Boston would continue to work remotely.

Interim Executive Director Grossman noted that efforts were underway to ensure the sports wagering division was properly constructed and staffed following Sports Wagering Operations

Manager Sterl Carpenter's departure from the Commission. He stated that he would report on the progress of these efforts shortly.

Interim Executive Director Grossman stated that the Commission's program collecting taxes on daily fantasy sports was up and running. He stated that issues arose concerning the boundary of sports wagering and daily fantasy sports. He noted that some daily fantasy sports operators were offering activities that might be considered sports wagering, and that these activities are being reviewed.

3. [Legislative Update](#) (03:56)

External Relations Manager Grace Robinson explained that the legislature had passed and the governor subsequently signed a supplemental budget that included an extension for horseracing and simulcasting until December 15, 2025. She stated that within the budget there was language amending G.L. Chapter 128C to allow horseracing and greyhound dog racing meeting licensees in Suffolk, Bristol, and Norfolk counties to simulcast at any location in those counties approved by the Commission.

Ms. Robinson stated that the legislature had sent the budget to the governor, who has ten day to review and sign the budget. Commissioner Hill noted that part of the budget included a change to G.L. Chapter 23K § 26 related to the enforcement, regulation, and distribution of alcohol at gaming establishments. He stated that Commission staff had reached out to the legislature and governor's office to request clarification on how the change would affect the Commission.

Commissioner Skinner asked that similar clarification be sought for the change in the simulcasting language. Commissioner Hill stated that a memorandum explaining the changes could be presented to the Commission.

4. [Sports Wagering Division](#) (08:56)

a. BetMGM Request for Extension of the Temporary Waiver from Provisions of 205 CMR 255.03

Sports wagering Business Manager Crystal Beauchemin explained that BetMGM had requested an extension to their waiver from the requirements of 205 CMR 255.03 through September 15. She noted that the current waiver expires on August 10. Commissioner Hill asked if BetMGM would have the update implemented by September 15, or if they were likely to request another waiver. Ms. Beauchemin stated that the delay was tied to a release that was delayed, but that the update was ready to launch.

Commissioner Hill moved that in accordance with 205 CMR 202.03(2) the Commission issue a waiver to BetMGM from the requirements outlined in 205 CMR 255.03(3) through September 15, 2023, as granting the waiver meets the requirements specified in 205 CMR 102.03(4) and is consistent with G.L. Chapter 23N. 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.

5. [Legal](#) (12:38)

Deputy General Counsel Carrie Torrisi stated that five regulations were returning to the Commission following a public hearing and review of public comments. She noted that 205 CMR 138, 238, 247, and 248 were in effect by emergency but that 205 CMR 257 was going through the regular promulgation process.

a. [205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls – Regulation and Amended Small Business Impact Statement for final review and possible adoption.](#) (13:37)

Outside Counsel from the law firm Anderson and Krieger Attorney Mina Makarious presented the changes to 205 CMR 138. The *amended small business impact statement and draft 205 CMR 138* were included in the Commissioner's Packet on pages 11 through 91. Mr. Makarious noted that the regulation received no additional comments and that no new changes were proposed.

Commissioner Skinner moved that the Commission approve the amended small business impact statement and draft of 205 CMR 138 as included in the Commissioner's Packet and discussed here today and further that 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 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. [205 CMR 238.00: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering – Regulation and Amended Small Business Impact Statement for final review and possible adoption.](#) (15:56)

Mr. Makarious presented the changes to 205 CMR 238. The *draft 205 CMR 238 and amended small business impact statement* were included in the Commissioner's Packet on pages 92 through 125. He stated that there were no proposed changes, but that some comments were received. *Public Comments related to 205 CMR 238* were included in the Commissioner's Packet on pages 171 through 173.

Mr. Makarios stated that the first comment, related to 205 CMR 238.11, suggested that the suggested the three layers of staffing for ticket writers was unnecessary. He stated that a change was not proposed as this provision already existed in the regulation prior to the most recent emergency adoption in April.

Mr. Makarios stated that Caesars had offered comments regarding 205 CMR 238.25 related to the operations of ticket writers and their handling of wagers. He noted that this provision was already in place and no other operators commented. He stated that the legal team did not recommend changes. He stated that this issue might be an opportunity for further discussions between the operator and the sports wagering division for clarification.

Mr. Makarios stated that comments were received from Caesars and FanDuel regarding the operators' ability to cancel a wager for obvious error. He noted that the Commission discussed this issue at length in April before adopting the current language. He stated that it would give too much discretion to an operator if they could determine what bets are made by human error and recommended that no change be made.

Chair Judd-Stein asked that if there was an error would the Commission be able to address the issue. Mr. Makarios noted that if a patron or ticket writer made an error the operator could cancel the wager, but that they would have to come to the Commission for approval to cancel any other wager.

Commissioner O'Brien moved that the Commission approve the amended small business impact statement and draft of 205 CMR 238 as included in the Commissioner's Packet and discussed here today and further that 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 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. [205 CMR 247.00: Uniform Standards of Sports Wagering - Regulation and Amended Small Business Impact Statement for final review and possible adoption.](#) (24:36)

Mr. Makarios presented the changes to 205 CMR 247. The *draft 205 CMR 247 and amended small business impact statement* were included in the Commissioner's Packet on pages 126 through 145. *Public comments related to 205 CMR 247* were included in the Commissioner's Packet on pages 173 through 176.

Mr. Makarios stated that the first proposed change was to 205 CMR 247.03. He stated that changes were discussed in April but erroneously left out of the emergency regulations. He stated that the change made it so only operators could request the approval of an addition to the wagering catalog. Chair Judd-Stein asked if operator only referred to Massachusetts operators. Mr. Makarios replied that was correct.

Mr. Makarios stated that an operator asked if 205 CMR 247.03 (1)(1) was limited to events or wager categories or inclusive of all unauthorized items. He stated that the provision was relevant to any unauthorized bet that would need to be cancelled.

Mr. Makarios stated that several comments were received regarding 204 CMR 247.07 regarding cancellation for obvious errors. He noted that the Commission had voted in favor of keeping the change from April in 205 CMR 238 and so no further change was warranted.

Mr. Makarios stated that changes were made to 205 CMR 247.09 in April to add in a disclosure requirement with respect to how long a patron would have to remain signed-up to redeem an online offer due to comments from the Attorney General's Office. He noted that DraftKings had requested it be reverted to 90 days, but that the legal team did not recommend this change.

Mr. Makarios stated that FanDuel and DraftKings had requested a change to 205 CMR 247.09(4) to allow promotions contingent upon the referral of patrons to the operator. He stated that whether this is allowed is a policy question for the Commission. Commissioner Skinner asked if any other jurisdictions allowed referral-based promotions. Mr. Makarios stated that he would have to research that topic. Commissioner Skinner noted that the comments received suggested that Massachusetts was the first state to prohibit this via regulations.

Mr. Makarios expressed the concern that referrals could lead to less regulated and less transparent third-party advertising. Commissioner O'Brien noted that cannabis regulations did not allow referrals in Massachusetts, and that the regulation was not inconsistent with how other industries in the Commonwealth were treated. Mr. Makarios noted that the Attorney General's Office had requested this provision to be added to the regulation.

Commissioner O'Brien moved that the Commission approve the amended small business impact statement and draft of 205 CMR 247 as included in the Commissioner's Packet and discussed here today and further that 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 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.

d. 205 CMR 248.00: Sports Wagering Account Management - Regulation and Amended Small Business Impact Statement for final review and possible adoption. (38:33)

Mr. Makarios presented the changes to 205 CMR 248. The *draft 205 CMR 248 and amended small business impact statement* were included in the Commissioner's Packet on pages 146 through 160. *Public comments related to 205 CMR 248* were included in the Commissioner's Packet on pages 176 through 187.

Mr. Makarios stated that an operator commented that the ability to verify an account-holder's name on a debit instrument is not always possible due to the third-party vendors that view the information. He noted that they had requested a feasibility standard be included. Mr. Makarios stated that other protections were in place to verify an account owner is the one registering.

Commissioner Skinner asked if the language suggested was too broad and asked that it be narrowed. Commissioner O'Brien suggested the language "unless impossible". Mr. Makarios stated that the language could be added, but that there were concerns that an account holder's information might not be entered the exact same way across different mediums. He agreed with Commissioner O'Brien's suggestion of "unless impossible".

Mr. Makarios stated that operators had commented on 205 CMR 248.04 stating that the proposed measures were not effective enough. He stated that the legal team did not recommend a change as the provision already allowed operators to identify alternative methods of age and identity verification. Chair Judd-Stein asked if the ability to request additional methods was in effect. Mr. Makarios stated that it was. Chair Judd-Stein noted that the Commission had yet to receive requests for alternative methods.

Mr. Makarios stated that changes were made to 205 CMR 248.06(3) to add in cross-references to the definitions of personally identifiable information and confidential information. He noted that a comment raised concerns that patrons might have confusion between state law and the regulations. He stated that the language in this provision was crafted with the Attorney General's Office and that the changes clarify what information is protected. He stated that the legal team did not recommend a change.

Mr. Makarios stated that BetMGM noted that automated decision-making and profiling in 205 CMR 248.06 (3) (j) were terms of art and that they recommended the state develop a uniform privacy law before addressing those terms and data privacy specifically for sports wagering. Mr. Makarios stated that if a state law supersedes the Commission's regulations then the regulations could be amended. He stated that there were unique concerns related to data privacy in sports wagering.

Mr. Makarios stated that an operator had asked if patrons who deposited money via credit card in other jurisdictions would be able to use those funds in Massachusetts. He stated that the patrons could not do that, and noted that the operator who asked did not accept credit cards in any jurisdiction.

Mr. Makarios stated that comments had requested clarity and pushed back on the requirement of a conspicuous display of self-imposed limitations. He noted that from a responsible gaming standpoint having the information be conspicuous was the point. He noted that there had already been a compromise when the language was drafted and recommended against further change.

Outside Counsel from Anderson & Krieger Attorney Annie Lee stated that changes were made to 205 CMR 248.19 to make the language consistent with 205 CMR 255. Mr. Makarios stated that the legal team did not recommend any changes to 205 CMR 248.19 as the legal team confirmed with the Treasurer's Office that this provision was appropriate regarding escheatment practices.

Commissioner O'Brien moved that the Commission approve the amended small business impact statement and draft of 205 CMR 248 as included in the Commissioner's Packet and further discussed here today and also that 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 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.

e. [205 CMR 257: Sports Wagering Data Privacy - Regulation and Amended Small Business Impact Statement for final review and possible adoption.](#) (59:04)

Mr. Makarios presented the changes to 205 CMR 257. The *draft 205 CMR 257 and amended small business impact statement* were included in the Commissioner's Packet on pages 161 through 170. *Public comments related to 205 CMR 247* were included in the Commissioner's Packet on pages 187 through 210.

Mr. Makarios noted that some operators suggested striking this entire regulation and relying on existing state data privacy and data breach laws. He noted that the Attorney General's Office had urged the Commission to include this regulation. He stated that there were unique circumstances with sports wagering that warranted moving forward in a thoughtful and deliberate manner with 205 CMR 257, and that the regulation could be amended should a state law be passed that supersedes it.

Commissioner Hill agreed that there are unique circumstances with this industry, and that keeping 205CMR 257 was prudent. Commissioner O'Brien agreed and stated that the Commission has an obligation to have regulations such as this. Chair Judd-Stein agreed. Commissioner Skinner suggested looking into which portions of 205 CMR 257 could be adopted for casino gaming. Mr. Makarios stated that there were provisions that could be applicable with

respect to casino's consumer data. Commissioner Maynard agreed with Commissioner Hill, Commissioner O'Brien and Commissioner Skinner.

Mr. Makarios stated that the operators had suggested that the definitions of personally identifiable information and confidential information were too broad and that the Commission should use the definition in G.L. Chapter 93H and 201 CMR 17. He noted that the Attorney General's Office had significant input in these definitions and that the legal team recommends no changes.

Mr. Makarios stated that clarifying language was added to 205 CMR 257.02 because operators had raised concerns that the provision was too narrow and could restrict the operator's ability to use the data in legitimate ways. Commissioner O'Brien sought clarification whether "defend against legal claims" was limited to claims that were filed. Mr. Makarios stated that the term suggests that the claims have to be filed and allows for the use of retained data to show that the data was being used correctly. Commissioner O'Brien noted that any vote she gave in the affirmative was for the use of data for applicable laws, regulations, and investigative demands, rather than public relations purposes against public claims.

Mr. Makarios stated that the language allowed for the best practices of keeping data in case of subpoena or filed claim. Chair Judd-Stein asked if this exception was envisioned to be used for private legal claims or government claims. Mr. Makarios stated that the language could be envisioned to include the investigative demand of a government agency. Commissioner O'Brien noted that she did not want to create an exception that swallows the rule.

Commissioner Skinner stated that she appreciated the inclusion of this provision but that she respected Commissioner O'Brien's concerns. Mr. Makarios suggested that the term be changed to "filed legal claims". The Commission reached consensus in support of this change.

Mr. Makarios stated that the next comments were related to 205 CMR 257.02, where some operators had expressed that an opt-in system would be too burdensome. He stated that the legal team recommended keeping the language as it was important for patrons to be aware of what they opt into when they sign up. Mr. Makarios noted that a change was made to 205 CMR 257.02 (c) to include language regarding intervening pages required to complete the opt-out process.

Mr. Makarios stated that a number of comments were received regarding 205 CMR 257.03 related to the use of information. He stated that the comments stated that using periods of dormancy for advertising was a standard marketing practice. He stated that while it may be standard in some industries it could encourage re-engagement and addictive behaviors in sports wagering.

Commissioner Skinner asked what other jurisdictions used opt-in rather than opt-out. She noted that the language had support from the Attorney General's Office, and that she did not mind if Massachusetts was the first to require this. She stated that she wanted to understand to what extent these regulations were modeled off of other jurisdictions.

Mr. Makarios stated that a lot of the recommendations came from the Attorney General's Office's response to the initial advertising regulation. He stated that no other jurisdiction has gone to this level of detail with data privacy specifications with respect to sports wagering. Ms. Lee stated that the regulation built on the general strong data privacy protections in Connecticut and Colorado. Chair Judd-Stein stated that she was comfortable with the language in the regulation as the Attorney General's Office provided expertise in drafting this regulation.

MR. Makarios stated that he did not believe it would be substantially technically different to have opt-in rather than opt-out as popups were not hard to program. He recommended that the language remain as opt-in. Commissioner Skinner noted that a comment indicated that operators would have to build a different process for opt-in for Massachusetts as it was not required in other jurisdictions. She stated that she was in support of the regulation as written but that she wanted to be mindful that there could be challenges in implementation.

Deputy General Counsel Torrisi stated that the regulation if approved at this meeting would go into effect on September 1. Chair Judd-Stein stated that if the requirement is onerous on operators, then they could request a waiver. Commissioner Skinner stated that she did not support a blanket waiver and that operators should show the need for a waiver. Commissioner O'Brien expressed support for the opt-in language.

Mr. Makarios stated that operators expressed concern that 205 CMR 257.02 (3) would consider the use of sports season information as a prohibited use of periods of dormancy. He stated that using information based upon personal data of what the patron prefers to wager on was allowed.

Mr. Makarios stated that some operators suggested that if regulated operators were required to use fewer targeted advertisements the unregulated market might try to capitalize on that. He stated that he did not find those comments persuasive in this context as there is an established sports wagering industry in the commonwealth.

Commissioner Skinner asked if operators must assume that a break in play is intentional or because someone is struggling with gaming during a period of dormancy. She expressed an interest in hearing the responsible gaming perspective on this provision. Mr. Makarios stated that the language was to prevent personal information about account dormancy to encourage specific wagers or promotional offers. He stated that an advertisement could be given based on a patron's interest in wagering on the NFL but not based on their account dormancy.

Mr. Makarios stated that the regulation was intended to ensure that operators did not use the patron's information in a way that would cause a greater likelihood of irresponsible wagering. He stated that criteria were identified by the Attorney General's Office and responsible gaming division to indicate that a participant was wanting to take a break.

Commissioner Skinner stated that she wanted to ensure that the categories of what was prohibited were clear. She requested that Director of Research and Responsible Gaming Mark Vander Linden provide input on this provision. Chair Judd-Stein noted that Director Vander

Linden was not available at this time. Commissioner O'Brien noted that she did not share Commissioner Skinner's concerns.

Ms. Beauchemin noted that if the regulation would go into effect on September 1 if finalized at this meeting, that requests for waivers would have to be received by the end of the week in order to be discussed at the August 24 meeting. Chair Judd-Stein stated that the alternative would be to provide a universal waiver to the operators. Ms. Beauchemin noted that the sports wagering division had only heard from one operator thus far, and would send out an operator update requesting that any waiver requests be submitted by the end of the week.

Commissioner O'Brien asked how long this language had been available. Mr. Makarious stated that the Commission had discussed this language in late May or early June. He noted that as this was a new regulation the Commission could also choose to file the regulation at a later date to allow waiver requests to come in. Commissioner O'Brien stated that the operators had the language for months and only one operator had voiced concerns. Commissioner Skinner stated that she was not in favor of blanket waivers and expressed an interest in holding the filing of regulations. Commissioner O'Brien stated that she was not inclined to delay filing based on one operator comment. Commissioner Skinner stated that she did not want to ignore the operator's mention of needing to build the opt-in process to satisfy the regulation.

Chair Judd-Stein asked if the Commission had flexibility regarding the filing date. Deputy General Counsel Torrisi stated that the four regulations in effect by emergency had to be filed before their emergency expired in the following week. She noted that there were also overlaps between topics and cross-references with 205 CMR 257 and the other four regulations.

Mr. Makarious stated that it was a preference that all five regulations be filed together. He stated that the emergency regulations had been in place with 205 CMR 257 being promulgated. He stated that the only effect holding 205 CMR 257 would have been ambiguity regarding the definition of personally identifiable information and confidential information. He noted that those definitions were also in 205 CMR 238 and that there was only one cross-reference to 205 CMR 257 in the other four regulations.

Ms. Beauchemin stated that some operators might need to extend their waiver as there was speculation as to how long implementing this regulation would take. Chair Judd-Stein reiterated that only one operator had raised concern thus far. Commissioner Skinner stated that if that one operator was unable to comply they could request a waiver by the end of the week. Chair Judd-Stein asked if the Commission could hold filing on 205 CMR 257. Mr. Makarious stated that it could be done with a little tweaking of language.

Commissioner Skinner asked why the waiver requests would have to be received by the end of the current week. Ms. Beauchemin stated that it was due to the timeline of the review process by the sports wagering division and needing to add the waiver to a meeting agenda.

Mr. Makarious noted that Director Vander Linden had reviewed the language of the regulation, but he was uncertain if Director Vander Linden had an opportunity to review the operators'

comments. He stated that no operators had raised issues from a responsible gaming perspective. He explained that the language in subsection f, g, and h were new recommendations from the Attorney General's Office.

Mr. Makarios stated that an operator had asked about their ability to retain data in order to comply with unforeseen legal issues. He stated that it was allowed by these provision and prior provisions.

Mr. Makarios stated that both operators and the Attorney General's Office had welcomed the provision allowing the use of data for intervention purposes. He stated that as this process moves forward the legal team would work with Director Vander Linden and get further feedback from operators on how to use information in this way.

Mr. Makarios stated that a comment was received about 205 CMR 257.03 regarding data sharing. He stated that the legal team was comfortable with the language as is, with the only change being the addition of the term "filed" before the legal claims language to be consistent with 205 CMR 257.02(1)

Mr. Makarios stated that one of the operators had commented that encryption is not commercially reasonable. He stated that many entities with smaller data protection requirements had encryption. He stated that the Commission could also choose to allow either encryption or hashing, which is a form of one-way encryption. The Commission reached a consensus to require either encryption or hashing.

Mr. Makarios stated that an operator had asked if this section also applied to de-identified data. He replied that it did not. He noted that a change was made related to including intervening pages. He stated that some operators expressed concerns that 205 CMR 257.04 (1)d would suggest that patrons could add whatever restrictions they wanted to data. He noted that this was not true as 205 CMR 257 sets out a process for responding to those requests.

Mr. Makarios noted an operator expressed concern that 205 CMR 257.04 (2)b was duplicative of the Attorney General's Office complaint process. He noted that the language in this provision was provided by the Attorney General's Office and that he did not recommend changes.

Mr. Makarios stated that an operator suggested inserting a threshold for data that does not have to be retained in 205 CMR 257.04 (3). He stated that edits were made to reflect this. He suggested including the highlighted list from 205 CMR 257.02 (1) in this section as well. He recommended that the phrase "(or retain it without the requested restriction)" to clarify that a threshold made sense for deleting data but not for imposing a restriction on data. Chair Judd-Stein offered a grammatical correction to help clarify the language.

Mr. Makarios stated that an operator had suggested including reasonableness standards. He noted that there is an implied standard of reasonableness throughout the regulations, and that the

onus is on the operators to explain themselves if they allege there was no overriding legal interest.

Mr. Makarious stated that a reasonableness standard was applied to 205 CMR 257.04 (4) to ensure that reasonable steps are taken to confirm the deletion of information. He noted that at some point it may be impossible to prove whether something was deleted.

Mr. Makarious stated that several operators suggested 205 CMR 257.06 be struck and that the Commission should rely on G.L. Chapter 93H. He stated that the idea was not to supersede state laws with the regulation but to make it clear in the set of regulations that regulate the sports wagering industry.

Commissioner Maynard asked where the five days in this provision came from. Mr. Makarious stated that the recommendation of five days came from the Attorney General's Office. He stated that while it may take time for data breaches to be resolved it was reasonable to request that investigations start immediately, and that the operator has consistent communication with the Commission. He stated that it was reasonable to have a starting point with a diligent completion standard.

Chair Judd-Stein asked if the operators would also have to notify the Attorney General's Office of the data breach. Commissioner Skinner stated that it would be beneficial to confirm any extent this regulation was not consistent with G.L. Chapter 93H. Mr. Makarious stated that the operators are still governed by G.L. Chapter 93H, but that the five days was recommended by the Attorney General's Office.

Chair Judd-Stein asked if the immediate notification to the Commission was consistent with G.L. Chapter 93H. Mr. Makarious stated that there was a requirement for immediate notification. He stated that issues are raised whether suspicion of a data breach rises to a level of knowledge of a data breach.

Mr. Makarious stated that an operator had suggested that the Commission's ability to request a forensic report from a qualified third-party in 205 CMR 257.06 (3) be limited to when medium or high-risk data would be involved. He recommended against this change as it would require the Commission to limit its authority.

Commissioner Hill moved that the Commission approve the amended small business impact statement and draft of 205 CMR 257 as included in the Commissioner's Packet and discussed here today and further that 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.

6. [Commissioner Updates](#) (2:49:05)

The Commission had no updates to share.

7. [Other Business](#) (2:49:49)

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

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

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 4 2023
2. [Commissioner's Packet](#) from the August 8 2023, meeting (posted on massgaming.com)



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

FROM: Dean Serpa, Executive Director

CC: Tom Mills, Division Chief, Communications
Todd Grossman, General Counsel
Derek Lennon, Chief Accounting and Finance Officer

DATE: October 10, 2024

RE: Monthly Public Release of Casino and Sports Wagering Revenue Data

Each month the Massachusetts Gaming Commission (MGC) compiles and publicly releases revenue data reported by each casino and sports wagering licensee. Historically, the MGC has released this data on the 15th of the month or first business day following for the preceding month.

Massachusetts General Laws Chapter 23K and 23N as well as MGC regulations requires operators to provide the MGC with revenue reports on the 15th of the month. These laws and regulations do not place a deadline for monthly public reporting by the MGC, though monthly reporting is best practice. This has been confirmed by MGC's legal division.

Since the launch of sports wagering, the MGC has added seven online and three brick and mortar sports wagering licensees, each of which are responsible for submitting revenue reports to the MGC. As you know casino operators report daily revenue figures, however the sports wagering operators do not follow the same cadence, reporting only on the 15th of the month. Given the statutory deadline afforded to licensees and the additional licensees reporting revenue, MGC Communications in consultation with MGC Finance is recommending modifying the date revenue figures are publicly released, moving said reporting to the 20th of the month.

By moving the public reporting of revenue to the 20th of the month (or first business day following), MGC Finance will be afforded ample time to reconcile figures and provide a full report to MGC Communications for publication.

Should this recommendation be implemented, MGC would move forward by releasing the next revenue report on October 15 as per current practice, and provide notation that in future months publicly released monthly revenue materials and MGC website posting will be released on the 20th of the month the following month (November 2024) and beyond.



TO:  Interim Chair Jordan Maynard and Commissioners

FROM: Joseph Delaney, Chief of Community Affairs
Mary Thurlow, Senior Program Manager
Lily Wallace, Program Manager

CC: Dean Serpa, Executive Director
Todd Grossman, General Counsel

DATE: October 10, 2024

RE: Reappointment Recommendations for Local Community Mitigation Advisory Committee and Subcommittee Members

Pursuant to M.G.L. c. 23K, Section 68, the Commission is required to make appointments to several committees under the Gaming Policy Advisory Committee (“GPAC”). Last year the Commission made several one-year appointments to the Local Community Mitigation Advisory Committee which will expire on October 7, 2024. We are recommending that the Commission consider reappointing these members for an additional one-year term. We also recommend that these appointees continue to serve at the pleasure of the Commission.

Local Community Mitigation Advisory Committees (“LCMAC”)

The purpose of these advisory committees is to provide information and develop recommendations for the Community Mitigation Advisory Subcommittee on issues related to the gaming facilities in each region and present information to the Commission on any issues related to the gaming establishment located in each region. Below are the biographies of the members that were presented to the Commission last year.

Region A LCMAC

Vincent Panzini - Chamber of Commerce Representative

Mr. Panzini was born and raised in Everett and graduated Everett High school. He began working right out of high school in the banking and related technical areas and did so for 21 years. He was educated at Bentley University with a bachelor’s degree in management.

In 1987 Mr. Panzini opened a Financial Advisor practice in Everett and began a 37-year career in that field while becoming very active in community organizations. He later moved his office to Danvers as his client base was moving north of Boston. He has been particularly active in the Everett Chamber of Commerce. Mr. Panzini has a keen interest in the Everett area and the effects of gaming and is interested in participating in activities that will make this a successful venture for the community.



Massachusetts Gaming Commission

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David Bancroft - Regional Economic Development Organization

David Bancroft is the Senior Vice President of Community Development for MassDevelopment. In this position he works in the Agency's Greater Boston region. He is responsible for the Agency's Brownfields, Predevelopment, Co-Working and Transformative Development initiatives.

He joined MassDevelopment in July 1999. He has worked with many for-profit, non-profit and municipal agencies involved in economic and transformative development issues. This includes the development of affordable housing, environmental assessment and clean-up, re-development and expansion of many of cultural and tourism institutions as well as the local community and neighborhood-based projects in many of the gateway cities and neighborhoods in the region.

Prior to joining MassDevelopment, he was employed for eight years with the Massachusetts Department of Housing and Community Development where he managed the Housing Innovations Fund and Facilities Consolidation Fund. He was also a Financial Analyst for Bank of Boston.

He graduated from Northeastern University in Boston with a degree in Business Administration & Finance. In 1996, he was chosen for the Commonwealth Fellowship Award from Suffolk University and earned a Masters degree in Public Administration in 1998.

He has served in the past as the President of the Board of Victory Programs, a non-profit human service provider that provides housing and support services to homeless individuals and families impacted by substance abuse and chronic illnesses like HIV/AIDS. Victory Programs also operates one the largest urban farms in the City of Boston.

For the Region A LCMAC to be complete, it needs to fill two positions of a Human Service provider position. Commission staff are investigating potential members.

Region B LCMAC

Joan Kagan Levine - Human Service Provider

Joan joined Square One as the organization's President and CEO in 2003, retiring in 2021. She has over 40 years of experience and is a recognized leader in the fields of child welfare, mental health and early education and care. Immediately prior to assuming her position at Square One, Joan served as the Western Massachusetts Director for the Massachusetts Society for the Prevention of Cruelty to Children (MSPCC) covering 4 counties. Before beginning at MSPCC, Joan had served for 17 years with Brightside for Families and Children, leaving as Vice President of Community Services.

In her career, Joan advocated at the local, state and regional levels to influence policies and legislation that impacted children and families. She was a resource to legislators, often informing them of how a particular legislative bill would affect their constituents or of some unintended consequences. Joan received several community awards which recognized her work to improve the lives of children and families, particularly those most at risk and for her contributions to the health and well-being of the community.

As a leader of several nonprofit organizations, Joan was known for her collaborative spirit and her ability to work well with others. She demonstrated strong fiscal and administrative management, policy and program development and writing and securing contracts and grants. Writing grants and responding to RFPs was an integral part of her responsibilities at Brightside and MSPCC. While serving at Square One as President and CEO, she oversaw the grant writing. She also took pride in creating strong leadership teams and promoting an organizational culture that responded to the changing needs of families within the community.

Joan received her Bachelor of Arts degree from Washington University in St. Louis and her master's degree in social work from Columbia University in New York. She is a licensed independent clinical social worker in Massachusetts. She was a trustee at Elms College and past chair of the Springfield College Social Work Advisory Board and the Human Service Forum. She served on the Board of Directors for many organizations, including the Springfield Chamber of Commerce, the Human Services Provider's Council, the Public Health Institute of Western Massachusetts, the Children's Investment Fund and the Massachusetts Association for Day Care Agencies. Joan was also a member of the Early Education for All Advisory Committee, the Cherish Every Child Advisory Board and the Early Literacy Panel for the Commonwealth of Massachusetts. She is a member and past president of the Holyoke Rotary Club.

Ellen Patashnick - Human Service Provider

Ellen received her undergraduate degree at Northeastern University and her master's degree in counseling from Suffolk University. Early in her career Ellen worked at the Department of Youth Services in Boston with delinquent and pre-delinquent youth and their families. Before moving out to the western part of the state, she worked as a social worker in Roxbury with the Department of Public Welfare and was then promoted to a supervisory position in the Division of Child Guardianship (now the Department of Children and Families). She has held several management positions including Director of the Holyoke and Robert Van Wart DCF offices.

Now retired, Ellen is a volunteer disaster responder and instructor for the American Red Cross for both local and national events. Her husband is a retired adoption supervisor.

Richard K. Sullivan, Jr. – Regional Economic Development Organization

Richard K. Sullivan, Jr. is the President & Chief Executive Officer of the Economic Development Council of Western Massachusetts, a private non-profit corporation that provides resources and information to businesses operating in or entering the region by aiding in expansion, relocation and networking.

Before he became President & CEO of the EDC he was Governor Deval Patrick's Chief of Staff and worked with all members of the Cabinet to advance the Administration's agenda.

Prior to being named Patrick's Chief of Staff, Rick served as Secretary of the Executive Office of Energy and Environmental Affairs, overseeing the Commonwealth's six environmental, natural resource and energy regulatory agencies: the Departments of Environmental Protection, Public Utilities, Energy Resources, Conservation & Recreation, Agriculture, and Fish & Game. He also served as Chairman of the Massachusetts Water Resources Authority, the Energy Facilities Siting Board, and the Massachusetts Clean Energy Center.

Under his leadership, Massachusetts is the first state in the nation to combine energy and environmental agencies under one Cabinet secretary with the shared mission of bringing clean energy technology to market, curbing greenhouse gas emissions and cutting energy costs. Governor Patrick's land conservation initiative is the largest in the Commonwealth's history, with protection of more than 75,000 acres of land from 2007 to 2010.

Prior to his appointment to the cabinet post at Energy and Environmental Affairs, Secretary Sullivan served as the commissioner of the Department of Conservation and Recreation (DCR). Appointed in June 2007, he ushered in a new era of transparency and accountability at DCR, with posted maintenance schedules for DCR properties and public meetings for all significant DCR initiatives and policies. Under his leadership, DCR completed several large-scale capital improvements in parks statewide, including a two-year, \$21.3 million project at Mt. Greylock State Reservation in Lanes borough that featured rehabilitation of the 13.5-mile Mt. Greylock Road, and a \$9 million renovation of the visitor center at Georges Island in Boston, a facility that includes a concession area, children's playground and a state-of-the-art solar-powered maintenance building. DCR also conducted a Forest Futures Visioning Process to engage residents across the Commonwealth in a discussion of forestry practices in state forests, leading to dramatic expansion of forest reserves that are protected from commercial logging.

Secretary Sullivan served as the mayor of Westfield from 1994 to 2007 and, in that capacity, chairman of the Westfield School Committee. In 2005, Sullivan was recognized by the New England Association of School Superintendents with its annual President Award for Exemplary Contributions to Education.

He is a past president of the Massachusetts Mayors Association, past chairman of the Turnpike Advisory Board, and a past member of the Governor's Local Advisory Committee. He also

served as founding president of the Winding River Land Conservancy, which has protected 1,700 acres in western Hampden County.

Sullivan graduated from Westfield High School and holds degrees from Bates College, and Western New England School of Law.

Robin Wozniak, West of the River Chamber of Commerce

Robin Wozniak is the Executive Director for the West of the River Chamber of Commerce which includes the towns of West Springfield and Agawam. She has been the executive director for the chamber for 9 years and has resided in Agawam for 25 years. Before she became the ED, she was employed at Chamber Management Services, located in East Longmeadow, MA. A company formed and run by, Debra Boronski, which ran chambers of commerce that did not have an Executive Director. Ms. Wozniak was also the Marketing Director for Chez Josef banquet facility in Agawam for 5 years, prior to her chamber roles. She was born and raised in Easthampton, MA, and graduated from Easthampton High School. She attended Holyoke Community College and Worcester State University.

Other GPAC Subcommittees

In addition to the appointment of non-commission members of the LCMACs, the Commission also made internal appointments to Community Mitigation Advisory Subcommittee.

Community Mitigation Advisory Subcommittee

The Community Mitigation Advisory Subcommittee develops recommendations to address community mitigation issues. The Commission has the authority to choose one representative of the Commission to be on the Subcommittee. This representative could be a member of the Commission, the Executive Director, or a staff member. Last year, the Commission determined that it would designate Brad Hill for that Subcommittee. MGC staff has been working with the Boards of Commissions on filling the governor appointees.

MASSACHUSETTS GAMING COMMISSION

To: Interim Chair Maynard and Commissioners Hill, O'Brien, and Skinner
From: Derek Lennon, Douglas O'Donnell, and John Scully
Date: 10/10/2024
Re: Fiscal Year 2024 (FY24) Budget Closeout

Summary:

The Massachusetts Gaming Commission approved an FY24 budget for the Gaming Control Fund of \$37.46M, which required an initial assessment of \$33.65M on licensees. After three quarters of adjustments, the MGC's revised budget was \$37.87M, which due to a credit required a \$32.23M assessment on licensees. Included in both the final spending and revenue figures are the costs for the independent monitor at Encore Boston Harbor (EBH).

Actual spending for FY24 in the Gaming Control Fund was \$37.5M, and revenues were \$38.46M. Again, in FY24, there were expenses for the independent monitor, which are a direct cost to EBH. However, due to timing issues, this revenue was realized in FY25. This is because the Commonwealth operates on a modified cash basis of accounting. Therefore, while the credit to the licensee's assessments in FY25 is the difference between FY24 spending and revenue, the surplus must also consider the \$297.2K in EBH independent monitoring expenses paid in FY24 and reimbursed in FY25.

The Commission approved a \$2.93M initial budget for the Racing Oversight Trust Fund. In the first quarter of FY24, we realized that our initial revenue estimates were too high. We made recommendations to reduce the budget by \$824K to align with our updated revenue estimates. This resulted in a revised FY24 budget for the Racing of \$2.1M, which is supported by an assessment, daily fees, and commissions associated with simulcasting and live racing.

The Commission approved an initial FY24 Budget for the Sports Wagering Control Fund of \$9.12M that required an initial assessment of \$8.16M. After three quarters of adjustments, the MGC's revised budget was \$10.15M, which due to a credit required a revised assessment of \$5.77M on licensees.

FY24 Closeout:

Gaming Control Fund 1050-0001

The most recently approved FY24 budget for the Massachusetts Gaming Commission's Gaming Control Fund was \$37.87M. The budget was composed of the following areas:

- \$31.32M for gaming regulatory costs
- \$2.55M assessment from the Commonwealth for indirect costs
- \$3.92M assessment for the Office of the Attorney General's (AGO) gaming operations, inclusive of Massachusetts State Police (MSP) assigned to the AGO
- \$75K for the Alcohol and Beverage Control Commission (ABCC).

FY24 Final Spending:

The Gaming Control Fund spending for FY24 was \$37.5M, which was \$367.7K (-0.97%) less than the approved spending level. MGC Regulatory costs underspent by \$505.9K (-1.62%), while Indirect underspent by \$113.7K (-4.46%), the Office of the Attorney General overspent by \$252K (6.42%),

and ABCC spent almost all its allocated budget. The table below shows final spending and variances to budgeted amounts by budget areas of the Gaming Control Fund, as well as brief explanations for large variances.

Row Labels	Initial Projection	Revised Budget	Final Spending	Variance	% Variance	Variance Explanation
10500001--Gaming Control Fund						
MGC Regulatory Cost						
AA REGULAR EMPLOYEE COMPENSATION	\$ 8,475,341.00	\$ 8,644,526.91	\$ 9,031,987.82	\$ 387,460.91	4.48%	Re-allocation of salaries to adjust for Racing revenue estimates
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 92,617.00	\$ 92,617.00	\$ 32,436.50	\$ (60,180.50)	-64.98%	Less employee Travel
CC SPECIAL EMPLOYEES	\$ 176,800.00	\$ 176,800.00	\$ 216,948.12	\$ 40,148.12	22.71%	
DD PENSION & INSURANCE RELATED EX	\$ 3,593,376.75	\$ 3,670,880.82	\$ 3,975,624.18	\$ 304,743.36	8.30%	Tracks with Payroll
EE ADMINISTRATIVE EXPENSES	\$ 683,354.92	\$ 683,354.92	\$ 514,477.40	\$ (168,877.52)	-24.71%	Less travel usage
FF PROGRAM, FACILITY, OPERATIONAL SUPPLIES	\$ 20,000.00	\$ 20,000.00	\$ 91,207.75	\$ 71,207.75	356.04%	Underspending in KK and LL here
GG ENERGY COSTS AND SPACE RENTAL	\$ 1,074,392.38	\$ 1,074,392.38	\$ 925,884.27	\$ (148,508.11)	-13.82%	Allocation of costs to sports wagering
HH CONSULTANT SVCS (TO DEPTS)	\$ 903,500.00	\$ 1,267,591.54	\$ 1,520,177.06	\$ 252,585.52	19.93%	\$604K of additional billings for Independent Monitor in Q4.
JJ OPERATIONAL SERVICES	\$ 11,391,530.56	\$ 11,229,907.93	\$ 10,398,412.53	\$ (831,495.40)	-7.40%	Attrition in MSP
KK Equipment Purchase	\$ 62,000.00	\$ 62,000.00	\$ 25,701.39	\$ (36,298.61)	-58.55%	Spending shifted from here to FF
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 47,807.90	\$ 47,807.90	\$ 30,766.17	\$ (17,041.73)	-35.65%	Spending shifted from here to FF
NN NON-MAJOR FACILITY MAINTENANCE REPAIR	\$ 30,000.00	\$ 30,000.00	\$ 26,112.51	\$ (3,887.49)	-12.96%	
PP STATE AID/POL SUB/OSD	\$ 150,000.00	\$ 105,000.00	\$ 133,428.75	\$ 28,428.75	27.08%	MSP fingerprinting ISA
TT PAYMENTS & REFUNDS	\$ -	\$ -	\$ -	\$ -		
UU IT Non-Payroll Expenses	\$ 4,213,112.43	\$ 4,213,112.43	\$ 3,888,839.23	\$ (324,273.20)	-7.70%	Underspending in IT infrastructure
MGC Regulatory Cost Subtotal:	\$ 30,913,832.94	\$ 31,317,991.83	\$30,812,003.68	\$ (505,988.15)	-1.62%	
EE--Indirect Costs	\$ 2,549,564.19	\$ 2,549,564.19	\$ 2,435,843.66	\$ (113,720.53)	-4.46%	
Office of Attorney General						
ISA to AGO	\$ 2,927,384.00	\$ 2,927,384.00	\$ 2,931,122.55	\$ 3,738.55	0.13%	
TT Reimbursement for AGO 0810-1024	\$ -	\$ -	\$ 536,474.00	\$ 536,474.00		Full usage of appropriation 0810-1024 and ISA for first time
AGO State Police	\$ 996,738.55	\$ 996,738.55	\$ 708,605.49	\$ (288,133.06)	-28.91%	
Office of Attorney General Subtotal:	\$ 3,924,122.55	\$ 3,924,122.55	\$ 4,176,202.04	\$ 252,079.49	6.42%	
ISA to ABCC	\$ 75,000.00	\$ 75,000.00	\$ 74,926.22	\$ (73.78)	-0.10%	
Gaming Control Fund Total Costs	\$ 37,462,519.68	\$ 37,866,678.57	\$37,498,975.60	\$ (367,702.97)	-0.97%	

Final FY24 Revenue:

The Commission’s revenue is generated from a daily fee for slot machines, licensing fees, and an assessment on licensees. Initial revenue projections for FY24 were \$37.46M. After revising the assessment for a credit of \$1.41M, related to surplus revenue from FY23 and three quarters of adjustments, to reflect better licensing revenues and account for the revenue associated with the billings for the independent monitor, the most recent revenue projections were \$37.89M, relying on an assessment of \$32.23M. FY24 final revenue received was \$38.46M. The \$38.46M collected in FY24 is \$577K (1.52%) above the projections from the third quarter. Much of the increase has to do with revenue collection associated with bills received in the final quarter of FY24 for the independent monitor. Variances between estimates and final amounts are included in the table below.

Revenues	Revenue Projections					Variance Explanation
	Initial Projection	Revised Projections	Final Revenue	Variance	% Variance	
Gaming Control Fund Beginning Balance 0500	\$ -	\$ 1,406,566.97	\$ 1,406,566.97	\$ -	0.00%	
EBH Security fees 0500/Independent Monitor	\$ -	\$ 319,091.54	\$ 618,137.88	\$ 299,046.34	93.72%	Additional revenue for independent monitor received.
ENHANCED EBH Security fees	\$ 50,000.00	\$ 255,000.00	\$ 382,299.75	\$ 127,299.75	49.92%	Additional revenue received in Q4.
Category/Region Collection Fees 0500	\$ -	\$ -	\$ -	\$ -	0.00%	
Prior Year Independent Monetary Fees 500	\$ -	\$ 6,317.66	\$ -	\$ (6,317.66)	-100.00%	
IEB background / investigative collections 0500	\$ 250,000.00	\$ 30,000.00	\$ 115,292.04	\$ 85,292.04	284.31%	Billings for licensing renewals
Region A slot Machine Fee 0500	\$ 1,501,200.00	\$ 1,501,200.00	\$ 1,501,200.00	\$ -	0.00%	
Region B Slot Machine Fee 0500	\$ 898,200.00	\$ 898,200.00	\$ 898,200.00	\$ -	0.00%	
Slots Parlor Slot Machine Fee 0500	\$ 536,400.00	\$ 536,400.00	\$ 536,400.00	\$ -	0.00%	
Gaming Employee License Fees (GEL) 3000	\$ 300,000.00	\$ 300,000.00	\$ 275,900.00	\$ (24,100.00)	-8.03%	
Key Gaming Executive (GKE) 3000	\$ 10,000.00	\$ 10,000.00	\$ 6,000.00	\$ (4,000.00)	-40.00%	
Key Gaming Employee (GKS) 3000	\$ 80,000.00	\$ 80,000.00	\$ 107,000.00	\$ 27,000.00	33.75%	
Non-Gaming Vendor (NGV) 3000	\$ 50,000.00	\$ 50,000.00	\$ 55,200.00	\$ 5,200.00	10.40%	
Vendor Gaming Primary (VGP) 3000	\$ 30,000.00	\$ 150,000.00	\$ 225,000.00	\$ 75,000.00	50.00%	
Vendor Gaming Secondary (VGS) 3000	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00		
Gaming School License (GSB)/LIQ	\$ -	\$ -	\$ 800.00	\$ 800.00		
Gaming Service Employee License (SER) 3000	\$ 75,000.00	\$ 75,000.00	\$ 71,550.00	\$ (3,450.00)	-4.60%	
Subcontractor ID Initial License (SUB) 3000	\$ 15,000.00	\$ 15,000.00		\$ (15,000.00)	-100.00%	
Temporary License Initial License (TEM) 3000	\$ 10,000.00	\$ 10,000.00		\$ (10,000.00)	-100.00%	
Assessment for PHTF	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ -	0.00%	
Transfer PHTF Assessment to PHTF	\$ (5,000,000.00)	\$ (5,000,000.00)	\$ (5,000,000.00)	\$ -	0.00%	
Veterans Initial License (VET) 3000	\$ -	\$ -		\$ -	0.00%	
Transfer of Licensing Fees to CMF 0500	\$ -	\$ -		\$ -	0.00%	
Assessment 0500	\$ 33,648,719.68	\$ 32,235,835.05	\$ 32,245,435.05	\$ 9,600.00	0.03%	
Misc/MCC Grant	\$ -	\$ -		\$ -	0.00%	
Miscellaneous 0500	\$ 5,000.00	\$ 5,000.00	\$ 6,317.22	\$ 1,317.22	26.34%	
Bank Interest 2700	\$ 3,000.00	\$ 3,000.00	\$ 7,329.07	\$ 4,329.07	144.30%	
Grand Total	\$ 37,462,519.68	\$ 37,886,611.22	\$38,463,627.98	\$ 577,016.76	1.52%	

FY24 Surplus: Credit to FY25 Assessment on Licensees:

Final spending in the Gaming Control Fund of \$37.5M, combined with final revenue in the Gaming Control Fund of \$38.46M, resulted in revenue exceeding spending by \$964.65K. There was a portion of the independent monitoring fees that were paid in FY24, and the corresponding revenue was not received until FY25 (\$297.2K). Because Encore Boston Harbor should pay the independent monitor fees, that \$297.2K is added to the surplus revenue of \$964.65K. The amount in the table below will be credited to the licensees' FY25 assessment.

Gaming Control Fund FY24		
Revenue		\$ 38,463,628.00
Less Spending	\$ 37,498,975.60	
Plus FY24 Independent Monitor Expense Reimbursed in FY25		\$ 297,207.15
Total FY24 Surplus to be Credited to FY25 Assessment		\$ 1,261,859.55

205 CMR 121.00 describes how the Commission shall assess its operational costs on casino licensees, including any increases or decreases that are the result of over or under-spending. 205 CMR 121.05, paragraph (2) specifically states:

“(2) In the event that actual revenues exceed actual costs for a given fiscal year, the commission, in its sole discretion may either return any excess revenue (Excess Assessment) in the same manner in which Excess Assessment was assessed or the commission may credit such Excess Assessment to the Annual Assessment due for the next fiscal year.”

The tables below depict each licensee’s approved gaming positions, utilized to determine their proportional share of the FY24 assessment. By combining the two halves of the year, the Commission can determine the amount each licensee is to be credited in FY25.

FY24 Gaming Positions 7/1/2023 for First Half Year Assessment					
Licensee	Slot Machines	Table Games	Table Gaming Positions	Total Gaming Positions	Percentage of Gaming Positions
MGM	1,522	57	401	1,923	28.07%
Encore	2,494	254	1,508	4,002	58.41%
PPC	893			926	13.52%
TOTAL	4,909	311	1,909	6,851	100.00%

FY24 Gaming Positions 1/1/2024 for Second Half Year Assessment					
Licensee	Slot Machines	Table Games	Table Gaming Positions	Total Gaming Positions	Percentage of Gaming Positions
MGM	1,550	57	401	1,951	28.26%
Encore	2,554	247	1,442	3,996	57.89%
PPC	923			956	13.85%
TOTAL	5,027	304	1,843	6,903	100.00%

FY24 Annual Percentage Share of Gaming Positions for Credit to FY25					
Licensee	1st half FY24 Gaming Positions	2nd Half FY24 Gaming Positions	Gaming Positions (1st Half + 2nd Half)	% of Gaming Positions	Credit to FY25 Assessment
MGM	1,923	1,951	3,874	28.17%	\$ 355,419.80
Encore	4,002	3,996	7,998	58.15%	\$ 733,775.82
PPC	926	956	1,882	13.68%	\$ 172,663.93
TOTAL	6,851	6,903	13,754	100.00%	\$ 1,261,859.55

Racing Oversight and Development Trust Fund 1050-0003

The Commission approved a preliminary budget for the Racing of \$2.93M. After three quarterly updates, the FY24 projected budget for racing was revised down to \$2.1M to adjust for revised revenue estimates because of the loss of greyhound simulcasting signals.

FY24 Final Spending:

The Racing Oversight and Development Fund’s spending for FY24 \$2.27M which was \$167.8K (7.96%) more than the approved spending level. However, \$504K of that spending was for the payment of prior year outs. Therefore, after reducing spending for the prior year outs, the Racing Oversight and Development Trust Fund was actually \$336K under the revised spending estimates for FY24. The table below shows final spending and variances to budgeted amounts by budget areas of the Racing Oversight and Development Trust Fund, as well as brief explanations for large variances.

Row Labels	Budget Projections				% Variance	Variance Explanation
	Initial Projection	Revised Budget	Final Spending	Variance		
1050003						
AA REGULAR EMPLOYEE COMPENSATION	\$ 816,563.62	\$ 561,361.13	\$ 566,248.05	\$ 4,886.92	0.87%	
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 13,000.00	\$ 13,000.00	\$ 1,315.35	\$ (11,684.65)	-89.88%	
CC SPECIAL EMPLOYEES	\$ 487,240.00	\$ 487,240.00	\$ 369,588.85	\$ (117,651.15)	-24.15%	
DD PENSION & INSURANCE RELATED EX	\$ 352,245.95	\$ 235,337.69	\$ 261,628.36	\$ 26,290.67	11.17%	
EE ADMINISTRATIVE EXPENSES	\$ 42,385.00	\$ 42,385.00	\$ 24,033.51	\$ (18,351.49)	-43.30%	Cut down on spending due to revised revenue estimates
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 42,000.00	\$ 42,000.00	\$ -	\$ (42,000.00)	-100.00%	Cut down on spending due to revised revenue estimates
HH CONSULTANT SVCS (TO DEPTS)	\$ 25,000.00	\$ 25,000.00	\$ -	\$ (25,000.00)	-100.00%	Cut down on spending due to revised revenue estimates
JJ OPERATIONAL SERVICES	\$ 784,877.37	\$ 396,500.00	\$ 291,418.89	\$ (105,081.11)	-26.50%	Cut down on spending due to revised revenue estimates
KK EQUIPMENT PURCHASES	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 915.00	\$ 915.00	\$ -	\$ (915.00)	-100.00%	
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 85,000.00	\$ 85,000.00	\$ 65,000.00	\$ (20,000.00)	-23.53%	
NN INFRASTRUCTURE:	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
TT LOANS AND SPECIAL PAYMENTS	\$ -	\$ -	\$ 504,010.05	\$ 504,010.05	#DIV/0!	2021 and 2022 Outs Payments for Suffolk and PPC
UU IT Non-Payroll Expenses	\$ 10,000.00	\$ 10,000.00	\$ 1,389.14	\$ (8,610.86)	-86.11%	
EE --Indirect Costs	\$ 204,504.23	\$ 140,146.24	\$ 122,092.13	\$ (18,054.11)	-12.88%	
ISA to DPH	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ -	0.00%	
Grand Total	\$ 2,933,731.17	\$ 2,108,885.06	\$ 2,276,724.33	\$ 167,839.27	7.96%	

Final FY24 Revenue:

The Commission's operational revenue racing is generated from an assessment, daily fees, and commissions associated with simulcasting and live racing. FY24 final revenue received was \$2.7M, which was \$305K higher than revised estimates. The \$305K increase represented the unclaimed tickets (also referred to as "outs") for the previous year. Variances between estimates and final amounts are included in the table below.

Revenues	Initial Projection	Revised Projections	Final Revenue	Variance	% Variance	Variance Explanation
Racing Oversight and Development Balance Forward 0131	\$ -	\$ 296,074.28	\$ 296,074.28	\$ -	0.00%	
Plainridge Assessment 4800	\$ 60,000.00	\$ 60,000.00	\$ 67,452.24	\$ 7,452.24	12.42%	
Plainridge Daily License Fee 3003	\$ 109,500.00	\$ 109,500.00	\$ 124,365.00	\$ 14,865.00	13.58%	
Plainridge Occupational License 3003/3004	\$ 50,000.00	\$ 50,000.00	\$ 45,730.00	\$ (4,270.00)	-8.54%	
Plainridge Racing Development Oversight Live 0131	\$ 25,000.00	\$ 25,000.00	\$ 8,353.11	\$ (16,646.89)	-66.59%	
Plainridge Racing Development Oversight Simulcast 0131	\$ 100,000.00	\$ 100,000.00	\$ 77,057.68	\$ (22,942.32)	-22.94%	
Raynham Assessment 4800	\$ 55,000.00	\$ 55,000.00	\$ 69,430.25	\$ 14,430.25	26.24%	
Raynham Daily License Fee 3003	\$ 92,700.00	\$ 92,700.00	\$ 108,300.00	\$ 15,600.00	16.83%	
Raynham Racing Development Oversight Simulcast 0131	\$ 75,000.00	\$ 75,000.00	\$ 63,630.21	\$ (11,369.79)	-15.16%	
Suffolk Assessment 4800	\$ 640,000.00	\$ 640,000.00	\$ 624,741.26	\$ (15,258.74)	-2.38%	
Suffolk Commission Racing Development Oversight Simulcast 0131	\$ 20,000.00	\$ 20,000.00	\$ 73,685.96	\$ 53,685.96	268.43%	
Suffolk Daily License Fee 3003	\$ 72,600.00	\$ 72,600.00	\$ 77,100.00	\$ 4,500.00	6.20%	
Suffolk TVG Commission Simulcast 0131	\$ 420,000.00	\$ 420,000.00	\$ 380,088.93	\$ (39,911.07)	-9.50%	
Suffolk Twin Spires Commission Live 0131	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Suffolk Twin Spires Commission Simulcast 0131	\$ 200,000.00	\$ 200,000.00	\$ 142,960.81	\$ (57,039.19)	-28.52%	
Suffolk Xpress Bet Commission Live 0131	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Suffolk Xpress Bet Commission Simulcast 0131	\$ 50,000.00	\$ 50,000.00	\$ 60,197.08	\$ 10,197.08	20.39%	
Suffolk NYRA Bet Commission Live 0131	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Suffolk NYRA Bet Commission Simulcast 0131	\$ 100,000.00	\$ 100,000.00	\$ 85,647.30	\$ (14,352.70)	-14.35%	
Wonderland Assessment 4800	\$ -	\$ -	\$ 351.48	\$ 351.48	#DIV/0!	
Wonderland Daily License Fee 3003	\$ -	\$ -	\$ 1,200.00	\$ 1,200.00	#DIV/0!	
Wonderland Racing Development Oversight Simulcast 0131	\$ 2,000.00	\$ 2,000.00	\$ 69.83	\$ (1,930.17)	-96.51%	
Plainridge fine 2700	\$ 25,000.00	\$ 25,000.00	\$ 33,650.00	\$ 8,650.00	34.60%	
Plainridge Unclaimed wagers 5009	\$ -	\$ -	\$ 116,328.16	\$ 116,328.16	#DIV/0!	Paid This FY
Suffolk Unclaimed wagers 5009	\$ -	\$ -	\$ 114,479.36	\$ 114,479.36	#DIV/0!	Paid this FY
Raynham Unclaimed wagers 5009	\$ -	\$ -	\$ 127,549.82	\$ 127,549.82	#DIV/0!	This needs to be transferred into Racing Stabilization
Wonderland Unclaimed wagers 5009	\$ -	\$ -	\$ 655.85	\$ 655.85	#DIV/0!	This needs to be transferred into Racing Stabilization
Misc/Bank Interest 0131	\$ 750.00	\$ 750.00	\$ 100.00	\$ (650.00)	-86.67%	
Grand Total	\$ 2,097,550.00	\$ 2,393,624.28	\$ 2,699,198.61	\$ 305,574.33	12.77%	

FY24 Racing Oversight and Development Surplus and FY25 Beginning Balance

Final spending in the Racing Oversight and Development Fund of \$2.27M, combined with final revenue of \$2.7M, resulted in revenue exceeding spending by \$422.47K. However, \$274.6K of the surplus revenue, comprising the unclaimed wagers for Raynham and Wonderland is restricted and must be transferred into the racing stabilization fund in FY25. Therefore, the true surplus from racing activities in FY24 that is unrestricted and can be used in FY25 for regulatory activities is \$147.85K. The table below shows how we arrived at the unrestricted FY24 surplus.

Racing Oversight and Development Fund FY24		
Revenue		\$ 2,699,198.61
Less Spending	\$ 2,276,724.33	
Less Raynham Unclaimed Wagers Received in FY23	\$ 146,413.47	
Less Raynham Unclaimed Wagers Received in FY24	\$ 127,549.82	
Less Wonderland Unclaimed Wagers Received in FY24	\$ 655.85	
Total FY24 Surplus Available for Regulatory Activities in FY25		\$ 147,855.14

Sports Wagering Control Fund 1050-1384

The Commission approved a preliminary budget for the Sports Wagering Control Fund of \$9.11M. After three quarterly updates, the FY24 projected budget for sports wagering increased to \$10.15M. The MGC balanced forward \$296.8K in suitability fees from FY23. The MGC had an initial assessment of \$8.16M on licensees to support the Commission’s FY24 regulatory activities. After a credit of \$2.38M and three (3) quarters of adjustments, the assessment was revised down to \$5.77M.

FY24 Final Spending:

The Sports Wagering Control Fund spending for FY24 was \$8.00M, \$2.15M (-21.15%) less than the approved spending level. The table below shows final spending and variances to budgeted amounts by budget areas of the Sports Wagering Control Fund, as well as brief explanations for large variances.

Row Labels	Initial Projection	Revised Budget	Final Spending	Variance	% Variance	Variance Explanation
10501384						
AA REGULAR EMPLOYEE COMPENSATION	\$ 3,567,552.78	\$ 3,316,902.69	\$ 1,938,608.67	\$ (1,378,294.02)	-41.55%	Delays in hiring
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 7,000.00	\$ 7,000.00	\$ 6,131.96	\$ (868.04)	-12.40%	
CC SPECIAL EMPLOYEES	\$ 147,600.00	\$ 147,600.00	\$ 82,988.26	\$ (64,611.74)	-43.77%	
DD PENSION & INSURANCE RELATED EX	\$ 1,546,946.34	\$ 1,684,078.53	\$ 846,186.11	\$ (837,892.42)	-49.75%	Delays in Hiring
EE ADMINISTRATIVE EXPENSES	\$ 34,500.00	\$ 34,500.00	\$ 56,453.02	\$ 21,953.02	63.63%	
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ -	\$ -	\$ 1,342.20	\$ 1,342.20	#DIV/0!	
GG ENERGY COSTS AND SPACE RENTAL	\$ 393,114.12	\$ 393,114.12	\$ 454,674.70	\$ 61,560.58	15.66%	
HH CONSULTANT SVCS (TO DEPTS)	\$ 950,000.00	\$ 1,692,297.00	\$ 2,296,217.28	\$ 603,920.28	35.69%	A portion of these costs were for GLI annualization of a contract as well as RSM being able to move quickly through some suitability reviews.
JJ OPERATIONAL SERVICES	\$ 541,519.27	\$ 841,519.27	\$ 958,579.14	\$ 117,059.87	13.91%	Staffing up of the MSP GEU for sports wagering a quarter sooner than our revised projections.
KK EQUIPMENT PURCHASES	\$ -	\$ -	\$ 548.44	\$ 548.44	#DIV/0!	
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ -	\$ -	\$ 825.83	\$ 825.83	#DIV/0!	
NN INFRASTRUCTURE:	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
OO ALL SPENDING CATEGORIES	\$ 750,000.00	\$ 318,938.67	\$ -	\$ (318,938.67)	-100.00%	These costs were shifted to the consultant line for GLI assistance early in the year.
OO--ISA AGO	\$ -	\$ 500,000.00	\$ -	\$ (500,000.00)	-100.00%	AGO did not take on any enforcement activities that were billed back
TT LOANS AND SPECIAL PAYMENTS	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
UU IT Non-Payroll Expenses	\$ 737,026.94	\$ 737,026.94	\$ 809,526.84	\$ 72,499.90	9.84%	
EE --Indirect Costs	\$ 440,545.25	\$ 477,774.95	\$ 551,976.50	\$ 74,201.55	15.53%	
Grand Total	\$ 9,115,804.70	\$ 10,150,752.17	\$ 8,004,058.95	\$ (2,146,693.22)	-21.15%	

Final FY24 Revenue:

The Commission's operational revenue for sports wagering is generated from vendor and employee licensing fees, background suitability fees, and an assessment on licensees. Initial revenue projections for FY24 were \$9.11M, comprising \$955K in licensing fees and an assessment of \$8.16M. FY24 final revenue received was \$10.75M, which was \$265.3K (2.53%) above estimates. We received \$5.73M in assessments, a balance forward of \$2.68M from FY23 surplus revenue which was a combination of a \$2.38M credit to licensees FY25 assessment, and \$296.8K of restricted suitability fees, ~\$2M in additional suitability fees, and \$334K in licensing fees and miscellaneous revenue. Variances between estimates and final amounts are included in the table below.

Revenues	Initial Projection	Revised Projections	Final Revenue	Variance	% Variance	Variance Explanation
BALANCE FORWARD PRIOR YEAR	\$ -	\$ 2,386,176.06	\$ 2,386,176.06	\$ -	0.00%	
Carryforward of Prior Year Suitability Invest Fees		\$ 296,809.44	\$ 296,809.44	\$ -	0.00%	Carry forward of FY23 suitability investigative fees.
CATERGORY 1 Suitability Fees	\$ -	\$ 283,898.52	\$ 300,000.00	\$ 16,101.48	5.67%	
CATERGORY 2 Suitability Fees	\$ -	\$ 27,404.73	\$ -	\$ (27,404.73)	-100.00%	
CATEROGRY 3 (TETHERED) Suitability Fees	\$ -	\$ 595,571.12	\$ 1,050,000.00	\$ 454,428.88	76.30%	
CATERGORY 3 (UNTETHERED) Suitability Fees	\$ -	\$ 489,935.07	\$ 720,000.00	\$ 230,064.93	46.96%	
EMPLOYEE LICENSING FEES 3000	\$ 300,000.00	\$ 225,000.00	\$ 245,610.00	\$ 20,610.00	9.16%	
VENDOR SW FEES 3000 (Initial)	\$ 400,000.00	\$ 150,000.00	\$ 15,000.00	\$ (135,000.00)	-90.00%	
FANTASY FEES 3000	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
ASSESSMENT 0500	\$ 8,160,804.70	\$ 5,774,628.64	\$ 5,732,121.56	\$ (42,507.08)	-0.74%	Refund of suitability fees for BETR and WynnBet taken from final assessment fees.
FINES & PENALTIES 2700	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
MISC 0500	\$ 50,000.00	\$ 50,000.00	\$ 80.00	\$ (49,920.00)	-99.84%	
IEB BACKGROUND/INVESTIGATIVE FEES 3000 Vendors	\$ 200,000.00	\$ 200,000.00	\$ -	\$ (200,000.00)	-100.00%	
BANK INTEREST SW	\$ 5,000.00	\$ 5,000.00	\$ 3,911.56	\$ (1,088.44)	-21.77%	
Grand Total	\$9,115,804.70	\$10,484,423.58	\$10,749,708.62	\$265,285.04	2.53%	

FY24 Surplus: Credit to FY25 Assessment on Licensees:

Final spending in the Sports Wagering Control Fund of \$8.0M, combined with final revenue of \$10.75M, resulted in revenue exceeding spending by \$2.68M. However, of the initial \$3.2M background suitability fees, \$296.8K (see attachment B) was not spent and must reduce the excess

revenue, resulting in an FY23 surplus of \$2.38M. The amount in the table below will be credited to the licensees' FY24 assessment.

Sports Wagering Control Fund FY24		
Revenue		10,749,708.61
Less Spending	\$ 8,004,058.95	
Less FY24 Suitability Revenue Carryforward	\$ 499,226.50	
Total FY24 Surplus to be Credited to FY25 Assessment		\$ 2,246,423.16

205 CMR 221.00 describes how the commission shall assess its operational costs on sports wagering licensees, including any increases or decreases that are the result of over or under-spending. 205 CMR 121.03, paragraph (4) specifically states:

(4) In the event that actual revenues exceed actual costs for a given fiscal year, the Commission in its sole discretion shall credit such Excess Assessment to the Annual Assessment due for the next fiscal year.

The \$2.24M credit to licensees' FY25 assessment will be in the same percentage as their initial share of the FY24 assessment. The table below shows each operator's share of the FY24 credit.

Operator	Share of FY24 Assessment	Refund
Bally's	0.0248%	\$ 557.23
BarStool PSI - PENN	3.9067%	\$ 87,759.89
Betr	0.0271%	\$ 608.63
BetMGM	10.2836%	\$ 231,012.11
Betway - DGC	0.0248%	\$ 557.23
Caesars - AWI	2.8415%	\$ 63,831.16
DraftKings-Crown MA	43.8557%	\$ 985,184.44
Fanatics-FBG	0.0248%	\$ 557.23
FanDuel-Betfair	34.1021%	\$ 766,076.44
WSI - Wynn Bets	2.0613%	\$ 46,305.13
EBH SB	1.8085%	\$ 40,627.49
MGM SB	0.1099%	\$ 2,469.59
PPC SB	0.9293%	\$ 20,876.59
TOTAL	100.0000%	\$ 2,246,423.16

Attachment A to this document is the budget to actual spending and revenue for the Gaming Control, Racing Oversight and Development and Sports Wagering Control Funds for FY24. Attachment B summarizes sports wagering applicants' background suitability deposits and costs through FY24.

Conclusion:

After the third quarterly update for FY24, the Gaming Control fund was estimated to spend \$37.86M, requiring a \$32.23M assessment on licensees. The Gaming Control Fund's final spending for FY24

was \$37.5M, which was \$367.7K (0.97%) less than the approved budget. The Gaming Control Fund's final revenue for FY24 was \$38.46M. The net impact of spending under budget, revenue exceeding projections, and reimbursements for FY24 invoices for the independent monitor received in FY25 resulted in a \$1.26M FY24 surplus in the Gaming Control Fund. The surplus will be credited to licensees' FY25 assessments.

After 3 quarters of updates the FY24 Racing Oversight and Development fund was estimated to spend \$2.10M and projected revenues were \$2.39M. Final spending was \$2.27M, and final revenue was \$2.7M. This resulted in a surplus of \$422.47K of which \$274.62 will be transferred to the Racing Stabilization fund and the balance of \$147.85K is available for FY25 regulatory activities.

The most recent estimates for Sports Wagering Control fund projected spending of \$10.15M, requiring a \$5.77M assessment on licensees. Final spending for the fund in FY24 was \$8.0M, which was \$2.16M (21.15%) less than the approved budget. The Sports Wagering Control Fund's final revenue for FY24 was \$10.75M. The net impact of spending under budget, revenue exceeding projections, and carryforward of suitability investigation deposits resulted in a \$2.24M FY24 surplus in the fund. The surplus will be credited to sports wagering licensees' FY25 assessments.

Attachment A: FY24 Spending and Revenue Final

Attachment B: Sports Wagering Suitability Deposits and Costs

2024		Budget Projections					
Row Labels	Initial Projection	Revised Budget	Final Spending	Variance	% Variance	Variance Explanation	
10500001--Gaming Control Fund							
MGC Regulatory Cost							
AA REGULAR EMPLOYEE COMPENSATION	\$ 8,475,341.00	\$ 8,644,526.91	\$ 9,031,987.82	\$ 387,460.91	4.48%	Re-allocation of salaries to adjust for Racing revenue estimates	
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 92,617.00	\$ 92,617.00	\$ 32,436.50	\$ (60,180.50)	-64.98%	Less employee Travel	
CC SPECIAL EMPLOYEES	\$ 176,800.00	\$ 176,800.00	\$ 216,948.12	\$ 40,148.12	22.71%		
DD PENSION & INSURANCE RELATED EX	\$ 3,593,376.75	\$ 3,670,880.82	\$ 3,975,624.18	\$ 304,743.36	8.30%	Tracks with Payroll	
EE ADMINISTRATIVE EXPENSES	\$ 683,354.92	\$ 683,354.92	\$ 514,477.40	\$ (168,877.52)	-24.71%	Less travel usage	
FF PROGRAM, FACILITY, OPERATIONAL SUPPLIES	\$ 20,000.00	\$ 20,000.00	\$ 91,207.75	\$ 71,207.75	356.04%	Underspending in KK and LL here	
GG ENERGY COSTS AND SPACE RENTAL	\$ 1,074,392.38	\$ 1,074,392.38	\$ 925,884.27	\$ (148,508.11)	-13.82%	Allocation of costs to sports wagering \$604K of additional billings for	
HH CONSULTANT SVCS (TO DEPTS)	\$ 903,500.00	\$ 1,267,591.54	\$ 1,520,177.06	\$ 252,585.52	19.93%	Independent Monitor in Q4.	
JJ OPERATIONAL SERVICES	\$ 11,391,530.56	\$ 11,229,907.93	\$ 10,398,412.53	\$ (831,495.40)	-7.40%	Attrition in MSP	
KK Equipment Purchase	\$ 62,000.00	\$ 62,000.00	\$ 25,701.39	\$ (36,298.61)	-58.55%	Spending shifted from here to FF	
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 47,807.90	\$ 47,807.90	\$ 30,766.17	\$ (17,041.73)	-35.65%	Spending shifted from here to FF	
NN NON-MAJOR FACILITY MAINTENANCE REPAIR	\$ 30,000.00	\$ 30,000.00	\$ 26,112.51	\$ (3,887.49)	-12.96%		
PP STATE AID/POL SUB/OSD	\$ 150,000.00	\$ 105,000.00	\$ 133,428.75	\$ 28,428.75	27.08%	MSP fingerpring ISA	
TT PAYMENTS & REFUNDS	\$ -	\$ -	\$ -	\$ -			
UU IT Non-Payroll Expenses	\$ 4,213,112.43	\$ 4,213,112.43	\$ 3,888,839.23	\$ (324,273.20)	-7.70%	Underspending in IT infrastructure	
MGC Regulatory Cost Subtotal:	\$ 30,913,832.94	\$ 31,317,991.83	\$ 30,812,003.68	\$ (505,988.15)	-1.62%		
EE--Indirect Costs							
Office of Attorney General							
ISA to AGO	\$ 2,927,384.00	\$ 2,927,384.00	\$ 2,931,122.55	\$ 3,738.55	0.13%		
TT Reimbursement for AGO 0810-1024	\$ -	\$ -	\$ 536,474.00	\$ 536,474.00		Full usage of appropriation 0810-1024 and ISA for first time	
AGO State Police	\$ 996,738.55	\$ 996,738.55	\$ 708,605.49	\$ (288,133.06)	-28.91%		
Office of Attorney General Subtotal:	\$ 3,924,122.55	\$ 3,924,122.55	\$ 4,176,202.04	\$ 252,079.49	6.42%		
ISA to ABCC	\$ 75,000.00	\$ 75,000.00	\$ 74,926.22	\$ (73.78)	-0.10%		
Gaming Control Fund Total Costs	\$ 37,462,519.68	\$ 37,866,678.57	\$ 37,498,975.60	\$ (367,702.97)	-0.97%		

Revenue Projections						
Revenues	Initial Projection	Revised Projections	Final Revenue	Variance	% Variance	Variance Explanation
Gaming Control Fund Beginning Balance 0500	\$ -	\$ 1,406,566.97	\$ 1,406,566.97	\$ -	0.00%	
EBH Security fees 0500/Independent Monitor	\$ -	\$ 319,091.54	\$ 618,137.88	\$ 299,046.34	93.72%	Additional revenue for independent monitor received.
ENHANCED EBH Security fees	\$ 50,000.00	\$ 255,000.00	\$ 382,299.75	\$ 127,299.75	49.92%	Additional revenue received in Q4.
Category/Region Collection Fees 0500	\$ -	\$ -	\$ -	\$ -	0.00%	
Prior Year Independent Monetary Fees 500	\$ -	\$ 6,317.66	\$ -	\$ (6,317.66)	-100.00%	
IEB background / investigative collections 0500	\$ 250,000.00	\$ 30,000.00	\$ 115,292.04	\$ 85,292.04	284.31%	Billings for licensing renewals
Region A slot Machine Fee 0500	\$ 1,501,200.00	\$ 1,501,200.00	\$ 1,501,200.00	\$ -	0.00%	
Region B Slot Machine Fee 0500	\$ 898,200.00	\$ 898,200.00	\$ 898,200.00	\$ -	0.00%	
Slots Parlor Slot Machine Fee 0500	\$ 536,400.00	\$ 536,400.00	\$ 536,400.00	\$ -	0.00%	
Gaming Employee License Fees (GEL) 3000	\$ 300,000.00	\$ 300,000.00	\$ 275,900.00	\$ (24,100.00)	-8.03%	
Key Gaming Executive (GKE) 3000	\$ 10,000.00	\$ 10,000.00	\$ 6,000.00	\$ (4,000.00)	-40.00%	

Attachment A: FY24 Spending and Revenue Final

Key Gaming Employee (GKS) 3000	\$ 80,000.00	\$ 80,000.00	\$ 107,000.00	\$ 27,000.00	33.75%
Non-Gaming Vendor (NGV) 3000	\$ 50,000.00	\$ 50,000.00	\$ 55,200.00	\$ 5,200.00	10.40%
Vendor Gaming Primary (VGP) 3000	\$ 30,000.00	\$ 150,000.00	\$ 225,000.00	\$ 75,000.00	50.00%
Vendor Gaming Secondary (VGS) 3000	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	
Gaming School License (GSB)/LIQ	\$ -	\$ -	\$ 800.00	\$ 800.00	
Gaming Service Employee License (SER) 3000	\$ 75,000.00	\$ 75,000.00	\$ 71,550.00	\$ (3,450.00)	-4.60%
Subcontractor ID Initial License (SUB) 3000	\$ 15,000.00	\$ 15,000.00		\$ (15,000.00)	-100.00%
Temporary License Initial License (TEM) 3000	\$ 10,000.00	\$ 10,000.00		\$ (10,000.00)	-100.00%
Assessment for PHTF	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ -	0.00%
Transfer PHTF Assessment to PHTF	\$ (5,000,000.00)	\$ (5,000,000.00)	\$ (5,000,000.00)	\$ -	0.00%
Veterans Initial License (VET) 3000	\$ -	\$ -		\$ -	0.00%
Transfer of Licensing Fees to CMF 0500	\$ -	\$ -		\$ -	0.00%
Assessment 0500	\$ 33,648,719.68	\$ 32,235,835.05	\$ 32,245,435.05	\$ 9,600.00	0.03%
Misc/MCC Grant	\$ -	\$ -		\$ -	0.00%
Miscellaneous 0500	\$ 5,000.00	\$ 5,000.00	\$ 6,317.22	\$ 1,317.22	26.34%
Bank Interest 2700	\$ 3,000.00	\$ 3,000.00	\$ 7,329.07	\$ 4,329.07	144.30%
Grand Total	\$ 37,462,519.68	\$ 37,886,611.22	\$ 38,463,627.98	\$ 577,016.76	1.52%

2024 Row Labels	Budget Projections		Final Spending	Variance	% Variance	Variance Explanation
	Initial Projection	Revised Budget				
4000-1101 Research and Responsible Gaming/Public Health Trust Fund						
AA REGULAR EMPLOYEE COMPENSATION	\$ 334,980.49	\$ 334,980.49	\$ 341,734.00	\$ 6,753.51	2.02%	
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 7,250.00	\$ 7,250.00	\$ 8,288.00	\$ 1,038.00	14.32%	
CC SPECIAL EMPLOYEES	\$ -	\$ -		\$ -	#DIV/0!	
DD PENSION & INSURANCE RELATED EX	\$ 146,466.23	\$ 146,466.23	\$ 154,839.71	\$ 8,373.48	5.72%	
EE ADMINISTRATIVE EXPENSES	\$ 420,902.90	\$ 420,902.90	\$ 433,168.26	\$ 12,265.36	2.91%	
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 1,000.00	\$ 1,000.00		\$ (1,000.00)	-100.00%	
HH CONSULTANT SVCS (TO DEPTS)	\$ 3,655,000.00	\$ 3,655,000.00	\$ 3,621,065.75	\$ (33,934.25)	-0.93%	
JJ OPERATIONAL SERVICES	\$ 15,000.00	\$ 15,000.00	\$ 5,312.81	\$ (9,687.19)	-64.58%	
MM PURCHASED CLIENT/PROGRAM SVCS	\$ -	\$ -		\$ -	#DIV/0!	
PP STATE AID/POL SUB	\$ 1,320,000.00	\$ 1,320,000.00	\$ 1,155,282.34	\$ (164,717.66)	-12.48%	
UU IT Non-Payroll Expenses	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
ISA to DPH	\$ -	\$ -		\$ -	#DIV/0!	
Research and Responsible Gaming/Public Health Trust Fund Subtotal:	\$ 5,900,599.62	\$ 5,900,599.62	\$ 5,719,690.87	\$ (180,908.75)	-3.07%	

Row Labels	Budget Projections		Final Spending	Variance	% Variance	Variance Explanation
	Initial Projection	Revised Budget				
1050003						
AA REGULAR EMPLOYEE COMPENSATION	\$ 816,563.62	\$ 561,361.13	\$ 566,248.05	\$ 4,886.92	0.87%	
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 13,000.00	\$ 13,000.00	\$ 1,315.35	\$ (11,684.65)	-89.88%	
CC SPECIAL EMPLOYEES	\$ 487,240.00	\$ 487,240.00	\$ 369,588.85	\$ (117,651.15)	-24.15%	
DD PENSION & INSURANCE RELATED EX	\$ 352,245.95	\$ 235,337.69	\$ 261,628.36	\$ 26,290.67	11.17%	
EE ADMINISTRATIVE EXPENSES	\$ 42,385.00	\$ 42,385.00	\$ 24,033.51	\$ (18,351.49)	-43.30%	Cut down on spending due to revised revenue estimates

Attachment A: FY24 Spending and Revenue Final

FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 42,000.00	\$ 42,000.00	\$ -	\$ (42,000.00)	-100.00%	Cut down on spending due to revised revenue estimates
HH CONSULTANT SVCS (TO DEPTS)	\$ 25,000.00	\$ 25,000.00	\$ -	\$ (25,000.00)	-100.00%	Cut down on spending due to revised revenue estimates
JJ OPERATIONAL SERVICES	\$ 784,877.37	\$ 396,500.00	\$ 291,418.89	\$ (105,081.11)	-26.50%	Cut down on spending due to revised revenue estimates
KK EQUIPMENT PURCHASES	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 915.00	\$ 915.00	\$ -	\$ (915.00)	-100.00%	
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 85,000.00	\$ 85,000.00	\$ 65,000.00	\$ (20,000.00)	-23.53%	
NN INFRASTRUCTURE:	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
TT LOANS AND SPECIAL PAYMENTS	\$ -	\$ -	\$ 504,010.05	\$ 504,010.05	#DIV/0!	2021 and 2022 Outs Payments for Suffolk and PPC
UU IT Non-Payroll Expenses	\$ 10,000.00	\$ 10,000.00	\$ 1,389.14	\$ (8,610.86)	-86.11%	
EE --Indirect Costs	\$ 204,504.23	\$ 140,146.24	\$ 122,092.13	\$ (18,054.11)	-12.88%	
ISA to DPH	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ -	0.00%	
Grand Total	\$ 2,933,731.17	\$ 2,108,885.06	\$ 2,276,724.33	\$ 167,839.27	7.96%	

Revenue Projections						
Revenues	Initial Projection	Revised Projections	Final Revenue	Variance	% Variance	Variance Explanation
Racing Oversight and Development Balance Forward 0131	\$ -	\$ 296,074.28	\$ 296,074.28	\$ -	0.00%	
Plainridge Assessment 4800	\$ 60,000.00	\$ 60,000.00	\$ 67,452.24	\$ 7,452.24	12.42%	
Plainridge Daily License Fee 3003	\$ 109,500.00	\$ 109,500.00	\$ 124,365.00	\$ 14,865.00	13.58%	
Plainridge Occupational License 3003/3004	\$ 50,000.00	\$ 50,000.00	\$ 45,730.00	\$ (4,270.00)	-8.54%	
Plainridge Racing Development Oversight Live 0131	\$ 25,000.00	\$ 25,000.00	\$ 8,353.11	\$ (16,646.89)	-66.59%	
Plainridge Racing Development Oversight Simulcast 0131	\$ 100,000.00	\$ 100,000.00	\$ 77,057.68	\$ (22,942.32)	-22.94%	
Raynham Assessment 4800	\$ 55,000.00	\$ 55,000.00	\$ 69,430.25	\$ 14,430.25	26.24%	
Raynham Daily License Fee 3003	\$ 92,700.00	\$ 92,700.00	\$ 108,300.00	\$ 15,600.00	16.83%	
Raynham Racing Development Oversight Simulcast 0131	\$ 75,000.00	\$ 75,000.00	\$ 63,630.21	\$ (11,369.79)	-15.16%	
Suffolk Assessment 4800	\$ 640,000.00	\$ 640,000.00	\$ 624,741.26	\$ (15,258.74)	-2.38%	
Suffolk Commission Racing Development Oversight Simulcast 0131	\$ 20,000.00	\$ 20,000.00	\$ 73,685.96	\$ 53,685.96	268.43%	
Suffolk Daily License Fee 3003	\$ 72,600.00	\$ 72,600.00	\$ 77,100.00	\$ 4,500.00	6.20%	
Suffolk TVG Commission Simulcast 0131	\$ 420,000.00	\$ 420,000.00	\$ 380,088.93	\$ (39,911.07)	-9.50%	
Suffolk Twin Spires Commission Live 0131	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Suffolk Twin Spires Commission Simulcast 0131	\$ 200,000.00	\$ 200,000.00	\$ 142,960.81	\$ (57,039.19)	-28.52%	
Suffolk Xpress Bet Commission Live 0131	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Suffolk Xpress Bet Commission Simulcast 0131	\$ 50,000.00	\$ 50,000.00	\$ 60,197.08	\$ 10,197.08	20.39%	
Suffolk NYRA Bet Commission Live 0131	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Suffolk NYRA Bet Commission Simulcast 0131	\$ 100,000.00	\$ 100,000.00	\$ 85,647.30	\$ (14,352.70)	-14.35%	
Wonderland Assessment 4800	\$ -	\$ -	\$ 351.48	\$ 351.48	#DIV/0!	
Wonderland Daily License Fee 3003	\$ -	\$ -	\$ 1,200.00	\$ 1,200.00	#DIV/0!	
Wonderland Racing Development Oversight Simulcast 0131	\$ 2,000.00	\$ 2,000.00	\$ 69.83	\$ (1,930.17)	-96.51%	
Plainridge fine 2700	\$ 25,000.00	\$ 25,000.00	\$ 33,650.00	\$ 8,650.00	34.60%	
Plainridge Unclaimed wagers 5009	\$ -	\$ -	\$ 116,328.16	\$ 116,328.16	#DIV/0!	Paid This FY
Suffolk Unclaimed wagers 5009	\$ -	\$ -	\$ 114,479.36	\$ 114,479.36	#DIV/0!	Paid this FY
Raynham Unclaimed wagers 5009	\$ -	\$ -	\$ 127,549.82	\$ 127,549.82	#DIV/0!	This needs to be transferred into Racing Stabilization

Attachment A: FY24 Spending and Revenue Final

Wonderland Unclaimed wagers 5009	\$ -	\$ -	\$ 655.85	\$ 655.85	#DIV/0!	This needs to be transferred into Racing Stabilization
Misc/Bank Interest 0131	\$ 750.00	\$ 750.00	\$ 100.00	\$ (650.00)	-86.67%	
Grand Total	\$ 2,097,550.00	\$ 2,393,624.28	\$ 2,699,198.61	\$ 305,574.33	12.77%	

Budget Projections						
Row Labels	Initial Projection	Revised Budget	Final Spending	Variance	% Variance	Variance Explanation
10500004						
AA REGULAR EMPLOYEE COMPENSATION	\$ 213,962.43	\$ 213,962.43	\$ 215,009.65	\$ 1,047.22	0.49%	
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 5,000.00	\$ 5,000.00	\$ 1,481.81	\$ (3,518.19)	-70.36%	
DD PENSION & INSURANCE RELATED EX	\$ 93,552.53	\$ 93,552.53	\$ 97,420.91	\$ 3,868.38	4.13%	
EE ADMINISTRATIVE EXPENSES	\$ 22,877.37	\$ 22,877.37	\$ 26,270.90	\$ 3,393.53	14.83%	
GG ENERGY COSTS AND SPACE RENTAL	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
JJ OPERATIONAL SERVICES	\$ -	\$ -	\$ 4,797.00	\$ 4,797.00	#DIV/0!	
HH CONSULTANT SVCS (Grant)	\$ -	\$ -	\$ 41,710.00	\$ 41,710.00	#DIV/0!	
PP STATE AID/GRANTS	\$ 10,000,000.00	\$ 10,000,000.00	\$ 4,622,117.22	\$ (5,377,882.78)	-53.78%	
UU IT Non-Payroll Expenses	\$ 50,000.00	\$ 50,000.00	\$ -	\$ (50,000.00)	-100.00%	
Grand Total	\$ 10,385,392.33	\$ 10,385,392.33	\$ 5,008,807.49	\$ (5,376,584.84)	-51.77%	

Budget Projections						
Row Labels	Initial Projection	Revised Budget	Final Spending	Variance	% Variance	Variance Explanation
10501384						
AA REGULAR EMPLOYEE COMPENSATION	\$ 3,567,552.78	\$ 3,316,902.69	\$ 1,938,608.67	\$ (1,378,294.02)	-41.55%	Delays in hiring
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 7,000.00	\$ 7,000.00	\$ 6,131.96	\$ (868.04)	-12.40%	
CC SPECIAL EMPLOYEES	\$ 147,600.00	\$ 147,600.00	\$ 82,988.26	\$ (64,611.74)	-43.77%	
DD PENSION & INSURANCE RELATED EX	\$ 1,546,946.34	\$ 1,684,078.53	\$ 846,186.11	\$ (837,892.42)	-49.75%	
EE ADMINISTRATIVE EXPENSES	\$ 34,500.00	\$ 34,500.00	\$ 56,453.02	\$ 21,953.02	63.63%	
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ -	\$ -	\$ 1,342.20	\$ 1,342.20	#DIV/0!	
GG ENERGY COSTS AND SPACE RENTAL	\$ 393,114.12	\$ 393,114.12	\$ 454,674.70	\$ 61,560.58	15.66%	
HH CONSULTANT SVCS (TO DEPTS)	\$ 950,000.00	\$ 1,692,297.00	\$ 2,296,217.28	\$ 603,920.28	35.69%	
JJ OPERATIONAL SERVICES	\$ 541,519.27	\$ 841,519.27	\$ 958,579.14	\$ 117,059.87	13.91%	
KK EQUIPMENT PURCHASES	\$ -	\$ -	\$ 548.44	\$ 548.44	#DIV/0!	
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ -	\$ -	\$ 825.83	\$ 825.83	#DIV/0!	
NN INFRASTRUCTURE:	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
OO ALL SPENDING CATEGORIES	\$ 750,000.00	\$ 318,938.67	\$ -	\$ (318,938.67)	-100.00%	A portion of these costs were for GLI annualization of a contract as well as RSM being able to move quickly through some suitability reviews. Staffing up of the MSP GEU for sports wagering a quarter sooner than our revised projections.
OO--ISA AGO	\$ -	\$ 500,000.00	\$ -	\$ (500,000.00)	-100.00%	
TT LOANS AND SPECIAL PAYMENTS	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
UU IT Non-Payroll Expenses	\$ 737,026.94	\$ 737,026.94	\$ 809,526.84	\$ 72,499.90	9.84%	These costs were shifted to the consultant line for GLI assistance early in the year. AGO did not take on any enforcement activities that were billed back
EE --Indirect Costs	\$ 440,545.25	\$ 477,774.95	\$ 551,976.50	\$ 74,201.55	15.53%	
Grand Total	\$ 9,115,804.70	\$ 10,150,752.17	\$ 8,004,058.95	\$ (2,146,693.22)	-21.15%	

Revenue Projections

Attachment A: FY24 Spending and Revenue Final

Revenues	Initial Projection	Revised Projections	Final Revenue	Variance	% Variance	Variance Explanation
BALANCE FORWARD PRIOR YEAR	\$ -	\$ 2,386,176.06	\$ 2,386,176.06	\$ -	0.00%	Carry forward of FY23 suitability investigative fees. Refund of suitability fees for BETR and WynnBet taken from final assessment fees.
Carryforward of Prior Year Suitability Invest Fees		\$ 296,809.44	\$ 296,809.44	\$ -	0.00%	
CATERGORY 1 Suitability Fees	\$ -	\$ 283,898.52	\$ 300,000.00	\$ 16,101.48	5.67%	
CATERGORY 2 Suitability Fees	\$ -	\$ 27,404.73	\$ -	\$ (27,404.73)	-100.00%	
CATEROGRY 3 (TETHERED) Suitability Fees	\$ -	\$ 595,571.12	\$ 1,050,000.00	\$ 454,428.88	76.30%	
CATERGORY 3 (UNTETHERED) Suitability Fees	\$ -	\$ 489,935.07	\$ 720,000.00	\$ 230,064.93	46.96%	
EMPLOYEE LICENSING FEES 3000	\$ 300,000.00	\$ 225,000.00	\$ 245,610.00	\$ 20,610.00	9.16%	
VENDOR SW FEES 3000 (Initial)	\$ 400,000.00	\$ 150,000.00	\$ 15,000.00	\$ (135,000.00)	-90.00%	
FANTASY FEES 3000	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
ASSESSMENT 0500	\$ 8,160,804.70	\$ 5,774,628.64	\$ 5,732,121.56	\$ (42,507.08)	-0.74%	
FINES & PENALTIES 2700	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
MISC 0500	\$ 50,000.00	\$ 50,000.00	\$ 80.00	\$ (49,920.00)	-99.84%	
IEB BACKGROUND/INVESTIGATIVE FEES 3000 Vendors	\$ 200,000.00	\$ 200,000.00	\$ -	\$ (200,000.00)	-100.00%	
BANK INTEREST SW	\$ 5,000.00	\$ 5,000.00	\$ 3,911.56	\$ (1,088.44)	-21.77%	
Grand Total	\$9,115,804.70	\$10,484,423.58	\$10,749,708.62	\$265,285.04	2.53%	

Attachment B: Sports Wagering Suitability Deposits and Costs

Operator	License Type	Deposits through FY24	Expenses through FY24	Restricted Balance Rolled to FY25
SW EBH	1	\$300,000.00	\$168,405.33	\$131,594.67
SW MGM	1	\$300,000.00	\$177,237.11	\$122,762.89
SW PPC	1	\$300,000.00	\$186,794.04	\$113,205.96
	1 Total	\$900,000.00	\$532,436.48	\$367,563.52
SW RAYNHAM	2	\$200,000.00	\$229,761.24	(\$29,761.24)
	2 Total	\$200,000.00	\$229,761.24	(\$29,761.24)
BET365	3T	\$200,000.00	\$123,919.15	\$76,080.85
BETMGM	3T	\$500,000.00	\$443,763.23	\$56,236.77
CAESARS SB	3T	\$500,000.00	\$481,325.07	\$18,674.93
FANATICS	3T	\$300,000.00	\$369,795.73	(\$69,795.73)
PENN SI	3T	\$400,000.00	\$354,193.35	\$45,806.65
WYNNBET	3T	\$273,361.21	\$273,361.21	\$0.00
	3T Total	\$2,173,361.21	\$2,046,357.74	\$127,003.47
BALLY BET	3U	\$300,000.00	\$209,304.83	\$90,695.17
BETR	3U	\$385,010.24	\$385,010.24	\$0.00
BETWAY	3U	\$300,000.00	\$204,965.95	\$95,034.05
POINTSBET	3U	\$200,000.00	\$162,783.72	\$37,216.28
SW FANDUEL	3U	\$400,000.00	\$325,205.76	\$74,794.24
SWDRAFTKIN	3U	\$300,000.00	\$563,318.99	(\$263,318.99)
	3U Total	\$1,885,010.24	\$1,850,589.49	\$34,420.75
	Grand Total	\$5,158,371.45	\$4,659,144.95	\$499,226.50



Void Requests

Consistent with 238.35(2), for any transaction where a Sports Wagering Operator may cancel or void a Wager with prior authorization of the Commission, the Sports Wagering Operator shall submit a system of Internal Controls in accordance with 205 CMR 238.02 for voiding wagers and subsequent allocation of patron funds.

Operator:

Title:

Date:

Name:

In keeping with statutory and regulatory provisions, please provide information below:

Incident Date:

Date Reported:

A report documenting the incident must include summary/background, summary of wagers, root cause, mitigation, and resolution.

A wager report must include all wagers placed on the market, highlighting/indicating the wagers requesting to be voided.

- Total Stake \$:
- Total Liability \$:
- Total Patrons Impacted #:

An explanation per 205 CMR 238.35(2)(c); why cancelling or voiding the wagers is in the best interests of the Commonwealth or ensures the integrity of the industry.

An explanation of the resolution for patrons (which would include, at a minimum, the amount wagered returned to the patron).

Excerpt of current house rules that addresses this void

FOR MGC USE ONLY

Pursuant to 205 CMR 238.35(4), the Commission shall issue a written order granting or denying the request to void wagers.

Void Approved

Void Denied

Void Conditionally Approved Conditions:

Commission Meeting Date:

Signed by:

Date Signed:



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

FROM: Carrie Torrisi, Chief of Sports Wagering
Crystal Beauchemin, Business Manager
Andrew Steffen, Operations Manager

DATE: October 3, 2024

RE: 205 CMR 238.12 Temporary Waiver Request

EXECUTIVE SUMMARY:

The Sports Wagering Operators are seeking Commission approval for temporary waivers from the provision of 205 CMR 238:12 *Reserve Requirement* which requires that “the amount of the reserve intended to cover the Sports Wagering liability...be in the form of, or backed up by, an irrevocable letter of credit approved by the Commission.”

The full text of 205 CMR 238.12(1) reads:

*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.** (emphasis added)*

This regulation was initially promulgated on January 5, 2024, and amended on March 14, 2024. The intention of the March amendments was to address concerns around cessation of operations

and the specific interest in ensuring the patron accounts, which were funded but not wagered, were protected separate from other liabilities.

Following promulgation of the amended language, the operators sought clarity regarding the requirements. Since July, the Sports Wagering Division has worked closely with the Finance Division and has had extensive conversations with each operator to clarify the current regulatory requirement and understand the questions and challenges that it may pose. We have also sought opinion from outside counsel Anderson & Krieger working in tandem with Bankruptcy counsel to provide greater insights and assist with answering the operators' questions. After many conversations, Chief Financial and Accounting Officer Derek Lennon expressed that the existing version of the regulation may not meet the Commission's intent in terms of protecting patron accounts and recommended the submission of waivers along with a review of the regulation.

Each operator currently has a method in place for their reserves, some of which include 110% cash, surety bonds in the Commission's name, and Corporate Guarantees. However, all operators that have requested a waiver do not currently have a letter of credit in place.

RECOMMENDATION:

The Legal Division intends to bring proposed amendments to 205 CMR 238.12 to the Commission for discussion at a future meeting. In the interim, the Sports Wagering Division recommends granting a waiver to all operators from the letter of credit requirement outlined in 205 CMR 238.12(1) until March 1, 2025, to provide time for the Commission to review and possibly promulgate these amendments, and for the operators to implement any necessary changes.



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: 9/30/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): Bally's Interactive, LLC

NAME OF INDIVIDUAL COMPILING REQUEST: Justin Black

TITLE OF INDIVIDUAL COMPILING REQUEST: Director of Compliance, North American Interactive

CONTACT EMAIL ADDRESS: justin.black@ballys.com

CONTACT PHONE NUMBER: (226) 666-2106

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 205 CMR 238.00

REGULATION SECTION TITLE: 238.12(1)

REGULATION LANGUAGE/TEXT:

(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.



REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: Through Dec. 31, 2024

Per 205 CMR 102.03(4)(b)

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

Bally's Interactive is currently holding funds in excess of \$500,000 in a segregated account, however, is asking for a waiver until an irrevocable letter of credit, approved by the Commission, can be obtained and provided to the Commission.

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:

If not granted, Bally's Interactive would be in contradiction of the Regulations.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

N/A

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: 9/30/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): BetMGM

NAME OF INDIVIDUAL COMPILING REQUEST: Sarah Brennan

TITLE OF INDIVIDUAL COMPILING REQUEST: Senior Director, Compliance

CONTACT EMAIL ADDRESS: sarah.brennan@betmgm.com

CONTACT PHONE NUMBER: 732-782-5125

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):

robyn.bowers@betmgm.com, julia.castronovo@betmgm.com, kieran.conlon@betmgm.com,

joseph.caputi@betmgm.com, jess.panora@betmgm.com

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 205 CMR 238.00: ADDITIONAL UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL CONTROLS FOR SPORTS WAGERING

REGULATION SECTION TITLE: 238.12: Reserve Requirement

REGULATION LANGUAGE/TEXT:

(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.



REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: Temporarily until the regulation is reviewed and revised by the MGC.

Per 205 CMR 102.03(4)(b)

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

BetMGM is requesting a temporary waiver until further guidance is provided from the MGC. BetMGM requested a meeting with the MGC, which took place on August 26, 2024, with the MGC's CFO, Derek Lennon, during which it was confirmed it would be acceptable for BetMGM to use cash to reserve for these funds.

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 not fully comply with the letter of credit requirement under section 205 CMR 238.12(1).

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

BetMGM does not have a letter of credit facility with banking institution. Our reserves for all jurisdictions are maintained in segregated cash accounts or surety bonds, or a combination of both where allowable. A letter of credit would not be able to readily be adjusted with increases in the liability balance, whereas with a segregated cash account we can move additional funds to cover the liability as needed on each business day. BetMGM maintains a cash reserve in a separate account (from our operating funds) that is 110% of player account balances and future liabilities. This balance is monitored Monday – Friday as part of the daily reconciliation process. As funds cannot be moved on non-business days, BetMGM audits weekend operations on the next business day. On any given day, the appropriate funds will be transferred (from BetMGM's main bank account) into the cash reserve account to cover all outstanding player liabilities.

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: 9/27/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): American Wagering, Inc., dba Caesars Sportsbook ("Caesars")

NAME OF INDIVIDUAL COMPILING REQUEST: Curtis Lane Jr

TITLE OF INDIVIDUAL COMPILING REQUEST: Digital Compliance Manager

CONTACT EMAIL ADDRESS: Curtis.lane@caesars.com

CONTACT PHONE NUMBER: 609 335-2737

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 205 CMR 238.12

REGULATION SECTION TITLE: Reserve Requirement

REGULATION LANGUAGE/TEXT:

(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.



REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH:

Per 205 CMR 102.03(4)(b)

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

Caesars current reserve requirement does not include the maintenance of a letter of credit to cover the sports wagering liability. Caesars holds cash separately, in a reserve bank account, from operating funds and, in the event of cessation, will use such funds to cover sports wagering liabilities.

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:

Caesars has opened and maintains a reserve bank account for player liability. A letter of credit is tied to Caesars revolving credit facility, which does have a maturity date to it. Caesars wishes to note that a letter of credit would not be overly difficult obtain or cause any significant hardship but the preference is to maintain the reserve in a bank account.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

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: 9/26/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): Crown MA Gaming / DraftKings

NAME OF INDIVIDUAL COMPILING REQUEST: Kevin Nelson

TITLE OF INDIVIDUAL COMPILING REQUEST: Senior Manager, Regulatory Operations

CONTACT EMAIL ADDRESS: Knelson@draftkings.com

CONTACT PHONE NUMBER: 518 – 727 – 4624

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED:

REGULATION SECTION TITLE:

238.12 (1)

REGULATION LANGUAGE/TEXT:

(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

REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH:

Through promulgation of the amended version of 238.12.

Per 205 CMR 102.03(4)(b)

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

After discussion with MGC staff, it's our understanding the intent of the reserve requirement is to protect patron funds in the event of insolvency, however this is currently satisfied by DraftKings implementation of the previously established reserve without the irrevocable letter of credit. It is our understanding from that discussion that the Commission intends to revise the language to reflect its intent.

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

If a waiver is not granted by the Commission it would result in DraftKings non-compliance with 238.12 (1), specifically as it relates to operators obtaining an irrevocable letter of credit approved by the Commission. DraftKings has consulted with MGC staff directly and understands this requirement will be reviewed and likely amended by Commission staff in the near future.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

N/A

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: 10/4/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): Encore Boston Harbor

NAME OF INDIVIDUAL COMPILING REQUEST: John Santon

TITLE OF INDIVIDUAL COMPILING REQUEST: Chief Financial Officer

CONTACT EMAIL ADDRESS: john.santon@encorebostonharbor.com

CONTACT PHONE NUMBER: 857-770-7815

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 238.12

REGULATION SECTION TITLE: Reserve Requirement

REGULATION LANGUAGE/TEXT: subsection 1: "the amount of the reserve intended to cover the sports wagering liability must be in the for 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"

REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: Indefinite

Per 205 CMR 102.03(4)(b)

PLEASE EXPLAIN THE BASIS FOR THE PROPOSED WAIVER/VARIANCE SOUGHT: Encore Boston Harbor's sports wagering operations are integrated into our casino cage operations. Similar to gaming cheques and slot vouchers, outstanding winning sports wagering tickets are repaid to patrons in cash, or less frequently via check or wire. The amount of cash on site as part of our casino operations hurdles the sports wagering futures/unpaid winning ticket liability by a high multiple, far



in excess of 110% as noted in the regulation. We request a waiver from backing up this minimal liability with an irrevocable letter of credit. We will always have substantially more cash on hand than our exposure to sports wagering outcomes and unpaid tickets (for example, 2,600% in the prior month vs. the 110% requirement). Our outstanding table games cheque liability far exceeds our sports wagering liability and we've operated for over 5 years without any incident where a patron was unable to redeem gaming cheques or vouchers, or even a progressive jackpot payout of nearly \$1 million for cash.

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: We would need to obtain and hold a letter of credit well above the previously observed daily maximum liability (for example, the entire year would require a LOC in excess of Superbowl Sunday) to address an obligation that will always be multiples below the amount of cash on hand.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

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: 9/27/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): FBG Enterprises Opco LLC d/b/a Fanatics Sportsbook

NAME OF INDIVIDUAL COMPILING REQUEST: Megan Otieno

TITLE OF INDIVIDUAL COMPILING REQUEST: State Compliance Manager

CONTACT EMAIL ADDRESS: megan.otieno@betfanatics.com

CONTACT PHONE NUMBER: 617-461-7779

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 205 CMR 238.12(1)

REGULATION SECTION TITLE: Reserve Requirement

REGULATION LANGUAGE/TEXT:

(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.



REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH:

Permanent/until regulation is amended.

Per 205 CMR 102.03(4)(b)

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

FBG requests a waiver from the section of 238.12(1), above in bold, requiring 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.” The regulation previously allows for the reserve to 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,” and FBG is reserved at the required 110% in the form of cash reserves, cash equivalents, and payment processor reserves. FBG believes that the way the regulation is written allows for the reserve to take the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond or a combination thereof, and therefore requiring a letter of credit in addition to the chosen form of reserve is contradictory to the regulation allowing for any of the forementioned options.

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:

FBG would have to obtain a letter of credit in addition to holding the reserve amount in the form of cash reserves, cash equivalents, and payment processor reserves as we do today.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

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: 9/17/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): Betfair Interactive US, LLC d/b/a FanDuel

NAME OF INDIVIDUAL COMPILING REQUEST: Cory Fox

TITLE OF INDIVIDUAL COMPILING REQUEST: Vice President for Product and New Market Compliance

CONTACT EMAIL ADDRESS: Cory.Fox@fanduel.com

CONTACT PHONE NUMBER: 650-346-6624

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT): NA

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 205 CMR 238.12(2)

REGULATION SECTION TITLE: Reserve Requirement

REGULATION LANGUAGE/TEXT:

238.12(1)-(2)

(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.

REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH:

FanDuel is seeking a permanent waiver from the requirement in 205 CMR 238.12(2) for operators to hold 110% of the total funds in customers' sports wagering accounts, a subset of which must be held in the form of a letter of credit, as estimated and reported in the most recent quarter of the Fiscal Year as outlined in 205 CMR 238.12(2).

Per 205 CMR 102.03(4)(b)

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

FanDuel is committed to always maintaining a cash reserve in an amount necessary to ensure the ability to cover the outstanding liability for our online sports wagering obligations, as required by applicable regulations. FanDuel maintains its sports wagering reserves with cash held in jurisdiction-specific bank accounts. Currently in Massachusetts, FanDuel maintains a cash reserve to cover the outstanding liability for online sports wagering obligations, which is adjusted daily to reflect updated liabilities. As described in its internal controls, FanDuel verifies that the cash balance of the account is greater than its potential liability associated with its 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 within 24 hours to cover this gap. At no time does the cash reserve fall below \$500,000.

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. However, FanDuel believes that daily cash reserve management is better aligned with the ever-changing liabilities associated with sports wagering than a quarterly fixed amount held in more than one reserve mechanism tied to the sum of funds from the previous quarter.



In our view, tying the 110% requirement to the previous quarter of the Fiscal Year and requiring that “the amount of the reserve intended to cover the Sports Wagering liability” be in the form of an irrevocable letter of credit raises concerns over potential reserve shortfalls and financial instrument flexibility. Depending on the volume of funds in the previous quarter, reserves managed in this manner could lack sufficient funds to cover the outstanding liabilities in the Commonwealth at that point in time, despite the introduction of a 10% buffer. This discrepancy could be due to a quarter where there is reduced wagering activity preceding a quarter with a significant increase in wagering activity, a routine fixture in sports wagering. Further, letters of credit are operationally difficult to modify, and any benefits associated with their use are outweighed by the logistical challenges of updating them on a quarterly basis with information that would not be known until the end of the quarter.

One example is the cash reserve for Quarter 2 of the Fiscal Year (October-December) tying to 110% of the amount reported in Quarter 1 of the Fiscal Year (July-September). During Quarter 1, the only significant wagering activity would be on regular season Major League Baseball until the beginning of September when football season commences. During Quarter 2, the NFL, College Football, Tier 1 Soccer Leagues such as the Premier League and La Liga, the National Basketball Association, and the National Hockey League all drive a significant increase in wagering activity from the previous quarter. Given this disparity in wagering activity, it is highly likely that 110% of the total reserve in Quarter 1 would be insufficient to cover the total amount of funds in sports wagering account during Quarter 2.

FanDuel has discussed reserve management with Commission staff, and believes the regulation can be improved to accomplish the Commission’s regulatory objectives while providing operators with more flexibility in a more precise manner. At this time, FanDuel believes granting the waiver would be appropriate, and would allow FanDuel to ensure that its Massachusetts-specific reserve account has sufficient funds to backstop liabilities that change dynamically every day.

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:

If the Commission does not grant this waiver, FanDuel would not fully be in compliance with 205 CMR 238.12(1)-(2) since FanDuel does maintain a portion of the reserve as a letter of credit, and does not currently require that our Massachusetts cash reserve cover an amount equal to 110% of the total funds held in Sports Wagering Accounts, as estimated and reported in the most recent quarter of the Fiscal Year. Today, FanDuel maintains a cash reserve that covers the outstanding liability for online sports wagering obligations. The amount in that cash reserve is adjusted daily to reflect the updated sum of funds in our customers’ Massachusetts sports wagering accounts.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

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: 9/30/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): Blue Tarp reDevelopment, LLC, dba MGM Springfield.

NAME OF INDIVIDUAL COMPILING REQUEST: Daniel Miller

TITLE OF INDIVIDUAL COMPILING REQUEST: Compliance Director

CONTACT EMAIL ADDRESS: dmiller@mgmspringfield.com

CONTACT PHONE NUMBER: 413-557-8143

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):
N/A

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 238.12

REGULATION SECTION TITLE: Reserve Requirement

REGULATION LANGUAGE/TEXT: (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.

REASON FOR REQUEST OF WAIVER



DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: Until the revised Regulation is promulgated.

Per 205 CMR 102.03(4)(b)

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

MGMS's Category 1 sportsbook's reserve is currently backed up by the property and larger company's preserved bankroll, consisting of cash and/or cash equivalents and is not backed by an irrevocable letter of credit.

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: The Sportsbook's working reserve within the greater gaming operation, is more than 100% covered for any future or outstanding sports wagers. Therefore, to seek, file and maintain an irrevocable letter of credit in addition, would be overly burdensome and largely unnecessary, based on our current business model.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST: As our Category 1 sportsbook, does not use any kind of sports wagering accounts, holding unwagered monies belonging to players, there is physically less players' money at risk. Also, our reserve backed up by a larger gaming infrastructure means the risk itself is further mitigated.

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: 9/11/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY): Penn Sports Interactive

NAME OF INDIVIDUAL COMPILING REQUEST: Adam Kates

TITLE OF INDIVIDUAL COMPILING REQUEST: VP, Compliance

CONTACT EMAIL ADDRESS: adam.kates@thescore.com

CONTACT PHONE NUMBER: 416-479-8812 ext. 2728

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):
N/A

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 205 CMR § 238.12

REGULATION SECTION TITLE: Reserve Requirement

REGULATION LANGUAGE/TEXT:

(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: *Sports Wagering Account Management*;
- (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) 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 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.

(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.

REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: Indefinitely, until regulatory updates to 205 CMR 238.12 are approved by the Commission.

Per 205 CMR 102.03(4)(b)

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

Penn Sports Interactive (“PSI”) respectfully requests a temporary waiver of the requirements of 205 CMR 238.12 until revised regulations are approved by the Commission. Currently, PSI ensures patron funds, futures, and pending withdrawal amounts are backed and protected through a combination of Payment Processor Funds and a Corporate Guarantee from their parent company, PENN Entertainment.

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:

The current regulatory requirements prescribed by 205 CMR 238.12 places a burden and restricts operators by requiring a large amount of liquid assets to be held stagnant in a segregated account while limiting their available operating cashflow. In addition, irrevocable letters of credit involve ongoing costs to maintain and may potentially reduce our entity’s borrowing capacity with creditors. Pursuant to on-going discussions with the MGC, the expectation is that substantial updates will be made to the requirements prescribed in 205 CMR



238.12. In the interim, PSI requests to maintain their current reserve structure until updated requirements are approved by the MGC.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

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: 9/24/2024

NAME OF LICENSEE / OPERATOR (REQUESTING ENTITY):

Plainville Gaming & Redevelopment, LLC d/b/a Plainridge Park Casino (PPC)

NAME OF INDIVIDUAL COMPILING REQUEST: Lisa McKenney

TITLE OF INDIVIDUAL COMPILING REQUEST: Compliance Manager

CONTACT EMAIL ADDRESS: Lisa.Mckenney@pennentertainment.com

CONTACT PHONE NUMBER: 508-576-4409

EMAIL/PHONE NUMBER FOR PROVIDING DECISION (IF DIFFERENT FROM CONTACT):

N/A

REGULATION INFORMATION

SPECIFIC REGULATION (#) FOR WHICH WAIVER IS REQUESTED: 205 CMR § 238.12

REGULATION SECTION TITLE: Reserve Requirement

REGULATION LANGUAGE/TEXT:

(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: Sports Wagering Account Management;



- (b) Held in the form of cash reserves;
- (c) Backed up by an irrevocable letter of credit approved by the Commission;
- (d) or 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 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.
- (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.

REASON FOR REQUEST OF WAIVER

DATE(S)/ TIMEFRAME WAIVER IS REQUESTED THROUGH: Indefinitely, until regulatory updates to 205 CMR 238.12 are approved by the Commission.

Per 205 CMR 102.03(4)(b)

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

Plainridge Park Casino respectfully requests a temporary waiver of the requirements of 205 CMR 238.12 until revised regulations are approved by the Commission. Currently, PPC ensures patron funds, futures, and pending withdrawal amounts are backed and protected through a combination of Payment Processor Funds and a Corporate Guarantee from our parent company, PENN Entertainment.

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:



The current regulatory requirements prescribed by 205 CMR 238.12 places a burden and restricts operators by requiring a large amount of liquid assets to be held stagnant in a segregated account while limiting their available operating cashflow. In addition, irrevocable letters of credit involve ongoing costs to maintain and may potentially reduce our entity's borrowing capacity with creditors. Pursuant to on-going discussions with the MGC, the expectation is that substantial updates will be made to the requirements prescribed in 205 CMR 238.12. In the interim, PPC requests to maintain their current reserve structure until updated requirements are approved by the MGC.

ADDITIONAL JUSTIFICATION/EXPLANATION FOR REQUEST:

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

7. **Soccer:** Revision for settlement clarification.
8. **Boxing:** Addition of rules to address new market type.
9. **Snooker:** Revisions for settlement clarification and addition of rules to address new market type.

CONCLUDING STATEMENT:

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

Rules for Fanatics Sportsbook

General Betting Rules

Obvious Errors

Fanatics Sportsbook will not cancel or void a wager due to an “obvious error” without prior approval of the Commission.

Obvious errors include, but are not limited to, the following:

- Wagers that have been placed on markets that contain selections where an impossible outcome or impossible combination of events could lead to the wager not having a chance to win. Ex: A customer being able to back 2 selections as First Touchdown scorer in a same game parlay.

Odds Boosts

Odds Boosts are offered as a promotional bet on specific selections or markets. Odds Boosts can be offered as a single wager or as a packaged parlay consisting of two or more selections.

If any selection within an Odds Boost is void under our Sportsbook House Rules or Sport-Specific Rules, the entire Odds Boost will be settled as Void. the remaining selections will be used to determine the outcome of the wager at revised odds to reflect this. We will endeavor to keep the price boost reflected in the odds of the remaining leg(s).

Football

Football Player Market Rules

Most Passing, Rushing or Receiving Yards in a game (by an individual player)

Multi-player markets offering the opportunity to bet on a selected player to achieve the most passing, rushing, or receiving yards in an individual game or as a head-to-head market against another player. These are all-in markets where a listed player must lead in these statistical categories.

- In markets where joint winners are declared, any participant who is awarded a share of the victory will be settled as a winner with a dead heat reduction based on the number of other winners. Other selections will be settled as losers.

Football Futures Market Rules

NCAA Conference Regular Season Winner/Conference Tournament Winner/National Championship Winner

- If an unquoted and/or impermissible selection wins, all selections will be void. If multiple teams are deemed regular season champions, the winner would be the team awarded the top conference seed in the stated conference tournament.

Basketball

Basketball Market Rules

Correct Score

This market offers the customer the chance to bet on what the exact score of the game will be at the end of play. This market will be settled based on the final score of the game and will include overtime. Selections can be offered without being attributed to a specific team, or with the named teams being allocated one of the two totals each. For example, a selection such as “114-101” would be a winner if either team won by such a scoreline, whereas “Team A 114-101 Team B” would require the exact score to be achieved by each team.

Quarter Correct Score

This market offers the customer the chance to bet on what the exact score of the game will be at the end of each quarter. This market will be settled based on the final score at the end of each quarter. This market will not include overtime, only points scored when regulation ends will count towards this market. Selections can be offered without being attributed to a specific team, or with the named teams being allocated one of the two totals each. For example, a selection such as “25-20” would be a winner if either team won by such a scoreline, whereas “Team A 25-20 Team B” would require the exact score to be achieved by each team.

Player to Record 1+ Points, Rebounds, Assists, Blocks, Steals, and Turnovers

A market offering the chance to bet on whether the nominated player will record 1 or more instances in all 6 of these statistical categories

- Points
- Rebound
- Assists
- Blocks
- Steals
- Turnovers

- Markets will be settled according to the official game book, or the official competition stats offered by the organizing body.
- A player must enter the court and receive at least 1 second of playing time in the stated quarter or half for quarter/half specific markets to have action.
- Offensive and Defensive rebounds will count in the instance of Total Rebounds

Basketball Lightning Bet Markets

Type of Next Field Goal - 4 Way

- This is a bet on what type and what team scores the next field goal
 - Home Team 2 Pointer
 - Home Team 3 Pointer
 - Away Team 2 Pointer
 - Away Team 3 Pointer

Baseball

Batter Plate Appearance Betting

Each Pitcher to Record 1+ Strikeouts in the 1st Inning

A 2-way yes/no market offering customers the opportunity to bet on each specified pitcher to throw 1, or more, strikeouts per inning across specified matches. Any listed pitcher who does not start will be voided.

- If a listed pitcher starts but does not complete the 1st inning of play (3 outs), all wagers on this market will be voided, unless the market has already been determined by the listed pitcher obtaining a strikeout.

Ice Hockey

Ice Hockey Market Rules

First Team to Score Wins Game

A 2-way market offering the option of which team will score first and win the game.

Resulted at the end of the match (including overtime)

- If the game is suspended before completion then the market will be resulted as a void.

- If neither team has scored before the completion of the game and the game results in a tie, the market is resulted as a void.

Wire to Wire

- A market offered for a given team to be leading a game at the end of each period of that game. Provided the selected team leads at the end of each period, the relevant bet will be successful even if, during any such period, the selected team temporarily ceases to lead the scoring.
- 'Any Other Selection' will be deemed the winner if either team does not lead the game after each period.

Ice Hockey Player Market Rules

First/Last/Anytime Goalscorer

A market offering the chance to bet on the chosen player to score a goal subject to the criteria specified in the market name.

- 'In-Play' wagers will be deemed void if the player does not record 1 second of playing time after the wager is placed.

X Player to Score in all 3 Periods

- Settled on a player scores a goal in all 3 periods of the game.
- For settlement purposes - the 3rd period does not include OT or Shoot-outs.

Ice Hockey Futures Market Rules

General Ice Hockey Futures Rules

Bets will be settled based on official standings or rulings provided by the organizing body. For bets to stand, the number of games where a result is passed must equal the number of games scheduled when the season begins, unless the outcome has already been determined. Any forfeited game that is considered an official result will count towards season long bets.

- If an unquoted and/or impermissible selection wins, all selections in that market will be void.

NCAA Conference Regular Season Winner/Conference Tournament Winner/National Championship Winner

- If an unquoted and/or impermissible selection wins, all selections will be void. If multiple teams are deemed regular season champions, the winner would be the team awarded the top conference seed in the stated conference tournament.

Golf

General Golf Rules

- Tournament based bets have action once the player has teed off the first hole. The exception to this rule is in PGA, LPGA, DP World, and LIV events exclusively, where Fanatics Sportsbook will consider any selections made on individual golfers void if the selected player is active for the tournament but withdraws for any reason before teeing off and completing one stroke in the second round. Any markets for that individual player on selections that have already been unequivocally determined will be settled as such - for example, First Round Leader, or a First Round 2-ball matchup. Any undetermined selections will be void.

Soccer

General Soccer Rules

- All wagers that are placed during halftime on player props where the player wagered on is subsequently subbed off at halftime, will be made void.

Boxing

Boxing Market Rules

Round Outcome - Round X

A series of markets for each round in a fight that offers selections on what the end result of a given round is.

- To Reach Next Round
- KO/TKO/DQ
- Submission

Snooker/Pool

Snooker/Pool Market Rules

Session Outright/Correct Score

A multi way market offering customers the opportunity to select the exact correct score of the overall matchup.

- In the event of a walkover, retirement or disqualification bets will be made void.
- If a session is reduced in length due to time constraints, bets will be settled on completion of the original intended number of frames in that session.

Stage of Elimination

- Player must play one shot in the tournament for bets to stand