



NOTICE OF MEETING AND AGENDA

Revised 3/8/23

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

Thursday | March 9 | 10:00 a.m.

VIA REMOTE ACCESS: 1 646 741 5293

MEETING ID/ PARTICIPANT CODE: 111 378 6693

Due to a technical factor, the access code has been revised.

All meetings are streamed live at www.massgaming.com.

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

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

PUBLIC MEETING - #442

1. Call to Order – Cathy Judd-Stein, Chair
2. Meeting Minutes for October 20, 2022 **VOTE**
3. Testimony Regarding Written Comments on MGC Sports Wagering Regulations –
Representatives for Attorney General Andrea Joy Campbell: Pat Moore, First Assistant Attorney General; Mychii Snape, Acting Chief of Consumer Protection; Jared Rinehimer, Chief of Data Privacy and Security; and Liza Hirsch, Director of Children's Justice Unit.
4. Sports Wagering - Bruce Band, Director of Sports Wagering
 - a. Status Update on Report of Advertisement of Credit Card/Pre-Paid Card Use – Bruce Band, Director of Sports Wagering; Heather Hall, Chief Enforcement Counsel
 - b. Update as to implementation of intercept review procedures for category 3 operators for past due child support and tax obligations in accordance with G.L. c. 23N, §24. – Todd Grossman, General Counsel **VOTE**



Massachusetts Gaming Commission

- c. Approval of House Rules for Category 3 Operators– Sterl Carpenter, Sports Wagering Operations Manager **VOTE**
 - d. Operations Certificate for Launch of Category 3 Operators – Bruce Band, Director of Sports Wagering; Karen Wells, Executive Director
VOTE
5. Investigations and Enforcement Bureau – Loretta Lillios, Director of IEB
- a. Report on Encore Boston Harbor’s Non-Compliance with Approved Massachusetts Sports Wagering Catalog – Zachary Mercer, Enforcement Counsel **VOTE**
6. Community Affairs – Joe Delaney, Community Affairs Division Chief
- a. Request by City of Medford to Repurpose Community Mitigation Funds **VOTE**
7. Research and Responsible Gaming – Mark Vander Linden, Director of Research and Responsible Gaming
- a. Proposed FY24 Research Agenda **VOTE**
8. Commissioner Updates
9. Other Business - Reserved for matters the Chair did not reasonably anticipate at the time of posting.
10. Executive Session
- a. The Commission anticipates that it will meet in executive session in accordance with G.L. c.30A, §21(a)(3) to discuss strategy relative to potential litigation related to the employment status and associated circumstances pertaining to a former racing official. **VOTE**

I certify that this Notice was posted as “Massachusetts Gaming Commission Meeting” at www.massgaming.com and emailed to regs@sec.state.ma.us. Posted to Website: March 7, 2023 | 10 a.m. EST | **REPOSTED 3/8/23 12pm**

March 7, 2023

Cathy Judd-Stein



Massachusetts Gaming Commission

101 Federal Street, 12th Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com

Cathy Judd-Stein, Chair

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



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Massachusetts Gaming Commission Meeting Minutes

Date/Time: October 20, 2022, 10:00 a.m.
Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 722 8016

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

Commissioners Present:

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

1. [Call to Order](#) (00:05)

Chair Judd-Stein called to order the 398th Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

Chair Judd-Stein reported that the Commission had received nearly thirty scoping surveys, and that the Commission would uphold its commitment to the residents of the Commonwealth by delivering the strongest consumer protections to benefit them. She stated that the Commission would continue to update the public during its meetings and by other means to maintain transparency. She announced that applications for prospective sports wagering operators were due by November 21, 2022.

2. [Approval of the Meeting Minutes](#) (05:51)

a. March 31, 2022

The *March 31, 2022, Public Meeting Minutes* were included in the Commissioner's Packet on pages 3 through 14.

Commissioner Hill moved that the Commission approve the minutes from March 31, 2022, public meeting that were included in the Commissioner's Packet; subject to any necessary

corrections for typographical errors or other non-material matters. The motion was seconded by Commissioner O'Brien.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Abstain.

Chair Judd-Stein: Aye.

The motion passed unanimously, 4-0 with one abstention.

3. [Administrative Update](#) (6:37)

a. Casino Update

Executive Director Karen Wells introduced Assistant Director of the Investigations and Enforcement Bureau ("IEB") and Gaming Agents Division Chief, Bruce Band. Assistant Director Band stated that MGM Springfield ("MGM") was nearing completion of a new coffee shop, would host a classic car show on October 8, 2022, and had begun hosting poker tournaments every Saturday in their poker room. Assistant Director Band stated that Plainridge Park Casino ("PPC") hosted entertainment in their Revolution Lounge on Fridays and Saturdays and would also be conducting live horse racing four days a week in October, and three days a week in November. He reported that Encore Boston Harbor ("EBH") was operating its poker room daily from 10 A.M. to 4 A.M., and that they would add nine more tables by the end of the month, for a total of twenty-four tables.

Assistant Director Band reported to the Commission that for the fiscal year, the Commission assisted the Department of Revenue to retrieve \$3,601,569 in unpaid taxes and child support payments. He explained that the gaming agents within the gaming establishments checked for arrears in those who won jackpots, and that the team worked in cooperation with the Department of Revenue to intercept the funds. He stated that the amount retrieved was a \$200,000 increase from the prior year.

4. [Sports Wagering Process Updates](#) (9:55)

a. Gaming Labs International (GLI) Presentation

Executive Director Wells introduced Kevin Mullally, Senior Vice President of Government Relations & General Counsel from Gaming Laboratories International ("GLI"). Executive Director Wells shared that Mr. Mullally was responsible for all of GLI's risk management policies, that he was previously the Executive Director for the Missouri Gaming Commission, and that he was on the board of directors for the National Council on Problem Gambling from 2001 to 2015. Executive Director Wells explained that GLI was an independent testing laboratory that provided services to operators, vendors, and regulators for casino gaming and sports wagering. She added that GLI would assist the Commission in drafting regulations, review of internal controls submissions, and platform testing.

Mr. Mullally stated that GLI had done a review of Massachusetts regulations so that they could ask more pointed questions, and that GLI staff was reviewing the timeline prepared by Commission staff to offer potential suggestions from other jurisdictions. He shared that GLI had nine or ten former regulators within their government regulatory team.

Mr. Mulally stated that while GLI knew a great deal about the technology and risk, and mitigation related to sports wagering, there was not one singular way to implement it. He further explained that what might work for one environment may not work in another. He stated that GLI relies upon local knowledge, and the skillset of the organizations they work with to provide customized solutions.

b. [Sports Wagering Vendor Regulation, Penalties Analysis](#) (23:32)

Chair Judd-Stein informed the meeting participants and viewers that this item had been taken off the agenda prior to the meeting and would be discussed at the next the agenda setting meeting to be moved to a future meeting date.

c. [Divisional Updates](#) (23:51)

Executive Director Wells stated that Chief Information Officer Katrina Jagroop-Gomes was not present, so there would be no IT presentation, but confirmed that that the updates would be given from IEB and the Legal Divisions, respectively.

Executive Director Wells stated that the IEB had received 29 scoping surveys and introduced Director of the IEB, Loretta Lillios. Director Lillios stated that 18 of the scoping surveys were for untethered category three sports wagering licenses. She stated that IEB was prepared to review these initial entities. She added that the submission deadline for the Business Entity Disclosure form (“BED”) the Commission required was November 21, 2022. Executive Director Wells explained to Commissioners that an individual qualifier review would occur until the applicant pool had been narrowed down to up to seven applicants. She confirmed however that the IEB would perform background checks on individual qualifiers at the same time the Commission would performing the operation certificate process.

Executive Director Wells explained that other jurisdictions, such as New Jersey, had accepted the Multi-jurisdictional Personal History Disclosure form (“MJPHD”) submitted in other jurisdictions within the past year. Chair Judd-Stein asked if the MJPHD forms were in respect to the applications or the individuals. Executive Director Wells explained that BED was for corporate information, litigation history, and compliance, while the MJPHD was for corporate officers to submit their personal history. Director Lillios stated that the Commission would likely need updated fingerprint submissions from the individuals if they provided a MJPHD from another jurisdiction.

Commissioner O’Brien expressed concern about not performing an open search on readily identifiable individual qualifiers, and asked if GLI or another contractor could aid in performing

those searches. Director Lillios reported that an open search would be incorporated for inside directors, and that it could be performed by the Gaming Enforcement Unit or a contractor.

Commissioner O'Brien inquired if the open search would occur before or after the initial scoping review. Director Lillios replied that it would occur after the initial scoping. Commissioner O'Brien explained she would prefer open-source feedback prior to narrowing the number of applicants moving forward. Chair Judd-Stein asked if a temporary employee could run the open search check for the individuals. Director Lillios explained that scoping would have to occur first, as IEB must designate which individuals identified in the forms would be designated "Qualifiers".

Commissioner O'Brien inquired if the vendors assisting with standing up, or initializing sports wagering could assist with the open-source review. Director Lillios confirmed that the open-source review could easily be performed, if desired, but may affect the timeline. Executive Director Wells stated that the information could be given to the Commission prior to a final decision on narrowing down the applicants and would not have to be by the November 21 deadline.

Commissioner Skinner asked what the scoping process would resemble under the expedited timeline. Director Lillios stated that the IEB had two teams working on scoping, and that it was expedited by relying on the submissions and interview via a telephone conference, rather than several internal and external meetings.

Commissioner Skinner asked whether the Commission should clarify the deadline for the BED as November 21, more clearly. Chair Judd-Stein stated that the BED was part of the application, and applicants should understand the general components of the application. Executive Director Wells stated that the general application incorporated by reference the BED, MJPHD and Massachusetts supplement forms. She added that the applicants generally know who in their organization will be required to complete the forms based upon general practice and previous experience. Commissioner Maynard agreed, stating that many of potential applicants have the availability of information, as they had likely filled out similar forms in other jurisdictions. Commissioners thanked Director Lillios.

Providing an update for the Legal Division, General Counsel Grossman stated that the development of the regulatory framework was the division's primary objective. He noted that the Legal Division was working with GLI in developing technical standards, internal controls, and the development of sports wagering regulations. He reported that the Legal Division anticipated presenting a series of regulations in the following week for the Commissioners to review.

Commissioner Skinner inquired when a good time to discuss criteria for granting an applicant extension of time to file. General Counsel Grossman stated that 205 CMR 211.10 allowed applicants to file for an extension, and that extraordinary circumstances were required if they filed past the November 21, 2022, deadline. Commissioner Skinner stated that the Commission should consider the IEB's timeline, and response for scoping expectations as part of the extraordinary circumstances.

Commissioner Hill requested that the excel spreadsheet detailing the stages of sports wagering regulations be updated and disseminated to Commissioners. Deputy General Counsel, Caitlin Monahan confirmed that she would send an updated chart to the Commissioners shortly.

Director Lillios also introduced the new Chief of Licensing Division, Karalyn O'Brien to the Commission. Chief O'Brien stated that she was excited to begin working for the Commission and assist in moving the process along.

5. [Community Affairs](#) (1:04:05)

a. Community Mitigation Fund Draft Guidelines

Chief of the Community Affairs Division, Joe Delaney presented the Community Mitigation Fund Draft Guidelines. The Guidelines topics included eligibility requirements; application requirements; grant categories; projects of regional significance; and gambling harm reduction. The *Community Mitigation Fund Draft Guidelines* were included in the Commissioner's Packet on pages 16 through 28.

Commissioner Hill inquired whether the Commission had discretion to move the regional funds to another region for a larger project. Chief Delaney stated that while there had previously been language to that effect in the guidelines, it had subsequently been removed. He noted that Region B had expressed opposition in the sharing of regional Community Mitigation Fund resources.

Chief Delaney explained that another option would be to borrow funds from the next year's allotment, provided the money was already in the fund. Commissioner Hill expressed an interest in the flexibility of moving funds to the western region if they presented a strong project to the Commission. Commissioner Maynard echoed Commissioner Hill's interest in the flexibility of transferring funds. Commissioner Hill suggested adding language addressing this concern prior to the public comment period.

Commissioner O'Brien stated that she was not inclined to include language about the Commission's full discretion to re-allocate and re-distribute funds within the Guidelines. Chair Judd-Stein suggested adding a provision that the region's funds be restored if they were ultimately applied to another region.

Commissioner O'Brien noted that there should be a way to address the western region's concerns; and requested that some language be included for public comment. Chair Judd-Stein expressed concern that a region may be less inclined to submit smaller projects if a larger project may take the majority of the allocated regional funds. Chief Delaney explained that Region B was aware of the funding disparity, with Region A having significantly more funds in the Community Mitigation Fund but noted that representatives had expressed opposition to sharing funds in the Local Advisory Subcommittee meeting on October 19, 2022.

Commissioner Hill noted that it appeared the Commissioners did not have a consensus, and the language could be considered when the guidelines return in front of the Commission in the future.

Commissioner Skinner inquired if the funds could be moved even if the language was not included in the finalized guidelines. Chief Delaney stated that the answer was likely yes, but that he would need to confirm with the Legal Division. Commissioner Hill asked if it would fall within the Commission's waiver process. Chair Judd-Stein stated that the Commission could waive regional allocations, in theory.

b. [Member Reappointment Request for Gaming Policy Advisory Committee Community Mitigation Subcommittee](#) (1:39:10)

Moving onto the next segment, Chief Delaney requested the reappointment of Richard Sullivan for the Regional Economic Development Representative for Region B's Local Community Mitigation Advisory Committee. The Memorandum supporting the appointment was included in the Commissioner's Packet on pages 29 through 30.

Commissioner Hill moved that the Commission reappoint Richard Sullivan as the Region B Regional Economic Development Representative to the Local Community Mitigation Advisory Committee for an additional one-year term. The motion was seconded by Commissioner O'Brien.

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. [Sports Wagering License Evaluation Process Discussion](#) (2:02:35)

a. Draft 205 CMR 218: General Sports Wagering Application Requirements, Standards, and Procedures; and Small Business Impact Statement ("SBIS")

General Counsel Grossman presented a draft version of 205 CMR 218, which set out the application process for a sports wagering operator's license. He stated that the regulation was designed with both flexibility and discretion in mind, to ensure the best possible process. A draft of 205 CMR 218 and accompanying SBIS was included in the Commissioner's Packet on pages 31 through 51.

Chair Judd-Stein asked her fellow Commissioners had a consensus as to whether Executive Director Wells could conduct consultation meetings with the applicants. Commissioners reached a unanimous consensus in favor of the Executive Director going forward with the consultation meetings. Commissioner Skinner asked if any public comments had been received for the draft of 205 CMR 218. General Counsel Grossman stated that no comments had been received.

General Counsel Grossman then explain that language within the regulation allowed the Commission to have discretion to adjust the submission deadline for any of the three categories. Chair Judd-Stein noted that an application for a new license to operate a racetrack was currently being considered, and that this language would allow for the Commission's discretion regarding that applicant's deadline, should a racing license ultimately be awarded. Commissioner Skinner suggested the language could also be utilized if there was a gap in the time required for the IEB's scoping work and the deadline of November 21, 2022. General Counsel Grossman agreed, stating that the regulation was designed to afford flexibility in the situations that may arise.

Executive Director Wells suggested edits to the draft regulation to clarify that the MJPHD does not have the same deadline as the rest of the application. Attorney Mina Makarious from Anderson and Krieger explained that the Commission was within its power to change the deadline whether or not further clarifications were made but agreed that the suggested edits should occur for transparency.

Chair Judd-Stein inquired if an extension in time for the MJPHD would be communicated to the applicants. Director Lillios confirmed that the deadlines would be communicated to potential applicants prior to scoping, and that initial written communications to applicants will confirm the November 21 deadline for the BED form.

Commissioner O'Brien asked if the regulation made clear that the continuation of the deadline was within the Commission's discretion. Mr. Makarious stated that changes to 205 CMR 218.04 allowed for additional information to be submitted at the Commission's discretion. Chair Judd-Stein asked if it was realistic to designate individual and entity qualifiers at the same time. Director Lillios replied that it was attainable.

Executive Director Wells stated that administrative completeness checks were also a concern due to the timeline and the number of scoping surveys received. She stated that if an applicant did not submit the application materials properly, and the Commission gave the applicant a chance to remedy the deficiency, it could impact the timeline. Director Lillios confirmed, stating that administrative completeness reviews were an integral part of the submission process, and that applications were not transferred to the IEB until the Licensing Division had performed their review. She noted that applications were only sent back if they had a meaningful deficiency.

Commissioner Skinner stated that she was not in favor of deducting points or rejecting applications for not being administratively complete if the applications did not receive the benefit of a regular administrative completeness review.

Executive Director Wells noted that the 205 CMR 218 allowed the Executive Director discretion in allowing the applicants to cure deficiencies prior to the deadline. Commissioner O'Brien stated that discretion shouldn't be required prior to the deadline for an applicant to correct a deficiency. Commissioner O'Brien explained that the Commission also needed to define "extraordinary circumstances," which were required to request an extension of the application deadline.

Executive Director Wells noted her concerns about the Commission's capacity to get back to applicants about deficiencies in their applications in an efficient manner. Chair Judd-Stein added that there was not a deadline on reviewing identified qualifiers, however.

Commissioner O'Brien shared that details such as this were among her concerns with the aggressive timeline. She further inquired if more specific processes could be added to the regulations to be fundamentally fair to both the applicant, and the Commission's timeline. Director Lillios stated that she was confident that scoping could be performed in a concentrated period of time to minimize the timespan when applicants learn designations of qualifiers.

Commissioner Skinner noted that the Commission was tasked with initializing sports wagering but was not required by the Legislature to do it by the Superbowl or March Madness. Chair Judd-Stein stated that the Commission had reached a decision on the timeline. Commissioner O'Brien stated that the last amendment to the timeline was based upon the number of applications received, however, the Commission had received more than the anticipated number of applicants. Chair Judd-Stein requested that Commissioners discuss the current agenda item and return to discussion of the timeline later on in the agenda.

Commissioner Maynard asked if there could be a truncated administrative completeness review, with the normal process taking place later. Commissioner O'Brien suggested having the Commission check the applications for administrative completeness. General Counsel Grossman stated that if administrative completeness were not required, the applications could move ahead for evaluation. He expressed concerns about inequity in giving an applicant time to cure an application deficiency, as it was time not afforded to all applicants. He stated that the administrative completeness review was a gatekeeping function, designed to ensure all materials and information were included. He summated by saying that there were legal risks associated with of not completing an administrative completeness review.

Mr. Makarious stated that the RFA2 process allowed a prescribed number of days for the applicants to cure deficiencies in their application once they received a notice of deficiency. Director Lillios noted that she would be uncomfortable asking staff to review applications with the discretion of deciding what answers were relevant. Commissioner O'Brien suggested marking fields as "required," which would render the application deficient if certain areas were not filled. Chair Judd-Stein asked whether an applicant who omitted critical information should be allowed to advance.

Executive Director Wells stated that there were two competing interests for an administrative completeness, to knock out applications that weren't complete, or to give the applicants the opportunity to cure defects. Chief Financial and Accounting Officer ("CFAO") Derek Lennon stated that for bids, the deadline set by the Commission is final; especially on the competitive side. He suggested against editing to ensure equal footing amongst applicants, stating that allowing supplemental information was essentially changing the submitted application and increasing risk. Chair Judd-Stein echoed CFAO Lennon's sentiments.

Commissioner Skinner stated that safeguards to prevent unintentional human error should also be considered. Commissioner O'Brien expressed concern that if the Commission did not agree on

what was required to deem the application “complete, that there could be an argument of disparate treatment. Mr. Makarios stated that the administrative completeness review was not intended for the staff to make judgement calls, but to simply ensure the application was fully completed. He stated that if a review occurs, it should not be done by the Commission. Director Lillios stated that missing questions in the application could affect the IEB’s ability to investigate the entity, however.

Commissioner O’Brien stated that some questions on the application had to be answered for the application to proceed and suggested flagging the bare minimum questions required of applicants. Commissioner Hill voiced his agreement with CFAO Lennon’s approach, but expressed his concern that smaller entities might not have sufficient staff to thoroughly review their materials prior to submission. He inquired if it was too late in the timeline to mark fields as required for the application to move forward.

General Counsel Grossman reported that it would be exceedingly difficult to draw a distinction regarding which field of the application was required or preferred by the Commission and stated that each question was included within because it was seeking materially important information. Director Lillios agreed, stating that the suitability forms had been vetted for years, and that everything in the form was necessary to perform a suitability review.

Mr. Makarios agreed that it would be difficult to discern what was required from what was preferred, and unwise to try to distinguish questions on the suitability forms. He stated that the casino gaming regulations allowed for a timeline where the applicant had seven days after receiving a notice of deficiency to cure the issue. He noted that in the present instance, the timeline may be impacted if applicants were given time to cure deficiencies.

Commissioner O’Brien noted that deficiencies in the application may be cured prior to the deadline. Executive Director Wells added that time may become an issue if Commission staff were inundated in the days leading up to the deadline. General Counsel Grossman explained that the process may differ by each category of applicant.

Chair Judd-Stein posed that the untethered category three applicants may be the most difficult to manage, given the sheer number of applicants, and suggested hiring additional assistance for the review process. She asked if the applications could be given to the Commissioners contemporaneously during the administrative review, while the Commission awaited further information to cure deficiencies. General Counsel Grossman stated it was possible for the Commission to receive the application at that time.

Executive Director Wells stated that frequently items are missing, or pages are not initialed and that it may take a while to finish the administrative completeness review, and that more resources would help. She noted that the IEB cannot compile their reports without correctly completed forms.

CFAO Lennon posed that supplemental information should not better the application, but clarify existing information related to the entity’s suitability; and that the competitive process should be graded upon the information in the application. Commissioner Maynard stated his hope that the

discussion from this meeting served a public service announcement about the importance of ensuring the applications include all necessary information. Chair Judd-Stein stated that the applicant may not be disqualified but could receive a lesser evaluation if information was missing. She stated that the regulation allowed for the Commission to receive supplemental information, but that the Commission would be careful not to be unfair.

Chair Judd-Stein explained that the application consisted of four parts: the BED, MJPHD, Massachusetts supplemental forms, and the evaluative application. She noted that the evaluation application was not a form the IEB was familiar with, but that the IEB had used the BED and MJPHD previously. She suggested that IEB should not have to perform an administrative completeness review for the evaluative application, and recommended adopting CFAO Lennon's suggestions.

Director Lillios stated that it would be helpful for the Licensing team to remove the evaluative application from the administrative completeness review. She stated that IEB should review the BED, MJPHD, and Massachusetts Supplement forms, as she was uncomfortable with licensed Operators being able to commence without IEB's ability to engage in a full suitability review.

Chair Judd-Stein asked if the review could occur simultaneously with the Commission's evaluation process. Executive Director Wells stated that it would be dependent upon the number of applications received, which would not be known until application fees were submitted.

Executive Director Wells asked if the Commission would issue licenses once the applicant pool was narrowed down to seven entities or would make a preliminary finding with later licensing. Commissioner O'Brien stated that as written, the regulation does not differentiate the application section, and requested that the regulation be changed to allow the IEB to continue administrative review for the portions of the application they were familiar with.

Executive Director Wells stated that the application was due on November 21, 2022. She stated that the Commission would receive the general application, while the IEB and Licensing Division would review the BED, Massachusetts Supplement and MJPHD when they are received and review them for administrative completeness. Commissioner O'Brien suggested that language be added to the regulation clarifying that the evaluative application itself would not be reviewed for administrative completeness. Chair Judd-Stein agreed that the regulation needed to be rewritten and asked the Legal Division to provide edits consistent with the discussion.

Executive Director Wells stated that if there were deficiencies in the documents submitted to the IEB, the entity would be sent a deficiency letter and would have a set period of time to cure the deficiencies. She continued that if the deficiency was not cured within the allotted time of thirty days, the application would not move forward. The Commissioners expressed a unanimous consensus in support of this method of curing deficiencies. Executive Director Wells stated that the number of applicants may be an issue as the current timeline would work if only ten to twelve applicants applied.

Chair Judd-Stein asked if the Commissioners could review applications as they were received, rather than waiting until the due date. General Counsel Grossman stated that the IEB could

commence review once the applications were received and that he did not believe there was an issue with the Commission beginning to review as applications are received. He noted that the Commission should not deliberate or score in any way until all applications were before the Commission.

Commissioner Skinner asked why the Commission could view the applications as they were received but could not do the scoping surveys on a rolling basis. Chair Judd-Stein clarified that the scoping documents were for the IEB's review and investigations, not the Commission.

General Counsel Grossman stated that in the absence of an administrative completeness review, there was no harm in reviewing applications on a rolling basis as long as they were not substantively evaluated or scored. Commissioner O'Brien recalled that in the procurement process, the staff doesn't look at applications until the deadline had passed, and inquired whether there was a distinction. General Counsel Grossman stated he was not an expert in procurement, but that the concern was regarding potential bias against future applicants by beginning the review too early.

Chair Judd-Stein suggested that the IEB could begin reviewing on a rolling basis, but that the Commission would not need to. Commissioner Skinner expressed concerns that the potential number of applicants might be overwhelming, and the Commission could use the jumpstart to meet the timeline. Chair Judd-Stein stated she was confident the Commission could put in that work.

Commissioner O'Brien stated that she was aware rolling basis review was frowned upon in procurement, but she would utilize rolling basis review if it was permitted. General Counsel Grossman stated that the regulatory language is not affect it, but that the Commission could address rolling basis review at a later point in order to discuss the risks at more length. The Commission expressed unanimous consensus that the general application would be subject to the Commission's review instead of undergoing an administrative completeness review by the IEB. Commissioner O'Brien stated that she wanted to normal process to be followed by the IEB for suitability.

Commissioner O'Brien suggested striking the language allowing the Executive Director discretion in the curing of deficiencies prior to the application deadline. Chair Judd-Stein asked if the Commission was comfortable allowing thirty days for the applicants to cure deficiencies once notified. Executive Director Wells stated that the period could also be lowered to fourteen days. She suggested language regarding the deficiency notice letter be added to the regulation, and that if the deficiency was not cured, the Commission has the right to deny the application.

Director Lillios stated that fourteen days was reasonable to cure deficiencies. Commissioner O'Brien suggested moving the language related to extending the deadline due to extraordinary circumstances to a more suitable section. Commissioner Skinner asked when the fourteen-day window to cure a deficiency would begin. Director Lillios stated that the time began once the letter of deficiency was received. Commissioner Skinner asked if the deficiency letters would be sent on a rolling basis. Director Lillios confirmed that the letters would go out as the applications were received.

Commissioner Skinner sought clarification regarding the term “merits of the request,” and asked what “the request” referred to. General Counsel Grossman clarified that it was the request for a license and stated that the language can be changed to refer to the application, if desired by the Commissioners. Commissioner O’Brien suggested that it be clarified to include “timely filed”.

Chair Judd-Stein inquired whether the Commission would want to reserve the right for discretion to request supplemental information prior to the evaluation hearing. CFAO Lennon stated that the RFA2 process allowed the Commission to request clarifying information, but not supplemental information, as supplemental information effectively changed the application.

Commissioner Hill sought clarification on what clarifying information included. CFAO Lennon stated that it could include distinctions between how many employees are full time versus part time. He stated that requests for clarifying information were often used in procurement, and that the Commission should weigh the risks of allowing supplemental information with the Legal division. Commissioner Hill stated he would be hesitant to use the tool to request supplemental information, but he liked the discretion of having it available.

Chair Judd-Stein asked if clarifying questions could be asked to a single applicant, or if they would be asked to all applicants. CFAO Lennon explained that clarifying questions could be focused on one applicant, but that they could be posted to the Commission website in case other applicants wanted to provide the same information. He warned against receiving answers verbally, suggesting the Commission should receive the answers in email form and post them in a public place.

Commissioner O’Brien suggested edits to clarify the language regarding designees. General Counsel Grossman stated that he wanted to ensure the evaluative decision was not based on the contents of specific applications or number of applications, and that no decision should be made until all applications had been reviewed. Mr. Makarious stated that the Commission was allowed to draw distinctions between the applications, but that the Commission must hold on making a decision until all applications had been reviewed.

General Counsel Grossman noted that regulations regarding the operations certificate were being drafted. He noted that getting a license did not allow the applicant to formally launch their operations but made them eligible to pursue an operations certificate.

Mr. Makarious stated that the language was added to the regulation pursuant to section six of the Chapter 23N regarding temporary licensing. Executive Director Wells sought clarification that the temporary licensing fee of \$1 million would be collected at the time of temporary licensure, but not the full \$5 million until full suitability had been completed. Mr. Makarious stated that was correct, and that the concept was also reflected in 205 CMR 214 and 205 CMR 221, which the Legal Division anticipated presenting to Commissioners in the following week.

Commissioner O’Brien asked if the language in the regulation limited the temporary licenses to no more than seven untethered category three applicants. General Counsel Grossman confirmed and stated that the temporary licenses would be granted to those selected in the competitive

process. He stated that once the Commission awarded a positive determination of suitability, the temporary licensee could pay the additional \$4 million licensing fee and receive their full license.

Commissioner O'Brien asked if the temporary license would expire when the permanent license was granted. Mr. Makarious explained that the temporary license would expire as included in 205 CMR 219, which would be presented to the Commissioners in the coming weeks. Chair Judd-Stein asked if the Commission would collect the full \$5 million from applicants if the temporary licensing process was not required. General Counsel Grossman explained that if temporary licensure was not included in General Law Chapter 23N, the Commission would likely award conditional licenses on the conditions of receiving the \$5 million license fee, and after a positive suitability finding. He noted however that because that temporary licensure was in the statute, it did need to be recognized by the Commission and incorporated into the regulatory framework.

Chair Judd-Stein asked what would occur if the Commission granted less than seven licenses for untethered category three applicants. General Counsel Grossman stated that the statute's language stated up to seven licenses could be awarded but did not mandate that seven licenses must be issued. Mr. Makarious added that a new deadline could be made for the remaining spots temporary licensure, and that the regulations could be amended for the Commission to decide if they wanted provisional licenses.

Chair Judd-Stein inquired whether the language should clarify that applicants could not begin operating until an operations certificate was granted even if they had been awarded a license. General Counsel Grossman stated that a cross-reference could be incorporated to recognize that the operations certificate process within another regulation must be satisfied prior to commencement of operations. Attorney Paul Kominers from Anderson and Krieger stated that 205 CMR 251 referenced the process regarding the operations certificates. Mr. Makarious stated that the operations certificate requirement was cross-referenced in 205 CMR 218.7(b), but that it could be included in the prior subsection of the regulation as well.

Chair Judd-Stein thanks parties for their work on the regulation and the discussion. She then summated the discussion by listing the edits that needed to occur on the regulation including: extracting the general application from the administrative completeness review; allowing the IEB to perform the administrative completeness review on the BED, Massachusetts Supplement, and MJPFD forms; the process and time period to cure deficiencies; allowing the Commission to receive the applications; and considering the Commission's ability to review the applications on a rolling basis. General Counsel Grossman confirmed these changes and noted that the Legal Division team would update the draft and present the new regulation at the meeting in the following week.

7. [Other Business](#) (6:09:41)

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

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

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

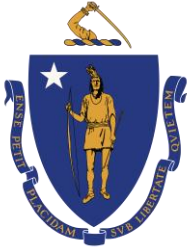
Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated October 17, 2022
2. [Commissioner's Packet](#) from the October 20, 2022, meeting (posted on massgaming.com)



THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL

ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

ANDREA JOY CAMPBELL
ATTORNEY GENERAL

(617) 727-2200
www.mass.gov/ago

March 7, 2023

VIA EMAIL

Cathy Judd-Stein, Chair
Bradford R. Hill, Commissioner
Jordan Maynard, Commissioner
Eileen O'Brien, Commissioner
Nakisha Skinner, Commissioner
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Re: Mobile Sports Wagering Regulations

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

We understand from the Massachusetts Gaming Commission's timeline that, in the near term, mobile sports wagering will debut in the Commonwealth. When that day arrives, legal gambling will expand well beyond the handful of brick-and-mortar sites that now host it to every city and town in the state. Any smartphone is on the verge of becoming a digital sportsbook. With this expansion, the population of gamblers—and potential problem gamblers—may grow substantially. We look forward to working with the Commission to address and mitigate the challenges that will follow, particularly as we enforce existing laws to protect consumers and young people.

Let us be clear at the outset. The legalization of mobile sports wagering is the product of a democratic process that the Attorney General's Office ("AGO") supports completely. The Massachusetts Sports Wagering Act that became law in August 2022 envisioned not just mobile sports wagering, but safe and responsible mobile sports wagering. We believe, just as the Legislature did, that public health and safety and corporate responsibility are essential to the entire enterprise. The public will be looking to the Commission to ensure safe and responsible conduct by sports wagering operators, just as the Commission has done in the context of casinos. We know, too, that the public expects, and the law envisions, that the AGO will exercise its authority to ensure that the promotion of mass market products—imminently to include sports gaming apps—is safe, transparent, and responsible.

Two core responsibilities of the AGO are the protection of consumers and young people, particularly in the context of paid advertising and promotion. We have decades of experience on these issues. And, over the past decade, we have also had the responsibility to prosecute criminal violations of the state

gaming law.¹ This experience has taught us that without meaningful guardrails governing how mobile sports wagering is marketed and promoted, the Commonwealth—especially our young people—will be unduly exposed to potentially addicting products. In recent years we have seen time and again that when any new consumer product is rolled out, fairness and accuracy in advertising is essential from day one. All the more so when the product implicates serious public health considerations.

We know this experience aligns with the Commission’s own research, which has found “exposure to gambling advertising” to be associated with “increases in gambling and problem gambling behavior. These patterns are consistent with those found in the fields of alcohol, tobacco, and electronic cigarettes.”² The current deluge of advertising by gaming operators, and the all but certain increase in the population of sports gambling activity in the Commonwealth,³ makes responsible commercial conduct even more imperative.

In that spirit, we offer today’s comments on the Commission’s draft regulations, emphasizing five points:

- The Commission’s regulations on mobile sports wagering must complement consumer protections set forth in other state and federal laws, with which the gaming operators and their vendors must comply, just like every other business in the state.
- No sports wagering marketing or promotion should be targeted at young people under age 21, and the Commission’s regulations should be strengthened to achieve this important goal.
- To avoid inundating those suffering from or believed to be at risk of gambling addiction with repeated invitations to wager, the Commission must carefully scrutinize app design to prevent addictive elements and strictly limit the ability of gaming operators and their marketing partners to target those vulnerable populations with online advertising or communications.
- The Commission should strictly limit—and, in certain circumstances, outright prohibit—the potentially deceptive use of “experts” or “insiders” paid by operators and promotions that distort the gaming experience and its risks and benefits.
- The Commission should require gaming operators to use their extensive data about customer behavior to identify and intervene with problem gamblers to direct them toward appropriate supports and assistance.

We have followed closely as the Commission has heard from gaming operators that they are part of a new and developing industry. This changing landscape demands prudence and caution, especially given the

¹ See G.L. c. 23K, § 6.

² Mark Vander Linden *et al.*, *Responsible Gaming Considerations for Gambling Advertising*, MASSACHUSETTS GAMING COMMISSION, at 4 (June 9, 2022), <https://massgaming.com/wp-content/uploads/Gambling-Advertising-White-Paper-6.9.22.pdf> (citation omitted).

³ The Commission’s research partner has suggested that even before the legalization of sports wagering, somewhere between 13% and 20% of Bay State adults gambled on sports. See Rachel A. Volberg *et al.*, *Legalized Sports Betting in the United States and Potential Impacts in Mass.* (“Potential Impacts”), SOCIAL AND ECONOMIC IMPACTS OF GAMBLING IN MASS., UNIV. MASS. SCH. PUB. HEALTH AND HEALTH SCIS., at 36 (Aug. 22, 2022), <https://massgaming.com/wp-content/uploads/SEIGMA-Sports-Betting-Impacts-Report-9.8.22-1.pdf> (presented to the Commission on Sept. 8, 2022).

addiction and public health considerations at play. In addition, sports wagering operators have been actively marketing their products in the rollout of mobile betting, sometimes in ways that appear not to reconcile with the Commission's existing emergency or draft regulations. Accordingly, the Commission should provide additional clarity in the near term to ensure responsible conduct during the important early days of mobile wagering.

1. The Commission's Regulations Must Complement the Existing Consumer Protections in State and Federal Laws, With Which All Businesses in the State Must Comply.

We appreciate the Commission's work to carry out the legislatively conferred obligation to expressly prohibit certain unfair and deceptive practices by sports wagering operators.⁴ Of course, in addressing such practices, the Commission does not paint on a blank canvas. The emerging digital sports wagering industry must act within the context of existing laws and regulations designed to promote fairness in the marketplace, like all commercial enterprises affecting Massachusetts residents.⁵

To avoid any future, incorrect argument otherwise from regulated entities, the Commission should expressly state that its regulations, and particularly those related to advertising and marketing, are in addition to, and are not intended to displace, the Commonwealth's preexisting and extensive consumer protection laws. Those laws include without limitation the Massachusetts Consumer Protection Act, G.L. c. 93A, and regulations established by our Office under that Act. The Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), and the regulations and guidance interpreting that statute also apply. The Commission should ensure that its regulations are consistent with these and other existing laws and regulations.

2. No Promotion or Marketing of Sports Gaming Should Be Targeted at Young People.

The AGO appreciates the Commission's efforts to protect underage youth from harmful exposure to sports wagering, which is a goal that we share. With that goal in mind, the Commission's draft and emergency regulations should be strengthened.

The Commission's advertising regulations limit the placement of paid marketing and promotion in areas likely to be viewed by young people, including, for example, mass media with a young audience and outlets serving colleges and universities.⁶ These regulations should be amended to more directly address social media (e.g., Instagram and TikTok) and connected television platforms (e.g., YouTube TV and Hulu). Many such platforms allow individuals under a certain age (actual or predicted) to be excluded from an advertiser's audience. Where technically feasible, operators and their vendors should be mandated to exclude any age category that includes those under the age of 21. We understand from our diligence that certain operators would welcome this mandate. Where an operator can demonstrate that this type of exclusion is not feasible or available, however, operators should still not be permitted to promote or market on platforms where 25% or more of the audience is under 21, consistent with the standard for other marketing settings under the current draft regulations.⁷ This is particularly important given that

⁴ See G.L. c. 23N, § 4(c)-(d).

⁵ See generally G.L. c. 93A; 940 CMR 3.00; 15 U.S.C. § 45(a)(1).

⁶ See 205 CMR 256.05(4).

⁷ See 205 CMR 256.05(4)(b) & (e).

operators are presently advertising through paid social media influencers who have potentially substantial underage audiences.⁸

Moreover, we urge the Commission to strengthen age verification protocols by amending 205 CMR 248.04 to clearly state the minimum standard of reliability and accuracy for age verification that operators must implement. The standard should be consistent with the highest level of accuracy and reliability in the digital age verification industry and incorporate protections against the unauthorized use of sports betting accounts by underage users (e.g., underage use of an account of an older sibling or friend).

Finally, we encourage the Commission to review all sports wagering regulations to ensure that any provision pertaining to youth cross references both 205 CMR 250.00 (Protection of Minors and Underage Youth from Sports Wagering) and 205 CMR 150.00 (Protection of Minors and Underage Youth).

3. To Facilitate Safe and Responsible Gambling, App Design Should Be Carefully Scrutinized and Targeted Advertising and Communications Should Be Strictly Limited.

Mobile sports wagering will give operators greater insight into customer behavior than ever before.⁹ Because many of us are rarely without our smartphones, operators will have an unprecedented ability to directly reach their customers and develop and scale up their most successful engagement techniques. Engagement can immediately lead to more wagering without the “friction” associated with physically visiting a brick-and-mortar sportsbook or the exchange of money. The use of modern advertising and social media engagement technologies, in a field already associated with public health risks such as addiction, demands vigilance. Otherwise too many consumers will find their faculties to engage in responsible gaming overcome by targeted technology encouraging engagement over reasoned restraint.

The extent of personal data to which operators will have access is breathtaking. They will have data indicating where or when their customers are most likely to place bets and what may draw customers to higher-priced or riskier wagers. Operators will know their customers’ favorite teams, favorite sporting events, and favorite types and amounts of bets. Absent regulatory action, operators could conceivably leverage this data to encourage irresponsible gaming through mobile notifications and app design choices. For example, app design features or notifications may be used improperly to remind users to return to an operator’s application just as users are attempting to wean themselves from it —by, say, a reminder that a customer’s favorite team is about to take the field but the customer has not yet placed a bet.

Indeed, mobile sports betting exists within a robust industry of “Mobile App Engagement,” the goal of which is to optimize a mobile app for “engagement” by the consumer to induce them to interact with an app as much and for as long as possible.¹⁰ Behavioral scientists have developed models frequently used

⁸ We understand from responsible gaming advocates that influencers have not been conspicuous in identifying that they are being paid by the gaming operators. On this issue, we encourage the Commission to be vigilant, and ask the operators to review closely and follow their consumer protection obligations under state and federal law.

⁹ See *Responsible Gaming Considerations*, *supra* note 2, at 2. (“Today, it’s common practice to utilize user-specific data to curate highly targeted ads pushed out through social and digital media. The gaming industry uses additional strategies to reach and retain customers.”).

¹⁰ See, e.g., Griffin Piatt, *The Ultimate Guide to Mobile App Engagement*, BRANCH.IO (Aug. 18, 2016), <https://www.branch.io/resources/blog/the-ultimate-guide-to-mobile-app-engagement/>; Todd Grennan, *Be Your Customers’ Ritual: Consistent Engagement Results in 90% Audience Retention after One Month*, BRAZE (Nov. 5, 2015), <https://www.braze.com/resources/articles/be-your-customers-ritual-consistent-engagement-results-in-90-audience-retention-after-one-month>.

to persuade people to take specific actions.¹¹ Recently, Robinhood, a consumer investing app, has come under scrutiny for the “gamification” of its app, potentially “making light of decisions involving real money” and “manipulat[ing] customers.”¹²

Gambling apps pose similar risks if not properly scrutinized. With mobile betting, consumers may be steered toward high-risk gaming behavior through the interface of the gaming platform itself. “A common design principle in mobile gaming and gambling is that small wins, near misses and losses encourage greater levels of engagement. Mobile games superficially appear to be relatively benign because their payoffs are often trivial, but [researchers] predict this actually makes them more addictive.”¹³ When contrasted with regulations concerning the form and structure of physical casino games in Massachusetts,¹⁴ the Commission’s regulations regarding the format and design of mobile sports betting apps are quite limited.¹⁵ We urge the Commission to further study and understand the ways in which mobile sports gaming apps can be calibrated to deter, rather than further, the potential for problematic gambling behavior.¹⁶ The prudence and caution we emphasize on sports wagering as a whole will require close and continuing review of operators’ application design choices.

There is one design flaw not immediately fixable by the operators themselves, but that the Commission can spur collective action to address. Specifically, the operators must allow customers to set daily, weekly, or monthly betting limits, and then require a waiting period of some time to revise those limits. But the limits do not apply across operators—so a customer using one app may just download another to circumvent the limitations. Without a process to apply the limitations across applications, they are ineffective. We understand that the operators would welcome such a process and encourage the Commission to use its authority to incent its development in the near term. If and to the extent that any such process requires navigation of customer data privacy concerns, the AGO is ready to work with you.

In addition, unless they are limited from doing so, operators may use targeted digital advertising to find and target their consumers on other online or connected platforms or to use their customers’ data to create look-alike audiences for enhanced marketing. To prevent this practice, the Commission should impose exacting regulations. Operators require certain, detailed information from each customer to operate — their birthdate, social security number, name, email, and even their location. The Commission’s sports advertising regulations should be amended to state that none of this information, shared for compliance

¹¹ P.J. Fogg, *Fogg Behavior Model* (last visited Mar. 7, 2023), <https://behaviormodel.org/> (“[T]hree elements must converge at the same moment for a behavior to occur: Motivation, Ability, and a Prompt.”).

¹² Maggie Fitzgerald, *Robinhood Gets Rid of Confetti Feature Amid Scrutiny Over Gamification of Investing*, CNBC (Mar. 31, 2021), <https://www.cnbc.com/2021/03/31/robinhood-gets-rid-of-confetti-feature-amid-scrutiny-over-gamification.html>.

¹³ Richard J.E. James *et al.*, *Gambling on Smartphones: A Study of a Potentially Addictive Behaviour in a Naturalistic Setting*, 25 EUR. ADDICTION RESEARCH 30 (Jan. 2019), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6482978>.

¹⁴ See *Rules of the Game*, MASS. GAMING COMMISSION (Last accessed Mar. 7, 2023), <https://massgaming.com/regulations/table-games-rules/>.

¹⁵ See *Sports Wagering Rules & Approved Events*, MASS. GAMING COMMISSION (Last accessed Mar. 7, 2023), <https://massgaming.com/about/sports-wagering-in-massachusetts/sports-wagering-rules-and-approved-events/>.

¹⁶ The recent SEIGMA report highlights several suggestions. See *Potential Impacts*, *supra* note 3, at 41.

purposes, may be used to target customers (or look-alike audiences) through digital advertising.¹⁷ In addition, the Commission should ask each operator to demonstrate precisely how they plan to use customers' gambling data to target them in-app (for example, by alerts) and through out-of-app digital marketing, followed by close consideration of whether their planned practices further safe and responsible gaming. At minimum, those practices should be required to include frequent and conspicuous opportunities to opt-out of future operator marketing or promotion.

Even apart from customer data, we encourage the Commission to carefully scrutinize the kinds of targeted advertising operators and their vendors intend to use, and to investigate whether their selected criteria will target individuals based on unlawful criteria or criteria already known to place an individual at high risk of problematic gambling, such as being age 25 or younger.¹⁸ The Commission has demonstrated its concern in this area by proposing to prohibit the targeting with advertisements of those "potentially at-risk or problem bettors."¹⁹ But that regulation will prove ineffective in time unless it is further developed in the context of advanced digital marketing and engagement techniques.

In addition, unfair and deceptive trade practices, like targeted marketing to at-risk populations, do not require proof of specific intent. It is enough that the business knew or should have known that its conduct reasonably could be perceived as unfair or deceptive. To this end, the word "intentionally" should be removed from 204 CMR 256.06(1); the phrase "in order to induce them to engage in Sports Wagering" should be removed from 205 CMR 256.04(1); and 205 CMR 256.09 should be expanded to specifically require compliance with Federal Trade Commission's Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, or any later iteration.

4. The Ubiquitous Use of "Experts" Paid by Operators and Promotional Inducements Should Be Closely Regulated and, In Some Cases, Prohibited.

Among the high volume of advertisements and branded segments currently aimed at Massachusetts consumers are two that present unique risks: (a) the use of "experts" paid by the operators or their vendors

¹⁷ We acknowledge that the Commission has set limitations on the types of personally identifying information that operators may share with third parties without customer consent, including account balances, amounts of bets, and types of sporting events bet on. *See* 205 CMR 238.45(2). But the AGO believes the Commission should go further, for three reasons. First, advertising can be pushed to consumers based on information apart from what is gathered by operators while a customer is using their app. Second, advertising can be targeted based on so-called "anonymized" or "deidentified" data without disclosure of personally identifying information. Third, there are few limitations placed on the manner by which consumers can consent to the sharing of their data with third parties. Often, consent is conferred after tapping through long notices that many consumers never review, let alone read closely.

¹⁸ *See Problem Gambling Factors*, RESPONSIBLE GAMBLING COUNCIL (last accessed Mar. 7, 2023), <https://www.responsiblegambling.org/for-the-public/safer-play/whos-at-risk/> ("Young adults aged 18–24 are more likely to engage in risky gambling behaviour . . . because their brains are still in development and until the age of 24 or 25 years, emotion and logic isn't fully realized. That makes good decision-making more difficult. As a result, young adults are more apt to be risk takers or to act impulsively.").

¹⁹ 205 CMR 256.06(1).

to encourage certain bets that the operators, by their own odds, recognize are unlikely to be successful; and (b) a wide range of promotions targeting new customers.

a. The practice of operators paying experts to encourage particular bets must be sharply curtailed and prohibited in certain circumstances.

Many sports wagering operators temporarily licensed by the Commission have brought to Massachusetts the practice of using paid spokespersons to encourage wagers that the operators own odds suggest are inadvisable, using a type of marketing that appears to be without comparison in any other industry.

Let us offer an example to illustrate the practice. Certain mobile sports gaming operators sponsor segments where announcers affiliated with Boston professional sports teams suggest wagers before—and, sometimes, even during—a game, recommending that viewers place (or, at least, consider placing) a certain bet in the hope of winning much more. The resulting dynamic is one that most industries, cognizant of their obligations under consumer protection laws, would avoid entirely. On the one hand, an operator is paying a broadcasting or sports celebrity to encourage a wager. On the other hand, the operator’s very business model—and the odds associated with that particular wager—reveal the operator’s commercial judgment that the wager is somewhere between likely and overwhelmingly likely to fail. Put simply, in such a segment, the sports wagering operator is paying a spokesperson to promote a bet that, as a business matter, the operator believes the customer will lose.

It is difficult to understand how this practice comports with the Commission’s current draft regulations that prohibit advertising “reasonably . . . expected to confuse and mislead patrons in order to induce them to engage in Sports Wagering.”²⁰ Likewise, these segments appear to be an operator “advis[ing] or encourag[ing] individual patrons to place a specific wager,” which is prohibited under draft 205 CMR 256.04(4). It is our understanding, however, that the gaming operators have undertaken to comply voluntarily with the draft regulations and, therefore, must have some incorrect belief that these segments are permissible. At minimum, then, additional clarity is required to prevent this type of misleading marketing. If it is the operators’ position that their paid expert is simply entertainment, and not someone qualified to render gambling advice, a very different presentation of all material facts would be required under G.L. c. 93A and pertinent regulations.²¹

The use by operators of paid experts is all the more concerning where the expert is closely associated with a sports team or its broadcaster. Where, for example, a broadcaster recommends particular wagers, the public may reasonably assume that they have nonpublic information material to their betting decision (gained, for example, by their access to team practices or their ability to speak with the athletes themselves). Put plainly, operators should not be permitted to profit at all from that assumption.

Importantly, we note that these issues would become even more problematic should the Commission back away from its current (and very sound) prohibition on commission-based payments to third-party marketing vendors.²² We understand certain vendors are asking for that prohibition to be lifted, which the

²⁰ See 205 CMR 256.04(1).

²¹ See 940 CMR 3.00, *et seq.*

²² See 205 CMR 256.01(3).

Commission is considering on an interim basis.²³ The fact is that certain third-party marketing vendors present themselves to the public as tip sheets, providing advice on prospective wagers. Where a vendor expressly or impliedly advises a particular wager, that vendor must not be compensated based on whether its audience then uses or accesses a sports wagering operator's site or app to make the bet it has advised.

b. Promotions Should Be Vetted Before They Are Widely Used & Their Cost Must Not Be Subsidized by Massachusetts Taxpayers.

If their recent advertisements are any guide, the operators are planning to tie the debut of mobile sports wagering in the state to any number of promotions. Certain promotions grant would-be customers free money or credit to wager. Others, however, act as insurance for a customer's first tranche of bets, thereby ensuring that the downside typically associated with gambling (i.e., losing money) is mitigated for the customer's first series of bets. Before allowing such a promotion, the Commission should undertake to understand why it has been structured this way, using the operators' own data. It should also hear from the operator as to why the promotion is consistent the prohibition on advertising that "impl[ies] or promote[s] Sports Wagering as free of risk."²⁴

In addition, it appears that multiple operators intend to offer referral bonuses, such that one customer may receive credits for the referral of others. These types of promotions, which encourage consumers to leverage their social networks for referral bonuses, are not permitted in other industries with considerable public health externalities—like the sale of alcohol or recreational marijuana—and they should not be permitted here.

If and to the extent that the Commission determines certain promotional incentives are consistent with safe and responsible gaming, the cost of those promotions should not be used by the operators to offset their gaming revenues. The people of the Commonwealth certainly did not intend to provide a tax subsidy for gambling giveaways.

5. Gaming Operators Should Be Required to Use the Data Collected About Customer Behavior to Identify and Intervene with Problem Gamers.

The "prevalence of problem gambling among . . . sports bettors" is "significantly higher" than other forms of gaming.²⁵ Online gambling platforms, with their increased convenience, availability, speed and ease of bets and spending, and which can be used alone and without the presence of others, have the possibility to exacerbate problematic gambling behavior.²⁶ Without adequate controls, this unprecedented access to gambling may result in wide-ranging harm that is difficult to address after the fact.²⁷

²³ See Colin A. Young, *Regulators Eye Relaxed Sports Betting Marketing Rules*, STATE HOUSE NEWS SERVICE (Feb. 28, 2022).

²⁴ 205 CMR 256.04(6)(c).

²⁵ *Potential Impacts*, *supra* note 3, at 26.

²⁶ See, e.g., Hing et. al, *How Structural Changes in Online Gambling Are Shaping the Contemporary Experiences and Behaviours of Online Gamblers: An Interview Study*, 22 BMC PUBLIC HEALTH 1620 (2022), available at <https://bmcpublikealth.biomedcentral.com/articles/10.1186/s12889-022-14019-6>.

²⁷ See Lia Nower, *Data From New Jersey Is a Warning Sign for Young Sports Bettors*, N.J. MONITOR, (February 12, 2023), <https://newjerseymonitor.com/2023/02/12/data-from-new-jersey-is-a-warning-sign-for-young-sports-bettors/>; see also *Responsible Gaming Considerations*, *supra* note 2, at 4–5.

For the reasons canvassed above, mobile betting operators and their marketing partners will have the best access to information concerning the propensities of their users, including those on the verge of addiction. And that information is unique. The individualized experience of wagering on a smart phone makes it easier to shield that addiction from others and for it to deepen in isolation. So, with the operators' access to information comes a responsibility to use it in furtherance of safe, responsible sports wagering. In the near term, the Commission should work with operators to establish indicia of high-risk behavior; to establish appropriate monitoring of those indicia; to share with the Commission anonymized data concerning when the indicia are met; and to establish appropriate operator-driven interventions to stem and mitigate high-risk consumer behavior. Other states—including New Jersey, which has the longest experience with sports wagering in the country—recently have enacted these types of requirements.²⁸

Simply put, where (a) the operators themselves have the best data to identify and curb problem gambling; and (b) have the tools to interrupt that gambling before customers harm themselves or their families, the operators must be obligated to do just that. And the Commission should be vigilant in ensuring the obligation is met.

The Attorney General's Office appreciates the opportunity to offer these comments to the Commission regarding mobile sports wagering. Digital access to sports betting represents a significant shift in the Massachusetts gambling industry, with faster and easier access than ever before. In this context, safety and responsibility demands prudence and caution. The AGO stands ready to support and partner with the Commission to root out and address any unlawful practices that negatively affect the people of the Commonwealth. We encourage the Commission to implement the suggestions offered here as an important first step in that effort.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "M. Patrick Moore Jr.", with a stylized flourish at the end.

M. Patrick Moore Jr.
First Assistant Attorney General

Jared Rinehimer
Chief, Data Privacy & Security Division

Mychii Snape, Deputy Chief
Colin Harnsgate, Assistant Attorney General,
Consumer Protection Division

Liza M. Hirsch
Director of the Children's Justice Unit
Civil Rights Division

²⁸ See, e.g., *Division of Gaming Enforcement Begins Using Data on Players' Online Betting Behavior to Identify and Assist Gamblers at Risk of Addiction*, N.J. DEPT. OF LAW AND PUB. SAFETY (February 7, 2023), <https://www.njoag.gov/division-of-gaming-enforcement-begins-using-data-on-players-online-betting-behavior-to-identify-and-assist-gamblers-at-risk-of-addiction/>.

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

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238.01:	<u>Definitions</u>	

As used in 205 CMR 238.00, the following words and phrases shall have the following meanings, unless the context clearly indicates otherwise:

Cash means currency or coin.

Cash Equivalent means a certified check, cashier's check, treasurer's check, personal check, travelers' check, money order, or other instrument as specified by the Commission.

Check means as defined in M.G.L. c. 106, §§ 3 through 104.

Chief Sports Wagering Executive means the individual responsible for the daily conduct of a Sports Wagering Operator's business. Unless the Chief Sports Wagering Executive also serves as the Chief Executive Officer of the Sports Wagering Operator, the Chief Sports Wagering Executive shall report directly to the Chief Executive Officer of the Sports Wagering Operator.

Segregated Account means a financial account that segregates funds owned by patrons and that is restricted to funds owned by patrons in the United States, and not comingled with the Sports Wagering Operator's operational funds.

Sports Wagering Counter means any a window in a structure approved by the Commission within a Gaming Establishment or Sports Wagering Facility from which a Ticket Writer conducts Sports Wagering transactions.

Ticket Writer means a person assigned the responsibility for the operation of a Ticket Writer Station.

Ticket Writer Station means a point of sale used by a Ticket Writer for the execution or formalization of Sports Wagers placed on behalf of a patron.

238.02: Sports Wagering Operator's System of Internal Controls

- (1) At least 45 days prior to commencing operations, a Sports Wagering Operator shall submit to the Commission its proposed system of Internal Controls, consisting of procedures and administrative and accounting controls, in accordance with 205 CMR 238.02(4). An Operations Certificate shall not issue until the Operator's Internal Controls are approved in accordance with 205 CMR 238.02(2).
- (2) A system of Internal Controls shall be organized and formatted as required by the Commission.

- (3) The Commission shall refer the proposed system of Internal Controls submitted in accordance with 205 CMR 238.02(1) to the Executive Director, who shall review the submission for compliance with M.G.L. c. 23N and 205 CMR. Upon completion of review, the Executive Director shall, in writing, either approve the submission or advise the Sports Wagering Operator of any deficiency, and any corresponding recommendation or required change. The Executive Director may include any other recommendations or required changes intended to ensure that a robust system of Internal Controls is implemented by the Sports Wagering Operator. The Sports Wagering Operator may, by writing to the Executive Director, either accept a recommendation or required change or dispute the recommendation or required change. If the Sports Wagering Operator disputes the recommendation or required change, the Sports Wagering Operator shall also provide the reason(s) for its dispute. Any such dispute shall be resolved by the Commission.
- (4) The Commission or the Executive Director may revisit any provision of a Sports Wagering Operator's Internal Controls at any time and render recommendations and required changes as necessary. If the Commission or Executive Director renders any such recommendations and required changes, the Commission or Executive Director shall provide the Sports Wagering Operator a reasonable period to implement any such recommendations and required changes. Upon approval by the Executive Director, the Executive Director shall issue a written approval to the Sports Wagering Operator, including any associated conditions.
- (5) If a Sports Wagering Operator seeks to change any provision of its approved Internal Controls, the Sports Wagering Operator shall submit the proposed change, including an explanation thereof, and new certifications from its chief legal and financial officers consistent with 205 CMR 238.02(7)(i) and (j), to the Commission within 15 days of determining that such a change is necessary. The Commission shall refer the proposed change to the Executive Director who shall review the proposal for compliance with 205 CMR 238.00. Changes to the system of Internal Controls will generally be permitted if the proposed change does not lessen the applicable administrative, accounting, or physical control the Sports Wagering Operator has over its operations in the Commonwealth. Upon completion of review, the Executive Director shall either approve the proposed change or advise the Sports Wagering Operator in writing as to why the proposal does not comply with 205 CMR 238.00. The Sports Wagering Operator may appeal the Executive Director's determination to the Commission, which shall resolve the dispute. Approved changes shall be maintained as part of the approved Internal Controls.
- (6) A Sports Wagering Operator shall not implement modifications to Internal Controls until approved by the Executive Director or the Commission. Until such time, the Sports Wagering Operator shall continue to implement the most recently approved Internal Controls; provided, however, that if the Executive Director does not object to or otherwise respond to the submission in writing within 15 business days of receipt of the submission, the Sports Wagering Operator may implement

the proposed change subject to further direction by the Executive Director in accordance with 205 CMR 238.02(4).

- (7) The Internal Controls shall, at a minimum, include the following:
- (a) Administrative controls which include, as their primary objective, policies and procedures designed to assure that all activities and transactions of the Sports Wagering Operator are instituted and completed in accordance with applicable policy or procedure;
 - (b) Accounting controls which include, as their primary objective, procedures to assure that all activities and transactions of the Sports Wagering Operator are accurately reported and recorded in accordance with generally accepted accounting principles;
 - (c) Reporting controls which include policies and procedures for the timely furnishing of economic and social impact reports, and standard financial and statistical reports and information in accordance with 205 CMR 239.00;
 - (d) For Category 1 Sports Wagering Operators and Category 2 Sports Wagering Operators, the Internal Controls required for a gaming establishment as specified in 205 CMR 138.00: *Uniform Standards of Accounting Procedures and Internal Controls* shall apply to a Sports Wagering Area and Sports Wagering Facility. Where compliance with the provisions of both 205 CMR 138 and 205 CMR 238 is not possible, a Gaming Licensee or Sports Wagering Operator shall comply with 205 CMR 138 with respect to gaming operations and 205 CMR 238.00 with respect to Sports Wagering Operations and identify its intent to do so in its written system of Internal Controls;
 - (e) Access controls which include, as their primary objective, the safeguarding of the Operator's assets, including but not limited to, organizational safeguards, such as segregation of duties between incompatible functions, and physical safeguards, such as restricted access to assets and routine security devices such as cameras and locking doors. Such access controls shall be consistent with the requirements in 205 CMR 141.00 regarding surveillance of gaming establishments;
 - (f) An infrastructure and data security plan which employs technical security controls as described in 205 CMR 243.01;
 - (g) A plan to ensure compliance with 205 CMR 240.00 with respect to tax remittance and reporting;
 - (h) All applicable policies and procedures required pursuant to 205 CMR 238.04 through 238.72 and procedures and practices specified in 205 CMR 243.01;

- (i) A certification by the Sports Wagering Operator's chief legal officer that the submitted Internal Controls conform to M.G.L. c. 23N, 205 CMR 238.00, and any applicable regulations referenced therein;
 - (j) A certification by the Sports Wagering Operator's chief financial officer that the submitted Internal Controls provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls, and conform to generally accepted accounting principles and 205 CMR; and
 - (k) A plan to ensure compliance with the Operator's House Rules, including House Rules issued in conformance with 205 CMR 243.00.
- (8) If the Sports Wagering Operator intends to utilize any new technology not identified in its initial Internal Controls proposal, it shall submit the changes to its system of Internal Controls to incorporate the use of any such new technology to the Commission, which shall refer the proposed change to the Executive Director who shall review the proposal in accordance with 205 CMR 238.02(4).
- (9) (a) If a Sports Wagering Operator seeks to incorporate a provision in its Internal Controls that is not permitted under 205 CMR 238.00, or to exclude a provision required by 205 CMR 238.00, it may petition the Executive Director for permission to do so by including, in its Internal Controls filing, its proposal or petition to change a provision of the Internal Controls in accordance with 238.02(5), along with a citation to the applicable provision of 205 CMR 238.00 and a written explanation as to why the exemption is appropriate. The Executive Director may allow the exemption upon a finding that the proposal is at least equivalent to the relevant provision contained in 205 CMR 238.00. If the Executive Director grants such exemption, the Executive Director shall issue a written approval of the exemption in accordance with 205 CMR 238.02(3), and shall file with the Commission a report describing the exemption, identifying the provision of 205 CMR 238.00 from which an exemption was granted and providing the general reason for granting the exemption.
- (b) In the event that a Sports Wagering Operator is temporarily unable to abide by a provision of its Internal Controls, the Bureau may, upon written request by the Sports Wagering Operator, grant a limited temporary exemption from a provision of the Sports Wagering Operator's Internal Controls, provided that: (i) such exemption shall not to exceed 48 hours; (ii) the provision relates to the operation of Sports Wagering; and (iii) the exemption is supported by good cause showing that the health, safety or welfare of the public or the integrity of Sports Wagering will not be adversely impacted by the exemption. Where the circumstances warrant, such an exemption may be renewed by the Bureau for one additional 48 hour period. All such requests and determinations shall be documented and submitted to the Executive Director for review as promptly as possible.

- (10) The Commission and the Bureau may take any steps necessary to investigate and enforce a Sports Wagering Operator's Internal Controls for compliance with 205 CMR 238.00. The Sports Wagering Operator shall, through either independent or internal auditors, periodically compare its approved system of Internal Controls, as written, to the system actually in place and operating for the purpose of identifying areas of non-compliance, if any, so as to take immediate corrective action.
- (11) The Commission or its designee may perform any inspection necessary in order to determine conformance with the approved Internal Controls.
- (12) The Sports Wagering Operator shall maintain in its records a complete set of its system of Internal Controls in effect at that time.
- (13) The Sports Wagering Operator shall submit all filings and records required pursuant to 205 CMR 238.00 electronically to the Commission, unless otherwise directed by the Commission.
- (14) To the extent a third-party is involved in or provides any of the Internal Controls required pursuant to 205 CMR 238.00, the Sports Wagering Operator's Internal Controls shall document the roles and responsibilities of the third-party and shall include procedures to evaluate the adequacy of and monitor compliance with the third-party's system of Internal Controls.

238.03: Records Regarding Company Ownership

The Sports Wagering Operator shall maintain all records regarding the Sports Wagering Operator's ownership, as described in 205 CMR at a location determined by the Sports Wagering Operator, provided that the Commission shall be notified of such location. The Commission shall be granted prompt and unfettered access to all such records upon request.

238.04: Sports Wagering Operator's Organization

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include tables of organization, which shall include the provisions required in 205 CMR 138.04(1).
- (2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include provisions detailing the structure, function, and area of responsibility for the following mandatory departments and supervisory positions:
 - (a) For Category 1 Sports Wagering Operators or Category 2 Sports Wagering Operators, a surveillance department as described in 205 CMR 138.04(2)(a);
 - (b) An internal audit department as described in 205 CMR 138.04(2)(b);
 - (c) An IT department as described in 205 CMR 138.04(2)(c);

- (d) A Sports Wagering department supervised by an executive who shall be responsible for the management of the Sports Wagering department. The Chief Sports Wagering Executive shall be responsible for the operation and conduct of all Sports Wagering;
- (e) For Category 1 Sports Wagering Operators or Category 2 Sports Wagering Operators, a security department as described in 205 CMR 138.04(2)(e);
- (f) An accounting department as described in 205 CMR 138.04(2)(f);
- (g) A compliance committee as described in 205 CMR 138.04(2)(g); and
- (h) An independent audit committee as described in 205 CMR 138.04(2)(h).

Each of the mandatory departments and supervisors shall cooperate with, yet perform its functions independently of, all other mandatory departments and supervisors.

- (3) All departments required pursuant to 205 CMR 138.04(2) and the Sports Wagering Department shall be supervised at all times by at least one individual who has been licensed in accordance with 205 CMR 235.00, or is exempt from such licensure under 205 CMR 235.01.
- (4) The chief executives of the surveillance and internal audit departments required by 205 CMR 238.04(2) shall comply with the reporting requirements of 205 CMR 138.04(4).
- (5) In the event of a vacancy in the chief executive officer position, the Chief Sports Wagering Executive, or any executive position responsible for management of one of the mandatory departments set forth in 205 CMR 238.04(2)(a) through (f), the Sports Wagering Operator shall continue to meet the requirements of 205 CMR 138.00 and 205 CMR 238.00.
- (6) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include, and a Sports Wagering Operator shall maintain on file, a current table of organization delineating the lines of authority for all personnel engaged in the operation of Sports Wagering. The table of organization shall, for each department and division, include direct and indirect lines of authority within the department or division.
- (7) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan for ensuring that all Sports Wagering employees employed by the Sports Wagering Operator are properly trained in their respective professions. Proper training of a Sports Wagering employee in the respective field for which the Sports Wagering employee is or shall be employed by the Sports Wagering Operator may be established as set forth in 205 CMR 138.04(7).

238.05: System for Ensuring Employees Are Properly Licensed or Registered

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan for ensuring that all individuals employed by an Operator to perform duties directly related to the operation of Sports Wagering in the Commonwealth in a supervisory role are properly licensed in accordance with 205 CMR 235.00: *Sports Wagering Occupational Licensing*. The system of Internal Controls shall include, without limitation, the procedures outlined in 205 CMR 138.05(1).
- (2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan for reporting to the Commission on a bi-monthly basis and in a format as directed by the Commission, the information required by 205 CMR 138.05(2) for each individual licensed in accordance with 205 CMR 235.00: *Sports Wagering Occupational Licensing*.

238.06: System for Business Dealings with Sports Wagering Vendors

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan for ensuring that all Persons conducting business with a Sports Wagering Operator as a Sports Wagering Vendor are properly licensed or registered in accordance with 205 CMR 234.00: *Sports Wagering Vendors*, if necessary. The system of Internal Controls shall include, without limitation, the procedures outlined in 205 CMR 138.06(1).
- (2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan for providing a Disbursement Report to the Commission on a bi-monthly basis and in a format as directed by the Commission. The Disbursement Report shall reflect, for each Sports Wagering Vendor licensed or registered in accordance with 205 CMR 234.00: *Sports Wagering Vendors*, the information required by 205 CMR 138.06(2)
- (3) Each Sports Wagering Operator shall maintain a fully signed copy of every written agreement and records. With respect to every unwritten agreement to which it a Sports Wagering Operator is a party, the Sports Wagering Operator shall provide, at a minimum, the information required by 205 CMR 138.06(3).

238.07: Information Security Responsibilities

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure that an Information Security Management System (ISMS) is effectively implemented and information security function responsibilities are effectively allocated.

- (1) The Sports Wagering Operator shall implement, maintain, and comply with a comprehensive ISMS, the purpose of which shall be to take reasonable steps to protect the confidentiality, integrity, and availability of personally identifiable

information of individuals that place a Sports Wager with the Sports Wagering Operator,

- (2) The ISMS shall contain administrative, technical, and physical safeguards appropriate to the size, complexity, nature, and scope of the operations and the sensitivity of the personally identifiable information owned, licensed, maintained, handled, or otherwise in the possession of the Sports Wagering Operator.
- (3) The Sports Wagering Operator shall establish an information security forum or other organizational structure to monitor and review the ISMS to ensure its continuing suitability, adequacy and effectiveness. The information security forum or other organization structure shall maintain formal minutes of meetings, and convene at least every six (6) months.
- (4) The Sports Wagering Operator shall maintain an information security department responsible for developing a security strategy in accordance with the overall operation of the Sports Wagering Operation in the Commonwealth. The information security department shall subsequently work with the other departments of the Sports Wagering Operator to implement any plans relative to the protection of personally identifiable information of individuals that place a Sports Wager with the Sports Wagering Operator. The information security department shall be involved in reviewing all tasks and processes that are necessary for the Sports Wagering Operator to maintain the security of personally identifiable information of individuals that place a Sports Wager with the Sports Wagering Operator, including, but not limited to, the protection of information and data, communications, physical, virtual, personnel, and overall business operational security.
- (5) The information security department shall report to executive level management or higher and shall be independent of the IT department with regard to the management of security risk.
- (6) The information security department shall have access to all necessary resources to enable the adequate assessment, management, and reduction of risk.
- (7) The head of the information security department shall be a full member of the information security forum and be responsible for recommending information security policies and changes to the Sports Wagering Operator.

238.08: Accounting Records

- (1) A Sports Wagering Operator shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and costs for the Sports Wagering Operation, including those required in accordance with M.G.L. c. 23N and 205 CMR.
- (2) A Sports Wagering Operator shall maintain general accounting records on a double entry system of accounting with transactions recorded on the accrual basis. A

Sports Wagering Operator shall also maintain detailed, supporting, subsidiary records sufficient to meet the requirements of M.G.L. c. 23N and 205 CMR.

238.09: Retention, Storage and Destruction Records

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a records retention schedule, and provisions related to the storage and destruction of records that, at a minimum, incorporates the provisions specified in 205 CMR 138.09(1). In addition, the Operator's records retention schedule shall include provisions by category relative to all Sports Wagering related records and records relative to Sports Wagering Vendors.
- (2)
 - (a) A Sports Wagering Operator may petition the Commission at any time for approval of a facility to be used to generate or store records required to be retained in accordance with 205 CMR 138.09(1). Such petition shall include:
 1. A detailed description of the proposed facility, including location, security and fire safety systems; and
 2. The procedures pursuant to which Commission agents will be able to gain access to the records retained at the proposed facility.
 - (b) A Sports Wagering Operator may store any records electronically or via other suitable medium approved by the Commission.
- (3) A Sports Wagering Operator shall, except as otherwise provided, notify the Commission and the Gaming Enforcement Division of the Massachusetts Attorney General's Office in writing at least 60 days prior to the scheduled destruction of any record required to be retained in accordance with 205 CMR 238.09(1). Such notice shall list each type of record scheduled for destruction, including a description sufficient to identify the records included, the retention period and the date of destruction.
- (4) The Commission or the Gaming Enforcement Division of the Massachusetts Attorney General's Office may prohibit the destruction of any record required to be retained in accordance with 205 CMR 238.09(1) by notifying the Sports Wagering Operator in writing within 45 days of receipt of the notice of destruction pursuant to 205 CMR 238.09(3) or within the specified retention period. Such original record may thereafter be destroyed only with the consent of the Commission, the Bureau, and the Massachusetts Attorney General's Office.
- (5) The Sports Wagering Operator may utilize the services of a disposal company for the destruction of any records required to be retained in accordance with 205 CMR 238.09(1). Any cash complimentary coupons to be destroyed by a disposal company shall be cancelled with a void stamp, hole punch or similar device, or must contain a clearly marked expiration date which has expired.

- (6) Nothing in 205 CMR 238.00 shall be construed as relieving a Sports Wagering Operator from meeting any obligation to prepare or maintain any book, record or document required by any other federal, state or local governmental body, authority or agency or as otherwise required in its capacity as a Gaming Licensee pursuant to M.G.L. c. 23K and 205 CMR.

238.10: Jobs Compendium Submission

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a jobs compendium detailing job descriptions, chains of command, and lines of authority for all personnel engaged in the operation of Sports Wagering, which meets the provisions specified in 205 CMR 138.10: *Jobs Compendium Submission*.

238.11: Personnel Assigned to the Operation and Conduct of Sports Wagering

Each Sports Wagering Operator shall be required to employ the following personnel in the following manner in the operation of its Sports Wagering regardless of the position titles assigned to such personnel by the Operator in its approved jobs compendium:

- (1) Each Sports Wagering Operator shall at all times maintain a level of staffing that ensures the proper operation and effective supervision of all Sports Wagering.
- (2) Each Category 1 Sports Wagering Operator or Category 2 Sports Wagering Operator shall be required to employ a Sports Wagering manager. The Sports Wagering manager shall be the executive assigned the responsibility and authority for the supervision and management of Sports Wagering employees in a Sports Wagering Area or Sports Wagering Facility, including, without limitation, the hiring and termination of all Sports Wagering employees within a Sports Wagering Area or Sports Wagering Facility.
- (3) The following personnel shall be used to operate Sports Wagering in a Sports Wagering Area or Sports Wagering Facility:
 - (a) Ticket Writers shall be the Persons assigned the responsibility for the operation of a Ticket Writer Station;
 - (b) Sports Wagering supervisors shall be the first level supervisors assigned the responsibility for directly supervising the operation of Sports Wagering in a Sports Wagering Area or Sports Wagering Facility;
 - (c) Sports Wagering shift managers shall be the second level supervisor with the responsibility for the overall supervision of Sports Wagering in a Sports Wagering Area or Sports Wagering Facility for each shift; and
 - (d) The Sports Wagering department manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of the Operator's Sports Wagering Operation. In the absence of the Sports Wagering department manager, the Sports Wagering

shift manager shall have the authority of the Sports Wagering department manager.

238.12: Reserve Requirement

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a plan to maintain and protect sufficient cash and other supplies to conduct Sports Wagering at all times through a reserve in the amount necessary to ensure the security of funds held in Sports Wagering Accounts and the ability to cover the outstanding Sports Wagering liability, including the amounts accepted by the Sports Wagering Operator on Sports Wagers whose outcomes have not been determined and amounts owed but unpaid on winning Sports Wagering tickets or vouchers. The reserve must be in the form of Cash, Cash Equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof.
- (2) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure funds in Sports Wagering Accounts, including pending withdrawals, are either held:
 - (a) In trust for the patron in a Segregated Account managed in accordance with 205 CMR 248.00; or
 - (b) In a special purpose Segregated Account that is maintained and controlled by a properly constituted corporate entity that is not the Sports Wagering Operator and whose governing board includes one or more corporate directors who are independent of the Sports Wagering Operator and any affiliated Gaming Licensee and of any corporation related to or controlled by either. Said corporate entity must require a unanimous vote of all corporate directors to file bankruptcy and must have articles of incorporation that prohibit the commingling of its funds with those of the Sports Wagering Operator except as necessary to reconcile the Sports Wagering Accounts. Said special purpose corporate entity must also be:
 1. Restricted from incurring debt other than to patrons pursuant to the rules that govern the patrons' Sports Wagering Accounts;
 2. Restricted from taking on obligations of the Sports Wagering Operator other than obligations to patrons pursuant to the rules that govern the patrons' Sports Wagering Accounts; and
 3. Prohibited from dissolving, merging or consolidating with another company (other than a special purpose corporate entity established by another Sports Wagering Operator that meets the requirements of this section) while there are unsatisfied obligations to patrons.

- (3) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall implement procedures that are reasonably designed to:
 - (a) Ensure that the funds in the Segregated Account do not belong to the Sports Wagering Operator and are not available to creditors other than the patron whose funds are being held; and
 - (b) Prevent commingling of funds in the Segregated Account with other funds including, without limitation, funds of the Sports Wagering Operator.
- (4) A Sports Wagering Operator must have access to all Sports Wagering Accounts and Sports Wager data to ensure the amount of its reserve is sufficient. Unless otherwise directed by the Commission, a Sports Wagering Operator must file a monthly attestation with the Commission, in the form and manner prescribed by the Commission, that funds have been safeguarded in accordance with 205 CMR 238.12.
- (5) The Commission may audit a Sports Wagering Operator's reserve at any time and may direct a Sports Wagering Operator to take any action necessary to ensure the purposes of 205 CMR 238.12 are achieved, including but not limited to, requiring the Sports Wagering Operator to modify the form of its reserve or increase the amount of its reserve.

238.13: Complimentary Services or Items and Promotional Gaming Credits

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include a detailed complimentary distribution program consistent with 205 CMR 138.13: *Complimentary Services or Items and Promotional Gaming Credits*, and a description of its proposed use and distribution of promotional gaming credits.

238.14: Risk Management Framework

- (1) A Sports Wagering Operator must implement risk management 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 contain a description of the risk management framework, including but not limited to:
 - (a) Automated and manual risk management procedures;
 - (b) Employee management, including access controls and segregation of duties;

- (c) Information regarding identifying and reporting fraud and suspicious conduct;
 - (d) Controls ensuring regulatory compliance;
 - (e) Description of Anti-Money Laundering (AML) compliance standards;
 - (f) Description of all software applications that comprise the Sports Wagering Equipment;
 - (g) Description of all types of Sports Wagers available to be offered by the Sports Wagering Operator;
 - (h) Description of the method to prevent past-post Wagers from being placed;
 - (i) Description of all integrated third-party platforms; and
 - (j) Any other information which may be required by the Commission.
- (3) A Sports Wagering Operator shall file with the Commission, in a manner and form approved by the Commission, a report of any error that occurs in offering an event or Wager or if an unapproved Sporting Event or Wager category is offered to the public.

238.15: Taxation Requirements

- (1) The Sports Wagering Operator shall comply with all applicable tax laws and regulations including, without limitation, laws and regulations applicable to tax withholding, and providing information about payouts and withholdings to taxing authorities and to patrons. A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure compliance with all Internal Revenue Service (IRS) requirements. The Sports Wagering Operator shall make tax withholdings and provide tax and revenue reporting as required by the IRS and Department of Revenue.
- (2) The Sports Wagering Operator shall disclose potential tax liabilities to patrons at the time of award of any payout in excess of limits set by the IRS, whether such payouts are made at a Gaming Establishment, Sports Wagering Facility or via a Sports Wagering Platform. Such disclosures shall include a statement that the obligation to pay applicable taxes on payouts is the responsibility of the patron and that failure to pay applicable tax liabilities may result in civil penalties or criminal liability. Upon written request, the Sports Wagering Operator shall provide patrons with summarized tax information on the patrons' Sports Wagering activities.

238.16: Bank Secrecy Act Compliance

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure compliance with all provisions of

The Bank Secrecy Act of 1970, 31 USC §§ 5311 to 5332, applicable to the operation of Sports Wagering.

- (2) A Sports Wagering Operator shall, with regard to its Sports Wagering Operation, maintain records related to its compliance with The Bank Secrecy Act of 1970, 31 USC §§ 5311 to 5332, including all currency transaction reports, suspicious activity reports, and any supporting documentation, for a minimum of five (5) years. The Sports Wagering Operator shall provide such records to the Commission and any appropriate law enforcement agencies upon request consistent with the authorization prescribed in The Bank Secrecy Act of 1970, 31 USC §§ 5311 to 5332, and applicable regulations.
- (3) A Sports Wagering Operator shall provide written notice to the Commission as soon as the Sports Wagering Operator becomes aware of a compliance review that is conducted by the Internal Revenue Service under The Bank Secrecy Act of 1970, 31 USC §§ 5311 to 5332, and involves or impacts the Sports Wagering Operator's Sports Wagering Operation. The Sports Wagering Operator shall provide a copy of the compliance review report or the equivalent to the Commission within ten (10) days of receipt of the report by the Sports Wagering Operator.

238.17: Anti-Money Laundering (AML) Monitoring

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall implement AML procedures and policies that adequately address the risks posed by Sports Wagering for the potential of money laundering and terrorist financing. At a minimum, the AML procedures and policies shall provide for:

- (1) Controls to assure ongoing compliance with the local AML regulations and standards observed by the Commission pursuant to M.G.L. c. 23K and 23N and 205 CMR;
- (2) Up to date training of employees in the identification of unusual or suspicious transactions;
- (3) Assigning an individual or individuals to be responsible for all areas of AML by the Sports Wagering Operator, including reporting unusual or suspicious transactions;
- (4) Use of any automated data processing systems to aid in assuring compliance; and
- (5) Periodic independent tests for compliance with a scope and frequency as required by the Commission. Logs of all tests shall be maintained and available for Commission inspection upon request.

238.18: Integrity Monitoring/Suspicious Behavior

- (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; ~~or~~
 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;
 - 4.5. 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 ~~disclosure is required by M.G.L. c. 23N, the Commission, other law or court order or unless the Sports Governing Body consents to disclosure.~~

- (a) disclosure is required by M.G.L. c. 23N, the Commission, other law or court order;
 - (b) the Sports Governing Body or Sports Wagering Operator consents to disclosure;
 - (c) disclosure is necessary for the Sports Governing Body to conduct and resolve integrity-related investigations; or
 - (d) 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 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 this section 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 and 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 (5) 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.

238.19: Responsible Gaming and Problem Gaming Plan

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall contain a Responsible Gaming and Problem Gaming Plan as set forth in 205 CMR 233.06(6).
- (2) At least once every three (3) years, each Responsible Gaming and Problem Gaming Plan shall be subject to an independent audit, as assessed by industry standards and performed by a third-party auditor approved by the Commission, which review shall be paid for by the Sports Wagering Operator.

238.20: Protection of Minors and Underage Youth

The system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include the internal policies and procedures as required in 205 CMR 250.00: *Protection of Minors and Underage Youth*.

238.21: Patron Protection Information

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall provide for the prominent display of patron protection information outlined in 205 CMR 243.01: *Standards for Sports Wagering Equipment*, including the telephone number and website for a problem gambling hotline overseen by the department of public health approved by the Commission pursuant to M.G.L. c. 23N, § 4(d)(3).
- (2) The Sports Wagering Operator's mobile application and digital platform shall prominently display the patron protection information upon each entry into the application or platform.

- (3) The Gaming Establishment or Sports Wagering Facility shall prominently display the patron protection information in locations approved by the Commission.

238.22: Complaints Pertaining to Sports Wagering

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures for receiving, investigating, responding to and reporting on complaints by patrons.

- (1) When a patron makes a complaint, the Sports Wagering Operator shall immediately issue a complaint report, setting out:
 - (a) The name of the complainant;
 - (b) The nature of the complaint;
 - (c) The name of the Persons, if any against whom the complaint was made;
 - (d) The date of the complaint;
 - (e) The action taken or proposed to be taken, if any, by the Sports Wagering Operator; and
 - (f) A numerical identifier to differentiate the Operator and date of complaint.
- (2) All complaints received by a Sports Wagering Operator from a patron, and the Sports Wagering Operator's responses to complaints, shall be retained for at least five (5) years and made immediately available to the Commission upon its request.
- (3) A Sports Wagering Operator shall investigate and attempt to resolve all complaints made by a patron.
- (4) A Sports Wagering Operator shall respond to such complaints in writing within ten (10) business days. If the relief requested in the complaint will not be granted, the response to the complaint shall state the reasons with specificity.
- (5) If the response to a complaint is that more information is needed, the form and nature of the necessary information shall be specifically stated. When additional information is received, further response shall be required within seven (7) business days.
- (6) In its response, the Sports Wagering Operator shall advise the patron of the patron's right to submit the complaint to the Commission in the form and manner prescribed by the Commission.
- (7) Unless otherwise directed by the Commission, the Sports Wagering Operator shall promptly notify the Commission of any complaints related to Sports Wagering Accounts, settlement of Sports Wagers, or illegal activity related to Sports

Wagering which cannot be resolved to the satisfaction of the patron, and the Sports Wagering Operator's response. Such notification shall include the numerical identifier associated with the complaint and the date of the complaint.

- (8) Upon receipt of a complaint from a patron or notification of an unresolved complaint from a Sports Wagering Operator, the Commission may conduct an investigation and direct a Sports Wagering Operator to take any corrective action the Commission considers appropriate.

238.23: Sports Wagering Counter

The system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include policies and procedures relative to the Sports Wagering Counter.

- (1) Each Sports Wagering Counter shall:
 - (a) Be designed and constructed to provide adequate security for the materials stored and the activities performed therein. Such design and construction shall be approved by the Commission;
 - (b) Include manually triggered silent alarm systems, which shall be connected directly to the monitoring rooms of the surveillance and the security departments;
 - (c) Include one or more Ticket Writer Stations, each of which shall contain:
 - 1. A Ticket Writer's drawer and interface through which financial transactions related to Sports Wagering will be conducted;
 - 2. A permanently affixed number, which shall be visible to the closed circuit television system;
 - 3. Manually triggered silent alarm systems, which shall be connected directly to the monitoring rooms of the surveillance and the security departments; and
 - 4. Full enclosures, unless funds in excess of \$30,000 are either secured in a drop safe approved by the Commission or transferred to the vault or cage.
 - (d) Include closed circuit television cameras capable of accurate visual monitoring and recording of any activities, including the capturing of the patron's facial image when conducting transactions at the counter;
 - (e) Have an alarm for each emergency exit door that is not a mantrap; and

- (f) Include a secure location, such as a vault, for the purpose of storing funds issued by a cage to be used in the operation of Sports Wagering. The vault shall:
 - 1. Be a fully enclosed room, located in an area not accessible to the public;
 - 2. Have a metal door with a locking mechanism that shall be maintained and controlled by the Sports Wagering manager;
 - 3. Have an alarm device that signals the surveillance department whenever the door to the vault is opened; and
 - 4. Have closed circuit television cameras capable of accurate visual monitoring and recording of all activities in the vault.
- (2) A Sports Wagering Counter shall have an operating balance not to exceed an amount described in the system of internal controls submitted by a Sports Wagering Operator in accordance with 205 CMR 138.02. Funds in excess of the operating balance shall be transferred to the cage in a secured container by an employee of the counter accompanied by a security officer. Prior to transporting the funds, the security department shall notify the surveillance department that the transfer will take place. The surveillance department shall monitor the transfer. The funds shall be transferred with appropriate documentation.

238.24: Gaming Day

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall incorporate a “gaming day” for accounting purposes.

238.25: Accounting Controls within the Sports Wagering Counter

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall detail the accounting controls for the Sports Wagering Counter, which shall include the following:

- (1) The assets for which each Ticket Writer is responsible shall be maintained on an imprest basis. A Ticket Writer shall not permit any other person to access the Ticket Writer’s imprest inventory.
- (2) A Ticket Writer shall begin a shift with an imprest amount of currency and coin to be known as the “wagering inventory.” No funds shall be added to or removed from the Wagering inventory during such shift except:
 - (a) In collection of Sports Wagers;
 - (b) In order to make change for a patron placing a Sports Wager;

- (c) In collection for the issuance of Sports Wagering vouchers;
 - (d) In payment of winning or properly cancelled or refunded Wagers;
 - (e) In payment of Sports Wagering vouchers;
 - (f) To process deposits or withdrawals to or from a patron's Sports Wagering Account; or
 - (g) In exchanges with the cashier's cage, a satellite cage, or vault supported by proper documentation which documentation shall be sufficient for accounting reconciliation purposes.
- (3) A "Wagering Inventory Slip" shall be completed and signed by the Wagering shift manager, and the following information, at a minimum, shall be recorded thereon at the commencement of a shift:
- (a) The date, time, and shift of preparation;
 - (b) The denomination of currency and coin in the Wagering inventory issued to the Ticket Writer;
 - (c) The total amount of each denomination of currency and coin in the Wagering inventory issued to the Ticket Writer;
 - (d) The Ticket Writer station to which the Ticket Writer is assigned; and
 - (e) The signature of the Wagering shift manager.
- (4) A Ticket Writer assigned to a Ticket Writer station shall count and verify the Wagering inventory at the vault or other approved location and shall agree the count to the Wagering Inventory Slip. The Ticket Writer shall sign the count sheet attesting to the accuracy of the information recorded thereon. The Wagering inventory shall be placed in a Ticket Writer's drawer and transported directly to the appropriate Ticket Writer station by the Ticket Writer.
- (5) Whenever funds are transferred from the vault to a Ticket Writer, the Wagering shift manager responsible for the vault shall prepare a two-part Writer Transfer-Out form. Upon completion of the form, the original shall be retained by the vault manager and the duplicate shall be retained by the Ticket Writer. The form shall include, at a minimum, the:
- (a) Date and time of the transfer;
 - (b) Designation of the vault location;
 - (c) Ticket Writer Station to where the funds are being transferred to;
 - (d) Amount of each denomination being transferred;

- (e) Total amount of the transfer;
 - (f) Signature of the preparer of the transfer;
 - (g) Signature of the manager verifying and issuing the funds; and
 - (h) Signature of the Ticket Writer verifying and receiving the funds.
- (6) Whenever funds are transferred from the Ticket Writer to a vault, a two-part Writer Transfer-In form shall be prepared. Upon completion of the form, the original shall be retained by the Ticket Writer and the duplicate shall be immediately returned with the funds to the vault. The form shall include, at a minimum, the:
- (a) Date and time of the transfer;
 - (b) Designation of the vault location where the funds are being transferred to;
 - (c) Ticket Writer station to where the funds are being transferred from;
 - (d) Amount of each denomination being transferred;
 - (e) Total amount of the transfer;
 - (f) Signature of the Ticket Writer verifying and sending the funds to the vault;
and
 - (g) Signature of the manager verifying and receiving the funds.
- (7) At the conclusion of a Ticket Writer's shift, the Ticket Writer's drawer and its contents shall be transported directly to the vault or to a location approved by the Commission in the Sports Wagering Counter, where the Ticket Writer shall count the contents of the drawer and record the following information, at a minimum, on the Wagering Inventory Slip:
- (a) The date, time, and shift of preparation;
 - (b) The denomination of currency, coin, gaming chips, where applicable, and coupons in the drawer;
 - (c) The total amount of each denomination of currency, coin, gaming chips, and coupons in the drawer;
 - (d) The total of the Writer Transfer-Out forms;
 - (e) The total of the Writer Transfer-In forms;
 - (f) The total amount in the drawer; and
 - (g) The signature of the Ticket Writer.

- (8) The Wagering shift manager shall compare the Ticket Writer closing balance to the Wagering Inventory Slip total, record any over or short amount, and sign the Wagering Inventory Slip.
- (9) If the Wagering Inventory Slip lists an overage or shortage, the Ticket Writer and the Wagering shift manager shall attempt to determine the cause of the discrepancy in the count. If the discrepancy cannot be resolved, such discrepancy shall be reported to the surveillance department and the Wagering manager or department supervisor in charge at such time. Any discrepancy in excess of \$500.00 shall be reported to the Commission. Such report shall include the following:
 - (a) Date on which the discrepancy occurred;
 - (b) Shift during which the discrepancy occurred;
 - (c) Name of the Ticket Writer;
 - (d) Name of the Wagering shift manager;
 - (e) Ticket Writer Station number; and
 - (f) Amount of the discrepancy.
- (10) Whenever funds are transferred from the vault to the cashier's cage, the Wagering shift manager responsible for the vault shall prepare a two-part Vault Transfer-Out form. Upon completion of the form, the original shall be retained by the vault manager and the duplicate shall be transferred with the funds to the cashier's cage. The form shall include, at a minimum, the:
 - (a) Date and time of the transfer;
 - (b) Designation of the vault location;
 - (c) Designation of the cage location;
 - (d) Amount of each denomination being transferred;
 - (e) Total amount of the transfer;
 - (f) Signature of the preparer of the transfer;
 - (g) Signature of the vault manager verifying and issuing the funds; and
 - (h) Signature of the cage cashier verifying and receiving the funds.
- (11) Whenever funds are transferred from the cashier's cage to a vault, a two-part Vault Transfer-In form shall be prepared. Upon completion of the form, the original shall be retained by the cage cashier and the duplicate shall be transferred with the funds to the vault. The form shall include, at a minimum, the:

- (a) Date and time of the transfer;
- (b) Designation of the vault location where the funds are being transferred to;
- (c) Cashier location where the funds are being transferred from;
- (d) Amount of each denomination being transferred;
- (e) Total amount of the transfer;
- (f) Signature of the cage cashier verifying and sending the funds to the vault;
and
- (g) Signature of the vault manager verifying and receiving the funds.

238.26: Procedures for Acceptance of Tips or Gratuities from Patrons

- (1) An employee of a Sports Wagering Operator, other than an Occupational Licensee, may accept a Sports Wagering ticket as a tip Wager so long as the employee did not solicit the Sports Wagering ticket, did not participate in the selection of the Wager and the Sports Wagering ticket is placed into a tip pool.
- (2) A tip or gratuity may be provided electronically to a dealer or employee of a Sports Wagering Operator upon initiation and authorization by a patron. A Sports Wagering Operator shall include in its Internal Controls the method utilized for the distribution of electronic tips or gratuities and ensure that a report listing all electronic tips shall be available from the system where the transaction occurred.
- (3) An Occupational Licensee may not accept a tip or gratuity from a patron of the Sports Wagering Operator.

238.27: Prohibition of Credit Extension

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include controls relating to the prohibition of a Sports Wager, issuance of cash, or deposit of funds into a Sports Wagering Account that is derived from the extension of credit by affiliates or agents of the Sports Wagering Operator pursuant to M.G.L. c. 23N, § 4(d)(2)(viii). For purposes of 205 CMR 238.27, credit shall not be deemed to have been extended where, although funds have been deposited into a Sports Wagering Account, the Sports Wagering Operator is awaiting actual receipt of such funds in the ordinary course of business.

- (1) Credit providers such as small amount credit contracts (payday lending) shall not be advertised or marketed to patrons.
- (2) A patron shall not be referred to a credit provider to finance their Sports Wagering activity.

- (3) Personally identifiable information related to a patron shall not be provided to any credit provider.

238.28: Events, Odds and Result Management

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.

238.29: Monitoring the Sports Wagering Activities

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.

238.30: Acceptance of Sports Wagers

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures relative to the Sporting Events and their Wager categories offered for Sports Wagering pursuant to 205 CMR 247.00: *Uniform Standards of Sports Wagering*. Such procedures shall include the following:

- (1) The adoption, maintenance and updating of House Rules;
- (2) Processes for submitting or receiving approval for Sporting Events and Wager categories;
- (3) Descriptions of the processes for accepting Wagers and issuing payouts, plus any additional controls for accepting Wagers and issuing payouts in excess of \$10,000;
- (4) Descriptions of the processes for accepting multiple Wagers from one patron in a 24-hour cycle, including the process to identify structuring of Wagers to circumvent recording and reporting requirements;
- (5) Identification of all data sources used in a Sports Wager determination;
- (6) Description of the processes for line setting and line moving;
- (7) Procedures to review the completeness, accuracy, reliability, timeliness, and availability of any data feeds used to offer or settle Sports Wagers;

- (8) Processes for submitting or receiving approval for Sports Wagering tournaments, contests, or pools;
- (9) Procedures for issuance and acceptance of promotional gaming credits for Sports Wagering; and
- (10) Procedures to identify a Wager or an attempt to Wager above any maximum Wager threshold set by the Sports Wagering Operator that qualifies as unusual or suspicious Wagering.

238.31: In-Game or In-Play Wagering

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures to assure and monitor the integrity of the in-game or in-play Wagering offering, the results handling and patron protection. Indicative areas for consideration in the procedure for results handling shall include, but not be limited to, time delays, sources of results, and reversal of results. The procedures shall also account for courtsiding prevention mechanisms including a delay in live pictures.

238.32: Restricted Patrons

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall meet the requirements of 205 CMR 243.01(1)(t) and include the following in accordance with M.G.L. c. 23N, § 11(a):

- (1) No Sports Wagering Operator, directors, officers, owners~~and~~₁ employees₂, subcontractors, or Qualifiers of the Sports Wagering Operator~~or any relative living in, as well as those within~~ the same household as any such Person₁ may place Sports Wagers with the Sports Wagering Operator₂, or with any other Sports Wagering Operator tethered to the Operator, on any event, except in private pools where the player's association with the Sports Wagering Operator is clearly disclosed. Nor may such individual place Sports Wagers through another person as a proxy or agent. However, Sports Wagering Operator employees may use clearly marked test accounts for testing purposes such as evaluating a Sports Wagering Platform. Sports Wagering Operators shall make these restrictions known to all affected individuals and corporate entities.
- (2) No individual with proprietary or non-public information held by the Sports Wagering Operator may place Sports Wagers with the Sports Wagering Operator₂, or with any other Sports Wagering Operator tethered to the Operator. Nor may such individual place Sports Wagers through another person as a proxy or agent. Sports Wagering Operators shall make these restrictions known to all affected individuals and corporate entities.
- (3) No Sports Wagering Operator shall allow a professional or athlete, coach, referee, team owner, employee of a Sports Governing Body or its member teams and patron and referee union personnel, place Sports Wagers on events in the sport in which the individual participates, or in which the athlete the individual represents

participates. Nor may such athlete, sports agent, team official, team representative, referee or league official place Wagers through another person as a proxy or agent. A Sports Wagering Operator may not be held liable for a violation of 205 CMR 238.32(3) if:

- (a) The Sports Wagering Operator makes commercially reasonable efforts to obtain lists of such Persons for the purpose of implementing 205 CMR 238.32, such as by monitoring for and restricting accounts of such Persons;
 - (b) The Sports Wagering Operator makes these restrictions known to all affected individuals and corporate entities;
 - (c) The Sports Governing Body in which the athlete, sports agent, team official, team representative, referee or league official participates, maintains and enforces a policy that excludes such individuals from placing Wagers in that sport;
 - (d) The Commission had previously used the list of barred employees from the Sports Wagering Operator in accordance with M.G.L. c. 23N, § 11(a)(ii), and worked directly with a member team to determine the risk posed by certain employees for obtaining nonpublic confidential information on a Sporting Event and removed an employee without knowledge of team strategy or game operations from such a list after the Commission determined any such risk is de minimis; and
 - (e) The Sports Wagering Operator, upon learning of a violation of 205 CMR 238.48(3), informs the Commission, immediately bars the individual committing the violation from Sports Wagering by suspending such individual's Sports Wagering Account and banning such individual from further Sports Wagering, terminates any existing promotional agreements with such individual and refuses to make any new promotional agreements that compensate such individual.
- (4) The Sports Wagering Operator shall prevent persons from placing Sports Wagers as agents or proxies for others.

238.33: Prohibited Persons

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include commercially reasonable methods to prevent a prohibited person from placing a Sports Wager.

- (1) For the purposes of 205 CMR 238.33, a prohibited person refers to:

(a) Any individual prohibited from Sports Wagering pursuant to 205 CMR 152.00;

~~(a)~~(b) Any individual prohibited from Sports Wagering pursuant to 205 CMR 250.00;

~~(b)~~(c) Any individual who is self-excluded from Sports Wagering pursuant to 205 CMR 233.00;

~~(c)~~(d) Any individual who is prohibited from or subject to limitations regarding Sports Wagering pursuant to 205 CMR 254.00 and 255.00;

~~(d)~~(e) Any individual Wagering while not in the authorized geographic boundaries within the Commonwealth;

~~(e)~~(f) Any individual placing Sports Wagers as agents or proxies for others;

~~(f)~~(g) Any restricted patron Wagering in violation of their restrictions established in 205 CMR 238.32;

~~(g)~~(h) Any individual Wagering in violation of state, local or federal law; or

~~(h)~~(i) Other prohibited Persons as determined by the Commission.

- (2) If a Sports Wagering Operator detects, or is notified of, an individual suspected of being a prohibited Person who has engaged or is engaging in prohibited Sports Wagering, the Sports Wagering Operator, shall use reasonable measures to verify whether the individual is prohibited or not.
- (3) If the Sports Wagering Operator establishes, by reasonable measures, that the individual is prohibited, the Sports Wagering Operator shall cancel the individual's Sports Wager and confiscate any resulting funds.
- (4) If the Sports Wagering Operator is unable to establish, by reasonable measures, that the individual is prohibited, then the individual is presumed to not be a prohibited Person for the purposes of 205 CMR 238.33.

238.34: Layoff Wagers

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures for a Sports Wagering Operator to accept layoff Wagers placed by other Sports Wagering Operators and place layoff Wagers with other Sports Wagering Operators for the purpose of offsetting patron Sports Wagers.

- (1) The Sports Wagering Operator placing a layoff Wager shall inform the Sports Wagering Operator accepting the Wager that the Wager is being placed by a Sports Wagering Operator and shall disclose the Operator's identity pursuant to M.G.L. c. 23N, § 13(c).
- (2) The Sports Wagering Operator may decline to accept a layoff Wager in its sole discretion.

- (3) Layoff wagers shall be reported to the Commission.

238.35: Cancelled or Voided Wagers

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 ~~only~~ 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 cancelation, 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) Where the Sports Wagering Operator has reasonable basis to believe there was an obvious error in the placement or acceptance of the Wager, including, but not limited to:
 - 1. The Wager was placed with incorrect odds;
 - 2. Human error in the placement of the Wager;
 - 3. The Sports Wagering ticket does not correctly reflect the Wager; or
 - 4. Sports Wagering Equipment failure rendering a Sports Wagering ticket unreadable.
 - (j) 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
 - (k) When authorized or ordered by the Commission pursuant to [205 CMR 238.51](#) ~~this section~~.
- (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 Gross 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.

238.36: Accounting Controls for Sports Wagering Kiosks

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include provisions governing a Sports Wagering Kiosk for the acceptance of Sports Wagers and redemption of winning Sports Wagering tickets and vouchers that comports with 205 CMR 243.00: *Sports Wagering Equipment*.
- (2) The Sports Wagering Operator shall ensure Sports Wagering Kiosks are configured to prohibit the following:
 - (a) Issue or redeem a Sports Wagering Voucher or payout with a value in excess of \$10,000;
 - ~~(b) Accept an anonymous Sports Wager with a potential payout in excess of \$10,000; and~~
 - ~~(c) Issue or redeem a Sports Wagering Voucher or payout~~ Issue a payout on a Sports Wager in excess of \$10,000 or in excess of limits set by the IRS.

238.37: Sports Wagering Equipment

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures relative to Sports Wagering Equipment that include, at a minimum, provisions to ensure that all Sports Wagering Equipment comport with 205 CMR 243.00: *Sports Wagering Equipment*. Such procedures shall include the following:

- (1) The location of the servers used for Sports Wagering, including any third-party remote location servers, and what controls will be in place to ensure security of the servers; and

- (2) The procedures and security standards as to receipt, handling, and storage of Sports Wagering Equipment, including within a Sports Wagering Area, Sports Wagering Facility, or Gaming Establishment.

238.38: Change Management

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include change management processes which detail evaluation procedures for identifying the criticality of updates to Sports Wagering Equipment and determining the updates that must be submitted to the approved independent testing laboratory for review and certification. The processes shall be subject to the provisions of 244.03: *Change Management and Integration Requirements*.

238.39: Sports Wagering Accounts

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include procedures relative to Sports Wagering Accounts that include, at a minimum, provisions to ensure that all Sports Wagering Accounts comport with 205 CMR 248.00: *Sports Wagering Account Management*.

238.40: Test Accounts

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include the procedures for establishing test accounts to be used by the Operator and the Commission to test the various components and operation of Sports Wagering Equipment. Such procedures shall include, at a minimum:

- (1) The procedures for issuing funds used for testing, including the identification of who may issue the funds and the maximum amount of funds that may be issued;
- (2) The procedures for assigning each test account for use by only one individual. However, a Sports Wagering Operator may establish a specific scenario or instance of a test account that may be shared by multiple users if each user's activities are separately logged;
- (3) The maintenance of a record for all test accounts, to include when they are active, to whom they are issued, and the employer of the individual to whom they are issued;
- (4) The procedures for auditing testing activity by the Sports Wagering Operator to ensure the accountability of funds used for testing and proper adjustments to gross Sports Wagering receipts; and
- (5) The procedures for authorizing and auditing out-of-state test activity.

238.41: Sports Wagering Accounting Requirements

The system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include Sports Wagering accounting procedures designed to ensure that the Sports Wagering Operator's wagering activities are accurately and timely recorded and reported. Specifically, the policies and procedures shall comport with 205 CMR 243.01: *Standards for Sports Wagering Equipment* and must address:

- (1) The procedures and security for the daily calculation and recording of gross Sports Wagering receipts, Adjusted Gross Sports Wagering Receipts and winnings.
- (2) The policies and procedures in connection with the internal audit department of its Sports Wagering Operations.
- (3) The procedure for the recording of and reconciliation of Sports Wagering transactions.

238.42: Commission Access to Sports Wagering Data

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall detail the controls to assure that all data the Commission requires to be maintained under M.G.L. c. 23N or 205 CMR is appropriately segregated and controlled to prevent unauthorized access. Sports Wagering Operators must provide the Commission with access to all such data, upon request, within a time provided for by the Commission. A Sports Wagering Operator must retain such data for a minimum of five (5) years.

238.43: Reports of Sports Wagering Operations

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall detail the Sports Wagering Operator's ability to maintain daily records and must be able to prepare reports supporting gross Sports Wagering receipts and Adjusted Gross Sports Wagering Receipts, wagering liability, payouts, and any other reports considered necessary by the Commission. The Sports Wagering Operator shall timely file with the Commission any additional reports required by M.G.L. c. 23N or by any rule or regulation.

238.44: Data and Network Security Requirements

- (1) A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall ensure compliance with all applicable state and federal requirements for data and network security.
- (2) Pursuant to M.G.L. c. 23N, § 11(a)(v), a Sports Wagering Operator shall employ commercially reasonable methods to maintain the security of Wagering data, patron data and other confidential information from unauthorized access and dissemination; provided, however, that nothing in M.G.L. c. 23N or 205 CMR shall preclude the use of internet or cloud-based hosting of such data and information or disclosure as required by court order, other law or M.G.L. c. 23N; and provided further, that such data and information shall be hosted in the United States.

- (3) Internal and external network vulnerability scans shall be run at least quarterly and after any significant change to the Sports Wagering Platform or network infrastructure. Testing procedures must verify that four quarterly internal and scans took place in the past twelve (12) months and that re-scans occurred until all “Medium Risk” (CVSS 4.0 or Higher) vulnerabilities were resolved or accepted via a formal risk acceptance program. Internal scans should be performed from an authenticated scan perspective. External scans can be performed from an unauthenticated perspective.
 - (a) The quarterly scans may be performed by either a qualified employee of the Sports Wagering Operator or a qualified independent technical expert selected by the Sports Wagering Operator and subject to approval of the Commission in accordance with 205 CMR 243.01: *Standards for Sports Wagering Equipment*.
 - (b) Verification of scans must be submitted to the Commission on a quarterly basis and must include a remediation plan and any risk mitigation plans for those vulnerabilities not able to be resolved.

238.45: Personally Identifiable Information Security

- (1) Any information obtained in respect to Sports Wagering or the Sports Wagering Account, including personally identifiable information and authentication credentials, shall be done in compliance with the privacy policies and 205 CMR 138.73: *Personally Identifiable Information Security* and any applicable laws. Both personally identifiable information and the Sports Wagering Account funds shall be considered as critical assets for the purposes of risk assessment.
- (2) No employee or agent of the Sports Wagering Operator shall divulge any personally identifiable information related to a Sports Wagering Account, the placing of any Wager or any other sensitive information related to the operation of Sports Wagering without the consent of the patron, except as required by this section, the Commission or other authorized governmental agencies, including:
 - (a) The amount of money credited to, debited from, withdrawn from, or present in any particular Sports Wagering Account;
 - (b) The amount of money Wagered by a particular patron on any event or series of events;
 - (c) The unique patron ID or username and authentication credentials that identify the patron;
 - (d) The identities of particular Sporting Events on which the patron is Wagering or has Wagered; and
 - (e) Unless otherwise authorized by the patron, the name, address, and other personally identifiable information in the possession of the Sports

Wagering Operator that would identify the patron to anyone other than the Commission or the Sports Wagering Operator.

238.46: Reprints of Sports Wagering Tickets and Vouchers

A system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall detail procedures to reprint tickets or vouchers that fail to print at either a Ticket Writer Station or Sports Wagering Kiosk. Such procedures shall include a requirement of supervisory authorization for the reprint.

238.47: Validation and Payout of Sports Wagering Tickets and Vouchers

A system of Internal Controls submitted by a Sports Wagering Licensee in accordance with 205 CMR 238.02 shall include the necessary controls in place for validation and payment of prizes and to prevent fraud related to unclaimed winning Sports Wagering tickets and vouchers.

- (1) Validation Process. The Sports Wagering Operator shall define and implement procedures to ensure the validity of winning Sports Wagering tickets and vouchers, and process payouts thereof.
 - (a) No Sports Wagering ticket or voucher recorded or reported as previously paid, canceled, or non-existent shall be deemed a valid ticket or voucher by the Sports Wagering Operator. The Sports Wagering Operator may withhold payment and refuse to cash any Sports Wagering ticket or voucher deemed not valid.
 - (b) The Sports Wagering Operator shall not satisfy claims on lost, mutilated, or altered Sports Wagering tickets without authorization of the Commission.
- (2) Security of Unclaimed Ticket and Voucher Data. The Sports Wagering Operator shall implement technical and procedural controls to ensure the confidentiality, integrity, and availability of unclaimed winning Sports Wagering ticket and voucher data. This shall include as a minimum, files containing information on specific winning Sports Wagering tickets and vouchers yet to be claimed and any validation files. Specific consideration shall be given to access control to restrict access to the data, monitoring of user interaction with the data, and a process for dealing with unauthorized access or export of the data.
- (3) Payout Procedure. A Sports Wagering Operator's Internal Controls shall include a winning Sports Wagering ticket and voucher payout procedure that:
 - (a) Defines a maximum payout period;
 - (b) Includes a process to audit final transfers upon Wager settlement;
 - (c) Details the rules and due diligence required prior to making a decision on payout for a lost, stolen or damaged ticket or voucher;

- (d) Details the procedure with regard to inquiries into the validity of claims;
 - (e) Includes a procedure with regard to late or last minute payouts; and
 - (f) Addresses whether or not a winning ticket may be redeemed by mail and, if so, the procedures for such redemption.
- (4) Fraud Detection. There shall be adequate audit records kept and reviewed as part of the winning Sports Wagering ticket and voucher payout procedure to identify unusual patterns of late payouts and any claims made by personnel that might require investigation.

238.48: Expiration of Sports Wagering Tickets and Vouchers; Payment to the Sports Wagering Control Fund

- (1) The system of Internal Controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02 shall include provisions governing the expiration of winning Sports Wagering tickets and vouchers that provide, at a minimum, that:
 - (a) Any money that is owed to a patron by a Sports Wagering Operator as a result of a winning Sports Wagering ticket or voucher must be claimed within one year of the date of the Sporting Event for which the Wager was won or the obligation of the Sports Wagering Operator to pay the patron will expire. Upon expiration of the obligation, the involved funds must be transferred to the Sports Wagering Control Fund in accordance with M.G.L. c. 23N, § 13(h). In calculating the one year period referenced in 205 CMR 238.48(1)(a) and in M.G.L. c. 23N, § 13(h), any period of time for which the Gaming Establishment or Sports Wagering facility was not in operation shall be excluded; and
 - (b) A Sports Wagering Operator shall maintain a record of all unclaimed winning Sports Wagering tickets and vouchers that have expired.
- (2) Before the end of each calendar month, the Sports Wagering Operator shall report the total value of winning Sports Wagering tickets and vouchers owed to its patrons that expired during the preceding calendar month in a format prescribed by the Commission.
- (3) Each Sports Wagering Operator shall submit a check with its monthly report payable to the Sports Wagering Control Fund in accordance with M.G.L. c. 23N, § 13(h) in the amount of the winning Sports Wagering tickets and vouchers owed to its patrons that expired during the preceding month as stated in the report.
- (4) Upon the payment of the expired debt, the Sports Wagering Operator shall post the payment and remove the amount from its records as an outstanding debt.

- (5) Failure to make the payment to the Sports Wagering Control Fund by the due date shall result in the imposition of penalties and interest as prescribed by 205 CMR.
- (6) Nothing in 205 CMR 238.68 shall preclude the Sports Wagering Operator from, in its discretion, issuing cash or other form of complimentary to a patron to compensate the patron for a winning Sports Wagering ticket or voucher that has expired.

238.49: Entertainment, Filming or Photography within the Sports Wagering Area or Sports Wagering Facility

Any entertainment, filming or photography within the Sports Wagering Area of the Gaming Establishment or Sports Wagering Facility shall not disrupt or interfere with the:

- (1) Efficient operations of Sports Wagering;
- (2) The security of the Gaming Establishment or any portion thereof;
- (3) Surveillance operations; or
- (4) The security or integrity of Sports Wagering Operations or any authorized Sports Wagering.

238.50: Policies and Procedures for Ensuring a Workplace Free from Unlawful Discrimination, Harassment and Retaliation

The Sports Wagering Operator, as well as their submitted system of Internal Controls, shall comply with 205 CMR 138.72: *Policies and Procedures for Ensuring a Workplace Free from Unlawful Discrimination, Harassment and Retaliation*.

REGULATORY AUTHORITY
M.G.L. 23N, §§ 4, 6, and 10

205 CMR 247: 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.
- (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, restricted patrons pursuant to 205 CMR 238.32, 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, including for obvious errors;
 - (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 Person 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(s) and address(es) of petitioner(s);
 - (b) The name of the Sporting Event or Wager Category;
 - (c) 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;
 - (d) The name of any Sports Wagering Operator sponsoring the petition;
 - (e) 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;
 - (f) 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 or the conductor of the Sporting Event 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.
- (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. The Sports Wagering Operator must notify the Commission promptly after cancelling and refunding the Sports Wagers.
- (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 athletes participating therein.
- (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.
 - (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.

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 5 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.
- (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.

- (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 US 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.
- (10) A Sports Wagering Operator may, in its discretion, cancel an accepted Sports Wager for an obvious error. An obvious error must be defined in the system of internal controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.02.
- (11) Except as otherwise provided in 205 CMR 238.35: *Cancelled or Void Wagers*, a Sports Wagering Operator 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, 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; and
 - (e) The current status of the Promotional offer.
- (2) Sports Wagering Operators shall fully and accurately disclose the material terms of all promotional offers at the time such offers are advertised, and provide full disclosures of the terms of and limitations on the offer before the patron provides anything of value in exchange for the offer. 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. The terms disclosed according to this 205 CMR 247.09(2) must include, at a minimum, all of the following:
 - (a) The date and time advertisements for the offer are being presented;
 - (b) The date(s) and time(s) the offer is available;
 - (c) The date and time the offer becomes discontinued;
 - (d) Any requirements for a patron to be eligible;
 - (e) Any associated restriction on withdrawals of funds;
 - (f) Wagering requirements and limitations on Sporting Events or Wager Categories;

- (g) How the patron will be notified when they have received an award;
 - (h) The order in which funds are used for wagers;
 - (i) Eligible Sporting Events or Wager Categories; and
 - (j) Rules regarding cancellation.
- (3) No promotional offer available to new patrons may contain terms that delay its full implementation by the Sports Wagering Operator for a period of longer than ninety (90) days, regardless of the amount of Sports Wagering in that period by the patron.
- (4) 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.
- (5) 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: *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.



MEMORANDUM

TO: Massachusetts Gaming Commission
FROM: Todd Grossman, General Counsel
RE: intercept of past-due tax and child support obligations
DATE: March 9, 2023

This memorandum is intended to advise the Commission as to the status of the implementation of intercept review procedures by category 3 sports wagering operators relative to past-due tax and child support obligations owed by patrons under certain circumstances. This issue is governed by G.L. c. 23N, §24. Notably, section 24 was not enacted as part of the initial version of G.L. c. 23N. Instead, it was inserted months later as part of the “Act Relating to Economic Growth and Relief For the Commonwealth.”

Section 24 essentially requires a sports wagering operator to query information provided by the Department of Revenue (“DOR”) prior to disbursing to a patron any cash or prize that meets the threshold established under section 3402 of the federal Internal Revenue Code. Section 3402 requires that funds be deducted and withheld where there are “proceeds of more than \$5,000 from a wagering transaction, if the amount of such proceeds is at least 300 times as large as the amount wagered.”

The state law, section 24, requires that when the event identified in section 3402 occurs, then the operator has to additionally run a query of the DOR provided information. In order to do this, the operator must have access to the information. There are two means in which this may occur. One is via an API (“application programming interface”) in which the DOR information is essentially integrated into the operator’s platform. This is the preferred manner identified by DOR. However, there are a number of technical components that will take some time to establish such that the API process will not be ready for use by March 10.

The second mean is a manual check performed via DOR’s ‘eservices’ program. This is the process presently in place in the three casinos. Here, an employee of the operator must physically query the DOR information to determine whether the patron has any outstanding obligations. The operators, DOR, and Commission staff are diligently working towards preparing this process for the March 10 launch. In order to be provided such access, each operator will be required to execute a Memorandum of Understanding with the DOR and Commission identifying the obligations of the parties, and generally setting forth the procedure for running queries and remitting any intercepted funds. Additionally, this process requires that an ACH file share be established for such remittance and that background checks be performed on employees who will be performing such checks via eservices.



Massachusetts Gaming Commission

101 Federal Street, 12th Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



INVESTIGATIONS AND ENFORCEMENT BUREAU
SPORTS WAGERING NONCOMPLIANCE
INCIDENT REVIEW REPORT

March 8, 2023

Operator Name: **Encore Boston Harbor Casino – Category 1 Sports Wagering Operator**

Description: **Wagering on Unauthorized Events – Boston College Women’s Basketball - Second Incident**

Dates of Incidents: **February 12, 2023 and February 19, 2023**

Manner Discovered: **Operator Self Report**

Introduction

The Investigations & Enforcement Bureau (“IEB”) of the Massachusetts Gaming Commission (“Commission” or “MGC”) has conducted a review of two sports wagering noncompliance incidents that occurred on February 12, 2023 and February 19, 2023 at Encore Boston Harbor Casino (“EBH”), which holds a Category 1 Sports Wagering Operator License. The IEB’s review of these matters is summarized below.

Relevant Authorities

- General Laws chapter 23N, § 3, defines the terms “[s]ports event” and “sporting event” and states they “shall not include . . . a collegiate sport or athletic event involving 1 or more collegiate teams from the commonwealth unless they are involved in a collegiate tournament.” See also 205 CMR 202.02.
- 205 CMR 247.01: Authorized and Prohibited Sporting Events and Wager Categories
 - 205 CMR 247.01(2)(a)(2) states that “An Operator shall not offer Sports Wagering on ... Any Collegiate Sport or Athletic Event ... Involving any collegiate teams from the Commonwealth, unless the teams are involved in a Collegiate Tournament.”



- The Massachusetts Sports Wagering Catalog states that “Wagering on Massachusetts’ collegiate teams is not allowed unless it is involved in a tournament format event.” (<https://massgaming.com/about/sports-wagering-in-massachusetts/sports-wagering-rules-and-approved-events/>).

Prior Relevant Incident of Noncompliance

On February 2, 2023, there was a prior incident of noncompliance involving similar facts. On February 14th, the IEB presented its summary review of this matter to the Commission. This matter is currently scheduled for an adjudicatory hearing before the Commission on March 14, 2023.

Incidents of Noncompliance

On February 21, 2023, EBH Senior Vice President and General Counsel, Jacqui Krum, notified Sports Wagering Director Bruce Band (“Director Band”) by phone, and follow-up email, that EBH had inadvertently offered wagering on two unauthorized events through their sports wagering vendor, WSI US, LLC d/b/a/ WynnBET (“WynnBET”).

EBH reported to the IEB that on February 15, 2023, they became aware that unauthorized events had been added to their offerings, but not activated for wagering. WynnBET disabled these events, and contacted its vendor, GAN Nevada (“GAN”). GAN is a technology platform that provides event management and other services to EBH and WynnBET.

Boston College Women’s Basketball vs. University of Louisville, February 19, 2023

Despite these actions, the unauthorized events did not remain disabled, and wagering was still allowed. On February 19, 2023, a trader¹ from WynnBET learned that the February 19, 2023, Boston College Women’s Basketball v. University of Louisville game had been offered for wagering. Four (4) wagers, totaling \$50.00 were placed in the time period prior to the game, which began at 12:00 p.m. on that date.

Boston College Women’s Basketball vs. University of North Carolina, February 12, 2023

After the discovery of the February 19th event, EBH learned of additional unauthorized offerings. Specifically, the February 12, 2023 Boston College Women’s Basketball v. University of North Carolina game was made available for wagering. EBH reported that three (3) wagers were placed on that event, which began at 12:00 p.m. on February 12th, totaling \$163.00.

The IEB has learned the following key facts during its review of this incident:

Time Frame Wagering Was Allowed:

¹ A “trader” is an individual responsible for setting the odds for an event.

- Boston College v. University of North Carolina was available on February 12th for approximately four (4) hours from 9:48 a.m. to 1:44 p.m.
- Boston College v. University of Louisville was available on February 19th for two hours and thirteen minutes from 11:36 a.m. to 1:49 p.m.

Total Stakes/Amount Wagered:

- Three (3) wagers on Boston College v. University of North Carolina, totaling \$163.00.
 - \$50.00 wager as part of a parlay, entered on February 12th at 11:44 a.m.
 - \$63.00 wager as part of a round robin, entered on February 12th at 10:22 a.m.
 - \$50.00 wager as part of a parlay, entered on February 12th at 10:16 a.m.
- Four (4) wagers on Boston College v. University of Louisville, totaling \$50.00.
 - \$10.00 wager as part of a parlay, entered on February 19th at 12:12 p.m.
 - \$20.00 wager as part of a parlay, entered on February 19th at 12:17 p.m.
 - \$10.00 single game wager, entered on February 19th at 12:40 p.m.
 - \$10.00 single game wager, entered February 19th at 12:33 p.m.

Total Patron Winnings (*not including amounts wagered*):

- One (1) partial winning wager on Boston College v. University of North Carolina as part of a parlay. The ticket paid \$53.00 in total winnings, \$12.37 were specific to this game. This ticket was redeemed on February 13th at 6:48 p.m.
- One (1) winning wager on Boston College v. University of Louisville totaling \$9.09 in winnings. This ticket was redeemed on February 19th at 1:59 p.m.

Number of Bets Placed:

- Seven (7)

Location of Bets:

- All seven (7) bets were placed at kiosks.

Reported Reason for the Error

GAN explained that the errors with respect to the two above referenced Boston College games on February 12th and February 19th were due to a discrepancy in the manner that the “titles” of the games were placed into their exclusion process. GAN reported that “Boston College” was on their exclusion list, however “Boston College Eagles Women” was not. These titled events were transmitted by a third-party feed provider, registered Sports Wagering Vendor, Genius Sports Media, Inc. (“Genius”). EBH reported that feed providers upload all market and wager types and GAN then filters the offerings for unauthorized events. The lack of a match to the specific names for the teams uploaded by Genius to the exclusion criteria for GAN caused the events to be enabled for wagering. Further complicating detection of the error, these events were uploaded by Genius



roughly thirty minutes prior to the start of the event, a time period shorter than the usual upload time of two days prior.

As to the delay in the discovery of the February 12th wagers, EBH explained that due to the initial deactivation of the game for wagering, it did not appear on the first daily audit of offerings. Likewise, the second daily audit was conducted under the auspices that the Boston College Women's Basketball v. University of North Carolina game remained disabled and was thus not discovered to have been activated.

Remedial/Mitigating Information

Following this incident, GAN has placed "Boston College Eagles Women," "BC," and "BC Eagles" on their excluded team list. EBH has also reported that GAN is in the process of implementing additional access for WynnBET traders to control posted offerings in the WynnBET database. Upon WynnBET's mobile launch, this access will allow added ability for WynnBET to suspend markets or wagers earlier on. GAN reported that the measures and auditing process in place following the February 2nd unauthorized wagering incident led to two Boston College Women's Basketball events being successfully excluded on February 5th and February 9th. EBH indicated that twice daily audits conducted by its trading team are still in place following these two new incidents. These audits are overseen by Max Berlin, Manager of Sportsbook Operations of WynnBET. Finally, because these EBH/WynnBET unauthorized wagering incidents exclusively involved NCAA Women's Basketball, EBH has disabled all wagering on NCAA Women's Basketball until the issue is resolved.



**GAMING COMMISSION TRANSPORTATION PLANNING GRANT
WELLINGTON/ROUTE 28 UNDERPASS**

1) *Impact Description:*

The Encore Boston Harbor development has transportation impacts that have been well-documented in the Environmental Review process. The Secretary of EEA has determined that mitigation is required to offset impacts of this project. Transportation impacts are anticipated to be the most negative impacts of this project on surrounding communities, especially in Medford. Identified impacts include the deterioration of roadway level of service and road capacity. Pedestrian, bicycle, water and public transportation improvements are needed to meet Encore's goals to reduce reliance on vehicular travel and encourage alternative modes of transportation. With the opening of the casino, it has been found that a large number of employees are bicycling to work. Some directions, such as across Rt 28, are more difficult and challenging for bicyclists to traverse. This underpass will facilitate a safer, more appealing route from Medford and Arlington neighborhoods which will encourage more employees who live in these areas to bicycle, rather than drive, to work.

2) *Proposed use of Transportation planning funds:*

Funding will be used to complete the design & engineering work for a boardwalk underpass along the Mystic River in Medford, MA. This underpass will provide an alternative to the dangerous Wellington Circle (a four-phase crossing through nine lanes of traffic) and connect Torbert MacDonald Park to Station Landing under Route 28. Similar to the connection on the other side of the river, this boardwalk will close a gap in the area's multimodal network by providing a safe, off-road connection for people on foot or bicycle. This project will help mitigate the traffic impacts of the Encore casino, in particular, from Medford and Arlington residents who feel they must drive, rather than bicycle, because of the dangerous connections across Route 28. This improvement will make the bicycle route more pleasant and attractive, thereby creating another direction from which employees may travel to the Casino. Additionally, it will increase the safety for those traveling to the increasing number of jobs and homes across the river in Assembly Row in Somerville.

The City of Medford is requesting that \$175,604 remaining from a 2018 grant to be allocated to the Wellington/Route 28 Underpass project for the final stages of design and engineering services. This project is currently funded through a 2019 Gaming Commission Transportation Planning Grant for \$200,000, in addition to funds repurposed from a 2016/2017 Transportation Planning grant. If this grant funding transfer request is granted, the project will be completed through the 75% design (expected spring 2023). Further, this project is now on the TIP; the City of Medford is working with MassDOT's project managers to transition from the design to construction phases. Approving this funding repurpose request will allow project to leverage additional funding to complete the 100% design, at which point MassDOT will fund and oversee the construction over the next 3-5 years.

In support of this request, we are attaching an updated quote for design and engineering services, prepared by the current consultants, Nitsch Engineering. The work will take place in 5 Tasks:

Task I: Design Public Hearing \$7,000.00

Task II: 75% Design Submission \$58,000.00

Task III: Final Bridge Design \$103,500.00

Task IV: Final Right-of-Way Plans \$6,800.00

Task V: Environmental Permitting \$45,000.00

Direct Expenses:

LEC – Expanded ENF \$60,500.00

CWDG – Final Landscape Design \$34,400.00

VDI – Final Lighting Design \$15,400.00

Nitsch Engineering – Mileage, Printing, Translation Services \$1,000.00

Total: \$331,600.00

Stakeholders include: City of Medford, DCR, MassDOT, the Gaming Commission and the Mystic River Watershed Association (MyRWA).

3) *Proposed mitigation (attach additional sheets if necessary)*

a) *Identify the amount of funding requested.*

\$175,604

b) *Please identify below the manner in which the funds are proposed to be used.*

The funds will be used for design services for the Rt 28 shared-use underpass. Please see the attachments for the detailed quote.

c) *Please provide documenting (eg invoices, proposals, estimates) adequate for the Commission to ensure that the funds will be used for the cost of mitigating the impact from the construction of a proposed gaming establishment.*

See attached cost estimate from Nitsch Engineering to bring the design for a bicycle and pedestrian underpass for Rt 28 to 75% construction documents.

d) *Please describe how the mitigation request will address the specific impact indicated.*

These funds will be used to design a multi-use boardwalk under the Route 28 bridge, abutting land and bridge owned by MassDOT and DCR. This will provide a safe and accessible connection across Route 28 for bikes and pedestrians. A large number of casino employees have been found to bicycle to work. This connection will make it easier and safer for more employees to bicycle from Medford and other neighborhoods north and west of the area.

4) *Connection to Gaming Facility. Please provide specificity/evidence that the requested funds will be used to address issues or impacts directly related to the gaming facility.*

We anticipate that this off-road walking/biking/transit connection will serve two purposes: (1) provide a safe, non-motorized way for patrons and employees to get to Encore Boston Harbor and (2) reduce the overall number of vehicles in the vicinity of the resort.

- (1) A large part of the transportation access strategy to/from Encore has been to direct (or encourage) patrons and employees to utilize public transportation and/or the private shuttle buses provided by Encore at Wellington Circle. Another goal is to increase the number of people that walk or bicycle to the resort. Therefore, any patrons or employees that live west or northwest of Wellington Circle will benefit from the proposed connection enabling them a safe and more attractive to/from Wellington Station and to the Encore resort. This underpass connects people to the Wellington Greenway and to the new bicycle/pedestrian routes under the Woods Memorial Bridge.
- (2) In general, this underpass will allow residents that live within a half-mile vicinity to access destinations like Macdonald Park and Wellington T Station on foot/bicycle which helps to alleviate traffic congestion by getting cars off the road.

Below are several ways – based on origin of travel – that this proposed project will increase walking/bicycle/transit use.

- The current connection directly from the west (MacDonald Park) across Route 28 is the crosswalk at Presidents Landing. This two-phase crossing is ~ 200 feet long (from edge of curb to edge of curb), spans 2 roads and 8 lanes of vehicular traffic. The proposed connection would not require crossing any traffic or waiting for any pedestrian traffic signal phase to commence.
- The current connection from the southwest corner of Wellington Circle may use the existing crosswalk network crossing the south side of Wellington Circle. This crossing is ~ 420 feet long (from edge of curb to edge of curb), crosses 2 roads, and 9+ lanes of vehicular traffic. The proposed connection would add distance along an existing sidewalk or path system but would not require crossing any traffic or waiting for any pedestrian traffic signal phase to commence.
- The current connection from the northwest corner of Wellington Circle may use the existing crosswalk network along the west side and south side of Wellington Circle or the north side and east side of the circle. However, these crossings are ~580 or 600 feet long respectively (from edge of curb to edge of curb), crossing 2 roads, 6 directions of travel, 17-23 lanes of vehicular traffic (yes, that many!). The proposed connection would add distance along an existing sidewalk or path system and would reduce crossing any traffic or waiting for any pedestrian traffic signal phase to commence. It reduces it from 2 roads to 1, 6 directions of travel to 4, and from 17 to 10 lanes of traffic.

5) *Impact Controls/Adm of Impact Funds*

All funds will be dispersed in compliance with public procurement requirements, following the same process used with the current Gaming Commission grant and contract with Nitsch Engineering. The engineering firm invoices the city monthly and is in regular contact with the project manager. The City will utilize proper financial controls to prevent misuse.

6) *Consultation with Regional Planning Agency*

This project is part of the 2009 Mystic River Master Plan (Massachusetts Department of Conservation and Recreation, DCR), the regional greenway network, "LandLine," (Metropolitan Area Planning Council, MAPC) and the Mystic Greenways Initiative (Mystic River Watershed Association) that is working collaboratively with the cities of Arlington, Medford, Somerville, Malden, Everett and Boston. MAPC staff regularly attend stakeholder meetings for this project.

7) *Matching funds from Gov or other agency. (can include in-kind)*

The City has previously obtained funds from MassTrails to fund the design process, and the project is now on the MassDOT TIP for the funding of the construction phase.

8) *Relevant excerpts from host or surrounding community agreements and MEPA Decision.*

a) *Please describe and include excerpts regarding the transportation impact and potential mitigation from any relevant sections of any host or surrounding community agreement.*

This transportation planning grant will allow Medford to address issues related to the city's capacity to serve as a "transportation hub" (in Surrounding Host Agreement). "The foregoing will be accomplished through mutually agreed upon promotional materials and improvements (including, without limitation, safety upgrades, improved lighting, fixtures, signage and beautification efforts).

b) *Please provide a demonstration that such mitigation measure is not already required to be completed by the licensee pursuant to any regulatory requirement or pursuant to any agreements b/n such licensee and applicant.*

There is no documentation regarding the licensee with respect to this underpass.

c) *Please also briefly summarize and/or provide page references to the most relevant language included in the most relevant MEPA certificate(s) or comment(s) submitted by the community to MEPA.*

The Section 61 Findings for Wynn-Everett states:

"Wynn will fund and undertake improvements to Wellington Circle in accordance with the SSFEIR Certificate and these Section 61 Findings."

d) *Please explain how this transportation impact was either anticipated or not anticipated in that Agreement or such MEPA decision.*

This is in addition to specific improvements to the Wellington intersection that are designed to make the intersection safer for pedestrians and bicyclists. This underpass takes these improvements a step further, allowing pedestrians and bicyclists to avoid the intersection altogether. Additionally, the Findings require a study to develop alternatives for a long term fix to Wellington Circle.

- e) *If transportation planning funds are sought for mitigation not required under MEPA, please provide justification why funding should be utilized to plan for such mitigation. For example, a community could provide information on the significance of potential impacts if trip generation totals exceed projected estimates.*

N/A



TO: Chair Cathy Judd-Stein and Commissioners Eileen O'Brien, Bradford Hill, Nakisha Skinner and Jordan Maynard

FROM: Joe Delaney, Mary Thurlow and Lily Wallace

CC: Karen Wells, Executive Director, Todd Grossman, General Counsel

DATE: March 2, 2023

RE: Medford CMF Amendment - Route 28 /Wellington Underpass

Request

The City of Medford is requesting to re-allocate the remaining balance (\$175,604) from its 2018 Transportation Planning Grant to the 2019 Wellington/Route 28 Underpass Project. As the funding transfer is for more than 10% of the total grant and the scope differs from the original use, a Commission vote is required for approval.

The Project

These funds will be used to develop the 75% design plans of a multi-use boardwalk under the Route 28 bridge on property owned by MassDOT and DCR. This will provide a safe and accessible connection across Route 28 for bikes and pedestrians. This connection will make it easier and safer for more patrons and employees of the casino to bicycle from Medford and other neighborhoods north and west of the area.

Background

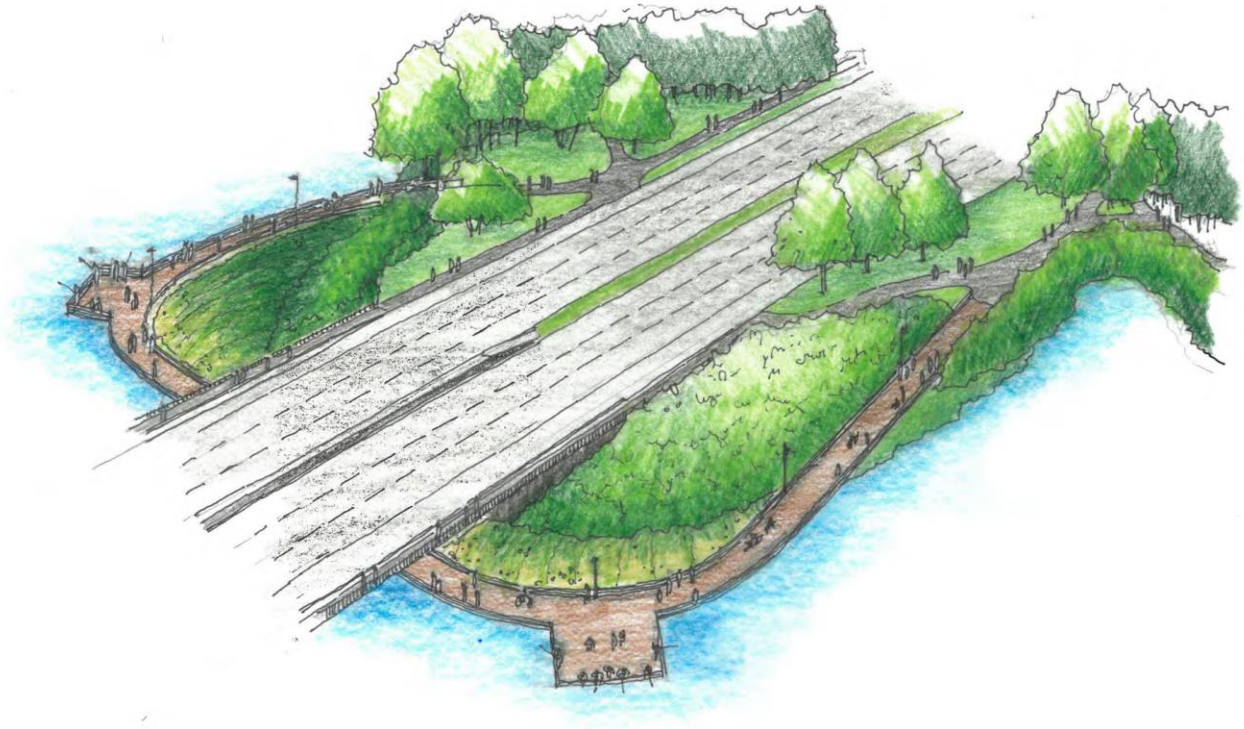
The Commission initially provided CMF funding in 2017 to study the feasibility of the South Medford Connector multi-use path. The results of that study led to a subsequent 2018 Transportation Planning Grant of \$198,600 to advance this design to the 25% design phase. The proposed route of the Connector was along the bank of the Mystic River from where the Mystic Valley Parkway crosses the Mystic River to Main Street (see figure below). The property along the river was originally taken as part of the construction of I-93 and is under the control of MassDOT. As such, MassDOT needed to be involved in the discussions around the use of the land for a multi-use path.



The original feasibility study identified several project constraints that while not insurmountable, would be costly to construct. In addition, the intersection of the Mystic Valley Parkway and Main Street, where the proposed path would terminate, has been a problem intersection for a number of years and is the subject of a separate MassDOT construction project. To avoid some of the physical constraints, it was suggested that MassDOT allow the Mystic Valley Parkway (Route 16) to be narrowed to allow for the construction of the path along the Parkway rather than the bank of the river. Part of the 2018 CMF grant was used to study this reduction of the Parkway. These discussions with MassDOT took a significant amount of time, but ultimately MassDOT agreed that constructing the path along the Parkway would be the preferable alignment. In fact, MassDOT agreed to take on the final design and construction of the path in conjunction with the work they were proposing at the Mystic Valley Parkway/Main Street intersection.

Therefore, the only funds used out of the 2018 grant were \$22,996 that was used to study the narrowing of the Parkway. This leaves a budget of \$175,604 remaining in the grant.

In 2019, the Commission awarded a \$200,000 Transportation Planning Grant to Medford to design a multi-use boardwalk under the Route 28 bridge that would allow pedestrian and bicycle traffic to cross Route 28 without traversing Wellington Circle or crossing Route 28 at grade (see rendering below). This project is at the 25% design level and has been programmed on the State Transportation Improvement Program. The proposed transfer of funds from the South Medford Connector project would allow this project to proceed to 75% design at which point the project would be taken over by MassDOT.



Recommendation

The CMF Review Team recommends transferring \$175,604 from the 2018 Grant for the further design of the Route 28/Wellington underpass. Since MassDOT has committed to the construction of the South Medford Connector as well as the construction of the Route 28/Wellington underpass, the transfer of these funds will ensure that both of these projects move forward.



City of Medford
Office of Community Development

City Hall - Room 308
85 George P. Hassett Drive
Medford, Massachusetts 02155

(781) 393-2480
Fax: (781) 393-2342

February 15, 2023

Mary Thurlow
Joe Delaney
Massachusetts Gaming Commission

Subject: City of Medford's request to transfer unused grant funding to the Wellington/Route 28 Underpass project

Dear Gaming Commission Committee,

The City of Medford respectfully requests a transfer of unused Gaming Commission funding from a 2018 Transportation Planning grant to the Wellington/Route 28 Underpass project that is currently funded by the 2019 Transportation Planning Grant (BD19 1068-1068C-1068L-33629) and by funds repurposed from the 2016/2017 Transportation Planning Grant.

The original 2018 Gaming Commission Grant was for \$198,600 for survey and design documents as well as permitting for the South Medford Connector, a proposed shared use path on state-owned public land along the Mystic River. Of that total amount, only \$22,996 has been drawn down to date for planning and engineering consultant services, as well as a traffic study evaluating impacts of the Rt 93/16 ramp closure. Per our previous reporting, MassDOT is now advancing a multi-modal infrastructure project along Route 16 using essentially the same route as the proposed South Medford Connector, pivoting from our original shared use path. MassDOT has indicated that they can advance this project from this point to construction without additional funding from the City of Medford and the Mass Gaming Commission.

The City of Medford is **requesting that the \$175,604 remaining from the 2018 grant be allocated to the Wellington/Route 28 Underpass project.** While this project also has a commitment from MassDOT for construction funding, additional design and engineering funds are needed to bring the project to 75% design for handoff to MassDOT. See supporting application with details on the project and how these funds will be used.

Thank you for the opportunity to submit this request to transfer funding from unused Gaming Commission grants. Please let me know if you have any questions.

Sincerely,

Alicia Hunt
Director of Community Development
City of Medford



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

FROM: Mark Vander Linden, Director of Research and Responsible Gaming,
Bonnie Andrews, Research Manager

CC: Karen Wells, Executive Director

DATE: March 9, 2023

RE: Proposed FY2024 Gaming Research Agenda

Background:

The Expanded Gaming Act enshrines the role of research in understanding the social and economic effects and mitigating the negative consequences of casino gambling in Massachusetts. To this end, with the advice of the Gaming Policy Advisory Committee, the Commission is charged with carrying out an annual research agenda to comprehensively assess the impacts of casino gambling in Massachusetts. Specifically, [M.G.L. Chapter 23K §71](#) directs the research agenda to examine the social and economic effects of expanded gambling and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology, and etiology of gambling. [M.G.L. Chapter 23N, §23](#) extends the scope of the research agenda to include an understanding of the effects of sports wagering in the commonwealth.

To support the successful implementation of these statutory mandates, the Commission adopted a strategic research plan that outlines research in seven key focus areas, including:

Economic Impact Research

The Economic Impact component of the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) study, conducted by a team from the UMass Donahue Institute, analyzes the fiscal and economic effects of expanded gaming across the Commonwealth. The economic research is intended to provide 1) neutral information of decision-making, 2) early warning signs of changes connected with casino gambling, and 3) help reducing gambling-related harm. To explore more about the economic impact research including completed reports: <https://massgaming.com/about/research-agenda-search/?cat=economic-impact>

Social Impact Research

The Social Impact component of the Social and Economic Impacts of Gambling in Massachusetts

(SEIGMA) study, conducted by a team from UMass Amherst, analyzes the social and health effects of expanded gaming across the Commonwealth. To explore more about the social impact research, including completed reports: <https://massgaming.com/about/research-agenda-search/?cat=social-impact-research>

Community-Engaged Research

The objective of community-engaged research is to understand and address the impact of gambling in Massachusetts communities. The specific research topic or question is developed by the community through a community-driven process. To explore more about the community-engaged research, including completed reports: <https://massgaming.com/about/research-agenda-search/?cat=community-engaged-research>

Public Safety Research

Public safety research examines gaming impacts on public safety, including crime, calls-for-service, collision, and driving under the influence data. This element of the Commission's research agenda has produced a baseline for each casino host and surrounding communities. Annual follow-up studies measure change in activity and highlight possible connections to the casino. To explore more about the public safety research, including completed reports: <https://massgaming.com/about/research-agenda-search/?cat=public-safety>

Responsible Gaming Program Evaluation

The Commission is committed to offering effective, evidence-based responsible gaming programs and initiatives. Currently, these initiatives include statewide Voluntary Self Exclusion, PlayMyWay Play Management System, and the GameSense program. The introduction of mobile sports wagering will usher in additional responsible gaming tools, and measures. Ongoing and independent evaluation informs the overall responsible gaming strategy and future direction of these programs. To explore more about the evaluation research, including completed reports: <https://massgaming.com/about/research-agenda-search/?cat=responsible-gaming-program-evaluations>

Massachusetts Gaming Impact Cohort

The Massachusetts Gambling Impact Cohort (MAGIC), was the first major longitudinal cohort study of gambling behavior in the United States. This study provided insights into demographic groups particularly at risk of experiencing gambling-related harm and provides information on how gambling and problem gambling develop, progress and remit, and will identify demographic groups particularly at risk of experiencing gambling-related harm. To explore more about the Massachusetts Gaming Impact Cohort, including completed reports: <https://massgaming.com/about/research-agenda-search/?cat=massachusetts-gambling-impact-cohort>

Data Sharing

To improve transparency and build upon the existing research body of research, the Commission has a robust research library and data sharing portal. The Massachusetts Open Data Exchange (MODE) invites researchers of all disciplines to use available gaming-related data to advance the empirical evidence and knowledge base about casinos' social and economic effects on individuals and communities. To explore more about the Massachusetts Open Data Exchange: <https://massgaming.com/about/research-agenda/>

Proposed FY24 Gaming Research Agenda

The proposed FY24 Gaming Research Agenda is estimated to be \$1,865,000. This is roughly 30% increase from the adopted FY23 budget of \$1,438,000. The increase includes a significant expansion of the annual research agenda to encompass sports wagering as outlined in M.G.L. c. 23N, § 20 and 23, as well as the 2022 Act Regulating Sports Wagering, § 25. If approved, the additional funding would support the following projects:

- Study to examine effects of expansion of gaming in Massachusetts on human trafficking.
- Studies related to sports wagering:
 - An evaluation of the effectiveness of select sports wagering responsible gaming tools.
 - A study on the impact of iGaming on public health, with particular focus on comparison of participants with participants in other forms of gaming, comorbidity with problem gambling, and impacts on youth under the age of 25.
 - A prospective study on the feasibility, and potential impact, of allowing retail locations in the commonwealth to operate sports wagering kiosks.
 - Study on the participation by minority business enterprises, women business enterprises, and veteran business enterprises in the sports wagering industry in the Commonwealth.
 - Study on different existing marketing affiliate payment structures and impact on players.

Below, the proposed FY24 research agenda is shared with you in the following table and includes 1) general description of each project, 2) specific deliverables/activities, 3) a reference to the section of M.G.L. c. 23K or the 2022 Massachusetts Sports Wagering Act, and significance.

Proposed FY2024 Gaming Research Agenda	
Social and Economic Research	
The Expanded Gaming Act (M.G.L. c. 23K § 71) required the MGC to engage research to understand the social and economic effects of casino gambling in Massachusetts. Since 2013 the MGC has contracted the University of Massachusetts Amherst, School of Public Health and Health Sciences to carry out this part of the research agenda.	
Task/deliverable	Statutory and Practical Significance
2024 Integrated Social and Economic Impacts Report	Relates to: M.G.L. c. 23K, § 71 (1) and §71 (2)(iii)(iv)(vii)
	An integrated report looking at the overall social and economic impacts since Plainridge Park Casino opened in 2015. This report will include a section updating work conducted in 2014 to select communities in the Northeast matched to the MA casino host communities for purposes of counterfactual analysis of the economic impacts of casinos in MA, as well as a section on operations and economic impacts.
Task/deliverable	Statutory and Practical Significance
Online Panel Survey	Relates to: M.G.L. c. 23K, §71 (2)(iii), §71 (3)(ii)

(OPS) 2023 Report	M.G.L. c. 23N, § 23
	This report will assess changes in gambling participation from 2022 to 2023, as well as the prevalence of problem gambling. A template for series of brief reports tracking participation and prevalence will also be produced.
Task/deliverable	Statutory and Practical Significance
Out of state visitorship to MA Casinos Report	Relates to: M.G.L. c. 23K, § 71 (1) and §71 (2)(iv)
	Using a new anonymized dataset (Airsage), this report will use cellphone data to track out of state visitorship to MA casinos. This will provide a comparison to a study by researcher Clyde Barrow about this issue before casinos opened in MA, as well as impacts on the travel and tourism industry.
Task/deliverable	Statutory and Practical Significance
Administer OPS questions	Relates to: M.G.L. c. 23K, § 71 (1) and §71 (2)(iii)
	M.G.L. c. 23N, § 23
	The OPS will be fielded in March 2024 This data will continue to inform trends in gaming and problem gambling, and particularly following the launch of sports wagering.
Task/deliverable	Statutory and Practical Significance
Ad hoc economic report	May Relate to: M.G.L. c. 23K, §71 (2)(iv);
	M.G.L. c. 23N, § 23
	An additional report on the economic impacts of expanded gaming, with topic to be finalized by September 2023.

Public Safety Research	
The MGC is examining changes in crime, calls for service, and collisions following the opening of casinos in Massachusetts. The intention is to demonstrate what changes in crime, disorder, and other public safety harms can be attributed directly or indirectly to the introduction of a casino and what strategies local communities need to implement to mitigate the harm.	
Task/deliverable	Statutory and Practical Significance
Assess the influence of gambling on public safety for Plainville and five surrounding communities . Produce a year-8 report. Provide crime analyst technical assistance as needed.	Relates to: M.G.L. c. § 71 (2)(ii) M.G.L. c. 23N, § 23
	<ul style="list-style-type: none"> • Provides ongoing monitoring system of crime, calls for service, and traffic. • Allows for early detection and response to casino related problems that may arise. • Provides an opportunity for greater collaboration with local police chiefs and crime analysts. • This report will explore any changes in public safety which may be related to opening of the PPC sportsbook.
Task/deliverable	Relates to: M.G.L. c. § 71 (2)(ii)

Assess the influence of expansion of gaming on human trafficking in Massachusetts.	<ul style="list-style-type: none"> • Provides insight into effects of expansion of gaming in Massachusetts on a particular type of crime • Allows for detection and response to problems that may arise.
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Community-Engaged Research	
Task/deliverable	Statutory and Practical Significance
Support an estimated two new community driven research projects	<p>Relates to: M.G.L. c. 23K, § 71 (3)(ii) M.G.L. c. 23N, § 23</p> <p>The objective of community-engaged research is to more deeply understand and address the impact of casino gambling in Massachusetts's communities. The specific research topic or question is developed by the community through a community-participatory process.</p>
Task/deliverable	Statutory and Practical Significance
	<p>Relates to: M.G.L. c. 23K, § 71 (3)(ii) M.G.L. c. 23K, § 61</p>
Support an estimated two new community-driven research projects through the Community Mitigation Fund	The Commission seeks to study and mitigate gambling related harms through a new pilot program with the Community Mitigation Fund, which will provide funding for a limited number of community-engaged research projects. The funding for this grant is for two levels of assistance. Type 1 is for the development or planning of a study or project and Type 2 is for the implementation of a project.
Data Sharing	
Task/deliverable	Practical significance
Maintain existing datasets in the MODE repository and add additional datasets as they become available, including player card data as required.	<p>Relates to: M.G.L. c. 23K, § 71 (2); Chapter 194, Section 97</p> <p>The purpose of MODE is to provide access to data generated by research projects funded and overseen by the MGC. Datasets from existing and ongoing research projects and player card data are publicly available with certain parameters.</p>
Develop plan to increase capacity for analysis of MODE data through fellowships, internal resources, and/or partnerships with other agencies	

Responsible Gaming Evaluation	
The MGC is committed to offering effective, evidence-based responsible gaming programs and initiatives. Ongoing and independent evaluation informs the overall responsible gaming strategy and future direction of these programs.	
Task/deliverable	Statutory and Practical significance M.G.L. c. 23K, § 71 (3); M.G.L. c. 23N, § 23
Evaluation of sports wagering Responsible Gaming tools	<p>Option 1: This study will evaluate outcomes related to implementation of an initiative that provides resources to patrons who enroll in temporary prohibition from sports wagering.</p> <p>Option 2: Evaluation of other sports wagering/responsible gaming tools</p>
GameSense Evaluation	Through a licensing agreement with the British Columbia Lottery Corporation and in cooperation with the National Council on Problem Gambling, the MGC will commence an evaluation to assure alignment with overall program goals.

Sports Wagering Research	
<p>The 2022 Massachusetts Sports Wagering Act, §23 extends the scope of the research agenda to understand the social and economic effects of sports wagering in the commonwealth and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of sports wagering. The sports wagering research agenda shall also include, but not be limited to: (i) an assessment of whether problem sports wagering is comorbid with problem gambling; (ii) an assessment as to whether the individuals participating in sports wagering are different than those who participate in other forms of gaming or gambling; (iii) an assessment of the impact of sports wagering on youth under the age of 25; (iv) an assessment of the impacts of sports wagering on college athletics and professional sports; and (v) the costs of implementing this chapter.</p>	
Task/deliverable	Statutory and Practical Significance
iGaming Study	<p>Relates to: M.G.L. c. 23N, § 23</p> <p>A study on the impact of iGaming on public health, with particular focus on comparison of participants with participants in other forms of gaming, comorbidity with problem gambling, and impacts on youth under the age of 25.</p>
Task/deliverable	Statutory and Practical Significance
Kiosk Study	<p>Relates to: M.G.L. c. 23N, § 20</p> <p>A prospective study on the feasibility, and potential impact, of allowing retail locations in the commonwealth to operate sports wagering kiosks.</p>
Task/deliverable	Statutory and Practical Significance
Study on participation of	Relates to: The 2022 Act Regulating Sports Wagering, § 25

minority, women, and veteran business enterprises in sports wagering	Study on the participation by minority business enterprises, women business enterprises, and veteran business enterprises in the sports wagering industry in the Commonwealth.
Task/deliverable	Statutory and Practical Significance
Sports wagering advertising study	Relates to: M.G.L. c. 23K, § 71 (2)(iv); M.G.L. c. 23N, § 23
	Study on different existing marketing affiliate payment structures and impact on players.

Research Review

To ensure the highest quality research, the MGC has assembled a research review committee. This committee is charged with providing the MGC and research teams with advice and feedback on gaming research design, methods, and analysis. Where additional expertise is needed, the MGC seeks advice from experts with specific subject matter expertise to review reports and advise on research matters.

Knowledge Translation and Exchange

To ensure findings from the MGC research program are accessed and used by key stakeholders, MGC engaged an organization with expertise in this area, the Gambling Research Exchange of Ontario (GREO), in FY23 to help develop a strategic plan, provide on-going training, consultation, and support to build in-house capacity to improve current KTE strategies, practices, and skill sets. In FY24, work on this strategic plan will include broadening the MGC's network of safer gaming stakeholders, tailoring stakeholder engagement and consultation methodologies, and working to gather and mobilize knowledge in ways that align with stakeholder needs and preferences.

In addition, the MGC, in collaboration with UMass Amherst and GREO, plans to hold an inaugural Research Conference in Spring 2024. The goal of this conference is to showcase findings from the 2024 Integrated Social and Economic Impacts Report, bring together a diverse network of stakeholders and researchers to discuss findings from the research agenda to date, collaborate on knowledge mobilization strategies, and develop strategies to broaden and deepen future research.

Next Steps

The process for developing and finalizing the FY24 research agenda following this initial presentation to the Commission will include a meeting with the Gaming Policy Advisory Committee (GPAC) for advice and discussion as required by [M.G.L. Chapter 23K §71](#), as well as a meeting with the Gaming Research Advisory Committee on April 4, 2023. The proposed agenda will then be presented to Commissioners in April, with a goal to finalize the FY24 research agenda by the end of April 2023.