



## 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 | February 15, 2024 | 9:30 a.m.**  
**VIA REMOTE ACCESS: 1-646-741-5292**  
**MEETING ID/ PARTICIPANT CODE: 112 731 9013**  
**All meetings are streamed live at [www.massgaming.com](http://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](http://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 - #501**

1. Call to Order – Cathy Judd-Stein, Chair
2. Meeting Minutes – Commissioner Jordan Maynard, Judith Young, Associate General Counsel
  - a. May 8, 2023 **VOTE**
  - b. May 10, 2023 **VOTE**
  - c. May 16, 2023 **VOTE**
3. Administrative Update – Todd Grossman, Interim Executive Director & General Counsel
4. Communications Division – Thomas Mills, Communications Division Chief, David Souza, Digital Communications Coordinator
  - a. Discussion and Review of Draft Annual Report FY24 **VOTE**
5. Research and Responsible Gaming Division – Mark Vander Linden, Director of Research and Responsible Gaming
  - a. GameSense Quarterly Report – Long Banh, Project Manager; Massachusetts Council on Gaming & Health: Chelsea Turner, Chief Operations Officer, Odessa Dwarika, Chief Programs Officer, Jolyn Barreuther, GameSense Manager, LouLouse Lovaincy, GameSense Advisor



Massachusetts Gaming Commission

6. Legal – Todd Grossman, Interim Executive Director & General Counsel, Carrie Torrisi, Deputy General Counsel
  - a. 205 CMR 257: Sports Wagering Data Privacy– Discussion and Review of the Amended Regulation and Small Business Impact Statement for authorization to begin the promulgation process. **VOTE**
  - b. 205 CMR 256.04: Sports Wagering Advertising - Discussion and Review of Proposed Amendments and Small Business Impact Statement for authorization to begin the promulgation process. **VOTE**
  - c. Discussion of provisions of 205 CMR 238 and 205 CMR 247 regarding line-moving safeguards
  
7. IEB – Caitlin Monahan, Interim IEB Director
  - a. Briefing of noncompliance matter related to Category 3 Sports Wagering Licensee BetMGM and discussion regarding next steps. Alleged noncompliance relates to wagers on unauthorized events in violation of G. L. c. 23N, section 3 and 205 CMR 247.01(2)(e) – Nate Kennedy, Enforcement Counsel
  - b. Briefing on noncompliance matter related to Category 1 Sports Wagering Licensee MGM Springfield and discussion regarding next steps. Alleged noncompliance relates to wagers on an unauthorized event in violation of G. L. c. 23N, section 3 and 205 CMR 247.01(2)(a)(2) – Diandra Franks, Enforcement Counsel
  - c. Briefing on noncompliance matter related to Category 3 Sports Wagering Licensee BetMGM and discussion regarding next steps. Alleged noncompliance relates to wagers on events after results were known in violation of 205 CMR 247.01(2)(h) – Diandra Franks, Enforcement Counsel
  - d. Briefing on noncompliance matters related to Category 3 Sports Wagering Licensee BetMGM and discussion regarding next steps. Alleged noncompliance relates to wagers on events after results were known in violation of 205 CMR 247.01(2)(h) – Zac Mercer, Enforcement Counsel
  
8. Community Affairs Division – Joe Delaney, Community Affairs Division Chief
  - a. Plainridge Park Casino Quarterly Report and ILEV Update – North Grounsell, General Manager, Heidi Yates-Akbaba, Vice President of Finance, Kathy Lucas, Vice President of Human Resources
    - i. Executive Session
 

The Commission anticipates that it will meet in executive session in accordance with G.L. c.30A, §21(a)(7) to comply with G.L. c.23K, §21(a)(7) for the specific purpose of reviewing the proposed multi-year capital expenditure plan [described in 205 CMR 139.09], and any corresponding materials, submitted relative to Plainridge Park Casino, as discussion of this matter in public would frustrate the purpose of the statute and associated legal authorities where the capital expenditure plan at issue is covered by a nondisclosure agreement between the Massachusetts Gaming Commission and Plainridge Park Casino. The public session of the Commission meeting will reconvene at the conclusion of the executive session. **VOTE**



- b. Encore Boston Harbor Quarterly Report and ILEV Update – Jacqui Krum, Senior Vice President and General Counsel, Juliana Catanzariti, Executive Director, Legal, Tom Coffey, Executive Director of Security and Investigations

- i. Executive Session

The Commission anticipates that it will meet in executive session in accordance with G.L. c.30A, §21(a)(7) to comply with G.L. c.23K, §21(a)(7) for the specific purpose of reviewing the proposed multi-year capital expenditure plan [described in 205 CMR 139.09], and any corresponding materials, submitted relative to Encore Boston Harbor, as discussion of this matter in public would frustrate the purpose of the statute and associated legal authorities where the capital expenditure plan at issue is covered by a nondisclosure agreement between the Massachusetts Gaming Commission and Encore Boston Harbor. The public session of the Commission meeting will reconvene at the conclusion of the executive session.

**VOTE**

9. Legal – Todd Grossman, Interim Executive Director & General Counsel

- a. Discussion and Possible Adoption of Inter-Service Agreement with the Office of the Attorney General for Certain Enforcement and Investigatory Matters Related to Sports Wagering – Todd Grossman, Interim Executive Director & General Counsel, Caitlin Monahan, IEB Director, Derek Lennon, Chief Financial and Accounting Officer, Patrick Moore, First Assistant Attorney General

**VOTE**

- b. AGO Report and Update: Regulation of Daily Fantasy Sports and Illegal Sports Wagering Market – Patrick Moore, First Assistant Attorney General; Kathleen Celio, Chief of Gaming Enforcement Division; and Alda Chan, Assistant Attorney General

**VOTE**

- (i) Executive Session

The Commission anticipates that it will meet in executive session in accordance with G.L. c. 30A, § 21(a)(3) to discuss with the Attorney General’s Office strategy with respect to enforcement or litigation concerning the illegal sports wagering market. The public session of the Commission meeting will reconvene at the conclusion of the executive session.

**VOTE**

- c. Discussion by Commission as to whether to Request that the Attorney General Bring an Action to Enforce Chapter 23N or any Rule or Regulation of the Commission by Civil Action or Petition for Injunctive Relief Relative to the Offering of Impermissible Sports Wagers.

**VOTE**

10. IEB – Caitlin Monahan, IEB Director; Detective Lieutenant Michael Leo, GEU

- a. Security at the Casino Facilities

**VOTE**

- (i) Executive Session

The Commission anticipates that it will meet in executive session in accordance with G.L. c.30A, §21(a)(4), to discuss the use and deployment of security personnel or devices, or strategies with respect thereto at Encore Boston Harbor, MGM Springfield and Plainridge Park Casino, specifically



Massachusetts Gaming Commission

with regard to firearms (all properties) and parking garage security (MGM Springfield). The public session of the Commission meeting will not reconvene at the conclusion of the executive session.

**VOTE**

11. Commissioners Update

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

I certify that this Notice was posted as "Massachusetts Gaming Commission Meeting" at [www.massgaming.com](http://www.massgaming.com) and emailed to [regs@sec.state.ma.us](mailto:regs@sec.state.ma.us). Posted to Website: February 12, 2024 | 9:30 a.m. EST.

February 12, 2024



*Cathy Judd-Stein, Chair*

*If there are any questions pertaining to accessibility and/or further assistance is needed, please email [Gertrude.Lartey@massgaming.gov](mailto:Gertrude.Lartey@massgaming.gov).*



Massachusetts Gaming Commission





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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** May 8, 2023, 10:00 a.m.  
**Place:** Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292  
PARTICIPANT CODE: 112 749 7655

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](#) (00:17)

Chair Judd-Stein called to order the 451<sup>st</sup> 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](#) (00:50)

Executive Director Karen Wells introduced Sports Wagering Division Chief Bruce Band. Chief Band announced that sports wagering operator BetR had recently launched their online platform after some software testing. He said that he also anticipated the launches of the Ballys, Betway, and Fanatics platforms within the next week. He noted that these operators had all met the Commission's licensure requirements and their certificates would be issued shortly. He stated that these sites would go live as soon as they were ready, pending approval and some other technical issues they needed to resolve. Director Wells then confirmed that she had no further updates.

### 3. [Independent Monitor Report](#) (02:30)

Chair Judd-Stein then introduced Alejandra Montenegro Almonte and her staff from Miller & Chevalier, who prepared the *Independent Compliance Monitor Phase IV Report on Wynn Resorts*, which was included in the Commissioner's Packet on pages 4 through 52. Ms. Almonte then gave a presentation and overview of the Report. The Report outlined the Human Resources Compliance Program ("HRCP") implemented by Wynn Resorts, per the Decision and Order handed down in 2019 following an investigation by the Investigations and Enforcement Bureau ("IEB"). This investigation had uncovered significant conflicts of interest within the Wynn organization, which had prevented it from appropriately addressing sexual harassment and other employee misconduct that had been reported.

Since then, however, Ms. Almonte noted that the company has made several significant organizational changes to improve its internal culture and foster an atmosphere of safety and trust for all employees. These improvements included separating the position of CEO from that of Chairman of the Board, bringing more diversity of gender and experience to the Board membership, and appointing a new independent compliance committee. The company has also significantly increased its community engagement and volunteerism efforts, as well as improving its anti-harassment and anti-discrimination training programs.

Ms. Almonte said that a remaining focus area for the company to improve its HRCP was to maintain an inclusive culture from upper management down through all levels of the organization. She also said it was important for the company's compliance roles to retain their independent initiative and authority. They must be able not only to implement policies and procedures, but also to raise issues of potential misconduct, ask questions, and provide guidance. In addition, the company has made a concerted effort to increase its compliance culture and values messaging through such events as town hall meetings and daily pre-shift meetings, as well as conducting its own HRCP focus groups in 2022.

She also reported that the company had increased the number and expertise of HR and compliance staff, allowing for increased harassment prevention efforts, and the assessment and monitoring of harassment risk factors. Despite significant turnover in HR positions at Encore Boston Harbor ("EBH"), she reported that the company has made great strides in filling its remaining HR vacancies. The company also has formed a cross-functional HRCP review committee, including top personnel in both Boston and in its Las Vegas home office, that meets periodically to discuss ongoing HRCP issues and suggest policy updates. For example, she noted that training programs had begun in both Boston and Las Vegas to mitigate harassment by guests and to identify and prevent human trafficking. The company tests training effectiveness through employee surveys, which also help to identify new training opportunities. The company's harassment and discrimination training also included knowledge tests to reinforce key points. The company also facilitated participation by providing employees with various incentives such as quizzes and prizes, and senior leaders also attended these training programs.

She also noted that the new Global Chief Compliance Officer, hired in 2021, had taken on a much more active and independent role in HRCP issues than his predecessor, and had personally begun helping to report on investigations to the Compliance Committee. She reported that new employees have been receiving in-person orientation and training, including an HRCP message from the Global Chief Compliance Officer. In addition, the company developed training on guest interactions that specifically targeted at-risk employees, such as those serving food and beverages.

Ms. Almonte introduced her colleague Preston Pugh, also of the law firm Miller & Chevalier, who summarized the internal reporting and investigation policies implemented by Wynn Resorts and EBH. Mr. Pugh said that he was impressed by the company's implementation of a collaborative approach to discrimination and misconduct investigations, in which many employees came together to develop procedures that encourage probing questions, reinforce the importance of witness credibility, and avoid over-reliance on corroborating evidence. He also stated that the compliance testing his firm has conducted, including attending investigative meetings, showed that the company's written policies are being adhered to on a day-to-day basis. The company also continued to identify opportunities to improve its investigation procedures, including the rollout of a new reporting platform. Wynn Resorts continued its recruiting for investigative positions, and senior management also increased communications on "speak-up culture". Messages were distributed in multiple languages to highlight the availability of HRCP reporting options. Ms. Almonte reported that, in accordance with the 2019 Decision and Order, the company has removed any gag-order or non-disparagement provisions from its employment agreements, to encourage openness between employees and management.

In response to concerns raised by Commissioner O'Brien at a previous meeting, Ms. Almonte then highlighted some missteps the company made during two investigations involving senior executives. In one instance, she noted that employee misconduct reports were made known to the subject of those reports outside of the formal investigation process. This disclosure, she said, was not maliciously intended, but was nonetheless inappropriate and could have interfered with the integrity of the investigation.

The second instance of concern reported by Ms. Almonte involved the company's assignment of an investigator that could have been perceived as having a close relationship to the subject of the investigation. This assignment could have created the appearance of a conflict of interest, and possibly compromised the objectivity and impartiality of the internal investigation process, making it less likely that complainants and witnesses would come forward and give honest and complete testimony.

Ms. Almonte stated that the managers interviewed as part of her firm's compliance monitoring had said they referred to the company's investigations policy before making the assigning that investigator and found that the policy "did not prohibit" the assignment. This, Ms. Almonte said, reflected a very narrow interpretation of the policy by company executives, which was a missed opportunity to demonstrate values-based leadership.

Commissioner O'Brien then asked if there had been evidence of growth on the part of the company, and demonstration that they are learning from past experiences. Ms. Almonte replied that it was difficult to answer that question because there had been limited data points which were concentrated into a short period of time. She stated that she had seen further openness in her conversations with company executives, and a greater understanding of why things like the appearance of a conflict mattered. She said there is reason to hope that lessons would be applied if similar situations arose again in the future. Commissioner O'Brien voiced her disappointment at the company's slow progress in realizing why such things mattered; and added that she wanted to see a greater upward trajectory of advancement in this area. She opined that this was the greatest area of vulnerability shown by the monitoring review so far. Ms. Almonte stated that she shared Commissioner O'Brien's sense of urgency, and she said that she thought the company's executives could accomplish that greater level of awareness.

Chair Judd-Stein noted that Wynn Resorts submitted a *Letter in Response to the Monitor's Report*, which was included on pages 53 and 54 of the Commissioner's Packet. She also praised the thoroughness of the Monitor's Report and acknowledged some of the staff from Miller & Chevalier who contributed to the Report. She also recognized the cooperation of Wynn Resorts and its Compliance Committee with the monitoring process, even throughout the difficult period of the COVID pandemic. She stated that Wynn Resorts made great progress in addressing the Commission's concerns that were reflected in the 2019 Decision and Order. She said that she shared some of Commissioner O'Brien's concerns about the company's attitude toward conflicts of interest. She acknowledged that Massachusetts and Nevada were very different jurisdictions regarding how conflicts are addressed but agreed that the company must show further improvement in managing conflicts, perhaps taking an approach that leans more towards Massachusetts than Nevada, for the Commission to be truly satisfied that the risks identified in the 2019 Decision and Order were resolved.

Chair Judd-Stein then asked Ms. Almonte if she could give a grade, on a scale from zero to 100, to assess the company's overall progress against the goals of the HRCF, and to label the top three risks that remain for the company to address. Ms. Almonte replied that she was hesitant to give a precise grade, because compliance was not a check the box endeavor. However, she pointed out some critical but less tangible issues that the company still needed to address. Primarily, it needed to show that it understands the broader intent behind the compliance program, and to demonstrate that it understood why and how each incident really matters. The biggest risks, she said, were related to whether the company, from executives down, could demonstrate that it no longer had a culture of exceptionalism, and that rules and processes applied to everyone, regardless of rank or role. She also pointed to the need for the company to remain vigilant, and to distance itself from its past culture where personal relationships created permissiveness. She said this meant instilling expectations, from the senior management down to all levels of the organization, that compliance must be intentional, and the principles internalized and not taken for granted.

Chair Judd-Stein asked how the company's employees might be best incentivized to comply with the HRCP principles. Ms. Almonte answered that consistent communication from senior management to employees organically, as well as more formally through incentives and discipline built into the performance management system. She said this could be by way of incentive compensation and bonus payments, as well as withholding bonuses in instances where employees have not acted consistently with compliance expectations. She also mentioned that compliance should be part of the evaluation of whether an employee was suitable for promotion or advancement within the company.

Commissioner Skinner stated that she shared Commissioner O'Brien's concerns about the company's understanding of the underlying principles of the compliance policies across all aspects of its operations. She noted that the letter from the company that was included in the packet showed a blanket disagreement with many of the independent monitor's observations and findings. She stated that she would like to hear a more substantive response from the company about their specific disagreements with the monitor's report. Commissioner Skinner also wondered whether there was an opportunity to hear from the company on a regular basis, or whether the Commissioners could hear directly from the company about what they find objectionable about the monitor's conclusions or methods. She thought they should be given a chance to explain the steps that they were taking to demonstrate understanding of the underlying principles of the HRCP.

Ms. Almonte replied that her firm had very candid conversations with the company about their positions and the company's objections. She said that she would defer to the Commission about what would be the most appropriate way to provide a forum for the company to communicate their opinions. She inferred that the company's objections stemmed from the outsized weight being given in the report to a small number of negative instances. She noted, however, that these instances were close enough to the types of issues they had seen in the past to support the report's conclusion that the company was still not being vigilant enough, and that some of the cultural issues and attitudes that led to the 2019 Decision and Order remained. She reiterated that she would like to see more concrete reflections of the company internalizing the lessons from prior discussions of compliance issues. She stated that what was often more concerning was not that certain questionable decisions were made, but the company's seeming lack of understanding of why those decisions were questionable. She also noted the company's entrenchment in defending certain positions, rather than being open to a more genuine change in organizational attitude.

Commissioner Skinner responded that this concern was exactly what was driving her desire to hear from the company directly, so the Commission could ascertain what their attitude was. Chair Judd-Stein suggested that General Counsel Grossman try to plan a fitting time for the company to weigh in, and for them to give their perspectives.

Commissioner Maynard noted that the company appeared to have made great strides toward their compliance goals. He said that perfection was an impossible standard, but that striving towards

perfection was admirable, and could lead to continuous improvement. Ms. Almonte replied that was why she made the distinction between the incidents themselves and the company's engagement on those incidents, because it was helpful for them to assess lessons learned and how they were going to get better next time. She added that the key focus should be on the response to the incident and the company's openness to opportunities for improvement.

Commissioner O'Brien stated that she was troubled by the company's broad stroke rejection of the report's conclusions, and the allegation in their letter that there were mischaracterizations on the part of the monitor in connection with the report. She recalled that she was at the hearing in 2019 that resulted in the imposition of the monitoring requirement, and that there have been other instances along the way that were non-public and did not reach the Commission meetings.

She therefore took issue with the company's public disagreement with the report, and had hoped that in less public settings, they had embraced the "why" behind the areas that have been highlighted by the monitor. Commissioner O'Brien expressed hope that the licensee could come to appreciate that, while historically they may have functioned in Nevada, they are now doing business in Massachusetts, which is an aggressive and forward-looking environment that has a different set of standards regarding compliance. She added that the company's compliance attitude was an area of critical importance in 2019, and she was disappointed that, as reflected in their letter, this was still an area where they seem to have a long way to go. She therefore stood by the comments she made earlier in the monitor's presentation.

Mr. Pugh then commented that, although standards have greatly improved at the company with respect to the attitudes of lower-ranking employees and maybe even mid-level managers, what has led to some confusion was that the recent examples that Ms. Almonte alluded to had involved senior leadership. He stated the monitorship process should not be stopped while those issues with executives continue to arise, and it cannot be said that the monitorship really did what was needed, when those at the top still have those problems. He therefore expressed his view that the report was very fair, and he hoped it would lead to more progress by the company.

#### 4. [Executive Session Regarding SEIU Local 888 Collective Bargaining Negotiations](#) (02:13:24)

Chair Judd-Stein then announced that, pending a vote, the Commission would be meeting in executive session in accordance with M.G.L. c. 30A, § 21(a)(3) to discuss strategy with respect to collective bargaining with SEIU Local 888, as discussion at an open meeting may have a detrimental effect on the bargaining position of the Commission. The Chair noted that this public meeting of the Commission would reconvene at the conclusion of the executive session.

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

The Commission returned from the executive session, and the Chair confirmed the Commissioners were present by roll call. All five Commissioners were present.

5. [Sports Wagering](#) (03:15:37)

Chief Band introduced Mr. Sterl Carpenter, Regulatory Compliance Manager for the Sports Wagering Division, to present several petitions for events to be added to the Sports Wagering Event Catalogue.

a. Review of Requests for Six (6) Events from U.S. Integrity to be added to the Sports Wagering Event Catalogue:

i. [Nitro Rally Cross Petition by U.S. Integrity](#) (03:16:11)

Mr. Carpenter began by reviewing the Commission's role under regulation 205 CMR 247.03 to review all petitions for a new sporting event or wagering category. He explained that U.S. Integrity, a firm offering suspicious activity monitoring and other services to event companies, had developed petitions for several events. The first of these was a *Petition for Nitro Rallycross* ("NRX"), which was included in the Commissioner's Packet on pages 55 through 63. He explained that NRX was an American rallycross auto racing series created by rallycross driver Travis Pastrana and the Nitro Circus production in 2018, according to the petition summary, and that several sports betting operators, including current licensee DraftKings, were interested in offering this event for wagering in Massachusetts.

Commissioner O'Brien observed that the language of the petition had been tweaked since it had been presented to the Commission at an earlier meeting. She then noted that NRX was founded in 2018, but their inaugural season wasn't until 2021. Mr. Carpenter confirmed that it took a few years for the NRX series to get up and running. Commissioner O'Brien then observed that DraftKings was the operator who wanted to offer NRX for wagering, but that U.S. Integrity was the petitioner. Mr. Carpenter stated that he had been in contact with DraftKings, and they seemed to want these six offerings, particularly Street League Skateboarding ("SLS"), for which they had already been taking bets in six other states for a recent major competition.



Chair Judd-Stein reminded the Commission that the current language of regulation 205 CMR 247.03 stated that “any person or entity” connected with an event could file a petition for that event to be added to the Sports Wagering Event Catalogue, regardless of their prior connection to Massachusetts. She then asked whether the outcomes in NRX races were determined by time alone, or by other discretionary factors that required judging. Mr. Carpenter replied that his understanding was that NRX was just a timed race, although it did have an element of strategy by the drivers as to which route they would take and when; he did not believe there was any judging of style involved.

Commissioner Hill then suggested that votes be taken on each of the six petitions individually, and Chair Judd-Stein agreed. With that, Commissioner Hill moved that the Commission amend the official catalog of events and wagers to include Nitro Rallycross (“NRX”) as included in the Commissioner’s Packet and discussed here today. Commissioner Maynard seconded the motion.

*Roll call vote:*

*Commissioner O’Brien: Nay.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Nay.*

*The motion passed, 3-2.*

Mr. Carpenter announced that with passage of that vote, the NRX event would be placed under the Motorsports tab in the Sports Wagering Event Catalogue, and the United States Auto Club (USAC) was the approved governing body in that section already so it would just follow through to the series being approved.

ii. [Magic City Jai-Alai Petition by U.S. Integrity](#) (03:25:12)

Mr. Carpenter then described the *Petition under 205 CMR 247.03 to add Magic City Jai-Alai to the Sports Wagering Event Catalogue*, which was included in the Commissioner’s Packet on pages 64 through 76. He noted that this petition was also provided by U.S. Integrity on behalf of Magic City Jai Alai. He explained that jai alai was a sport where players bounce a ball called a pelota off a three-walled space, at speeds up to 180 miles per hour, using a hand-held wicker bat called a cesta. The sport of jai-alai is played worldwide, especially in Spain, France, and various Latin American countries.

Mr. Carpenter further stated that the petitioner attested that their personnel had undergone FBI checks, and that their league play was overseen by the World Jai Alai League and licensed by the state of Florida. The petitioners had included their league rules in their petition, and as a governing body they had been informed of this request to the Commission. The petitioner also stated that several operators had expressed interest in offering this event if approved in the Commonwealth. Mr. Carpenter noted there was no Jai Alai Players Association, but each player signs a contract including strict code of conduct language. The Sports Wagering Division found

that the petitioner met the requirements of 205 CMR 247.03 and the Division had no concerns with this request.

Chair Judd-Stein asked whether any Massachusetts operators had expressed interest in this event. Mr. Carpenter replied that the petitioner had represented that several Massachusetts sports wagering licensees had indeed expressed interest, although he had not received any formal requests from licensees for this event to be offered for wagering in Massachusetts. He explained, however, that the petitioner had backed out of its exclusivity deal, so that it could be offered by many different sports wagering operators throughout the country.

Commissioner Hill noted that jai alai as a sport has had some longstanding integrity issues going back to the 1970s and 1980s, and that the sport in particular was highlighted during his training as a Commissioner. Commissioner Skinner echoed his concerns. Chair Judd-Stein recalled that the sport had come up as requested by some sports wagering operators during the first round of Sports Wagering Event Catalogue approvals, and the Commission had rejected it at that time, on recommendations from both Mr. Carpenter and Chief Band. Commissioner Skinner inquired what had changed since then. Commissioner Hill also commented that he was not ready to see this petitioner move forward.

iii. [U.S. Pro Mini Golf Petition by U.S. Integrity](#) (03:37:25)

Mr. Carpenter then discussed the *Petition under 205 CMR 247.03 to add U.S. Pro Mini Golf Association (“USPMGA”) to the Sports Wagering Event Catalogue*, which was included in the Commissioner’s Packet on pages 78 through 87. He noted that this petition was also provided by U.S. Integrity on behalf of USPMGA. He explained that miniature golf, also known as mini golf, was an offshoot of the sport of golf focusing solely on the putting aspect of the parent game. The aim of the game was to score the lowest number of points and it was played on a course consisting of a series of holes, usually nine or eighteen, like those of the parent game, but characterized by shorter distances.

Mr. Carpenter further stated that the petitioner has attested that U.S. Pro Mini Golf Association was the governing body of the event and that the World Putting League or (“WPL”) was the league associated with this event. This league had been informed of this petition going before the Commission. U.S Integrity was asked if any current operators in the Commonwealth would be interested in offering this event, and they represented that licensee DraftKings currently takes wagers on this event in other markets and would be offering wagers in Massachusetts if the event was approved by the Commission. Mr. Carpenter reported that there was no Players Association, but the WPL had provided details of its integrity and scoring policies with the petition. The Sports Wagering Division found that the petitioner met the requirements of 205 CMR 247.03, and the Division had no concerns with this request.

Commissioner Maynard observed that the USPMGA was a relatively mature sport, beginning in 1997. Mr. Carpenter confirmed this observation. Commissioner Skinner then asked if Mr.

Carpenter had any insight into why U.S. Integrity was offering these Petitions rather than the petitioners themselves. Mr. Carpenter answered that U.S. Integrity was a paid service provider, and that offering petitions was one of the services they offered to sports leagues. Commissioner O'Brien then raised a procedural concern that the Massachusetts licensees were not coming forward at the same time as these petitioners.

Chair Judd-Stein stated that she would like to be more certain that there was interest from those licensees. She understood that the Massachusetts regulations were very open-ended about who could bring petitions, but she had expected that only Massachusetts stakeholders would come forward. Commissioner Skinner stated that she felt forced to vote on these petitions unless there was a red flag, given that the petitions met the requirements of Massachusetts regulations as written. She then asked General Counsel Todd Grossman if it was fair to delay voting on the remaining petitions until the Commission got further feedback from licensees.

General Counsel Grossman replied that, although he thought there should be a stated basis for denying a petition, he saw no harm in delaying a vote to get more information, if the Commission was uncomfortable moving forward. Commissioner O'Brien referred to the regulations and confirmed that 205 CMR 247.03(8) allowed the Commission to grant, limit, restrict, condition, or delay action on a petition without qualifiers. She also expressed concerns about voting to approve petitions without knowing for sure whether they reflected direct interest from Massachusetts licensees. Commissioner Maynard stated that he was comfortable with allowing events to be added to the Sports Wagering Event Catalogue if there are no other red flags about them, and if Massachusetts licensees aren't interested, then they just wouldn't offer the events. Commissioner Skinner remained more skeptical, stating that she regretted not raising her concerns about these third-party petitions before the first one was voted upon. She said she would be comfortable moving forward on the rest of them but would also consent to deferring them until a later discussion after getting more information.

General Counsel Grossman pointed out that there were questions on the petition form to indicate whether operators were inclined to offer the events. Chair Judd-Stein interjected that the word "operators" might present a problem, however, because it wasn't clear whether interest was coming from Massachusetts operators or not. Commissioner Hill suggested the possibility of reconsidering the initial vote on the NRX petition, and then deferring the entire package of U.S. Integrity petitions to a future date. General Counsel Grossman confirmed to the Commissioners that this was a viable option.

Commissioner Hill then opined that he was comfortable moving forward on these petitions immediately, since they were properly submitted under the current guidelines. Commissioner Maynard concurred with Commissioner Hill's position. Chair Judd-Stein then asked Commissioner Skinner if she wanted to pursue a motion to reconsider the vote on the first petitioner. Commissioner Skinner replied that she did not think this was necessary, and she was amenable to proceeding with the remainder of the U.S. Integrity petitions in their current form. She pointed to the fact that licensee DraftKings does offer NRX for wagering in other

jurisdictions, and she thought that may indicate their interest in having it available in Massachusetts.

Chair Judd-Stein expressed concern that a petitioner came forward with a jai-alai event after the Commission had so recently turned it down. She spoke about the need to be vigilant about the good of Massachusetts, and she relied on the Massachusetts licensees for guidance about the market within the Commonwealth. Commissioner O'Brien agreed, and said she was disturbed by the fact that U.S Integrity came forward before soliciting more direct feedback from licensees and operators about whether they wanted to offer these events specifically in Massachusetts. She said she was not swayed by the argument that an operator offers an event elsewhere. She voiced her disappointment in this as a procedural matter, but she was amenable to moving forward on these petitions today. She also stated, however, that she had substantive concerns with some of the specific events.

Commissioner Skinner asked for clarification on who had put forward the events for the initial Sports Wagering Event Catalogue when it was originally voted upon. Mr. Carpenter answered that those events had each been requested by the Category 1 casino operators. Chair Judd-Stein asked Executive Director Karen Wells to remind the Commission of the process for approval of events to be on the original Sports Wagering Event Catalogue. Director Wells explained that the retail operators first submitted all the events they were requesting, then that list was compiled and cross-referenced to come up with the original catalogue. The Sports Wagering Division then went through the list to see if there were any events that the Division recommended not to approve, and then the Commission voted on that full list of events. The regulations allowed a process for other operators, including mobile operators, to add events to that list if they wanted, and that was the process currently in place.

Director Wells said that the core issue developing was whether Commission just wanted operators to be able to request new events, or whether they wanted the regulations to remain as currently written, where any interested person or entity could request additions even if an operator was not currently backing them. She said the Commission's legal team could go back and draft a memo or put that on a future agenda if the Commission would like a policy discussion to edit the regulations. Currently, she said, there was a very open-ended petition process, but that could be changed going forward. She said it was helpful to the staff to have this discussion, so they could figure out the best way that petitions should be presented to the Commissioners in the future.

With that, Commissioner Skinner indicated that she had changed her position on the issue of revisiting the earlier vote on the first petition. She recalled that there was significant concern about earlier requests to allow wagering on the Boston Marathon being put to a vote by the Commission without having input from the Boston Athletic Association, which sponsors that event. She said there were similar concerns about these event petitions possibly not having direct backing from any Massachusetts licensees. She wanted to be sure that the Commission fully considered the implications of its earlier decision to adopt a regulation permitting "any person or

entity” to submit an event petition. She saw this as another opportunity for the Commission to fine-tune its positions, as they had done with other issues in the past.

Commissioner Skinner then moved that the Commission reconsider its earlier vote with respect to the petition by Nitro Rallycross (“NRX”) to be added to the official catalog of events and wagers as included in the Commissioner’s Packet, which had originally passed 3-2. Commissioner Hill seconded the motion.

Commissioner O’Brien then raised a procedural point of order to confirm that an “Aye” vote on this motion would mean a “Nay” vote to adding NRX to the Sports Wagering Event Catalogue. Chair Judd-Stein replied that there would first be a vote to reconsider, and then a separate re-vote on the substantive question of whether to add NRX to the Catalogue.

The procedural vote to reconsider the earlier vote was as follows:

*Roll call vote:*

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

*The motion passed unanimously, 5-0*

Commissioner Hill then moved that the Commission amend the official catalog of events and wagers to include Nitro Rallycross (“NRX”) as included in the Commissioner’s Packet and discussed here today. Commissioner Maynard seconded the motion.

Commissioner Skinner then clarified that she wasn’t necessarily suggesting that another vote be taken, but instead advocating to have the entire set of U.S. Integrity petitions put off altogether. Chair Judd-Stein replied that the Commission could vote later to put off these petitions, or even discuss modifying the regulation that gave rise to them, but she clarified to the Commissioners that the current motion before them was a re-vote on the addition of NRX:

The substantive re-vote on the question of whether to amend the official catalog of events and wagers to include NRX was as follows:

*Roll call vote:*

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

*The motion failed, 2-2 with 1 abstention.*

General Counsel Grossman then clarified that the NRX petition was thus effectively denied for the time being. He opined that this denial was essentially without prejudice, so someone could in

theory bring this issue back with further information that may satisfy the Commission that NRX should be included in the catalog, but the vote did not carry for now.

Commissioner Hill then moved that the Commission amend the official catalog of events and wagers to include U.S. Pro Mini Golf Association (“USPMGA”) as included in the Commissioner’s Packet and discussed here today. Commissioner Maynard seconded the motion.

*Roll call vote:*

*Commissioner O’Brien: Nay.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Abstain.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Nay.*

*The motion failed, 2-2 with 1 abstention.*

Chair Judd-Stein then asked the Commissioners if they wanted to move forward on the remaining petitions. Commissioner Hill replied frankly that there was only one of the three that he wished to see move forward, and that was Street League Skateboarding. For the others, he said he would need more discussion and education to be able to support.

iv. [Power Slap Petition by U.S. Integrity](#) (04:12:20)

Commissioner Hill then moved that the Commission not amend the official catalog of events and wagers to include Power Slap as included in the Commissioner’s Packet (on pages 88 through 95) and discussed here today. Commissioner O’Brien seconded the motion.

Commissioner Hill added that he found the slap fighting concept to be “quite disturbing” and thus could not support wagering on such an event. Chair Judd-Stein then asked Mr. Carpenter whether Power Slap had any set governing body. Mr. Carpenter replied that Power Slap was licensed by the Nevada State Athletic Commission, but they were not a governing body for the sport, although the petition states that they do judge the matches. Commissioner Skinner said that she agreed with Commissioner Hill that approving wagers on this sport seemed inappropriate, particularly in light of the issue of head injuries to athletes in general, and the particular risk this sport posed. Commissioners Maynard concurred with the opinions of Commissioners Skinner, Hill, and O’Brien.

After discussion concerning Power Slap concluded. A Roll Call vote was held on the motion previously offered by Commissioner Hill, and seconded by Commissioner O’Brien as follows:

*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.*

v. [SlapFight Championship Petition by U.S. Integrity](#) (04:15:55)

Chair Judd-Stein then addressed the fifth *Petition by U.S. Integrity, on behalf of SlapFight Championship*, as included in the Commissioner’s Packet on pages 96 through 104. She observed that Sport Slap USA appeared to be the governing body for this event. She further observed that the petition indicated some interest from licensees DraftKings and Betr, but neither of these licensees had directly asked for this event. Mr. Carpenter said that both observations were correct.

Commissioner Hill then moved that the Commission not amend the official catalog of events and wagers to include SlapFight Championship as included in the Commissioner’s Packet and discussed here today. Commissioner O’Brien seconded the motion.

*Roll call vote:*  
*Commissioner O’Brien:*            *Aye.*  
*Commissioner Hill:*                *Aye.*  
*Commissioner Skinner:*          *Aye.*  
*Commissioner Maynard:*         *Aye.*  
*Chair Judd-Stein:*                  *Aye.*  
*The motion passed unanimously, 5-0.*

vi. [Street League Skateboarding \(“SLS”\) Petition by U.S. Integrity](#) (04:17:08)

Chair Judd-Stein then addressed the sixth and last *petition by U.S. Integrity, on behalf of Street League Skateboarding (“SLS”)*, as included in the Commissioner’s Packet on pages 105 through 113. She asked Mr. Carpenter who was the governing body for this event. Mr. Carpenter replied that Street League Skateboarding was an international skateboarding tournament, and that the governing body was Street League Skateboarding (“SLS”), which had stated that they were aware of this request to the Commission. He further stated that U.S. Integrity indicated that licensee DraftKings had directly indicated that they would offer wagering on this event, and they expected “more operators to come to the table soon.” Mr. Carpenter said that U.S. Integrity had also indicated this event was introduced in Chicago on April 29, 2023. He also said he spoke to DraftKings directly, and DraftKings confirmed that they had offered wagering in Colorado, Connecticut, Tennessee, and Wyoming for the SLS event on April 29th.

Mr. Carpenter pointed out that the petition stated that the winners of SLS events were determined by a panel of three judges, and the language in Section 12 of the Sports Wagering Event Catalogue prohibited events in which the final outcome was primarily based on the evaluation or assessment of a judge or panel of judges. He noted, however, that this rule was not stated for skateboarding since it was a new event. Chair Judd-Stein noted that when they originally



discussed the language of the Catalogue, the Commission indicated that they probably should revisit the issue of panel-judged events at a later time.

Commissioner O'Brien recalled that she was the one most troubled by the issue of subjective judging at that time. She then stated her opinion that the fundamental issue with events determined by judges was that the risk of outcomes being impacted by inside knowledge was too great when it came to events upon which wagers can be placed.

Chair Judd-Stein replied that there could be mitigating measures put in place, but that the Commission hasn't thoroughly examined the issue of how to preserve integrity with panel judging in events. Mr. Carpenter said he believed the Olympic Association tried to mitigate the prospect of manipulation by implementing a panel of five judges wherein the highest and lowest scores were thrown out. Chair Judd-Stein suggested that the Commissioners delay further discussion of panel judging until a later date when they could be better prepared and then asked for a motion on the SLS petition.

Commissioner Hill then moved that the Commission not amend the official catalog of events and wagers to include Street League Skateboarding ("SLS") as included in the Commissioner's Packet and discussed here today. Commissioner O'Brien seconded the motion.

Commissioner Maynard stated that he remembered the Commission having a very lengthy and detailed conversation about events that included judging, therefore he was going to respect the decision against approving such events today, but he was open to changing his mind in the future depending on how subsequent discussions went. Chair Judd-Stein concurred with Commissioner Maynard, and said she needed to learn more about the risks of panel-judged events.

Commissioners then voted on the motion previously presented by Commissioner Hill as follows:

*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 Petition Form](#) for events to be added to the Sports Wagering Event Catalogue. (04:23:47)

Chair Judd-Stein then suggested that the *Petition Form*, as included in the Commissioner's Packet on pages 114 through 117, and the associated regulation 205 CMR 247.03 should be brought up together for consideration by the Commission at a future meeting. She noted that the Petition Form as written should match the regulation, and there had been multiple requests by Commissioners today to revisit the regulation. Commissioners O'Brien and Skinner agreed to the

postponement. Director Wells noted that there was an agenda-setting meeting soon, and that those items could be added to the agenda at that time.

- c. [Review of Compliance by Sports Wagering Operators with 205 CMR 243.01\(x\)](#) relative to technical security control audits by qualified independent technical experts. (04:24:42)

With that, Chair Judd-Stein addressed the *Memo from the Sports Wagering Division on the Security Controls Required by Regulation 205 CMR 243.01(x)*, which was included in the Commissioner's Packet on pages 118 and 119. Chief Band stated that there was a 90-day requirement for Category 1 operators to implement these security controls for their sports wagering platforms by May 1, 2023, and that they were also required to submit the technical details of those security controls, as specified in *Appendix B to Regulation 205 CMR 243.01(x)*, also included in the Commissioner's Packet on pages 120 through 124.

General Counsel Grossman then pointed out that this 90-day audit must have been performed by what the regulation described as a qualified independent technical expert. He stated that this expert may be an entity selected by the operator, subject to the approval of the Commission. In order to be deemed a qualified technical expert, the regulation stipulated that the selected entity must meet minimum qualifications as shown on the Commission website. General Counsel Grossman further stated that 205 CMR 243.01(x) outlined a series of prerequisites, included in sub-paragraph 2, which were required for such entity to demonstrate proficiency and expertise as a network penetration tester.

General Counsel Grossman then announced that information had been received from two entities who wanted to be deemed independent technical experts under the requirements of this regulation. He said he had been working with Mr. Christian Taveras, Gaming Technical Compliance Manager in the Information Technology Division, to determine whether those entities met the specified standards. He reported that they were still in the process of gathering some information, and that some of the information they had received was unclear. Therefore, they were not ready to present to the Commission today on this topic.

General Counsel Grossman noted that the May 1st due date for completion of the 90-day audit in the regulation for the Category 1 licensees had passed, and they were also unsure of whether they would be able to meet the 120-day due date for completion of a report on the audit. Therefore, they needed to bring these timing issues to the Commission's attention, since some kind of waiver or variance would be necessary. Neither General Counsel Grossman nor Mr. Taveras believed there was any inherent risk or immediate vulnerability for the operators, but General Counsel Grossman felt that he needed to raise these issues as a matter of technical compliance. He stated that he would probably have more clarity on the progress of these issues in another week or two after today's meeting. Chief Band stated that two licensees, MGM Springfield and EBH, had asked for extensions for this audit requirement, Chair Judd-Stein asked about the status of the third licensee, Plainridge Park Casino ("PPC"), and Chief Band replied that they had met the requirements so far.

Ms. Crystal Beauchemin, Sports Wagering Business Manager, who had written a memo on the requirements of this regulation, reiterated that her Division was going through the process of reviewing each component of the registration as it comes in, and clarifying the operators' progress towards compliance. Chief Karalyn O'Brien of the Licensing Division then provided an update on the status of the registration of the two entities that had submitted applications to conduct the required technical audits of the sports wagering platforms. Chief O'Brien said that both applicants were under review, and that the reviews would be completed shortly. Commissioner Skinner then asked if the requests for extensions had come in before the deadline. Chief Band confirmed that they did.

Chair Judd-Stein then asked for clarification of the deadline versus the upcoming 30-day timeframe. Chief Band replied that the initial deadline was May 1st for the first 90 days and the subsequent 30 days would be June 1st. Chair Judd-Stein observed that the Commission would be a bit late in granting the extension, and Chief Band confirmed this observation. Commissioner Skinner repeated that she would approve the extension as long as the requests were submitted on time. Chief Band then reiterated that PPC did not need an extension, but just needed clarification that the entity that conducted their audit was approved by the Commission. General Counsel Grossman confirmed that PPC's audit had already been performed, but clarified to Commissioners that the entity that performed that audit had not yet been deemed a qualified independent technical expert according to the regulation, since their registration process had not yet been completed.

Chair Judd-Stein suggested that the operators should be given some kind of waiver once the specifics of the registration process had been worked out with the Commission's Information Technology Division. Ms. Beauchemin added that the part of the regulation that gave them the 30 days to do the report on the audit was after the assessment component, which was supposed to be after the auditing entity had been deemed as a technical expert, so the operators would have 30 days from that point. That was how the June 1st date was originally arrived at because once the Licensing Division confirmed the registration of the auditor, then that entity would then have 30 days to do the report.

Commissioner Skinner asked about what exactly was required for an entity to be deemed a technical expert. Chief Band reiterated that the Information Technology Division was reviewing the qualifications of the entities that applied to conduct the audits and matching their certifications against the requirements of the regulation. General Counsel Grossman added that when the entities were approved as vendors by the Licensing Division, there was no competency review to make sure they fit the specific stipulations of the regulation. That technical review was what was in the process of being conducted by the Information Technology Division. Commissioner Skinner observed that PPC's audit had been completed by an entity, but the Information Technology Division still had to confirm that the entity met the technical definition of an expert according to the regulation. Mr. Tavaras confirmed that was correct.

General Counsel Grossman pointed out the distinction between these auditing entities and vendors such as Gaming Labs International ("GLI"). He explained that the auditing entities were not known to the Commission, and thus had to be registered by the Licensing Division. He then added that EBH was using the same audit vendor that PPC had used. He stated that MGM

Springfield's audit hadn't yet begun because they were uncertain whether the entity they selected would be allowed under the regulation. Chair Judd-Stein asked whether the online sports wagering licensees, to which the audit requirement also applied, were clear about the compliance expectations and timing of the regulation. Director Wells replied that a notice had been sent to the Category 1 and 2 retail licensees to warn them of their responsibilities and deadline. She thought it made sense to send a similar notice from the Information Technology Division to the Category 3 online licensees, to keep them apprised of the audit requirements.

Chair Judd-Stein asked if there was a list of properly registered audit vendors that could be sent to the online licensees to get them started. Chief O'Brien responded that part of the reason she wanted to get these vendors registered was so they could also be included on the sports wagering vendors registration list, which was public and posted to the Commission's website. From there, the operators could be directed to this list to find an audit vendor. She added that if operators were to choose a vendor outside that list, they would know exactly what the process was in terms of both registration of that vendor with the Licensing Division, as well as the necessary qualifications under the regulation. Director Wells asked that an agenda item be added for a report to the Commission once all the issues were resolved with the Information Technology Division's technical reviews of the audit vendors, as well as with the status of the audits for the Category 1 and 2 licensees. Chief Band replied that the item had already been added for consideration by the next agenda-setting meeting.

General Counsel Grossman pointed out that the Commission may also need to approve the qualifications of the audit vendors once they had been reviewed by the Information Technology Division, if any of those qualifications were unclear, otherwise the operators could be at risk of being out of compliance with the regulation. Commissioner O'Brien asked if the timely submission of a request for extension would automatically grant a stay to the requirement for compliance with this regulation, similarly to a request to renew a gaming license. General Counsel Grossman said that he didn't believe that would be the case, so the Commission would need to approve the extensions for EBH and MGM Springfield.

Commissioner Skinner then moved that the Commission grant Encore Boston Harbor and MGM Springfield a 30-day extension from the requirements set out in 205 CMR 243.01(x) that operators must have a technical security control audit conducted within 90 days of commencing operations. 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.*

6. [Research and Responsible Gaming – FY24 Research Agenda](#) (04:46:03)

Chair Judd-Stein then introduced Director Mark Vander Linden of the Research and Responsible Gaming Division. Director Vander Linden then discussed the *Proposed FY 2024 Gaming Research Agenda*, which was included in the Commissioner’s Packet on pages 125 through 132. He noted that the Expanded Gaming Act enshrined the role of the Gaming Research Agenda as a tool to further understand the social and economic effects of expanded gaming in the Commonwealth. He stated that there was an annual research agenda, allowing the Research and Responsible Gaming Division to build upon a body of research to better understand what the social and economic impacts of gambling were, but also to dive deeper into specific areas of interest, with an overall goal of mitigating the negative and unintended consequences of gambling. The Gaming Commission, he continued, had established a number of research categories following a strategic planning process, which were listed in the *Proposed FY 2024 Gaming Research Agenda Memorandum*. He further stated that the Sports Wagering Act also carried forward the requirement for a gaming research agenda. Specifically, since sports wagering was a relatively new area of regulation for the Commission, the Sports Wagering Act required that the research agenda shall include an assessment of whether problem sports wagering was co-morbid with problem gambling in general, as well as an assessment of whether individuals participating in sports wagering were different from those participating in other forms of gambling.

Those requirements, he continued, also called for reviewing the impact of sports wagering on youth under the age of 25, an assessment of the impacts of sports wagering on athletes in collegiate and professional sports, and research into the costs of implementing the Sports Wagering Act. He noted to Commissioners that sports wagering was not captured as a specific category in the original strategic research plan. Since it had become a priority for the Commission, however, a specific line of research has been added to the agenda, specifically dedicated to understanding the impact of sports wagering.

He reminded Commissioners that a draft research agenda was brought before the Commission on March 30, 2023, as a way to generate discussion and get early feedback. Also, on April 4th, he brought this research agenda to the Gaming Research Advisory Committee in order to seek advice on it. Finally, on May 4th, the draft agenda was brought before the Gaming Policy Advisory Committee, which was authorized by Section 71 of the Expanded Gaming Act to advise the Commission, to receive feedback from them. He stated that the Research and Responsible Gaming Division staff had summarized comments from those three meetings, which were reflected in the memo included in the Commissioner’s Packet, along with steps taken in response to those comments.

Chair Judd-Stein recalled that she had raised the issue of research into money laundering at the March meeting, and particularly how it may impact sports wagering, as it takes place at both retail casino kiosks as well as online. She pointed to the research on the topic of money laundering in sports wagering platforms that was being conducted at the University of Nevada

Las Vegas by Becky Harris, who was the former chair of the Nevada Gaming Control Board. She noted that this research was influencing decisions about gaming around the world, and wondered whether the Commission should be looking at this issue more carefully.

Commissioner Maynard was also very interested in this topic, and asked whether there was a public safety reason why more of this sort of research should not be conducted in Massachusetts. Director Vander Linden replied that he saw no reason why it couldn't be conducted in the Commonwealth. He recalled his consultation with Director Loretta Lillios of the Investigations and Enforcement Bureau ("IEB"), in which she said she just didn't feel that there was a specific avenue of research in that area was worth investing in at this point. He stated, however, that he would be happy to add it to a watch list of topics for future investigation, and perhaps reach out to the University of Nevada Las Vegas to get more specific information about what they were working on.

Commissioner Maynard said that he would be interested in that, notwithstanding any information in their studies that would need to be kept anonymous. He expressed interest in a scaled-down version of such a study perhaps being conducted in Massachusetts. He noted that this was the first year of allowing sports wagering in Massachusetts, and he wanted to know more about whether money laundering on sports wagering platforms was likely to become a problem in the Commonwealth. Director Vander Linden replied that he needed additional direction on the scope of such a project, and the specific questions that the Commission wanted to investigate about money laundering on sports wagering platforms.

Commissioner O'Brien brought up the need for consultation with the Attorney General's Office ("AGO") with any possible study on money laundering since they may be doing wiretapping and interdictions in a criminal context and may be able to provide some information for a study. She asked if the Commission could provide guidance on research opportunities or benchmarks on this topic to add to the 2024 Research Agenda. Chair Judd-Stein observed that the Commission did have partnerships with the State Police, AGO and other law enforcement agencies that it could draw upon to set up research studies for the purposes of educating both the Commission and its partners about the risks of sports wagering being exploited for money laundering, as well as how those risks differed between physical casino kiosks and online portals.

Director Loretta Lillios then referred to some information-gathering initiatives that the IEB was undertaking. She said IEB was reaching out to several other jurisdictions to find out more about the anti-money-laundering implications of allowing sports wagering. She stated that the issue has been at the top of IEB's list, and they did have some possible research topic suggestions. She said that she could have a follow-up conversation with Director Vander Linden about these topics. Commissioner O'Brien asked if IEB had also been in touch with Tom Caldwell and the State Police, and Director Lillios confirmed that she had.

Chair Judd-Stein requested that IEB discuss with Director Vander Linden and then report back to the Commission. Commissioner O'Brien suggested that perhaps the Commission should have some basic training on money laundering issues, perhaps with the Massachusetts Continuing Legal Education center (MCLE), to that they could get a high-level understanding of the issues involved before the IEB reports back on specific details. Chair Judd-Stein agreed.

Director Vander Linder added said that the Research Division could scope out what a potential study would look like, perhaps in consultation with Director Lillios, the AGO, and the University of Nevada Las Vegas. Commissioner Skinner agreed with Commissioner O'Brien's earlier suggestion that the Commission needed to gain a broader understanding of how money laundering intersected with sports wagering and gaming in general, as well as its jurisdiction on these matters, and where it needed to defer to the State Police and other law enforcement agencies.

Director Vander Linder then turned to the question of primary catering data usage from mobile online sports wagering operators. He gave the example of capturing player behavior patterns for use in advertising models. He said that research was proposed to identify risk markers and study the effects of advertising on customer acquisition and player behavior. He said this was an area that the Commission should be pursuing, from both policy and regulatory perspectives. He stated that, unlike with Chapter 23K, there wasn't a specific carve-out for the Research Division to capture that player behavior, so he thought the Commission would need to grapple with that issue. He agreed that this was a worthwhile endeavor for the Commission to study, both in terms of advertising but also to understand player risk and developing effective responsible gaming tools.

Director Vander Linden then discussed the issue of continued funding for the community driven research category. He said there were questions about whether there was adequate funding for these types of community-based research projects, and if more funding was needed to provide more opportunities for deeper research, in particularly to focus on equity in all aspects of the work because people of color are disproportionately impacted by problem gambling. He thought the Commission should absolutely continue funding for this area, along with the community mitigation fund under Chief Delaney.

Director Vander Linden further stated that the Gaming Research Advisory Committee had questioned whether the current funding structure for this area was adequate, and whether it captured the right people, but the \$200,000 funding allocation commitment for this line of research, not including the community mitigation fund, currently remained unchanged in the agenda. Chair Judd-Stein pointed out that the community mitigation funds did not supplant public health trust funds being used to support problem gambling initiatives, and Director Vander Linden confirmed her understanding that these funds were in addition to the public health funds, contingent upon finding community partners for the research.

Chair Judd-Stein then asked how many proposed research studies would be covered by the \$200,000 allocation for the public safety area. Director Vander Linden replied that there were two such studies. One of these was a study of problem gambling in Plainville, and the other was a study looking at the impact of casinos on human trafficking in the Commonwealth. She asked whether the two would be funded equally, and what support participants were given for being in the studies. Director Vander Linden answered that the participants in those two studies were offered less than participants in the community-based studies.



Chair Judd-Stein responded that this lower funding might explain the trouble that the researchers have had with data collection. Director Vander Linden concurred and stated that this was a line of research that had been ongoing for five or six years and it had produced a number of interesting studies that really contributed to the body of knowledge in both Massachusetts and beyond. He thought the Commission should really identify additional dollars that could go towards studies like this across the research agenda. Chair Judd-Stein referred to a study discussed at the March meeting about the impact that the regulated sports wagering market had on the illegal sports wagering market, and asked whether the research agenda could be amended to include that item. Director Vander Linden confirmed that he would add it.

Commissioner Hill then moved that the Commission approve the proposed Fiscal Year 2024 Gaming Research Agenda as included in the Commissioner's Packet and discussed here today. 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.*

7. [Commissioner Updates – Succession of Officers and Positions](#) (05:21:25)

Chair Judd-Stein noted that this item was going to be rolled over to the next public meeting of the Commission. It was placed on the agenda for Wednesday, May 10, 2023.

8. [Executive Session Regarding Sports Wagering License Suitability Investigation](#) (05:22:17)

Chair Judd-Stein then announced that, pending a vote, the Commission would be meeting in executive session in accordance with M.G.L. c. 30A, § 21,(a)(3) and M.G.L. c. 4, § 26(f) to discuss investigatory materials related to the issuance of a sports wagering license necessarily compiled out of the public view by the IEB. The Chair noted that the disclosure of these materials would probably prejudice the possibility of effective law enforcement that such disclosure would not be in the public interest. The Chair stated for the record and all participants that the public meeting of the Commission would not reconvene at the conclusion of the executive session.

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

### **List of Documents and Other Items Used**

1. Notice of Meeting and Agenda dated May 8, 2023
2. [Commissioner's Packet from the May 8, 2023, meeting](#) (posted on massgaming.com)



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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** May 10, 2023, 11:15 a.m.  
**Place:** Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292  
PARTICIPANT CODE: 112 628 6657

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](#) (00:06)

Chair Judd-Stein called to order the 452<sup>nd</sup> 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](#) (00:40)

Chair Judd-Stein then introduced Executive Director Karen Wells, who stated that she had no Administrative Update for this meeting.

3. [Commissioner Updates](#) (00:55)

Chair Judd-Stein then introduced Commissioner Skinner, in her role as Treasurer for the Commission, to discuss the Commissioners' Budget for Fiscal Year 2024, which was prepared in cooperation with the Finance Division. A *Memo on the FY 2024 Commissioners' Budget* was included in the Commissioner's Packet on pages 1 through 4, and a *Matrix of Proposed Appropriation Items* was included in the Commissioner's Packet on pages 5 through 7.

Commissioner Skinner then turned to the Chief Finance and Accounting Officer, (“CFAO”) Derek Lennon to review the Budget.

a. [FY24 Commissioners' Budget Review](#) (01:40)

CFAO Lennon observed that this was the first discussion of the Commissioners’ Budget at a public meeting, as it was previously done with the Chief Administrative Officer and then the Commissioners would be consulted later. He stated, however, that having the Commissioners all discuss their budget together was a good change to the process. He reported that the majority of what was in the Budget was just carried forward from last year, with a few items moved around or with small adjustments made. He then introduced the Chief Administrative Officer to the Chair, Grace Robinson, who had prepared the Memo, to discuss clarifications or corrections to the Budget.

Ms. Robinson first mentioned a slightly different allocation of funds for salaries since the introduction of sports wagering in the Commonwealth. She specified that gaming would carry 65 percent of the salary budget, sports wagering would carry 28.5 percent, and racing would carry 6.5 percent. She stated that the salaries in this budget also included allocations for the five Commissioners’ salaries, plus the Executive Assistant’s salary, which was new from last year, as well as the Chief Administrative Officer to the Chair's salary. She referenced the line item for parking and meeting space, noting that all five Commissioners had reserved parking spaces at 101 Federal Street, and the cost of these spaces was going up slightly. Ms. Robinson said that the funding would be continued for off-site meeting space, which could be used for space rentals, audio visual needs, catering, or anything related to hosting public meetings or hearings at off-site locations across the Commonwealth. She noted that a new line item was added for Commissioner sponsored team building events, so that any time the Commissioners wanted to host a training or a team building event, they could do so.

Next, Ms. Robinson addressed the ‘General Consulting’ line item, mentioning that the former funding for transcription services had been reallocated to General Consulting purposes, so the Commission could hire an outside consultant, since the legal division was now handling the transcription of meeting minutes. In the ‘Travel and Conferences’ line item, she mentioned there was a lot of interest in traveling in the last fiscal year, but the budget for that had been scaled back a bit with the onset of sports wagering. The travel allowances for FY 2024 had been level funded, and an estimate of about three thousand dollars per conference was allotted, which included conference registration fees, hotel booking costs, and other travel reimbursements. Assuming each Commissioner went on three conferences in the year, she said that would total \$8,500 per Commissioner for the conference travel budget for the year.

Commissioner O’Brien then asked whether three thousand per Commissioner was still reasonable, given that the cost of travel had increased. She further enquired if there should be a different allowance for conferences within New England versus outside New England because airfare and hotel might necessitate adding more to that cost than just a static allowance of \$3,000

per Commissioner that remained unchanged from last year. CFAO Lennon replied that he thought the \$3000 allowance per Commissioner per conference was still adequate for a typical two to three-day trip unless international travel would be expected. He also explained that these numbers were just estimates, and that the overall budget was only about 50 percent spent at this point in the fiscal year. He added that if some trips exceeded this estimate, he was confident more money could be found, since \$3,000 per Commissioner was a very small part of the total \$35 million overall budget for the agency.

Commissioner Hill then pointed out that the budget was only 50 percent spent because the Commission anticipated the coming of sports wagering, and so many things had been put off that probably ought to have been done by this point; so that low spending mark might be a bit misleading. CFAO Lennon concurred and added that travel for conferences might have dropped off between September 2022 and about March 2023 due to the Commission's agenda being filled with sports wagering items. CFAO Lennon emphasized that it was important for the Commissioners to continue to attend conferences, in order to stay up to date with developments in the regulatory environment, as well as what was happening in other jurisdictions, since gaming is a heavily regulated industry, like others he had been in.

Commissioner Hill echoed this sentiment, stating that there were some conferences he wished he had attended but did not because of the implementation of sports wagering. He agreed, however, that the conference travel budget estimate seemed appropriate for now. Commissioner Skinner also concurred with Commissioner Hill, adding that the budget could be adjusted later if needed.

Chair Judd-Stein then emphasized that even though funds in the budget were made available for travel, she wanted the Commission to understand that they were not committing to any particular future travel plans, which still had to be disclosed to appointing officials under the ethics rules. She then requested the estimated total travel budget bottom line, which Ms. Robinson replied was \$42,500 for all travel line items combined. John Scully, Finance and Budget Office Manager for the Finance Division, then clarified that this item was part of the \$81,370 estimated for all 'Class E Administrative Expenses'. CFAO Lennon then pointed out which lines in the budget matrix were included in the travel total, which also included out-of-pocket hotel and meal reimbursements if Commissioners made their own travel plans and were reimbursed later, as well as separate lines for credit card, registration, and travel agent costs if Commissioners made plans through the Commonwealth's agency.

CFAO Lennon further explained that some conference sites let the Commission bill them for registration and travel costs, whereas some expected payment up front via credit card, so all these needed to be separate line codes in the budget. Chair Judd-Stein then suggested that Commissioners tentatively plan the travel for any upcoming conferences they wanted to attend for the fiscal year and inform CFAO Lennon of those plans, so he could balance the cost estimates among all the Commissioners. She also asked that they be aware of any opportunities for speaking engagements, and submit those requests to CFAO Lennon, so the Commission might be represented at key events. Commissioner Skinner thought this was a good idea, adding

that she sometimes decided which conferences to attend based upon which other Commissioners were also attending. She stated it was a matter of professional courtesy to have some way of balancing conference travel expenses between the Commissioners. Commissioner O'Brien noted that she had always assumed each Commissioner got 20 percent of the travel budget allotment, and if ever anyone was going above that, they would come back and have a conversation, in order to avoid putting staff in an awkward position. She said she didn't believe that needed to be a formal vote, but there needed to be a trigger point that if any request was going to put one Commissioner above 20 percent of the allotment, then the five Commissioners would need to discuss that before the money was moved.

Commissioner O'Brien then asked if the travel budget should be preemptively set higher than \$42,500 given that some Commissioners had announced their intent to travel more next year than last. Commissioner Skinner disagreed, saying that she didn't find it necessary to allocate a higher dollar amount to Commissioner travel ahead of time and create a hard 20 percent cap per Commissioner, since that's not how other divisions approach their allocations. She reiterated that what the Commission's appointing authorities signed off on was the availability of funds for travel, not on set limits.

Commissioner Maynard added that he thought all the Commissioners were good fiscal stewards who understood how to balance their responsibility to stay informed of the regulatory landscape by attending events, and to be careful with the budget and respectful of their colleagues by not overusing their travel allotments. He expressed that he wanted to stick with the 20 percent amount, but not create any kind of formal cap.

Commissioner Maynard suggested that this issue could be raised again later in the year if travel spending started to come closer to the budgeted amount. Commissioner O'Brien emphasized that her position was the same as she had taken on this issue a year ago. She expressed concern about not putting outside approvers in a position where they might have to deny a Commissioner's travel because other Commissioners had already used too much of the total allotment. Commissioner Hill agreed that there should be a threshold percentage of spending that triggers the Commission to re-visit the issue as a body.

Commissioner Hill pointed out that some Commissioners may spend more to travel to a particular event to which they may have been invited, rather than attending a conference they may go to regularly, referencing an invite that Commissioner Maynard discussed earlier as an example. Chair Judd-Stein then pointed out that when she was invited to a special event last year, she had decided to pay the travel costs out of pocket without seeking reimbursement because she was mindful of having too much impact on the travel budget. She stated that the budget may not necessarily cover the total cost of speaking engagements and, out of concern for fiduciary responsibility for state funds, she opposed the idea of expanding the budget for such engagements. The Chair opined that the \$8,500 allowance per Commissioner currently budgeted was more than sufficient. She recalled a former Commissioner once dissuading her from attending "flashy" events, advising instead to opt for more budget-friendly conferences. Chair

Judd-Stein pointed out that there were many virtual conferences and roundtable events available for Commissioners to educate themselves without significant cost. She stated that she would certainly feel comfortable having a discussion with fellow Commissioners if her travel spending began to encroach on the informal 20 percent per Commissioner threshold. She recommended that the flexible threshold remain unchanged.

Commissioner Skinner recommended having CFAO Lennon speak more specifically about the spending approval process, so as to alleviate any misunderstandings about how approvals are sought, and projections are made. CFAO Lennon then explained that he met with representatives of each division on a monthly basis and reviewed where current spending stood versus their estimated budget in each major area, such as travel. He said there were certain considerations that shaped their decision making, but as long as a division wasn't exceeding their total budget for a year, they were allowed to move money around from areas that hadn't spent hardly any of their allotted money into areas that were getting close to or exceeding their estimated allowance.

Looking at the Commissioners' Budget, CFAO Lennon recalled that hardly any of the \$30,000 allotted this year for travel to public meetings had been spent, since public meetings had been held virtually. He also mentioned that there was another \$10,000 remaining unspent for interpreters. Therefore, if there were an issue with spending on a certain item getting close to its budgeted amount, he would suggest moving money from some of those unspent pools to cover any shortfall.

CFAO Lennon continued that if Commissioners travelling to certain conferences were a priority, then there was certainly enough unspent money available in the budget to move into that area. Even if the Commissioners' Budget were hypothetically maxed out, he suggested it was still possible to reach out to Executive Director Karen Wells to find unspent money in another division. He further emphasized that the Finance Division tracked spending on a monthly basis, and they tried to adjust priorities in order to avoid coming back to the Commission to request a budget increase. Finally, he suggested discussing with Ms. Robinson whether there were any upcoming priorities that needed to be accounted for, so money might be shifted around preemptively within the Commissioners' Budget.

Commissioner Skinner recalled the recommendation last year was to allow each Commissioner to take three trips per year at a cost of \$3,000 per trip, but there was no decision to make that an official policy. Commissioner O'Brien agreed with that recollection, and restated her desire to track this spending, possibly through Ms. Robinson, and regularly discuss where money needed to be moved from, as spending approached budgeted limits. She drew a distinction between the Commission, where five Commissioners exercised co-equal authority over the budget, and other divisions for which a single director had ultimate spending authority.

Commissioner Maynard agreed with Commissioner O'Brien's opinion that the travel budget should be allotted equitably between Commissioners and spending should be tracked, with a trigger point to have a discussion if one Commissioner's spending was approaching 20 percent of



the annual total travel budget. Chair Judd-Stein suggested that it was important to have a vote on the Commissioners' Budget this year, so the staff would have clear guidance on it. She also asked that the travel discussion be tabled for the moment.

Commissioner Skinner then asked for Ms. Robinson to continue her discussion of other items in the *Budget Memo*. Ms. Robinson described the last few additional items, such as level funding for printing supplies and office furnishings. She noted that the 'Fringe Benefit Cost Recoupment' line item had been increased, and that FY 2023 had a large line item for consulting from Ernst & Young, which was no longer needed for FY 2024, resulting in a year-over-year decrease in the total Commissioners' Budget. Chair Judd-Stein then asked if the overall budget was to go before the operators for their review. CFAO Lennon answered that the total Gaming Commission budget, of which the Commissioners' Budget was one piece, was scheduled to go to the operators for their recommendations on August 15th, and then those recommendations would be brought back before the Commission on September 1st.

Commissioner Hill made a motion to vote on the Commissioners' Budget for FY 2024, but then withdrew it amid further discussion. Chair Judd-Stein then asked for clarification that this vote would mean formally adopting the travel budget breakdown of 20 percent per Commissioner. Commissioner O'Brien replied that the breakdown was acceptable to her, and that she was also comfortable with a 75 percent threshold on spending that would trigger further discussion about reallocation. Commissioner Hill concurred.

Chair Judd-Stein reiterated that the vote on this item was needed for clarity. Commissioner Skinner stated her support for Commissioner O'Brien's idea of a 75 percent threshold to talk about reallocations. Commissioner Hill supported an allocation of 20 percent per Commissioner. Chair Judd-Stein stated that, although she respected CFAO Lennon's explanation of reallocation as an important part of budgeting for operations, she wasn't totally comfortable with the idea that any unused money from elsewhere in the budget could be reallocated without limit to a discretionary item like travel.

Commissioner O'Brien then moved that the Commission direct the Budget Office and CFAO report back to the Commission in the event that any individual Commissioner exceeds 20 percent of the allocated amount for the cumulative total of lines E30, E41, and EE2, in the Commissioners' Budget for FY 2024, for further discussion on reallocation issues. Commissioner Maynard seconded the motion.

*Roll call vote:*

*Commissioner O'Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Nay.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed, 4-1.*

Commissioner Skinner then moved that the Commission approve the FY 2024 Commissioners' Budget as included in the Commissioner's Packet and discussed here today. Commissioner Hill seconded the motion.

*Roll call vote:*

*Commissioner O'Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed unanimously, 5-0.*

b. [Succession of Officers and Positions](#) (01:05:51)

Chair Judd-Stein then introduced Commissioner O'Brien to discuss the matter of the Commissioners' respective officer roles. Commissioner O'Brien said this was an issue she had been talking about for some time with the compliance working group, which was a subset of the Compliance Committee, but it had not been discussed thoroughly with the rest of the Commission, given the implementation of sports wagering. She stated that, pursuant to M.G.L. c. 23K, § 3F, the Commission was required to annually elect a Treasurer and a Secretary, and that the time of year to do so was again approaching.

Commissioner O'Brien recalled that for the last year, Commissioner Skinner had been Treasurer, and Commissioner Hill had been Secretary. She explained that new presumptive nominees were needed for each new year, but that the start of the next term for the officers had moved several times since she has been on the Commission. She suggested that the Commissioners discuss what would be the least disruptive time of year for the officers to turn over, and the term of office for the new officers to begin, in order to avoid any possible vacant officer seats and scrambling to fill them at the last minute.

Commissioner O'Brien then asked CFAO Lennon whether he thought a July 1st turnover date made sense given the timing of the budget, or whether it should be a bit later than that, so as not to turn over the Treasurer position amid any crucial budget processes. She suggested avoiding setting the officer terms to begin in March, April, or May, as Commissioner appointments ending at that time could mean a high risk of disruption. CFAO Lennon replied that July would not be good timing for officer turnover either, since it would be right when one fiscal year was ending and the next one was beginning, with bills still coming in from the prior year during July and August.

CFAO Lennon noted there was no ideal time and recommended turning over the Treasurer role every other year instead of annually. He pointed out that the role required a lot of learning for a Commissioner to do in one year, unless they had significant prior experience with state finances. Commissioner O'Brien replied that the statute required an election every year, but perhaps the

same person could stay in the Treasurer role for two years. She also suggested either rotating the two Commissioners currently in the officer roles with the two Commissioners who weren't or cycling each Commissioner through each role in order by experience as Commissioner. She emphasized that whichever method of rotation was decided, it was important to settle on presumptive nominees in advance, to avoid confusion over who would take over the roles at the end of each term.

Commissioner Hill commented on how much he had learned in the role of Secretary, and said he also expected to learn a lot if he took on the role of Treasurer. He added that being in an officer role was a beneficial opportunity for any Commissioner. He favored the idea of being able to switch positions every year, referencing his experience in the legislature, where committee memberships and officer positions were rotated annually, allowing each member to learn different responsibilities. He thought that all the Commissioners were smart enough and experienced enough that each of them could come up to speed in each role over the course of one year.

Commissioner Skinner agreed with Commissioner Hill's preference for a one-year rotation, noting that "change is good." She added that she was glad that the newer Commissioners were also considered eligible to be officers. Commissioner Maynard, as the newest Commissioner, concurred. Chair Judd-Stein commented that she did not recall a time when newer Commissioners were not eligible to be officers, but never would have endorsed that idea. Commissioner Skinner expressed that she respectfully disagreed with the Chair's recollection and recalled that at least one former Commissioner had suggested that newer Commissioners should not be officers.

Commissioner Maynard then opined that annual turnover was good, and it was beneficial to have new sets of eyes examining issues regularly. He also referenced the typical spring appointment dates for Commissioners and the beginning of the fiscal year on July 1<sup>st</sup>, as key time periods to consider when discussing the timing of the officer turnover, echoing CFAO Lennon's earlier comments.

Commissioner O'Brien suggested July 1st might be a good time for that turnover, since it would avoid potential conflict with typical Commissioner appointments in the spring. She then reiterated her suggestions for cycling the officer nominees, where either (1) the prior Secretary would go over to Treasurer, the current Treasurer cycles out, and a Commissioner that hadn't been Secretary could cycle in, or (2) the two Commissioners who were not officers last year could assume the role vacated by the two current officers. She indicated that she did not prefer one method over the other but thought the Commission should choose one of them. She suggested that perhaps the Commissioners might wait until the next meeting to consider the matter, but reminded the Commission that about six weeks remained until the end of the officer terms as they were currently set.

Commissioner Hill then raised a procedural question to clarify if either of Commissioner O'Brien's proposals would require votes to have officers step down early or not. Commissioner O'Brien stated that her proposals were not intended to change the votes on current officers, but rather to set presumptive nominees ahead of time for the next term, in order to allow advance discussion of nominations and avoid the last-minute confusion or vacancies in officer positions that she had seen in the past. She explained that she had seen many boards and commissions that had a set cycle of presumptive officer nominees, so it was known in advance who would be expected to be in each role for the upcoming term, barring any circumstance where someone might decline to be presumptive nomination because, for example, they knew they had an upcoming leave planned.

Commissioner Skinner asked if this was meant to be a succession plan. Commissioner O'Brien answered in the affirmative. She offered to write up a brief summary of options for timing of officer terms and default nominees that the Commission could then vote upon at a future meeting. She said that this could also be a formal plan of succession if a Commissioner left, and the number of Commissioners dropped down to less than five.

Commissioner Maynard brought up another potential succession option where the two officer incumbents just swapped positions if none of the Commissions not currently in an officer position wanted to move into one. He suggested that any Commissioner could be nominated for any officer position they did not hold in the immediate prior year. Commissioner Skinner agreed that nobody should be discouraged from seeking an officer role just because someone else was the presumptive nominee for that role. Commissioner O'Brien commented that the point of her plan was for all the Commissions to get a chance to cycle through each position, in order to get fresh perspectives.

Commissioner Skinner then asked if Commissioner O'Brien had been planning to introduce a new officer role related to compliance. Commissioner O'Brien replied that she had been working with consultant Jack Flynn about possibly creating a smaller compliance working group with an officer on the Commission as a point person, but that the idea lost traction when Mr. Flynn left as sports wagering got started. She said she might have to talk to Legal and HR about the potential implications of creating a new compliance working group, as well as on other possible sub-committees. Commissioner O'Brien told the Chair that she wanted to move forward with drafting her proposal for a presumptive succession plan.

Commissioner Skinner mentioned that there should be a mechanism for Commissioners to signal their interest in being nominated for an officer position, pointing out the importance of Commissioners getting experience in those roles. Commissioner O'Brien emphasized that her plan would not prevent anyone from expressing interest in being nominated. Commissioner Maynard said he appreciated the idea of a succession plan as a starting point for who would be nominated for officer positions, but not as a binding policy. Commissioner Skinner concurred with his sentiment and emphasized the need to preserve discretion in voting for officers.

Chair Judd-Stein then directed Ms. Robinson to place the succession plan item on the agenda for a meeting sufficiently in advance of the July 1st deadline for voting on officers, and asked Commissioner O'Brien to prepare her memo for discussion at that meeting, perhaps in late May or early June.

4. [Executive Session Regarding Security Deployment Strategies](#) (01:47:47)

Chair Judd-Stein then announced that, pending a vote, the Commission would meet in executive session in accordance with M.G.L. c. 30A, § 21(a)(4), to discuss the deployment of security personnel or devices, or strategies with respect thereto, at retail gaming establishments. Public discussion of these matters would probably so prejudice the possibility of effective law enforcement, that such discussion would not be in the public interest. The Chair noted that this public meeting of the Commission would not reconvene at the conclusion of the executive session.

Commissioner O'Brien then moved that the Commission go into executive session for the reasons stated by the Chair. 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.*

**List of Documents and Other Items Used**

1. Notice of Meeting and Agenda dated May 10, 2023
2. [Commissioner's Packet from the May 10, 2023](#), meeting (posted on massgaming.com)



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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** May 16, 2023, 10:00 a.m.  
**Place:** Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292  
PARTICIPANT CODE: 112 388 2007

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](#) (00:06)

Chair Judd-Stein called to order the 453<sup>rd</sup> Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five Commissioners were present for the meeting.

2. [Review of Meeting Minutes](#) (00:53)

- a. November 29, 2022
- b. December 1, 2022

Commissioner Hill moved that the Commission approve the minutes from the November 29, 2022, public meeting and the December 1, 2022, public meeting that were included in the Commissioner's Packet 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.*

### 3. [Administrative Updates](#) (02:05)

Executive Director Karen Wells then referenced two administrative items. Firstly, she noted that John Scully, the Finance and Budget Office Manager, recently received a notice informing him that the Commission had earned an award from the Supplier Diversity Office for full participation in the annual reporting categories for FY 22. Executive Director Wells further noted that they had already hit the benchmarks for FY 23 in three Supplier Diversity Office categories, with spending in two other categories where the benchmark hadn't even been established yet. She announced that there would be a ceremony and luncheon on Thursday, June 1st to celebrate this award for FY 22.

Executive Director Wells then introduced the Director of Racing, Dr. Alexandra Lightbown, to give an update concerning how Massachusetts horse racing tracks protect the health and safety of horses, and what they do to prevent injuries and doping. Dr. Lightbown explained that all such tracks in the Commonwealth have numerous veterinary technicians on staff, and they do blood-gas testing on two randomly selected horses before each race, and for major races they test every horse in the race. She also stated that they have a veterinarian do post-race blood testing and further tests in the barn after the race for at least two more horses, including the winner of each race as well as one or more other horses selected by the judges, such as a favorite who was beaten or a horse that ran unexpectedly well in a race.

If any horse came up positive for a banned substance, Dr. Lightbown said that the trainer for that horse had the option to have the horse re-tested. She mentioned that the track at Plainridge Park was contractually bound to a turnaround of three business days for any negative tests for doping, but if a sample came up suspicious, they had a ten-business-day window to announce either an inconclusive or a positive result. If a trainer elected to have a "split sample" done then they had about eight accredited labs to which a sample could be sent, and if the split identified a drug, it showed the level of the drug and whether it was found in blood or urine. In that case the labs would have a further two or three days to respond back with the cost and expected turnaround time for thorough final testing, which can take four to six weeks. A hearing would then be scheduled, which could take place up to two months later, and then it could be another 16 days for a trainer to be notified of a decision and penalty, depending upon factors such as attorney involvement and other possible delays.

Dr. Lightbown then explained that Plainridge Park employed a vet known as the "Association Vet" who was responsible for watching over the horses as they warmed up to be sure they were fit to race. If they noticed any horse that looked lame, sickly, or had decreasing weight, the vet could have that horse scratched from a race or placed on the "veterinary list" which prevented the horse from racing for a period prescribed by the vet. She further stated that the Association Vet was also responsible for addressing any injuries to horses during a race, including getting injured horses off the track and administering emergency treatments to them. In addition, she

continued, there was a private veterinarian who worked for the trainers, and this vet could administer Lasix, a medication used to prevent respiratory bleeding in horses when running at high speed. She explained that this was the only drug permitted to be given to un-injured horses on race day.

Dr. Lightbown commented that the injury rate for standard-bred horses was much lower than that for thoroughbreds, due to their differing builds and gate patterns. She stated that some years had no horses that died at Plainridge Park, but on average there were one or two such deaths per year. She said that the track did have standard practices in place for attending to horses with fatal injuries, and an autopsy was performed on any horse that died while at the track. Dr. Lightbown next referenced the Commonwealth's longstanding requirement that racetracks be evaluated for safety by a recognized inspector before receiving a license to hold races, and mentioned that Nick Peterson, who inspected the track for the Kentucky Derby, also did such inspections at Suffolk Downs. She reported that the Horse-racing Integrity and Safety Authority ("HISA"), which is the federal agency responsible for the rules and regulations of thoroughbred racing, had recently imposed some new rules regarding track safety and racehorse veterinary records, and would be conducting a full review of recent incidents at the Kentucky Derby. She also touched on several safety improvements put into place at Santa Anita Park in California following a few serious horse injuries and fatalities during races there. She also commented that Plainridge Park confirmed they would cover the costs to return the ashes of a deceased horse to its owner after autopsy if the animal had sentimental value to the owner.

4. [Community Affairs Division](#) (19:13)

Community Affairs Division Chief Joe Delaney then introduced Jacqui Krum, SVP and General Counsel for Encore Boston Harbor ("EBH"), who presented the *EBH Quarterly Report for Q1 2023*, along with her colleagues Juliana Catanzariti from the EBH Legal Department and Tom Coffey, the Executive Director of Security at EBH. This *Report* was included in the Commissioner's Packet on pages 25 through 68.

a. [Encore Boston Harbor Quarterly Report for Q1 2023](#) (20:00)

Ms. Catanzariti gave a presentation of the EBH Quarterly Report, with the following topics: Gaming Revenue, Taxes and Lottery Sales; Workforce Statistics and Diversity; Operations Spending (including vendor diversity); Compliance; and Human Resources Initiatives (including focus groups and the results of an employee engagement survey); and Promotions, Marketing, Special Events and Volunteerism (including events to acknowledge Problem Gaming Awareness Month and celebrate National Employee Appreciation Day, both during March 2023).

Commissioner O'Brien recalled that the percentage of female employees at EBH had remained at 45 percent for the past several quarters, which was below the goal of 50 percent, and asked what EBH had been doing to increase that figure. Ms. Catanzariti responded that it would take a large volume of new hires to impact that figure. She explained that EBH has focused on re-training people who wished to move into new positions, to diversify some jobs not traditionally held by women or minorities. She added that they were also increasing outreach to gaming



schools and trying to get more women to enroll in those schools, which had been a non-traditional path for them.

Commissioner O'Brien noted that there had been some discussions about COVID's impact on service industries as the basis for the stagnation in female employment numbers. She asked if EBH felt like it had "maxed out" its staff, and its percentage of women on staff, since it had reopened. Ms. Catanzariti replied that the introduction of sports wagering, as well as the imminent opening of a new lounge, had allowed EBH to make some new hires recently, but this growth could no longer be attributed to re-staffing from COVID, but rather to a normal slow growth pattern in hiring.

Commissioner Skinner referred to an upcoming slide in the presentation and noted that EBH was exceeding its percentage goal for the employment of women in the sports wagering category. She inquired whether EBH had seen many women moving from gaming into sports wagering jobs. Ms. Catanzariti answered that there had been some female gaming cage cashiers becoming sports wagering kiosk cashiers. She pointed out that EBH recently administered a sports wagering job skills aptitude test and found that women scored significantly higher on that test than men did, and therefore they were able to hire or transfer more women into the new sports wagering roles. Commissioner Skinner then expressed her hope that EBH would continue its efforts to increase the recruitment of women into their non-sports wagering workforce as well. Ms. Catanzariti responded by highlighting her colleague Mr. Coffey and his continued search for more women to be security officers.

Commissioner Maynard reinforced Ms. Catanzariti's earlier point that only a large volume of new hires would significantly impact the percentage of female employees, although he appreciated EBH's efforts to increase the pool of qualified candidates. Chair Judd-Stein concurred with Commissioner Maynard's assessment. She asked what significant barriers EBH saw that prevented women from taking jobs in their organization, citing shift workers' possible difficulties getting childcare. Ms. Catanzariti answered that the main barrier was that many EBH jobs were in fields that women had not traditionally entered, and so the pool of female candidates from which to recruit was limited. To address this issue, Ms. Catanzariti pointed to EBH's campaign to draw more women applicants to its dealer school, as well as its staff outreach programs to help women feel more comfortable in underrepresented positions once they were hired.

Commissioner Hill commended those recruitment efforts and mentioned that it was also a priority for the Commission to limit any possible harm that gaming in the Commonwealth did to its traditional lottery. He pointed to the large year-over-year percentage and total cash increases in lottery sales at EBH, and asked whether this was due to an overall increase in patrons at EBH, or just more patrons buying lottery tickets. Ms. Catanzariti said she had not noticed a significant increase in traffic at EBH over the last quarter and speculated that the increase in lottery sales might be due to recent lottery promotions running at the casino, as well as the draw of large lottery jackpots. Commissioner Hill then asked if EBH partnered with the lottery or had regular discussions with their representatives to find ways to increase sales figures. Ms. Catanzariti replied that EBH had an agreement with the lottery that laid out areas of cooperation and goals to work toward. She pointed out that this agreement specified the locations of lottery ticket

machines in the casino and required that EBH monitor these machines to track which ones produced high sales volumes and which ones underperformed. She also said that the EBH promotions team met regularly with the lottery to discuss opportunities for expansion of lottery sales, as well as to plan what promotions could run and when.

Chair Judd-Stein then asked whether either of the two online sports wagering platforms associated with EBH had reached out to the lottery to discuss partnerships involving those platforms. Ms. Catanzariti answered that she would reach out to her colleagues who ran those online platforms to find out about that. Chair Judd-Stein pointed out that the Treasurer of the Commonwealth had requested that lottery promotions on sports wagering platforms be encouraged, similarly to the Commission's earlier commitment under MGL Chapter 23K to protect and promote the lottery in connection with casino gaming. She said she was looking forward to hearing some creative ideas coming from sports wagering operators on how to partner with the lottery.

Commissioner O'Brien then asked about EBH's efforts to recruit more women for supervisory roles. In response, Ms. Catanzariti referred to the leadership training programs at EBH, which emphasized the importance of diversity in management positions, and made special outreach to women and minority employees. She stated that whenever a person from an underrepresented group is promoted into management, other minorities might be encouraged to apply to work under that person, thus expanding the role of women and other minorities in their department.

Ms. Catanzariti said EBH that was focused on increasing the number of women and minorities in management, and further stated the VP of Diversity and Inclusion, who came to Boston once each quarter from the home office of Wynn Resorts in Las Vegas, was currently developing a leadership outreach series to further encourage women and minorities to apply for management roles at EBH. Commissioner O'Brien then asked whether EBH could either hire a diversity manager based in Boston, or else have that person come to Boston more frequently than once a quarter. Ms. Catanzariti replied that the VP of Diversity and Inclusion would probably come to Boston more often if EBH asked her to do so.

Ms. Catanzariti recalled Commissioner Skinner's earlier observation that 52 percent of these employees were women, and pointed out that 52 percent were minorities. Commissioner Hill expressed concern that there were zero veterans employed in the sports wagering area. He questioned whether EBH did outreach to veterans' organizations, pointing out that the state government had an entire department dedicated to finding jobs for veterans. Ms. Catanzariti replied that EBH partnered with veterans' employment agencies to find candidates for open positions, and that it had been generally successful in that endeavor. She noted that many of the sports wagering employees had been trained and hired from within EBH and was unsure of why there were zero veterans currently working in that area. She also stated that sports wagering employees may not necessarily self-identify as veterans.

Chair Judd-Stein questioned whether the total cash spent on diverse vendors had been higher in the past. Ms. Catanzariti replied that this total for Q1 2023 was largely consistent with past totals for this metric. She then introduced her colleague Mr. Coffey, who discussed the EBH compliance and security statistics for Q1 2023. Mr. Coffey reported that 49 fake IDs had been

discovered during that time, including four such IDs that defeated the verification technology used at EBH, one of which was a repeat violator. He explained that these IDs were sent to the technology vendor so they could use them to improve their systems. He said that several of the minors were intercepted at alarmed doors leading into various gaming areas, while others were caught by security cameras. He also admitted that seven underage guests made it onto the gaming floor before being identified, although none of those were known to have wagered or drank alcohol. Mr. Coffey said that if a security officer made a mistake and missed an unauthorized person, they were counseled on how to avoid such an error. He discussed one case of an underage guest with a particularly convincing fake ID who came onto the gaming floor multiple times over a three-day period. He also commended EBH for giving him ample security resources to catch violators.

Commissioner O'Brien questioned which methods violators used to evade security, and whether a particular method was trending upward. Mr. Coffey replied that the violators were able to get on the gaming floor mostly because security officers were either distracted or subjectively thought the person in question was older than they were. New EBH security officers were given 20 hours of ID training, Mr. Coffey continued, but catching fake IDs can still be challenging. He stated that his staff is always looking to improve on the number of violators missed due to human error, and that officers checking IDs were rotated every two hours. Commissioner O'Brien asked for further detail on the incident bulleted below the chart where a minor spent 5 hours and 38 minutes on the casino floor before being interdicted. Mr. Coffey answered that this referred to the repeat violator, who had two very good fake IDs. Chair Judd-Stein asked what this minor did before being caught, and what his actual age was. Mr. Coffey replied that he was 20 years old and was seen on camera at many locations in the gaming area.

Chair Judd-Stein inquired whether it was known if any of the minors under 18 reflected on the chart were accompanying parents or guardians onto the gaming floor. Mr. Coffey responded that several of them were accompanied and explained that they would be counted on the chart even if they were on the gaming floor for under a minute, such as little kids running onto the gaming floor before being quickly called back. He referenced a case of a father bringing three young children onto the gaming floor but was just passing through and had no ill intent. Chair Judd-Stein commented that it was important to clarify for the public that the incidents shown on the chart were not necessarily teenagers intending to gamble, but instead could be very young kids who followed adults onto the gaming floor. Mr. Coffey said this was correct but explained that there were a few teens caught trying to gamble during this period, including a boy who pushed through security using the ploy that he had to use the restroom. He was quickly escorted out, Mr. Coffey said, but the incident was still counted on the chart. Commissioner Skinner commended Mr. Coffey's efforts, and said she appreciated the details he gave about the incidents he was seeing, and his understanding that compliance reporting was a high priority. She recalled that she had not seen the same level of transparency during previous compliance presentations, and she hoped that it would continue.

b. [Plainridge Park Casino Quarterly Report for Q1 2023](#) (57:20)

Chief Delaney then introduced Mr. North Grounsell, General Manager for Plainridge Park Casino ("PPC"), who presented the *PPC Quarterly Report for Q1 2023*, along with his

colleagues Heidi Yates-Akbaba, the VP of Finance for PPC, and Kathy Lucas, the VP of HR for PPC. This *Report* was included in the Commissioner's Packet on pages 69 through 82.

Ms. Yates-Akbaba began the presentation of the PPC Quarterly Report with the following topics: Gaming Revenue and Taxes; Sports Wagering Revenue and Taxes; Lottery Sales; Operations Spending (including spending within each state where PPC and its parent company Penn Entertainment operates, spending by PPC locally within Massachusetts, and vendor diversity); Employment Statistics and Diversity; and PPC Cares Community and Team Events.

Commissioner O'Brien asked if there was any way that Penn's spending on Massachusetts vendors could be increased. Ms. Yates-Akbaba answered in the affirmative, and then asked whether the Commission would like future reports on Penn's efforts to increase such spending in Massachusetts, to which Commissioner O'Brien said that would be helpful.

Ms. Yates-Akbaba then reported that PPC had hit its overall goal for spending on diverse vendors for Q1 2023. She mentioned that the decrease in diversity spending between Q4 2022 and Q1 2023 was due to the completion of a capital project during Q4 2022 that would not be repeated in Q1 2023. Commissioner Skinner asked if there were any plans to offset that spending for upcoming quarters, and how PPC planned to get those spending numbers back up to meet future goals. Ms. Yates-Akbaba replied that PPC always made sure to keep working with their diverse vendors for future capital projects as much as possible. She emphasized that the drop in the minority-owned vendor spending for Q1 2023 represented a temporary decline in that one category, although the overall diversity spending goal for the quarter was still exceeded by one percent. Commissioner Skinner said she understood.

Ms. Yates-Akbaba then turned back to her colleague Mr. Grounsell, who discussed the PPC compliance and security statistics for Q1 2023. Mr. Grounsell began by showing a chart of the recorded number of minors escorted from the gaming floor by PPC staff during Q1 2023, of which only one was found, as well as the recorded number of minors prevented from drinking alcohol or playing slots during the quarter, of which none were found. Mr. Grounsell pointed out a new column on this chart for minors prevented from sports wagering, of which none were found during the quarter. Commissioner O'Brien asked for additional details on the one minor escorted from the gaming floor by PPC staff. Mr. Grounsell answered that the person was on the floor in February for less than ten minutes before security staff discovered them.

After Ms. Lucas's summary of PPC employment statistics for Q1 2023, Commissioner O'Brien recalled that the 45 percent figure for female employment at PPC matched EBH's number for Q1 2023. She then asked if that current level was primarily due to the post-COVID labor shortage, or whether there were other reasons preventing the company from reopening some amenities and increasing hiring levels. Ms. Lucas replied that PPC had yet to reopen its restaurant, which would enable the filling of 20 to 30 additional roles that had been traditionally held by women. She added that the closure of the restaurant during COVID caused a significant decline from 2020 employment levels. She highlighted, however, that PPC's recent recruiting efforts had enabled the hiring of women into typically male-dominated jobs, which offset some of the percentage losses in female employment over the past two quarters. Ms. Lucas also pointed out that the opening of sports wagering had allowed the hiring of several female cashiers for the Barstool Sportsbook at PPC. Commissioner O'Brien asked if PPC had a timeline for the

restaurant reopening. Mr. Grounsell responded that construction was ongoing, and PPC was targeting late summer 2023 for that reopening.

Ms. Lucas then highlighted the company's focus on leadership development and talent acquisition programs, which created more opportunities for women and minorities in these senior roles. Lastly, Ms. Lucas showed some pictures of community outreach and volunteer efforts by PPC employees during Q1 2023, including participation in local job fairs and sponsorship of charity events. Mr. Grounsell pointed out that PPC was developing a stronger partnership with the culinary program at Bristol County Community College based upon a comment from Commissioner Hill at a prior meeting.

c. [Encore Boston Harbor East of Broadway Expansion Discussion](#) (01:28:52)

Chair Judd-Stein then turned back to Chief Delaney, who provided a brief overview of the EBH East of Broadway Expansion project. A *Memorandum* on the planning for this project was included in the Commissioner's Packet on pages 83 through 87. He explained that EBH's original plans for this expansion in February 2022 did not include new gaming spaces, but their revised design submitted in the fall of that year included a new sports betting area and poker room. He recalled that after requesting additional information, the Commission voted in February 2023 that the original Referendum passed in June 2013 in Everett was sufficient to allow gaming at the expanded location. Commissioner O'Brien commented that the vote had not been unanimous, passing by a margin of 4-1. A Public Hearing on the project was held in Everett at the end of April 2023, Chief Delaney continued, and it generated significant oral and written comments from the community. The Commission therefore decided to hold an additional public hearing virtually, which Chief Delaney said was scheduled for June 6, 2023, to ensure that all interested parties had the opportunity to comment. Chair Judd-Stein confirmed this date.

Commissioner Skinner asked if there would be any advance outreach to the city of Everett so that they could post notice of the meeting to their platforms to the extent possible. Chief Delaney answered that he would request notice to be placed on community message boards for not only Everett, but all cities surrounding the EBH property. He added that messages had previously been sent out to those communities to inform them of the virtual meeting, but they had not yet been specifically advised to post it to their platforms. Chief Delaney stated that the next order of business for the Commission should be to review and approve the EBH expansion plans, including (1) an amendment to the EBH gaming license to reflect its expanded property, and (2) a corresponding amendment to the EBH operations certificate.

Chief Delaney recalled several smaller scale amendments in the past and confirmed that regulations were already in place to facilitate such changes. He stated that the Community Affairs staff had recently reviewed the gaming law and associated regulations pertaining to development of gaming properties, and considered comments received on these matters from interested parties and the public. He said that his staff had determined that some parts of existing regulations were inappropriate for the EBH expansion. For example, he cited the requirement for a bond issue with a timely opening date for the original casino developments and explained that timely opening would no longer be a concern for the expansion of an existing licensed property. He then enumerated a list of items, included in his *Memorandum*, for EBH to address as part of a

formal submission of their expansion plans. He invited the Commissioners to give their feedback on possible additions or deletions from this list. He specifically mentioned requests from surrounding communities to reopen the Mitigation Agreements between EBH and those communities under 205 CMR 127 for further discussion. He stated that the Commission was not a party to those Agreements, but that they should ask EBH how they intended to deal with those requests.

Commissioner O'Brien asked whether the Mitigation Agreements were required to be executed before the original EBH gaming license was issued. General Counsel Todd Grossman answered that all mitigation and arbitration issues had to be resolved in advance of the EBH gaming license being granted. Chair Judd-Stein added that the Agreements were signed before the 2013 Referendum on EBH was proposed in Everett. Commissioner O'Brien questioned whether there needed to be a deadline for the cities to consider amending those Mitigation Agreements before the EBH expansion could be approved. Chief Delaney replied that the approval of any plans EBH submitted could be conditioned upon the resolution of any open issues with the Mitigation Agreements by a certain time. He reminded the Commission that the regulations provided for an arbitration process that would be triggered if there were any outstanding issues between EBH and surrounding communities related to the expansion. Commissioner Skinner commented that she wanted to see Everett engage its citizens as fully as possible in its negotiations with EBH over amending the Host Community Agreement ("HCA").

Chair Judd-Stein questioned who the required signatories were for the HCA and the Mitigation Agreements with the surrounding communities, and whether the Commission should consider all of these Agreements together in its discussion of a timeline for resolution of amendments. Chief Delaney responded that EBH could propose whether the Agreements should be addressed separately or as a package, for instance if they wanted to reopen the HCA but didn't believe their expansion would have much impact upon the other surrounding cities. Commissioner O'Brien suggested asking EBH to notify the cities of their intentions in this regard. Chief Delaney answered that the Commission could instruct its staff to write a letter to EBH, either asking for a separate report of what they would do regarding each Agreement, or else request a report on their intentions for the HCA and then the other surrounding community Agreements grouped together.

Chief Delaney then addressed the concerns he heard from the public regarding transportation and traffic issues around EBH. He stated that MassDOT takes the lead on traffic and transportation issues, but the Commission did have a role in this via its Section 61 reviews of gaming development projects. He recalled that EBH had submitted an Environmental Impact Statement for its expansion that is currently under review by MassDOT. He reminded the Commission that it had historically waited for MassDOT to issue its Section 61 findings on transportation issues, and then delivered its own Section 61 report in reference to those items, thus allowing the Commission to exert some influence concerning traffic issues. He suggested requesting EBH to provide the Commission with an executive summary of where the MassDOT review of the expansion project stood as of the date they submitted their application for Commission approval of that project, including the key points in the 2,500-page Environmental Impact Statement, such as how much traffic might increase due to the expansion, as well as EBH's traffic mitigation plans. Commissioner O'Brien recalled several outstanding Section 61 conditions during the discussion of the original EBH license and opined that the Commission should also request an

update on how many of those conditions remained outstanding. Chief Delaney agreed that such a request would be appropriate.

Chief Delaney then referenced public comments regarding EBH's impact on police and fire services, stating that such safety issues were part of the HCA, and the extra costs of these could be covered by the Community Mitigation Fund. He suggested that the Commission should ask EBH for an update on how they would mitigate any additional police and fire needs that might arise from their expansion. He then commented that the expansion of the EBH gaming space would likely impact the Gaming Enforcement Unit of the State Police, and that the Commission should also request an update on that as well. Chair Judd-Stein asked if the Commission could be apprised of the impact of the EBH expansion on public safety coverage in the Everett community, recalling prior concerns about the safety of the bridge and garage exits, as well as security measures at entrances and exits to the expansion in general. Chief Delaney replied that an additional category could be added to the Commission's letter to EBH to ask about their updated security and public safety plans.

Commissioner Hill expressed frustration that the Commissioners were not able to interact with the public at the April 2023 Hearing as much as he would have liked. He suggested that the Commission staff put together some information on community impact mitigation efforts in advance of the upcoming virtual hearing, so that Commissioners would be better able to demonstrate those efforts to the public and address any further concerns that might arise. Chief Delaney agreed to do so.

Chief Delaney then suggested that EBH should update the Commission on the sustainable development aspects of its planned expansion, noting that its original casino was LEED certified, and the company aspired to make it a net zero facility. He then referenced the labor harmony provision of MGL Chapter 23K Section 18 and said the Commission should ask whether EBH planned to use union labor for its expansion. Next, he touched upon construction and operations diversity, recalling that this was a significant component of the initial construction of EBH and the other Massachusetts casinos. He stated that there are diversity provisions in many of the gaming regulations, and that EBH should report on its plans to ensure diversity in the construction and operations of its expansion. He also said this was an opportunity to reassess the facility's original diversity plans if necessary. Commissioner O'Brien suggested that EBH's presentation on its expansion should also include a separate discussion of any planned modifications to the footprint of its original building. Chief Delaney agreed.

Chief Delaney stated that there were many public comments asking how many construction jobs would be created by the expansion, and he thought it made sense to pose this question to EBH. Lastly, he referred to the regulations that required the monitoring and reporting on the construction of gaming facilities to the Commission. He said that some of these provisions were not pertinent to expansion but noted that the Commission needed to request access to the construction site for inspections and compliance purposes, as a condition of approval for the expansion. He suggested that quarterly construction updates might be added to the regular EBH quarterly reports. Commissioner Skinner disagreed, stating that construction updates separate from the regular EBH quarterly reports made more sense to her, although they did not need as much detail as those for the original EBH construction. Chief Delaney replied that the

construction updates would be from a different EBH team than the one that presented the regular operations reports, so they could easily be separate documents.

Commissioner O'Brien recalled a discussion of the original casino licensees committing to fund the construction of a certain number of affordable housing units in their host city as a condition of being licensed, and she wondered where in the original construction process this was agreed to, and if the expansion required EBH to fund additional units. Chief Delaney answered that only MGM had made such a commitment to Springfield, and it had committed to fund market-rate housing units. He added, however, that there were some current discussions about EBH possibly committing to fund affordable housing units in Everett as part of its expansion. Commissioner O'Brien stated that the Commission should ask EBH for more details about any such commitments. Chair Judd-Stein asked whether any Everett residents would be displaced by the EBH expansion, and Chief Delaney replied that the land for the EBH expansion was currently occupied by parking lots. He said he believed any residential properties in the EBH footprint were already acquired and cleared as part of the original casino construction. Chair Judd-Stein requested confirmation that no additional residents would be displaced by the expansion.

Commissioner Skinner asked if there were any significant issues discussed as part of the initial RFA2 process for the EBH expansion that were left out from today's memorandum. Chief Delaney replied that there were many items that he left out as superfluous, such as the bonding requirement stipulating fines if a casino was not opened by a particular time. He stated that this item would not be applicable to an expansion, since the casino facility was already open, and imposing an aggressive timeline for opening the expansion was not necessary to generate revenue for the Commonwealth. General Counsel Grossman added that the strict financing and capital structure review requirements imposed on the initial casino development proposals were also omitted for the expansion planning process, since financing is less of a concern for an established casino.

General Counsel Grossman confirmed, however, that all the important principles originally applicable to the development of the gaming establishments would continue to guide the development of the EBH expansion, although all the details of the expansion proposal were not included in the Memorandum. Commissioner Skinner commented that she would like to have more details on the conditions and requirements of the expansion proposal for her own education, if possible. Chief Delaney replied that regulation 205 CMR 119 outlined the entire RFA2 process, and he would be willing to walk through it as it related to the EBH expansion, for any Commissioner who wanted a more detailed discussion offline. Commissioner O'Brien commented that such a detailed discussion might be helpful for all the Commissioners. Commissioner Maynard also agreed that items like financing and capital structure for the expansion should be reviewed in more detail prior to approving the project. Chief Delaney replied that he would set up some smaller virtual meetings with the Commissioners for more in-depth discussions. He also offered to draft a letter to EBH to request more information on the specific items discussed today, along with any other items of concern. Commissioner O'Brien suggested holding off on drafting a letter yet, since there was an additional public meeting scheduled to further discuss the EBH proposal and get additional public feedback. Chief Delaney proposed that the Commission reconvene as soon as possible after that public hearing in order to finalize the letter to EBH.



5. [Division of Racing – Review of Updated Delegation of Authority Memorandum](#) (02:21:56)

Chair Judd-Stein then recognized Dr. Lightbown to present an *Updated Delegation of Authority Memorandum* regarding “track matters” for the Division of Racing, which was included in the Commissioner’s Packet on pages 88 through 91. Dr. Lightbown explained that these track matters had historically been handled by the former Massachusetts Racing Commission but were delegated to the Director of Racing under the Gaming Commission in June 2013. She said it had been ten years, so this seemed like a good time to update the Delegation of Authority Memorandum. She pointed out that proposed changes had been redlined against a PDF of the original 2013 Memo.

Among the key changes, Dr. Lightbown continued, were including the Legal Division in the sending of Notice and Demand letters and extending the authority of the Division of Racing to violations other than just collecting the statutorily required payments. Also, reference to the execution of Show Cause Orders was eliminated, since nobody could recall an instance where the Division of Racing had performed this function, and Dr. Lightbown felt that it was something more appropriately handled by the Legal Division. She added that such Orders would be unlikely to require emergency action, and therefore could be brought up directly to the Commission. She stated that the reference to approval of premium-free simulcast days since this was now included in the application process for racing dates. She explained that this too would not be a time-sensitive matter, meaning that it could also be brought to a Commission meeting if necessary. Lastly, Dr. Lightbown pointed out the addition of authority to approve other routine ministerial or administrative matters that required prompt attention in the judgment of the Director of Racing.

Commissioner Maynard, who had assisted in editing the Delegation of Authority Memorandum, commented that in 2013 when the original Memorandum was written, the Director of Racing was an attorney, but the edits were made in part to make it more friendly for a Director of any background. He said Dr. Lightbown had highlighted several areas of the Memo where the Commission would already be involved in an issue, so delegation was no longer needed. In other areas, he recalled that General Counsel Grossman had recommended giving clearer authority to the Legal Division. Also, Commissioner Maynard said that he wanted to make sure that the Commission received timely notification of some items, and that Dr. Lightbown got a bit more flexibility to make routine decisions more quickly. Commissioner Hill agreed that this updated Memo was a good product.

Commissioner Skinner questioned the delegation of authority to approve racing officials, since she recalled that they were approved directly by the Commission. Dr. Lightbown replied that the list of approved officials was approved by the Commission in March of each year. She explained that this delegation of authority would only be used in emergency situations where an official became unavailable for a race unexpectedly, and the track needed to bring in a provisional replacement official quickly. She added that such an official would then be approved by the Commission at a future meeting. Commissioner Skinner asked for an edit to the language of the Memo to clarify that the delegation of authority to approve race officials would be used only in emergencies outside of the Commission’s annual approval of officials. Dr. Lightbown

recommended adding language specifying that the Director of Racing would advise the Commission at their next scheduled meeting of an action taken under the authority granted by the Memo. Executive Director Wells then directed the Legal Division to finalize these suggested edits to the Memo and present the final document to the Commission for approval at a future meeting.

6. [Legislative Update](#) (02:35:37)

Chair Judd-Stein then recognized Grace Robinson, in her capacity as Special Projects and External Relations Manager. Ms. Robinson provided a summary of the *2023-2024 Legislative Session Update Memorandum*, which was prepared in consultation with Commissioner Hill. This Memorandum was included in the Commissioner's Packet on pages 92 through 96. Firstly, she referenced several bills to extend the authorization of simulcasting for horse racing through either 2024 or 2028, and to broaden the Commission's authority over simulcasting and racing in general. Chair Judd-Stein reminded the Commission that simulcasting was traditionally extended for only one year at a time. Commissioner Hill recommended that extending this authorization out to two or three years would be helpful not only to the operators but to the Commission as well.

Commissioner O'Brien recalled that renewing the simulcast authorization for only one year had proven disruptive and tedious in the past. She also referenced a previous Commission proposal to repeal and rewrite the existing MGL Chapters 128A (Horse and Dog Racing Meetings) and 128C (Simulcast Wagering of Horse and Dog Racing) and combine those provisions into a new MGL Chapter 128D, as one of the current bills proposed. She therefore speculated that the Commission might be asked to provide comments on this bill soon, and it should be prepared. Chair Judd-Stein noted that no action had ever been taken before on that proposal, and so she recommended putting aside that large item for the Commission to review at a future meeting, possibly bringing in Legal to help craft a proposed bill on behalf of the Commission. Commissioners O'Brien and Hill agreed to propose a limited comment for now, referencing the broader issues with the simulcast statutes. Commissioner Skinner commented that it would be helpful to understand why the simulcast authorization was never extended beyond one year. Chair Judd-Stein replied that the legislature had simply chosen to do it annually, but they were now proposing a longer extension. Commissioner Hill agreed with the Chair's assessment and stated that some legislators have realized that annual renewal may not be beneficial to the operators.

Commissioner Skinner asked for assurance that there was no substantive reason that the legislature had not proposed simulcast authorization in the past for more than one year at a time. Chair Judd-Stein said there was no reason beyond what the legislature happened to propose. The Chair recalled having to remind the legislature to renew it before, and watching for it to be passed right before the deadline as it could mean job losses if the authorization was allowed to expire.

Commissioner Hill suggested a letter of support for the three-year bill but said anything would be preferable to one year. Commissioner Maynard agreed that a longer-term authorization would be better for stability. Commissioner O'Brien reiterated her support for a deeper discussion of

the statutes, which would provide an opportunity for a permanent solution to this issue. Commissioner Skinner agreed with Commissioner O'Brien's suggestion to give a "nod" to a broader discussion of the statutes in the Commission's letter of support for the long-term authorization bill.

Ms. Robinson then referenced the next two proposed bills related to racing authority. She stated that there was one bill that would apply the provisions of M.G.L. c. 93A, § 2 (Regulation of Business Practices for Consumer Protection) to sports wagering advertising. Chair Judd-Stein stated that she had invited Senator Keenan, the author of this bill, to appear before the Commission to address it, as well as asking the Legal Division to review Senator Keenan's recommendations regarding sports wagering advertising, to determine how his bill would impact the sports wagering regulations if it passed. Commissioner Skinner asked if the Commission had received correspondence from Senator Keenan about his bill, and Commissioner Hill answered that he had gotten two letters from the Senator's office. Commissioner Skinner noted that she was not aware of those letters. Ms. Robinson said she would get copies of them to her shortly.

In the area of gaming, Ms. Robinson mentioned an Amendment to the House version of the Budget bill for 2024 that would grant authority to the Alcoholic Beverages Control Commission to regulate distribution of alcohol within a "gaming establishment" but not within a "gaming area". She recommended that the Commission staff might reach out to the legislature to seek clarification of this proposed language. Commissioner Hill agreed that the Commission should ascertain what the legislature's intent was with this proposal, and then draft a letter to voice its concerns and either support the proposal or not. Director Loretta Lillios of the Investigations and Enforcement Bureau ("IEB") raised a question about how this proposed language would interact with statutory provisions such as M.G.L. c. 10, § 72A, regarding the Alcoholic Beverages Control Commission, as well as two provisions of Chapter 23K, Section 26. Chair Judd-Stein directed the staff to seek further clarification from the legislature. Commissioner Hill mentioned that this language had been adopted into the House budget bill, but may not be adopted by the Senate, which would begin their budget process soon.

Ms. Robinson then summarized the other proposed gaming bills. Commissioner O'Brien asked whether the bill to allow veterans organizations to operate up to five slot machines had the same language about which the Commission had sent a letter several years back. Commissioner Hill replied that it was the same concept, and the Commission staff was currently studying possibilities for where to place slot machines. He said his recommendation was to defer action on this bill, because the veterans' organizations were part of that study. Chair Judd-Stein pointed out that the Commission would have concerns about its ability to regulate those machines if the proposal moved forward. Commissioner O'Brien agreed with this sentiment. Commissioner Skinner suggested that the Commission resend its letter about the veterans' organization slots bill, possibly with updates, to reinforce their position on the bill. Chair Judd-Stein suggested revisiting this issue at an upcoming meeting.

Ms. Robinson referenced the proposed Finance, Budgets, and Appropriations bills related to gaming, and then noted a few gaming-related bills pending in jurisdictions outside Massachusetts, including a bill sent to the governor to sign in Vermont to legalize online sports wagering, adding that the governor said he intended to sign that bill. Commissioner Maynard

commented that he was aware of a similar online sports wagering legalization bill recently signed by the governor in Kentucky. He added that several Commission staff were approached by regulatory staff from Kentucky, requesting help with crafting regulations. Commissioner Skinner asked if the Commission could consult with Chief Katrina Jagroop-Gomes and the Information Technology Division to get more details on the proposed bill directing the Commission to adopt certain federal standard data security and privacy requirements. Executive Director Wells replied that she would reach out to Chief Jagroop-Gomes, as well as to the Legal Division. Commissioner Hill reminded the Commission that this was a proposed Amendment to the Senate version of the budget, so it had yet to be debated yet, and it may or may not move forward.

7. [Legal](#) (03:42:54)

Chair Judd-Stein then skipped ahead to the Legal part of the Agenda (originally Item 9) to accommodate a team member's schedule. She recognized Deputy General Counsel Caitlin Monahan, who presented several regulations to the Commission for discussion. Ms. Monahan explained that the first regulation, 205 CMR 222.00: Capital Investment and Monitoring of Project Construction, had been discussed at two previous meetings but had not yet been voted upon. She then reported that the second regulation, 205 CMR 239.00: Continuing Disclosure and Reporting Obligations of Sports Wagering Licensees, had previously been voted upon but an updated draft was being presented for amendment. Lastly, she submitted the third regulation, 205 CMR 256.00: Sports Wagering Advertising, which was also a revised draft of one previously voted upon. Ms. Monahan then introduced Attorney Mina Makarious, outside counsel from the law firm Anderson and Krieger, to outline the latest changes to these regulations.

- a. [205 CMR 222.00](#): Capital Investment and Monitoring of Project Construction – Regulation and Small Business Impact Statement for review and approval to commence the promulgation process and/or adoption via emergency. (03:43:54)

Mr. Makarious explained that a *Background Memorandum* was included in the Commissioner's Packet on pages 180 and 181, and a *Marked Draft of Regulation 205 CMR 222 and its associated Small Business Impact Statement* were included in the Commissioner's Packet on pages 182 through 190. He then highlighted the key changes to the regulation, which were intended to reflect the feedback from the Commission meeting on May 4, 2023.

Commissioner Skinner asked if the circumstances that would constitute good cause to waive the requirements under 205 CMR 222.02 (2) paragraph (b) should be more specific. Mr. Makarious answered that this language was left intentionally broad to provide flexibility for the Commission to either determine that good cause existed due to unforeseen circumstances, or else to decide after questioning an applicant that their claim of good cause was not justified.

Commissioner Hill and Chair Judd-Stein questioned whether the 50 percent cap on the cost of simulcasting equipment allowed to be counted toward a capital investment made by a Category 2 Sports Wagering licensee under 205 CMR 222.07 (2) paragraph (g) was too high. Commissioner Skinner asked about the purpose for that cap. Mr. Makarious clarified that the cap was 50 percent of the cost of sports wagering equipment, not 50 percent of total project cost. He then replied that

the question at the last meeting was about whether purchasing equipment should count as a capital investment in the first place, without knowing what kinds of equipment were needed. He recalled that the intent was to make sure that equipment costs were not more than most of the total investment for a project and added that this percentage could be reduced as the Commission deemed appropriate.

Commissioner Skinner asked if the intent of 205 CMR 222.07 (2) paragraph (g) was to keep the costs of simulcasting equipment on par with that of sports wagering equipment, and if that was the case, why wouldn't the regulation say that simulcasting equipment costs should not exceed the costs associated with sports wagering equipment, rather than limiting simulcasting equipment costs to one half of the project total. Mr. Makarios responded that for an example project with a one-million-dollar cost for sports wagering equipment, the regulation would limit the cost for simulcast equipment to less than 500 thousand dollars, so it would not allow a one-to-one balance. Commissioner Skinner asked why not, and what the policy justification for that limit was. Mr. Makarios explained that the legislation upon which this regulation was based wanted to encourage new capital investments in sports wagering, as opposed to equipment upgrades or renovation of existing simulcast facilities. There were some concerns about over-spending on simulcast equipment, so the regulation sought to limit the counting of that expenditure as capital. Chair Judd-Stein commented that simulcasting was the link enabling Category 2 licensees to have sports wagering, so it made sense for some part of their investment in a project to be counted towards that, just not too much.

With that, Commissioner Skinner moved that the Commission approve the updated draft of 205 CMR 222 and its associated Small Business Impact Statement as included in the Commissioner's Packet and discussed here today, and that the staff be authorized to take steps necessary to file the required documentation with the Secretary of the Commonwealth by emergency and thereafter to begin the regulation promulgation process. She further moved that the staff be authorized to modify chapter or section numbers or titles to file additional regulation sections as reserved, or to make any other administrative changes as necessary to execute 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 239.00](#): Continuing Disclosure and Reporting Obligations of Sports Wagering Licensees – Regulation and Small Business Impact Statement for review and approval to commence the promulgation process and/or adoption via emergency. (03:56:26)

Mr. Makarios then turned to the *Marked Draft of Regulation 205 CMR 239 and its associated Small Business Impact Statement*, which were included in the Commissioner's Packet on pages

191 through 199. He stated that the Legal team, in consultation with the IEB, re-examined this regulation in the context of Category 2 licensing and determined that no substantive updates were needed because of that review. He stated that only minor stylistic or typographical edits were made and provided a brief overview of those.

Chair Judd-Stein asked if the parenthetical addition to 205 CMR 239.03 (1)(i) had addressed the concern raised by Executive Director Wells at a previous meeting about how the Commission wanted sports wagering licensees to make their vendor disbursement reports. Mr. Makarios answered that this regulation required quarterly reporting in a similar form to regulation 205 CMR 239.05. He clarified that 205 CMR 239.03 asked for information such as a statement in which the operator attested to the accuracy of the last quarterly report. He added that this reporting could be done as part of a public presentation, but that method was not required by 205 CMR 139 or any other regulation.

Chair Judd-Stein asked whether the casino operators' public presentations were in any way mandated by the regulations. General Counsel Grossman replied that the contents of those public presentations were not specified by regulations, and in fact were just things that have evolved over the years as useful tools for the Commission to gain understanding of the operators' businesses. He explained that the intent of regulation 205 CMR 239.03 was to ensure that both gaming and sports wagering operators had someone on record certifying the financial health of their operations, like certain attestations required by the SEC in the wake of the Enron accounting scandal.

Executive Director Wells asked for clarification of whether the regulations would require each licensee to present its quarterly reports at public meetings, given the expanding volume of licensees needing to give these reports. Ms. Monahan explained that the customary reports that the Commission wanted from licensees in public meetings were different than any of the formal reporting required by the regulations. Commissioner Maynard stated that he would rather see more reporting from the operators than less, especially given the new category of sports wagering operators. He added that if reporting became too taxing for the operators, the Commission could later adjust its requirements. Chair Judd-Stein also agreed that more reporting was better, even if it wasn't always done by presentations in public meetings.

Executive Director Wells commented that the issue of how much reporting the Commission wanted, and whether it should be presented at public meetings, did not need to be settled immediately but was just something to consider. She then suggested developing a template for licensees to use for their quarterly reporting. Commissioner Skinner agreed that standard criteria for reporting expectations would be useful as a way for the Commission to ensure that operators were keeping the commitments, they made during their license application process. Chair Judd-Stein agreed with the template idea. Mr. Makarios commented that the Legal team was working on a "process document" to facilitate incident reporting of possible regulatory violations, and the Commission could further consider the issue of incident reporting when that document was drafted.

Commissioner Hill moved that the Commission approve the updated draft of 205 CMR 239 and its associated Small Business Impact Statement as included in the Commissioner's Packet and



discussed here today, and that the staff be authorized to take steps necessary to file the required documentation with the Secretary of the Commonwealth by emergency and thereafter to begin the regulation promulgation process. He further moved that the staff be authorized to modify chapter or section numbers or titles to file additional regulation sections as reserved, or to make any other administrative changes as necessary to execute 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.*

- c. [205 CMR 256.00](#): Sports Wagering Advertising – Regulation and Small Business Impact Statement for review and approval to commence the promulgation process and/or adoption via emergency. (04:12:30)

Mr. Makarios explained that a *Background Memorandum* was included in the Commissioner's Packet on pages 200 and 201, and a *Marked Draft of Regulation 205 CMR 256 and its associated Small Business Impact Statement* were included in the Commissioner's Packet on pages 202 through 212. He then conveyed a policy question he had received from an operator, who wondered whether the use of the word "net" with respect to sports wagering revenue as currently described in regulation 205 CMR 256.01 (3) meant that an operator would be prohibited only from sharing losses versus sharing based upon total amount wagered. He then gave the example of an operator entering into a third-party marketing affiliate agreement wherein they paid 10 percent of the total amount wagered by an individual, and asked if this would be permissible according to the Commission's policy preferences.

If the Commission did not wish to allow any revenue sharing agreements based on amount wagered, Mr. Makarios suggested that the word "net" be deleted from the regulation to avoid any confusion. He noted that the Legal team had discussed this with New Jersey regulators, and they said that although they used this language in their regulation as well, it had never been an issue directly for them because that state allowed revenue sharing agreements based on amount wagered, and it was just a matter of needing a higher category of license to enter such agreements.

Commissioner O'Brien expressed confusion that the Background Memorandum referred to pay-per-click as a type of revenue sharing agreement. Chair Judd-Stein clarified that pay-per-click was not considered revenue sharing. Commissioner O'Brien recalled that her intent was not to allow revenue sharing based upon total amount wagered. Commissioner Skinner stated that was her intent as well, and she remembered that the Commission was concerned about marketing affiliates potentially steering patrons towards larger and riskier wagers. She also recalled that they did not intend to allow a mechanism for marketing affiliates to benefit from patron losses, therefore she favored amending regulation 205 CMR 256.01 (3) to remove the word "net".

Chair Judd-Stein remembered that the heightened licensure category was removed from the regulation because the Commission wanted to prohibit revenue sharing based upon total amount wagered. Commissioner Maynard also wanted to prohibit this type of revenue sharing and recalled that the Attorney General's Office ("AGO") had strongly opposed it as well. He did point out, however, that there was a national conversation about this issue, and many states were allowing it. Commissioner Hill also remembered the Commission's consensus being against revenue sharing based upon total amount wagered. Chair Judd-Stein commented that there had been concern that eliminating this revenue sharing opportunity could hurt smaller operators and affiliates, such as the Garnett company from which the Commission had received a letter, but that the ultimate decision was to prohibit it based on the AGO's recommendation. Chief Karalyn O'Brien of the Licensing Division commented that she had received some questions from potential sports wagering marketing affiliates, but that most of them still wanted to register as such in Massachusetts even though they understood that revenue sharing would no longer be allowed after the waiver period expired on April 1st. Executive Director Wells stated this it was her understanding that the heightened level of licensure was not necessary, since revenue sharing was no longer allowed, therefore any applicants who had paid the extra fee for that level of licensure should be refunded. Chair Judd-Stein said that was correct.

Mr. Makarios then explained that the second change he had for regulation 205 CMR 256 was an addition to the "patrons must be 21 years of age or older to wager" disclaimer provision in regulation 205 CMR 256.05 (1) to create an exemption for basic branding such as an operator's logo or trademark, unless that logo was displayed in a location where it was likely to be viewed by those under 21 years old. He said that this edit was based upon prior discussion with the Commission. Commissioner O'Brien said that she had recommended this change to create a narrow exclusion for non-fixed branding such as business cards or clothing. The Commissioners then discussed various examples where the disclaimer would or would not be required for fixed branding based upon the location of the branding and the probable age percentage of the audience.

Chair Judd-Stein then commented that the regulation as written would require placing the disclaimer on logos that may not currently be associated only with gaming, and forcing display of that disclaimer on all public branding for operators might encourage an association with gaming where none was intended. Commissioner O'Brien took the opposite view, stating that blurring the distinction between gaming and non-gaming brands was exactly what some advertisers intended, to create brand loyalty to potential patrons before they are 21 years old, which is why a very narrow exclusion specific to non-fixed logos was necessary. Commissioner Hill mentioned the logistical challenges presented by a regulation requiring a disclaimer to be added to a logo in certain contexts. Commissioner O'Brien said that such challenges were not insurmountable and should not prevent a regulatory change if it was the right thing to do. She reiterated her opinion that public, fixed branding should almost always carry a disclaimer, since a logo was inherently marketing, and it could tend to encourage gaming even if it was not exclusively a gaming brand. Commissioner Skinner requested more time to consider her position on this language before voting.



Chair Judd-Stein summarized the change to the regulation by stating that any fixed branding for a gaming company must carry a disclaimer if it is in a location where more than 25 percent of viewers are likely to be under 21 years old, even if it was just a logo with no other advertising included. Mr. Makarios confirmed that the summary was correct. Commissioner Hill gave an example of an MGM Resorts logo displayed prominently at Fenway Park, and Mr. Makarios opined that this logo would not need the disclaimer, since MGM Resorts was separate from the BetMGM sports wagering brand, even though sports wagers may be placed at the resort. He stated that a disclaimer would be required, however, on public fixed logos for pure gaming brands like DraftKings, or for companies like Fanatics that use the same branding for their gaming and non-gaming businesses.

After a prompt from Commissioner Skinner, Mr. Makarios explained that public branding for other age-restricted products like alcohol carried no regulatory requirement for an age disclaimer, although such requirements may be imposed by the owners of the space where the branding was placed, such as the MBTA, or by the terms of legal settlements, as in the case of tobacco company settlements with state attorneys general. Commissioner Skinner commented that she would like to hear the operators' opinions on whether they thought this regulation would be onerous. Mr. Makarios stated that the suggested change now under discussion came about because an operator had requested more nuanced language that made a clear distinction between branding on paraphernalia and fixed signage.

Chair Judd-Stein and Commissioner Skinner both stated that they would accept striking the word "branding" from regulation 205 CMR 256.05 (1) without adding the narrow exclusion for non-fixed branding, thus continuing to allow gaming company logos on fixed public signage without a disclaimer if they were not accompanied by other advertising. Commissioner Maynard said that, like Commissioner O'Brien, he would be in favor of keeping the word "branding" and adding that narrow exclusion, thus requiring a disclaimer for gaming company logos on fixed public signage. Commissioner Hill stated that he would favor continuing to allow gaming company logos on fixed public signage without a disclaimer, since he was concerned about the unforeseen consequences of forcing the disclaimer onto all such public logos.

Chair Judd-Stein confirmed that she saw an informal 3-2 vote, with reservations, for continuing to allow gaming company logos on fixed public signage without a disclaimer. She then asked how long until the compliance waiver for this regulation would expire, and Ms. Monahan confirmed that it was in place until May 25th. Commissioner Hill said he would accept extending the waiver so the operators could weigh in. Ms. Monahan suggested voting to accept the change to regulation 205 CMR 256.01 (3) and to extend the waiver for regulation 205 CMR 256.05 (1). Mr. Makarios raised doubts about whether a finer exclusion was possible in the language of 205 CMR 256.05 (1), so he favored adding the exclusion language now and then reassessing it later if it gets significant pushback from operators. He did not see the point of extending the waiver. Commissioner Skinner suggested getting feedback from the Research and Responsible Gaming Division on this language. Chair Judd-Stein asked Ms. Robinson to suggest a new date for extension of the waiver. Chair Judd-Stein then asked Ms. Robinson to place this issue back on the agenda for mid to late June.

Commissioner O'Brien then moved that in accordance with 205 CMR 202.02 (3), the Commission issue a waiver to all licensed sports wagering operators from the requirement outlined in 205 CMR 256.05 (1) that branding state that "patrons must be 21 years of age or older to participate" through June 30, 2023, as granting this waiver meets the requirements specified in 205 CMR 102.03 (4) and is consistent with the purposes of MGL Chapter 23N. 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.*

Commissioner O'Brien also moved that the Commission approve the draft of 205 CMR 256.01 (3) as updated to strike the word "net", and its associated Small Business Impact Statement as included in the Commissioner's Packet and discussed here today, and that the staff be authorized to take steps necessary to file the required documentation with the Secretary of the Commonwealth by emergency and thereafter to begin the regulation promulgation process. She further moved that the staff be authorized to modify chapter or section numbers or titles to file additional regulation sections as reserved, or to make any other administrative changes as necessary to execute 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.*

## 8. [Sports Wagering Division](#) (05:40:00)

Chair Judd-Stein recognized Chief Bruce Band of the Sports Wagering Division, who then introduced his colleague Mr. Sterl Carpenter, Regulatory Compliance Manager for the Sports Wagering Division, to discuss three items.

### a. [BetR Holdings, Inc. – Update to House Rules](#) (05:40:21)

First, Mr. Carpenter submitted several proposed changes to the House Rules for sports wagering licensee BetR Holdings, Inc. to add definitions for "Scripts," "Legs" and "Combo" to the types of wagers accepted, as well as to make clarifying edits to the "Parlay-Wager-related rules" section. A *Background Memorandum* marked to show these changes was included in the Commissioner's Packet on pages 97 and 98.

Commissioner Skinner asked if “Scripts” and “Combo” were new wager types. Mr. Carpenter replied that these were essentially more specific kinds of parlay wagers. Commissioner Skinner recalled that the Commission had approved a series of wager types in January 2023 as part of the Sports Wagering Events Catalogue. She asked why BetR was making this request as an addition to their House Rules rather than as a broader request to add wager types to the Events Catalogue, which would make those types open to all operators. Mr. Carpenter explained that BetR was just defining the way they name certain wagers, but they are not really any different from Parlay Wagers or Round Robin Wagers as currently defined in the Events Catalogue.

Commissioner O’Brien worried that creating new definitions for approved wager types would create confusion for customers. She suggested making it clear in the House Rules that BetR’s new terms still refer to known wager types by saying something like “Parlay Wagers will be called Combos”. Mr. Carpenter answered that BetR also has a definition of Parlay Wager as well. He also said he believed that BetR had a representative on the meeting call if Commissioner O’Brien wished to pose her question to them directly.

Chair Judd-Stein recalled that when the Commission interviewed BetR as part of their licensing process, they had said that they used an approach that tried to be friendlier to newer wagerers, and that might be different from other operators. She thought these definitions may be part of that approach, to remove some of the mystery around wagering. Commissioner O’Brien stated that if they wanted to use their own terms, then they could still cross-reference to the more commonly known lingo. Alex Ursa from BetR commented that his company could certainly add additional language to their House Rules to clearly link their new definitions and the more common wager type terminology. He also remarked, however, that FanDuel had trademarked the term “Same Game Parlay” and so BetR wanted to find another term for the wager type they use, to avoid possible legal challenges. Chair Judd-Stein commented that the Commission could wait on approving the revision to BetR’s House Rules until that additional language was added. Commissioner Hill added that BetR’s existing definitions would be familiar to anyone in the sports wagering community, and it would be obvious they are referring to a parlay wager. Commissioner O’Brien suggested conditional approval of the new language that gives BetR a certain number of days to add the appropriate cross-references.

Commissioner Skinner asked for further information about the term “stakes” in reference to BetR’s other proposed edits. Mr. Carpenter replied that as more legs were added to a wager, the value of that wager increased exponentially. Commissioner Skinner further asked what precipitated these edits, and Mr. Carpenter said that BetR was being proactive in clarifying their policy, since they had several questions from patrons when legs were voided from a parlay and their stakes/odds, and thus expected winnings, were greatly reduced. BetR therefore wanted to explicitly reserve the right to remove or not offer certain legs and scale back those stakes to reduce their risk. Commissioner Skinner asked whether that discretion was consistent with regulations and industry standards, and Mr. Carpenter confirmed that it was.

Commissioner Hill then moved that the Commission approve the amendments to the House Rules as submitted by the category 3 sports wagering licensee BetR Holdings, Inc. d/b/a BetR, as included in the Commissioner's Packet and discussed here today, and further moved that BetR

provide clarifying language defining “Parlay” as discussed here today. Commissioner Maynard seconded the motion.

*Roll call vote:*

*Commissioner O’Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed unanimously, 5-0.*

b. [Betfair Interactive \(FanDuel\) – Update to House Rules](#) (06:09:10)

Mr. Carpenter then presented several proposed changes to the House Rules for sports wagering licensee Betfair Interactive, Inc. DBA FanDuel to adjust language in response to an email exchange from the Commission regarding Round Robin wager settlement terms, and to make various changes as reviewed and approved at a prior Commission meeting, as well as minor technical edits. A Background Memorandum marked to show these changes was included in the Commissioner’s Packet on pages 99 through 151.

Commissioner O’Brien asked why language should not be inserted to say that, in accordance with a particular regulation, the Commission must approve cancelled bets except in certain narrow circumstances where FanDuel may cancel them. Mr. Carpenter replied that what FanDuel’s language means is that if somebody has selected a leg inside of a round robin wager that is redundant or too close to another leg, and FanDuel didn’t catch this error earlier, then they just want to void it and to reduce the total bet, and of course the patron would not see the voided leg but just the settled wager. Commissioner O’Brien remarked that if FanDuel would just settle the wager with the voided leg, that would seem to run afoul of the regulation stipulating that all voids would be reviewed by the Commission.

Andrew Winchell, FanDuel’s Regulatory Affairs Director, countered that their system should normally filter out voided legs so that the wagerer would only be charged for their bets on valid legs. He stated that the settlement language in question would only apply if such an obviously voided leg had not been caught earlier due to a system malfunction, so that correction would be made when the bet is settled. He stated, however, that FanDuel was willing to include language that this correction was done pursuant to the applicable regulation and only with the approval of the Commission, as he recalled such language was added to their rules for other jurisdictions such as Connecticut whenever they talked about voided bets. Commissioner O’Brien then asked for confirmation that FanDuel’s language was not seeking to expand their authority to void bets that were not such obvious errors, and Mr. Winchell said that was correct, and the language only applied to such errors that had been accidentally overlooked.

Commissioner O’Brien queried whether all the sport-specific edits to FanDuel’s House Rules were only in response to rule tweaks made by the governing body of the sport in question. Mr. Winchell replied that most of them did indeed arise from rule changes within sports, but some resulted from responses to patron disputes, such as the change regarding period score wagers in

ice hockey, while some were necessitated by the way FanDuel received data feeds for certain sports. Commissioner Hill questioned whether there had been a large number of disputes related to the hockey period wagers. Mr. Winchell answered that there were at least a few significant incidents. Mr. Carpenter added that the hockey issue came up in Massachusetts, and one dispute was about clarification of whether a bet had been made on goals scored within a period versus total goals scored in a game as of the end of a period.

Chair Judd-Stein asked whether FanDuel would include the “pursuant to the applicable regulation and only with the approval of the Commission” language, and Commissioner O’Brien inquired if anyone had a copy of the similar language used for Connecticut. Mr. Winchell confirmed that the Connecticut language just said that FanDuel reserves the right to void invalid legs “subject to regulatory approval” and reiterated that he would be comfortable adding such language for Massachusetts as well. Commissioner O’Brien asked that the language include a citation of the specific Massachusetts regulation that applied, but she suggested a conditional approval to be cleaned up later. Mr. Carpenter found that regulation 205 CMR 238 subsection 35 was regarding canceled or voided wagers, but Executive Director Wells wasn’t sure that was the right one, because it said that operators may (not shall or must) seek approval from the Commission to void wagers.

Commissioner O’Brien then moved that the Commission approve the amendments to the House Rules as submitted by the category 3 sports wagering licensee Betfair Interactive, Inc. DBA FanDuel Sportsbook, as included in the Commissioner’s Packet and discussed here today, and further moved that FanDuel provide clarifying language that cancelled or voided wagers were “subject to regulatory approval” as discussed here today. Commissioner Hill seconded the motion.

*Roll call vote:*

*Commissioner O’Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed unanimously, 5-0.*

c. [FBG Enterprises Opco, LLC \(Fanatics\) – Approval of Certificate of Operations](#)  
(06:35:14)

Lastly, Chief Band presented a request for approval of a Certificate of Operations for the category 3 sports wagering operator FBG Enterprises Opco, LLC DBA Fanatics Betting and Gaming. He stated that all preliminary documentation was approved and in order, and that Fanatics was prepared to begin operations in Massachusetts at the end of May 2023 pending final approval. A Background Memorandum summarizing this request was included in the Commissioner’s Packet on pages 152 through 154.

Commissioner Hill then moved that the Commission find that the requirements outlined in regulation 205 CMR 251 have been satisfied and that an Operations Certificate be awarded to

FBG Enterprise Opco, LLC DBA Fanatics for the purpose of operating a category 3 sports wagering operation commencing May 16, 2023, conditional upon completion of operational audits of wagering procedures and practices and technical security controls as required by the Commission's technical standards governing sports wagering in regulations 205 CMR 243.01(1) subsections (s) and (x) within 90 days of the commencement of sports wagering operations. 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.*

9. [Finance – 3rd Quarter 2023 Budget Update](#) (06:40:55)

Chair Judd-Stein noted that this item was going to be rolled over to the next public meeting of the Commission. It was placed on the agenda for Monday, May 22, 2023.

10. [Executive Session Regarding MGC Office Lease Update](#) (06:42:00)

Chair Judd-Stein then announced that, pending a vote, the Commission would be meeting in executive session in accordance with M.G.L. c. 30A, § 21(a)(6) to consider the lease of real property, specifically the Commission's office space at 101 Federal Street in Boston and associated considerations, as discussion at an open meeting may have a detrimental effect on the negotiating position of the Commission. The Chair noted that this public meeting of the Commission would not reconvene at the conclusion of the executive session.

Commissioner Maynard then moved that the Commission go into executive session on the matters and for the reasons just stated by the Chair. 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*

**List of Documents and Other Items Used**

1. Notice of Meeting and Agenda dated May 16, 2023
2. [Commissioner's Packet from the May 16, 2023](#), meeting (posted on massgaming.com)



2023 ANNUAL REPORT



# LETTER FROM THE CHAIR

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**January 2024**

The Honorable Maura Healey, Governor  
The Honorable Andrea Joy Campbell, Attorney General  
The Honorable Deborah B. Goldberg, Treasurer  
The Honorable Michael Rodrigues, Chair, Senate Committee on Ways and Means  
The Honorable Aaron Michlewitz, Chair, House Committee on Ways and Means  
The Honorable Barry Finegold, Senate Chair, Joint Committee on Economic Development and Emerging Technologies  
The Honorable Jerald Parisella, House Chair, Joint Committee on Economic Development and Emerging Technologies

## **HONORABLE MADAMS AND MESSRS.**

Fiscal Year 2023 (FY23) marked a significant expansion of the Massachusetts Gaming Commission's (Commission) regulatory responsibilities when Governor Charlie Baker signed An Act to Regulate Sports Wagering on August 10, 2022, legalizing sports betting in the Commonwealth of Massachusetts. M.G.L. Chapter 23N creates three categories of sports wagering licenses: Category 1 and Category 2 licenses afford the Commonwealth's three casino licensees and horse racetracks and/or simulcast centers, respectively, the opportunity to operate retail sportsbooks. A Category 3 license is intended for online operators to offer sports wagering through a mobile application or other digital platform. The law allows for up to six Category 3 licenses tethered to retail operators and seven untethered Category 3 licensees. Operators are taxed on their gross sports wagering revenue at 15% for retail and 20% for online.

The Commission immediately got to work to stand up this new industry with fidelity to the law. We prioritized establishing a sustainable regulated sports betting market, grounded in integrity, that would offer consumer protections and other features to mitigate risks and protect Massachusetts wagerers.

In September 2022, the Commission held an in-person hearing where more than 30 companies expressed interest in selection as prospective online operators. The MGC then convened multiple public roundtables comprised of key stakeholders including casino operators, technical and financial consultants, responsible gaming and public health experts, professional sports leagues, players associations, First Amendment experts, broadcast networks, third-party marketing affiliates, and elected officials. With the benefit of information derived from the roundtables and consultation with fellow regulators, we developed regulations and a license application process that reflected the Commission's priorities, including commitment to responsible gaming and diversity, equity and inclusion.

In addition to the three Category 1 applications, the Commission assessed 11 online sports betting applications and awarded 10 temporary online licenses following the withdrawal of one application. In just under six months of the bill being signed into law and after approximately 150 public meetings, in-person sports wagering began on January 31, 2023. Six weeks later, mobile sports wagering launched on March 10, 2023. By June 30, legal sports wagering generated more than \$40 million in state taxes.

With the legalization of sports betting, the Commission's responsibilities have grown but not shifted. In FY23, the three casinos employed roughly 5,387 people, which included significant management and growth-opportunity positions, and generated \$330.7 million in state taxes. Additionally, the Commission continued its oversight and work to regulate the Commonwealth's horse racing industry, including standardbred racing at Plainridge Park Casino and simulcast operators across the state. After holding a well-attended public hearing, the Commission ultimately took no action on an application for a new thoroughbred horse racing track in Hardwick once required municipal approval was denied. The Community Mitigation Fund released \$10.2 million in grants and at the same time began an extensive re-imagining of its guidelines to make funding more accessible – inspired by the familiar Community Development Block Grant program.

Fiscal Year 23 closed with an expansion of our team as we set up the new Sports Wagering Division to integrate with all Commission divisions, working to ensure that operators' practices meet state law and commission regulations. We said goodbye to Executive Director Karen Wells and Investigations and Enforcement Bureau Director Loretta Lillios, who



each served with distinction in key roles at the agency for 10 years since the inception of expanded gaming in the Commonwealth.

Newly enacted state law allows us to continue to conduct our public meetings utilizing remote collaboration technology, advancing an open and participatory process by enhancing access and transparency. In addition to virtual meetings, the Commission has held public meetings and hearings in Plainville, Springfield, and Everett. In each instance, these meetings were streamed live on our website. We also regularly solicit written comments from the public and invested stakeholders to inform our work.

We thank the Legislature for trusting us with the task of setting up the new sports betting industry. We continue to assess our regulations, adjusting as needed to create efficiencies and avoid unintended consequences. By legalizing and regulating gaming, a robust legal market will meet the goal of putting an end to illegal enterprises operating in the state. To that end, we remain committed to collaborating with our partners in law enforcement to promote a healthy, safe, and regulated market, rich with strong consumer protections.

The following Annual Report offers details of the Commission's operations from July 1, 2022 through June 30, 2023 (FY23) in accordance with G.L. c. 23K, s. 70 and c. 23N, s. 14(d). On a personal note, I am beyond grateful for the team at the Commission and my fellow Commissioners. As so well documented through our public meetings, this group worked tirelessly over the course of FY23 to fulfill our statutory mandate, and did so with unwavering commitment to integrity, transparency, and the best interests of the Commonwealth.

Sincerely,

*Cathy Judd-Stein*



# MISSION STATEMENT\*

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The mission of the Massachusetts Gaming Commission is to create and maintain a fair, transparent, and participatory process for implementing the expanded gaming law passed by the Legislature and signed by the Governor in November of 2011. The Commission strives to ensure that its decision making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of expanded gaming, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

\*A Mission Statement Working Group has been convened by the Chair, led by Commissioners O'Brien and Maynard, to reexamine the Commission's Mission Statement following the introduction of sports wagering in the Commonwealth and to more accurately reflect the work and values of the current Commission. That work is ongoing and a new mission statement is expected in early FY24.



# KEY PROVISIONS OF THE GAMING ACT

**Chapter 194 of the Acts of 2011 (“The Gaming Act”)** includes significant features to ensure public confidence and a robust gaming industry that generates economic development while providing mitigation measures to protect potentially vulnerable groups. The Gaming Act established a board of five, full-time commissioners to implement rigorous standards for suitability by licensed companies, vendors and employees. The Gaming Act also established specific protocols for the operations of oversight of expanded gaming in the Commonwealth to ensure integrity, transparency, and fairness.

The statute specifically identifies a variety of uses for gaming revenue generated for the Commonwealth for local aid, health care, education and community colleges, transportation infrastructure, manufacturing initiatives, debt reduction and tourism. Additionally, a portion of gaming taxes to the Community Mitigation Fund, which provides grants to cities and towns affected by the operation of casinos – additionally, Host Communities are entitled to a Host Community Agreement negotiated between the licensee and local community. Surrounding Communities also have a process for addressing mitigation concerns with the licensees.

The Gaming Act also established the Public Health Trust Fund to assist social service and public health programs dedicated to addressing challenges associated with problem gambling. The statute focuses on the development of a research agenda and directs the Commission to use research to make, in collaboration with the Gaming Policy Advisory Committee, scientifically based recommendations to the Legislature and consider such recommendations in all decisions related to enhancing responsible gambling and mitigating problem gambling. To further these ends, the Secretary of the Executive Office of Health and Human Services and the Commission entered into a second memorandum of understanding in August 2021, which addresses distributions from the Public Health Trust Fund and supports the Gaming Act’s directives.





# KEY PROVISIONS OF THE MASSACHUSETTS SPORTS WAGERING ACT

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On August 10, 2022, then Governor Charlie Baker signed Chapter 173 of the Acts of 2022, An Act to Regulate Sports Wagering, which legalized sports betting in the Commonwealth of Massachusetts. The Massachusetts Gaming Commission was tasked with overseeing the promulgation of the state's sports wagering industry.

The Massachusetts Sports Wagering Act created three categories of sports wagering licensees: Category 1 for licensed casinos, Category 2 for racetracks and/or simulcast centers, and Category 3 for online mobile operators. The Commission is directed to determine eligibility for sports wagering licenses.

Currently, the three retail casinos in the Commonwealth operate Category 1 retail sports wagering locations, and eight Category 3 licensees operate online sportsbooks. Of those eight, five have a tethered relationship to one of the retail casinos. Two additional operators have been awarded Category 3 sports wagering operator licenses but have not yet commenced operations. The Commission has not awarded a Category 2 license to date.

Licensed retail operators are taxed at 15% and online operators at 20% of their gross sports wagering revenue with these funds distributed to various state funds according to law.

An application period opened shortly after the law was signed and the Commission engaged in a robust and transparent evaluation, which included a public review of the applicants' sports wagering platforms and plans for responsible gaming, diversity, community engagement, vendor spending, company history, and other matters commissioners deemed necessary for evaluating the applicants. Approximately 150 public meetings were held and streamed live regarding the subject of launching sports wagering in the Commonwealth.

Retail sports wagering launched at three casinos in Massachusetts on January 31, 2023, just under six months from the time the law was signed. Online/mobile wagering launched on March 10, 2023, exactly seven months from the date the law was signed.

The Commission created a Sports Wagering Division to oversee these expanded responsibilities. Long serving Commission staff were asked to lead the division to help launch and regulate this new industry in the Commonwealth.

# TABLE OF CONTENTS

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- 1 About the Commissioners
- 1 Recommendations for Legislative Action
- 1 FY23 By the Numbers
- 1 FY23 Financial Update
- 1 GAMING REVENUES & TAX COLLECTIONS
- 1 FY23 Division Reports
- 1 DIVISION OF COMMUNITY AFFAIRS
- 1 HUMAN RESOURCES/DIVERSITY, EQUITY, & INCLUSION UPDATE
- 1 INFORMATION TECHNOLOGY SERVICES DIVISION
- 1 INVESTIGATIONS & ENFORCEMENT BUREAU/DIVISION OF LICENSING
- 1 RACING OPERATIONS
- 1 RESEARCH & RESPONSIBLE GAMING
- 1 Legal/Litigation Matters
- 1 Casino Property & Project Summaries
- 1 Results on Licensee Workforce & Supplier Diversity Goals
- 1 INDUSTRY IMPACTS ON WORKFORCE & DIVERSITY
- 1 Executive Staff

# ABOUT THE COMMISSIONERS

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**Cathy Judd-Stein (Chair)**

February 2019 – Current  
Current Governor’s Appointee



**Brad Hill**

September 2021 – Current  
Joint Appointment – Governor, AG,  
Treasurer  
Gaming Regulatory or Gaming  
Industry Management



**Eileen O'Brien**

April 2018 – Current  
Attorney General’s Appointee  
Criminal Investigations and  
Law Enforcement



**Nakisha Skinner**

March 2022 – Current  
Treasurer’s Appointee  
Corporate Finance and Securities



**Jordan Maynard**

August 2022 – Current  
Joint Appointment – Governor, AG,  
Treasurer  
Legal and Policy Issues Related  
to Gaming







# RECOMMENDATIONS FOR LEGISLATIVE ACTION

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The Massachusetts Gaming Commission (“Commission”) is grateful for the Legislature’s continuous support and its efforts to ensure that the Commission is well-positioned to carry out its mission effectively. To that end, the Commission has performed a comprehensive review of existing statutes within its purview (G.L. c. 23K, G.L. c. 23N, G.L. c. 128A, and G.L. c. 128C), and proposes the statutory amendments that follow. These proposals are collectively intended to help ensure that the Commission is able to efficiently, fairly, and transparently execute its mandate while at the same time ensuring that it has a clear, modern, and flexible statutory base from which to regulate. The following proposals are intended to serve those ends:

## **ALIGN SPORTS WAGERING OVERSIGHT WITH GAMING OVERSIGHT**

- Amend G.L. c. 23K, 23N, and 128A to create a statutory exemption under the Massachusetts Public Records Law for records received by the Commission from its licensees that, in its discretion, are determined to contain trade secrets, competitively-sensitive or other proprietary information, the public disclosure of which would place the subject licensee at a competitive disadvantage (Rationale- It is difficult for the Commission to engage in robust oversight of the regulated entities in the sports wagering or racing space without being able to access certain sensitive information [e.g.- unaudited financial reports] that are otherwise not subject to an exemption to the public records law. While there is some ability to protect certain information from public disclosure on the casino gaming side, language more clearly outlining that authority would be beneficial.);
- Amend G.L. c. 23K, § 21(a)(7) to clarify the authority of the Commission to enter into nondisclosure agreements with gaming licensees and the types of materials that may be covered by such agreements (Rationale- Similar to the previous point, it is imperative that the Commission be afforded the ability to receive sensitive information from its licensees in order to ensure robust regulatory oversight. While there is some ability to do so at present, a clearer outline of such authority would be beneficial.);
- Amend G.L. c. 23N to allow the Commission and the Investigations and Enforcement Bureau (“IEB”) to obtain or provide pertinent information regarding applicants or licensees from or to law enforcement entities or sports wagering regulatory authorities and other domestic, federal or foreign jurisdictions, including the Federal Bureau of Investigation, and to transmit such information to each other electronically. See G.L. c. 23K, § 6(e) (Rationale – While this authority exists on the casino gaming side and is a beneficial tool allowing a cooperative and efficient approach across regulatory jurisdictions, no such authority exists in the context of sports wagering and may hinder the Commission’s ability to secure information relative to its licensed entities or applicants.);
- Add language to G.L. c. 23N affording the Commission the ability to direct sports wagering licensees to provide to the Commission customer tracking data collected or generated by loyalty programs, player tracking software, player card systems, or online transactions similar to that required of gaming establishments under Section 97 of Chapter 194 of the Acts of 2011 (Rationale- The inclusion of this requirement in the casino gaming law was an important step towards understanding gambling habits and related issues. Similar authority to require such information should be afforded to the Commission in the sports wagering space.);

## **ENHANCED OPERATIONAL FLEXIBILITY**

- Amend G.L. c. 23K, § 61(b) to afford the Commission greater discretion to distribute funds in the Community Mitigation Funds for the overall enhancement of host, surrounding, and nearby communities to a gaming establishment (Rationale- At present, the Commission may only distribute monies from the Fund for the narrow purpose of assisting the host community and surrounding communities in offsetting costs related to the construction and operation of a gaming establishment. By broadening the scope for which funds may be distributed, greater benefit may be achieved in the communities in some way affected by the operation of a casino.);



## RACING MODIFICATIONS

- Add language to G.L. c. 23K, § 60 authorizing the Commission to allocate a limited percentage of funds annually from the Race Horse Development Fund for the administration of the Commission's Racing Division (Rationale – The funding sources for the operation of the Commission's Division of Racing are generally insufficient to support the sort of robust regulatory oversight expected of the Commission. Broadening the allowable use of monies from the Fund will benefit the entire industry.);
- Amend G.L. c. 23K, § 60 to afford the Commission greater discretion to distribute funds in the Race Horse Development Fund as may be deemed necessary to enhance the interests of the racing industry and its participants (Rationale – At present, monies from the Fund may only be distributed for three specific purposes: purses, breeding, and health and welfare benefits. By affording the Commission greater discretion, funds may be awarded for other beneficial uses including the development of a new race track.);
- Amend G.L. 128A, § 2 to afford the Commission the ability to set a deadline for the filing of an application for a horse racing license for the following calendar year in lieu of the existing October 1 date. Similarly, remove the November 15 deadline by which a decision to grant or dismiss the application must be made by the Commission (Rationale – By prescribing artificial dates in the statute, the Commission is forced to adjust its review to these artificial dates instead of setting out a reasonable time period by which to effectively review a particular application. Affording the Commission discretion to set the dates would be a benefit to all involved parties.);
- Amend G.L. c. 128A, § 5(h) to modernize the purposes and order of priority the distribution of pari-mutuel taxes and other revenues collected by the Commission relative to horse racing are expended. Similarly, amend G.L. c. 128A § 5B in conjunction with section 5(h) to ensure a cohesive method of funding the Commission is established (Rationale – Given the changes in the racing industry over the past decade, many of the expenditures identified in the statute are outdated. Further, the Commission should be afforded discretion to expend the subject funds in the best interests of the racing industry including for purposes of ensuring rigorous regulatory oversight.);

## RESPONSIBLE GAMING CONSIDERATIONS

- Amend G.L. c. 23K, § 29 to reflect the use of modern technology and responsible gaming principles relevant to providing patrons of a gaming establishment monthly access to their total bets, win, and loss figures (Rationale – The statute does not address the use of modern technology, like e-mail, and does not contemplate responsible gaming related consequences of mailing a notice to a person's home. While the principles underlying this section of the statute are sound, the particulars should be modernized to ensure the intended outcome.)



# FY23 BY THE NUMBERS



\$1.2B

GROSS GAMING  
REVENUE



\$330.7M

GAMING TAX REVENUE TO  
THE COMMONWEALTH



\$252M

PARI-MUTUEL HANDLE



\$18.6M

RACE HORSE  
DEVELOPMENT FUND  
DISTRIBUTIONS



FY23

RESEARCH AND  
RESPONSIBLE GAMING

**1,430** individuals enrolled in Gaming VSE, **130** enrolled in Sports Wagering VSE and **42,616** enrolled in PlayMyWay.



\$3.6M

DEPARTMENT OF  
REVENUE INTERCEPTS

In FY23, IEB Gaming Agents helped to intercept these funds from unpaid taxes and child support payments, redistributed to the Department of Revenue.



\$228.7M

ADJUSTED GROSS SPORTS  
WAGERING REVENUE



\$44.1M

SPORTS WAGERING  
TAX REVENUE TO THE  
COMMONWEALTH



\$67M

CASINO GOODS/SERVICES  
SPEND WITH MA VENDORS



108

DAYS OF LIVE RACING



\$10.2M

COMMUNITY  
MITIGATION FUNDS

Since 2015, the MGC has awarded  
nearly **\$47.9M** in grants from the  
Community Mitigation Fund.



\$1.9M

MGC GOODS/SERVICES  
SPEND WITH SMALL  
BUSINESS (SBPP)



MGC WORKFORCE

28%

DIVERSE

49%

WOMEN



CASINO WORKFORCE\*

53%

DIVERSE

44%

WOMEN

5%

VETERANS

\*Represents FY23 data provided by UMass Donahue Institute (UMDI).







# FY23 FINANCIAL REPORT

MGC's Division of Administration and Finance (A&F), led by the Chief Financial and Accounting Officer, is responsible for the strict oversight of casino, sports wagering and fantasy sports wagering revenues and the collection of taxes due to the Commonwealth from those operations. The taxes and assessments are the following:

#### Casino taxes on gross gaming revenues:

- Category 2 licensee is 49%
- Category 1 licensees is 25%

#### Sports Wagering taxes on adjusted gross sports wagering receipts:

- Category 1 licensee (in-person betting) 15%
- Category 2 licensee (in-person betting) 15%
- Category 3 licensee (tethered and untethered mobile betting) 20%

#### Daily Fantasy Sports taxes on adjusted gross fantasy wagering receipts:

- 15%

The Division is also in charge of completing all financial transactions and coordinating with other functional areas to complete administrative functions including, but not limited to, accounting, budgeting, contracting, and revenue collection.

#### CASINO GAMING REVENUES AND TAX COLLECTIONS

In its seventh year of operation, the Category 2 licensee, Plainridge Park Casino, reported \$150.34M in gross gaming revenues, which generated \$60.13M in tax dollars to local aid and \$13.53M in assessments to the Race Horse Development Fund for a total of \$73.66M in taxes.

MGM Springfield reported \$270.97M in gross gaming revenue, which generated \$67.74M in taxes for the Commonwealth. Encore Boston Harbor reported \$757.12M in gross gaming revenue, which generated \$189.28M in taxes. The total of taxes for Category 1 licensees amounted to \$257.02M.

Below are charts by month by licensee, also posted to the Commission's [website](#).

*Combined, gaming licensees generated \$1.18 billion in gross gaming revenue (GGR) and contributed \$330.69M to the Commonwealth for FY2023.*



## SLOT MACHINE REVENUE

### Plainridge Park Casino

Month	Coin in	Slot GGR	Hold %	Payout %	Total in Collected State Taxes (40%)	Total in Collected Race Horse Dev Fund (9%)	Total in Collected State Taxes and RHDF (49%)
July 2022	\$182,418,848.70	\$12,498,196.15	6.85%	93.15%	\$4,999,278.46	\$1,124,837.65	\$6,124,116.11
August 2022	\$172,643,602.00	\$11,961,566.29	6.93%	93.07%	\$4,784,626.52	\$1,076,540.97	\$5,861,167.48
September 2022	\$180,281,562.17	\$12,199,572.68	6.77%	93.23%	\$4,879,829.07	\$1,097,961.54	\$5,977,790.61
October 2022	\$174,584,176.50	\$12,363,500.65	7.08%	92.92%	\$4,945,400.26	\$1,112,715.06	\$6,058,115.32
November 2022	\$167,501,879.25	\$11,392,148.60	6.80%	93.20%	\$4,556,859.44	\$1,025,293.37	\$5,582,152.81
December 2022	\$176,776,793.21	\$12,310,688.75	6.96%	93.04%	\$4,924,275.50	\$1,107,961.99	\$6,032,237.49
January 2023	\$172,345,978.27	\$12,166,668.78	7.06%	92.94%	\$4,866,667.51	\$1,095,000.19	\$5,961,667.70
February 2023	\$169,657,182.74	\$12,040,729.95	7.10%	92.90%	\$4,816,291.98	\$1,083,665.70	\$5,899,957.68
March 2023	\$198,511,894.12	\$14,256,239.09	7.18%	92.82%	\$5,702,495.64	\$1,283,061.52	\$6,985,557.15
April 2023	\$189,829,564.83	\$13,444,345.44	7.08%	92.92%	\$5,377,738.18	\$1,209,991.09	\$6,587,729.27
May 2023	\$185,312,775.16	\$12,812,924.90	6.91%	93.09%	\$5,125,169.96	\$1,153,163.24	\$6,278,333.20
June 2023	\$194,191,469.00	\$12,890,231.78	6.64%	93.36%	\$5,156,092.71	\$1,160,120.86	\$6,316,213.57
<b>TOTAL FY23</b>	<b>\$2,164,055,725.95</b>	<b>\$150,336,813.06</b>	<b>6.95%</b>	<b>93.05%</b>	<b>\$60,134,725.22</b>	<b>\$13,530,313.18</b>	<b>\$73,665,038.40</b>

## TAX REVENUE

### MGM Springfield

Month	Coin in	Slot GGR	Slot Hold %	Slot Payout %	Table GGR	Total Slot and Table GGR	Total (25%) in Collected State Taxes
July 2022	\$206,715,370.84	\$17,275,318.86	8.36%	91.64%	\$4,242,403.60	\$21,517,722.46	\$5,379,430.62
August 2022	\$200,166,870.21	\$17,518,085.09	8.75%	91.25%	\$4,474,746.40	\$21,992,831.49	\$5,498,207.87
September 2022	\$194,560,345.68	\$16,358,042.03	8.41%	91.59%	\$4,213,605.83	\$20,571,647.86	\$5,142,911.97
October 2022	\$205,930,219.12	\$17,980,905.48	8.73%	91.27%	\$4,917,880.59	\$22,898,786.07	\$5,724,696.52
November 2022	\$192,102,376.39	\$17,327,291.21	9.02%	90.98%	\$4,706,483.14	\$22,033,774.35	\$5,508,443.59
December 2022	\$201,545,436.12	\$17,640,504.18	8.75%	91.25%	\$4,829,782.52	\$22,470,286.70	\$5,617,571.68
January 2023	\$207,564,553.56	\$18,452,254.93	8.89%	91.11%	\$4,401,494.82	\$22,853,749.75	\$5,713,437.44
February 2023	\$202,389,050.41	\$17,858,976.07	8.82%	91.18%	\$5,398,514.88	\$23,257,490.95	\$5,814,372.74
March 2023	\$228,308,925.98	\$19,792,210.64	8.67%	91.33%	\$4,287,427.13	\$24,079,637.77	\$6,019,909.44
April 2023	\$211,587,866.01	\$18,465,208.65	8.73%	91.27%	\$5,270,487.53	\$23,735,696.18	\$5,933,924.05
May 2023	\$208,486,377.66	\$18,121,772.27	8.69%	91.31%	\$5,224,772.00	\$23,346,544.27	\$5,836,636.07
June 2023	\$201,933,869.12	\$17,707,957.31	8.77%	91.23%	\$4,503,845.50	\$22,211,802.81	\$5,552,950.70
<b>TOTAL FY23</b>	<b>\$2,461,291,261.10</b>	<b>\$214,498,526.72</b>	<b>8.71%</b>	<b>91.29%</b>	<b>\$56,471,443.94</b>	<b>\$270,969,970.66</b>	<b>\$67,742,492.67</b>

**TAX REVENUE**  
**Encore Boston Harbor**

Month	Coin in	Slot GGR	Slot Hold %	Slot Payout %	Table GGR	Total Slot and Table GGR	Total (25%) in Collected State Taxes
July 2022	\$423,467,115.76	\$35,051,906.67	8.28%	91.72%	\$29,672,721.61	\$64,724,628.28	\$16,181,157.07
August 2022	\$428,080,198.44	\$35,372,908.84	8.26%	91.74%	\$22,711,324.56	\$58,084,233.40	\$14,521,058.35
September 2022	\$383,548,839.06	\$32,941,867.36	8.59%	91.41%	\$28,642,137.95	\$61,584,005.31	\$15,396,001.33
October 2022	\$410,939,577.19	\$33,677,401.58	8.20%	91.80%	\$28,365,680.78	\$62,043,082.36	\$15,510,770.59
November 2022	\$407,632,618.93	\$32,841,989.82	8.06%	91.94%	\$26,588,480.33	\$59,430,470.15	\$14,857,617.54
December 2022	\$424,315,281.13	\$34,984,642.31	8.24%	91.76%	\$33,475,100.78	\$68,459,743.09	\$17,114,935.77
January 2023	\$409,173,509.68	\$34,197,723.87	8.36%	91.64%	\$27,659,200.57	\$61,856,924.44	\$15,464,231.11
February 2023	\$397,442,407.53	\$32,797,874.02	8.25%	91.75%	\$29,907,304.74	\$62,705,178.76	\$15,676,294.69
March 2023	\$439,776,871.29	\$36,230,027.77	8.24%	91.76%	\$29,981,942.12	\$66,211,969.89	\$16,552,992.47
April 2023	\$427,118,272.37	\$36,152,795.82	8.46%	91.54%	\$27,831,387.32	\$63,984,183.14	\$15,996,045.79
May 2023	\$417,756,430.99	\$34,589,478.32	8.28%	91.72%	\$27,952,315.35	\$62,541,793.67	\$15,635,448.42
June 2023	\$406,189,244.19	\$34,797,034.24	8.57%	91.43%	\$30,698,770.38	\$65,495,804.62	\$16,373,951.16
<b>TOTAL FY23</b>	<b>\$4,975,440,366.56</b>	<b>\$413,635,650.62</b>	<b>8.31%</b>	<b>91.69%</b>	<b>\$343,486,366.49</b>	<b>\$757,122,017.11</b>	<b>\$189,280,504.28</b>

**SPORTS WAGERING REVENUES AND TAX COLLECTIONS**

Sports Wagering was legalized in the Commonwealth in August of 2022. The Commission authorized in person betting to begin in late January of 2023. Numbers reported for in person sports books reflect January through June of 2023. In its first year of operation in Sports Wagering Plainridge Park Casino’s sports book reported \$1.6M in AGSWR resulting in \$240.5K in taxes for the Commonwealth. MGM’s sportsbook reported \$220.3K in AGSWR resulting in \$72.2K in taxes for FY23. Encore Boston Harbor’s sportsbook reported \$3.12M in AGSWR resulting in \$468.9K in taxes.

Mobile sports wagering was authorized by the Commission to begin in March of 2023. Numbers reported below reflect the time period of March through June of 2023. The Commission authorized 10 mobile operators to accept wagers in the Commonwealth. The operators are PennSports Interactive, FanDuel, BetMGM, BetR, Caesars, DraftKings, Fanatics, WynnBets, Bally’s and Betway-DGC. For the period of March through June of 2023 the operators generated \$195.55M in AGSWR which resulted in \$39.1M in taxes to the Commonwealth.

Daily Fantasy Sports Wagering was legalized in the Commonwealth in August of 2022. Taxes on DFS started accumulating on the date of the passage of the legislation. While the Commission is not responsible for regulation DFS, it is responsible for tax collections. For the period of August 2022 through June of 2023 DFS operators generated \$28.18M in AGFWR generating \$4.23M in taxes for the Commonwealth.

*Combined, sports wagering licensees generated \$228.69 million in adjusted gross wagering revenues and contributed \$44.13M to the Commonwealth for FY2023.*

### SPORTS WAGERING TAX REVENUE ALL – CATEGORY 1

Month	Monthly Ticket Write	Monthly Handle (tickets Settled)	Monthly Win (Accrual Basis)	Monthly Hold %	Fed Excise .25% of Ticket Write	Taxable AGSWR (Mo win – Excise)	Retail Tax Collected Rate of 15%
January 2023	\$642,630.12	\$488,746.90	-\$8,227.36	-1.68%	\$1,218.87	-\$9,446.43	\$9,717.56
February 2023	\$24,979,240.49	\$24,435,509.49	\$1,486,743.31	6.08%	\$61,443.34	\$1,425,299.97	\$202,660.48
March 2023	\$20,530,719.55	\$19,988,765.45	\$1,505,677.91	7.53%	\$50,373.48	\$1,455,304.43	\$218,295.96
April 2023	\$12,870,636.24	\$13,025,956.35	\$396,985.97	3.05%	\$32,504.43	\$364,481.54	\$89,546.23
May 2023	\$11,099,417.90	\$11,405,702.11	\$1,588,385.56	13.93%	\$28,557.21	\$1,559,828.35	\$238,230.92
June 2023	\$8,279,504.62	\$8,517,200.90	\$174,871.07	2.05%	\$20,948.52	\$153,922.55	\$23,088.58
<b>TOTAL</b>	<b>\$78,402,148.92</b>	<b>\$77,861,881.20</b>	<b>\$5,144,436.46</b>	<b>N/A</b>	<b>\$195,045.85</b>	<b>\$4,949,390.41</b>	<b>\$781,539.73</b>

### SPORTS WAGERING TAX REVENUE ALL – CATEGORY 3

Month	Monthly Ticket Write	Monthly Handle (Tickets Settled)	Monthly Win (Accrual Basis)	Monthly Hold %	Fed Excise .25% of Ticket Write	Taxable AGSWR (Mo win – Excise)	Retail Tax Collected Rate of 20%
March 2023	\$563,990,008.58	\$548,231,163.78	\$46,815,576.50	8.54%	\$1,178,223.29	\$45,637,353.16	\$9,127,470.64
April 2023	\$561,959,246.36	\$566,236,866.31	\$59,884,578.33	10.58%	\$1,336,309.34	\$58,548,268.26	\$11,709,653.81
May 2023	\$446,041,022.26	\$443,559,714.07	\$60,484,866.70	13.64%	\$1,074,046.30	\$59,410,840.40	\$11,882,168.06
June 2023	\$324,033,259.66	\$328,385,932.00	\$32,743,973.00	9.97%	\$786,938.36	\$31,957,034.54	\$6,391,406.88
<b>TOTAL</b>	<b>\$1,896,023,536.86</b>	<b>\$1,886,413,676.16</b>	<b>\$199,928,994.53</b>	<b>N/A</b>	<b>\$4,375,517.29</b>	<b>\$195,553,496.36</b>	<b>\$39,110,699.39</b>

### TOTAL FANTASY SPORTS WAGERING TAX REVENUE

Month	Gross Fantasy Wagering Receipts	Adjusted Gross Fantasy Wagering Receipts	Prior Month Adjusted Neg Carry Forward	Net Adjusted Gross Fantasy Receipts	Total (15%) in Collected State Taxes
Aug 10 – Aug 31 2022	\$8,537,701.41	\$965,008.09	\$0.00	965,008.09	\$144,751.21
September 2022	\$14,231,149.46	\$1,676,034.76	-\$702.10	\$1,675,332.66	\$251,510.82
October 2022	\$21,575,958.44	\$2,599,085.89	-\$1,406.18	\$2,597,679.71	\$390,136.23
November 2022	\$20,448,999.96	\$3,448,556.79	-\$3,228.47	\$3,445,328.32	\$518,444.05
December 2022	\$21,741,753.48	\$2,739,683.58	-\$10,965.31	\$2,728,718.27	\$410,900.94
January 2023	\$24,476,127.81	\$4,630,260.44	-\$10,620.72	\$4,619,639.72	\$694,126.51
February 2023	\$38,822,756.49	\$4,369,283.79	\$0.00	\$4,369,283.79	\$655,393.17
March 2023	\$17,281,966.22	\$2,371,552.93	\$0.00	\$2,371,552.93	\$355,733.38
April 2023	\$15,678,081.25	\$2,100,004.14	-\$7,232.89	\$2,092,771.25	\$315,087.92
May 2023	\$14,735,234.09	\$1,980,727.58	-\$7,638.85	\$1,973,031.97	\$303,193.34
June 2023	\$11,356,135.32	\$1,304,035.13	-\$48,257.07	\$1,255,777.96	\$196,303.64
<b>TOTAL</b>	<b>\$208,885,863.93</b>	<b>\$28,184,233.12</b>	<b>-\$90,051.59</b>	<b>\$28,094,124.67</b>	<b>\$4,235,581.22</b>

The Commission approved an FY23 budget for the Gaming Control fund of \$35.97M, requiring a \$29.88M assessment on licensees. The Gaming Control Fund's final spending for FY23 was \$34.98M, which was \$985.15K (2.74%) less than the approved budget. The Gaming Control Fund's final revenue for FY23 was \$36.39M. The net impact of spending under budget, revenue exceeding projections, and reimbursements for FY23 invoices for the independent monitor received in FY24 resulted in a \$1.41M FY23 surplus in the Gaming Control Fund. The surplus will be credited to licensees' FY24 assessments.



The Sports Wagering Control fund was estimated to spend \$4.74M, requiring a \$2.23M assessment on licensees. Final spending for the fund in FY23 was \$3.96M, which was \$779.1K (16.4%) less than the approved budget. The Sports Wagering Control Fund's final revenue for FY23 was \$6.65M. The net impact of spending under budget, revenue exceeding projections, and carryforward of suitability investigation deposits resulted in a \$2.38M FY23 surplus in the fund. The surplus will be credited to sports wagering licensees' FY24 assessments.

**10500001 – GAMING CONTROL FUND**  
**2023 Budget Projections**

Row Labels	Initial Projection	Revised Budget	Final Spending	Variance (Final Spending – Revised Budget)	% Variance	Variance Explanation
MGC REGULATORY COST						
AA REGULAR EMPLOYEE COMPENSATION	\$7,982,768.03	\$8,110,391.80	\$8,187,467.12	77,075.32	0.95%	Carryforward of the pay fairness exercise from June of FY22
BB REGULAR EMPLOYEE RELATED EXPENSES	\$81,197.00	\$81,197.00	\$27,202.48	(53,994.52)	-66.50%	Less travel than anticipated
CC SPECIAL EMPLOYEES	\$248,022.52	\$248,022.52	\$251,894.08	3,871.56	1.56%	
DD PENSION & INSURANCE RELATED EXPENSES	\$3,198,108.43	\$3,251,570.03	\$3,377,599.74	126,029.71	3.88%	Carryforward of the pay fairness exercise from June of FY22
EE ADMINISTRATIVE EXPENSES	\$634,974.92	\$634,974.92	\$465,958.80	(169,016.12)	-26.62%	Less travel and training in all divisions, and HR did not utilize all of its partnership and sponsoring budget
FF PROGRAM, FACILITY, OPERATIONAL SUPPLIES	\$20,000.00	\$20,000.00	\$18,170.51	(1,829.49)	-9.15%	
GG ENERGY COSTS AND SPACE RENTAL	\$1,347,958.08	\$1,347,958.08	\$1,364,459.80	16,501.72	1.22%	
HH CONSULTANT SERVICES (TO DEPTS)	\$818,500.00	\$901,880.20	\$1,582,389.51	680,509.31	75.45%	Additional independent monitor costs that hit after the 3rd update (\$604.6K).
JJ OPERATIONAL SERVICES	\$10,510,400.56	\$10,510,400.56	\$9,943,219.53	(567,181.03)	-5.40%	Vacancies in GEU
KK EQUIPMENT PURCHASE	\$62,000.00	\$62,000.00	\$16,336.49	(45,663.51)	-73.65%	Need for office repairs was minimal in FY23
LL EQUIPMENT LEASE- MAINTAIN/REPAIR	\$41,707.90	\$41,707.90	\$37,285.57	(4,422.33)	-10.60%	
NN NON-MAJOR FACILITY MAINTENANCE REPAIR	\$25,000.00	\$25,000.00	\$10,014.64	(14,985.36)	-59.94%	Need for office repairs was minimal in FY23
PP STATE AID/POL SUB/OSD	\$150,000.00	\$150,000.00	\$25,020.00	(124,980.00)	-83.32%	LEAF Grant was executed for FY24.
TT PAYMENTS & REFUNDS	\$-	\$-	\$-	-		
UU IT NON-PAYROLL EXPENSES	\$4,222,914.03	\$4,222,914.03	\$4,154,797.12	(68,116.91)	-1.61%	
<b>MGC REGULATORY COST SUBTOTAL:</b>	<b>\$29,343,551.47</b>	<b>\$29,608,017.04</b>	<b>\$29,461,815.39</b>	<b>(146,201.65)</b>	<b>-0.49%</b>	
<b>EE-INDIRECT COSTS</b>	<b>\$2,419,852.48</b>	<b>\$2,419,852.48</b>	<b>\$2,304,290.17</b>	<b>(115,562.31)</b>	<b>-4.78%</b>	Underspending in GEU
OFFICE OF ATTORNEY GENERAL						
ISA TO AGO	\$2,927,384.00	\$2,927,384.00	\$2,040,703.26	(886,680.74)	-30.29%	Actually a 12.8% underspend as we combine the state reimbursed appropriation with this ISA.
TT REIMBURSEMENT FOR AGO 0810-1024	\$-	\$-	\$510,930.00	510,930.00		
AGO STATE POLICE	\$939,113.12	\$939,113.12	\$591,791.78	(347,321.34)	-36.98%	GEU Vacancies
<b>OFFICE OF ATTORNEY GENERAL SUBTOTAL:</b>	<b>\$3,866,497.12</b>	<b>\$3,866,497.12</b>	<b>\$3,143,425.04</b>	<b>(723,072.08)</b>	<b>-18.70%</b>	
<b>ISA TO ABCC</b>	<b>\$75,000.00</b>	<b>\$75,000.00</b>	<b>\$74,682.70</b>	<b>(317.30)</b>	<b>-0.42%</b>	
<b>GAMING CONTROL FUND TOTAL COSTS</b>	<b>\$35,704,901.07</b>	<b>\$35,969,366.64</b>	<b>\$34,984,213.30</b>	<b>(985,153.34)</b>	<b>-2.74%</b>	

## 2023 Revenue Projections

Revenues	Initial Projection	Revised Projection	Final Revenue	Variance	% Variance	Variance Explanation
Gaming Control Fund Beginning Balance 0500	\$-	\$1,437,053.08	\$1,437,053.08	-	0%	
EBH Security fees 0500/ Independent Monitor	\$1,200,000.00	\$83,380.20	\$718,241.28	634,861.08	761%	Additional independent monitor bills and revenue of \$598K after the 3rd update. There is also \$6K additional revenue received in FY24 that represents the June independent monitor bills that we did not bill for and collect until after June 30th.
ENHANCED EBH Security fees	\$-	\$-	\$62,840.15	62,840.15	0%	These are billed as the costs are incurred
Category/Region Collection Fees 0500	\$-	\$-		-	0%	
Prior Year Independent Monitor Fees 500	\$-	\$401,316.12	\$401,316.09	(0.03)	0%	
<b>IEB background / investigative collections 0500</b>	\$125,000.00	\$125,000.00	\$341,116.60	216,116.60	173%	Many of these costs are the fees in addition to the initial \$15K fee. This is combined with the Vendor Primary investigatory costs below.
Phase 1 Refunds 0500	\$-	\$-		-	0%	
Phase 2 Category 1 Collections (restricted) 0500	\$-	\$-		-	0%	
Region C Phase 1 Investigation Collections 0500	\$-	\$-		-	0%	
Region C Phase 2 Category 1 Collections 0500	\$-	\$-		-	0%	
Grant Collections (Restricted) 0500	\$-	\$-		-	0%	
Region A Slot Machine Fee 0500	\$1,596,600.00	\$1,596,600.00	\$1,650,000.00	53,400.00	3%	Fees were from initial projections and varied. This reconciles with variance in assessment
Region B Slot Machine Fee 0500	\$912,600.00	\$912,600.00	\$930,000.00	17,400.00	2%	Fees were from initial projections and varied. This reconciles with variance in assessment
Slots Parlor Slot Machine Fee 0500	\$542,400.00	\$542,400.00	\$615,000.00	72,600.00	13%	Fees were from initial projections and varied. This reconciles with variance in assessment
Gaming Employee License Fees (GEL) 3000	\$300,000.00	\$300,000.00	\$250,800.00	(49,200.00)	-16%	
Key Gaming Executive (GKE) 3000	\$10,000.00	\$10,000.00	\$5,000.00	(5,000.00)	-50%	
Key Gaming Employee (GKS) 3000	\$50,000.00	\$50,000.00	\$91,000.00	41,000.00	82%	
Non-Gaming Vendor (NGV) 3000	\$50,000.00	\$50,000.00	\$39,100.00	(10,900.00)	-22%	
Vendor Gaming Primary (VGP) 3000	\$225,000.00	\$225,000.00	\$31,600.00	(193,400.00)	-86%	See note on invests above
Vendor Gaming Secondary (VGS) 3000	\$15,000.00	\$15,000.00	\$25,000.00	10,000.00	67%	
Gaming School License (GSB)/LIQ	\$15,000.00	\$15,000.00	\$300.00	(14,700.00)	-98%	
Gaming Service Employee License (SER) 3000	\$75,000.00	\$75,000.00	\$31,125.00	(43,875.00)	-59%	
Subcontractor ID Initial License (SUB) 3000	\$15,000.00	\$15,000.00		(15,000.00)	-100%	
Temporary License Initial License (TEM) 3000	\$10,000.00	\$10,000.00		(10,000.00)	-100%	
Assessment for PHTF	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	-	0%	
Transfer PHTF Assessment to PHTF	\$(5,000,000.00)	\$(5,000,000.00)	\$(5,000,000.00)	-	0%	
Veterans Initial License (VET) 3000	\$-	\$-		-	0%	
Transfer of Licensing Fees to CMF 0500	\$-	\$-		-	0%	
Assessment 0500	\$30,523,901.07	\$29,885,531.87	\$29,742,131.88	(143,399.99)	0%	See notes on slot fees above
Misc/MCC Grant	\$25,000.00	\$25,000.00		(25,000.00)	-100%	Grant ended in FY22
Miscellaneous 0500	\$11,000.00	\$11,000.00	\$12,845.66	1,845.66	17%	
Bank Interest 2700	\$3,400.00	\$3,400.00	\$6,310.53	2,910.53	86%	
<b>Grand Total</b>	<b>\$35,704,901.07</b>	<b>\$35,788,281.27</b>	<b>\$36,390,780.27</b>	<b>602,499.00</b>	<b>1.68%</b>	

## 10501384 SPORTS WAGERING CONTROL FUND

### 2023 Budget Projections

Row Labels	Initial Projection	Revised Budget	Final Spending	Variance (Final Spending-Revised Budget)	% Variance	Variance Explanation
AA REGULAR EMPLOYEE COMPENSATION	\$794,970.77	\$794,970.77	\$578,299.20	\$(216,671.57)	-27.26%	Delays in Hiring
BB REGULAR EMPLOYEE RELATED EXPEN	\$-	\$-	\$78.10	\$78.10	0.00%	
CC SPECIAL EMPLOYEES	\$393,600.00	\$393,600.00	\$67,375.00	\$(326,225.00)	-82.88%	Did not bring on 5 contracted investigators but rather 2
DD PENSION & INSURANCE RELATED EX	\$336,002.01	\$336,002.01	\$116,852.13	\$(219,149.88)	-65.22%	
EE ADMINISTRATIVE EXPENSES	\$-	\$-	\$8,163.73	\$8,163.73	0.00%	
FF PROGRAMMATIC FACILITY OPERATIONAL SUPPLIES	\$-	\$-	\$-	\$-	0.00%	
HH CONSULTANT SVCS (TO DEPTS)	\$500,000.00	\$2,230,000.00	\$2,442,815.62	\$212,815.62	9.54%	Additional costs of establishing regulatory framework
JJ OPERATIONAL SERVICES	\$-	\$-	\$-	\$-	0.00%	
KK EQUIPMENT PURCHASES	\$-	\$-	\$-	\$-	0.00%	
LL EQUIPMENT LEASE-MAINTAIN/ REPAR	\$-	\$-	\$-	\$-	0.00%	
NN INFRASTRUCTURE:	\$-	\$-	\$-	\$-	0.00%	
TT LOANS AND SPECIAL PAYMENTS	\$-	\$-	\$-	\$-	0.00%	
UU IT Non-Payroll Expenses	\$-	\$592,100.00	\$406,501.78	\$(185,598.22)	-31.35%	Delays in opening of a few operators and review of internal controls submissions.
EE-Indirect Costs	\$168,857.08	\$401,067.08	\$348,566.85	\$(52,500.23)	-13.09%	Under spending in employees
<b>Grand Total</b>	<b>\$2,193,429.86</b>	<b>\$4,747,739.86</b>	<b>\$3,968,652.41</b>	<b>\$(779,087.45)</b>	<b>-16.41%</b>	

### 2023 Revenue Projections

Revenues	Initial Projection	Revised Projection	Final Revenue	Variance	% Variance	Variance Explanation
CATEGORY 1	\$600,000.00	\$600,000.00	\$600,000.00	\$-	0%	
CATEGORY 2	\$200,000.00	\$200,000.00	\$200,000.00	\$-	0%	
CATEGORY 3 (TETHERED)	\$1,200,000.00	\$1,200,000.00	\$1,200,000.00	\$-	0%	
CATEGORY 3 (UNTETHERED)	\$1,200,000.00	\$1,200,000.00	\$1,200,000.00	\$-	0%	
SW GAMING CONTROL FUND BALANCE 0500	\$-	\$-	\$-	\$-	0%	
<b>EMPLOYEE LICENSING FEES 3000</b>	\$-	\$-	\$175,000.00	\$175,000.00	#DIV/0!	No projections were initially made
VENDOR SW FEES 3000	\$-	\$-	\$976,931.00	\$976,931.00	#DIV/0!	No projections were initially made
FANTASY FEES 3000	\$-	\$-	\$-	\$-	0%	
ASSESSMENT 0500	\$-	\$2,236,453.60	\$2,277,926.51	\$41,472.91	2%	Overpayment by one operator and underpayment by another.
FINES & PENALTIES 2700	\$-	\$-	\$-	\$-	0%	
MISC 0500	\$-	\$-	\$18,000.02	\$18,000.02	0%	
IEB BACKGROUND/ INVESTIGATIVE FEES 3000	\$-	\$-	\$-	\$-	0%	
BANK INTEREST SW	\$-	\$-	\$3,780.38	\$3,780.38	0%	
<b>Grand Total</b>	<b>\$3,200,000.00</b>	<b>\$5,436,453.60</b>	<b>\$6,651,637.91</b>	<b>\$1,215,184.31</b>		







# FY23 DIVISION REPORTS

## SPORTS WAGERING DIVISION

In FY23, MGC's Sports Wagering (SW) division was formed, comprising a director, an operations manager and a business manager. The division is tasked with oversight of the sports wagering operators' compliance with the regulations developed in relation to Ch. 23N, monitoring the required reporting, constructive communications with the operators, and collaborative initiatives across the many existing MGC divisions and departments which sports wagering intersects with.

The division went to work immediately, working with legal to answer operator questions, responding to and stewarding nearly 200 patron inquiries, researching and developing an incident tracker, creating compliance processes and procedures, gaining access to operators' back-end wagering platforms and financial records, monitoring launch promotions and marketing for compliance, and reviewing house rules and internal controls.

On May 4, 2023, the division staff presented an official launch update to the Gaming Policy Advisory Committee, providing insights on the first 45 days of operations.

### Sports Wagering Operations Certificates

In FY23, the SW division granted 11 Certificates of Operations for Sports Wagering.

*In its first 5 months of operations, the SW division onboarded 11 operators, handled nearly 200 patron inquiries, processed over 100 additional compliance issues, and participated in at least 35 public meetings.*

### CATEGORY 1 (RETAIL) – January 31, 2023

Encore Boston Harbor Sportsbook

MGM Springfield Sportsbook

Plainridge Park Sportsbook

### CATEGORY 3 (MOBILE) – March 10, 2023

#### *Tethered (entity)*

BetMGM, LLC (MGM)

WSI US, LLC d/b/a WynnBET (EBH)

American Wagering, Inc. d/b/a Caesars Sportsbook (EBH)

Penn Sports Interactive, LLC d/b/a Barstool Sportsbook (PPC)

#### *Untethered*

Crown MA Gaming, LLC d/b/a DraftKings

Betfair Interactive US, LLC d/b/a FanDuel

### CATEGORY 3 (MOBILE)

#### *Tethered (entity)*

FBG Enterprises Opco, LLC d/b/a Fanatics (PPC)

May 16, 2023

#### *Untethered*

Betr Holdings, Inc. d/b/a Betr

April 25, 2023

Although certificates of operation were granted, both Fanatics and Betr delayed the launch date of their sports wagering platforms in MA. Betr officially launched on May 11, 2023 and Fanatics launched on May 25, 2023.

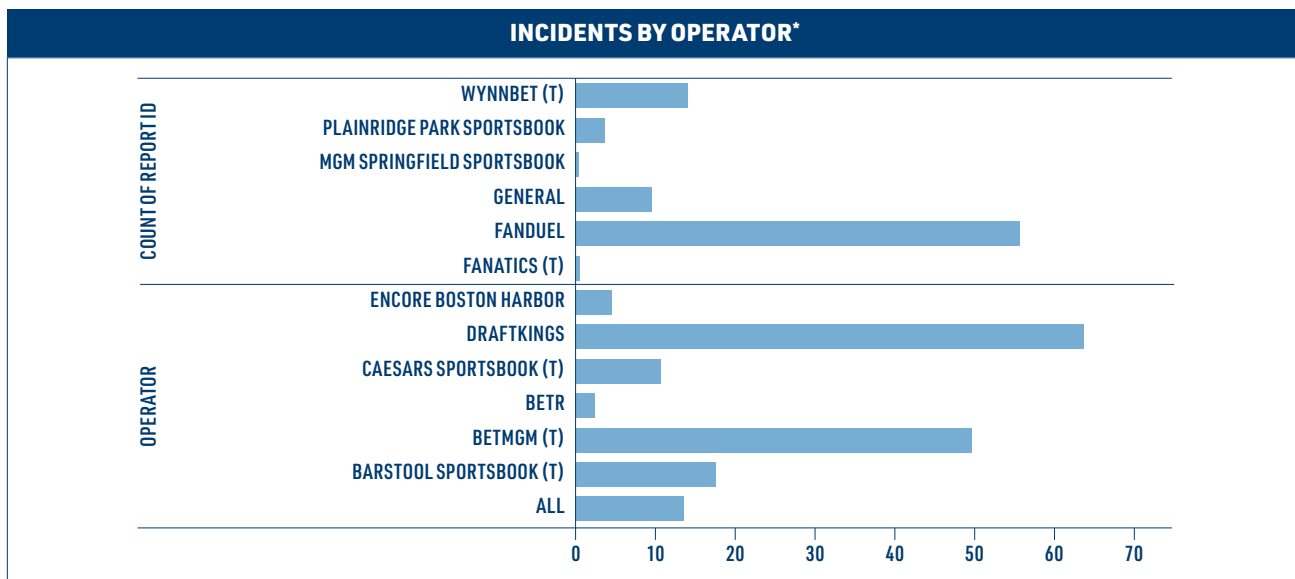
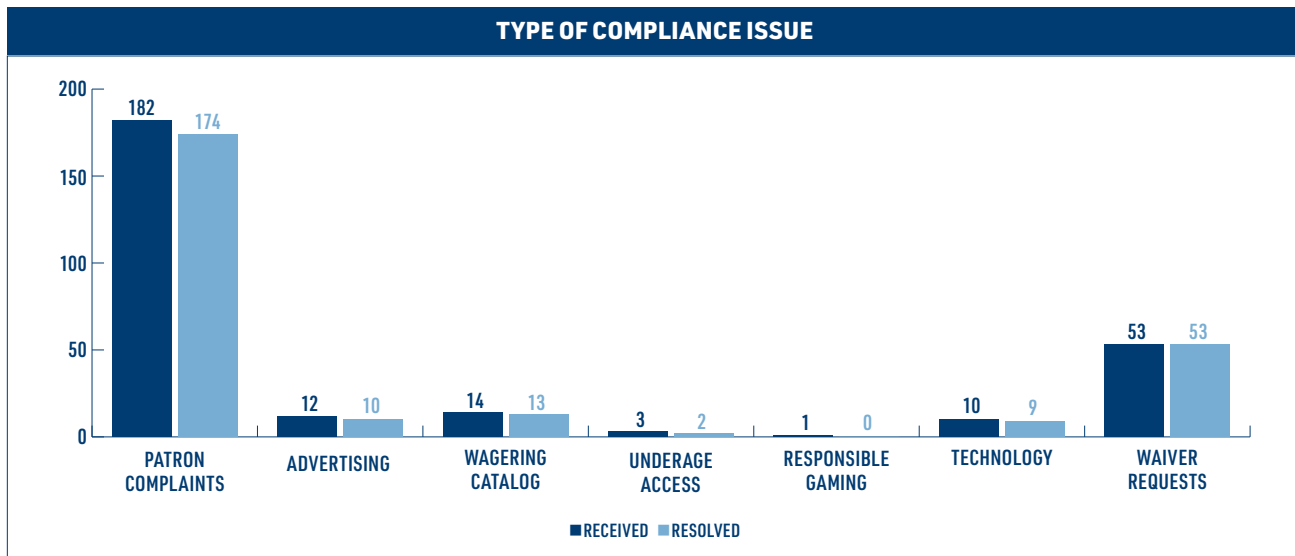
Two other Category 3 applications have been reviewed and approved by the Commission, with intended FY24 launch dates. No Category 2 licenses were granted in FY23.

### FY23 Major Initiatives

1. An API interface was developed with the Dept. of Revenue to ensure each operators' compliance with the intercept for taxpayer winnings to the state, as required.
2. The team developed an internal training from a consultant to provide an overview of general marketing processes to assist with development of regulations, determine compliance outcomes and to provide general education to staff in departments which may be impacted.
3. Each operator developed test accounts for the SW team to ensure direct access to each sports wagering app and the ability to view the patron experience, and monitor compliance in real time.
4. Staff worked to ensure operators were in contact with the MA Lottery with a goal of fostering symbiotic relationships and minimizing negative impacts.
5. The division contracted with Gaming Labs International to perform the initial Technical Security Audits.

### FY23 Sports Wagering Compliance

The Sports Wagering division received, reviewed and/or resolved over 300 compliance issues and/or incidents between January 31, 2023 and June 30, 2023. Below are the types of issues/incidents the SW division reviewed or addressed:

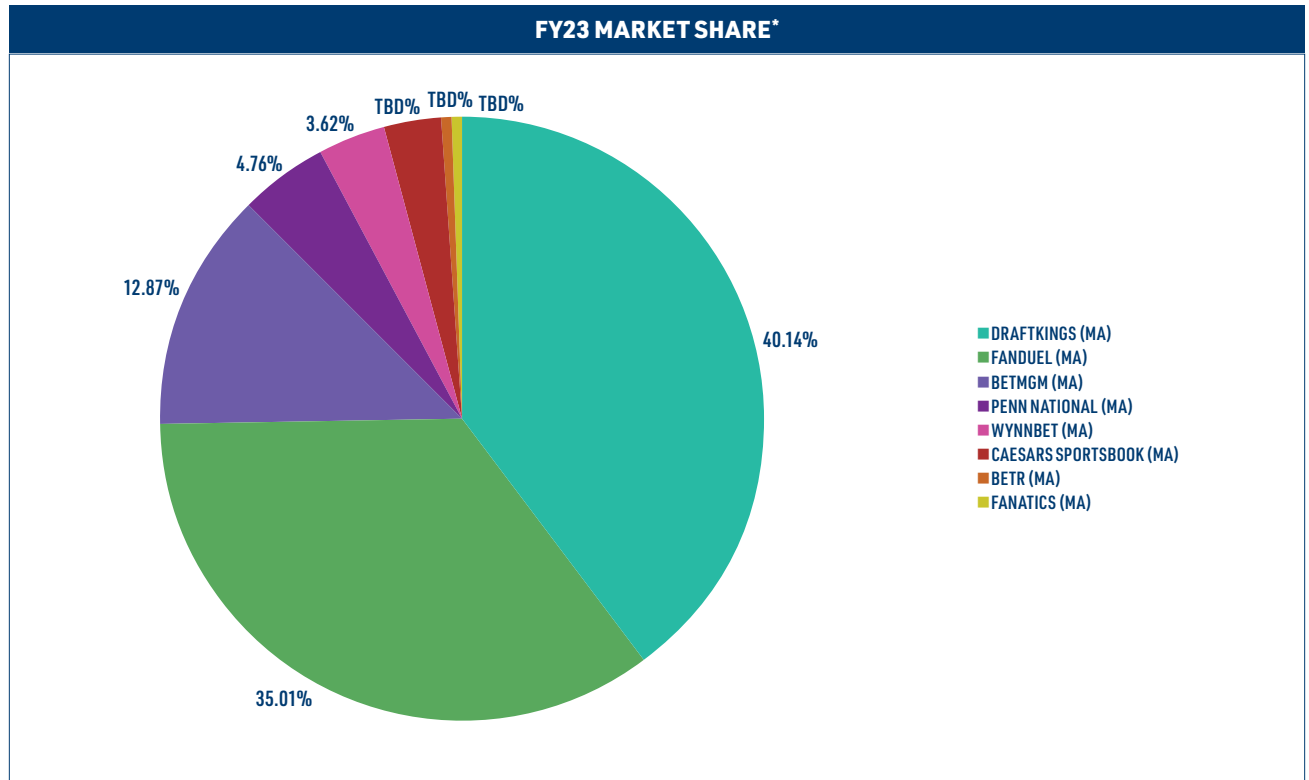


\*Graph does not include waiver requests or house rules

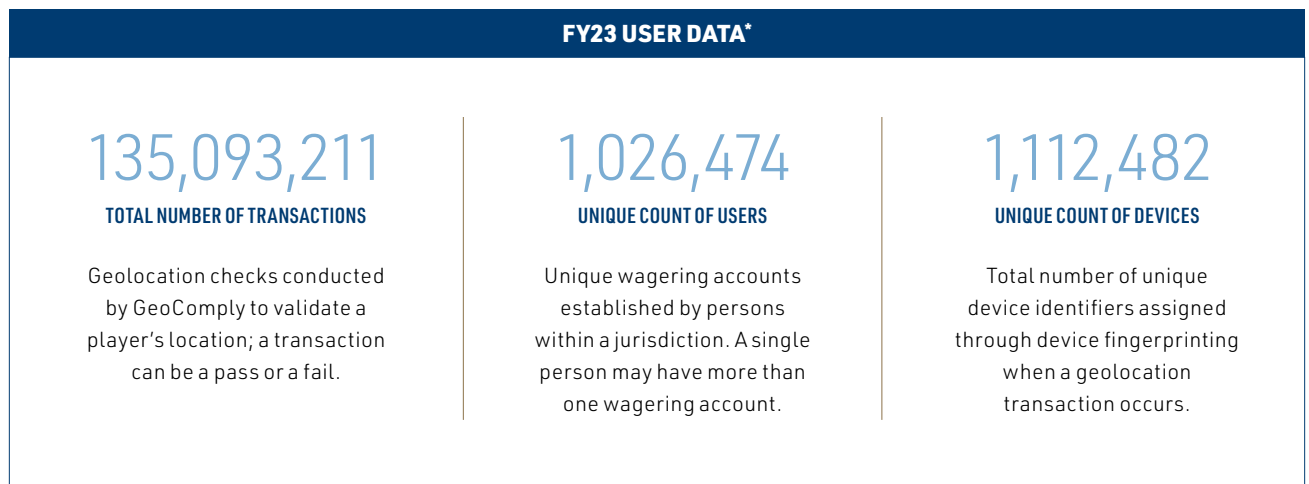
The SW division manages the oversight, compliance and review for over 70 monthly reports from the 11 operators. The division also handles the waiver and variance requests related to the sports wagering regulations. As reflected in the table above, the division reviewed and processed over 50 such requests in FY23. Such requests are tracked for commission determination, date of expiration and require investigation to determine compliance, once expired. In addition, aside from the initial 11 approved house rules at their go-live/launch date, an additional 10 house rules were reviewed by the sports wagering division and brought forth to the Commission for approval during this period.

The Sports Wagering director also works closely with the Massachusetts State Police regarding fraud alerts. Such alerts come in from both the operators and industry resources such as GeoComply and U.S. Integrity.

### Industry Insights



\*Data from GeoComply



\*Data from GeoComply

## DIVISION OF COMMUNITY AFFAIRS

The Division of Community Affairs is responsible for coordinating and communicating interactions among the Commission and its many stakeholders, including the Host and Surrounding Communities, and other state agencies. It also monitors the activities of its casino licensees, including quarterly reporting and ensuring the licensees continue to meet the terms of their licenses. The primary initiative of the division is to facilitate the Community Mitigation Fund Grant program; including coordinating and supporting the legislatively mandated advisory committees and subcommittees that support the Commission in the development of and adoption of the Community Mitigation Fund guidelines.

*For 2023, \$28M  
was made available  
for local mitigation  
projects.*

### Community Mitigation Fund Grant Program

The Community Mitigation Fund receives monies from the taxes on gross gaming revenues and is designed to address impacts that may result from the construction and operation of casinos. It may also be used for planning to determine how to achieve further benefits from a facility.

The Division of Community Affairs reviews requests for mitigation dollars and makes recommendations to the Commission on the award of grants from the Community Mitigation Fund. These recommendations are developed through an intensive process involving analysis by many MGC staff members.

During grant year 2023, the Community Mitigation Grants available were as follows:

1. **Community Planning Grants:** These grants were developed to provide technical assistance and promotion for groups of area businesses; marketing and outreach efforts to identify local opportunities for casino patrons; tourism plans to attract casino patrons to nearby attractions and other community planning efforts designed to take advantage of proximity to the casino or allow a community to compete better with gaming establishments for customers.
2. **Gambling Harm Reduction:** The Commission seeks to study and mitigate gambling related harms through this new pilot program. The pilot program provides funding for a limited number of community-engaged research projects. The objective of community-engaged research is to more deeply understand specific negative or unintended impacts of casino gambling at a community level.

The funding for this grant is available for two levels of assistance. Type 1 is for community engagement, vision and planning. Applicants may apply to develop a plan to engage the community to identify a casino or gambling related topic or issue which warrants further investigation. Type 2 is for Applicants that have a specific research topic and/or question and are prepared to propose a research strategy.

3. **Projects of Regional Significance:** Projects of Regional Significance are designed to mitigate identified gaming impacts that affect multiple communities. To be considered under this category, the Applicant must demonstrate that the project will have regional benefits. The Applicant must also demonstrate that the project is in the general vicinity of the gaming establishment and will address an identified impact of that establishment. The Commission will cover up to 15% of the total cost capped at \$5 million in Region A and \$3 million in Region B.
4. **Public Safety Grants:** This Grant category allows for the funding of public safety operations costs up to \$200,000. These funds may be used for training to support the Police Reform Law, public safety equipment and certain operational costs. The application must demonstrate that CMF funds will supplement and not supplant historical operations funding.
5. **Specific Impact Grants:** These grants were developed to assist communities with unanticipated mitigation impacts specific to that community which have occurred or are occurring as of the January 31 due date.
6. **Transportation Planning Grants:** These planning grants were developed to assist communities in transportation issues and transportation-related impacts. Eligible planning projects must have a defined area or issue that will be investigated as well as a clear plan for implementation of the results. The Commission continues to support regional approaches to mitigation needs and recognizes that some mitigation requires the commitment of more than one community. The Community Mitigation Fund provides an additional monetary incentive to communities that submit regional applications.
7. **Transportation Construction Grants:** This grant category allows for the implementation of mitigation projects identified through transportation planning studies. The Commission awards up to 1/3 of the project cost with a maximum grant of \$1,500,000. Applicants had to demonstrate that the project would begin construction no later than June 30, 2024.



8. **Workforce Development Grants:** This was the seventh year that the Commission allocated funding for Workforce Development purposes as part of the Community Mitigation Fund. This program was conceived to help increase job readiness in both Regions A and B in anticipation of the high volume of casino hires. Applicants demonstrate that the education and skills training programs proposed are in response to an identified need at the casinos or to provide sufficient supply of workers to backfill jobs being lost to the casinos. These programs have assisted many individuals to receive their GED, ABE, and postsecondary credentials of value in the regional labor market. The Commission continues to support these workforce training programs to continue to feed the pipeline of workers.

**Funding Set Aside to Mitigate Other Impacts:**

9. **Emergency Mitigation Grants:** The Commission has set aside not more than \$200,000 in grant funds to mitigate unanticipated casino-related impacts that arise after January 31, 2023. This grant is not intended to circumvent the normal CMF process.
10. **Tribal Gaming Technical Assistance Reserve:** The Commission has set aside up to \$200,000 in technical assistance funding to assist in the determination of impacts that may be experienced by communities in geographic proximity to the potential Tribal Gaming facility in Taunton.

**2023 GRANT APPLICATIONS AWARDED**

The Commission awarded grant applications totaling approximately \$10.2 million.

APPLICANT	PROJECT NAME	REGION	TYPE	AWARD
Boston	Police Training and Patrols	A	PS	\$65,000
Boston	Pao Arts Center	A	SI	\$283,000
Cambridge	Grand Junction Path	A	TP	\$249,900
Everett	Wellington Connector Path	A	TC	\$336,700
Everett	Northern Strand Trail Extension	A	TC	\$335,260
Everett	Harbor Walk	A	TP	\$248,000
Everett	Fire: Highrise & Ion Battery Training	A	PS	\$45,000
Everett	Police Overtime	A	PS	\$104,100
Everett	Outfitting CONEX: Radios, graphics	A	PS	\$18,700
Everett	Pumping Station Alford Bridge	A	CP	\$199,100
Foxborough	Regional Marketing	Cat. 2	CP	\$272,000
Foxborough	Police: Motorcycle, Drone, Mapping	Cat. 2	PS	\$61,400
Hampden	Special Patrol: Casino Traffic	B	PS	\$15,300
Hampden	Sidewalk Design	B	TP	\$203,100
Hampden DA	Personnel Assistance	B	SI	\$75,000
Hampden Sheriff	Lease Assistance	B	SI	\$400,000
Holyoke	Main Street Redevelopment	B	TP	\$82,300
Holyoke	Wayfinding	B	CP	\$200,000
Holyoke	Tourism	B	CP	\$200,000
Holyoke Community College	Work Ready 2023	B	WD	\$350,000
Longmeadow	Camera Phase 2	B	PS	\$192,400
Ludlow	Police: Vehicle, training	B	PS	\$31,800
Malden	Police EV and Speed Alert Board	A	PS	\$17,900

APPLICANT	PROJECT NAME	REGION	TYPE	AWARD
Malden	Transit Oriented Study	A	CP	\$100,000
Malden	Bluebike Expansion	A	TC	\$113,000
Malden	Broadway 25% Design	A	TP	\$250,000
Malden	River Works Path	A	TC	\$542,400
Malden	Spot Pond Greenway Design	A	TP	\$250,000
MassHire MNREB	Boston Workforce Consortium	A	WD	\$500,000
Medford	Traffic Vehicle and Signs	A	PS	\$130,000
Pioneer Valley Planning	Regional Business Network	B	PRS	\$485,600
Plainville	Police: Force Science Cert.	Cat. 2	PS	\$123,750
Plainville	Fire Blankets	Cat. 2	PS	\$13,200
Revere	Police License Plate Reader	A	PS	\$64,000
Saugus	Shade Trees	A	SI	\$100,000
Springfield	Mixed-Use Parking Project	B	TC	\$1,500,000
Springfield	Safe Ride Home Project	B	PS	\$191,200
Springfield	Young Adult Gambling	B	HR1	\$19,600
Springfield	Union St Intersection	B	TP	\$250,000
Springfield	Police: Equipment Upgrades, Training	B	PS	\$135,200
Springfield	Dwight Street Reconstruction	B	TC	\$966,700
Springfield	Defibrillators	B	PS	\$19,800
Springfield Technical Community College	Work Ready 2023	B	WD	\$185,000
West Springfield	Emergency Responders	B	PS	\$200,000
Wilbraham	Radio Software Upgrade	B	PS	\$42,800
Wrentham	Traffic Management	Cat. 2	PS	\$44,900
<b>TOTAL</b>				<b>\$10,213,110</b>



**FY 2023 HR Update: Agency Headcount & Diversity**

The chart below represents the recent and current headcount by department. The numbers below do not include Massachusetts State Police (MSP) assigned to the Commission, contract employees or FTE's in the Attorney General's office of Gaming.

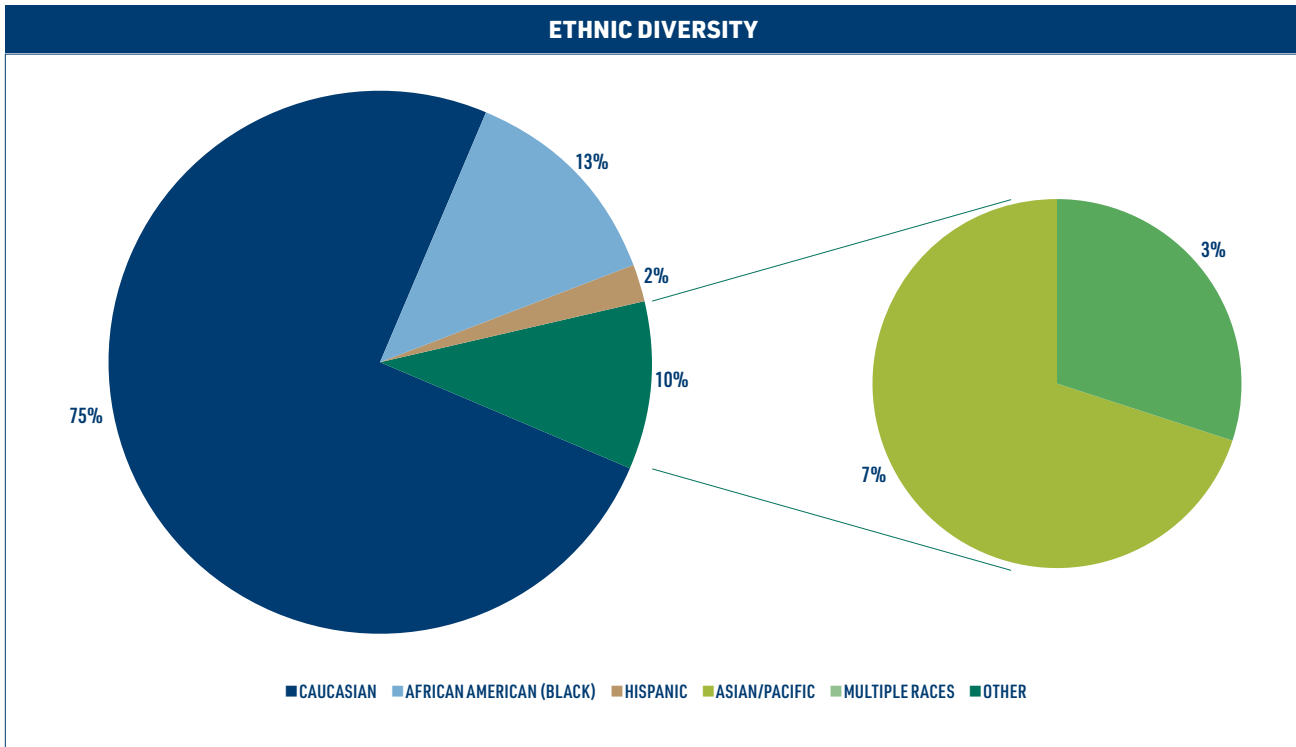
**HUMAN RESOURCES/DIVERSITY, EQUITY, AND INCLUSION UPDATE**

<b>AGENCY HEADCOUNT<sup>1</sup></b>				
<b>Department/Division</b>	<b>Headcount FY20</b>	<b>Headcount FY21</b>	<b>Headcount FY22</b>	<b>Headcount FY23</b>
Commissioners & Staff	5	4	7	7
Executive Director & Staff	4	4	2	2
Communications	2	2	2	2
Investigations & Enforcement	43	37	39	46
Licensing	6	5	10	10
Legal	10	10	5	5
Human Resources	2.5	2.5	3	5
Finance	6.5	5.5	7	8
Information Technology	8	7	8	12
Racing <sup>1</sup>	3	3	3	3
Responsible Gaming			3	3
Community Affairs			3	3
Sports Wagering				3
<b>TOTAL</b>	<b>90</b>	<b>80</b>	<b>96</b>	<b>109</b>

<sup>1</sup>Racing numbers do not include seasonal employees

The depicted chart illustrates the present staffing levels categorized by department, aligning with the approvals outlined in the Fiscal Year budget. It is pertinent to acknowledge that Responsible Gaming, Community Affairs, and General Counsel were formerly integrated within our legal division. Nevertheless, owing to adjustments in structural reporting and managerial revisions, they have since been delineated as distinct entities. It is imperative to note that the figures presented do not encompass MSP personnel assigned to the Commission or Full-Time Equivalents (FTEs) within the Attorney General's Office of Gaming Enforcement.

As acknowledged in last year's MGC Annual Report, the human resources department has undergone internal expansion through the recruitment and onboarding of key staff, including the Chief People and Diversity Officer, Sr. D.E.I. Program Manager, and Human Resources Information Analyst. Concurrently, the MGC HR team has initiated programs aimed at focusing on sourcing and recruitment processes, establishing supplier diversity objectives, amplifying programming through training initiatives, formulating internal diversity goals and continuing to develop a talented, culturally diverse working environment for all MGC employees.



From FY22 to FY23, the proportion of Caucasian employees at MGC remained stable. In the corresponding timeframe, the representation of African American (Black) employees increased from 12% to 13%, and the percentage of Asian American employees rose from 8% to 9%. Conversely, the percentage of Hispanic American employees decreased from 4% to 2%, while the proportion of Mixed-Race employees increased from 1% to 3%. It is posited that the decline in Hispanic American employees and the rise in mixed race employees may be attributed to an enhanced and more precise reporting structure.

**FY23 HR Update:**

- Implementing new performance management system for 2023.
- Conducting Implicit Bias training for Senior and executive level management.
- Introduce D.E.I. activities which provide an exciting working environment, improve inclusiveness and encourage dynamic dialog among our MGC staff.
- Creation of MGC Internship Program for 2023.
- Introduction of MGC Succession Planning for 2024.

DEMOGRAPHIC	FY21	FY22	FY23
Female	52.5%	46%	47%
Male	47.5%	54%	53%

Over the past three years an ongoing challenge at MGC has been the retainment of female staff. While the initial decline was attributed to the impact of the COVID-19 pandemic, it has become apparent that other factors, such as the nature of the industry, may also contribute to this trend. Nevertheless, we are trending in a positive direction. There has been an improvement in the representation of women in our workforce, with a 1% increase observed from FY22 to FY23.





MGC remains actively engaged in fostering diversity and inclusion, as evidenced by its participation in All-In Diversity's All-Index and the Boston Chamber of Commerce's Pacesetters program. Additionally, the Sr. D.E.I. Program Manager, voluntarily leads a project audit team and with the C.P.D.O. meets with our licensees on a quarterly basis to discuss vendor diversity goals and objectives. MGC dutifully submits an annual report to the Commonwealth's Supplier Diversity Office (SDO), demonstrating our commitment to transparency and accountability by promoting diversity within our supplier network.

## **INFORMATION TECHNOLOGY SERVICES DIVISION**

The MGC Information Technology Services Division ("ITS"), led by the Chief Information Officer, comprises of two major teams: 1) the Corporate Technology Unit and 2) the Gaming Technology Compliance Unit. In 2023, MGC-ITS tested and approved new software and hardware for 150 Kiosks and Sportsbooks to verify that they were in compliance in time to launch for major sporting events in February and March.

### **Corporate Technology**

The Corporate Technology Unit ("CTU") provides information technology products and services, governance, and security to meet the needs of the MGC community and achieve the highest level of customer satisfaction. More specifically, Network and Security Services, Unified Communications, End User Services, Risk Management, Project Management, Operations, Digital and Data Management and Infrastructure.

Over the past year, the CTU implemented numerous changes to improve, stabilize, and provide a robust and agile computing environment for the MGC community. Including but not limited to updating all user devices to ensure the latest technological needs were being met. The MGC continues some of its operations in a hybrid capacity. To better assist the program, new equipment was added to several conference rooms, including the Public Meeting Room, to facilitate hybrid meetings. The CTU continues to provide secure access locally and remotely without compromising versatility and security.

### **Gaming Technology Compliance**

The Gaming Technology Compliance Unit ("GTCU") is responsible for planning, organizing, managing, and implementing the regulations, policies, procedures, and testing needed to ensure the integrity of electronic gaming devices ("EGDs" aka slot machines), sports wagering and associated software and equipment. In addition, it oversees technical compliance requirements by sports wagering operators in the areas of information security, change management, testing, and reporting requirements on an ongoing basis.

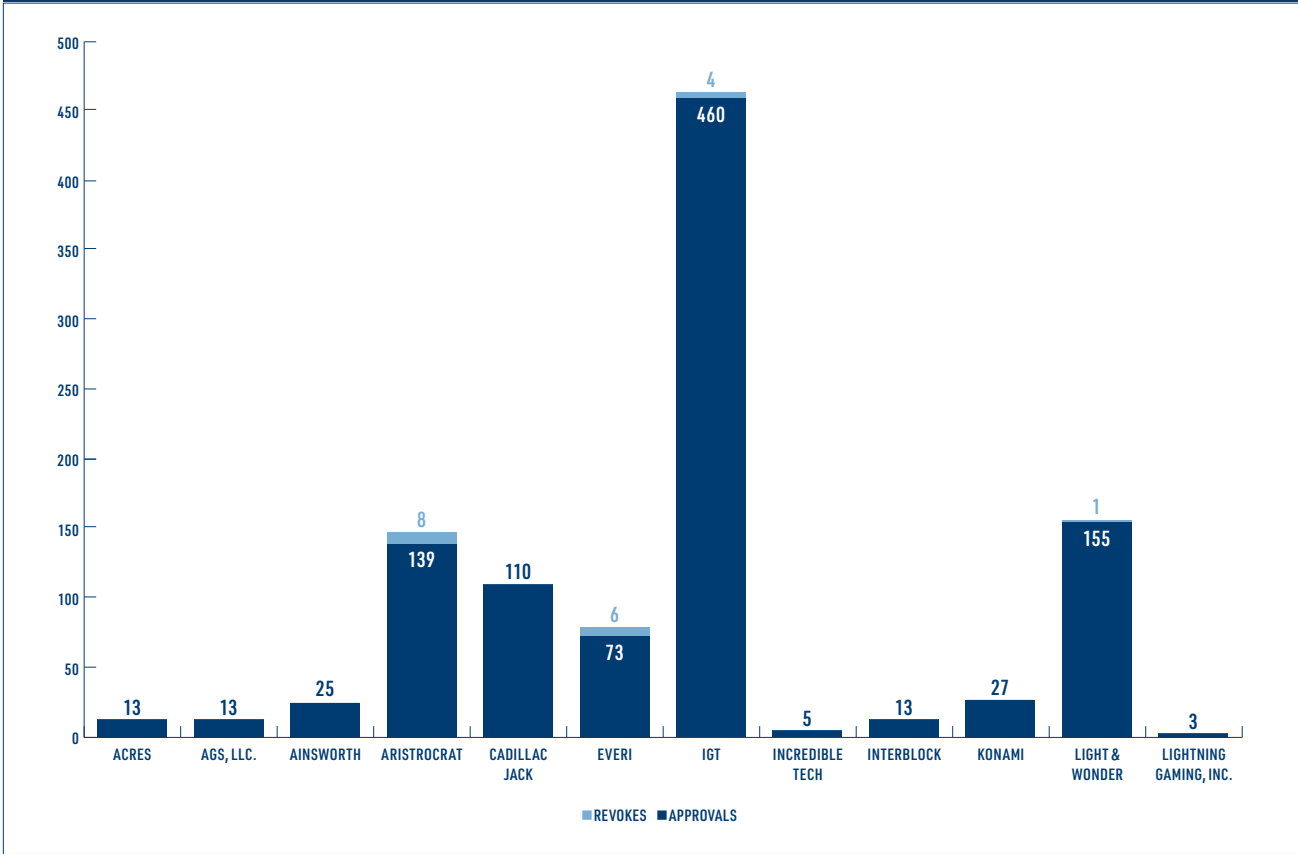
### **Casino Gaming**

Currently, there are 4,995 active EGDs across all three casinos in Massachusetts, which the GTCU continuously monitors. The GTCU oversees the issuance of certifications and permits for the use of EGDs in Massachusetts. In 2023, the GTCU certified 1,322 individual software packages approved for use in Massachusetts by our Certified Independent Testing Labs ("CITL"), of which 1,060 software packages were approved by GLI and 262 software packages were approved by BMM. Through the assistance of the MGC's Central Monitoring System (CMS), software signatures for licensee compliance are verified daily. Each CITL is reviewed annually to ensure its adherence to the MGC's approved standards.

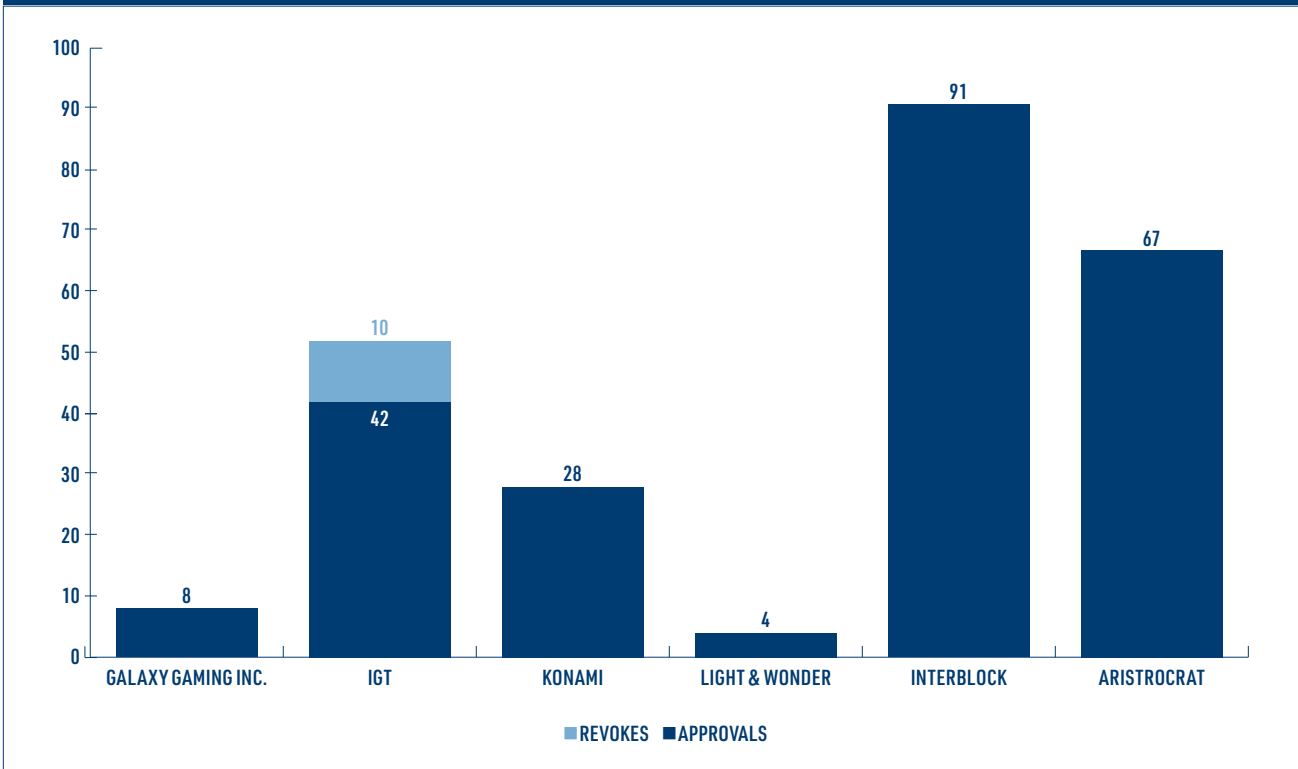
Issuing revocations typically begins with a notification from the CITL when an issue is found with an individual piece of gaming software that denotes the severity and description of the issues. The GTCU reviews each notification to verify if the software is active in Massachusetts. A notification is sent to each property, including software information, removal date, and, if any, the affected EGDs. During the last fiscal year, the GTCU issued 26 revocations based on recommendations from the CITLs. Below is a breakdown of the software approved and revoked by manufacturers for each CITL for FY2023.



### GLI APPROVALS AND REVOKES BY MANUFACTURERS

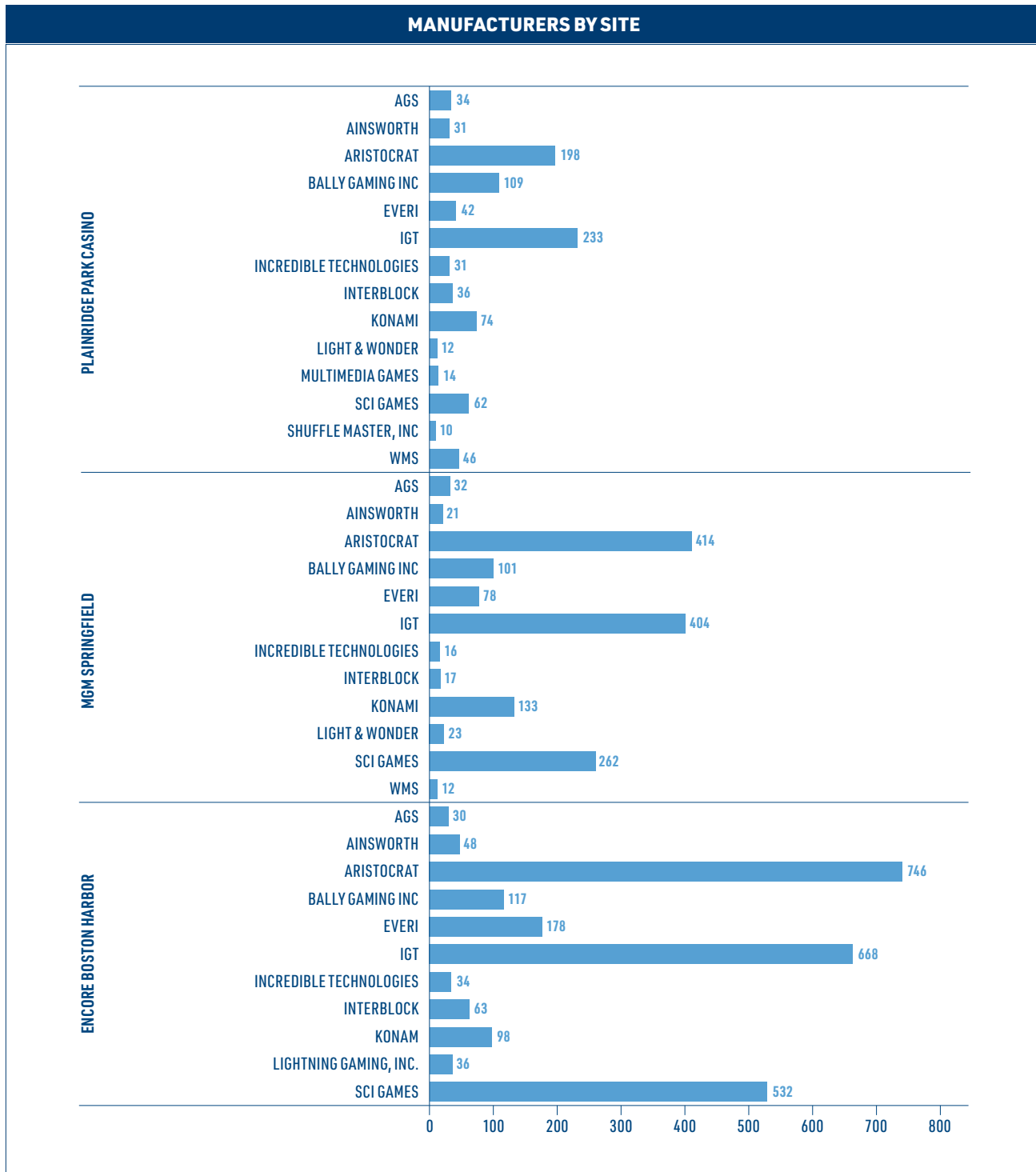


### BMM APPROVALS AND REVOKES BY MANUFACTURER



The GTCU is also responsible for evaluating, inspecting, and investigating EGDs and associated equipment in Massachusetts. Integration and interoperability testing are essential to ensure the EGDs communicate effectively with the MGC’s CMS and the licensees’ house systems. Through systematic testing, GTCU supports and achieves MGC’s reporting, compliance, and alerting expectations. Additionally, specific EGD hardware/cabinets are tested based on licensees’ requests due to the popularity of a particular game or theme.

The chart below highlights the variety of approved manufacturers’ equipment at each licensed casino in the Massachusetts jurisdiction.



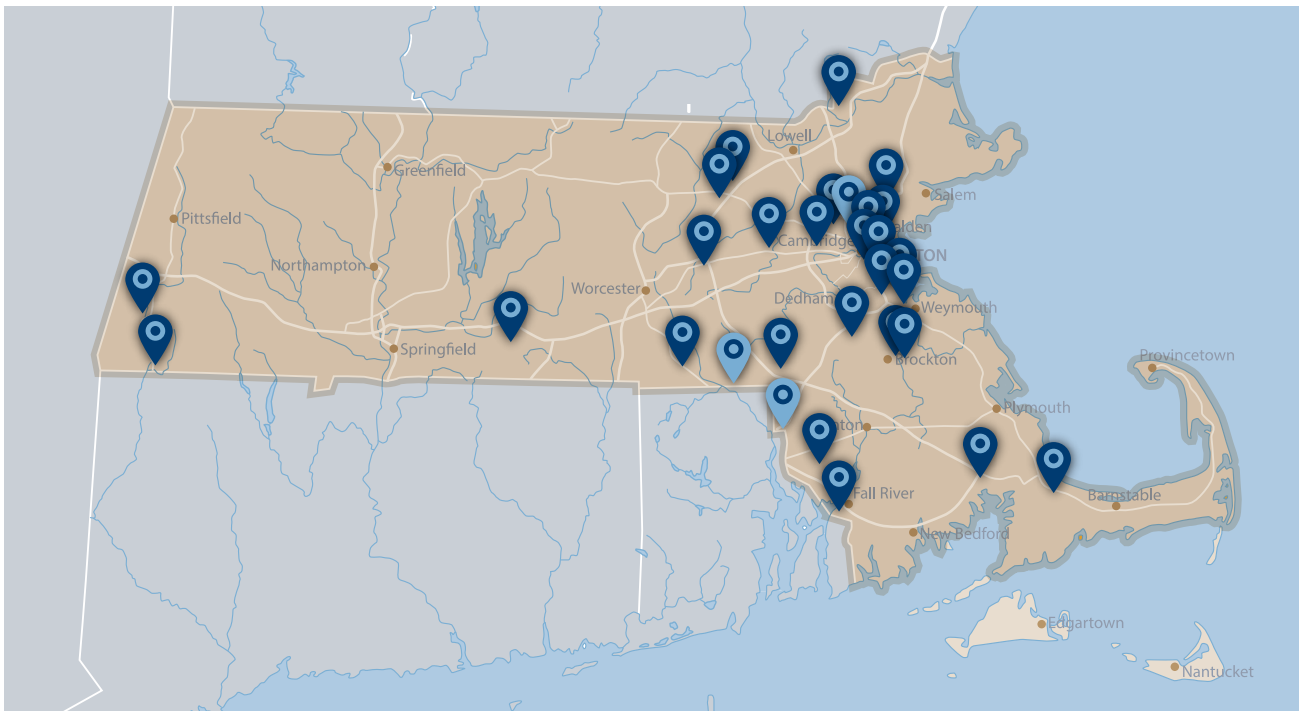
## Sports Wagering

The Massachusetts Gaming Commission was tasked with overseeing the promulgation of the state's sports wagering industry after Governor Charlie Baker signed An Act to Regulate Sports Wagering (House Bill No. 5164) into law on August 10, 2022.

Leading up to the execution of the law, the GTCU reviewed the bill, regulations, and information related to sports wagering from other jurisdictions over two years. The GTCU met with certified independent test labs to determine implementation strategies for drafting new regulations, testing, and verifying software necessary to stand up sports wagering in the Commonwealth. The GTCU reviewed draft regulations as needed to adhere to the emergency regulation promulgation process. Approximately one week prior to the launch of retail sports wagering, the GTCU worked closely with GLI to conduct field verifications of all controlled regulatory software and hardware components within the Sportsbooks and at Kiosks throughout the casinos with the assistance of Investigations and Enforcement Bureau's Gaming Agents Division.

On Friday, March 10, 2023, Massachusetts launched online sports wagering for several mobile (Category 3) operators. Leading up to the launch of online sports wagering, the GTCU met regularly with mobile operators to verify controlled regulatory software and ensure compliance with the newly drafted regulations, certified testing, and reporting requirements. The GTCU helped to bring new mobile operators on board by participating in regular compliance meetings and verifying software as needed to launch successfully alongside other MGC divisions to ensure readiness for all mobile launches.

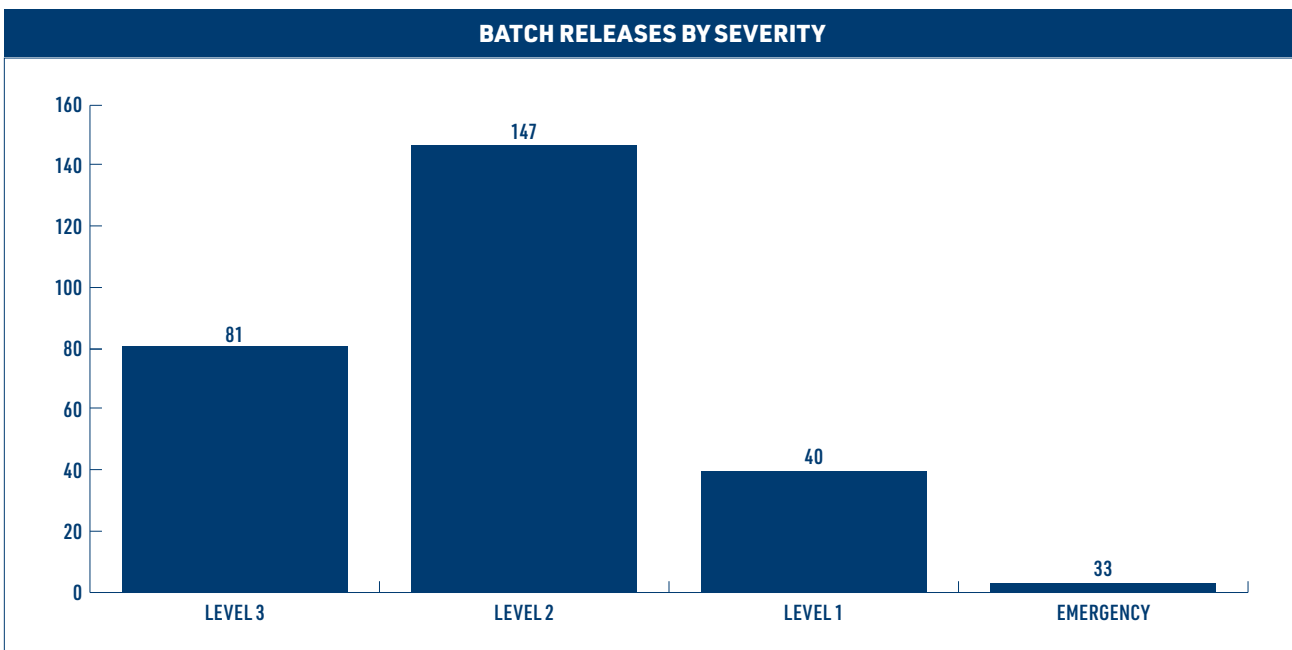
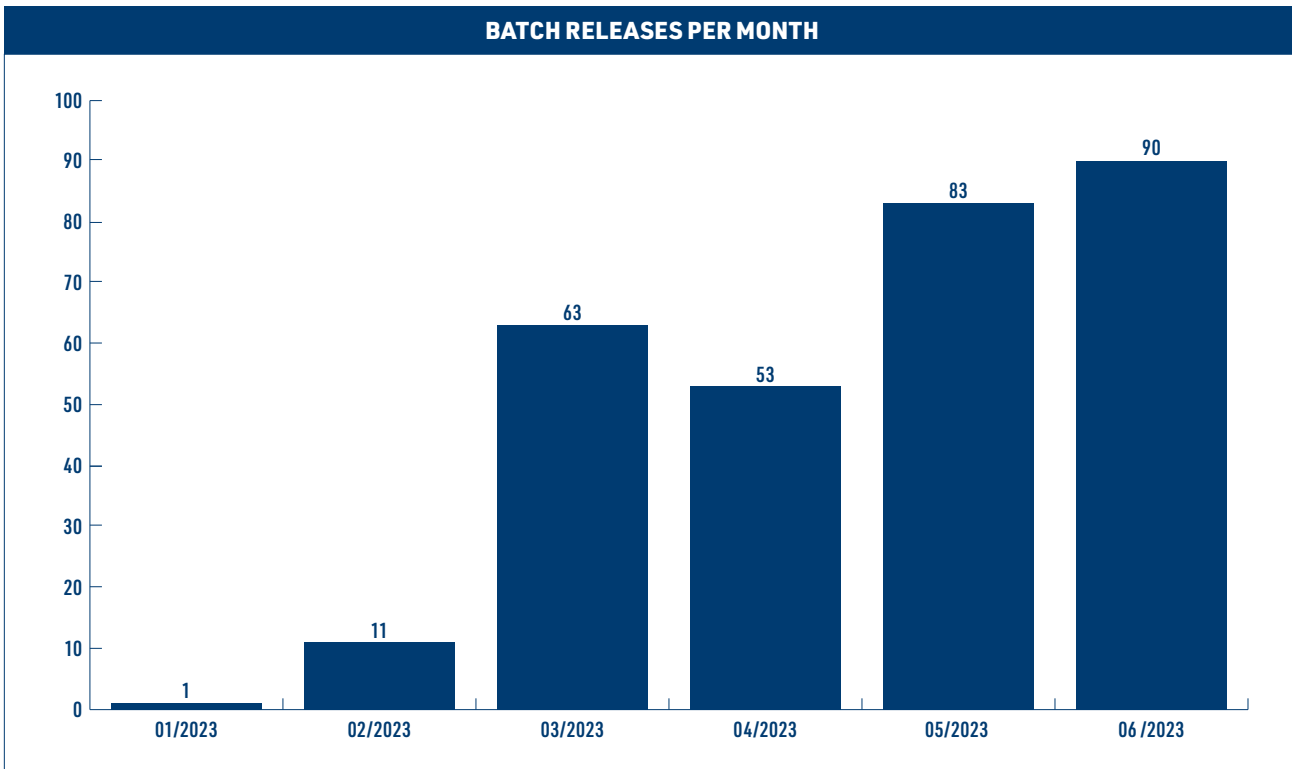
Screenshots of sports wagering mobile apps approved in Massachusetts and geolocation pin drops:

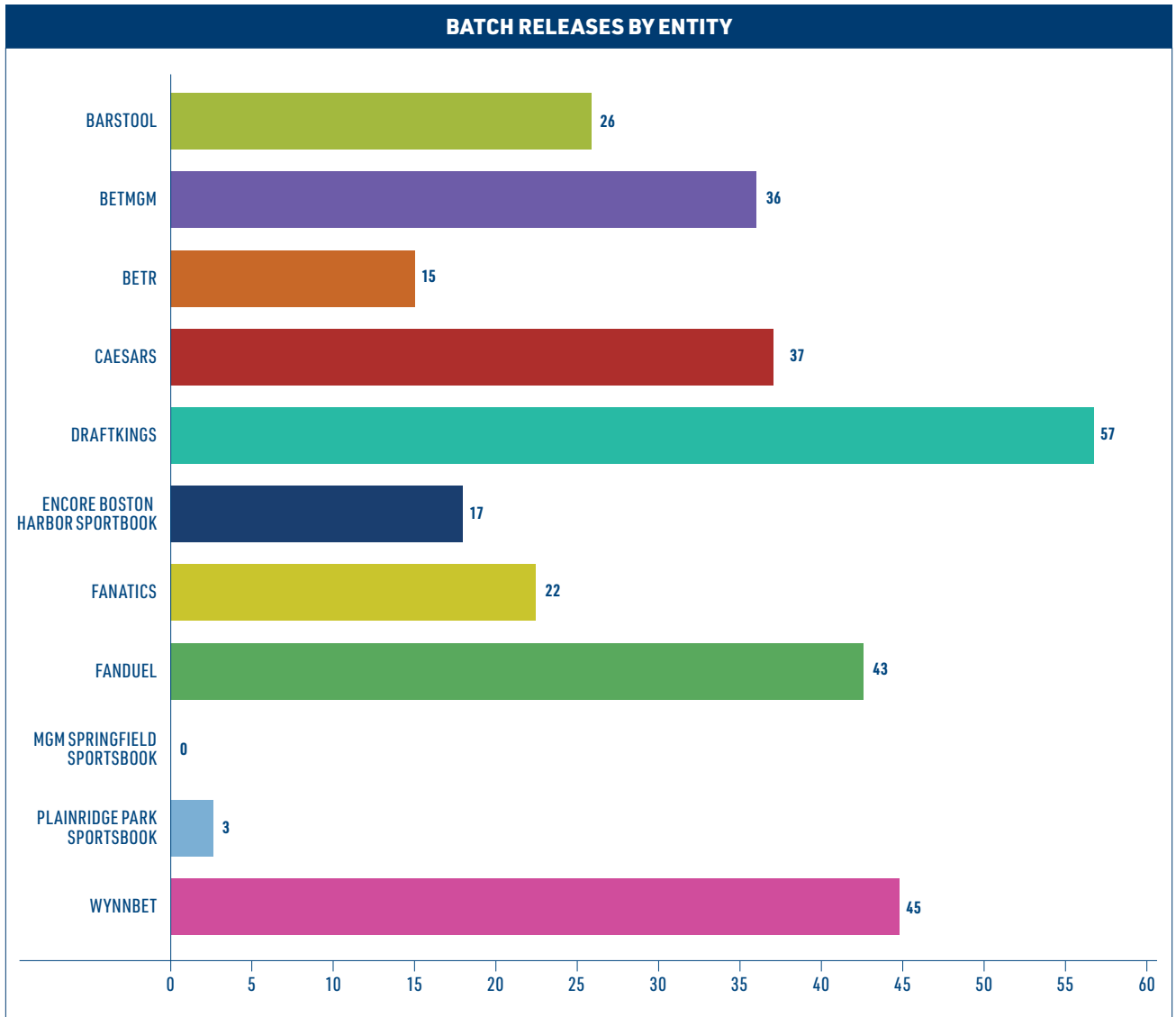


These geolocations are also displayed in the main lobby of the MGC office so that staff and visitors can view where bets are being placed in real-time.

## Change Management

According to regulation 205 CMR 244.03 Integration and Change Management Requirements, change management procedures shall be developed in accordance with GLI's Change Management Program (CMP) Guide, version 1.0, released May 6, 2020. The GTCU manages all change management releases for the retail and mobile sports wagering operators and informs other MGC divisions, most notably, the Sports Wagering Division and IEB, of the releases.





**INVESTIGATIONS & ENFORCEMENT BUREAU/DIVISION OF LICENSING**

The Investigations and Enforcement Bureau (IEB) is comprised of: 1) the Massachusetts State Police (MSP) Gaming Enforcement Unit (GEU), which maintains a 24/7 presence at all three licensed gaming establishments; 2) the Financial Investigations Division, a team of civilian financial investigators, who conduct suitability investigations; 3) the Gaming Agents Division, comprised of civilian agents who maintain a 24/7 presence in the three licensed gaming establishments, and are charged with providing regulatory oversight and on-site monitoring of the establishments; and 4) the Chief Enforcement Counsel’s Office (CEC), comprised of a team of a paralegal/intake officer and four attorneys, whose duties include legal review of investigations and representing the IEB in licensing and enforcement actions initiated by the IEB. The Director of the IEB also oversees the Division of Licensing, which administers the licensing and registration functions on behalf of the Commission.

The IEB conducts probity investigations to determine the suitability of gaming establishment employees and vendors, per gaming licensing regulations (205 CMR 134.00). These regulations also define thresholds, standards, and procedures for licensing and registration. During FY2023, the IEB collaborated with the MGC’s General Counsel’s Office, outside counsel, and other divisions within the MGC on implementing the sports wagering law, G.L. c. 23N. The IEB provided input on draft sports wagering regulations for conducting temporary and full suitability investigations; issuing temporary and full licenses to operators, and sports wagering employees (205 CMR 235.00), and vendors (205 CMR 234.00); as well as reporting requirements for licensees.

There are five types of employee licensure: Key Gaming Employee – Executive; Key Gaming Employee – Standard; Gaming Employee; Key Sports Wagering Employee – Executive; and Key Sports Wagering Employee – Standard. If an employee is not classified by regulation, they must register as a Gaming Service Employee, unless exempted from classification by the Commission. Similarly, there are three levels of casino vendor licensure and registration: Gaming Vendor – Primary; Gaming Vendor – Secondary; and Non-Gaming Vendor. For sports wagering, there are Sports Wagering Vendors; Sports Wagering Registrants; and Non-Sports Wagering Vendors. Each credentialed employee or vendor must submit to a background check. The depth of all background checks are commensurate with the level of licensure/registration.

With respect to Gaming, in FY23, the Division of Licensing and the IEB processed and completed background investigations for 1,795 applications for individual employee licensure or registration. The IEB completed renewal investigations for 2 Gaming Vendors, consisting of 6 entity qualifiers and 10 individual qualifiers. Further, with respect to casino qualifiers (corporate level suitability investigations), the Division of Licensing and the IEB processed and conducted background investigations for 8 individual qualifiers (4 of which were related to full investigations of real estate investment trust (REIT) transactions), and 11 entity qualifiers, all of which were related to REIT transaction investigations. The IEB and the Division of Licensing processed and conducted background investigations for 288 non-gaming vendor registrations.

As for sports wagering, the Division of Licensing and IEB scoped 26 sports wagering operator applicants, 16 of which ultimately submitted applications to the MGC. In conjunction with those 16 applications, the Division of Licensing and the IEB processed 68 entity applications and 52 individual applications (102 total); as well as 104 applications for employee licensure. In addition, 166 temporary sports wagering vendor licenses and registrations were issued.

In FY23, the IEB's Gaming Agents Division saw their long-time Chief, Bruce Band, transition to the role of Director of the Sports Wagering Division. IEB Gaming Agent Division Field Manager of Casino Operations, Burke Cain, subsequently assumed the role of Chief of the Gaming Agents Division. Over the course of the fiscal year, the Gaming Agents, conducted the necessary regulatory work for the ongoing operations of Plainridge Park Casino, MGM Springfield, and Encore Boston Harbor. Gaming Agents conducted hundreds of regulatory examinations to test casino internal controls and procedures at each facility to ensure compliance with MGC regulations. Gaming Agents continue to oversee and review a variety of tasks at the three gaming establishments, including slot machine moves and inspections, operational audits, compliance reports, patron complaints, machine jackpots over certain thresholds, and tips from the Fair Deal tip line, with one of their primary duties being certification of revenue for the Commonwealth.

Leading up to the launch of retail sports wagering in Massachusetts, the Gaming Agents at all three licensed gaming establishments were tasked with inspecting several aspects of the security, surveillance, and operations of sports wagering. Additionally, Gaming Agents, along with Gaming Laboratories International (GLI), verified each sports wagering kiosk and over-the-counter (OTC) unit contained the correct software.

The members of the Massachusetts State Police GEU have criminal enforcement responsibilities, and are also assigned to conduct employee background checks and corporate-level suitability investigations of applicants for gaming and sports wagering licenses.

## **RACING OPERATIONS**

MGC is also responsible for the operational and fiscal oversight of the Standardbred racing operation, and pari-mutuel and simulcasting facilities in the Commonwealth (under G.L. c 128A & 128C).

### **Standardbred Racing**

Plainridge Park Casino is scheduled to race 108 days of live racing during calendar year 2023 and will extend the season by one week. The Racing Division issued over 1000 occupational licenses.

The Paul Revere Pace and Bunker Hill Trot were both held in May, with \$100,000 purses. July 23 saw the return of the \$250,000 Spirit of Massachusetts Trot and the \$100,000 Clara Barton Pace.



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## **\$1,000,000 WAS DISTRIBUTED AS PURSES IN FISCAL YEAR 23 IN THE FINALS OF THE RACES FOR MASSACHUSETTS BRED HORSES, KNOWN AS THE SIRE STAKES.**

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### **Thoroughbred Racing**

There was no live Thoroughbred racing in Massachusetts in FY23. Several groups have expressed interest in returning Thoroughbred racing to the Commonwealth.

### **Simulcasting**

Simulcasting and account wagering is conducted year-round at the following facilities:

- Plainridge Park Casino, including Hollywood Races
- Raynham Park including Dial 2 Bet
- Suffolk Downs, including Twin Spires, TVG, 1/ST Bet (Xpressbets), NYRA Bets, FanDuel Racing, BetMGM, Caesars Racebook, and DK Horse

For FY23, total pari-mutuel handle in the Commonwealth reached \$252 million.

During the fiscal year, the Division of Racing continued efforts to enhance the safety and welfare of racing participants, as well as monitor and regulate the racing operations in the Commonwealth. Key activities included virtual participation in Association of Racing Commissioners International (ARCI) meetings and continuing education.

### **Race Horse Development Fund Disbursements**

FY23 marked the ninth year that the Race Horse Development Fund had monies available to supplement purses, and accordingly the Commission approved disbursements for the prescribed purposes in the manner recommended by the Horse Racing Committee in accordance with G.L. c. 23K, §60.

**The distributions out of the Race Horse Development Fund were as follows:**

### **RESEARCH AND RESPONSIBLE GAMING**

The Office of Research and Responsible Gaming leads MGC's efforts to mitigate gambling-related harm through the development and implementation of casino-based responsible gaming programs. In addition, this office directs the implementation of a comprehensive gaming research program as mandated by Section 71 of Chapter 23K and Section 23 of Chapter 23N.

MGC and the Department of Public Health set an annual budget for expenditures from the Public Health Trust Fund, which includes funding for the annual gaming research program. For FY23, the Public Health Trust Fund directed approximately \$ 7.4 million to support the MGC's gaming research, and responsible gaming programs.

### **Research Studies and Activities**

The Commission has supported a wide range of gambling-related research projects, of which 6 were released in FY23; adding up to more than 60 reports since 2014. Of importance during FY23, the MGC continued its support of Community Driven Research to understand the impacts of gambling on groups and communities considered to be at greater risk of gambling-related harms. In FY23, two reports in this category of research were released: *Views and Perspectives of Springfield Hispanic Residents Towards the MGM Casino, their Homes, Community and Neighborhoods* (6/30/2023) and *Community Perspectives on Encore Boston Harbor Casino* (10/28/2022). Shortly after legalization and as the MGC mobilized efforts to license and regulate sports wagering in the state, the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) team at UMass Amherst released the report *Legalized Sports Betting in the United States and Potential Impacts in Massachusetts*, which identifies the social and economic outcomes associated with the introduction of sports betting to date and based on this analysis, provides specific policy recommendations intended to optimize the economic and social benefits of sports betting in MA while minimizing social and economic harm.

### **FY23 Research Findings Highlights:**

- Legalizing sports betting in MA would likely increase the rates of gambling-related harm and gambling problems. However, the magnitude of these impacts is likely to be modest. That said, concerns remain about groups not previously involved in sports betting, such as adolescents, young adults, women, immigrants, individuals in recovery from gambling problems, and college athletes (*Legalized Sports Betting in the United States and Potential Impacts in Massachusetts*)
- There was a significant increase in crime before the Encore Boston Harbor Casino reopened after the COVID-19 closure, suggesting that the casino is not the primary cause of crime but other social, economic, or psychological factors may be at play (*Assessing the Influence of Gambling on Public Safety in Massachusetts Cities and Towns During the COVID-19 Pandemic: Analysis of the Influence of Encore Boston Harbor on its Surrounding Community*)
- In a study of the effects of the presence of a casino on housing-related issues primarily among Hispanic residents in Springfield, those with a high perception of safety, quality of life, sense of belonging, and rental affordability were more likely to report improvements in social conditions before and after the casino opened. Interview themes included increases in home prices and rental costs, concerns about gentrification, crime shifting to other areas, and a nuanced perspective highlighting both positive and negative aspects of the casino (*Views and Perspectives of Springfield Hispanic Residents Towards the MGM Casino, their Homes, Community and Neighborhoods*)
- Participants shared specific concerns and perceptions about Encore's community impact on the economy, social and environmental factors, and health. Participants also highlighted concerns about "Encore for whom?" noting casinos likely have disproportionate effects on their surrounding communities depending on socioeconomics and cultural background (*Community Perspectives on Encore Boston Harbor Casino*)

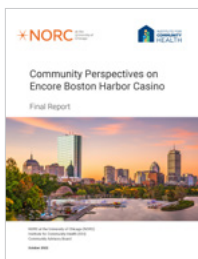
### **FY 2023 Research:**



#### ***Legalized Sports Betting in the United States and Potential Impacts in Massachusetts*** *September 8, 2022*

This report identifies the social and economic outcomes associated with the introduction of sports betting to date in the U.S. Based on this analysis, the authors provide specific policy recommendations intended to optimize the economic and social benefits of sports betting in Massachusetts while minimizing social and economic harm.

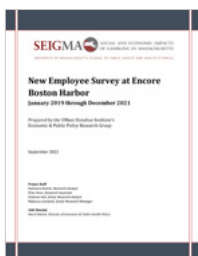
[Download the Report Online](#)



#### ***Community Perspectives on Encore Boston Harbor Casino*** *October 28, 2022*

This community-engaged research report presents community perspectives on the introduction of the Encore Boston Harbor Casino and how it has affected the day-to-day quality of life in its surrounding communities. Recommendations include reinvesting money into nearby communities, support and resources for people who experience problem gambling, and engaging more actively with community members.

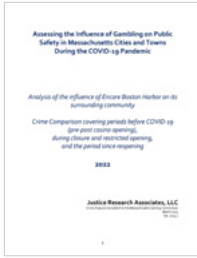
[Download the Report Online](#)



#### ***New Employee Survey at Encore Boston Harbor*** *December 6, 2022*

This report summarizes the results of a survey administered by the Massachusetts Gaming Commission (MGC) to the incoming employees hired at Encore Boston Harbor (EBH). Survey respondents reported improved economic situations through increased income, access to benefits, and employment status, though there is still some unmet demand for full-time employment and higher pay.

[Download the Report Online](#)

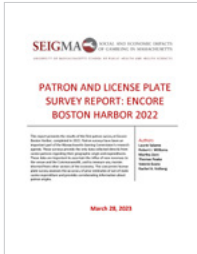


### ***Assessing the Influence of Gambling on Public Safety in Massachusetts Cities and Towns During the COVID-19 Pandemic: Analysis of the Influence of Encore Boston Harbor on its Surrounding Community***

*May 4, 2023*

This report is an analysis of changes in activity in the communities surrounding Encore Boston Harbor (EBH) over five distinct timeframes before, during, and since COVID-19-related closure. Findings include that, overall, the area around EBH did not experience significant increases in crime when compared to other areas in the region.

[Download the Report Online](#)



### ***Patron and License Plate Survey Report: Encore Boston Harbor 2022***

*June 1, 2023*

This report presents the results of the first patron survey at Encore Boston Harbor (EBH), completed in 2022. Findings include insights on demographics of casino visitors, behavior, and expenditures. Spending of MA residents that has been recaptured from out of state appears to constitute a major share of EBH's revenues, though not all represents new economic activity. An important social issue concerns whether people with lower incomes contribute disproportionately more to gambling revenues than people with higher incomes; this does not appear to be the case at EBH.

[Download the Report Online](#)



### ***Views and Perspectives of Springfield Hispanic Residents Towards the MGM Casino, their Homes, Community and Neighborhoods***

*June 30, 2023*

There has been relatively little attention in research literature on the impact of a casino on housing-related issues. This community-engaged research study investigated the effects of the presence of a casino on housing-related issues primarily among Hispanic residents in Springfield. Those with a high perception of safety, quality of life, sense of belonging, and rental affordability were more likely to report improvements in social conditions before and after the casino opened. Interview themes included increases in home prices and rental costs, concerns about gentrification, crime shifting to other areas, and a nuanced perspective highlighting both positive and negative aspects of the casino.

[Download the Report Online](#)

## **RESPONSIBLE GAMING INITIATIVES**

Since its inception, the MGC has developed, implemented, refined, and adapted its responsible gaming strategy to respond to the needs of all patrons. Responsible gaming is a central priority of the MGC as we recognize that we must minimize the potentially negative and unintended consequences of casino gaming and sports wagering. The following programs are available at all three licensee properties:

**The Voluntary Self-Exclusion (VSE) Program** assists patrons who recognize that they have experienced a loss of control over their gambling and wish to invoke external controls. People enroll in the program for one, three, or five-year terms and are prohibited from wagering at Massachusetts casinos or sports wagering mobile platforms. If they do, any gambling winnings are confiscated and transferred to the Gaming Revenue Fund. The MGC's VSE process utilizes an engaged approach, ensuring that enrollees are offered additional assistance, responded to in a respectful, timely and discreet manner, and feels supported. Remote VSE was implemented on January 4, 2021 in response to the COVID pandemic and in FY23 there were 155 remote VSE enrollments, a 63% increase from FY22. On January 23, 2023, MGC began accepting VSE enrollments for Sports Wagering. As of June 30, 2023, there are 1,430 people enrolled in the Gaming VSE and 130 people enrolled in the Sports Wagering VSE. In FY23, a total of 483 persons enrolled in the VSE program, a 12% increase from FY22.

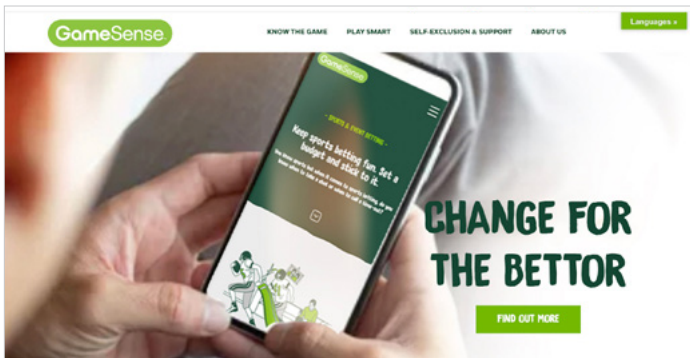
**GameSense** is an innovative responsible gaming program based at Massachusetts casinos and available virtually through LiveChat with a goal of promoting positive play behaviors and attitudes that reduce the risk of gambling-related harm. In furtherance of the statute, which calls for an on-site player protection program, the MGC-licensed the GameSense brand from the British Columbia Lottery Corporation in 2015 and drew upon the experience of the Massachusetts Council on Gaming and Health staff to operate the program at all three licensee properties.

In FY23, GameSenseMA.com was updated to include a page dedicated to responsible gaming for Sports Wagering, debunking gambling myths and misconceptions, and educating players on how games, odds and probabilities work. The updated GameSenseMA.com website also includes the profiles and pictures of the diverse GameSense Advisors who engage with casino and sports wagering patrons to promote informed player choice. The updated GameSenseMA.com website includes expanded language capability which includes content translated in Arabic, traditional and simplified Chinese, Brazilian Portuguese, Japanese, Khmer, Haitian, Korean, Spanish, and Vietnamese.

Most people who visit Massachusetts casinos engage in safe levels of gambling behavior, also known as positive play. GameSense Advisors staff the GameSense Info Center on the casino floor through innovative games, quizzes, and other demonstrations meant to increase gambling literacy by debunking gambling myths and misconceptions, and educate players on how games, odds and probabilities work. In FY23, GameSense Advisors engaged with over 80,301 casino patrons and employees to deliver information about responsible gaming and problem gambling.

Most people who visit Massachusetts casinos engage in safe levels of gambling behavior, also known as positive play. GameSense Advisors staff the GameSense Info Center on the casino floor through innovative games, quizzes, and other demonstrations meant to increase gambling literacy by debunking gambling myths and misconceptions, and educate players on how games, odds and probabilities work. In FY23, GameSense Advisors engaged with over 80,301 casino patrons and employees to deliver information about responsible gaming and problem gambling.

In the community, GameSense Advisors also engage with groups at greater risk of gambling harm to promote informed player choice before they visit the casino. In FY23, GameSense Advisors led community on-site and virtual presentations to the 786 community members.





As required by statute, GameSense Advisors provide training to casino employees to further the goal of promoting responsible gaming and mitigating problem gambling. In FY23, GameSense Advisors provided trainings to 2,160 casino employees.

In the casino, GameSense Advisors engage patrons and casino employees in two-way communication about responsible gaming or problem gambling. In FY23, GameSense Advisors engaged in 71,234 intensive interactions with patrons and casino employees.

In 2021, the MGC launched the first 24-hour online chat dedicated to responsible gaming in the U.S. Chat users connect directly with GameSense Advisors to enroll in the Voluntary Self-Exclusion program, connect with help, learn tips on responsible gaming and rules of the games. LiveChat is accessible on GameSense's website, <https://GameSenseMA.com>. In FY23, GameSense Advisors engaged in 787 chat sessions including 120 sessions which resulted in a VSE enrollment.

**PlayMyWay (PMW)** is a first-of-its-kind budgeting tool designed to allow players the ability to set a budget and monitor the amount of money they spend on electronic gaming machines. PMW was first launched at Plainridge Park Casino in 2016 followed by MGM Springfield in 2018. On September 12, 2022, PMW became available at Encore Boston Harbor meaning that it's available on all slots and electronic gaming machines in Massachusetts. Once enrolled, a player receives automatic notifications when approaching their daily, weekly, or monthly budget. They may then choose to stop at any point or keep playing. PMW allows enrollment/ unenrollment and budget adjustments at any time.

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**BY THE END OF FY23, THERE WERE 42,616 PLAYERS ACTIVELY ENROLLED  
IN PLAY MY WAY WITH AN AVERAGE UN-ENROLLMENT RATE OF 13.04%.**

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# LEGAL DEPARTMENT & PENDING LITIGATION

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## OVERVIEW

The legal department, which is managed by the General Counsel, provides legal counsel and advice to the entire agency including the commissioners and executive director. The legal team collaborates with personnel agency-wide to ensure compliance with governing statutes and regulations, implementation of legal requirements, and development of sound policy initiatives. Matters handled include production of responses to requests for public records, open meeting law compliance, management of litigation and outside counsel, provision of ethics advice and annual training of staff relative to the Enhanced Code of Ethics and G.L. c.268A, coordination of appeal hearings, contract and grant drafting and review, information technology and cyber-security matters, and personnel and workforce related issues. Additionally, the legal team drafts regulations for Commission review and oversees the public hearing and promulgation process. This year, the legal department coordinated the promulgation of regulations and associated licensing process relative to the implementation of the new sports wagering law codified in G.L. c. 23N.

## PENDING LITIGATION

### **FBT Everett Realty, LLC v. Massachusetts Gaming Commission v. Wynn MA, LLC (CA no. 1881CV00304)**

On November 14, 2016, the Massachusetts Gaming Commission (MGC) was sued by FBT Everett Realty, LLC for tortious interference with respect to the plaintiff's agreement to sell property to Wynn Resorts for the Region A Category 1 facility in Everett. The plaintiff is requesting damages as determined at trial. On May 14, 2018, the Superior Court granted the MGC's motion to dismiss on two of three claims then remaining. On July 5, 2018, the MGC filed a third-party complaint against the Region A Category 1 licensee for unjust enrichment and indemnification relating to the remaining claim against the MGC. The Region A licensee filed a motion to dismiss the complaint. On January 2, 2020, the court issued a decision effectively denying the motion to dismiss. On February 12, 2021, the MGC filed a motion for summary judgment. On June 16, 2021, the Court granted the MGC's motion for summary judgment and dismissed the case. The Court also dismissed the MGC's third-party claims against the Region A Category 1 licensee. The plaintiff appealed the Court's decisions and was granted direct appellate review by the Supreme Judicial Court. On May 23, 2022, the Supreme Judicial Court affirmed the lower court's allowance of the MGC's motion to dismiss the plaintiff's intentional interference with contract claim and reversed its entry of summary judgment in favor of the Massachusetts Gaming Commission on the plaintiff's regulatory takings claim. The matter was remanded to the Superior Court for further proceedings.



# CASINO & SPORTSBOOK PROPERTY SUMMARIES

## PLAINRIDGE PARK CASINO

PPC is the Category 2 licensee in Plainville, Massachusetts. The facility also hosts the Standardbred live racing and simulcasting operations.



<b>Conditional Award of the License</b>	February 2014
<b>Operations Certificate/Date Opened</b>	June 24, 2015
<b>Gaming Space</b>	50,225 sq. ft.
<b>Total Gross Area</b>	197,679 sq. ft.
<b>Capital Investment Amount</b>	\$250 million
<b>Total Employment</b>	385 employees (238 full-time, 147 part-time)
<b>Tax on Gross Gaming Revenues</b>	49%
<b>Parking</b>	1,575 patron spaces (1,818 total)
<b>Slots</b>	926 slots
<b>Table Games</b>	N/A
<b>Category 1 Sports Wagering License</b>	Certificate of Operations in effect as of January 31, 2023
<b>Name of Sportsbook</b>	The Sportsbook at Plainridge Park
<b>Tax on Gross Sports Wagering Revenue</b>	15%
<b>Additional Amenities</b>	1 full-service restaurant ("Slack's Oyster House & Grill") 4 food-court style eateries ("Smashburger", "Dunkin' Donuts", "Slice" "Grab & Game"] Live Entertainment ("Revolution Lounge"). Live harness racing April through November. Additional racing concessions/outlets.

\*Data reflects property status as of June 30, 2023.





## MGM SPRINGFIELD

MGM is a Category 1 licensee for Region B in Springfield, Massachusetts. The facility is located on approximately 14 acres in downtown Springfield in the congregation of parcels bound by Main, State, Union, and East Columbus streets.



<b>Conditional Award of the License</b>	June 2014
<b>Opening Date</b>	August 24, 2018
<b>Gaming Space</b>	126,262 sq. ft.
<b>Total Gross Area</b>	759,157 sq. ft.
<b>Total Investment Amount</b>	\$960 million**
<b>Tax on Gross Gaming Revenues</b>	25%
<b>Parking</b>	3,375 covered on site
<b>Total Employment</b>	1,484 employees (961 full-time, 308 part-time, 215 on call)
<b>Slots</b>	1,502 slots
<b>Table Games</b>	63 tables (15 Poker)
<b>Category 1 Sports Wagering License</b>	Certificate of Operations in effect as of January 31, 2023
<b>Name of Sportsbook</b>	BetMGM Sportsbook
<b>Tax on Gross Sports Wagering Revenue</b>	15%
<b>Additional Amenities</b>	240 room hotel, 8 food and beverage outlets, 26,000 sq. ft. of retail space, bowling alley, cinema, and 54 residential units.

\*Data reflects property status as of June 30, 2023. \*\*Does not include \$60.7 million for land and \$75.5 million for capitalized interest.



## ENCORE BOSTON HARBOR

EBH is a Category 1 licensee for Region A in Everett, Massachusetts. The facility sits on the formerly contaminated site on the banks of the Mystic River at the site of the former Monsanto plant.



<b>Conditional Award of the License</b>	September 2014
<b>Opening Date</b>	June 23, 2019
<b>Gaming Space</b>	211,971 sq. ft.
<b>Total Gross Area</b>	3.1 million sq. ft.
<b>Total Investment Amount</b>	\$2.6 billion
<b>Total Employment</b>	3,518 employees (2,451 full-time, 1,067 steady extra)
<b>Tax on Gross Gaming Revenues</b>	25%
<b>Parking</b>	2,741 spaces
<b>Slots</b>	2,543 slots
<b>Table Games</b>	221 tables (24 Poker)
<b>Category 1 Sports Wagering License</b>	Certificate of Operations in effect as of January 31, 2023
<b>Name of Sportsbook</b>	WynnBET Sportsbook
<b>Tax on Gross Sports Wagering Revenue</b>	15%
<b>Additional Amenities</b>	5-star hotel (671 rooms), 7,776 sq. ft. of retail space, 11 food and beverage outlets, 5 bars and lounges, 5-star spa/gym, convention space, extensive outdoor and waterfront space with pavilion and public harbor walk, indoor garden.

\*Data reflects property status as of June 30, 2023.



# ONLINE SPORTS WAGERING OPERATOR SUMMARIES



**BETMGM**

**Live Operations Began**

BetMGM is a Category 3 tethered licensee. BetMGM is tethered to Category 1 licensee MGM Springfield.

March 10, 2023

**Company Headquarters**

Jersey City, NJ

**License Status**

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

**Tethered To**

MGM Springfield

**Tax on Gross Sports Wagering Revenues**

20%



**CAESARS  
SPORTSBOOK**

**Live Operations Began**

Caesars Sportsbook is a Category 3 tethered licensee. Caesars Sportsbook is tethered to Category 1 licensee Encore Boston Harbor.

March 10, 2023

**Company Headquarters**

Las Vegas, NV

**License Status**

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

**Tethered To**

Encore Boston Harbor

**Tax on Gross Sports Wagering Revenues**

20%



**Fanatics  
Betting & Gaming**

**Live Operations Began**

Fanatics Betting and Gaming is a Category 3 tethered licensee. Fanatics Betting and Gaming is tethered to Category 1 licensee Plainridge Park Casino.

May 16, 2023

**Company Headquarters**

New York, NY

**License Status**

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

**Tethered To**

Plainridge Park Casino

**Tax on Gross Sports Wagering Revenues**

20%





**Live Operations Began**

**Company Headquarters**

**License Status**

**Tethered To**

**Tax on Gross Sports Wagering Revenues**

Penn Sports Interactive is a Category 3 tethered licensee. Penn Sports Interactive is tethered to Category 1 licensee Plainridge Park Casino.

March 10, 2023

Philadelphia, PA

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

Plainridge Park Casino

20%



**Live Operations Began**

**Company Headquarters**

**License Status**

**Tethered To**

**Tax on Gross Sports Wagering Revenues**

WynnBet is a Category 3 tethered licensee. WynnBet is tethered to Category 1 licensee Encore Boston Harbor.

March 10, 2023

Las Vegas, NV

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

Encore Boston Harbor

20%



**Live Operations Began**

**Company Headquarters**

**License Status**

**Tethered To**

**Tax on Gross Sports Wagering Revenues**

Betr is a Category 3 untethered licensee.

April 25, 2023

Miami, FL

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

Not applicable

20%







**Live Operations Began**

DraftKings is a Category 3 untethered licensee.

**Company Headquarters**

March 10, 2023

**License Status**

Boston, MA

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

**Tethered To**

Not applicable

**Tax on Gross Sports Wagering Revenues**

20%



**Live Operations Began**

FanDuel is a Category 3 untethered licensee.

**Company Headquarters**

March 10, 2023

**License Status**

New York, NY

Awarded temporary, 1-year Category 3 Sports Wagering Operator License. Currently undergoing full suitability review ahead of vote on five-year Category 3 Sports Wagering Operator License.

**Tethered To**

Not applicable

**Tax on Gross Sports Wagering Revenues**

20%

\* Bally Bet has been awarded a temporary Category 3 Sports Wagering Operator license, but are not yet in operation. The company anticipates launching in calendar year 2024. Betway was awarded a one-year temporary Category 3 Sports Wagering Operator license, but did not begin operations. The company has informed the Commission they will not seek to renew this license.

\*\*The Commission has not yet issued Category 2 Sports Wagering Operator licenses.



# RESULTS ON GAMING LICENSEE WORKFORCE & SUPPLIER DIVERSITY GOALS

All data is provided from the 2022 Q2 gaming licensee reports.

While assessments of all sports wagering applicants included diversity goals, these numbers do not include data from the sports wagering licensees. The Commission will be expecting regular reporting from the sports wagering licensees on this issue and a study on diversity in the sports wagering industry in Massachusetts is forthcoming. Further information will be available in future annual reports.

MGC staff continue to monitor all our licensee’s adherence toward their stated goals for workforce and supplier diversity, as well as their local commitments.

## Workforce (Non-Sports Wagering Related Employees)

WORKFORCE						
	Minority		Veterans		Women	
	Goal	Result	Goal	Result	Goal	Result
Encore Boston Harbor	40%	59%	3%	2%	50%	45%
MGM Springfield	50%	51%	2%	5%	50%	41%
Plainridge Park Casino	15%	21%	2%	4%	50%	43%

SUPPLIER						
	MBE		VBE		WBE	
	Goal	Result	Goal	Result	Goal	Result
Encore Boston Harbor	8%	8%	3%	2%	14%	11%
MGM Springfield	10%	8%	2%	3%	15%	8%
Plainridge Park Casino	6%	5%	3%	6%	12%	12%

**Local Commitments**

**ENCORE BOSTON HARBOR**

	<b>Goal</b>	<b>Result</b>
Workforce Within 30 Miles	75%	88%
MA Workforce	N/A	91%
MA Supplier Spend	N/A	52%

**PLAINRIDGE PARK CASINO**

	<b>Goal</b>	<b>Result</b>
Host/Surrounding Community Workforce	35%	32%
MA Workforce	N/A	65%
MA Vendor Spend	N/A	57%
Host/Surrounding Community Spend	N/A	10%

**MGM SPRINGFIELD**

	<b>Goal</b>	<b>Result</b>
Springfield Workforce	35%	37%
MA Workforce	N/A	77%
Western MA Workforce	N/A	76%
MA Supplier Spend	N/A	57%
Local* Supplier Spend	N/A	47%

\*Local Vendor Spend includes Springfield, Surrounding Communities and Western Massachusetts



## INDUSTRY IMPACTS ON WORKFORCE AND DIVERSITY

The information below shows the impacts of the casino industry as a whole. Industry data from UMDI analysis of casino operating data across all three casino licensees. Employment is presented as an average across fiscal year 2023 (based on employment counts per payroll period).

	TOTAL	MASSACHUSETTS
<b>Annual Average Payroll Employment</b>		
Total	6,931	5,913
Women	3,018	2,586
Men	3,884	3,314
Not Specified*	29	13
White	2,319	1,835
Minorities	3,685	3,261
Not Specified**	927	817
Veterans	316	274
Non-Veterans	6,526	5,581
<b>Total Annual Wages</b>		
Total	\$291,333,112	\$248,102,673
Women	\$121,684,104	\$104,760,422
Men	\$169,290,713	\$143,235,047
Not Specified*	\$358,295	\$107,204
White	\$97,133,380	\$77,537,673
Minorities	\$152,975,928	\$134,370,771
Not Specified**	\$41,223,805	\$36,194,229
Veterans	\$10,559,658	\$8,863,401
Non-Veterans	\$278,726,272	\$238,162,915
<b>Total Annual Vendor Spend</b>		
Total	\$214,671,065	\$105,846,207
WBE	\$10,335,586	\$6,318,873
MBE	\$3,669,658	\$2,068,743
VBE	\$14,778,751	\$6,715,450

\*Gender Status Missing/Declined Response

\*\*Minority Status Missing/Declined Response



**EXECUTIVE STAFF  
(As of June 30, 2023)**

Karen Wells  
Executive Director

Bruce Band  
Director of Sports Wagering

Burke Cain  
Gaming Agents Division Chief

Monica Chang  
Chief of Financial Investigations

Joe Delaney  
Chief of Community Affairs

Todd Grossman  
General Counsel

Heather Hall  
Chief Enforcement Counsel

Derek Lennon  
Chief Financial Officer

Loretta Lillios  
Director of Investigations and Enforcement Bureau

Katrina Jagroop-Gomes  
Chief Information Officer

Dr. Alexandra Lightbown  
Chief Veterinarian and Director of Racing

Thomas Mills  
Chief of Communications

David Muldrew  
Chief People and Diversity Officer

Kara O'Brien  
Chief of Licensing

Mark Vander Linden  
Director of Research and Responsible Gaming

**COMMISSION STAFF**

Grace Robinson  
Chief Administrative Officer to the Chair



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[www.massgaming.com](http://www.massgaming.com)



PUBLISHED: MARCH 7, 2023





TO: Chair Judd-Stein, Commissioners O'Brien, Hill, Skinner, and Maynard

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

DATE: February 15, 2024

RE: GameSense 2024 Second Quarter Report

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The Expanded Gaming Act includes a number of key mandates to ensure the successful implementation of expanded gaming, including the prevention of and mitigation of social impacts and costs. Chapter 23k section 21(16) requires casino operators to provide an on-site space for an independent substance abuse, compulsive gambling and mental health counseling service and establish a program to train gaming employees in the identification of and intervention with customers exhibiting problem gaming behavior.

To fulfill this mandate, the Commission adopted GameSense, an innovative responsible gaming program that equips casino patrons who chose to gamble with information and tools to adopt positive play behaviors and offers resources to individuals in distress from gambling-related harm. The Commission has a contract with the Massachusetts Council on Gaming and Health (MCGH) to operate the GameSense Information Centers, located on-site at all Massachusetts casinos and staffed 16-24 hours daily by trained GameSense Advisors.

Today, Chelsea Turner, Chief Operations Officer; Odessa Dwarika, Chief Programs Officer; Jolyn Barreuther, GameSense Manager; and LouLouse Lovaincy, GameSense Advisor of Massachusetts Council on Gaming and Health will share with you the GameSense activities and highlights from the second quarter of FY24.



Massachusetts Gaming Commission

# GameSenseMA

## FY24 Q2 Presentation

Chelsea Turner, Chief Operations Officer

Odessa Dwarika, Chief Programs Officer

Jolyn Barreuther, GameSense Manager at EBH

LouLouse Lovaincy, GameSense Advisor at EBH

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# Topics for Today



- Numbers Snapshot
  - GSIC Activities
  - GS Helping in the Community
  - Champion Award Winners
  - RAB
  - TRS & GamLine
  - Marketing Highlights
  - Staffing Updates
  - On the Horizon: PGAM
  - Questions?
-

# Interaction Numbers Across All Three Properties

- Simple interactions were up 23%
- Demonstrations were up 31%
- Exchanges were down 6%
- Demonstrations and Exchanges combined (the most significant exchanges) were up 14%
- Casino-related interactions were up 20%
- VSEs were up 58%
  - There was a 70% increase in overnight VSEs (just at EBH)
  - There was a 107% increase in remote VSEs
- Reinstatements were up 21%
  - Overnight reinstatements decreased from 7 to 2 (just at EBH)
  - Remote reinstatements increased from 2 to 10
- There was a 109% increase in VSEs and Reinstatements initiated through LiveChat
- PMW was down 14% (likely because we launched at MGM in FY22 and EBH in FY23, so when this happens, there is a huge push in the beginning and then some tailing off)
- Entries into raffle baskets were up 3%



# The FY24 Q2 Numbers in Detail (1 of 2)

<u>Type of Interaction:</u>	<u>FY</u>	<u>EBH Q2</u>	<u>MGM Q2</u>	<u>PPC Q2</u>	<u>Q2 Totals All 3 Properties</u>
Simple Interaction:	FY21	14925	7849	7317	30091
	FY22	21652	11866	11876	45394
	FY23	17454	9341	8189	34984
	<b>FY24</b>	<b>18124</b>	<b>11412</b>	<b>14285</b>	<b>43821</b>
Demonstration:	FY21	1145	1070	510	2725
	FY22	2319	2608	1014	5941
	FY23	2029	3621	2282	7932
	<b>FY24</b>	<b>4160</b>	<b>3434</b>	<b>3284</b>	<b>10878</b>
Exchange:	FY21	939	1232	475	2646
	FY22	708	1505	886	3099
	FY23	4486	3206	595	8287
	<b>FY24</b>	<b>2691</b>	<b>3212</b>	<b>1907</b>	<b>7810</b>
Casino Related:	FY21	5952	3003	1263	10218
	FY22	11390	3585	1598	16573
	FY23	7175	2925	1549	11649
	<b>FY24</b>	<b>9490</b>	<b>2670</b>	<b>2021</b>	<b>14181</b>
VSEs:	FY21	29	13	19	61
	FY22	60	14	16	90
	FY23	57	25	25	107
	<b>FY24</b>	<b>116</b>	<b>31</b>	<b>48</b>	<b>195</b>
	FY22 VSE Overnight:	12	NA	NA	12
	FY23 VSE Overnight:	15	NA	NA	15
	<b>FY24 VSE Overnight:</b>	<b>31</b>	<b>NA</b>	<b>NA</b>	<b>31</b>
	FY22 Remote:	19	NA	NA	19
	FY23 Remote:	11	6	6	23
	<b>FY24 Remote:</b>	<b>38</b>	<b>13</b>	<b>25</b>	<b>76</b>
	FY22 VSE + Reinst. Initiated by LC:	NA	NA	NA	0
	FY23 VSE + Reinst. Initiated by LC:	6	6	6	18
	<b>FY24 VSE + Reinst. Initiated by LC:</b>	<b>24</b>	<b>14</b>	<b>23</b>	<b>61</b>
<b>FY24 # of VSES requesting follow up:</b>	<b>NR</b>	<b>6</b>	<b>7</b>	<b>13</b>	



# The FY24 Q2 Numbers in Detail (2 of 2)

<u>Type of Interaction:</u>	<u>FY</u>	<u>EBH Q2</u>	<u>MGM Q2</u>	<u>PPC Q2</u>	<u>Q2 Totals All 3 Properties</u>
Reinstatements:	FY21	12	9	7	28
	FY22	14	12	7	33
	FY 23	24	8	11	43
	<b>FY24</b>	<b>24</b>	<b>15</b>	<b>14</b>	<b>53</b>
	FY22 Reinstatement Overnight:	2	NA	NA	2
	FY23 Reinstatement Overnight:	7	NA	NA	7
	<b>FY24 Reinstatement Overnight:</b>	<b>2</b>	NA	NA	<b>2</b>
	F23 Remote Reinstatements:	1	1	0	2
	<b>FY24 Remote Reinstatements:</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>10</b>
PlayMyWay:	FY21	NA	NA	519	519
	FY22	NA	NA	493	493
	FY 23	1800	972	361	3133
	<b>FY24</b>	<b>1773</b>	<b>566</b>	<b>376</b>	<b>2715</b>
Raffle Baskets:	FY23	1747	3405	2367	7519
	<b>FY24</b>	<b>1635</b>	<b>3242</b>	<b>2857</b>	<b>7734</b>

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# Activities at the GSICs

College Sports

Fun Facts

Scenarios / Choose Your Own Adventure

Boys of Summer / Baseball

Friday the 13th

Trick or Treat

Superstitions

Football

College Athletes

Pyramid Game

Veterans Day

Thanksgiving

Toys for Tots / NCPG Holiday Campaign

Holiday Facts

New Year's Resolutions

These activities touched on the different elements of positive play (gambling literacy, pre-commitment, personal responsibility, and honesty and control), sports betting, GameSense tips and healthy play, debunking gambling myths.



*GSA's Ronnie, Mark and John  
Getting Ready to RG Turkey  
Time Activity*

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*GSA Anna at Unity Farm Sanctuary*

# GameSense Helping Out in the Community

- Unity Farm Sanctuary
- Toys for Tots
- Feed the Funnel



*GSA LouLouse Volunteering at EBH's Feed the Funnel Event*



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# Champion Award Winners

## EBH

- Jeanie Lee, Wynn Rewards
- Kiran Bala, Security
- Andrea Simpson, Table Games

## MGM

- Kyle Seymour, Environmental Services
- Nyomi Rivard, Cage
- Alexa Currado- Security

## PPC

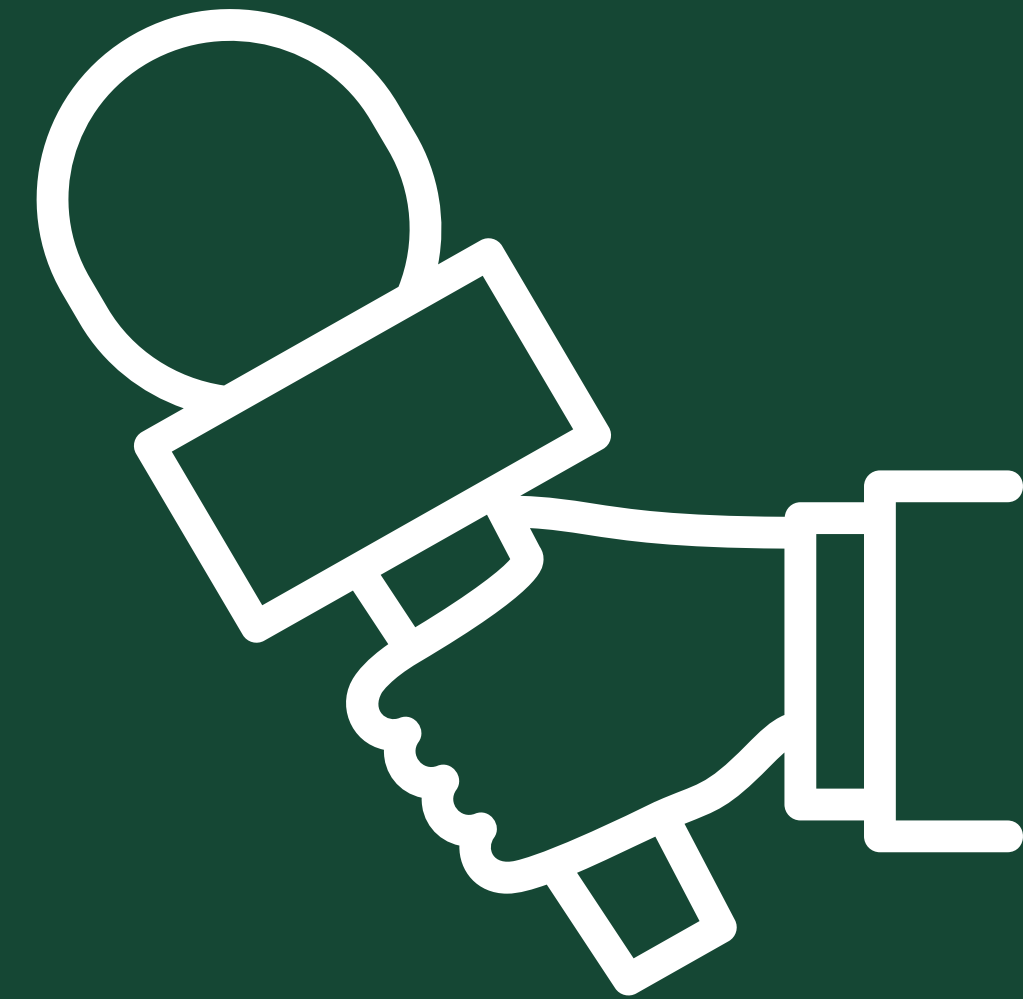
- Karl Moore, Security
- Michelle Ariza, HR
- Peter Dowd, Sports Bar Manager



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# Recovery Advisory Board (RAB)

- About RAB The Recovery Advisory Board (RAB)
- 2 Meetings held in FY24 Q2
- Members received communications, media spokesperson trainings and provided input on Safer Gambling and VSE public awareness campaigns





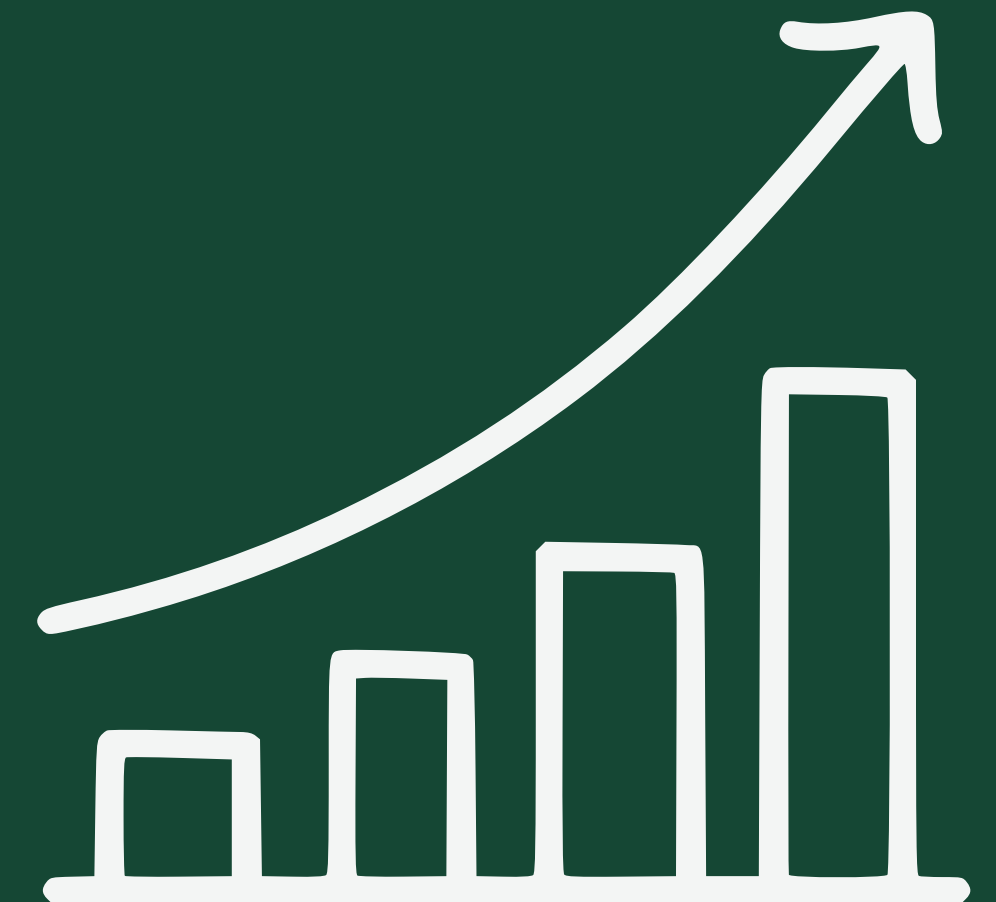
# Recovery Efforts & GamLine

- 16 participants in TRS and 26 attempted contacts
- 18 VSE follow-ups from peer support specialists, and 2 non-VSE follow-ups
- 41 total completed follow-ups for FY24, and there were 146 total attempted contacts for Q2.

*There was a 14% increase year over year in calls to the GamLine in October and a 63% increase in calls in November and a 38% increase in calls in December.*


## Breakdown of Calls:

	October	November	December
<b>GamLine:</b>	42%	50%	40%
<b>DPH/HRIA:</b>	36%	33%	48%
<b>Urge Surfing:</b>	7%	9%	3%
<b>Lottery:</b>	11%	8%	8%
<b>Voicemail:</b>	3%	-	-



# Marketing Highlights

- Approximately 200 social media posts for GameSense
- MACGH also has 48 posts in addition to two targeted VSE digital ads with a reach of approximately 74,176 impressions (this doesn't include the impressions on GameSenseMA platforms)
- Worked with MGC staff on branding and graphic materials to promote the upcoming MGC Conference, *"Using Research to Rewrite the Playbook"*, as well as a registration page

 **GameSense MA**  
December 18, 2023 at 12:23 PM · 🌐

Our #GameSenseMA advisors are experts in responsible gambling. They've got your back!  
<https://gamesensema.com/about-us/gamesense-advisors/>


## GameSenseMA.com

**READY TO PLAY?  
LET'S TALK GAMESENSE.**



Meet Amy Meet Aisha Meet Ray Meet Linh

**KNOW HOW GAMESENSE WORKS**

		
<b>UNDERSTAND THE ODDS</b>	<b>GAMESENSE ADVISORS</b>	<b>MYTHS OF GAMBLING</b>
Know how the games work and your odds of winning.	Experts in responsible gambling techniques have your back.	Persistence doesn't win the day. Know myth from fact.
<a href="#">TELL ME MORE</a>	<a href="#">TELL ME MORE</a>	<a href="#">TELL ME MORE</a>

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# Staffing Update

## Two New GSAs Join the Team:

**Lori Davis** will be at MGM Springfield.

**Anita Pang** will be at Encore Boston Harbor working the overnight shifts.

## GSA Promoted to Nighttime GameSense Manager:

**Jason DiCarlo** will be at Encore Boston Harbor.

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# On the Horizon

PGAM plans well underway in coordination with the casino properties



**PROBLEM GAMBLING  
AWARENESS MONTH**

The 2024 PGAM  
theme is:  
“Every Story Matters”

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# QUESTIONS



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TO: Chair Judd-Stein, Commissioners O'Brien, Hill, Skinner, and Maynard

FROM: Carrie Torrisi, Deputy General Counsel  
Mina Makarious, Anderson & Kreiger  
Annie Lee, Anderson & Kreiger

CC: Todd Grossman, Interim Executive Director

DATE: February 1, 2024

RE: Amendments to 205 CMR 257: Sports Wagering Data Privacy

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The following amendments to the Commission's data privacy regulations at 205 CMR 257 are being presented for consideration. These amendments are the result of discussions between the Commission's legal team, the Sports Wagering Division, and operators throughout the waiver process since the regulations were first implemented in the Summer of 2023.

- **257.02(1) and (4); 257.03; 257.04:** Changes are suggested to confirm the intention of the regulation to permit Sports Wagering Operators to utilize Personally Identifiable Information and Confidential Information for legitimate business purposes of the Operator, including permissible advertising to patrons. In addition, a proposed addition is made to permit the use of such information in the conduct of due diligence associated with corporate transactions. To avoid unintentional differences in regulatory scope between sections of this regulation, data "retention" is now covered under 257.02(1), and changes are made throughout the rest of the regulation to align the permissible purposes for the use, retention and sharing of data, as well as instances when data may be deleted or anonymized.
- **257.02(2):** A slight reorganization is suggested to emphasize that patron consent may be given for *categories* of permissible uses and is not required for each specific use.
- **257.02(3)(a):** This section is amended to clarify that the Commission will not consider seasonal advertising to a patron that has demonstrated an interest in a particular type of wagering to be considered advertising based on account "dormancy".
- **257.02(3)(e):** An amendment is proposed to clarify that the regulation only prohibits the use of algorithms automated decision-making, machine learning, artificial intelligence, or similar system that is known or reasonably expected by the *Sports Wagering Operator* or



Massachusetts Gaming Commission

*a vendor to the Sports Wagering Operator* to make the gaming platform more addictive. If the use of a particular method or product is being used, but the Operator or its vendor have no basis to know it may have an addictive effect, this would not result in a violation.

- **257.02(5):** This section was amended at the request of the Responsible Gaming division to make clear that the Commission could request and use individualized data to address responsible gaming issues. A provision was also added to avoid the inadvertent disclosure of Confidential Information or Personally Identifiable Information.
- **257.03(4):** The proposed language alerts operators that they may seek permission from the Commission to utilize data protection methods other than encryption and hashing.
- **257.05:** Changes are made throughout this section to make clear that an Operator may offer to anonymize rather than delete patron data. In addition, 257.02 is amended to make clear that an Operator's data privacy policy should not include information that may make the Operator's data privacy program vulnerable to attack.



Massachusetts Gaming Commission

205 CMR 257: SPORTS WAGERING DATA PRIVACY

- 257.01: Definitions
- 257.02: Data Use and Retention
- 257.03: Data Sharing
- 257.04: Patron Access
- 257.05: Data Program Responsibilities
- 257.06: Data Breaches

257.01: Definitions

As used in 205 CMR 257.00, the following words and phrases shall have the following meanings, unless the context clearly indicates otherwise:

Data Breach means Breach of Security as that phrase is defined in M.G.L. c. 93H, § 1.

Confidential Information means information related to a Sports Wagering Account, the placing of any Wager or any other sensitive information related to the operation of Sports Wagering including the amount credited to, debited from, withdrawn from, or present in any particular Sports Wagering Account; the amount of money Wagered by a particular patron on any event or series of events; the unique patron ID or username and authentication credentials that identify the patron; the identities of particular Sporting Events on which the patron is Wagering or has Wagered, or the location from which the patron is Wagering, has Wagered, or has accessed their Sports Wagering Account. Confidential Information may also include Personally Identifiable Information.

Personally Identifiable Information means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular patron, individual or household. Personally Identifiable Information includes, but is not limited to, Personal Information as that phrase is defined in M.G.L. c. 93H and 201 CMR 17.00. Personally Identifiable Information may also include Confidential Information.

257.02: Data Use and Retention

- (1) A Sports Wagering Operator shall only use and retain Confidential Information and Personally Identifiable Information for legitimate business purposes reasonably necessary to operate or advertise a Sports Wagering Area, Sports Wagering Facility or Sports Wagering Platform, or to comply with M.G.L. c. 23N, 205 CMR, or any other applicable law, regulation, court order, subpoena or civil investigative demand of a governmental entity, to detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity; or prosecute those responsible for that activity, debug to identify and repair errors, to investigate, respond to and defend against filed or reasonably anticipated legal claims, and for other reasonable safety and security purposes. In addition, use and retention of a patron's Confidential Information or Personally Identifiable Information may be permissible where necessary to conduct commercially reasonable review of a Sports Wagering Operator's assets in the context of the sale of all or a portion of the Sports Wagering Operator's business.

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- (2) If a Sports Wagering Operator seeks to use a patron's Confidential Information or Personally Identifiable Information for purposes beyond those specified in 257.02(1), a Sports Wagering Operator shall obtain the patron's consent, which may be withdrawn at any time.

(a) Consent may be obtained for categories of uses, rather than specific instances of such uses.

~~(a)~~(b) Such consent must be clear, conspicuous, and received apart from any other agreement or approval of the patron. Acceptance of general or broad terms of use or similar documents that purport to permit the sharing of Confidential Information or Personally Identifiable Information in the same document shall not constitute adequate consent, nor shall hovering over, muting, pausing, pre-selecting, or closing a given piece of content without affirmative indication of consent.

~~(b)~~(c) Consent shall not be deemed to be a waiver of any of the patron's other rights.

~~(c)~~ The option to withdraw such consent must be clearly and conspicuously available to the patron on the Sports Wagering Operator's Sports Wagering Platform. A patron shall not be required to confirm withdrawal of consent more than once, and no intervening pages (other than those needed to confirm withdrawal of consent) or offers will be presented to the patron before such confirmation is presented to the patron.

~~(d) A Sports Wagering Operator may obtain consent for categories of uses for which it seeks consent for use of a patron's Personally Identifiable Information or Confidential Information, rather than specific instances of such uses.~~

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- (3) A Sports Wagering Operator may not use a patron's Personally Identifiable Information or Confidential Information, or any information derived from it, to promote or encourage specific wagers or promotional offers based on:

(a) a period of dormancy or non-use of a Sports Wagering Platform other than a period of non-use associated with the seasonality of Wagers on particular events are available pursuant to 205 CMR 247-(e.g., the National Football League season);

(b) the wagers made or promotional offers accepted by other patrons with a known or predicted social connection to the patron;

(c) the communications of the patron with any third party other than the Operator;

(d) the patron's actual or predicted;

- i. income, debt, net worth, credit history, or status as beneficiary of governmental programs;
  - ii. medical status or conditions; or
  - iii. occupation.
- (e) Any computerized algorithm, automated decision-making, machine learning, artificial intelligence, or similar system that is known or reasonably expected by the Sports Wagering Operator or a vendor to the Sports Wagering Operator to make the gaming platform more addictive;
- (f) Engagement or utilization of play management options, including type of limit, frequency of engagement or utilization of play management options, and frequency of changing limits;
- (g) Engagement or utilization of cooling-off options, including duration of cooling-off period, frequency of engagement or utilization of cooling-off options, and frequency of changing cooling-off periods;
- (h) Engagement or utilization of any measure in addition to those described in 205 CMR 257.02(3)(f)-(g) intended to promote responsible gaming.

~~(4) A Sports Wagering Operator shall only retain a patron's Confidential Information and Personally Identifiable Information as necessary to operate a Sports Wagering Area, Sports Wagering Facility or Sports Wagering Platform or to comply with M.G.L. c. 23N, 205 CMR, or any other applicable law, regulation, court order, subpoena or civil investigative demand of a governmental entity, to detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity; or prosecute those responsible for that activity, debug to identify and repair errors, to investigate, respond to and defend against filed or reasonably anticipated legal claims, and for other reasonable safety and security purposes.~~

~~(5)~~(4) A Sports Wagering Operator shall collect ~~and aggregate~~ patrons' Confidential Information and Personally Identifiable Information to analyze patron behavior for the purposes of identifying and developing programs and interventions to promote responsible gaming and support problem gamblers, and to monitor and deter Sports Wagering in violation of G.L. c. 23N and 205 CMR. The Sports Wagering Operator shall provide a report to the Commission at least every six months on the Sports Wagering Operator's compliance with this subsection, including the trends observed in this data and the Sports wagering Operator's efforts to mitigate potential addictive behavior, but shall not, in such report provide patrons' Confidential Information or Personally Identifiable Information except if specifically requested by the Commission.



257.03: Data Sharing

- (1) A Sports Wagering Operator shall not share a patron's Confidential Information or Personally Identifiable Information with any third party except ~~for as necessary, legitimate business purposes~~ reasonably necessary to operate ~~or advertise~~ a Sports Wagering Area, Sports Wagering Facility or Sports Wagering Platform or to comply with M.G.L. c. 23N, 205 CMR, or any other applicable law, regulation, court order, subpoena, or civil investigative demand of a governmental entity, to detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity; or prosecute those responsible for that activity, debug to identify and repair errors, to investigate, respond to and defend against filed or reasonably anticipated legal claims, and for other reasonable safety and security purposes. In addition, sharing of a patron's Confidential Information or Personally Identifiable Information may be permissible where necessary to conduct commercially reasonable review of a Sports Wagering Operator's assets in the context of the sale of all or a portion of the Sports Wagering Operator's business.
- (2) If a Sports Wagering Operator shares a patron's Confidential Information or Personally Identifiable Information pursuant to 257.03(1), the Operator shall take commercially reasonable measures to ensure the party receiving a patron's Confidential Information or Personally Identifiable Information keeps such data private and confidential, except as required ~~to comply with M.G.L. c. 23N, 205 CMR, or any other applicable law, regulation, court order, subpoena, or civil investigative demand of a governmental entity for the authorized use or purpose pursuant to 205 CMR 257.03(1)~~. The party receiving such data shall only use a patron's Confidential Information or Personally Identifiable Information for the purpose(s) for which the data was shared.
- (3) If a Sports Wagering Operator deems it necessary to share a patron's Confidential Information or Personally Identifiable Information with a Sports Wagering Vendor, Sports Wagering Subcontractor, or Sports Wagering Registrant ~~in order to operate its Sports Wagering Area, Sports Wagering Facility or Sports Wagering Platform or to comply with M.G.L. c. 23N, 205 CMR, any other applicable law, regulation, court order, subpoena, or civil investigative demand of a governmental entity~~, a Sports Wagering Operator shall enter into a written agreement with the Sports Wagering Vendor, Sports Wagering Subcontractor or Sports Wagering Registrant, which shall include, at a minimum, the following obligations:
  - (a) The protection of all Confidential Information or Personally Identifiable Information that may come into the third party's custody or control against a Data Breach;
  - (b) The implementation and maintenance of a comprehensive data-security program for the protection of Confidential Information and Personally Identifiable Information, which shall include, at a minimum, the following:

- i. A security policy for employees relating to the storage, access and transportation of Confidential Information or Personally Identifiable Information;
  - ii. Restrictions on access to Personally Identifying Information and Confidential Information, including the area where such records are kept, secure passwords for electronically stored records and the use of multi-factor authentication;
  - iii. A process for reviewing data security policies and measures at least annually; and
  - iv. An active and ongoing employee security awareness program for all employees who may have access to Confidential Information or Personally Identifiable Information that, at a minimum, advises such employees of the confidentiality of the data, the safeguards required to protect the data and ~~any-potentially~~ applicable civil and criminal penalties for noncompliance pursuant to state and federal law.
- (c) The implementation, maintenance, and update of security and breach investigation and incident response procedures that are reasonably designed to protect Confidential Information and Personally Identifiable Information from unauthorized access, use, modification, disclosure, manipulation or destruction; and
- (d) A requirement that the maintenance of all Confidential Information and Personally Identifiable Information by a Vendor, Subcontractor or Registrant must meet the standards provided in 257.~~0203~~.
- (4) Sports Wagering Operators shall encrypt or hash and protect, including through the use of multi-factor authentication, from incomplete transmission, misrouting, unauthorized message modification, disclosure, duplication or replay all Confidential Information and Personally Identifiable Information within their possession, custody or control. An Operator may request approval by the Commission to protect Confidential Information and Personally Identifiable Information in another manner that is equally protective of the information in question.

257.04: Patron Access

- (1) Patrons shall be provided with a method to make the requests in 205 CMR 257.04(1)(a)-(e). The request must be clearly and conspicuously available to the patron online through the Sports Wagering Operator's Sports Wagering Platform. A patron shall not be required to confirm their request more than once, and no intervening pages (other than those needed to confirm withdrawal of consent) or offers will be presented to the patron before such confirmation is presented to the patron.

- (a) A description as to how their Confidential Information or Personally Identifiable Information is being used, including confirmation that such Confidential Information or Personally Identifiable Information is being used in accordance with this Section 205 CMR 257;
  - (b) Access to a copy of their Confidential Information or Personally Identifiable Information maintained by the Operator or a Vendor, Subcontractor, or Registrant of the Operator;
  - (c) Updates to their Confidential Information or Personally Identifiable Information;
  - (d) The imposition of additional restriction on the use of their Confidential Information or Personally Identifiable Information for particular uses; and
  - (e) That their Confidential Information or Personally Identifiable Information be erased or anonymized so it is no longer associated~~traced~~ to the patron with them when it is no longer required to be retained by applicable law or Court order. The Sports Wagering Operator may choose to offer either erasure, anonymization, or both as an option pursuant to this subsection.
- (2) A Sports Wagering Operator shall provide a written response to a request submitted pursuant to 257.04(1) that either grants or denies the request.
- (a) If the Sports Wagering Operator grants the patron's request to access a copy of their Personally Identifiable Information, the Sports Wagering Operator shall provide the patron their Confidential Information or Personally Identifiable Information in a structured, commonly used and machine readable format.
  - (b) If the Sports Wagering Operator denies the request, the Sports Wagering Operator shall provide in its written response specific reason(s) supporting the denial and directions on how the patron may file a complaint regarding the denial with the Commission.
- (3) A Sports Wagering Operator shall grant the patron's request to impose a restriction or erase or anonymize their Confidential Information or Personally Identifiable Information if it is no longer necessary to retain the patron's Confidential Information or Personally Identifiable Information (or to retain the patron's Confidential Information or Personally Identifiable Information without the requested restriction) to operate a Sports Wagering Area, Sports Wagering Facility or Sports Wagering Platform, or for any other purpose authorized pursuant to 205 CMR 257.01, or to comply with M.G.L. c. 23N, 205 CMR, or any other applicable law, regulation, court order, subpoena or civil investigative demand of a governmental entity, to detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity; or prosecute those responsible for that activity, debug to identify and repair errors, to investigate, respond to and defend

~~against filed or reasonably anticipated legal claims, and for other reasonable safety and security purposes;~~ and

- (a) The patron withdraws their consent to the Sports Wagering Operator's retention of their Confidential Information or Personally Identifiable Information;
  - (b) There is no overriding legal interest to retaining the patron's Confidential Information or Personally Identifiable Information;
  - (c) The patron's Confidential Information or Personally Identifiable Information was used in violation of 205 CMR 257.00; or
  - (d) Restriction, anonymization or erasure is necessary to comply with an order from the Commission or a court.
- (4) If the Sports Wagering Operator grants the patron's request to erase or anonymize their Confidential Information or Personally Identifiable Information, the Sports Wagering Operator shall erase or anonymize the patron's Personally Identifiable Information or Confidential from all storage media it is currently using to operate a Sports Wagering Area, Sports Wagering Facility or Sports Wagering Platform, including HDD, SDD, flash, mobile, cloud, virtual, RAID, LUN, hard disks, solid state memory, and other devices. The Sports Wagering Operator shall also request commercially reasonable confirmation of deletion or anonymization from any Vendor, Registrant, or Subcontractor who received the patron's Confidential Information or Personally Identifiable Information from the Sports Wagering Operator. Notwithstanding, the foregoing, the Sports Wagering Operator shall not erase or anonymize a patron's Confidential Information or Personally Identifiable Information on backup or storage media used to ensure the integrity of the Sports Wagering Area, Sports Wagering Facility or Sports Wagering Platform from technology failure or to comply with its data retention schedule or to comply with M.G.L. c. 23N, 205 CMR, or any other applicable law, regulation, court order, subpoena or civil investigative demand of a governmental entity.
- (5) An Operator, or a Vendor, Registrant or Subcontractor of an Operator shall not require a Patron to enter into an agreement waiving any of the Patron's rights under this Section 257.

257.05: Data Program Responsibilities

- (1) A Sports Wagering Operator shall develop, implement and maintain comprehensive administrative, technical and physical data privacy and security policies appropriate to the size and scope of business and addressing, at a minimum:
- (a) Practices to protect the confidentiality, integrity and accessibility of Confidential Information or Personally Identifiable Information;

- (b) The secure storage, access and transportation of Confidential Information or Personally Identifiable Information [in the Sports Wagering Operator's possession, custody or control](#), including the use of encryption and multi-factor authentication;
- (c) The secure and timely disposal [or anonymization](#) of Confidential Information or Personally Identifiable Information, including data retention policies;
- (d) Employee training on data privacy and cybersecurity for employees who may have access to Confidential Information or Personally Identifiable Information that, at a minimum, advises such employees of the confidentiality of the data, the safeguards required ~~the~~to protect the data and any applicable civil and criminal penalties for noncompliance pursuant to state and federal law;
- (e) Restrictions on access to Personally Identifying Information or Confidential Information, including the area where such records are kept, secure passwords for electronically stored records and the use of multi-factor authentication;
- (f) Reasonable monitoring of systems, for unauthorized use of or access to Confidential Information or Personally Identifying Information;
- (g) Reasonably up-to-date versions of system security agent software which must include malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions, and is set to receive the most current security updates on a regular basis;
- (h) Cybersecurity insurance, which shall include, at a minimum, coverage for data compromise response, identity recovery, computer attack, cyber extortion and network security;
- (i) Data Breach investigation and incident response procedures;
- (j) Imposing disciplinary measures for violations of Confidential Information and Personally Identifiable Information policies;
- (k) Active oversight and auditing of compliance by Vendors, Registrants, or Subcontractors with 257.03(3) and with the Operator's Confidential Information and Personally Identifying Information policies.
- (l) Quarterly information system audits; and
- (m) A process for reviewing and, if necessary, updating data privacy policies at least annually.



- (2) A Sports Wagering Operator shall maintain on its website and Sports Wagering Platform a readily accessible copy of a written policy explaining to a patron the Confidential Information and Personally Identifiable Information that is required to be collected by the Sports Wagering Operator, the purpose for which Confidential Information or Personally Identifiable Information is being collected, the conditions under which a patron's Confidential Information or Personally Identifiable Information may be disclosed, and the measures implemented to otherwise protect a patron's Confidential Information or Personally Identifiable Information. A Sports Wagering Operator shall require a patron to agree to the policy prior to collecting any Confidential Information or Personally Identifiable Information, and require a patron to agree to any material updates. Agreement to this policy shall not constitute required consent for any additional uses of information. The Sports Wagering Operator shall not be required to include in the publicly available version of such policy any information which might compromise the policy's effectiveness in protecting and safeguarding Confidential Information, Personally Identifiable Information.
- (3) A Sports Wagering Operator, Sports Wagering Vendor, Sports Wagering Subcontractor, Sports Wagering Registrant, or Person to whom an Occupational License is issued shall comply with all applicable state and federal requirements for data security, including M.G.L. c. 93A, M.G.L. c. 93H, 940 CMR 3.00, 940 CMR 6.00 and 201 CMR 17.00.

257.06: Data Breaches

- (1) In the event of a suspected Data Breach involving a patron's Confidential Information or Personally Identifiable Information, a Sports Wagering Operator shall immediately notify the Commission and commence an investigation of the suspected Data Breach, which shall be commenced no less than five (5) days from the discovery of the suspected breach, and completed as soon as reasonably practicable thereafter.
- (2) Following completion of the investigation specified pursuant to [205 CMR 257.06\(1\)](#), the Sports Wagering Operator shall submit a written report to the Commission describing the suspected Data Breach and stating whether any patron's Confidential Information or Personally Identifying Information was subjected to unauthorized access. Unless the Sports Wagering Operator shows that unauthorized access did not occur, the Sports Wagering Operator's written report shall also detail the Operator's plan to remediate the Data Breach, mitigate its effects, and prevent Data Breaches of a similar nature from occurring in the future.
- (3) Upon request by the Commission, the Sports Wagering Operator shall provide a report from a qualified third-party forensic examiner, the cost of which shall be borne by the Sports Wagering Operator being examined.[w](#)
- (4) In addition to the other provisions of this 205 CMR 257.06, the Sports Wagering Operator shall be required to comply with any other legal requirements applicable

to such Data Breaches or suspected Data Breaches, including its obligations pursuant to G.L. c. 93H and 201 CMR 17.00.



## **SMALL BUSINESS IMPACT STATEMENT**

The Massachusetts Gaming Commission (“Commission”) hereby files this Small Business Impact Statement in accordance with G.L. c. 30A, §2, relative to the proposed amendments to **205 CMR 257 SPORTS WAGERING DATA PRIVACY**.

This regulation was promulgated as part of the process of promulgating regulations governing sports wagering in the Commonwealth, and is authorized by G.L. c. 23N, §4. It governs the use, protection and retention of patron data by Sports Wagering Operators.

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

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

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

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

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

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

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

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

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

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

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



Massachusetts Gaming Commission

Massachusetts Gaming Commission  
By:

/s/ Carrie Torrasi  
Carrie Torrasi, Deputy General Counsel

Dated: February 1, 2024



Massachusetts Gaming Commission

101 Federal Street, 12<sup>th</sup> Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | [www.massgaming.com](http://www.massgaming.com)



*Legal Division*

TO: Cathy Judd-Stein, Chair  
Eileen O'Brien, Commissioner  
Brad Hill, Commissioner  
Nakisha Skinner, Commissioner  
Jordan Maynard, Commissioner

FROM: Carrie Torrisi, Deputy General Counsel  
Mina Makarious, Anderson & Kreiger  
Christina Marshall, Anderson & Kreiger

DATE: February 15, 2024

RE: 205 CMR 256.04 Sports Wagering Advertising and Promotion of Specific Wagers

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Enclosed for the Commission's review are three potential amendments to 205 CMR 256. These amendments are each designed to clarify the extent to which individuals employed by or associated with a Sports Wagering Operator, Sports Wagering Vendor, or marketing or advertising entity (to the extent required to be licensed or registered under 205 CMR 234) may suggest or discuss the merits of placing a particular wager.

Currently, 205 CMR 256.04(4) bans Sports Wagering Operators, Sports Wagering Vendors, or marketing or advertising entities required to be licensed or registered under 205 CMR 234, or employees of any of the foregoing, from advising or encouraging patrons to place a specific wager of any specific type, kind, subject, or amount.

Since the regulation was promulgated there have been questions about its application to both the publishing of formal advertisements recommending specific wagers and in engaging in less formal marketing via "paid public figures advising customers to be on specific offs in specific competitions." The enclosed potential amendments are designed to remove any potential ambiguity from the regulations, considering two key questions:

1. Who, if anybody, may encourage, suggest, or discuss the merits of a particular wager?
2. What disclosure requirements apply to the subset of individuals who are permitted to encourage, suggest, or discuss the merits of a particular wager?



Massachusetts Gaming Commission



Amendment #1 clarifies the original intent of the regulation, noting that neither employees nor individuals compensated in any way by Sports Wagering Operators, Sports Wagering Vendors, or marketing or advertising entities required to be licensed or registered under 205 CMR 234 may encourage, suggest, or discuss the merits of a particular wager. There is no need to include any disclosure requirements where the regulation bans such discussions from anyone subject to the regulations.

Amendment #2 provides that persons directly employed by Sports Wagering Operators, Sports Wagering Vendors, or marketing or advertising entities required to be licensed or registered under 205 CMR 234 may not encourage, suggest, or discuss the merits of a particular wager. It does allow individuals compensated by any of the foregoing to encourage, suggest, or discuss the merits of a particular wager provided that such action is considered an endorsement that is subject to federal disclosure requirements.

Amendment #3 provides that persons either directly employed, or compensated in any way, by Sports Wagering Operators, Sports Wagering Vendors, or marketing or advertising entities required to be licensed or registered under 205 CMR 234, may encourage, suggest, or discuss the merits of a particular wager provided that such action is considered an endorsement that is subject to federal disclosure requirements. It does not expand the exception to the Operators or Vendors themselves.

In addition to these substantive amendments, each amendment fixes a minor typographical error in 205 CMR 256.04(4) and clarifies in the second sentence of that paragraph that the restriction on advising or encouraging patrons to place specific wagers does not prohibit general advertising or promotional activities where those activities *solely* provide notice to a patron that a specific wager is required to receive a particular promotional benefit.

Finally, each amendment clarifies in 205 CMR 256.09(3) that endorsements covered by this regulation must specifically comply with the Federal Trade Commission's disclosure guidance in 16 C.F.R. 255.5.



Massachusetts Gaming Commission

AMENDMENT #1

205 CMR 256: SPORTS WAGERING ADVERTISING

Section

- 256.01: Third Parties
- 256.02: Application
- 256.03: Internal Controls
- 256.04: False or Misleading Advertising
- 256.05: Advertising to Youth
- 256.06: Advertising to Other Vulnerable Persons
- 256.07: Self-Excluded Persons
- 256.08: Disruption
- 256.09: Endorsement
- 256.10: Records
- 256.11: Enforcement

256.01: Third Parties

- (1) Each Sports Wagering Operator shall be responsible for the content and conduct of any and all Sports Wagering advertising, marketing, or branding done on its behalf or to its benefit whether conducted by the Sports Wagering Operator, an employee or agent of the Sports Wagering Operator, or an affiliated entity or a third party pursuant to contract or any other agreement for consideration or remuneration, regardless of whether such party is also required to be licensed or registered as a Sports Wagering Vendor or Non-Sports Wagering Vendor.
- (2) Each Sports Wagering Operator shall provide a copy of the regulations contained herein to all advertising, marketing, branding and promotions personnel, contractors, agents, and agencies retained by the Sports Wagering Operator or its agents and shall ensure and require compliance herewith.
- (3) No Sports Wagering Operator may enter into an agreement with a third party to conduct advertising, marketing, or branding on behalf of, or to the benefit of, the licensee, in exchange for a percentage of sports wagering revenue earned from users that the third party directs or causes to be directed to the Operator.
- (4) Any advertisement or promotion for Sports Wagering shall disclose the identity of the Sports Wagering Operator and whether a financial relationship exists between any Person providing an endorsement or promotion and the Sports Wagering Operator.

256.02: Application

- (1) The provisions of this section shall apply to all advertising, marketing, and branding for Sports Wagering aimed at, published, aired, displayed, disseminated, or distributed in the Commonwealth. Nothing herein shall be construed as limiting a Person's obligations to comply with any other federal, state or local law applicable

## AMENDMENT #1

to advertising, marketing and branding, nor shall anything herein be construed as modifying or limiting in any way any more stringent or additional requirement applicable to advertising, marketing and branding.

- (2) Sports Wagering advertisements may only be published, aired, displayed, disseminated, or distributed in the Commonwealth by or on behalf of Sports Wagering Operators licensed to offer Sports Wagering in the Commonwealth, unless the advertisement clearly states that the offerings are not available in the Commonwealth or otherwise makes clear that the offerings are not intended for use in the Commonwealth. Sports Wagering Operators and their agents, employees, or any third party conducting advertising or marketing on their behalf shall not advertise forms of illegal gambling in the Commonwealth.
- (3) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering on any billboard, or other public signage, which fails to comply with any federal, state or local law.

### 256.03: Internal Controls

Each Sports Wagering Operator shall include in its internal controls submitted pursuant to 205 CMR 138 and 238 provisions to ensure compliance with the requirements of 205 CMR 256.00.

### 256.04: False or Misleading Advertising

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any unfair or deceptive advertising, marketing, or branding for Sports Wagering.
- (2) No Sports Wagering Operator shall obscure or fail to disclose any material fact in its advertising, marketing, or branding for sports wagering or use any type, size, location lighting, illustration, graphic, depiction or color resulting in the obscuring of or failure to disclose any material fact in any advertising, marketing, or branding.
- (3) All Sports Wagering advertisements must clearly convey the material conditions under which Sports Wagering is being offered, including information about the cost to participate and the nature of any promotions, to assist patrons in understanding the odds of winning. Any material conditions or limiting factors must be clearly and conspicuously specified in the advertisement. Additional, non-material terms and conditions may be otherwise made available on a website or application if an advertisement is not of sufficient size or duration to permit inclusion of the additional information.
- (4) No Sports Wagering Operator, Sports Wagering Vendor, or third party marketing or advertising entity required to be licensed or registered pursuant to 205 CMR 234, nor any employee of any of the foregoing, nor any individual compensated in any way by any of the foregoing, may advise or encourage patrons to place a specific wager of any specific type, kind, subject, or amount. This restriction does not prohibit general advertising or promotional activities which may solely notify a

## AMENDMENT #1

patron of the need to place a specific wager type, kind, subject, or amount in order for patron to receive a promotional benefit.

- (5) A Sports Wagering Operator that engages in any promotion related to Sports Wagering shall clearly and concisely explain the terms of the promotion and adhere to such terms. If a Sports Wagering Operator offers complimentary items or promotional credit that are subject to terms, conditions or limitations in order to claim the item or redeem the item or credit, the Operator shall fully disclose all material terms, conditions or limitations through the following methods, provided that additional, non-material terms and conditions, may be otherwise made available on a website or application if an advertisement is not of sufficient size or duration to permit inclusion of the non-material information.
  - (a) In all advertisements or inducements where the complimentary item or promotion are advertised;
  - (b) If being added to a Sports Wagering Account, through the use of a pop-up message either while the complimentary item or promotional credit is being added or when the patron next logs in to the Account, whichever is earlier; and
  - (c) If the offer requires the patron to Wager a specific dollar amount to receive the complimentary item or promotional credit, the amount that the patron is required to Wager of the patron's own funds shall be disclosed in the same size and style of font as the amount of the complimentary item or promotional credit, and the complimentary item or promotional credit shall not be described as free.
- (6) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall:
  - (a) Promote irresponsible or excessive participation in Sports Wagering;
  - (b) Suggest that social, financial, or personal success is guaranteed by engaging in event wagering;
  - (c) Imply or promote Sports Wagering as free of risk in general or in connection with a particular promotion or Sports Wagering offer;
  - (d) Describe Sports Wagering as "free", "cost free" or "free of risk" if the player needs to incur any loss or risk their own money to use or withdraw winnings from the Wager;
  - (e) Encourage players to "chase" losses or re-invest winnings;
  - (f) Suggest that betting is a means of solving or escaping from financial, personal, or professional problems;

## AMENDMENT #1

- (g) Portray, suggest, condone or encourage Sports Wagering behavior as a rite of passage or signifier of reaching adulthood or other milestones;
- (h) Portray, suggest, condone or encourage Sports Wagering behavior that is socially irresponsible or could lead to financial, social or emotional harm;
- (i) Imply that the chances of winning increase with increased time spent on Sports Wagering or increased money wagered;
- (j) Be placed on any website or printed page or medium devoted primarily to responsible gaming;
- (k) Offer a line of credit to any consumer; or
- (l) Use individuals to provide purported expertise or Sports Wagering advice who are employed by, contracted with, or otherwise compensated by a Sports Governing Body, team, club or athlete on which a wager may be placed.

### 256.05: Advertising to Youth

- (1) Advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall state that patrons must be twenty-one years of age or older to participate; provided that branding consisting only of a display of an Operator's logo or trademark related to Sports Wagering shall not be required to comply with this provision unless it is, or is intended to be, displayed on signage or a fixed structure at a sports venue where it is likely to be viewed by persons under 21 years of age.
- (2) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that is aimed at individuals under twenty-one years of age.
- (3) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall contain images, symbols, celebrity or entertainer endorsements or language designed to appeal primarily to individuals younger than twenty-one years of age.
- (4) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall be published, aired, displayed, disseminated, or distributed:
  - (a) in media outlets, including social media, video and television platforms, where 25% of the audience is reasonably expected to be under twenty-one years of age, unless adequate controls are in place to prevent the display,



## AMENDMENT #1

dissemination or distribution of such advertising, marketing, branding or other promotional materials to individuals under twenty-one years of age including by use of age category exclusions and similar mechanisms;

- (b) in other media outlets, including social media, video and television platforms, unless the Operator utilizes all available targeted controls to exclude all individuals under twenty-one years of age from viewing such advertising, marketing, branding, and other promotional materials;
  - (c) at events aimed at minors or where 25% or more of the audience is reasonably expected to be under twenty-one years of age;
  - (d) at any elementary, middle, and high school, or at any sports venue exclusively used for such schools;
  - (e) on any college or university campus, or in college or university news outlets such as school newspapers and college or university radio or television broadcasts, except for advertising, including television, radio, and digital advertising that is generally available, and primarily directed at an audience, outside of college and university campuses as well; or
  - (f) to any other audience where 25% or more of the audience is presumed to be under twenty-one years of age.
- (5) No Sports Wagering advertisements, including logos, trademarks, or brands, shall be used, or licensed for use, on products, clothing, toys, games, or game equipment designed or intended for persons under twenty-one years of age.
- (6) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall depict an individual who is, or appears to be, under twenty-one years of age, except live footage or images of professional athletes during sporting events on which sports wagering is permitted. Any individual under the age of twenty-one may not be depicted in any way that may be construed as the underage individual participating in or endorsing sports gaming.
- (7) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall depict students, schools or colleges, or school or college settings.

### 256.06: Advertising to Other Vulnerable Persons

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that is aimed exclusively or primarily at individuals or groups of people that are at moderate or high risk of gambling addiction. A Sports Wagering Operator shall not use characteristics of

## AMENDMENT #1

at-risk or problem bettors to target potentially at-risk or problem bettors with advertisements.

- (2) Advertising, marketing, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall include a link to and phone number for the Massachusetts Problem Gambling Helpline using language provided by the Department of Public Health or such other responsible gaming information required by the Commission (“Responsible Gaming Messaging”).
- (3) Such advertising, marketing, branding and other promotional materials shall not use a font, type size, location, lighting, illustration, graphic depiction or color obscuring or limiting the advertisement of such Problem Gambling Helpline Information.
- (4) Information regarding Responsible Gaming Messaging must also meet the following requirements:
  - (a) For signs, direct mail marketing materials, posters and other print advertisements, the height of the font used to advertise Responsible Gaming Messaging must be the greater of:
    - i. The same size as the majority of the text used in the sign, direct mail marketing material, poster or other print advertisement; or
    - ii. 2% of the height or width, whichever is greater, of the sign, direct mail marketing material, poster or other print advertisement.
  - (b) For billboards, the height of the font used for Responsible Gaming Messaging must be at least 5% of the height or width, whichever is greater, of the face of the billboard.
  - (c) For digital billboards, Responsible Gaming Messaging must be visible for the entire time the rest of the advertisement is displayed.
  - (d) For video and television, Responsible Gaming Messaging must be visible for either:
    - i. The entire time the video or television advertisement is displayed, in which case the height of the font used for Responsible Gaming Messaging must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.
    - ii. From the first time Sports Wagering Equipment, a Sports Wagering Facility, a Sports Wagering Area or Sports Wagering is displayed or verbally referenced, and on a dedicated screen shot visible for at least the last three (3) seconds of the video or television advertisement. If the

## AMENDMENT #1

Operator elects to utilize this option, the height of the font used for Responsible Gaming Messaging:

1. During the advertisement must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.
2. On the dedicated screen shot must be at least 8% of the height or width, whichever is greater, of the image that will be displayed.

(e) For web sites, including social media sites:

- i. Responsible Gaming Messaging must be posted in a conspicuous location on each website or profile page and on a gaming related advertisement posted on the webpage or profile page.
  - ii. The height of the font used for Responsible Gaming Messaging must be at least the same size as the majority of the text used in the webpage or profile page.
  - iii. For advertisements posted on the webpage or profile page, the height of the font used for Responsible Gaming Messaging must comply with the height required for signs, direct mail marketing materials, posters and other print advertisements.
- (5) All direct advertising, marketing, or promotional materials shall include a clear and conspicuous method allowing patrons to unsubscribe from future advertising, marketing, or promotional communications.

### 256.07: Self-Excluded Persons

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for sports wagering that is aimed at persons who have enrolled in a Self-Exclusion Program pursuant to 205 CMR 233.
- (2) No Sports Wagering Operator shall direct text messages or unsolicited pop-up advertisements on the internet to an individual in the Self-Exclusion Program or shall allow any employee or agent of the Sports Wagering Operator, or affiliated entity or a third party pursuant to contract, to take such actions.

### 256.08: Disruption to Viewers

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that obscures the game play area at a sporting event.

## AMENDMENT #1

- (2) Advertisements for Sports Wagering may not be placed by a Sports Wagering Operator at a sports event with such intensity and frequency that they represent saturation of that medium or become excessive.

### 256.09: Endorsements

- (1) An advertisement for Sports Wagering shall not state or imply endorsement by minors, persons aged 18 to 20 (other than professional athletes), collegiate athletes, schools or colleges, or school or college athletic associations.
- (2) An individual who participates in Sports Wagering in the Commonwealth under an agreement with a Sports Wagering Operator for advertising, branding or promotional purposes must disclose the relationship and may not be compensated in promotional credits for additional wagers.
- (3) Endorsements must comply with the Federal Trade Commission's Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, [including the disclosure guidance in 16 C.F.R. 255.5.](#)

### 256.10: Records

- (1) Each Sports Wagering Operator shall retain a copy of all advertising, marketing, branding and other promotional materials promoting or intended to promote any Sports Wagering within the Commonwealth, including a log of when, how, and with whom, those materials have been published, aired, displayed, or disseminated, for six (6) years. A Sports Wagering Operator shall also grant the Commission access to all social media platforms utilized by or on behalf of the licensee for such purposes, provided that an Operator shall not be required to permit the Commission to control or directly alter such content on such platforms. For all directed or targeted advertising and marketing, a Sports Wagering Operator shall maintain records sufficient to describe all targeting parameters used, as well as efforts undertaken to comply with 205 CMR 256.06(1).
- (2) All advertising, marketing, branding, and other promotional materials related to Sports Wagering and the log described in subsection (1) shall be made available to the Commission or its agents upon request.

### 256.11: Enforcement

- (1) A Sports Wagering Operator shall discontinue or modify as expeditiously as possible the use of a particular advertisement, marketing, or branding material in the Commonwealth or directed to residents in this state upon receipt of written notice that the Commission has determined that the advertisement, marketing, or branding material in question does not conform to the requirements of 205 CMR 256.00 or the discontinuance or modification of which is necessary for the immediate preservation of the public peace, health safety, and welfare of the Commonwealth.

## AMENDMENT #1

- (2) A failure to adhere to the rules of 205 CMR 256.00 may be grounds for disciplinary action under any enforcement method available to the Commission, including emergency enforcement orders to immediately cease and desist such advertising pursuant to 205 CMR 109.
- (3) The Commission may, in addition to, or in lieu of, any other discipline, require an Operator that violates this section 205 CMR 256 to provide electronic copies of all advertising, marketing and promotional materials developed by or on behalf of the Operator to the Commission at least ten (10) business days prior to publication, distribution or airing to the public.



205 CMR 256: SPORTS WAGERING ADVERTISING

Section

- 256.01: Third Parties
- 256.02: Application
- 256.03: Internal Controls
- 256.04: False or Misleading Advertising
- 256.05: Advertising to Youth
- 256.06: Advertising to Other Vulnerable Persons
- 256.07: Self-Excluded Persons
- 256.08: Disruption
- 256.09: Endorsement
- 256.10: Records
- 256.11: Enforcement

256.01: Third Parties

- (1) Each Sports Wagering Operator shall be responsible for the content and conduct of any and all Sports Wagering advertising, marketing, or branding done on its behalf or to its benefit whether conducted by the Sports Wagering Operator, an employee or agent of the Sports Wagering Operator, or an affiliated entity or a third party pursuant to contract or any other agreement for consideration or remuneration, regardless of whether such party is also required to be licensed or registered as a Sports Wagering Vendor or Non-Sports Wagering Vendor.
- (2) Each Sports Wagering Operator shall provide a copy of the regulations contained herein to all advertising, marketing, branding and promotions personnel, contractors, agents, and agencies retained by the Sports Wagering Operator or its agents and shall ensure and require compliance herewith.
- (3) No Sports Wagering Operator may enter into an agreement with a third party to conduct advertising, marketing, or branding on behalf of, or to the benefit of, the licensee, in exchange for a percentage of sports wagering revenue earned from users that the third party directs or causes to be directed to the Operator.
- (4) Any advertisement or promotion for Sports Wagering shall disclose the identity of the Sports Wagering Operator and whether a financial relationship exists between any Person providing an endorsement or promotion and the Sports Wagering Operator.

256.02: Application

- (1) The provisions of this section shall apply to all advertising, marketing, and branding for Sports Wagering aimed at, published, aired, displayed, disseminated, or distributed in the Commonwealth. Nothing herein shall be construed as limiting a Person's obligations to comply with any other federal, state or local law applicable

AMENDMENT #2

to advertising, marketing and branding, nor shall anything herein be construed as modifying or limiting in any way any more stringent or additional requirement applicable to advertising, marketing and branding.

- (2) Sports Wagering advertisements may only be published, aired, displayed, disseminated, or distributed in the Commonwealth by or on behalf of Sports Wagering Operators licensed to offer Sports Wagering in the Commonwealth, unless the advertisement clearly states that the offerings are not available in the Commonwealth or otherwise makes clear that the offerings are not intended for use in the Commonwealth. Sports Wagering Operators and their agents, employees, or any third party conducting advertising or marketing on their behalf shall not advertise forms of illegal gambling in the Commonwealth.
- (3) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering on any billboard, or other public signage, which fails to comply with any federal, state or local law.

256.03: Internal Controls

Each Sports Wagering Operator shall include in its internal controls submitted pursuant to 205 CMR 138 and 238 provisions to ensure compliance with the requirements of 205 CMR 256.00.

256.04: False or Misleading Advertising

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any unfair or deceptive advertising, marketing, or branding for Sports Wagering.
- (2) No Sports Wagering Operator shall obscure or fail to disclose any material fact in its advertising, marketing, or branding for sports wagering or use any type, size, location lighting, illustration, graphic, depiction or color resulting in the obscuring of or failure to disclose any material fact in any advertising, marketing, or branding.
- (3) All Sports Wagering advertisements must clearly convey the material conditions under which Sports Wagering is being offered, including information about the cost to participate and the nature of any promotions, to assist patrons in understanding the odds of winning. Any material conditions or limiting factors must be clearly and conspicuously specified in the advertisement. Additional, non-material terms and conditions may be otherwise made available on a website or application if an advertisement is not of sufficient size or duration to permit inclusion of the additional information.
- (4) No Sports Wagering Operator, Sports Wagering Vendor, or third party marketing or advertising entity required to be licensed or registered pursuant to 205 CMR 234, nor any employee of any of the foregoing, may advise or encourage patrons to place a specific wager of any specific type, kind, subject, or amount. This restriction does not prohibit general advertising or promotional activities which ~~may~~ solely notify a patron of the need to place a specific wager type, kind, subject, or amount in order

AMENDMENT #2

for patron to receive a promotional benefit. This restriction shall also not apply to a suggestion to place, or discussion of the merits of placing, a particular wager made by an individual who is not an employee of a Sports Wagering Operator, Sports Wagering Vendor, or third party marketing or advertising entity required to be licensed or registered pursuant to 205 CMR 234, but is compensated in some way by any of the foregoing; provided, however, that such a discussion or suggestion shall be considered an endorsement that must be made in compliance with the requirements of the Federal Trade Commission's Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, including the disclosure guidance in 16 C.F.R. 255.5.

- (5) A Sports Wagering Operator that engages in any promotion related to Sports Wagering shall clearly and concisely explain the terms of the promotion and adhere to such terms. If a Sports Wagering Operator offers complimentary items or promotional credit that are subject to terms, conditions or limitations in order to claim the item or redeem the item or credit, the Operator shall fully disclose all material terms, conditions or limitations through the following methods, provided that additional, non-material terms and conditions, may be otherwise made available on a website or application if an advertisement is not of sufficient size or duration to permit inclusion of the non-material information.
  - (a) In all advertisements or inducements where the complimentary item or promotion are advertised;
  - (b) If being added to a Sports Wagering Account, through the use of a pop-up message either while the complimentary item or promotional credit is being added or when the patron next logs in to the Account, whichever is earlier; and
  - (c) If the offer requires the patron to Wager a specific dollar amount to receive the complimentary item or promotional credit, the amount that the patron is required to Wager of the patron's own funds shall be disclosed in the same size and style of font as the amount of the complimentary item or promotional credit, and the complimentary item or promotional credit shall not be described as free.
- (6) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall:
  - (a) Promote irresponsible or excessive participation in Sports Wagering;
  - (b) Suggest that social, financial, or personal success is guaranteed by engaging in event wagering;
  - (c) Imply or promote Sports Wagering as free of risk in general or in connection with a particular promotion or Sports Wagering offer;

AMENDMENT #2

- (d) Describe Sports Wagering as “free”, “cost free” or “free of risk” if the player needs to incur any loss or risk their own money to use or withdraw winnings from the Wager;
- (e) Encourage players to “chase” losses or re-invest winnings;
- (f) Suggest that betting is a means of solving or escaping from financial, personal, or professional problems;
- (g) Portray, suggest, condone or encourage Sports Wagering behavior as a rite of passage or signifier of reaching adulthood or other milestones;
- (h) Portray, suggest, condone or encourage Sports Wagering behavior that is socially irresponsible or could lead to financial, social or emotional harm;
- (i) Imply that the chances of winning increase with increased time spent on Sports Wagering or increased money wagered;
- (j) Be placed on any website or printed page or medium devoted primarily to responsible gaming;
- (k) Offer a line of credit to any consumer; or
- (l) Use individuals to provide purported expertise or Sports Wagering advice who are employed by, contracted with, or otherwise compensated by a Sports Governing Body, team, club or athlete on which a wager may be placed.

256.05: Advertising to Youth

- (1) Advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall state that patrons must be twenty-one years of age or older to participate; provided that branding consisting only of a display of an Operator’s logo or trademark related to Sports Wagering shall not be required to comply with this provision unless it is, or is intended to be, displayed on signage or a fixed structure at a sports venue where it is likely to be viewed by persons under 21 years of age.
- (2) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that is aimed at individuals under twenty-one years of age.
- (3) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall contain images, symbols, celebrity or entertainer endorsements or language designed to appeal primarily to individuals younger than twenty-one years of age.

AMENDMENT #2

- (4) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall be published, aired, displayed, disseminated, or distributed:
  - (a) in media outlets, including social media, video and television platforms, where 25% of the audience is reasonably expected to be under twenty-one years of age, unless adequate controls are in place to prevent the display, dissemination or distribution of such advertising, marketing, branding or other promotional materials to individuals under twenty-one years of age including by use of age category exclusions and similar mechanisms;
  - (b) in other media outlets, including social media, video and television platforms, unless the Operator utilizes all available targeted controls to exclude all individuals under twenty-one years of age from viewing such advertising, marketing, branding, and other promotional materials;
  - (c) at events aimed at minors or where 25% or more of the audience is reasonably expected to be under twenty-one years of age;
  - (d) at any elementary, middle, and high school, or at any sports venue exclusively used for such schools;
  - (e) on any college or university campus, or in college or university news outlets such as school newspapers and college or university radio or television broadcasts, except for advertising, including television, radio, and digital advertising that is generally available, and primarily directed at an audience, outside of college and university campuses as well; or
  - (f) to any other audience where 25% or more of the audience is presumed to be under twenty-one years of age.
- (5) No Sports Wagering advertisements, including logos, trademarks, or brands, shall be used, or licensed for use, on products, clothing, toys, games, or game equipment designed or intended for persons under twenty-one years of age.
- (6) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall depict an individual who is, or appears to be, under twenty-one years of age, except live footage or images of professional athletes during sporting events on which sports wagering is permitted. Any individual under the age of twenty-one may not be depicted in any way that may be construed as the underage individual participating in or endorsing sports gaming.
- (7) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports

AMENDMENT #2

Wagering Operator for Sports Wagering shall depict students, schools or colleges, or school or college settings.

256.06: Advertising to Other Vulnerable Persons

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that is aimed exclusively or primarily at individuals or groups of people that are at moderate or high risk of gambling addiction. A Sports Wagering Operator shall not use characteristics of at-risk or problem bettors to target potentially at-risk or problem bettors with advertisements.
- (2) Advertising, marketing, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall include a link to and phone number for the Massachusetts Problem Gambling Helpline using language provided by the Department of Public Health or such other responsible gaming information required by the Commission (“Responsible Gaming Messaging”).
- (3) Such advertising, marketing, branding and other promotional materials shall not use a font, type size, location, lighting, illustration, graphic depiction or color obscuring or limiting the advertisement of such Problem Gambling Helpline Information.
- (4) Information regarding Responsible Gaming Messaging must also meet the following requirements:
  - (a) For signs, direct mail marketing materials, posters and other print advertisements, the height of the font used to advertise Responsible Gaming Messaging must be the greater of:
    - i. The same size as the majority of the text used in the sign, direct mail marketing material, poster or other print advertisement; or
    - ii. 2% of the height or width, whichever is greater, of the sign, direct mail marketing material, poster or other print advertisement.
  - (b) For billboards, the height of the font used for Responsible Gaming Messaging must be at least 5% of the height or width, whichever is greater, of the face of the billboard.
  - (c) For digital billboards, Responsible Gaming Messaging must be visible for the entire time the rest of the advertisement is displayed.
  - (d) For video and television, Responsible Gaming Messaging must be visible for either:



AMENDMENT #2

- i. The entire time the video or television advertisement is displayed, in which case the height of the font used for Responsible Gaming Messaging must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.
- ii. From the first time Sports Wagering Equipment, a Sports Wagering Facility, a Sports Wagering Area or Sports Wagering is displayed or verbally referenced, and on a dedicated screen shot visible for at least the last three (3) seconds of the video or television advertisement. If the Operator elects to utilize this option, the height of the font used for Responsible Gaming Messaging:
  1. During the advertisement must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.
  2. On the dedicated screen shot must be at least 8% of the height or width, whichever is greater, of the image that will be displayed.

(e) For web sites, including social media sites:

- i. Responsible Gaming Messaging must be posted in a conspicuous location on each website or profile page and on a gaming related advertisement posted on the webpage or profile page.
- ii. The height of the font used for Responsible Gaming Messaging must be at least the same size as the majority of the text used in the webpage or profile page.
- iii. For advertisements posted on the webpage or profile page, the height of the font used for Responsible Gaming Messaging must comply with the height required for signs, direct mail marketing materials, posters and other print advertisements.

(5) All direct advertising, marketing, or promotional materials shall include a clear and conspicuous method allowing patrons to unsubscribe from future advertising, marketing, or promotional communications.

256.07: Self-Excluded Persons

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for sports wagering that is aimed at persons who have enrolled in a Self-Exclusion Program pursuant to 205 CMR 233.
- (2) No Sports Wagering Operator shall direct text messages or unsolicited pop-up advertisements on the internet to an individual in the Self-Exclusion Program or

## AMENDMENT #2

shall allow any employee or agent of the Sports Wagering Operator, or affiliated entity or a third party pursuant to contract, to take such actions.

### 256.08: Disruption to Viewers

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that obscures the game play area at a sporting event.
- (2) Advertisements for Sports Wagering may not be placed by a Sports Wagering Operator at a sports event with such intensity and frequency that they represent saturation of that medium or become excessive.

### 256.09: Endorsements

- (1) An advertisement for Sports Wagering shall not state or imply endorsement by minors, persons aged 18 to 20 (other than professional athletes), collegiate athletes, schools or colleges, or school or college athletic associations.
- (2) An individual who participates in Sports Wagering in the Commonwealth under an agreement with a Sports Wagering Operator for advertising, branding or promotional purposes must disclose the relationship and may not be compensated in promotional credits for additional wagers.
- (3) Endorsements must comply with the Federal Trade Commission's Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, [including the disclosure guidance in 16 C.F.R. 255.5.](#)

### 256.10: Records

- (1) Each Sports Wagering Operator shall retain a copy of all advertising, marketing, branding and other promotional materials promoting or intended to promote any Sports Wagering within the Commonwealth, including a log of when, how, and with whom, those materials have been published, aired, displayed, or disseminated, for six (6) years. A Sports Wagering Operator shall also grant the Commission access to all social media platforms utilized by or on behalf of the licensee for such purposes, provided that an Operator shall not be required to permit the Commission to control or directly alter such content on such platforms. For all directed or targeted advertising and marketing, a Sports Wagering Operator shall maintain records sufficient to describe all targeting parameters used, as well as efforts undertaken to comply with 205 CMR 256.06(1).
- (2) All advertising, marketing, branding, and other promotional materials related to Sports Wagering and the log described in subsection (1) shall be made available to the Commission or its agents upon request.

AMENDMENT #2

256.11:      Enforcement

- (1) A Sports Wagering Operator shall discontinue or modify as expeditiously as possible the use of a particular advertisement, marketing, or branding material in the Commonwealth or directed to residents in this state upon receipt of written notice that the Commission has determined that the advertisement, marketing, or branding material in question does not conform to the requirements of 205 CMR 256.00 or the discontinuance or modification of which is necessary for the immediate preservation of the public peace, health safety, and welfare of the Commonwealth.
- (2) A failure to adhere to the rules of 205 CMR 256.00 may be grounds for disciplinary action under any enforcement method available to the Commission, including emergency enforcement orders to immediately cease and desist such advertising pursuant to 205 CMR 109.
- (3) The Commission may, in addition to, or in lieu of, any other discipline, require an Operator that violates this section 205 CMR 256 to provide electronic copies of all advertising, marketing and promotional materials developed by or on behalf of the Operator to the Commission at least ten (10) business days prior to publication, distribution or airing to the public.

AMENDMENT #3

205 CMR 256: SPORTS WAGERING ADVERTISING

Section

- 256.01: Third Parties
- 256.02: Application
- 256.03: Internal Controls
- 256.04: False or Misleading Advertising
- 256.05: Advertising to Youth
- 256.06: Advertising to Other Vulnerable Persons
- 256.07: Self-Excluded Persons
- 256.08: Disruption
- 256.09: Endorsement
- 256.10: Records
- 256.11: Enforcement

256.01: Third Parties

- (1) Each Sports Wagering Operator shall be responsible for the content and conduct of any and all Sports Wagering advertising, marketing, or branding done on its behalf or to its benefit whether conducted by the Sports Wagering Operator, an employee or agent of the Sports Wagering Operator, or an affiliated entity or a third party pursuant to contract or any other agreement for consideration or remuneration, regardless of whether such party is also required to be licensed or registered as a Sports Wagering Vendor or Non-Sports Wagering Vendor.
- (2) Each Sports Wagering Operator shall provide a copy of the regulations contained herein to all advertising, marketing, branding and promotions personnel, contractors, agents, and agencies retained by the Sports Wagering Operator or its agents and shall ensure and require compliance herewith.
- (3) No Sports Wagering Operator may enter into an agreement with a third party to conduct advertising, marketing, or branding on behalf of, or to the benefit of, the licensee, in exchange for a percentage of sports wagering revenue earned from users that the third party directs or causes to be directed to the Operator.
- (4) Any advertisement or promotion for Sports Wagering shall disclose the identity of the Sports Wagering Operator and whether a financial relationship exists between any Person providing an endorsement or promotion and the Sports Wagering Operator.

256.02: Application

- (1) The provisions of this section shall apply to all advertising, marketing, and branding for Sports Wagering aimed at, published, aired, displayed, disseminated, or distributed in the Commonwealth. Nothing herein shall be construed as limiting a Person's obligations to comply with any other federal, state or local law applicable

### AMENDMENT #3

to advertising, marketing and branding, nor shall anything herein be construed as modifying or limiting in any way any more stringent or additional requirement applicable to advertising, marketing and branding.

- (2) Sports Wagering advertisements may only be published, aired, displayed, disseminated, or distributed in the Commonwealth by or on behalf of Sports Wagering Operators licensed to offer Sports Wagering in the Commonwealth, unless the advertisement clearly states that the offerings are not available in the Commonwealth or otherwise makes clear that the offerings are not intended for use in the Commonwealth. Sports Wagering Operators and their agents, employees, or any third party conducting advertising or marketing on their behalf shall not advertise forms of illegal gambling in the Commonwealth.
- (3) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering on any billboard, or other public signage, which fails to comply with any federal, state or local law.

256.03: Internal Controls

Each Sports Wagering Operator shall include in its internal controls submitted pursuant to 205 CMR 138 and 238 provisions to ensure compliance with the requirements of 205 CMR 256.00.

256.04: False or Misleading Advertising

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any unfair or deceptive advertising, marketing, or branding for Sports Wagering.
- (2) No Sports Wagering Operator shall obscure or fail to disclose any material fact in its advertising, marketing, or branding for sports wagering or use any type, size, location lighting, illustration, graphic, depiction or color resulting in the obscuring of or failure to disclose any material fact in any advertising, marketing, or branding.
- (3) All Sports Wagering advertisements must clearly convey the material conditions under which Sports Wagering is being offered, including information about the cost to participate and the nature of any promotions, to assist patrons in understanding the odds of winning. Any material conditions or limiting factors must be clearly and conspicuously specified in the advertisement. Additional, non-material terms and conditions may be otherwise made available on a website or application if an advertisement is not of sufficient size or duration to permit inclusion of the additional information.
- (4) No Sports Wagering Operator, Sports Wagering Vendor, or third party marketing or advertising entity required to be licensed or registered pursuant to 205 CMR 234, ~~nor any employee of any of the foregoing,~~ may advise or encourage patrons to place a specific wager of any specific type, kind, subject, or amount. This restriction does not prohibit general advertising or promotional activities which may notify a patron of the need to place a specific wager type, kind, subject, or amount in order for

AMENDMENT #3

patron to receive a promotional benefit. This restriction shall also not apply to a suggestion to place, or discussion of the merits of placing, a particular wager made by an employee of a Sports Wagering Operator, Sports Wagering Vendor, or third party marketing or advertising entity required to be licensed or registered pursuant to 205 CMR 234, or an individual compensated in some way by any of the foregoing; provided, however, that such a discussion or suggestion shall be considered an endorsement that must be made in compliance with the Federal Trade Commission's Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, including the disclosure guidance in 16 C.F.R. 255.5.

- (5) A Sports Wagering Operator that engages in any promotion related to Sports Wagering shall clearly and concisely explain the terms of the promotion and adhere to such terms. If a Sports Wagering Operator offers complimentary items or promotional credit that are subject to terms, conditions or limitations in order to claim the item or redeem the item or credit, the Operator shall fully disclose all material terms, conditions or limitations through the following methods, provided that additional, non-material terms and conditions, may be otherwise made available on a website or application if an advertisement is not of sufficient size or duration to permit inclusion of the non-material information.
  - (a) In all advertisements or inducements where the complimentary item or promotion are advertised;
  - (b) If being added to a Sports Wagering Account, through the use of a pop-up message either while the complimentary item or promotional credit is being added or when the patron next logs in to the Account, whichever is earlier; and
  - (c) If the offer requires the patron to Wager a specific dollar amount to receive the complimentary item or promotional credit, the amount that the patron is required to Wager of the patron's own funds shall be disclosed in the same size and style of font as the amount of the complimentary item or promotional credit, and the complimentary item or promotional credit shall not be described as free.
- (6) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall:
  - (a) Promote irresponsible or excessive participation in Sports Wagering;
  - (b) Suggest that social, financial, or personal success is guaranteed by engaging in event wagering;
  - (c) Imply or promote Sports Wagering as free of risk in general or in connection with a particular promotion or Sports Wagering offer;



### AMENDMENT #3

- (d) Describe Sports Wagering as “free”, “cost free” or “free of risk” if the player needs to incur any loss or risk their own money to use or withdraw winnings from the Wager;
- (e) Encourage players to “chase” losses or re-invest winnings;
- (f) Suggest that betting is a means of solving or escaping from financial, personal, or professional problems;
- (g) Portray, suggest, condone or encourage Sports Wagering behavior as a rite of passage or signifier of reaching adulthood or other milestones;
- (h) Portray, suggest, condone or encourage Sports Wagering behavior that is socially irresponsible or could lead to financial, social or emotional harm;
- (i) Imply that the chances of winning increase with increased time spent on Sports Wagering or increased money wagered;
- (j) Be placed on any website or printed page or medium devoted primarily to responsible gaming;
- (k) Offer a line of credit to any consumer; or
- (l) Use individuals to provide purported expertise or Sports Wagering advice who are employed by, contracted with, or otherwise compensated by a Sports Governing Body, team, club or athlete on which a wager may be placed.

#### 256.05: Advertising to Youth

- (1) Advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall state that patrons must be twenty-one years of age or older to participate; provided that branding consisting only of a display of an Operator’s logo or trademark related to Sports Wagering shall not be required to comply with this provision unless it is, or is intended to be, displayed on signage or a fixed structure at a sports venue where it is likely to be viewed by persons under 21 years of age.
- (2) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that is aimed at individuals under twenty-one years of age.
- (3) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall contain images, symbols, celebrity or entertainer endorsements or language designed to appeal primarily to individuals younger than twenty-one years of age.

### AMENDMENT #3

- (4) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall be published, aired, displayed, disseminated, or distributed:
  - (a) in media outlets, including social media, video and television platforms, where 25% of the audience is reasonably expected to be under twenty-one years of age, unless adequate controls are in place to prevent the display, dissemination or distribution of such advertising, marketing, branding or other promotional materials to individuals under twenty-one years of age including by use of age category exclusions and similar mechanisms;
  - (b) in other media outlets, including social media, video and television platforms, unless the Operator utilizes all available targeted controls to exclude all individuals under twenty-one years of age from viewing such advertising, marketing, branding, and other promotional materials;
  - (c) at events aimed at minors or where 25% or more of the audience is reasonably expected to be under twenty-one years of age;
  - (d) at any elementary, middle, and high school, or at any sports venue exclusively used for such schools;
  - (e) on any college or university campus, or in college or university news outlets such as school newspapers and college or university radio or television broadcasts, except for advertising, including television, radio, and digital advertising that is generally available, and primarily directed at an audience, outside of college and university campuses as well; or
  - (f) to any other audience where 25% or more of the audience is presumed to be under twenty-one years of age.
- (5) No Sports Wagering advertisements, including logos, trademarks, or brands, shall be used, or licensed for use, on products, clothing, toys, games, or game equipment designed or intended for persons under twenty-one years of age.
- (6) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator for Sports Wagering shall depict an individual who is, or appears to be, under twenty-one years of age, except live footage or images of professional athletes during sporting events on which sports wagering is permitted. Any individual under the age of twenty-one may not be depicted in any way that may be construed as the underage individual participating in or endorsing sports gaming.
- (7) No advertising, marketing, branding, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports

### AMENDMENT #3

Wagering Operator for Sports Wagering shall depict students, schools or colleges, or school or college settings.

256.06: Advertising to Other Vulnerable Persons

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that is aimed exclusively or primarily at individuals or groups of people that are at moderate or high risk of gambling addiction. A Sports Wagering Operator shall not use characteristics of at-risk or problem bettors to target potentially at-risk or problem bettors with advertisements.
- (2) Advertising, marketing, and other promotional materials published, aired, displayed, disseminated, or distributed by or on behalf of any Sports Wagering Operator shall include a link to and phone number for the Massachusetts Problem Gambling Helpline using language provided by the Department of Public Health or such other responsible gaming information required by the Commission (“Responsible Gaming Messaging”).
- (3) Such advertising, marketing, branding and other promotional materials shall not use a font, type size, location, lighting, illustration, graphic depiction or color obscuring or limiting the advertisement of such Problem Gambling Helpline Information.
- (4) Information regarding Responsible Gaming Messaging must also meet the following requirements:
  - (a) For signs, direct mail marketing materials, posters and other print advertisements, the height of the font used to advertise Responsible Gaming Messaging must be the greater of:
    - i. The same size as the majority of the text used in the sign, direct mail marketing material, poster or other print advertisement; or
    - ii. 2% of the height or width, whichever is greater, of the sign, direct mail marketing material, poster or other print advertisement.
  - (b) For billboards, the height of the font used for Responsible Gaming Messaging must be at least 5% of the height or width, whichever is greater, of the face of the billboard.
  - (c) For digital billboards, Responsible Gaming Messaging must be visible for the entire time the rest of the advertisement is displayed.
  - (d) For video and television, Responsible Gaming Messaging must be visible for either:

### AMENDMENT #3

- i. The entire time the video or television advertisement is displayed, in which case the height of the font used for Responsible Gaming Messaging must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.
- ii. From the first time Sports Wagering Equipment, a Sports Wagering Facility, a Sports Wagering Area or Sports Wagering is displayed or verbally referenced, and on a dedicated screen shot visible for at least the last three (3) seconds of the video or television advertisement. If the Operator elects to utilize this option, the height of the font used for Responsible Gaming Messaging:
  1. During the advertisement must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.
  2. On the dedicated screen shot must be at least 8% of the height or width, whichever is greater, of the image that will be displayed.

(e) For web sites, including social media sites:

- i. Responsible Gaming Messaging must be posted in a conspicuous location on each website or profile page and on a gaming related advertisement posted on the webpage or profile page.
- ii. The height of the font used for Responsible Gaming Messaging must be at least the same size as the majority of the text used in the webpage or profile page.
- iii. For advertisements posted on the webpage or profile page, the height of the font used for Responsible Gaming Messaging must comply with the height required for signs, direct mail marketing materials, posters and other print advertisements.

- (5) All direct advertising, marketing, or promotional materials shall include a clear and conspicuous method allowing patrons to unsubscribe from future advertising, marketing, or promotional communications.

256.07: Self-Excluded Persons

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for sports wagering that is aimed at persons who have enrolled in a Self-Exclusion Program pursuant to 205 CMR 233.
- (2) No Sports Wagering Operator shall direct text messages or unsolicited pop-up advertisements on the internet to an individual in the Self-Exclusion Program or

### AMENDMENT #3

shall allow any employee or agent of the Sports Wagering Operator, or affiliated entity or a third party pursuant to contract, to take such actions.

#### 256.08: Disruption to Viewers

- (1) No Sports Wagering Operator shall allow, conduct, or participate in any advertising, marketing, or branding for Sports Wagering that obscures the game play area at a sporting event.
- (2) Advertisements for Sports Wagering may not be placed by a Sports Wagering Operator at a sports event with such intensity and frequency that they represent saturation of that medium or become excessive.

#### 256.09: Endorsements

- (1) An advertisement for Sports Wagering shall not state or imply endorsement by minors, persons aged 18 to 20 (other than professional athletes), collegiate athletes, schools or colleges, or school or college athletic associations.
- (2) An individual who participates in Sports Wagering in the Commonwealth under an agreement with a Sports Wagering Operator for advertising, branding or promotional purposes must disclose the relationship and may not be compensated in promotional credits for additional wagers.
- (3) Endorsements must comply with the Federal Trade Commission's Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, [including the disclosure guidance in 16 C.F.R. 255.5.](#)

#### 256.10: Records

- (1) Each Sports Wagering Operator shall retain a copy of all advertising, marketing, branding and other promotional materials promoting or intended to promote any Sports Wagering within the Commonwealth, including a log of when, how, and with whom, those materials have been published, aired, displayed, or disseminated, for six (6) years. A Sports Wagering Operator shall also grant the Commission access to all social media platforms utilized by or on behalf of the licensee for such purposes, provided that an Operator shall not be required to permit the Commission to control or directly alter such content on such platforms. For all directed or targeted advertising and marketing, a Sports Wagering Operator shall maintain records sufficient to describe all targeting parameters used, as well as efforts undertaken to comply with 205 CMR 256.06(1).
- (2) All advertising, marketing, branding, and other promotional materials related to Sports Wagering and the log described in subsection (1) shall be made available to the Commission or its agents upon request.

AMENDMENT #3

256.11:        Enforcement

- (1) A Sports Wagering Operator shall discontinue or modify as expeditiously as possible the use of a particular advertisement, marketing, or branding material in the Commonwealth or directed to residents in this state upon receipt of written notice that the Commission has determined that the advertisement, marketing, or branding material in question does not conform to the requirements of 205 CMR 256.00 or the discontinuance or modification of which is necessary for the immediate preservation of the public peace, health safety, and welfare of the Commonwealth.
- (2) A failure to adhere to the rules of 205 CMR 256.00 may be grounds for disciplinary action under any enforcement method available to the Commission, including emergency enforcement orders to immediately cease and desist such advertising pursuant to 205 CMR 109.
- (3) The Commission may, in addition to, or in lieu of, any other discipline, require an Operator that violates this section 205 CMR 256 to provide electronic copies of all advertising, marketing and promotional materials developed by or on behalf of the Operator to the Commission at least ten (10) business days prior to publication, distribution or airing to the public.





## **SMALL BUSINESS IMPACT STATEMENT**

The Massachusetts Gaming Commission (“Commission”) hereby files this Small Business Impact Statement in accordance with G.L. c. 30A, §2, relative to the proposed amendments to **205 CMR 256 SPORTS WAGERING ADVERTISING**.

This regulation was promulgated as part of the process of promulgating regulations governing sports wagering in the Commonwealth, and is authorized by G.L. c. 23N, §4. It governs the use, protection and retention of patron data by Sports Wagering Operators.

This regulation is unlikely to have an impact on small businesses as it governs employees of, and individuals compensated in any way by, Sports Wagering Operators, Sports Wagering Vendors, or marketing or advertising entities. Under G.L. c.30A, §2, the Commission offers the following responses to the statutory questions:

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

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

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

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

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

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

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

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

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

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



Massachusetts Gaming Commission

Massachusetts Gaming Commission  
By:

/s/ Carrie Torrasi  
Carrie Torrasi, Deputy General Counsel

Dated: February 15, 2024



Massachusetts Gaming Commission

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Legal Division

TO: Cathy Judd-Stein, Chair  
Eileen O'Brien, Commissioner  
Brad Hill, Commissioner  
Nakisha Skinner, Commissioner  
Jordan Maynard, Commissioner

FROM: Carrie Torrisi, Deputy General Counsel  
Mina Makarious, Anderson & Kreiger

DATE: February 15, 2024

RE: Sports Wagering – Line-Moving Safeguards

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We have been asked to review the Commission's existing regulations with respect to existing regulatory protections against sports wagering operator behavior that could have the negative effect of "moving" or changing lines or odds offered for sports wagers in a manner that is unfair to patrons. The Commission has in place several regulations that would prevent such behavior today. These regulations, and suggestions that could provide even stronger protection are summarized here.

- **205 CMR 247.03(4):** The Commission's regulations at 205 CMR 247 provide uniform standards of sports wagering. They are intended to, among other things, ensure the integrity of wagering. Accordingly, before an operator is permitted to offer wagers on a new Sporting Event or Wager Category, the operator must seek the Commission's permission to do so pursuant to 205 CMR 247.03(1) through (3). In reviewing such requests, the Commission in turn is required to find the following criteria are met under 205 CMR 247.03(4):
  - (a) The outcome can be verified;
  - (b) The Sporting Event generating the outcome is conducted in a manner that ensures sufficient integrity controls exist to so the outcome can be trusted;
  - (c) The outcome is not likely to be affected by any Sports Wager placed; and
  - (d) The Sporting Event is conducted in conformity with all applicable laws.

These standards would allow the Commission to prevent the placement of wagers on events that have been affected by unfair play, line moving, or other behavior. *See also* 205 CMR 247.03(12) (permitting the Commission to utilize any information it considers appropriate when approving an event). To the extent that the Commission seeks to



Massachusetts Gaming Commission

emphasize this point, it could amend the regulations to make explicitly clear that conditions must be in place to ensure the *continued* integrity of the event under the above provisions.

- **205 CMR 247.03(10)-(12); 238.35(7):** The Commission’s authority to ensure the integrity of wagers is of course not limited to the initial approval of events. Subsections (10) through (12) of 205 CMR 247.03 allow the Commission to prohibit or cancel Sports Wagers, and require refunds to patrons, where the “wagering would be contrary to the interests of the Commonwealth”. 205 CMR 247.04(10). The Commission has similarly broad authority to order the cancelling or voiding of wagers pursuant to 205 CMR 238.35(7). Again, in using this authority, the Commission may use “any information it considers appropriate”, which could include evidence of line moving or tampering with a wager. 205 CMR 247.03(12).
- **205 CMR 238.18; 28, and 29:** The Commissions’ internal control regulations also provide several additional measures that require operators to have processes to protect the integrity of the wagering process, including the liens offered. The provisions include:
  - **238.18:** Under this provision, the operator must implement “integrity monitoring procedures” that, among other things, are intended to detect irregular changes in odds “that could signal suspicious activities” in accordance with G.L. c. 23N, § 12(a)(I). If odds change due to actions or statements by an operator or a person or entity they are affiliated with, this could signal such irregularity.
  - **238.28 and 29:** An operator’s internal controls must also include procedures regarding the “setting and updating” of odds and monitoring changes to odds. Both sections today would be a basis for the Commission to inquire whether an operator has sufficient safeguards in place to mitigate the potential of line moving. However, both sections could also be amended to explicitly require monitoring for such activity.



205 CMR 247.00: UNIFORM STANDARDS OF SPORTS WAGERING

Section

- 247.01: Authorized and Prohibited Sporting Events and Wager Categories
- 247.02: House Wagering Rules and Patron Access
- 247.03: Petition for a Sporting Event or Wager Category
- 247.04: Prohibiting Wagers for Good Cause
- 247.05: Data Sources and Official League Data
- 247.06: Sports Wagering Tournaments/Contests/Pools
- 247.07: Acceptance of Sports Wagers
- 247.08: Minimum and Maximum Wagers; Additional Wagering Requirements
- 247.09: Promotional Offers
- 247.10: Exchange Wagering and Other Peer-to-Peer Wagering

247.01: Authorized and Prohibited Sporting Events and Wager Categories

- (1) A Sports Wagering Operator may offer Sports Wagering only for those Sporting Events and Wager Categories authorized by the Commission and posted on the Commission's website.
- (2) An Operator shall not offer Sports Wagering on:
  - (a) Any Collegiate Sport or Athletic Event:
    1. With an outcome dependent on the performance of an individual athlete, including, but not limited, to in-game or in-play wagers;
    2. Involving any collegiate teams from the Commonwealth, unless the teams are involved in a Collegiate Tournament.
  - (b) Any eSports event that:
    1. Is not sanctioned by an approved Sports Governing Body or equivalent as authorized by the Commission; and
    2. Has not been endorsed by the Commission pursuant to the procedures set forth in 205 CMR 247.03;
  - (c) Any virtual sports event unless:
    1. A Random Number Generator (RNG), certified by an independent testing laboratory, is used to determine the outcome(s);
    2. A visualization of the virtual sports event is offered to all patrons which displays an accurate representation of the result(s) of the virtual sports event; and
    3. The virtual sports event is approved pursuant to the procedures set forth in 205 CMR 247.03;
  - (d) Any horse or greyhound races;
  - (e) Any injuries, penalties, player discipline, or replay review;
  - (f) Any high school or youth sports or athletic events;
  - (g) Any fantasy contest unless offered pursuant to M.G.L. c. 12, § 11M½ and 940 CMR 34.00: *Daily Fantasy Sports Contest Operators in Massachusetts*;
  - (h) Any Sporting Event or Wager Category in which the outcome has already been determined and is publicly known; or
  - (i) Any other Sporting Event or Wager Category until the Sporting Event or Wager Category has been approved by the Commission in accordance with 205 CMR 247.03.

247.02: House Wagering Rules and Patron Access

- (1) In accordance with M.G.L. c. 23N, § 10(a), the Sports Wagering Operator shall adopt comprehensive House Rules for Sports Wagering. The Sports Wagering Operator shall not conduct Sports Wagering until the Commission has approved the House Rules and the Sports Wagering Operator shall not conduct Sports Wagering in a manner inconsistent with approved House Rules.

247.02: continued

- (2) In accordance with M.G.L. c. 23N, § 10(b), the Sports Wagering Operator shall make copies of its House Rules readily available to patrons and shall post the same as required by the Commission, including on a prominent place on the Sports Wagering Operator's public website, mobile application or other digital platform, and where applicable, prominently within the Sports Wagering Facility or Sports Wagering Area. Said copies of the Sports Wagering Operator's House Rules shall state the date on which they became effective. The Sports Wagering Operator shall provide previous versions of its House Rules to any patron upon written request.
- (3) The House Rules must address the following items regarding Sports Wagers, at a minimum:
- (a) Types of Sports Wagers accepted;
  - (b) Minimum and maximum Sports Wagers;
  - (c) Description of the process for handling incorrectly posted events, odds, Sports Wagers, or results;
  - (d) Methods for the calculation and payment of winning Sports Wagers;
  - (e) Effect of schedule changes;
  - (f) Methods of notifying patrons of odds or proposition changes;
  - (g) Whether the Operator accepts Sports Wagers at other than posted terms;
  - (h) Procedures related to pending winning Sports Wagers;
  - (i) Methods of contacting the Sports Wagering Operator for questions and complaints including information explaining how complaints can be filed, how complaints are resolved, and how the patron may submit a complaint to the Commission;
  - (j) Description of prohibited persons pursuant to 205 CMR 238.33: *Prohibited Persons*, restricted patrons pursuant to 205 CMR 238.32: *Restricted Patrons*, and Sporting Events and Wager Categories on which Sports Wagers may not be accepted under M.G.L. c. 23N and 205 CMR 247.02;
  - (k) Methods of funding a Sports Wager;
  - (l) Maximum payouts; however, such limits must only be established through limiting the amount of a Sports Wager and cannot be applied to reduce the amount paid to a patron as a result of a winning Sports Wager;
  - (m) Parlay-Wager-related rules;
  - (n) The Operator's policy for canceling or voiding Sports Wagers in accordance with 205 CMR 238.35;
  - (o) The Operator's policy for when an event or any component of an event on which Sports Wagers are accepted is canceled or suspended, including the handling of Sports Wagers with multiple selections, such as parlays, where one or more of these selections is canceled; and
  - (p) Any additional content for House Rules outlined in 205 CMR 243.01: *Standards for Sports Wagering Equipment*.
- (4) The Sports Wagering Operator shall not change or modify the House Rules without the prior written approval of the Commission. Failure by an Operator to act in accordance with its House Rules may result in disciplinary action.

247.03: Petition for a Sporting Event or Wager Category

- (1) Any Operator may petition the Commission for approval of a new Sporting Event or Wager Category.
- (2) A proposed new Sporting Event or Wager Category may be a variation of an authorized Sporting Event or Wager Category, a composite of authorized Sporting Events or Wager Categories, or a new Sporting Event or Wager Category.
- (3) A petition for a proposed new Sporting Event or Wager Category shall be in writing and must include, at a minimum, the following information:
  - (a) The name of the Sporting Event or Wager Category;
  - (b) Whether the Sporting Event or Wager Category is a variation of an authorized Sporting Event or Wager Category, a composite of authorized Sporting Events or Wager Categories, or a new Sporting Event or Wager Category;



247.03: continued

- (c) The name of the Sports Wagering Operator(s) sponsoring the petition;
  - (d) A complete and detailed description of the Sporting Event or Wager Category for which approval is sought, including:
    - 1. A summary of the Sporting Event or Wager Category and the manner in which Sports Wagers would be placed and winning Sports Wagers would be determined;
    - 2. A draft of the proposed House Rules, including a description of any technology that would be utilized to offer Sports Wagering on the Sporting Event or Wager Category;
    - 3. Any rules or voting procedures related to the Sporting Event or Wager Category;
    - 4. Assurance that the Sporting Event or Wager Category meets the requirements of 205 CMR 247.03(4);
    - 5. Whether and to what extent the outcome of the Sporting Event or Wager Category is determined solely by chance;
  - (e) If the proposed Sporting Event or Wager Category is based on eSports activities, complete information about:
    - 1. The proposed location(s) of the eSports event(s);
    - 2. The video game used for the eSports event, including, without limitation, the publisher of the video game;
    - 3. The eSports event operator, whether the eSports event operator is approved to host events by the video game publisher, and whether the eSports event operator has any affiliation with the video game publisher;
    - 4. The manner in which the eSports event is conducted by the eSports event operator, including, without limitation, eSports event rules and certification from a third party, such as an eSports event operator or the game publisher, that the eSports event meets the Commission's event integrity requirements;
  - (g) The name of any Sports Governing Body or equivalent organization, as authorized by the Commission;
  - (h) To the extent known by the petitioner(s), a description of policies and procedures regarding event integrity;
  - (i) Any other information or material requested by the Bureau or Commission.
- (4) The Commission shall not grant the petition and authorize the Sporting Event or Wager Category unless the following minimum criteria are met:
- (a) The outcome can be verified;
  - (b) The Sporting Event generating the outcome is conducted in a manner that ensures sufficient integrity controls exist so the outcome can be trusted;
  - (c) The outcome is not likely to be affected by any Sports Wager placed; and
  - (d) The Sporting Event is conducted in conformity with all applicable laws.
- (5) The Commission will consider the request, all provided materials, and any relevant input from the Sports Governing Body, the conductor of the Sporting Event or related Players Associations, prior to authorizing a Sporting Event or Wager Category.
- (6) In its sole discretion, the Commission may require an appropriate test or experimental period, under such terms and conditions as the Commission may reasonably require, before granting final approval to a Sporting Event or Wager Category.
- (7) In its sole discretion, the Commission may subject any technology that would be used to offer a Sporting Event or Wager Category to testing, investigation, and approval.
- (8) The Commission may grant, deny, limit, restrict, or condition a request made pursuant to this rule, and may revoke, suspend, or modify any approval granted under this rule.
- (9) The Commission shall notify all Sports Wagering Operators of any changes to authorized Sporting Events and Wager Categories.
- (10) The Commission may prohibit the acceptance of any Sports Wagers, and may order the cancellation of Sports Wagers and require refunds on any Sporting Event or Wager Category, for which wagering would be contrary to the interests of the Commonwealth.

247.03: continued

(11) If a Sports Wagering Operator offers an unauthorized or prohibited Sporting Event or Wager Category, the Sports Wagering Operator must immediately cancel and refund all Sports Wagers associated with the unauthorized or prohibited Sporting Event or Wager Category; provided, however, that where only a portion of a Sports Wager with multiple selections, such as a parlay, is unauthorized, the Sports Wagering Operator may cancel only that portion of the Sports Wager in accordance with the provisions of their House Rules if properly disclosed in accordance with 205 CMR 247.02(3)(o). The Sports Wagering Operator must notify the Commission promptly after cancelling any Sports Wager and again after refunding any Sports Wager.

(12) The Commission may use any information it considers appropriate, including, but not limited to, information received from a Sports Governing Body, in determining whether to authorize or prohibit wagering on a particular Sporting Event or Wager Category.

247.04: Prohibiting Wagers for Good Cause

(1) Pursuant to M.G.L. c. 23N, § 11(b), a Sports Governing Body, equivalent organization, as authorized by the Commission, or related Players Association may request in writing that the Commission restrict, limit or exclude a certain type, form or category of Sports Wagering with respect to Sporting Events of the Sports Governing Body, if the Sports Governing Body or Players Association believes that such type, form or category of Sports Wagering with respect to Sporting Events of the Sports Governing Body:

- (a) Is contrary to public policy;
- (b) Is unfair to patrons;
- (c) May undermine the perceived integrity of the Sports Governing Body, Sporting Events of the Sports Governing Body, or the athletes participating therein; or
- (d) Affects the integrity of the Sports Governing Body, Sporting Events of the Sports Governing Body, or the integrity, health or welfare of the athletes participating therein or that of their families.

(2) The request must be submitted in the form and manner prescribed by the Commission and must include, at a minimum, all of the following:

- (a) The identity of the requestor, and contact information for at least one individual who shall be the primary point of contact for questions related to the request;
- (b) A description of the Sporting Event or Wager Category that is the subject of the request;
- (c) Information explaining why the requestor believes the requirements of 205 CMR 247.04(1) are met; and
- (d) Any other information required by the Commission.

(3) The Commission shall grant the request upon good cause shown, or deny the request otherwise; provided, however, that if the Commission determines that the requestor is more likely than not to make a showing of good cause, the Commission may provisionally grant the request until the Commission makes a final determination as to whether the requestor has shown good cause.

(4) If the request concerns a particular Sporting Event, it must be sent to the Commission at least ten days before the event, unless the request involves allegations of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity, in which case it must be sent to the Commission as soon as is reasonably practical.

(5) The Commission shall grant or deny any request concerning a particular Sporting Event, received at least ten days before the event, before the event. Otherwise, the Commission shall grant or deny any request within fourteen days;

(6) Upon receiving a complete request under 205 CMR 247.04(1), the Commission shall request comment from Sports Wagering Operators on all such requests in writing. The request shall include the date by which any written responses must be submitted to the Commission. All Sports Wagering Operators must be given an opportunity which is reasonable under all the circumstances to respond to the request.

247.04: continued

- (7) A Sports Wagering Operator may continue to offer Sports Wagering on any Sporting Event that is the subject of a request until the Commission provisionally grants or grants the request.
- (8) Nothing in 205 CMR 247.04 shall be construed to limit or restrict the Commission's authority to restrict, limit or exclude a certain type, form or category of Sports Wagering on its own initiative, without a request pursuant to 205 CMR 247.04(1).

247.05: Data Sources and Official League Data

- (1) Except as otherwise provided in 205 CMR 247.05, a Sports Wagering Operator may use any licensed data source to determine the results of all tier 1 Sports Wagers and tier 2 Sports Wagers, subject to all of the following conditions:
- (a) The data source and corresponding data must be complete, accurate, reliable, timely, and available.
  - (b) The data source must be appropriate to settle the types of events and types of wagers for which it is used.
  - (c) The data is not obtained directly or indirectly from live event attendees who collect the data in violation of the terms of admittance to an event, or through automated computer programs that compile data from the Internet in violation of the terms of service of any website or other Internet platform.
  - (d) The proprietor or manager of any data source that provides data directly to a Sports Wagering Operator must be licensed by the Commission as a Sports Wagering Vendor.
  - (e) The data source and corresponding data must meet any other conditions set by the Commission.
- (2) A Sports Wagering Operator shall report to the Commission the data source that it uses to resolve Sports Wagers. The Commission may disapprove of a data source for any reason.
- (3) In accordance with M.G.L. c. 23N, § 4(c)(i), a Sports Wagering Operator shall not purchase or use any personal biometric data.
- (4) A Sports Governing Body headquartered in the United States may notify the Commission that it desires Sports Wagering Operators to use official league data to settle tier 2 Sports Wagers on the Sports Governing Body's Sporting Events. The notification shall be made in the form and manner required by the Commission and must include, at a minimum, all of the following:
- (a) Identification information for the Sports Governing Body;
  - (b) Identification and contact information for at least one specific individual who will be the primary point of contact for issues related to the provision of official league data and compliance with the act and these rules;
  - (c) Identification and contact information for any designees that are or will be expressly authorized by the Sports Governing Body to provide official league data in Massachusetts;
  - (d) Copies of any contracts relevant to the provision of official league data in Massachusetts, including all of the following:
    - 1. Copies of any contracts between the Sports Governing Body and any designees that are or will be expressly authorized by the Sports Governing Body to provide official league data in Massachusetts; and
    - 2. Copies of any contracts between the Sports Governing Body or its designees and Sports Wagering Operators in Massachusetts;
    - 3. A description of the official league data the Sports Governing Body desires to provide; and
  - (e) Any other information required by the Commission.
- (5) A Sports Governing Body may not submit a notification under 205 CMR 247.05(4) unless the Commission has authorized Sports Wagering Operators to accept tier 2 wagers on athletic events of the Sports Governing Body.
- (6) Within five days of receipt of the notification, the Commission shall notify each Sports Wagering Operator of the requirement to use official league data to settle tier 2 Sports Wagers. If a Sports Governing Body does not notify the Commission of its desire to supply official league data, a Sports Wagering Operator may use any data source for determining the results of any and all tier 2 Sports Wagers on Sporting Events of the Sports Governing Body.

247.05: continued

(7) Within 60 days of the Commission issuing a notification pursuant to 205 CMR 247.05(4), or such longer period as may be agreed between the Sports Governing Body and the applicable Sports Wagering Operator, a Sports Wagering Operator shall use only official league data to determine the results of tier 2 Sports Wagers on Sporting Events of that Sports Governing Body, unless:

- (a) The Sports Governing Body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier 2 Sports Wager, in which case a Sports Wagering Operator may use any data source for determining the results of the applicable tier 2 Sports Wager until such time a data feed becomes available from the Sports Governing Body on commercially reasonable terms and conditions; or
- (b) A Sports Wagering Operator can demonstrate to the Commission that the Sports Governing Body or its designee will not provide a feed of official league data to the Sports Wagering Operator on commercially reasonable terms and conditions.

(8) In evaluating whether official league data is offered on commercially reasonable terms and conditions for purposes of 205 CMR 247.05(7)(a), the Commission may consider:

- (a) The availability of official league data to a Sports Wagering Operator from more than one authorized source and whether it is offered under materially different terms;
- (b) Market information, including, but not limited to, price and other terms and conditions of Sports Wagering Operators' purchases of comparable data in the Commonwealth and other jurisdictions;
- (c) The characteristics of the official league data and any alternate data sources, including:
  - 1. The nature, quantity, quality, integrity, completeness, accuracy, reliability, availability, and timeliness of the data;
  - 2. The quality, complexity, integrity, and reliability of the process used to collect the data; and
  - 3. Any other characteristics the Commission deems relevant;
- (d) The availability and cost of comparable data from other authorized data sources;
- (e) Whether any terms of the contract or offer sheet are uncompetitive in nature, are economically unfeasible, or otherwise unduly burden the Sports Wagering Operator; and
- (f) Any other factors the Commission deems relevant.

(9) Notwithstanding 205 CMR 247.05(7) or any provision of 205 CMR 247.05 to the contrary, during the pendency of the determination of the Commission as to whether a Sports Governing Body or its designee may provide official league data on commercially reasonable terms, a Sports Wagering Operator may use any data source to determine the results of tier 2 Sports Wagers. The determination shall be made within 120 days of the Sports Wagering Operator notifying the Commission that it requests to demonstrate that the Sports Governing Body or its designee will not provide a feed of official league data to the Sports Wagering Operator on commercially reasonable terms.

(10) The Commission shall maintain, and may publish, a list of all Sports Governing Bodies that provide official league data under 205 CMR 247.05.

(11) At any time, a Sports Governing Body may give written notification to the Commission and all Sports Wagering Operators to which the Sports Governing Body or its designee provides official league data that the Sports Governing Body intends to stop providing official league data. The written notification shall specify in the date on which the Sports Governing Body shall stop providing official league data. Said date shall be no fewer than seven days later than the date of the written notification. On receipt of the written notification, a Sports Wagering Operator may use any data source that meets the requirements of 205 CMR 247.05(1) to determine the results of tier 2 Sports Wagers on athletic events of the Sports Governing Body.

(12) If a Sports Governing Body does not notify the Commission of its desire to supply official league data under 205 CMR 247.05, a Sports Wagering Operator may use any data source that meets the requirements of 205 CMR 247.05(1) for determining the results of any and all tier 2 Sports Wagers on Sporting Events of the Sports Governing Body.

247.05: continued

(13) A Sports Governing Body may enter into commercial agreements with a Sports Wagering Operator or other entity in which such Sports Governing Body may share in the amount wagered or revenues derived from Sports Wagering on Sporting Events of the Sports Governing Body. A Sports Governing Body shall not be required to obtain a license or any other approval from the Commission to lawfully accept such amounts or revenues.

247.06: Sports Wagering Tournaments/Contests/Pool

(1) No Sports Wagering tournament, contest, or pool shall be conducted unless the Sports Wagering Operator, before the first time a given type of tournament, contest, or pool is offered, files a written request with the Commission to offer that type of tournament, contest, or pool, and the Commission grants the request.

(2) The request must provide a detailed description of the type of tournament, contest, or pool and must include the rules of the tournament, contest, or pool, the requirements for entry, the entry fees, the rake, and potential payouts. The request must also indicate whether or not the proposed type involves a shared liquidity pool available to patrons in Massachusetts and other jurisdictions with the prize pool comprising entry fees collected from patrons in multiple jurisdictions.

(3) Once a Sports Wagering Operator receives approval to offer a type of tournament, contest, or pool, the Sports Wagering Operator shall not be required to seek additional approvals from the Commission for each subsequent type that has only variations to the size, number of entries permitted, entry fee, or prize structure, or other minor variations as allowed by the Commission.

(4) Each Sports Wagering Operator must maintain a record of each tournament, contest, or pool it offers, which must address, at a minimum, all of the following:

- (a) Name or identification of the tournament, contest, or pool;
- (b) The date and time the tournament, contest, or pool occurred or will occur (if known);
- (c) Relevant Sporting Events and Wager Categories;
- (d) Rules concerning play or participation in the tournament, contest, or pool;
- (e) For each registered patron:
  1. The patron's unique identifier;
  2. The amount of entry fees collected from the patron, including any Promotional Gaming Credits, and the date collected;
  3. The patron's scorings/rankings; and
  4. Any payouts to the patron, including any Promotional Gaming Credits, and the date paid;
- (f) Total rake, Commission, or fees collected;
- (g) Funding source amount or amounts comprising the prize pool, including buy-ins, re-buys, or add-ons;
- (h) Prize structure of payouts;
- (i) The methodology for determining winner or winners; and
- (j) The current status of the tournament, contest, or pool.

(5) The Sports Wagering Operator's rake collected from patrons located within the Commonwealth who enter a tournament, contest, or pool (less any rake adjustment, if applicable), is Sports Wagering revenue subject to all taxes and tax requirements outlined in 205 CMR 240: *Sports Wagering Revenue Tax Remittance and Reporting*, and:

- (a) At no time shall the calculation resulting from a rake or rake adjustment be negative; and
- (b) For a tournament, contest, or pool which utilizes shared liquidity available to patrons in Massachusetts and other jurisdictions, the rake rate must be the same for all jurisdictions participating.

(6) All Breaks from each prize pool must be transferred to the Sports Wagering Control Fund in accordance with M.G.L. c. 23N, § 15(a).

247.07: Acceptance of Sports Wagers

- (1) Available Sports Wagers must be displayed to the public. The display must include the odds and a brief description of the Sporting Event and wagering proposition.
- (2) A Sports Wagering Operator may not accept a Sports Wager on a Sporting Event unless the availability of that Wager is posted in accordance with 205 CMR 247.07(1).
- (3) A Sports Wagering Operator may not set lines or odds or offer wagering propositions designed for the purposes of ensuring that a patron will win a Sports Wager or a series of Sports Wagers, unless the lines, odds, or wagering propositions are offered in connection with a promotional offer made in accordance with 205 CMR 247.09.
- (4) Sports Wagers may only be placed from:
  - (a) A sports wagering counter or other counter locations within a Sports Wagering Facility or Sports Wagering Area as approved by the Commission;
  - (b) A Sports Wagering Kiosk, within a Sports Wagering Facility or Sports Wagering Area and in a location approved by the Commission;
  - (c) A designated counter in the cashier's cage within a Sports Wagering Facility or Sports Wagering Area for the redemption of winning sports wagering tickets or vouchers; or
  - (d) A mobile application or digital platform approved by the Commission.
- (5) Sports wagers within a Sports Wagering Facility or Sports Wagering Area may only be conducted with chips, tokens, electronic cards, or:
  - (a) Cash or cash equivalents;
  - (b) Foreign currency and coin converted to U.S. currency;
  - (c) Digital, crypto and virtual currencies converted to cash;
  - (d) Electronic funds transfers (EFTs), including online and mobile payment systems;
  - (e) Debit instruments, including debit cards and prepaid access instruments;
  - (f) Promotional gaming credits;
  - (g) Winning sports wagering tickets or vouchers;
  - (h) Sports Wagering Accounts; or
  - (i) Any other means approved by the Commission or its designee.
- (6) Sports wagering transactions using a mobile application or other digital platform may only be conducted by a patron physically located within the Commonwealth, using their Sports Wagering Account.
- (7) A Sports Wagering Operator shall prohibit any use of credit cards, either directly or indirectly, including without limitation through an account funded by credit card, in placing Sports Wagers.
- (8) A Sports Wagering Operator shall record the Personally Identifiable Information required to register for a Sports Wagering Account under 205 CMR 248.03(1) before accepting anonymous Sports Wagers in excess of \$10,000 or issuing payouts on anonymous Sports Wagers in excess of \$10,000.
  - (a) The Sports Wagering Operator shall not knowingly allow, and shall take reasonable steps to prevent, the circumvention of reporting requirements through a patron making a structured transaction, including multiple Sports Wagers or a series of Sports Wagers that are designed to accomplish indirectly that which could not be accomplished directly. A Sports Wager or wagers need not exceed the dollar thresholds at any single Sports Wagering Operator in any single day in order to constitute prohibited structuring.
  - (b) The Sports Wagering Operator shall not knowingly assist, encourage or instruct a player in structuring or attempting to structure Sports Wagers.
  - (c) 205 CMR 247.07(8) does not prohibit a Sports Wagering Operator from informing a player of the regulatory requirements imposed upon the Sports Wagering Operator, including the definition of structured Sports Wagers.
- (9) A Sports Wagering Operator must provide for the patron's review and finalization of a Sports Wager before the Sports Wagering Operator accepts it. The Sports Wagering Operator shall not change a Sports Wager after the patron has reviewed and finalized the wager. To the extent permitted by approved House Rules, a patron may change a Sports Wager after the patron has reviewed and finalized the wager.



247.07: continued

(10) A Sports Wagering Operator may cancel an accepted Sports Wager only in accordance with 205 CMR 238.35.

(11) Except as otherwise provided in 205 CMR 238.35: *Cancelled or Voided Wagers* may not unilaterally cancel an accepted Sports Wager without prior written approval of the Commission. A Ticket Writer, as defined in 205 CMR 238.01: *Definitions*, may not cancel a Sports Wager for which the Ticket Writer assisted the patron for wager placement and must instead call a supervisor to cancel the Sports Wager.

(12) A Sports Wagering Operator shall have no obligation to accept a Sports Wager if unable to do so due to equipment failure.

247.08: Minimum and Maximum Wagers; Additional Wagering Requirements

(1) Unless otherwise directed by the Commission, there is no limitation as to the minimum or maximum wager a Sports Wagering Operator may accept. This rule does not preclude a Sports Wagering Operator from establishing its own minimum or maximum wagers or limiting a patron's Sports Wager for reasons considered necessary or appropriate by the Sports Wagering Operator.

(2) A Sports Wagering Operator shall provide notice of the minimum and maximum wagers in effect for each Sporting Event or Wager Category and any changes thereto in accordance with 205 CMR 247.03(3).

(3) Notwithstanding 205 CMR 247.08(2), a Sports Wagering Operator may, in its discretion, permit a player to wager below the established minimum wager or above the established maximum wager unless otherwise directed by the Commission.

(4) Nothing in 205 CMR 247.08 shall preclude a Sports Wagering Operator from establishing additional wagering requirements that are consistent with the House Rules, provided that the Sports Wagering Operator satisfies the notice requirements of 205 CMR 247.03(3).

247.09: Promotional Offers

(1) A Sports Wagering Operator must maintain a record of all promotional offers related to Sports Wagering. For each promotional offer, the Operator must document, at a minimum, the following:

- (a) The name or identification of the promotional offer;
- (b) The terms of the promotional offer, as specified in 205 CMR 247.09(2);
- (c) The date(s) and time(s) the promotional offer was or is scheduled to be available;
- (d) The date and time the promotional offer was or is scheduled to become discontinued;
- (e) The current status of the Promotional offer; and
- (f) The conditions or circumstances under which the promotion is displayed to a patron.

(2) Disclosure of Terms.

(a) Sports Wagering Operators shall fully and accurately, clearly and conspicuously disclose the material terms of all promotional offers at the time such offers are advertised. If the material terms of a promotional offer cannot be fully and accurately disclosed within the constraints of a particular advertising medium, the promotional offer may not be advertised in that medium.

(b) Sports Wagering Operators shall provide full disclosures of the terms of and limitations on the offer before the patron provides anything of value in exchange for the offer. The terms disclosed according to 205 CMR 247.09(2)(b) must include, at a minimum, all of the following:

1. The date and time advertisements for the offer are being presented;
2. The date(s) and time(s) the offer is available;
3. The date and time the offer becomes discontinued;
4. Any requirements for a patron to be eligible;
5. Any associated restriction on withdrawals of funds;

247.09: continued

6. Wagering requirements and limitations on Sporting Events or Wager Categories;
7. How the patron will be notified when they have received an award;
8. The order in which funds are used for wagers;
9. Eligible Sporting Events or Wager Categories; and
10. Rules regarding cancellation.

(3) No promotional offer available to new patrons may contain terms that delay full implementation of the ability to redeem the Offer, for a period of longer than 30 days, or require the patron to maintain an account with the Operator for longer than 30 days to be eligible for the Offer, regardless of the amount of Sports Wagering in that period by the patron.

(4) No promotional offer may reward, be contingent upon, or otherwise relate to a patron's referral of other patrons to the Operator.

(5) Promotional offers must comply with all applicable provisions of M.G.L. c. 23N, 205 CMR and all other applicable laws, including 940 CMR 3.00: *Consumer Protection, General Regulations* and 949 CMR 6.00: *Retail Advertising*, provided that 940 CMR 6.08(3)(b), (3)(c), (5)(b), (5)(c) and (6) shall not apply.

(6) A Sports Wagering Operator must provide a clear and conspicuous method for a patron to cancel their participation in a bonus or promotional offer that utilizes restricted wagering credits that cannot be cashed out until a wagering requirement or other restrictions associated with the credits is met:

- (a) Upon request for cancellation, the Sports Wagering Operator shall inform the patron of the amount of unrestricted funds that will be returned upon cancellation and the value of restricted wagering credits that will be removed from the Sports Wagering Account; and
- (b) If a patron elects to proceed with cancellation, unrestricted funds remaining in a patron's Sports Wagering Account must be returned according to the terms of a promotional offer.

(7) Once a patron has met the terms of a promotional offer, a Sports Wagering Operator must not limit payouts earned while participating in the offer.

247.10: Exchange Wagering and Other Peer-to-Peer Wagering

(1) Prior to offering exchange wagering or other peer-to-peer wagering, a Sports Wagering Operator must obtain approval from the Commission. The rake taken on such wagers shall be considered Sports Wagering revenue and is subject to all taxes and tax requirements outlined in 205 CMR 240.00: *Sports Wagering Revenue Tax Remittance and Reporting*.

(2) One or more Sports Wagering Operators may, with prior approval of the Commission, participate in a sports wagering network in accordance with a written agreement that has been executed by each Sports Wagering Operator. The agreement shall:

- (a) Designate the party responsible for the operation and administration of the network;
- (b) Identify and describe the role, authority, and responsibilities of each participating Sports Wagering Operator and, if applicable, any Sports Wagering Vendor;
- (c) Include a description of the process by which significant decisions that affect the operation of the network are approved and implemented by each Sports Wagering Operator; and
- (d) Allocate the gross sports wagering receipts and tax liability between the participating Sports Wagering Operators to ensure the accurate reporting thereof.

(3) Each party to an agreement to participate in a sports wagering network shall be jointly and severally liable for any acts or omissions in violation of M.G.L. c. 23N, 205 CMR, or the policies of the Commission.

REGULATORY AUTHORITY

205 CMR 247.00: M.G.L. 23N, §§ 4, 10, 11 and 13.

Code of Massachusetts Regulations

Title 205: Massachusetts Gaming Commission

Chapter 238.00: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering  
(Refs & Annos)

205 CMR 238.18

238.18: Integrity Monitoring/Suspicious Behavior

Effective: June 7, 2023

Currentness

(1) A Sports Wagering Operator shall implement integrity monitoring procedures. These procedures may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties, or by a licensed Sports Wagering Vendor.

(2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include provisions for a Sports Wagering Operator to, within a reasonable timeframe approved by the Commission, report the following to the Commission:

(a) Any facts or circumstances related to the operation of a Sports Wagering Operator that constitute a violation of state or federal law and also promptly report to the appropriate state or federal authorities any suspicious betting over a threshold set by the Sports Wagering Operator, as approved by the Commission;

(b) Any information regarding irregularities in volume or changes in odds that could signal suspicious activities which were identified in accordance with M.G.L. c. 23N, § 12(a)(i);

(c) Any information relating to criminal or disciplinary proceedings commenced against the Sports Wagering Operator in connection with its operations;

(d) Any information relating to the following, which shall also be reported to the relevant Sports Governing Body:

1. Abnormal betting activity or patterns that may indicate a concern with the integrity of a Sporting Event;

2. Any potential breach of the internal rules and codes of conduct pertaining to Sports Wagering of a relevant Sports Governing Body;

3. Any other conduct that corrupts a betting outcome of a Sporting Event for purposes of financial gain including, but not limited to, match-fixing;

4. Suspicious or illegal Wagering activities, including, but not limited to, use of funds derived from illegal activity, Wagers to conceal or launder funds derived from illegal activity, use of agents to place Wagers, and use of a false identification;

5. Complaints of an athlete engaging in prohibited wagering conduct.

(3) A Sports Wagering Operator shall maintain the confidentiality of information provided by a Sports Governing Body, and a Sports Governing Body shall maintain the confidentiality of information provided by a Sports Wagering Operator for purposes of investigating or preventing the conduct described in 205 CMR 238.18(2)(e), unless:

(a) disclosure is required by M.G.L. c. 23N, the Commission, other law or court order;

(b) disclosure is required by agreement with an applicable players' associations or collective bargaining unit;

(c) the Sports Governing Body or Sports Wagering Operator consents to disclosure;

(d) disclosure is necessary for the Sports Governing Body to conduct and resolve integrity-related investigations; or

(e) the Sports Governing Body deems in its reasonable judgment that disclosure is necessary to maintain the actual or perceived integrity of its sporting events.

(4) A Sports Wagering Operator receiving a report of suspicious betting activity may suspend Wagering on Sporting Events or Wager categories identified in the report, and may place a hold on suspicious Wagers while investigating such suspicious Wagers, but may only cancel or void Sports Wagers related to the report after receiving approval from the Commission.

(5) Upon request by the Commission or its designee, a Sports Wagering Operator shall provide remote, read-only access and the necessary software and hardware for the Commission to evaluate or monitor, at a minimum, the Sports Wagering Platform and the following:

(a) All reports of abnormal betting activity;

(b) If the abnormal betting activity was subsequently determined to be suspicious or illegal Wagering;

(c) All reports deemed suspicious or illegal Wagering activity; and

(d) The actions taken by the Sports Wagering Operator according to its integrity monitoring procedures.

(6) A Sports Wagering Operator shall use commercially reasonable efforts to cooperate with investigations conducted by Sports Governing Bodies or law enforcement agencies, including, but not limited to, using commercially reasonable efforts to provide or facilitate the provision of anonymized betting information and audio or video files relating to Persons placing Wagers pursuant to M.G.L. c. 23N, § 11(h) and (i). All disclosures pursuant to 205 CMR 238.18(5) are subject to the Sports Wagering Operator's obligation to comply with all federal, state and local laws and regulations, including, but not limited to, laws and regulations relating to privacy and Confidential Information or Personally Identifiable Information.

(7) If required pursuant to M.G.L. c. 23N, § 11(i) or (j), a Sports Wagering Operator shall share with the Commission or the Sports Governing Body or its designee, in a frequency, form and manner to be approved by the Commission, the anonymized betting information required in M.G.L. c. 23N, § 11(i) with respect to Sports Wagers on Sporting Events of the Sports Governing Body. Nothing in 205 CMR 238.18 shall require a Sports Wagering Operator to provide any information that is prohibited by federal, state or local law or regulation, including, but not limited to, laws and regulations relating to privacy, Confidential Information or Personally Identifiable Information.

(8) A Sports Wagering Operator shall maintain records of all integrity monitoring services and activities, including all reports of abnormal or suspicious betting activity and any supporting documentation, for a minimum of five years.

(9) The Commission may require a Sports Wagering Operator to provide to the Commission, or to an independent testing laboratory approved by the Commission, any hardware or software necessary for the evaluation of its Sports Wagering offering or to conduct further monitoring of Sports Wagering data.

#### **Credits**

History: 1486 Mass. Reg. 141, (emergency) eff. Dec. 21, 2022; 1492 Mass. Reg. 49, amended (emergency) eff. Mar. 9, 2023; 1494 Mass. Reg. 69, adopted as permanent by Notice of Compliance eff. Mar. 9, 2023; 1498 Mass. Reg. 41, amended (emergency) eff. Jun. 7, 2023; 1503 Mass. Reg. 57, adopted as permanent by Notice of Compliance eff. Jun. 7, 2023.

The Massachusetts Administrative Code titles are current through Register No. 1513, dated January 19, 2024. Some sections may be more current; see credits for details.

Mass. Regs. Code tit. 205, § 238.18, 205 MA ADC 238.18

Code of Massachusetts Regulations

Title 205: Massachusetts Gaming Commission

Chapter 238.00: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering  
(Refs & Annos)

205 CMR 238.28

238.28: Events, Odds and Result Management

Effective: March 9, 2023

Currentness

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures regarding the selection of the events and for setting and updating the odds, wagering margins or blocking events, as well as for receiving the results from reliable sources. Procedures shall exist for validating accuracy and preventing fraudulent activities. Such procedures shall be based on the respect of integrity, responsible gaming, and ensuring transparency.

#### **Credits**

History: 1486 Mass. Reg. 141, (emergency) eff. Dec. 21, 2022; 1492 Mass. Reg. 49, amended (emergency) eff. Mar. 9, 2023; 1494 Mass. Reg. 69, adopted as permanent by Notice of Compliance eff. Mar. 9, 2023.

The Massachusetts Administrative Code titles are current through Register No. 1513, dated January 19, 2024. Some sections may be more current; see credits for details.

Mass. Regs. Code tit. 205, § 238.28, 205 MA ADC 238.28

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Code of Massachusetts Regulations

Title 205: Massachusetts Gaming Commission

Chapter 238.00: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering  
(Refs & Annos)

205 CMR 238.29

238.29: Monitoring the Sports Wagering Activities

Effective: March 9, 2023

Currentness

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures for monitoring all changes to odds or blocking throughout a Sporting Event, monitoring of the Wager category, events and patron transactions for the detection of irregularities, monitoring of winners over a certain amount of gains, and deposits over a certain size. Such procedures shall also specify thresholds of payment and methods of collection.

**Credits**

History: 1486 Mass. Reg. 141, (emergency) eff. Dec. 21, 2022; 1492 Mass. Reg. 49, amended (emergency) eff. Mar. 9, 2023; 1494 Mass. Reg. 69, adopted as permanent by Notice of Compliance eff. Mar. 9, 2023.

The Massachusetts Administrative Code titles are current through Register No. 1513, dated January 19, 2024. Some sections may be more current; see credits for details.

Mass. Regs. Code tit. 205, § 238.29, 205 MA ADC 238.29

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Code of Massachusetts Regulations

Title 205: Massachusetts Gaming Commission

Chapter 238.00: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering  
(Refs & Annos)

205 CMR 238.35

238.35: Cancelled or Voided Wagers

Effective: June 7, 2023

Currentness

For any transaction where a Sports Wagering Operator may cancel or void a Wager, with or without 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. Such system shall include, at a minimum, the following:

(1) Cancellation of an otherwise validly placed Wager by a Sports Wagering Operator shall be nondiscretionary. A Sports Wagering Operator shall cancel or void a Wager without prior authorization of the Commission under the following circumstances:

(a) Any Wager where after a patron has placed a Sports Wager, the Sporting Event is cancelled, postponed or rescheduled to a different date prior to completion of the Sporting Event;

1. In the case of a Wager on a portion of a Sporting Event, that Wager shall be valid when the event is canceled, postponed, or rescheduled if the outcome of the affected portion was determined prior to the cancellation, postponement or rescheduling; or

2. A Sports Wagering Operator may establish a timeframe in which an event may be rescheduled or postponed without canceling the wager. This timeframe shall be tied to specific Sporting Events, subject to the approval of the Commission, and documented in the system of Internal Controls.

(b) A change in the venue where a Sporting Event was scheduled to be held occurs after a patron has placed a Sports Wager;

(c) Any tier 1 Sports Wager in a non-team event when an individual athlete or competitor fails to participate in a Sporting Event and the outcome of the Wager is solely based upon the individual athlete or competitor's performance;

(d) Any tier 2 Sports Wager when an individual athlete or competitor fails to participate in a Sporting Event and the outcome of the wager is solely based upon that individual athlete or competitor's performance;

(e) Any Sports Wager received for an act, or set of acts, to be performed during a Sporting Event when such act or acts does not occur and the ability to Wager on the non-occurrence of the event was not offered. For example, a Sports Wager on punt return yardage in an American football game where no punts occur and zero was not an available Wager;

(f) Any Wager received on whether a team will qualify to participate in post-season competitions when the number of teams allowed to participate in the post-season changes after a patron has placed a Wager;

(g) Changes to rules by a Sports Governing Body regarding the format or number of athletes or competitors scheduled to participate in a defined phase of a sporting event or that particular phase is not played at all;

(h) A material change in circumstances for a given Sporting Event or Wager category occurs, provided:

1. The Commission approves the material change;
2. The Sports Wagering Operator documents the material change in its system of Internal Controls; and
3. The Sports Wagering Operator displays the material change to a patron at the time of placement of the Sports Wager.

(i) When a patron requests a Sports Wager be cancelled or voided prior to the commencement of the Sporting Event due to:

1. An error in communicating the type, amount or parameters of the Wager; or
2. An error of a Ticket Writer entering such transaction in the Sports Wagering Equipment, in such case the ticket writer must call a supervisor to cancel or void the Wager; or

(j) When authorized or ordered by the Commission pursuant to 205 CMR 238.35.

(2) For all circumstances that are not set forth in 205 CMR 238.35(1), a Sports Wagering Operator may request the Commission authorize the cancellation or voiding of all Wagers of a specific type, kind, or subject. A Sports Wagering Operator shall submit its request to cancel or void the Wager in writing, and such request shall contain the following:

(a) A description of the type, kind, or subject of Wager the Sports Wagering Operator is requesting to cancel or void;

(b) A description of any facts relevant to the request; and

(c) An explanation why cancelling or voiding the Wager is in the best interests of the Commonwealth or ensures the integrity of the Sports Wagering industry.

(3) The Sports Wagering Operator shall provide any additional information requested by the Commission to review and approve the request.

(4) The Commission shall issue a written order granting or denying the request to cancel or void the Wager. In determining whether to grant or deny the request, the Commission shall consider any relevant factors, including:

(a) Whether the alleged facts implicate the integrity of the Sporting Event subject to the Wager or the Sports Wagering industry;

(b) Whether the alleged facts implicate possible illegal activity relating to the Sporting Event or the Sports Wagering industry;

(c) Whether allowing the Wager would be unfair to patrons; or

(d) Whether allowing the Wager is contrary to public policy.

(5) No Wager subject to the request to cancel or void shall be redeemed, cancelled, or voided, until the Commission or its designee issues an order granting or denying the request to cancel.

(6) If the Commission or its designee grants the request to cancel or void, the Sports Wagering Operator shall make commercially reasonable efforts to notify patrons of the cancellation or voiding of the Wager.

(7) The Commission or its designee has discretion to order all Sports Wagering Operators to cancel or void all Wagers on a specific Sporting Event or Wagers of a specific type or kind on a specific Sporting Event. In exercising its discretion, the Commission shall apply the same factors described in 205 CMR 238.35(1).

(8) A patron may request the Commission or its designee review any Wager declared cancelled or voided by a Sports Wagering Operator. If the Commission or its designee concludes there is no reasonable basis to believe there was obvious error in the placement or acceptance of the Wager, the Commission or its designee may order the Sports Wagering Operator to honor the Wager.

(9) If a Wager is declared canceled or voided, the Wager shall be refunded to the patron and that amount shall be deducted from the Adjusted Gross Sports Wagering Receipts. For cancelled or voided Wagers not tied to a Sports Wagering Account, the following shall apply:

(a) Any cancelled or voided Wager shall be refunded upon request by a patron prior to the expiration of the original redemption period and shall be deducted from Adjusted Gross Sports Wagering Receipts; and

(b) At the expiration of any outstanding cancelled or voided Wager which has not been refunded, the original amount of the outstanding Wager shall be deducted from Adjusted Sports Wagering Receipts and remitted to the Sports Wagering Fund.

(10) All voided or cancelled Wagers and all refunds of any voided or cancelled Wager pursuant to 205 CMR 238.35 shall be logged at the time they occur and such log must be made available to the Commission upon request.

**Credits**

History: 1486 Mass. Reg. 141, (emergency) eff. Dec. 21, 2022; 1492 Mass. Reg. 49, amended (emergency) eff. Mar. 9, 2023; 1494 Mass. Reg. 69, adopted as permanent by Notice of Compliance eff. Mar. 9, 2023; 1498 Mass. Reg. 41, amended (emergency) eff. Jun. 7, 2023; 1503 Mass. Reg. 57, adopted as permanent by Notice of Compliance eff. Jun. 7, 2023.

The Massachusetts Administrative Code titles are current through Register No. 1513, dated January 19, 2024. Some sections may be more current; see credits for details.

Mass. Regs. Code tit. 205, § 238.35, 205 MA ADC 238.35

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

FROM: Kathleen Kramer, Interim Chief Enforcement Counsel/Assistant Director/Senior Enforcement Counsel

CC: Caitlin Monahan, IEB Director  
Todd Grossman, Interim Executive Director/General Counsel

DATE: February 7, 2024

RE: Sports Wagering Noncompliance Matters

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At the February 15, 2024, Public Meeting, the IEB will presenting the following Sports Wagering Noncompliance matters to the Commission:

1. BetMGM, Category 3 Sports Wagering Operator – Wagering on Unauthorized Event – Player Penalty Cards – Soccer Events
2. MGM Springfield, Category 1 Sports Wagering Operator – Wagering on an Unauthorized Event – UMass Basketball
3. BetMGM Category 3 Sports Wagering Operator – Wagering on an Event after Results were Known -
  - a. Table Tennis
  - b. NFL



Massachusetts Gaming Commission





# PLAINRIDGE PARK

Q4 2023 REPORT



# RETAIL SPORTS WAGERING REVENUE AND TAXES

Year	Quarter	Taxable Sports Wagering Revenue	Sports Wagering Taxes
2023	Q1	\$972,663	\$145,899
	Q2	\$630,385	\$94,558
	Q3	\$575,136	\$86,270
	Q4	\$902,732	\$135,410
	<b>Total</b>	<b>\$3,080,916</b>	<b>\$462,137</b>

In addition to the Retail Sportsbook, Plainridge Park has 20 sports wagering kiosks.

# GAMING REVENUE AND TAXES

Year	Quarter	Net Slot Revenue	State Taxes	Race Horse Taxes	Total Taxes
2022	Q1	\$33,730,006	\$13,492,002	\$3,035,701	\$16,527,703
	Q2	\$36,607,522	\$14,643,009	\$3,294,677	\$17,937,686
	Q3	\$36,659,335	\$14,663,734	\$3,299,340	\$17,963,074
	Q4	\$36,066,338	\$14,426,558	\$3,245,970	\$17,672,528
	<b>Total</b>	<b>\$143,063,201</b>	<b>\$57,225,303</b>	<b>\$12,875,688</b>	<b>\$70,100,991</b>
2023	Q1	\$38,463,638	\$15,385,455	\$3,461,727	\$18,847,183
	Q2	\$39,147,502	\$15,659,001	\$3,523,275	\$19,182,276
	Q3	\$40,057,478	\$16,022,991	\$3,605,173	\$19,628,164
	Q4	\$37,967,705	\$15,187,082	\$3,417,093	\$18,604,176
	<b>Total</b>	<b>\$155,636,323</b>	<b>\$62,254,529</b>	<b>\$14,007,269</b>	<b>\$76,261,798</b>

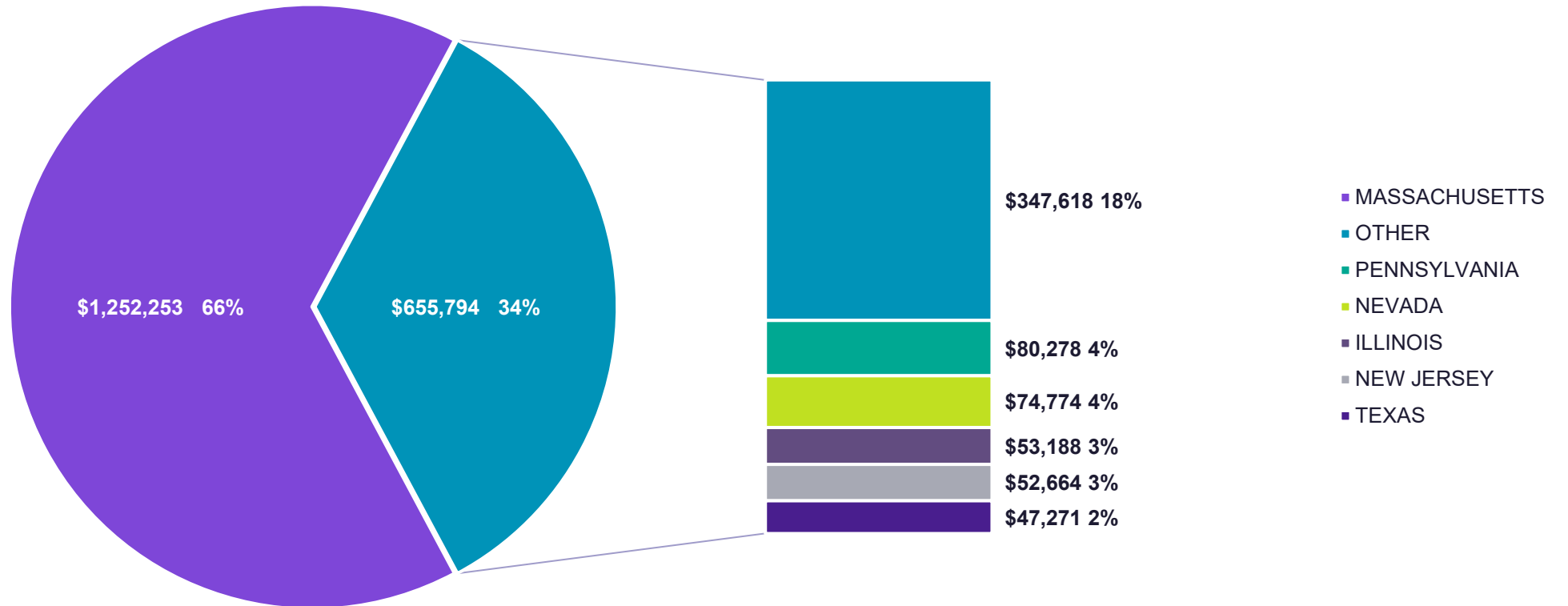
# LOTTERY SALES

Quarter	2023	2022	\$ Difference	% Difference
Q1	\$588,793	\$507,710	\$81,083	16.0%
Q2	\$645,963	\$485,744	\$160,219	33.0%
Q3	\$656,103	\$529,297	\$126,806	24.0%
Q4	\$594,279	\$532,016	\$62,263	11.7%
<b>Total</b>	<b>\$2,485,138</b>	<b>\$2,054,767</b>	<b>\$433,371</b>	<b>20.9%</b>

- PPC currently has five instant ticket machines and three online terminals
- We previously had four online terminals. One was removed, by the Lottery, for the Sportsbook / Bar renovation

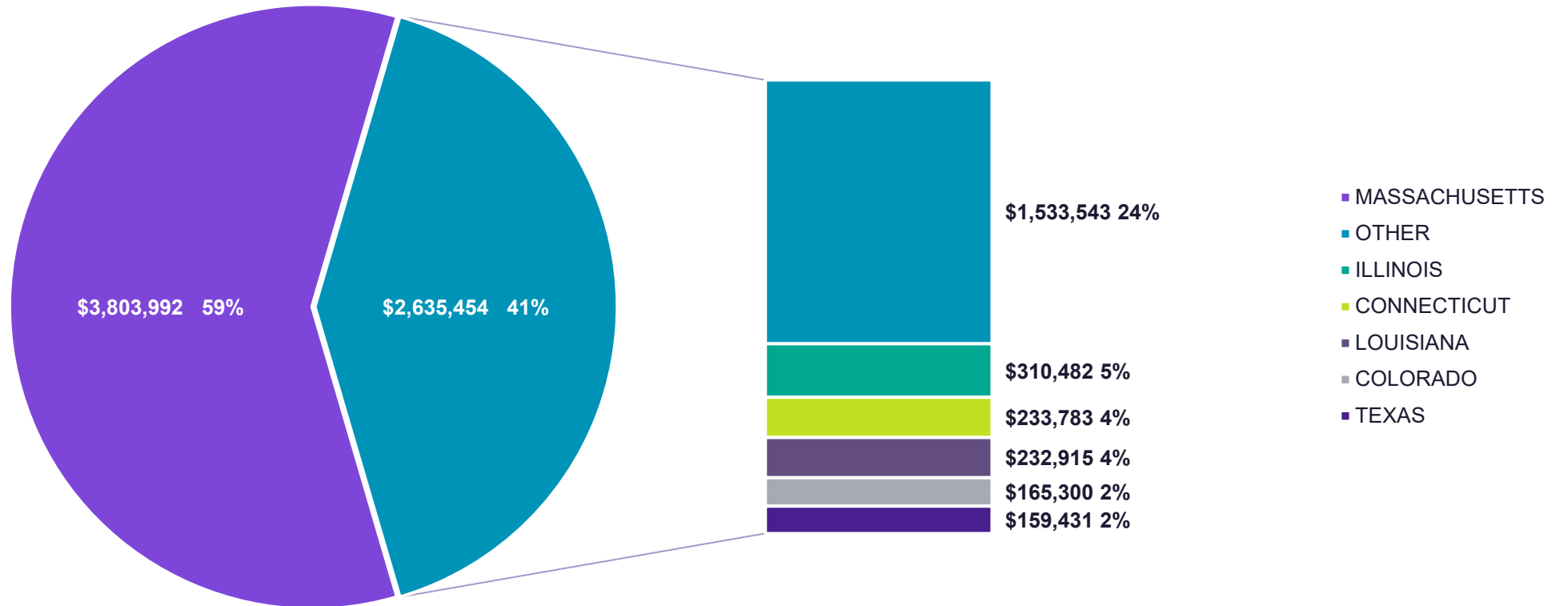
# SPEND BY STATE

## Q4 2023 Total Qualified Spend By State



# SPEND BY STATE

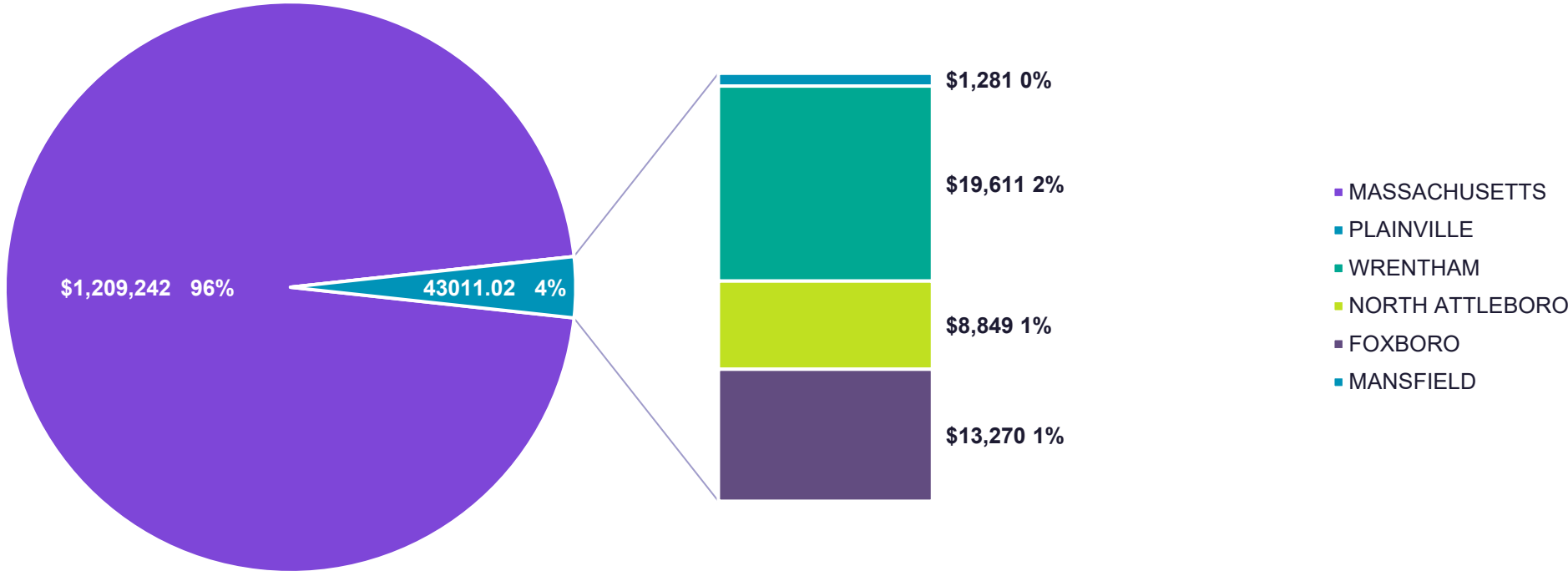
## Full Year 2023 Total Qualified Spend By State





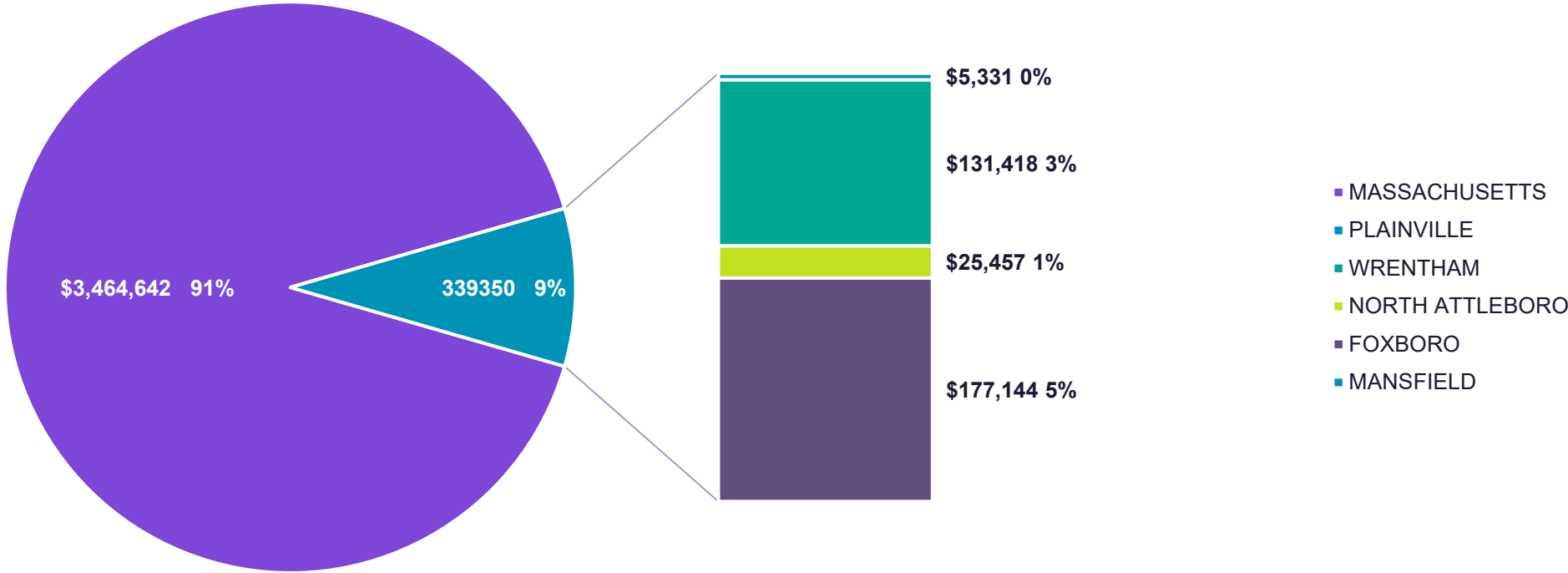
# LOCAL SPEND

## Q4 2023 Massachusetts vs Host & Surrounding Community Qualified Spend



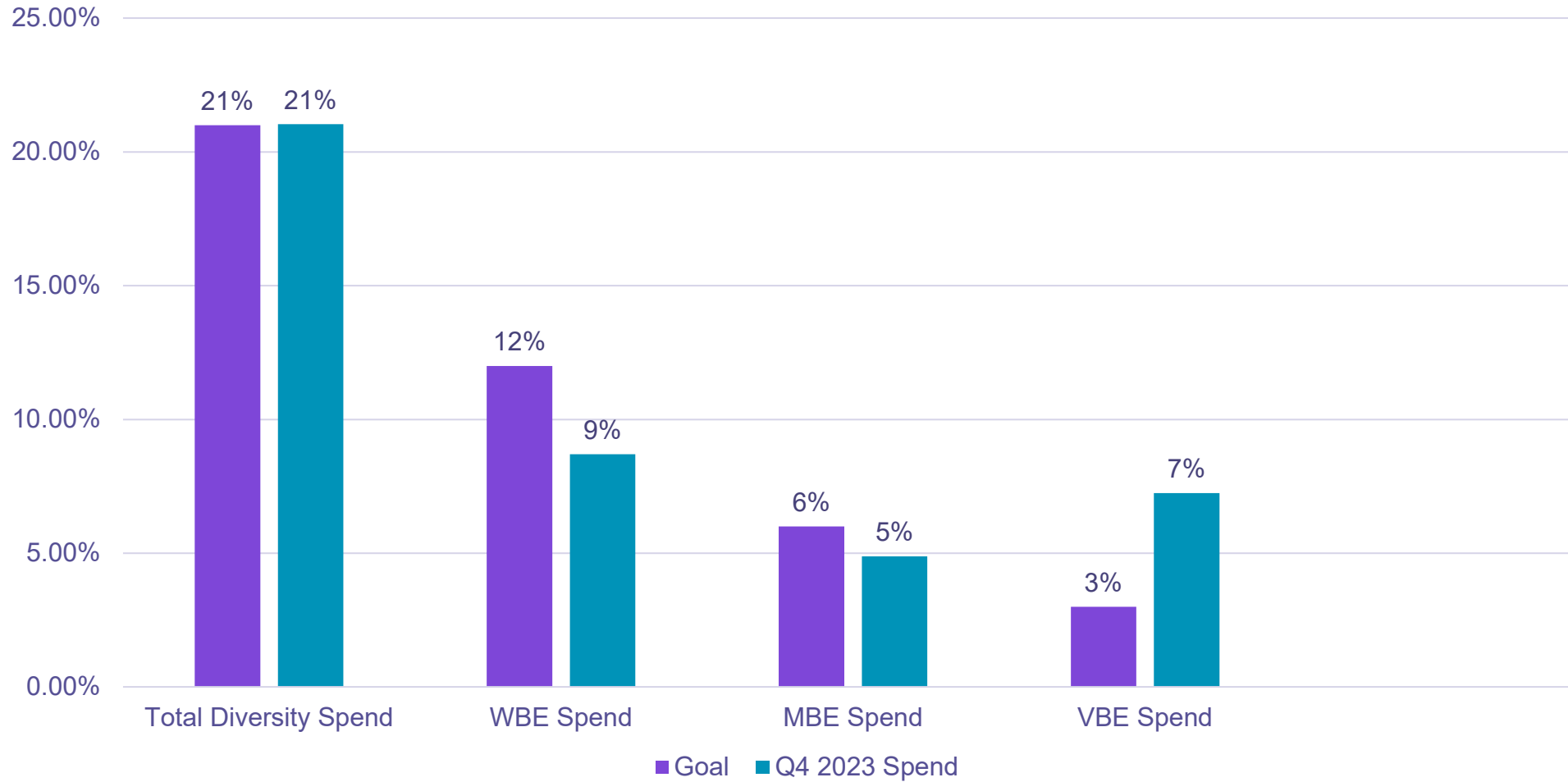
# LOCAL SPEND

## Full Year 2023 Massachusetts vs Host & Surrounding Community Qualified Spend



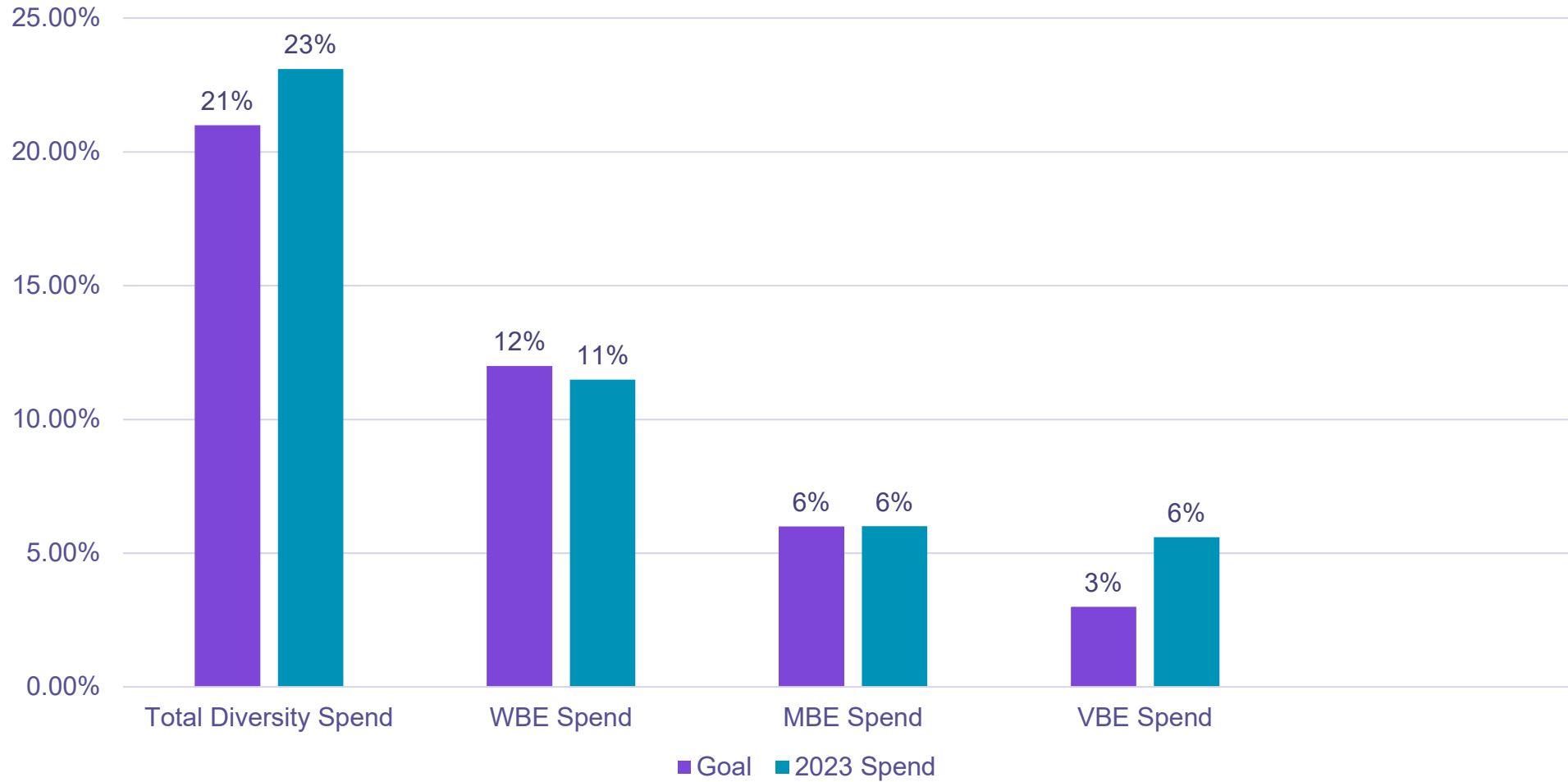
# VENDOR DIVERSITY

## Q4 2023 vs Goal



# VENDOR DIVERSITY

## Full Year 2023 vs Goal



# DIVERSE SPEND

Category <sup>1</sup>	Q4 2023	Q3 2023	\$ Difference	% Difference
<b>WBE</b>	\$137,042	\$215,550	(\$78,508)	(36.42%)
<b>MBE</b>	\$76,860	\$129,069	(\$52,209)	(40.45%)
<b>VBE</b>	\$132,476	\$72,922	\$59,554	81.67%
<b>Total Diverse Spend</b>	<b>\$346,377</b>	<b>\$417,541</b>	<b>(\$71,164)</b>	<b>-17.04%</b>
<b>Qualified Spend</b>	<b>\$1,908,047</b>	<b>\$1,788,935</b>	<b>\$119,112</b>	<b>6.66%</b>

<sup>1</sup> Includes vendors that are certified in multiple diversity categories. Spend is reported in all qualified categories.

# COMPLIANCE

Month	Prevented from Entering Gaming Establishment			Expired, Invalid, No ID	Fake ID	Minors and Underage Escorted from the Gaming Area	Minors and Underage found Gaming at Slot Machines	Minors and Underage Escorted from the Sports Wagering	Minors and Underage found Sports Wagering	Minors and Underage Consuming Alcoholic Beverages
	Total	Minors <sup>1</sup>	Underage <sup>2</sup>							
October	63	1	11	51	0	0	0	0	0	0
November	71	8	12	51	0	0	0	0	0	0
December	77	8	13	56	0	2	1	0	0	0
<b>Total</b>	<b>211</b>	<b>17</b>	<b>36</b>	<b>158</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Person under 18 years of age

<sup>2</sup> Person 18-21 years of age





# EMPLOYMENT<sup>1</sup>: ALL EMPLOYEES<sup>2</sup>

Employee Category	Percentage Goal	Total # of Employees in Category	Q4-23 Actual Percentage of Total Employees	Q3-23 Actual Percentage of Total Employees
Diversity	15%	125	29%	26%
Veterans	2%	15	3%	4%
Women	50%	275	47%	46%
Local <sup>3</sup>	35%	142	32%	32%
MA Employees		275	63%	63%

<sup>1</sup> All employees referenced in this slide were current as of Q4 2023

<sup>2</sup> Total number of employees Q4 2023: 438

<sup>3</sup> Local includes Attleboro, Foxboro, Mansfield, North Attleboro, Plainville & Wrentham

	Employees	Full-Time	Part-Time	Seasonal
<b>Total</b>	438	284	154	0
<b>% of Total</b>	<b>100%</b>	<b>65%</b>	<b>35%</b>	<b>0%</b>

# EMPLOYMENT<sup>1</sup>: SPORTSBOOK<sup>2</sup>

Employee Category	Total # of Employees in Category	Actual Percentage of Total Employees
Diversity	3	17%
Veterans	0	0 %
Women	4	22 %
Local <sup>3</sup>	3	17%
Full-Time	9	50%

<sup>1</sup> All employees referenced in this slide were current as of Q4 2023

<sup>2</sup> Total number of **Sportsbook employees (does not include Sports restaurant employees)** Q4 2023:18

<sup>3</sup> Local includes Attleboro, Foxboro, Mansfield, North Attleboro, Plainville & Wrentham

# EMPLOYMENT<sup>1</sup>: SUPERVISOR AND ABOVE<sup>2</sup>

Employee Category	Total # of Employees in Category	Actual Percentage of Total Employees
Diversity	12	15 %
Veterans	4	5 %
Women	27	35 %

<sup>1</sup> All employees referenced in this slide were current as of Q4 2023

<sup>2</sup> Total number of Supervisor and Above Q4 2023: 81

# PPC CARES: OUR DEVELOPMENT

*Creating Outstanding Leaders*



Executive Development

*planning and team building for success*



PPC Town Hall

*creating a path for new leaders*



Q3 Aces of Penn Awardees

*above & beyond team members*



Women's Link Business Networking

*making new connections*



Welcome Matt Carey

*Director of Food & Beverage*



Emerging Leaders Program

*growing in the organization*



Women Leading at Penn

*inspiring women to pursue leadership roles*



# PPC CARES: OUR TEAM

## *Engaged Team Members*



Gingerbread Creations

planning and *building* for fun



Hiring & Training

creating a path for *new hires*



Chef cooking for Christmas

engaged & *present*



Thanksgiving Pie Contest

*promoting our brand*



Pie contest kicks off Thanksgiving

*Baking* is very competitive



National Chocolate Day

*changing* and embracing enjoyment



National Grilled Cheese Day

inspiring women to make *strides*



# PPC CARES: OUR COMMUNITY

*Partnering Success*



**American Cancer Society**  
*raising funds and awareness*



**Habitat for Humanity**  
*Delivering Coats to Veterans*



**Chamber of Commerce**  
*Meet & greet business members*



**Happy Army vs. Navy Game day!**  
*giving to the runners*



**Town of Mansfield**  
*Providing support & funds*



**Plainville Seniors Luncheon**  
*serving and protecting*



**Foxboro Recruit Military**  
*calling to duty and ready to serve*



# Quarterly Report Q4 2023

February 15, 2023

Massachusetts Gaming Commission

*Encore*<sup>®</sup>  
BOSTON HARBOR  
A WYNN RESORT

# Gaming Revenue, Taxes & Lottery Sales

*Encore*<sup>®</sup>  
BOSTON HARBOR  
A WYNN RESORT

# Gaming Revenue & Taxes: Q4 2023

Year	Month	Table Games GGR	Slots GGR	Total GGR	State Taxes Collected
<b>2023</b>	October	\$28,148,049.50	\$34,218,885.28	\$62,366,934.78	\$15,591,733.70
	November	\$27,857,045.17	\$33,574,238.87	\$61,431,284.04	\$15,357,821.01
	December	\$29,663,162.99	\$36,163,279.80	\$65,826,442.79	\$16,456,610.70
	<b>Total</b>	<b>\$85,668,257.66</b>	<b>\$103,956,403.95</b>	<b>\$189,624,661.61</b>	<b>\$47,406,165.41</b>

# Gaming Revenue & Taxes: Year-Over-Year

Year	Quarter	Table Games GGR	Slots GGR	Total GGR	State Taxes Collected
2022	Q1	\$79,459,213.78	\$94,110,326.79	\$173,569,540.57	\$43,392,385.14
	Q2	\$83,618,480.43	\$98,210,588.95	\$181,829,069.38	\$45,457,267.36
	Q3	\$81,026,184.12	\$103,366,682.87	\$184,392,866.99	\$46,098,216.75
	Q4	\$88,429,261.89	\$101,504,033.71	\$189,933,295.60	\$47,483,323.90
	<b>Total</b>	<b>\$332,533,140.22</b>	<b>\$397,191,632.32</b>	<b>\$729,724,772.54</b>	<b>\$182,431,193.15</b>
2023	Q1	\$87,548,447.43	\$103,225,625.66	\$190,774,073.09	\$47,693,518.27
	Q2	\$86,482,473.05	\$105,539,308.38	\$192,021,781.43	\$48,005,445.37
	Q3	\$78,245,849.05	\$104,171,489.84	\$182,417,338.89	\$45,604,334.73
	Q4	\$85,668,257.66	\$103,956,403.95	\$189,624,661.61	\$47,406,165.41
	<b>Total</b>	<b>\$337,945,027.19</b>	<b>\$416,892,827.83</b>	<b>\$754,837,855.02</b>	<b>\$188,709,463.78</b>

# Sports Wagering Revenue & Taxes: Q4 2023

Year	Month	Monthly Win	State Retail Taxes Collected
2023	<b>October</b>	\$481,981.00	\$69,187.00
	<b>November</b>	\$306,161.00	\$43,296.00
	<b>December</b>	\$515,360.00	\$74,911.65
	<b>Total</b>	<b>\$1,303,502.00</b>	<b>\$187,394.65</b>



# Lottery Sales: Q4 2023\*

Year	Month	Lottery Sales	% Change 2022
<b>2023</b>	October	\$569,580.25	75.1%
	November	\$420,620.25	55.7%
	December	\$470,816.00	-8.8%
	<b>Total</b>	<b>\$1,461,016.50</b>	<b>31.4%</b>

\*The periods for which relevant sales are reported are based upon week-end totals, and may not correspond precisely to calendar month periods.



# Lottery Sales: Year-Over-Year

Year	Quarter	Lottery Sales	% Change from Previous Year
2022	Q1	\$818,421.75	33.4%
	Q2	\$828,894.50	14.0%
	Q3	\$879,137.50	13.0%
	Q4	\$1,111,519.50	22.4%
	<b>Total</b>	<b>\$3,637,973.25</b>	<b>20.2%</b>
2023	Q1	\$1,076,576.75	31.5%
	Q2	\$1,467,402.50	77.0%
	Q3	\$1,515,403.00	72.4%
	Q4	\$1,461,016.50	31.4%
	<b>Total</b>	<b>\$5,520,398.75</b>	<b>51.7%</b>

# Workforce

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# Employment: Non-Sports Wagering Related Employees

Sector	Goal	Q1% <sup>1</sup>	Q1 Total # of Employees	Q2% <sup>2</sup>	Q2 Total # of Employees	Q3% <sup>3</sup>	Q3 Total # of Employees	Q4% <sup>4</sup>	Q4 Total # of Employees
Minority	40%	71%	2,061	72%	2,073	72%	2,075	73%	2,069
Veteran	3%	2%	83	2%	77	2%	75	2%	72
Women	50%	45%	1,587	45%	1,575	45%	1,553	45%	1,545
Local/Host/Surrounding Community Resident <sup>5</sup>	75%	88%	3,106	88%	3,072	88%	3,052	88%	3,031
MA Residents	-	90%	3,186	89%	3,126	91%	3,136	91%	3,111
<b>Total Number of Employees<sup>6</sup></b>			<b>3,526</b>		<b>3,501</b>		<b>3,462</b>		<b>3,437</b>
Full-time			2,452		2,475		2,421		2,405
Part-time			1,074		1,026		1,041		1,032
On-call			0		0		0		0

- 1 All Q1 figures are as of March 10, 2023. The total number of employees that did not specify their minority status during Q1 was 641.
- 2 All Q2 figures are as of July 1, 2023. The total number of employees that did not specify their minority status during Q2 was 613.
- 3 All Q3 figures are as of October 1, 2023. The total number of employees that did not specify their minority status during Q3 was 591.
- 4 All Q4 figures are as of January 1, 2024. The total number of employees that did not specify their minority status during Q4 was 585.
- 5 “Local/Host/Surrounding Community Residents” include residents from communities within thirty (30) miles of Encore Boston Harbor.
- 6 Please note that an employee may fall into more than one sector (e.g., minority and local) and, as such, totals may not be reflective of the sum of previous columns.

# Employment: Non-Sports Wagering Related Employees

Sector	Goal	Q1% <sup>1</sup>	Q1 Total # of Employees	Q2% <sup>2</sup>	Q2 Total # of Employees	Q3% <sup>3</sup>	Q3 Total # of Employees	Q4% <sup>4</sup>	Q4 Total # of Employees
Minority	40%	71%	2,061	72%	2,073	72%	2,075	73%	2,069

Percentages in the minority sector for each chart are based upon the total number of employees for the relevant quarter, minus the number of employees that did not specify their minority status as designed in the footnote that corresponds to each quarter. For example, for Q4, the minority percentage was calculated by subtracting 585 from 3,437 (the total number of employees) which equals 2,852. 2,069 (the number of employees who identify as a minority), is 73% of 2,852.

# Employment: Non-Sports Wagering Related Employees Supervisory and Above

	Minority	Women	Veteran	Total Head Count (including non-minority employees)	Total Number of Employees that Did Not Specify Minority Status
<b>ALL EMPLOYEES</b>					
<b>Number of Employees</b>	2,069	1,545	72	3,437	585
<b>% Actual</b>	73%	45%	2%	-	-
<b>MANAGER AND ABOVE</b>					
<b>Number of Employees</b>	75	83	11	199	11
<b>% Actual</b>	37%	42%	6%	-	-
<b>SUPERVISORS AND ABOVE</b>					
<b>Number of Employees</b>	276	223	20	541	52
<b>% Actual</b>	56%	42%	4%	-	-

# Employment: Sports Wagering Related Employees

Sector	Goal	Q1% <sup>1</sup>	Q1 Total # of Employees	Q2% <sup>2</sup>	Q2 Total # of Employees	Q3% <sup>3</sup>	Q3 Total # of Employees	Q4% <sup>4</sup>	Q4 Total # of Employees
Minority	40%	58%	34	54%	27	60%	26	62%	25
Veteran	3%	0%	0	0%	0	0%	0	0%	0
Women	50%	52%	34	47%	27	48%	24	46%	21
Local/Host/Surrounding Community Resident <sup>4</sup>	75%	88%	57	91%	52	94%	47	95%	45
MA Residents	-	89%	58	94%	54	94%	47	89%	44
<b>Total Number of Employees<sup>5</sup></b>			65		57		50		46
Full-time			42		40		33		30
Part-time			23		17		17		16
On-call			0		0		0		0

- 1 All Q1 figures are as of March 10, 2023. The total number of employees that did not specify their minority status during Q1 was 7.
- 2 All Q2 figures are as of July 1, 2023. The total number of employees that did not specify their minority status during Q2 was 7.
- 3 All Q3 figures are as of October 1, 2023. The total number of employees that did not specify their minority status during Q3 was 7.
- 4 All Q4 figures are as of January 1, 2024. The total number of employees that did not specify their minority status during Q4 was 6.
- 5 “Local/Host/Surrounding Community Residents” include residents from communities within thirty (30) miles of Encore Boston Harbor.
- 6 Please note that an employee may fall into more than one sector (e.g.: minority and local) and, as such, totals may not be reflective of the sum of previous columns.



# Employment: Sports Wagering Related Supervisory and Above Employees

	Minority	Women	Veteran	Total Head Count (including non-minority employees)	Total Number of Employees that Did Not Specify Minority Status
<b>ALL EMPLOYEES</b>					
Number of Employees	25	21	0	46	6
% Actual	62%	46%	0%	-	-
<b>MANAGER AND ABOVE</b>					
Number of Employees	1	1	0	1	0
% Actual	100%	100%	0%	-	-
<b>SUPERVISORS AND ABOVE</b>					
Number of Employees	1	2	0	4	0
% Actual	25%	50%	0%	-	-

# Operating Spend

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# Operating Spend<sup>1</sup>: Diversity

Diversity Category	Annual Goal	Q4%	Q4 Spend
MBE Vendor Spend	8%	11%	\$2,420,426.03
VBE Vendor Spend	3%	0%	\$46,931.54
WBE Vendor Spend	14%	5%	\$1,160,518.62
<b>Total Diverse Spend</b>	<b>25%</b>	<b>16%</b>	<b>\$3,627,876.19</b>

1 All spend figures referenced herein are based upon Encore Boston Harbor's Q4 discretionary spend amount of \$21,700,703.08 .

# Operating Spend<sup>1</sup>: Diversity (Year-Over-Year)

Quarter	2022	2023
1	\$4,707,170.78	\$6,974,604.38
2	\$6,045,666.87	\$4,654,156.01
3	\$5,895,042.92	\$6,074,914.37
4	\$5,048,067.48	\$3,627,876.19
<b>Total</b>	<b>\$21,695,948.05</b>	<b>\$21,331,550.95</b>

# Operating Spend: Local

Locality	Annual Goal	Q4%	Q4 Spend
<b>Boston</b>	\$20,000,000.00	10%	\$ 2,232,238.28
<b>Chelsea</b>	\$2,500,000.00	2%	\$410,006.12
<b>Everett</b>	\$10,000,000.00	10%	\$2,114,595.80
<b>Malden</b>	\$10,000,000.00	1%	\$137,033.62
<b>Medford</b>	\$10,000,000.00	0%	\$61,777.10
<b>Somerville</b>	\$10,000,000.00	5%	\$1,122,206.23
<b>MA (Statewide)</b>	-	60%	\$13,036,485.95

# Operating Spend: Local\* (Year-Over-Year)

Quarter	2022	2023
1	\$6,887,874.55	\$9,138,681.43
2	\$6,610,952.55	\$6,017,752.41
3	\$6,365,060.28	\$6,476,399.45
4	\$6,250,212.59	\$6,077,857.15
<b>Total</b>	<b>\$26,114,099.97</b>	<b>\$27,710,690.44</b>

\*The local spend figures provided in this chart exclude the total spend for MA which is addressed in the next slide.



# Operating Spend: MA (Year-Over-Year)

Quarter	2022	2023
1	\$11,682,847.37	\$14,966,259.45
2	\$10,733,984.80	\$11,152,075.94
3	\$11,840,493.89	\$11,378,899.59
4	\$12,748,150.75	\$13,036,485.95
<b>Total</b>	<b>\$47,005,476.81</b>	<b>\$50,533,720.93</b>

# Compliance

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# Compliance: Minors<sup>1</sup> Prevented from Gaming<sup>2</sup>

Month	Minors Intercepted on Gaming Floor and Prevented from Gaming	Minors Intercepted Gaming	Minors Intercepted at Slot Machines	Minors Intercepted at Table Games	Minors Intercepted Consuming Alcohol	Number of IDs NOT Checked that Resulted in Minor on Gaming Floor	Number of Fake IDs Provided by Minors that Resulted in Minor on Gaming Floor	Numbers of Minors on Gaming Floor Under 18 Years of Age
October	4	1	0	1	0	3	2	1
November	4	3	2	1	4	2	4	1
December	6	6	3	3	1	7	5	4
<b>Total</b>	<b>14</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>11</b>	<b>6</b>

1 A “minor” is defined as a person under 21 years of age, provided however, that the last column of the above specifically refers to persons under 18 years of age.

2 Please note that no minors were intercepted from or found to be engaged in any sports wagering during Q4.

- The average length of time spent by a minor on the casino floor was 76 minutes.
- The longest length of time spent by a minor on the casino floor was 4 hours, 22 minutes.
- The shortest length of time spent by a minor on the casino floor was 1 minute.

# Human Resources Initiatives

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# Fall Family Fun Day



- ❖ In October, a Family Fun Day was organized for team members to bring their family and friends to the South Lawn
- ❖ Guests enjoyed a fun-filled day of games, costumes, treats and other activities

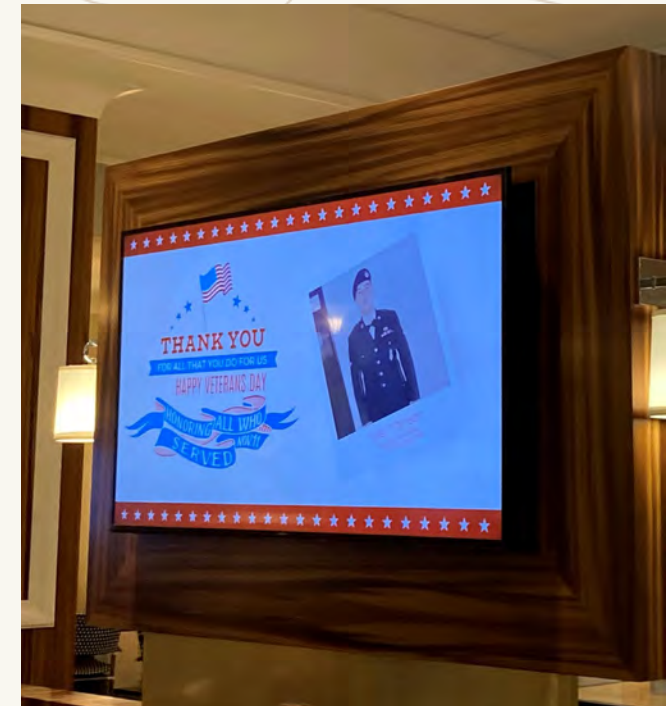
# Holiday Gift Giveaway



- ❖ This year EBH expressed their gratitude to our team members for their hard work by giving gifts to every team member
- ❖ Carry-on luggage was distributed to team members to acknowledge their hard work and show appreciation for their dedication



# Veteran's Day



❖ In recognition of Veteran's Day, a HoH display was created as a token of appreciation for all those who have served. Team members were able to add to the display with expressions of gratitude.

❖ A fallen hero table was also set up at Le Staff Café as a memorial.

# Indigenous Heritage Month

In commemoration of Indigenous Heritage Month, a panel was created to highlight and celebrate the rich cultural heritage and experience of Indigenous communities. The goal of the panel was to raise awareness, promote understanding, and foster appreciation for the Indigenous cultures. To form the panel, individuals with a deep understanding and connection to Indigenous heritage were invited to participate.







# Promotions, Marketing, Special Events and Volunteerism Update

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# Q4 Employee Volunteer Efforts



- ❖ Employees volunteered more than 4,000 hours of their time serving local nonprofits
- ❖ EBH collected over 300 toys for the City of Everett
- ❖ Over 100 employees participated in local nonprofit walks/races for Bread of Life in Malden, Northeast Arc, Disabled American Veterans and the Walk to End Alzheimer's
- ❖ Raised \$56,604.55 for the Wynn Resorts Foundation Community Grant Fund through specialty sales and fundraising which totaled \$113,209.10 with the corporate match.



# Feed the Funnel



- ❖ Feed the Funnel was back for its finale in November 2023. Employees, friends, family, nonprofit partners and vendors, contributed over 2,000 hours to help pack 559,038 meals in partnership with The Pack Shack
- ❖ Meals were donated to local organizations including Food for Free, Community Works Services, Salvation Army Chelsea Corps, Salvation Army Cambridge Corps, and Eliot Family Resource Center
- ❖ EBH's Feed the Funnel year-end total exceeded ONE MILLION meals

# Q4\* TRU Patron Charitable Contributions

Charitable Organization	Dollar Amount	Number of Tickets
Animal Rescue League of Boston	\$12,192.73	54,600
Big Sister Association of Greater Boston, Inc.	\$5,772.19	39,823
New England Center for Homeless Veterans	\$10,209.97	50,182
South Cove Manor at Quincy Point Rehab Center	\$5,330.64	37,977
<b>Total</b>	<b>\$33,505.53</b>	<b>182,582</b>

\*Contributions are from October 1, 2023 through December 31, 2023.





**Questions?**



## COMMONWEALTH OF MASSACHUSETTS INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM

This Form is issued and published by the Office of the Comptroller (CTR) pursuant to 815 CMR 6.00 for use by all Commonwealth Departments. Departments may add non-conflicting additional terms, but changes to the official printed language of this Form shall be void.

BUDGET FISCAL YEAR: <b>2024</b>		RFR REFERENCE NUMBER ENTER RFR NUMBER: _____ OR <input checked="" type="checkbox"/> N/A.	
MMARS ALPHA BUYER/PARENT DEPARTMENT CODE: <b>MGC</b>		MMARS ALPHA SELLER/CHILD DEPARTMENT CODE: <b>AGO</b>	
BUSINESS MAILING ADDRESS: <b>101 FEDERAL STREET 13<sup>TH</sup> FLOOR, BOSTON, MA 02110</b>		BUSINESS MAILING ADDRESS: <b>ONE ASHBURTON PLACE, 18<sup>TH</sup> FLOOR, BOSTON, MA 02108</b>	
ISA MANAGER: <b>TODD GROSSMAN</b>		ISA MANAGER: <b>ALEX FLANNERY</b>	
PHONE: <b>617-979-8422</b>	FAX: _____	PHONE: <b>617.963.2017</b>	FAX: <b>617.963.2440</b>
E-MAIL ADDRESS: <b>TODD.GROSSMAN@MASSGAMING.GOV</b>		E-MAIL ADDRESS: <b>ALEX.FLANNERY@MASS.GOV</b>	
Purpose of ISA: (Check one option only and complete applicable information) (Attachment A required for New ISAs and all ISA Amendments.) <input checked="" type="checkbox"/> New ISA. Current Maximum Obligation for total duration of ISA \$ <u>500,000</u> (Use "N/A" for Non-Financial ISA.) (Complete Attachment B) <input type="checkbox"/> Amendment to Existing ISA. What is being amended? (Attachment C required for all Federal and Bond Account Amendments) <input type="checkbox"/> Amend Budget/Accounts. Change Maximum Obligation from: \$ _____ to New Maximum Obligation \$ _____ (Attachment B) <input type="checkbox"/> Amend Budget/Accounts. No Change in Maximum Obligation (Attachment B) <input type="checkbox"/> Amend Dates of Performance. New Dates of Service: Start Date: _____ End Date: _____ (Subject to execution dates below.) <input type="checkbox"/> Amend Scope of Services/Performance			
BRIEF DESCRIPTION OF PERFORMANCE GOALS TO BE ACCOMPLISHED BY ISA, OR IF AMENDMENT, IDENTIFY WHAT IS BEING AMENDED: <b>For the Attorney General to enforce sports wagering laws pursuant to M.G.L. c. 23N, c. 93A, or any relevant rule or regulation pursuant to such statutes.</b>			
WILL SELLER/CHILD DEPARTMENT STATE EMPLOYEES (AA OBJECT CLASS) BE FULLY OR PARTIALLY FUNDED UNDER THIS ISA? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. If Yes, Seller/Child certifies that the ISA is not being used as an alternative funding mechanism for state employees, that the identified personnel in Attachment A are necessary for completion of the ISA due to particular expertise or other factors that can not be obtained through the use of contractors, and that if federal funds are being used, funds shall not be used to supplement the regular salary or compensation of any officer or employee of the Commonwealth for services performed during their regular working hours. M.G.L. c. 29, § 6B.			
ACCOUNT INFORMATION. Complete for all new ISAs and Amendments (even if account information is not changing) Check one option, indicate "add", "delete" or "no change" and enter account, fund, major program code and program code. <input checked="" type="checkbox"/> BGCN – non-subsidiarized (federal, capital, trust). Attachment C required for any new ISA or ISA Amendment involving federal funds. <input type="checkbox"/> BGCS – subsidiarized (budgetary) <input type="checkbox"/> Other (CT, RPO as authorized by CTR): _____ <input type="checkbox"/> Non-Financial ISA (no funds are transferred from Buyer/Parent to Seller/Child), however, resources are committed to ISA. <input type="checkbox"/> Amendment with no Accounting Changes to Budget/Accounts or to Attachments B or C. (Indicate no change below and complete account information.)			
<input checked="" type="checkbox"/> ADD <input type="checkbox"/> DELETE <input type="checkbox"/> NO CHANGE	Account: 10501384	Fund: 1384	Major Program Code: _____
<input type="checkbox"/> ADD <input type="checkbox"/> DELETE <input type="checkbox"/> NO CHANGE	Account: _____	Fund: _____	Major Program Code: _____
<input type="checkbox"/> ADD <input type="checkbox"/> DELETE <input type="checkbox"/> NO CHANGE	Account: _____	Fund: _____	Major Program Code: _____
<input type="checkbox"/> ADD <input type="checkbox"/> DELETE <input type="checkbox"/> NO CHANGE	Account: _____	Fund: _____	Major Program Code: _____
ISA ANTICIPATED START DATE: <b>effective date</b> _____, provided that the Seller/Child certifies that it will not incur any obligations related to this ISA prior to the date that this ISA is executed, NOR prior to the date that sufficient funding for the obligations for this ISA is available in the Seller/Child account for expenditure.			
TERMINATION DATE OF THIS ISA: This ISA shall terminate on <b>06/30/2024</b> unless terminated or properly amended in writing by the parties prior to this date.			
<b>BUYER/PARENT AND SELLER/CHILD DEPARTMENT CERTIFICATIONS. IN WITNESS WHEREOF</b> , by executing this ISA below, the Buyer/Parent and Seller/Child certify, under the pains and penalties of perjury, that Buyer/Parent and Seller/Child understand and agree that any Buyer/Parent or Seller/Child officer or employee who knowingly violates, authorizes or directs another officer or employee to violate any provision of state finance law relating to the incurring of liability or expenditure of public funds, including this ISA, may be considered to be in violation of M.G.L. c. 29, § 66, and therefore the Buyer/Parent and the Seller/Child agree to ensure that this ISA complies with, and that all staff or contractors involved with ISA performance are provided with sufficient training and oversight to ensure compliance with 815 CMR 6.00, CTR applicable policies and the ISA Terms and Conditions which are incorporated by reference into this ISA, in addition to the performance requirements identified in Attachment A of this ISA, and that all terms governing performance of this ISA are attached to this ISA or incorporated by reference herein, and the Buyer/Parent and Seller/Child agree to maintain the necessary level of communication (including immediate notification of any amendments to accounting information, program codes or performance needs), coordination, access to reports and other ISA information, and cooperation to ensure the timely execution and successful completion of the ISA, amendments, and state finance law compliance; and that the Buyer/Parent certifies it will ensure that sufficient funds are timely made available in the Seller/Child account(s), with the proper accounting codes, prior to the Seller/Child's need to begin initial or amended performance; and that the Seller/Child will not allow initial or amended performance to begin until the ISA is executed AND the ISA Seller/Child account is sufficiently funded to support encumbrances and payments for performance (including payroll), and the Seller/Child will make encumbrances and payments (including payroll) only from the authorized ISA Seller/Child account(s) and shall not be entitled to transfer charges made from any other account not approved in writing by CTR in advance of expenditures by the Seller/Child.			
BUYER/PARENT DEPARTMENT'S AUTHORIZED SIGNATURE:		SELLER/CHILD DEPARTMENT'S AUTHORIZED SIGNATURE:	
DATE:		DATE:	
(Date must be handwritten by signatory at time of signature)		(Date must be handwritten by signatory at time of signature)	
PRINT NAME:		PRINT NAME:	
PRINT TITLE:		PRINT TITLE:	



# INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM TERMS AND CONDITIONS

The following terms and conditions are incorporated by reference into any ISA. **Role of the Office of the Comptroller.** All ISA fiscal transactions shall be made through the state accounting system as prescribed by the Office of the Comptroller (CTR). CTR will interpret 815 CMR 6.00 and applicable policies and take any fiscal or other actions necessary to ensure ISA compliance with state finance law, including but not limited to correcting accounting transactions, resolving ISA disputes and identifying corrective action by the Buyer/Parent or Seller/Child Departments.

**Seller/Child Department Certifications.** By executing an ISA the Seller/Child certifies that it is statutorily authorized to provide the type of performance sought by the Buyer/Parent, and shall at all times remain qualified to perform the ISA, that performance shall be timely and meet or exceed ISA standards, that the Seller/Child will not allow initial or amended performance to begin, may not authorize personnel or contractors to work, nor incur any obligation to be funded under an ISA prior to the execution of an ISA AND the availability of ISA funding in the Seller/Child account to support encumbrances and payments for performance. The Seller/Child will make encumbrances and payments (including payroll) only from the authorized ISA Seller/Child account(s) and shall not be entitled to transfer charges made from any other account not approved in writing in advance by CTR. The Seller/Child must immediately notify CTR whenever a delay in funding is anticipated for which performance is expected. The Seller/Child is authorized to use ISA funding only for the actual costs of ISA performance and may not use ISA funds to supplement non-ISA related personnel or expenditures.

**Buyer/Parent Department Certifications.** Signature by the Buyer/Parent certifies that it is statutorily authorized or required to procure the type of performance required under this ISA, that the Buyer/Parent certifies it will ensure that sufficient funds are timely made available in the Seller/Child Seller/Child account(s), with the proper accounting codes, prior to the Seller/Child's need to begin initial or amended performance; that the Buyer/Parent will monitor and reconcile ISA performance in compliance with state appropriation language or federal grant requirements, communicate all fiscal information necessary for the set up of the Seller/Child account(s) including budget information, and if the ISA is funded with federal funds provide accurate accounting information in Attachment C, and immediately notify the Seller/Child of any changes in Attachment C (such as program codes) to ensure the ISA and Seller/Child account can be timely updated to avoid lapses in funding or the inability of the Seller/Child to make timely payroll and other expenditures from the Seller/Child account.

**Chief Fiscal Officer.** The Chief Fiscal Officer (CFO) for the Buyer/Parent and Seller/Child will be responsible for the fiscal management of ISAs within their Departments in accordance with these ISA Terms and Conditions, 815 CMR 6.00 and policies and procedures published by CTR.

**ISA Manager.** Both the Buyer/Parent and Seller/Childs are responsible for ensuring that the ISA Manager listed on the ISA, or ISA Amendment, is current and that the ISA Manager is an authorized signatory for the Department supported by the appropriate Security Profile. If the listed ISA Manager changes, the CFO shall be the ISA Manager until a replacement is identified in the same manner as other Written Notice.

**Record-keeping and Retention, Inspection of Records.** The Buyer/Parent and Seller/Child shall maintain all ISA records in such detail as necessary to support claims for payment, including reimbursement or federal financial participation (FFP), for at least seven (7) years from the last payment under an ISA Seller/Child account, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving an ISA. In addition to any specific progress, programmatic or expenditure reports specified in Attachment A, the Seller/Child is required to provide the Buyer/Parent (and to CTR, the State Auditor and the House and Senate Ways and Means Committees upon request) with full cooperation and access to all ISA information.

**Payments and Compensation.** The Seller/Child may accept compensation only for performance delivered and accepted by the Buyer/Parent in accordance with the specific terms and conditions of the ISA. All ISA payments are subject to appropriation pursuant to M.G.L. C. 29, or the availability of sufficient non-appropriated funds for the purposes of an ISA. Overpayments or disallowed expenditures shall be reimbursed by the Seller/Child or may be offset from future ISA payments in accordance with state finance law and instructions from CTR.

**ISA Termination or Suspension.** An ISA shall terminate on the date specified, unless this date is properly amended prior to this date, or unless terminated or suspended under this Section upon prior written notice to the Seller/Child. The Buyer/Parent may terminate an ISA without cause and without penalty with at least thirty days prior written notice, or may terminate or suspend an ISA with reasonable notice if the Seller/Child breaches any material term or condition or fails to perform or fulfill any material obligation required by an ISA, or in the event of an elimination of an appropriation or availability of sufficient funds for the purposes of an ISA, or in the event of an unforeseen public emergency mandating immediate Buyer/Parent action. Upon immediate notification to the other party, neither the Buyer/Parent nor the Seller/Child shall be deemed to be in breach for failure or delay in performance due to Acts of God or other causes factually beyond their control and without their fault or

negligence. Contractor failure to perform or price increases due to market fluctuations or product availability will not be deemed factually beyond the Seller/Child's control.

**Written Notice.** Any notice shall be deemed delivered and received when submitted in writing in person or when delivered by any other appropriate method evidencing actual receipt by the Buyer/Parent or the Seller/Child. Unless otherwise specified in the ISA, legal notice sent or received by the Buyer/Parent's ISA Manager or the CFO (with confirmation of actual receipt) through the listed fax number(s) or E-Mail address for the ISA Manager will satisfy written notice under the ISA. Any written notice of termination or suspension delivered to the Seller/Child shall state the effective date and period of the notice, the reasons for the termination or suspension, if applicable, any alleged breach or failure to perform, a reasonable period to cure any alleged breach or failure to perform, if applicable, and any instructions or restrictions concerning allowable activities, costs or expenditures by the Seller/Child during the notice period. **Confidentiality.** The Seller/Child shall comply with M.G.L. C. 66A if the Seller/Child becomes a "holder" of "personal data". The Seller/Child shall also protect the physical security and restrict any access to personal or other Buyer/Parent data in the Seller/Child's possession, or used by the Seller/Child in the performance of an ISA, which shall include, but is not limited to the Buyer/Parent's public records, documents, files, software, equipment or systems. If the Seller/Child is provided access with any other data or information that triggers confidentiality requirements under FIPA, HIPPA or other federal or state laws, the Seller/Child shall be responsible for protection of this data as instructed by the Buyer/Parent.

**Assignment.** The Seller/Child may not assign, delegate or transfer in whole or in part any ISA, or any liability, responsibility, obligation, duty or interest under an ISA, to another Department or an outside contractor. Assumption of an ISA by a successor Department due to a legislative change in the Seller/Child or Buyer/Parent's department status shall be accomplished through the execution of a new ISA.

**Subcontracting By Seller/Child.** Since it is presumed that contracting through the Seller/Child is more cost effective and a better value than the Buyer/Parent directly contracting with an outside contractor(s), any subcontract entered into by the Seller/Child for the purposes of fulfilling the obligations under an ISA must be approved by the Buyer/Parent in advance of the ISA and justified as part of the ISA Attachment A. The Seller/Child is responsible for full state finance law and procurement compliance for all subcontracts, and shall supply a copy of any subcontract to the Buyer/Parent upon request.

**Affirmative Action, Non-Discrimination in Hiring and Employment.** In performing this ISA, the Seller/Child shall comply with all federal and state laws, rules, regulations and applicable internal state policies and agreements promoting fair employment practices or prohibiting employment discrimination and unfair labor practices and shall not discriminate in the hiring of any applicant for employment nor shall any qualified employee be demoted, discharged or otherwise subject to discrimination in the tenure, position, promotional opportunities, wages, benefits or terms and conditions of their employment because of race, color, national origin, ancestry, age, sex, religion, disability, handicap, sexual orientation or for exercising any rights afforded by law. The Seller/Child commits to, when possible, to purchasing supplies and services from certified minority or women-owned businesses, small businesses or businesses owned by socially or economically disadvantaged persons or persons with disabilities in accordance with the Commonwealth's Affirmative Market Program.

**Waivers.** Forbearance, indulgence or acceptance by the Seller/Child or Buyer/Parent of any breach or default in any form shall not be construed as a waiver and shall not limit enforcement remedies or allow a waiver of any subsequent default or breach.

**Risk of Loss.** The Seller/Child shall bear the risk of loss for any materials, deliverables, personal or other data that is in the possession of the Seller/Child or used by the Seller/Child in the performance of an ISA until is accepted by the Buyer/Parent.

**Disputes.** The Buyer/Parent and Seller/Child agree to take all necessary actions to resolve any dispute arising under the ISA within 30 calendar days including department head and secretariat involvement, but in no event shall a dispute remain unresolved beyond May 30th in any fiscal year, nor may the Buyer/Parent or Seller/Child allow a dispute to create a state finance law or other violation of ISA terms (such as a delay in funding, failure to timely communicate funding or program code changes, or failure to timely process ISA paperwork). Seller/Child and Buyer/Parent must immediately notify CTR to assist in resolution of the dispute and shall implement any actions required by CTR to resolve the dispute, which shall be considered final.

**Interpretation, Severability, Conflicts with Law, Integration.** Any amendment or attachment to any ISA that contains conflicting language or has the affect of deleting, replacing or modifying any printed language of the ISA shall be interpreted as superseded by the ISA Form as published. If any ISA provision is superseded by state or federal law or regulation, in whole or in part, then both parties shall be relieved of all obligations under that provision to the extent necessary to comply with the superseding law, provided however, that the remaining provisions of the ISA, or portions thereof, shall be enforced to the fullest extent permitted by law. The terms of this ISA shall survive its termination for the purpose of resolving any claim, dispute or other action, or for effectuating any negotiated representations and warranties.

**INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM  
TERMS AND CONDITIONS**



**ATTACHMENT A – TERMS OF PERFORMANCE AND JUSTIFICATIONS:**

This Attachment Form must be used. Insert (type or copy and paste) all relevant information using as many pages as necessary. Attach any additional supporting documentation as appropriate. If Amending the ISA, completion of Sections 1, 2 and 3 identifying what is being amended and the reasons for the amendments is required. For sections 4-9 enter only the amended language in the sections being amended.

1. [REQUIRED] Purpose and other performance goals of ISA, or as amended:

For the AGO to enforce sports wagering laws pursuant to M.G.L. c. 23N, c. 93A, or any relevant rule or regulation pursuant to such statutes. In coordination with the MGC, consistent with the statutory direction in M.G.L. c. 12, sec. 11M that each respective agency not duplicate the efforts of the other, AGO would seek to enforce against unlicensed sports wagering operators as well as licensed sports wagering operators that are engaging in unlawful conduct. Nothing in this agreement shall be construed as limiting the statutory or regulatory authority of the Commission, including but not limited to the Investigations and Enforcement Bureau (“Bureau”).

2. [REQUIRED] Identify in detail, the responsibilities of the parties, the scope of services and terms of performance under the ISA, or as amended:

The AGO shall enforce sports wagering laws in the following non-exhaustive ways: (1) receiving and taking appropriate action on referrals for enforcement from the Commission; (2) investigating and/or prosecuting allegations of unlawful activity by both licensed and unlicensed operators (including fantasy sports operators under M.G.L. c. 12, sec. 11M½) engaging in sports wagering-related activities, provided that the AGO and the Commission will coordinate concerning such investigations to facilitate efficiency and avoid the duplication of efforts as appropriate; and (3) communicating with the Commission regarding specific operators who are suspected of engaging in unlawful sports wagering activity.

3. [REQUIRED] Identify schedule of performance or completion dates or other benchmarks for performance, or as amended:

There are currently no implemented timelines or deadlines for performance, but the AGO and the Commission shall maintain communication about expectations and deadlines when pertinent.

4. [REQUIRED] Justification that use of ISA is best value vs. contract with outside vendor:

The Attorney General is vested with the authority to enforce the laws of the Commonwealth and maintains both the necessary investigatory and litigation experience.

5. Will Seller/Child department state employees (AA Object Class) be fully or partially funded under this ISA? \_\_\_ No X Yes.  
If Yes, justify necessity to use state employees for the ISA vs. use of contractors (contract employees or outside vendors).

Nature of the work investigating and enforcing sports wagering laws requires AGO employees.

6. Subcontractors. Since it is presumed that contracting through the Seller/Child is more cost effective and a better value than the Buyer/Parent directly contracting with an outside contractor(s), any subcontract entered into by the Seller/Child for the purposes of fulfilling the obligations under an ISA must be approved by the Buyer/Parent in advance of the ISA and justified as part of the ISA Attachment A, as follows: (enter “N/A” if subcontractors will not be funded with ISA funds)

Subject matter experts, transcription services, service of process, shipping or mailing services, telecom or software providers, training, and/or other subcontracts or service providers that are necessary to investigate and enforce violations of law.

7. Identify any equipment that will be leased or purchased by the Seller/Child using ISA funds: (The Buyer/Parent shall determine ownership of equipment purchased by the Seller/Child with ISA funds. Enter “N/A” if equipment not included in ISA.)

## INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM TERMS AND CONDITIONS



Cellular phones; computing equipment; audiovisual equipment; printing/copying/scanning equipment; and/or other office supplies.

8. [REQUIRED] Identify the format and timing of ISA reports to the Buyer/Parent Department. Include the type of reports (e.g., progress or status, data, etc.), timing of reports (e.g., weekly, monthly, final) and the medium for submission of reports (e.g., e-mail, Excel spreadsheet, paper, telephone):

The AGO will provide the Commission with regular updates and monthly expenditure reports.

9. Additional ISA Terms: [Insert Terms here. Do not refer to separate attachment(s)]



## INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM

### ATTACHMENT B - BUDGET

Check one:  Initial ISA Budget

ISA Budget/Account Amendment. Maximum Obligation of ISA before this Amendment: \$ \_\_\_\_\_.

PRIOR MMARS DOCUMENT ID: \_\_\_\_\_ (for reference - if applicable)

CURRENT DOC ID: **ISA** \_\_\_\_\_.

[See Instructions for Additional Guidance on completion. Insert as many additional lines as necessary.]

A	B	C	D	E	F	G	H	I
Budget Fiscal Year	Seller/Child Account	Object Class	Description	Initial ISA Amount / or Amount Prior to Amendment	Indicate Add or Reduce +/-	Amendment Amount	Enter "YES" if Amount is a prior FY budget reduction or a current FY "Carry-in" authorization for Federal ISA Funds	New Amount After Amendment
2024	10501384	AA	Personnel (2 AAsG + Investigator)	\$ 300,000		\$		\$
2024	10501384	BB	Dues, Training, Licensing	\$15,000		\$		\$
2024	10501384	DD	Pension and Insurance	\$110,000		\$		\$
2024	10501384	EE	Administrative Expenses	\$25,000		\$		\$
2024	10501384	HH	Expert Consultants	\$25,000		\$		\$
2024	10501384	UU	Software, Hardware, Telecom	\$25,000		\$		\$
				\$		\$		\$
				\$		\$		\$
				\$		\$		\$
				\$		\$		\$
				\$		\$		\$
				\$		\$		\$

FISCAL YEAR SUBTOTALS AND TOTAL MAXIMUM OBLIGATION FOR DURATION OF ISA	
FISCAL YEAR: _____ SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amended)	\$
FISCAL YEAR: _____ SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amended)	\$
FISCAL YEAR: _____ SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amended)	\$
FISCAL YEAR: _____ SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amended)	\$
<b>TOTAL MAXIMUM OBLIGATION FOR DURATION OF ISA (or New Total Maximum Obligation if amended)</b>	<b>\$</b>

Additional Budget Specifications:





## INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM

### ATTACHMENT C – FEDERAL GRANT SELLER/CHILD ACCOUNT

**[Complete ONLY if Buyer/Parent Account is a Federal Grant Account. Seller/Child Department must signoff in order to process document.]**

NEW ISA <input type="checkbox"/> ISA AMENDMENT <input type="checkbox"/>		BUDGET FISCAL YEAR: _____	
BUYER/PARENT DEPARTMENT: _____		SELLER/CHILD DEPARTMENT: _____	
<b>CTR ONLY - REVENUE BUREAU WILL ASSIGN</b>			
Revenue Budget		Revenue Source	
<b>BUYER/PARENT DEPARTMENT MUST COMPLETE ALL ITEMS BELOW</b>			
<b>CENTRAL BUDGET STRUCTURE (BGCN - BQ89)</b>			
Appropriation Number: _____		Payroll Indicator: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Budgetary Estimated Receipts \$ _____		BGCN Document Identification No.: _____	
<b>COST ACCOUNTING STRUCTURE (BGRG- BQ88)</b>			
Total Maximum Obligation of ISA: \$ _____		BGRG Document Identification No.: _____	
<b>MAJOR PROGRAM TABLE SET-UP</b>			
Major Program (6 chars. or less): _____		Major Program Short Name (same as appropriation number): _____	
Major Program Name: _____			
<b>PROGRAM PERIOD TABLE SET-UP OR EXTENDED PROGRAM PERIOD</b>			
Effective From Date: _____		Effective To Date: _____	
Program Period: _____			
Program Period Name: _____		Program Period Short Name: _____	
<b>PROGRAM TABLE SET-UP</b>			
Effective From Date: _____		Effective To Date: _____	
Program Name: _____		Program Short Name: _____	
Program Code: (MUST START WITH "F" followed by up to 9 characters) F _____		Sub Account: _____	
<b>FUNDING PROFILE - FUNDING LINE</b>			
Draw Name:	Customer ID	Payment System Code – <b>Check one option only</b>	
EDCAPS:	VC7000000001	<input type="checkbox"/> <b>D</b>	
ECHO:	VC7000000002	<input type="checkbox"/> <b>E</b>	
LOCES:	VC7000000003	<input type="checkbox"/> <b>L</b>	
SMARTLINK:	VC7000000004	<input type="checkbox"/> <b>S</b>	
ASAP- OTHER:	VC7000000005	<input type="checkbox"/> <b>Y</b>	
ASAP:	VC7000000006	<input type="checkbox"/> <b>Z</b>	
GRANT- NON DRAW:	VC7000000007	<input type="checkbox"/> <b>No Code</b>	
<b>FUNDING IDENTIFICATION</b>			
Federal Catalog Agency: (2 digit code) _____		Federal Catalog Suffix: (3 digit code) _____	
Letter of Credit No.: _____			

Authorized Signatory Seller/Child Department: \_\_\_\_\_ Date: \_\_\_\_\_ Name: \_\_\_\_\_

# INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM INSTRUCTIONS



The Interdepartmental Service Agreement (ISA) Form is issued by the Office of the Comptroller (CTR) pursuant to 815 CMR 6.00 for use by all Commonwealth Departments. The ISA Instructions are provided to assist both Buyer/Parent and Seller/Child Commonwealth Departments with the interpretation and completion of the ISA Form and are incorporated by reference into the ISA. The ISA Form is the "Contract" that documents the business agreement (joint venture) between two Commonwealth departments within the Executive, Judicial and Legislative Branches of government. A Department must be recognized as a Department in the State Accounting System (hereinafter referred to as "MMARS") in order to transfer or receive funding under an ISA. The ISA must comply with funding language in any appropriation act funding the ISA, as well as all applicable general and special state or federal laws, regulations. The Buyer/Parent and Seller/Child are responsible for reviewing and complying with the applicable CTR policies (including but not limited to the ISA, electronic signature and state finance law policies) located CTR Web Portal under [Policies](#). While reasonable efforts have been made to assure the accuracy of the legal requirements for ISAs, Departments should consult with their legal counsel to ensure compliance with all legal requirements related to their performance under an ISA. PLEASE NOTE THAT NOT ALL APPLICABLE LAWS HAVE BEEN CITED IN THIS DOCUMENT. INSTRUCTIONS AND HYPERLINKS MAY BE ADDED OR CHANGED WITHOUT NOTICE, SO CHECK THIS DOCUMENT PERIODICALLY FOR UPDATES.

- ➔ **MMARS DOCUMENT ID:** Enter the state accounting system (MMARS) BGCN or BGCS or other authorized MMARS document number associated with this ISA. ISA related DOC ID Numbering must be done as described below. The Doc ID must be the Doc ID entered into MMARS and reflected on the supporting ISA paperwork. All ISA Doc IDs MUST START WITH "ISA", as follows:

EXAMPLE DOC ID Number: **ISAEPS12345678SDF06A**

First 3 Characters	Second 3 Characters	Next 8 Characters	Next 3 Characters	Next 2 Characters*	Last Character
ISA	Buyer/Parent Department Alpha	Buyer/Parent defined. May be numeric, alpha or combination	Seller/Child Department Alpha	Fiscal Year	A (initial document) B (1st Amendment) C (2nd Amendment)
ISA	EPS	12345678	SDF	06	A

- ➔ **BUDGET FISCAL YEAR.** Enter the Budget Fiscal Year of the ISA or ISA Amendment, as appropriate.
- ➔ **REQUEST FOR RESPONSE REFERENCE NUMBER.** If the Seller/Child responded to an RFR that was posted on Comm-PASS, enter the RFR Reference Number as posted. If an RFR was not used, indicate "N/A". Seller/Child Departments may respond to a Request for Response (RFR) or other solicitation of a Buyer/Parent Department. If the Seller/Child Department is selected as a contractor, the ISA Form must be used as the "contract" (instead of the applicable Commonwealth Terms and Conditions and Standard Contract Form and Instructions).
- ➔ **BUYER/PARENT/SELLER/CHILD DEPARTMENT NAME:** Enter the 3 Alpha MMARS Department Code. For Example "CTR" for the Office of the Comptroller.
- ➔ **BUSINESS MAILING ADDRESS:** Enter the address where all correspondence to the ISA Manager must be sent. Unless otherwise specified in the ISA, legal notice sent or received by the Department's ISA Manager (with confirmation of actual receipt) through the listed fax number(s) or electronic mail address for the ISA Manager will meet any requirements for written notice under the ISA.
- ➔ **ISA MANAGER:** Identify the authorized ISA Manager who will be responsible for managing the ISA. ISA Managers must be Department Head Authorized Signatories in order to execute the ISA and otherwise obligate the Department with the appropriate MMARS Security to support Department Head Signature Authorization.
- ➔ **PHONE/FAX/E-MAIL ADDRESS:** Identify the phone, fax number(s) and electronic mail (e-mail) address of the ISA Manager.
- ➔ **PURPOSE OF ISA.** Check off whether this is a new ISA or an ISA Amendment. For New ISAs, enter the total Maximum obligation for the duration of the ISA. If an ISA Amendment, check off any of the Amendments that are being made and complete any information in the blanks provided and the Attachments that are identified.
- ➔ **BRIEF DESCRIPTION OF PERFORMANCE GOALS TO BE ACCOMPLISHED BY THIS ISA, OR IF AMENDMENT, IDENTIFY WHAT IS BEING AMENDED:** Identify a brief description of the ISA, ISA name and performance to be accomplished under the ISA. If an ISA Amendment, identify what is being amended. Merely stating "see attached" or referencing attachments without a narrative description of performance is insufficient and will result in ISA or Amendment being returned to MMARS Liaison of Buyer/Parent Department. The description is used to specifically identify the ISA performance, match the ISA with attachments and determine if the appropriate process has been selected.
- ➔ **INDICATE WHETHER SELLER/CHILD DEPARTMENT STATE EMPLOYEES (AA OBJECT CLASS) WILL BE FULLY OR PARTIALLY FUNDED UNDER THIS ISA.** Justification for use of state employees and details of who will be working and work that will be performed must be included as part of ATTACHMENT A.
- ➔ **ACCOUNT INFORMATION.**
  - \* Check the correct option for either a BGCN – non-subsidiarized (federal, capital, trust); BGCS – subsidiarized (budgetary); Other (CT, RPO or other document authorized by CTR); Non-Financial ISA (no funds are transferred from Buyer/Parent to Seller/Child with resources committed to ISA; or Amendment without Budget changes to ISA (used only for an Amendment if there are no changes to the budget and no changes to Attachments B and C (if applicable)).
  - \* Identify for each account under the ISA whether the account is "added", "deleted" or "no change". **THIS SECTION MUST BE COMPLETED FOR AMENDMENTS EVEN IF THE ACCOUNT INFORMATION HAS NOT CHANGED.** Enter each ISA account, fund, major program code and program code for all funding under the ISA. Attachment B must be completed for all financial ISAs and ISA Amendments (with Budgetary or Account amendments). Attachment C must be completed for any financial ISAs or ISA Amendments with Budgetary or Account amendments involving federal or capital funds).
- ➔ **ISA ANTICIPATED START DATE.** Enter the anticipated start date, provided that the Seller/Child certifies that it will not incur any obligations related to this ISA prior to the date that this ISA is executed, NOR prior to the date that sufficient funding for the obligations under this ISA available in the Seller/Child account for expenditure.  
 Note - ISA Duration. ISAs can be executed for the duration that makes sense from a business perspective. Multi-Year ISAs are encouraged if it best supports the Buyer/Parent and Seller/Child business processes. Similar to other types of contracts, all ISAs are subject to appropriation or other available funding. Therefore, Departments can enter into a Multi-year ISA even if funding transactions have to be processed annually to support each fiscal year of the ISA. Buyer/Parent and Seller/Child Departments are responsible for ensuring that the

# INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM INSTRUCTIONS



funding is in place in the authorized Seller/Child account(s) to ensure that the Seller/Child Department can timely encumber funds and pay employees, contractors, grantees, etc. from the authorized ISA Seller/Child account(s) in accordance with the ISA Terms and Conditions.

- ➔ **TERMINATION DATE OF THIS ISA:** The Buyer/Parent Department must enter the date the ISA will terminate. An ISA must be signed for the full duration and amount in accordance with what is negotiated between the Buyer/Parent and Seller/Child Department. Amendments to extend the termination date, such as renewals, must be made using the ISA Form and must be signed by authorized Department Head signatories (with appropriate MMARS Authorized Signatory Security roles) of both the Buyer/Parent and the Seller/Child Department contemporaneously with the need for the amendment but no later than the termination date (or as previously amended) in accordance with 815 CMR 6.00.
- ➔ **AUTHORIZING SIGNATURE FOR BUYER/PARENT DEPARTMENT/DATE:** The Authorized Buyer/Parent Department Signatory must, in their own handwriting, and in ink, sign AND enter the date the ISA is signed. **THE DATE IS AN INEXTRICABLE PART OF THE SIGNATURE AND MUST BE COMPLETED BY THE SIGNATORY AND MAY NOT BE PRE-FILLED OR ENTERED AFTER THE SIGNATURE BY ANOTHER PERSON.** Rubber stamps, typed or other images are not acceptable. See CTR policies on Electronic Signature and Department Head Signature Authorization for Department Head and Authorized Signatory certifications and responsibilities.
- ➔ **NAME /TITLE:** The Buyer/Parent and Seller/Child Department Authorized Signatory's name and title must appear legibly.  
**NOTE:** Secretariat signoff is not required in order for CTR to process an ISA. However, Seller/Child and Buyer/Parent Departments are required to follow any internal secretariat procedures when obtaining authorization for an ISA (or for certain ISA transactions such as an inter-subsidary transfer "TS") prior to submission to CTR. All ISAs are periodically reviewed by CTR to verify that the signatories are authorized by their Department Head to execute contracts. Departments are responsible for timely processing through secretariats to ensure timely funding as required under the Department Head certifications.
- ➔ **ATTACHMENT A – TERMS OF PERFORMANCE AND JUSTIFICATIONS.** *Attachment A is required for all new ISAs and for all ISA Amendments.* Departments must use this attachment and insert (type, or copy and paste) the required information in addition to other terms of performance negotiated by the parties under Section 9. Sections 1-8 are mandatory and must be answered in detail or the ISA will be returned to the Buyer/Parent Department MMARS Liaison. All information must be inserted into Attachment A using as many pages as necessary. If Amending the ISA, completion of Sections 1, 2 and 3 identifying what is being amended and the reasons for the amendments is required. For sections 4-9 enter only the amended language in the sections being amended.
- ➔ **ATTACHMENT B - ANTICIPATED BUDGET.** *Attachment B is required for all New ISAs and for all ISA Amendments with budget and accounting transactions.* Departments must use this form. Insert all required information and use as many additional lines and pages as necessary. This attachment must breakdown the specifics of the ISA funding, by fiscal year, Seller/Child account, object class, description and amount. For multi-year ISAs the Attachment must provide a subtotal each fiscal year of the ISA (which equals each fiscal year's anticipated maximum obligation). All ISAs must provide a total maximum obligation for the total duration of the ISA (which must equal the total of all fiscal year subtotals) and must match the "Total Maximum Obligation for Duration of ISA" on the executed ISA.
  - \* Check "Initial ISA Budget", or "ISA Amendment"
  - \* Identify the MMARS Doc ID if the ISA is being amended.
  - \* **Complete Columns A-E For New ISAs. Complete Columns A-I for Amendments.**
    - **Column "A" (Budget Fiscal Year).** Enter the fiscal year of the funding, or amendment. For Multi year ISAs Column A must list planned expenditures by each fiscal year of the ISA.
    - **Column "B" (Seller/Child Account).** Enter the number of each Seller/Child account listed on the ISA Form. For ISAs using multiple Seller/Child Accounts, Column B must list planned expenditures for each Seller/Child account.
    - **Column "C" (Object Class).** Enter the Object Class (subsidiary) as outlined in the CTR Expenditure Classification Handbook (for example, "AA" for Employee compensation, "EE" for Administrative Expenses, "HH" for Consultant Contracts, etc.). IF the line item is authorized for multiple fiscal years, enter a separate line-item for each fiscal year of the ISA in which the line-item is authorized, specifying the estimated amount of the authorized expenditure. Line-items break downs of estimated expenditures by Object Class are required even if the Buyer/Parent account is non-subsidiarized, since the Budget acts as the authorization for the ISA expenditures. For subsequent fiscal years, entering "Balance Forward Amount" for federal, bond and trust accounts is insufficient, since good project management practices presume that departments will be managing estimated expenditures over the life of a project with planned fiscal year obligations, rather than managing projects solely based upon remaining uncommitted estimated receipts or uncommitted balances.
    - **Column "D" (Description).** Enter a brief description of the type of authorized budget expenditure or category, (e.g., "Conference Materials", "Program Manager", "Health Evaluations" etc.)
    - **Column "E" (Initial ISA Amount/or Amount Prior to Amendment).** Enter the amount for the budget item authorized under the ISA for each fiscal year. If the ISA is being amended, enter the current amount for this line-item, prior to the amendment. The Amendment amount will be entered in Column G and the new total will be entered in Column I.
    - **Column "F" (+/-)** is only used if the ISA is being amended to add or reduce a budget line item. Enter "+" for budget addition or "-" for a budget reduction.
    - **Column "G" Amendment Amount** is only used if the ISA is being amended to add or reduce a budget line item. Enter the amount of the budget line being increased or decreased.
    - **Column "H" (Carry-In)** is only used if the ISA is being amended to reduce a prior year federal grants fund line item with uncommitted estimated receipts that are being re-authorized in the current or a future fiscal year. Enter "YES" in this column for each line item being amended (by object class and description) to reflect a reduction in the budget in a prior fiscal year line item, and for each line item being added (by object class and description) to reflect a reauthorization of the funds in the current or a future fiscal year.
    - **Column "I" New Amount After Amendment** is only used if the ISA is being amended to add or reduce a budget line item. Enter new ISA Amount after the adding or reduction of the line-item amount referenced in Column G.
  - \* **FISCAL YEAR SUBTOTALS AND TOTAL MAXIMUM OBLIGATION.**

# INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) FORM INSTRUCTIONS



- Fiscal Year Subtotals. For single fiscal year ISAs enter the fiscal year (e.g., "Fiscal Year 2007") and enter the subtotal of all "Current Amounts" (Column E) for that fiscal year. For Multi-year ISAs, enter each fiscal year of the ISA as a separate subtotal and enter the subtotal of all "Current Amounts" for each fiscal year.
- Total Maximum Obligation for Duration of ISA. Enter the Total Maximum Obligation for the Duration ISA for all fiscal years (as identified on the executed ISA Form). For single fiscal year ISAs, this amount should be the same as the Fiscal Year Subtotal. For Multi-fiscal year ISAs, this amount should equal the total of all the listed fiscal year subtotals.

➔ **ATTACHMENT C – FEDERAL GRANT SELLER/CHILD ACCOUNT** (complete only if Buyer/Parent Account is a Federal Account). Please enter the following information on this form.

- \* Enter whether this is a "New" ISA or an ISA Amendment and enter the Budget fiscal year.
- \* Enter the Buyer/Parent and Seller/Child Departments, which must match the ISA.
- \* *Skip the Revenue Budget and Revenue Source which will be completed by CTR.*
- \* CENTRAL BUDGET STRUCTURE:
  - Appropriation Number. Enter the Appropriation Number assigned by ANF.
  - Payroll Indicator. Enter a Payroll indicator of Yes or No.
  - Estimated Budgetary Receipts. Enter the amount of the Estimated Budgetary Receipts (the amount estimated in the ISA or Amendment for the current state fiscal year).
  - BGCN Document Identification No. Enter the MMARS Document Identification Number for the Central Expense Document (BGCN). The BGCN must be entered and submitted to PEND in MMARS. Providing a screen print of the BGCN aids CTR in the processing of the ISA and set up of the accounts or account changes.
- \* COST ACCOUNTING STRUCTURE.
  - Total Maximum Obligation of ISA or ISA Amendment Amount. For New ISAs, enter the Total Maximum Obligation of the ISA for the full duration of the ISA. For ISA Amendments, enter the amount of the modification.
  - BGRG Document Identification No. Enter the MMARS Document Identification Number for the Reimbursable Grant Budget Document (BGRG). The BGRG must be entered and submitted to PEND in MMARS. Providing a screen print of the BGRG aids CTR in the processing of the ISA and set up of the accounts or account changes.
- \* MAJOR PROGRAM TABLE SET-UP. This sets up the cost accounting hierarchy with groups of activities (programs) all part of one structure. For example – a major program could be wastewater management – WASTE. All documents (contracts, encumbrances, payments will reference this code.) All documents (contracts, encumbrances, payments will reference this code.)
  - Major Program. Enter the 6 (or fewer) character Major Program Code assigned by the department.
  - Major Program Name. Enter the full Major Program Name.
  - Major Program Short Name. Enter the Major Program Short Name.
- \* PROGRAM PERIOD TABLE SET-UP OR EXTENDED PROGRAM PERIOD (EPP). Enter the Program Period or Extended Program Period (EPP) information. This establishes the effective period of the grant. Please note that end dates are "hard edited" by the system, thus please take into account the accounts payable period for grants when establishing this date. Multiple periods allow for easy periodic reporting aligned to federal reporting dates. However, a Buyer/Parent department may choose to use 1 reporting period – EPP – that encompasses all dates. The downside of this method is that specific periodic federal reporting by the system is not achieved.
  - Enter the Program Effective From Date and Effective to Date.
  - Enter the Program Period or Extended Program Period (EPP) information.
  - Enter the Program Period Name, and Program Period Short Name.
- \* PROGRAM TABLE SET-UP.
  - Enter Program Name. For example a program could be for "storm water discharge".
  - Enter Program Short Name:
  - Program Code. Enter the 10 (or fewer) characters. All Federal Program codes must begin with the letter "F". This is the second level of the cost accounting hierarchy. Programs are individual activities within a Major Program. Using the major program example, a program could be for storm water discharge – the program code would be "Fstormdis". All documents (Recurring Payment Order (RPO), payments will reference this code.)
  - The sub account must be the sub account in the award letter or the draw on the federal grant will fail. If a sub-account changes, this code must change.
- \* FUNDING PROFILE - Funding Line. This must be filled out properly – indicating the federal payment system to be used. If the wrong payment system is indicated, the draws on the federal grant will fail. Enter a check next to appropriate Payment System Code.
- \* FUNDING IDENTIFICATION.
  - Federal Catalog Agency Code. Enter the 2 digit Federal Catalog Agency code.
  - Federal Catalog Suffix. Enter the 3 digit Federal Catalog Suffix code from your award letter or contact the appropriate agency. This must align to the grant award. The proper grant identification information is a federal reporting requirement.
  - Letter of Credit No. Enter the Letter of Credit No. for this grant award.

**COMPLETED ISAS SHOULD BE SUBMITTED FOR PROCESSING TO:**

Office of the Comptroller, One Ashburton Place – 9<sup>th</sup> Floor, Attention: Accounts Payable Bureau, Contracts, Boston, MA 02108  
CTR Helpline: **617-973-2468**