



Massachusetts Gaming Commission Meeting Minutes

Date/Time: January 9, 2025, 9:30 a.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 705 1241

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

Commissioners Present:

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

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

Chair Maynard called to order the 543rd Public Meeting of the Massachusetts Gaming Commission ("Commission") at 9:33 a.m. Roll call attendance was conducted, and all five Commissioners were present for the meeting. Prior to the start of the meeting, Chair Maynard noted that the Commission would observe a moment of silence to honor the passing of the 39th President of the United States, Jimmy Carter.

2. [Meeting Minutes](#) (01:30)

Commissioner Skinner moved that the Commission approve the minutes for the August 18, 2023, December 14, 2023, and July 11, 2024 meetings that are included in the Commissioners' Packet, subject to any necessary corrections for typographical errors or any other non-material matters. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.
Commissioner Brodeur: Abstain.
Chair Maynard: Aye.
The motion passed, 4-0. One abstention.

3. [Administrative Update](#) (02:20)

Executive Director Dean Serpa began the Administrative Update by welcoming staff back after the new year. Executive Director Serpa offered his gratitude to the Legal Division for the annual ethics training they held for the MGC Staff. He noted that the year was off to a great start and that he was looking forward to the year ahead. Chair Maynard thanked him for his update.

4. [Legal](#) (03:46)

- a. Classification review of Bally's Interactive, LLC Transaction Including Possible Consideration of Request for Waiver from Transfer of Interest Provisions Described in 205 CMR 229

General Counsel Todd Grossman introduced Counsel for Bally's Attorney Bob Ross from the law firm Greenberg Traurig. Attorney Ross introduced Craig Eaton, Senior Vice President for Bally's' Corporation.

At the start of the presentation, General Counsel Grossman noted that the Commission had been introduced to the Bally's transaction a few weeks prior. The transaction involved Bally's acquisition of Queen Casino. Bally's proposed an updated structure in which Queen Casino would become a wholly owned subsidiary. Mr. Grossman explained that Bally's advanced two arguments for consideration: (1) the transaction does not require prior approval because it only involves a temporary license; or (2) the Commission should grant a waiver from the transfer of interest regulations.

Attorney Ross, representing Bally's, thanked the Commission for the opportunity to present. He invited Craig Eaton, Senior Vice President of Bally's Corporation and Trustee of the Trust Agreement, to speak about Bally's' request.

Mr. Eaton stated that Bally's was requesting confirmation that their proposed transaction did not require prior approval. He explained that the transaction involved merging two entities: Bally's Corporation, which would be the surviving entity, and Queen Casino, which would then become a wholly owned subsidiary of Bally's. Mr. Eaton offered his opinion that prior approval was not needed because the Sports Wagering Act only applied to the transfer of an operator's license, while Bally's only held a temporary license at the time. Mr. Eaton emphasized that Bally's was merely adding new qualifiers and that all information regarding these qualifiers had already been submitted to the Commission staff. He affirmed that the Commission had still retained the authority to grant or deny Bally's temporary license renewal and an operator's license.

Mr. Eaton added that Bally's was working with all applicable states to close this transaction as soon as possible and thanked the Commission for their consideration. The terms of the loan agreement, which underpinned the merger, included a deadline to close the deal.

General Counsel Grossman noted that there were other options that the Commission could consider in addition to what Bally's had requested. Chair Maynard asked if the Commissioners could hear about other options the Commission could consider in achieving the desired result. Attorney Ross then proposed granting Bally's a waiver from the transfer of interest regulations. He explained that the waiver request would allow the review of the transaction to occur during the application process for Bally's operator's license and the renewal of their temporary license. This approach would provide the Commission the opportunity to review the new qualifiers and decide whether to grant or deny the license.

General Counsel Grossman then reviewed the legal standards for a transfer of interest process within G.L. Chapter 23N, section 6(h) and 205 CMR 229. He noted that granting a waiver request, however, would be applied to the requirements within the regulation, and not the statute, however. He then detailed the requirements necessary pursuant to 205 CMR 202.03(2) and 205 CMR 102.03(4). He stated that the waiver request from Bally's met all applicable criteria, in that granting the waiver would be consistent with the Sports Wagering Act; granting the waiver would not interfere with the Commission's ability to fulfill its duties; granting the waiver would not adversely affect public interest; and not granting the waiver would cause a substantial hardship to Bally's due to the financial terms of the loan agreement.

General Counsel Grossman stated that Bally's was requesting that the new qualifiers be evaluated through the pending application processes. He summarized three options for the Commission to consider:

Option 1: The Commission finds that the proposed transaction is a transfer of interest, but the Commission grants a waiver from the regulatory provisions with 205 CMR 229.

Option 2: The Commission considers the transaction a transfer of interest and requires Bally's to follow all associated processes.

Option 3: The Commission accepts Bally's interpretation of the statute and treats the new entities as qualifiers for review, under new qualifier processes and protocols within relevant regulations.

Caitlin Monahan, Director of the Investigations and Enforcement Bureau ("IEB"), then provided the IEB's perspective on the three options presented by General Counsel Grossman. In regard to Option 1, Director Monahan stated that the IEB would be comfortable with requiring that Bally's follow the normal transfer of interest process as it would give the IEB and Commission the opportunity to review the transaction and the entities involved before closing. In regard to Option 2, Director Monahan explained that the IEB would also be comfortable with granting a waiver because the individual becoming the majority shareholder, Mr. Kim, had already undergone preliminary suitability review by the IEB. Regarding Option 3, Director Monahan explained that the IEB would also be comfortable with treating the new individuals and entities as qualifiers

and reviewing them as part of the durable suitability process because of the preliminary work already performed on Mr. Kim.

Commissioner Brodeur then raised a concern about the justification for moving forward with the transaction based on financial consequences to Bally's. Commissioner Brodeur noted that Bally's had structured the transaction which in turn created the need for a waiver. Attorney Ross clarified that the January 21 deadline was a condition set by Bally's lender and was not something that Bally's had established arbitrarily. He explained that Bally's had informed the Commission of the transaction when it was first announced on July 25, 2024.

Mr. Eaton then added that the January 21st deadline was a standard loan term and that exceeding it would trigger financial penalties for Bally's. He stated that Bally's needed approval from 17 states, including the UK, to close the deal. Mr. Eaton also emphasized that the transaction was unique because it was essentially a transfer to the same person, as Mr. Kim and Standard General already had significant ownership of Bally's.

Commissioner O'Brien expressed concern about the precedent that would be set by allowing Bally's to use its deadline as leverage to force the Commission to grant a waiver. She asked whether there were any other avenues for restructuring the transaction to avoid this issue. Attorney Ross thanked her for her comment and replied that Bally's had explored other options, but unfortunately, there were no reasonable avenues to restructure the transaction.

Commissioner Skinner raised concerns about the legal implications of distinguishing between temporary and permanent (operator) licenses. She expressed her preference for granting a limited waiver with conditions for the current matter before the Commission.

Commissioner Hill stated that he was also leaning towards the option of granting a waiver. Chairman Maynard then asked IEB Director Monahan and Chief Enforcement Counsel ("CEC") Kathleen Kramer if they had any hesitation about Bally's temporary license, given the circumstances of the transaction. Director Monahan and CEC Kramer both stated that they did not have any hesitations at present.

The Commissioners then discussed potential conditions for the waiver. Commissioner Hill suggested the following conditions: The licensee certifies that they know of no reason why any qualifier would be deemed unsuitable, and the previously executed trust agreement remains in effect and utilized as contemplated.

Commissioner O'Brien proposed adding a condition requiring Bally's to notify the IEB of any material change to the transaction within 24 hours. She also suggested that the waiver should expire on February 23, 2025, when Bally's temporary license was due to expire.

Commissioner Skinner proposed a condition that the IEB continue with its interim review process and provide a preliminary suitability report on the new entity qualifiers to the Commission before the durable suitability investigation. CEC Kramer stated that the IEB could continue with the investigation and provide the Commission with a preliminary suitability report

for the new entity qualifiers but requested flexibility on the 90-day timeframe stipulated within the regulation.

The Commissioners reached consensus on the four proposed conditions. Commissioner Hill stated that he was prepared to make a motion based on the notes he had taken during the discussion. Attorney Stempeck offered to review the language for the motion to grant the waiver to ensure it captured all the desired conditions. Chair Maynard suggested that the Commission take a short break, so that Attorney Stempeck and Commissioner Hill could discuss the drafted motion.

Recess (48:04) Transcriber's note: The Commission took a short break, and resumed the meeting at 10:29 a.m. EST. All five Commissioners were present after the break.

Commissioner Hill then read the proposed motion language to his fellow Commissioners. Commissioner O'Brien proposed that Bally's notify the IEB by or before April 10th if they required more time. Commissioner Skinner inquired where the date of April 10th originated. Commissioner Hill offered clarification that it was exactly 90 days from today's public meeting. Commissioner Skinner asked IEB Director Monahan if this timing was sufficient for the Bureau to conduct its work. IEB Director Monahan confirmed that this timeline was sufficient.

Commissioner Hill moved, based on the facts and circumstances presented today, to grant a waiver to Bally's Interactive LLC from the provisions of 205 CMR 229 as consistent with 205 CMR 202.03(2) and 205 CMR 102.03(4) as: granting the waiver or variance is consistent with the purposes of G.L. c. 23N; granting the waiver or variance will not interfere with the ability of the commission or the bureau to fulfill its duties; granting the waiver or variance will not adversely affect the public interest; and not granting the waiver or variance would cause a substantial hardship to the entity requesting the waiver or variance.

Commissioner Hill further moved that the waiver be subject to the following conditions: The licensee certifies that they know of no reason why any qualifier would be deemed unsuitable; the previously executed trust agreement remains in effect and is utilized as contemplated; the waiver remains in place through February 23, 2025; Bally's must notify the IEB within 24 hours of any material changes to the transaction; and the IEB must provide an update on the preliminary suitability of Bally's by April 10, 2025. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

- b. [205 CMR 238.12: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering - Discussion and Review of Regulation Amendments and Small Business Impact Statement for](#)

[Authorization to Begin the Promulgation Process by Commission](#) (01:02:48)

Justin Stempeck, Deputy General Counsel, noted that this regulation was first discussed on November 7, 2024 at a public meeting. After a substantive discussion in November, the Commission requested that the Legal Division present the options for public comment and comments from operators. He noted that the legal team also spoke with the Attorney General's Office and received feedback. He provided a brief summary of the public comment, which indicated that the funds being protected should include liabilities in play, and also liabilities in funds. He noted that sports wagering operators also provided comments that were included in the meeting packet. *A memorandum, draft of the regulation, Small Business Impact Statement, and all comments submitted to the Commission were included in the meeting packet on pages 44 through 66.*

Attorney Stempeck also noted that Attorney Mina Makarious, outside counsel from the law firm Anderson & Kreiger, was present and available to answer questions as well. Mr. Stempeck then presented the Commission with five different options for addressing the regulation. He stated that the Commission could maintain the current language of 205 CMR 238.12 but add a definition of "outstanding sports wagering liability" to include funds held in sports wagering accounts. The Commission could require operators to obtain a letter of credit that included both the outstanding wagering liabilities, and the funds in patron accounts. The Commission could require operators to obtain a letter of credit that covers the outstanding sports wagering liabilities but allows operators to meet the requirement of protecting patron funds by maintaining a segregated account or cash reserves. The Commission could allow operators to satisfy 205 CMR 238.12 by using a surety bond instead of requiring a letter of credit. Lastly, he noted that the Commission could draft a hybrid regulation that combines elements of the options above.

Commissioner Brodeur stated his preference for maintaining the status quo. He expressed concern about layering on additional protections when it wasn't clear that there was a heightened risk, and worried about imposing costs that might affect different operators disproportionately, particularly smaller operators.

Commissioner Hill stated his preference to leave things "as is" and return to the issue in the future after receiving further information on definitions and concerns raised.

Commissioner Skinner stated that she was not ready to vote on the regulation, and that she wanted to review additional language prior to moving forward. She noted that she also recognized the priority to safeguard funds within player accounts, with the reasoning that the accounts were funds technically owned by players. She noted in alternative, that funds wagered by players were funds that players had ventured or were willing to risk wagering. She noted that while the wagered funds were still worthy of protection, she noted that her preference was for option number three. She stated that the legal team had already deemed what was in existence was adequate and noted that her preference was for seeing that the Commission require a letter of credit for player accounts, and not liabilities wagered.

Commissioner O'Brien requested that the Legal Division provide an overview of the different definitions for "outstanding sports wagering liability" in the future to ensure nothing was missed and that the language addressed the concerns raised by Commissioners. She stated that she

wanted to make sure the language addressed the concerns that both she and Commissioner Skinner had.

Chair Maynard concluded the discussion by stating that it appeared a consensus was reached that the Commissioners wanted further information on the issue. He directed the Legal Division to return at a future meeting with the information requested.

Transcriber's Note: After the conclusion of this item, the Commission voted to enter the executive session listed within Agenda Item 9a at 11:28 a.m. The Commission reconvened in the public meeting at 12:54 p.m. EST. Roll call attendance was taken, and all Commissioners were present. Commissioners then began discussing Agenda Item 5.

5. [Sports Wagering Division](#) (03:19:50)

- a. Request for Extension of Temporary Waiver for all Sports Wagering Operators from 205 CMR 238.12 (Reserve Requirement)

Carrie Torrissi, Director of Sports Wagering Division, stated that the Division would be presenting on three discrete topics before the Commission. She stated that the first would be a discussion on the extension of a waiver granted to all sports wagering operators. She stated that a temporary waiver was initially approved by the Commission on October 10, 2024, and was set to expire on March 1, 2025. Director Torrissi reminded the Commissioners that this waiver was granted with the expectation that the Commission would make updates to 205 CMR 238.12 within that timeframe. She noted that given that the regulation updates would not go into effect before March 1, 2025, the Sports Wagering Division was requesting an extension of the waiver. The Sports Wagering Division initially requested an extension until April 1, 2025, but recommended extending it until June 1, 2025, to allow for potential delays with the regulation. *A memorandum detailing the Request for Extension of Temporary Waiver was included in the meeting packet on page 67.*

Commissioner Skinner sought clarification on the date of the waiver. Director Torrissi explained that the request was originally drafted for April 1, 2025, but the Sports Wagering Division was now seeking an extension until June 1, 2025.

With that, Commissioner Skinner moved that in accordance with 205 CMR 202.03(2), the Commission extend the existing waiver to all licensed sports wagering operators from the requirements outlined in 205 CMR 238.12 until June 1, 2025, as granting the extension to the waiver meets the requirements specified in 205 CMR 102.03(4) and is consistent with the purposes of G.L. c. 23N. Commissioner Brodeur seconded the motion.

Roll call vote:

<i>Commissioner O'Brien:</i>	<i>Aye.</i>
<i>Commissioner Hill:</i>	<i>Aye.</i>
<i>Commissioner Skinner:</i>	<i>Aye.</i>
<i>Commissioner Brodeur:</i>	<i>Aye.</i>
<i>Chair Maynard:</i>	<i>Aye.</i>

The motion passed unanimously, 5-0.

b. [Request for Temporary Waiver for BetMGM from 205 CMR 255.02\(1\)\(b\)](#) (03:22:36)

Director Torrasi then moved to the next item on the agenda, a request for a temporary waiver from the requirements of 205 CMR 255.02(1)(b) from the sports wagering operator, BetMGM. This regulation concerned Play Management limitations and required that individuals who have set limitations on their sports wagering be able to set a specific limit on wager placement once they've reached a predetermined cumulative dollar amount within a day, week, or month. *A memorandum regarding the Waiver Request from BetMGM, and the waiver form were included in the meeting packet on pages 68 through 72.* Director Torrasi noted that BetMGM submitted two waiver requests related to this regulation. The first was submitted on July 15, 2024, and the second was submitted on December 17, 2024. Director Torrasi acknowledged that upon receiving the December 17 request, the Sports Wagering Division realized the initial waiver request should have been brought before the Commission for approval.

The Sports Wagering Division is now seeking the Commission's approval for both BetMGM's July 15 and December 17 waiver requests to ensure proper adherence to regulatory procedures. This temporary waiver grants BetMGM more time to fully develop and test the necessary technology to integrate the wager limit feature into their platform. Director Torrasi noted that the Division had no concerns with the temporary waiver request and was recommending that the Commission grant the request through January 31, 2025.

Commissioner Hill moved that in accordance with 205 CMR 202.03(2), the Commission issue a waiver to BetMGM from the requirements outlined in 205 CMR 255.02(1)(b) through January 31, 2025, as granting the waiver meets the requirements specified in 205 CMR 102.03(4) and is consistent with the purposes of G.L. c. 23N. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

c. [Update to House Rules](#) (03:26:13)

i. Fan Duel

Andrew Steffen, Compliance and Operations Manager, presented the next item on the agenda, a request to update FanDuel's House Rules, to Commissioners. *A memorandum regarding the Update to FanDuel's House Rules and a copy of the changes was included in the meeting packet on pages 73 through 86.* Mr. Steffen presented the proposed changes and concluded by stating that the Division found no issues with the requests. He noted that the Division felt that the changes offered clarity around settlement procedures and provided more transparency to

customers. Mr. Steffen noted that Mr. Chris Black, Fan Duel’s Trading Compliance Manager, was present to answer any questions from Commissioners.

Commissioner Hill moved that the Commission approve the updates to FanDuel’s House Rules as included in the Commissioners’ Packet and discussed here today. Commissioner Skinner seconded the motion.

Roll call vote:

Commissioner O’Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

ii. [BetMGM](#) (03:31:24)

Compliance and Operations Manager Steffen then moved to discuss the house rule change submissions from BetMGM. He noted that a representative from BetMGM, Zackary Krouse, was present on the call and offered clarification that the Sports Wagering Division had requested this change from BetMGM, so that their rules aligned with GLI-33: Standards for Event Wagering. *A memorandum regarding the Update to BetMGM’s House Rules was included in the meeting packet on pages 87 through 88.*

Commissioner Skinner moved that the Commission approve the updates to BetMGM’s House Rules as included in the Commissioners’ Packet and discussed here today. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O’Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

Chair Maynard thanked the Sports Wagering Division for their work.

6. [Information Technology](#) (03:33:32)

- a. Review of Compliance by Bally Bet with 205 CMR 243.01(x) Relative to Technical Security Control Audit

Cristian Taveras, Gaming Technical Compliance Manager, presented the IT Division’s findings on their Technical Security Control Audit for the sports wagering operator, Bally’s. He stated the audit was conducted in accordance with 205 CMR 234.01(x) and was performed to ensure that

the operators' platforms were secure and that they maintained up to date security processes. A memorandum regarding the Technical Security Control Audit was included in the meeting packet on pages 89 through 91.

Mr. Taveras, along with Chief Information Officer, Katrina Jagroop-Gomes, and Information and Network Security Manager, Kevin Gauvreau, reviewed the security audit reports and remediation plans from the independent technical experts for Bally's. Mr. Taveras noted that no immediate remediation was required. He concluded by stating that Bally's was in compliance with the regulation. He also offered clarification that the IT Division was not seeking a vote on this topic, and the report was being presented as an update.

Commissioner Skinner sought confirmation that the IT Division would continue to follow up with the operator to ensure that any medium or low-risk items were addressed. Mr. Taveras confirmed that they would do so. Commissioner Skinner thanked the Division for providing the actual documents for the Commissioners to review as a part of the audit process.

7. [Research and Responsible Gaming](#) (03:36:00)

a. Update to the MGC Responsible Gaming Framework

Mark Vander Linden, Director of the Research and Responsible Gaming Division, provided an update to the Commissioners regarding the Research and Responsible Gaming Division's Responsible Gaming Framework. Director Vander Linden noted that a third change to the Framework may be required, given the changing technological and gaming landscape. *A Memorandum and Power Point Presentation from the Division was included on pages 91 through 101.*

Director Vander Linden stated that the third version of the Framework proposed a shift from "Responsible Gaming Framework" to "Player Health Framework". He explained that the change was to move away from the idea that individuals are solely responsible for their gambling behavior. He noted that the term "responsible gaming" placed the burden on the individual and could stigmatize those who struggle with gambling addiction. The new term emphasized that player health was a shared responsibility between the Commission, its licensees, and customers.

Commissioner Skinner expressed her support for the shift in terminology, stating that the term "responsible gaming" could infer that individuals were irresponsible if they had a gambling problem. She recalled a Department of Public Health ("DPH") conference and the "Ambassador Project," expressing the importance of engaging with the DPH, as well as the Mass Council's lived experience group. She also stated that she hoped the Commission would incorporate successful strategies from other stakeholders into its Framework as well. Commissioner Skinner concluded by noting that while she thought the current strategies were working, there was always room for improvement.

Commissioner O'Brien agreed with Commissioner Skinner's assessment and added her appreciation that Massachusetts did not simply pay lip service to player health. She highlighted that Director Vander Linden had been at the forefront of this issue for quite some time.

Commissioner O'Brien expressed her appreciation that every Commissioner and Executive Director, from the inception of the MGC to the current day, had put a lot of thought into this issue. She shared that in her estimation that it was what set Massachusetts apart from other jurisdictions.

Director Vander Linden thanked the Commissioners and stated that the Division welcomed any guidance from them on the Framework's update.

b. [Update on Bet Blocking Software](#) (03:51:58)

Director Vander Linden presented an update on the Division's progress on procuring Bet Blocking software for Massachusetts residents who want to refrain from accessing digital/online gambling applications. *A memorandum regarding Bet Blocking was included in the meeting packet on pages 102 through 103.*

Director Vander Linden stated that the software will block both legal and illegal sports wagering and iGaming sites. It will also block gambling-related pop-ups and advertisements. He added that the Commission planned to promote the software through various avenues, including the GameSense program, the Statewide Gambling helpline, and community stakeholders. He added that the Division has begun drafting a Request for Responses ("RFR") to identify suitable providers. The Division anticipates releasing the RFR by the end of the month and hopes to have the tool available in the Spring of 2025.

c. [AI Working Group Update](#) (03:58:51)

Next, Director Vander Linden provided an update on the Massachusetts Gaming Commission's work regarding the use of Artificial Intelligence ("AI") in the gambling industry. He explained that the Commission's AI working group was exploring AI to identify and respond to risky gambling behaviors. The presentation included the objectives of the AI working group, potential solutions for player risk identification, and a review of possible paths forward. *A memorandum and PowerPoint presentation regarding the AI Working Group's progress was included in the meeting packet on pages 104 through 121.*

Commissioner O'Brien noted that everyone's definition of AI was different and reasoned there was a need to be broad when communicating the Commission's interests. She also highlighted that the interplay between the use of AI for responsible gaming and its use for marketing, advertising, and player retention needs to be considered. She noted that there was an important tension to consider between restricting AI for responsible gaming while allowing it for marketing purposes.

Commissioner Skinner agreed and expanded on Commissioner O'Brien's statement. She stated that it was important to determine what to do with the information gathered by AI to benefit individuals exhibiting risk factors. She suggested that this phase should be embedded within the process of identifying risk factors and not treated as a separate issue.

Commissioner Brodeur expressed his appreciation for the AI working group's efforts. He asked whether the Commission was considering using information from agencies like TransUnion, which could identify potential predictors or risk elements outside of betting conduct. He noted that this could expand the sense of what player health means but may also create confidentiality concerns. Director Vander Linden noted that TransUnion does have a product that looks at financial data, and that it was the only one that he was currently aware of.

8. [Investigations and Enforcement Bureau](#) (04:27:45)

- a. Review of the IEB's Recommendation of Assessment of a Civil Administrative Penalty pursuant to 205 CMR 232.02(2) Regarding Noncompliance with Permissible Sports Wagering Offerings by Penn Sports Interactive

Nathaniel Kennedy, IEB Enforcement Counsel, and Kathleen Kramer, Chief Enforcement Counsel, presented the IEB's recommendation to the Commission to assess a civil administrative penalty of \$10,000 upon Penn Sports Interactive ("PSI") for a non-compliance event that occurred beginning November 6, 2023 through November 9, 2023.

Enforcement Counsel Kennedy reported that the non-compliance incident involved 27 college basketball games where one team did not belong to the NCAA Division 1. These games took place between November 6 and November 9, 2023. A total of 249 wagers were placed, with a total handle of \$2,752 being wagered by customers. The IEB previously briefed the Commission on this non-compliance matter in June of 2024, and the Commission assigned the matter to the IEB for investigation and review.

Enforcement Counsel Kennedy noted that the IEB investigated the matter, reviewed the remedial measures taken by PSI, and found no additional concerns. He noted that PSI was communicative and responsive throughout the process and indicated they would accept the IEB's recommendation. Enforcement Counsel Kennedy stated that the IEB determined that PSI had functionally treated all impacted wagers as if they were voided. Patrons with losing wagers received a cash credit for the amount of the wager. Customers who placed winning wagers were permitted to keep their winnings. He concluded by stating that the IEB was recommending a \$10,000 penalty be assessed to PSI.

Commissioner Skinner asked if the monthly audits that PSI implemented in response to the incident had continued since December 2023. Enforcement Counsel Kennedy responded that PSI had been checking to ensure that this type of incident does not occur again.

Commissioner Skinner stated that she was inclined to accept the IEB's recommendation, and commended PSI's response to the non-compliance. She noted that PSI acted as a model for how non-compliance incidents should be handled but recognized that the incident did occur and therefore, she would not go against the IEB's recommendation.

Commissioner O'Brien questioned the statement made that PSI treated all wagers as if they were voided, given that that was not how it was presented in the summary provided to the

Commissioners. Commissioner Hill agreed and asked for clarification regarding whether the winnings should be treated differently than the stakes, and presented a hypothetical situation where a patron bets \$1 and wins \$10, if the \$1 should be voided as well.

Enforcement Counsel Nate Kennedy clarified that he had specifically asked PSI to clarify what was done with the bets, and PSI had responded that they had "functionally treated all impacted wages as if they were voided". He also clarified that the focus of the investigation was on the lost bets to ensure that the money was returned in cash.

Chief Enforcement Counsel Kathleen Kramer noted that the Commission needs to be clearer with operators about how to handle non-compliant wagers. She noted that sometimes there was confusion even within their own team regarding the language that was used when reporting back to the Commission on how the situation was handled by the operator. She noted that she had spoken to the Sports Wagering Division about the ways this could be remedied and was hopeful that the situation would be remedied going forward.

Commissioner Brodeur moved that the Commission adopt the recommendation of the IEB with respect to imposing a civil administrative penalty on Penn Sports Interactive as discussed here today. Commissioner Skinner seconded the motion.

Commissioner O'Brien attempted to offer an amendment requesting that the IEB provide the Commission with clarification on how the accompanying wagers were treated. Commissioner Hill suggested that Commissioner Brodeur could withdraw and re-make the motion to include Commissioner O'Brien's suggested language. Chair Maynard noted that he could either do that or accept a friendly amendment from Commissioner O'Brien. Commissioner Brodeur rejected both of the options provided, noting that he was comfortable with the existing motion language as the IEB could provide the requested update in the course of their normal work on the matter.

Roll call vote:

Commissioner O'Brien: Nay.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed, 4-1.

- b. [Briefing on Noncompliance Matter Related To Temporary Category 3 Sports Wagering Licensee FBG Enterprises Opco, LLC, D/B/A Fanatics Betting and Gaming and Discussion Regarding Next Steps. Alleged Noncompliance Relates to offering Wagering in Unauthorized Event in Violation Of G.L. c. 23N, § 3, 205 CMR 247.01\(2\)\(A\)\(2\), and the Massachusetts Sports Wagering Catalog \(04:44:16\)](#)

Diandra Franks, Enforcement Counsel with the IEB, presented the details of a noncompliance matter involving FBG Enterprises Opco, doing business as Fanatics Betting and Gaming ("Fanatics"). *A summary of the Noncompliance matter was included in the Commissioner's packet on page 122.* Enforcement Counsel Franks reported that between September 15th and

20th 2024, Fanatics accepted 83 wagers totaling \$3,325.88 on a Boston College versus Michigan State NCAA football game.

These wagers violated G.L. c. 23N, § 3, 205 CMR 247.01(2)(a)(2), and the Massachusetts Sports Wagering Catalog, as the event was unapproved for wagering. She explained that the error was caused by a manual override of offering limits by a member of the trading team. Enforcement Counsel Franks explained that Fanatics voided the impacted wagers, including already settled losing parlay wagers, but did not void wagers that were previously cashed out by customers. She reminded Commissioners of their three options of how to proceed: refer it back to the IEB for further investigation, conduct an adjudicatory hearing, or issue a civil administrative penalty pursuant to G.L. c. 23N, §6.

Commissioner O'Brien stated her inclination was to treat this case like a previous noncompliance matter involving Penn Sports Interactive and send it back to the IEB. She added that the analysis should include confirmation of the fact that all wagers should have been voided. Commissioner Brodeur also agreed with sending the matter back to the IEB. Commissioners reached consensus to refer the matter back to the IEB for investigation.

Enforcement Counsel Franks thanked Commissioners for their decision on the matter.

- c. [IEB Request for a waiver from 205 CMR 234.02, which requires Sports Wagering Vendor Applicants to Submit Three Years of Independent Audited Financial Statements](#) (04:47:32)

Caitlin Monahan, IEB Director, then introduced Monica Chang, Chief of the Financial Investigation Division, to discuss their request for a waiver from the provisions of 205 CMR 243.02. As it is written, the regulation requires that sports wagering vendor applicants must submit three years of independent audited financial statements as part of their initial licensing applications. *A memorandum regarding the Request and the IEB's proposal was included on pages 123 through 124 of the meeting packet.*

Chief Chang explained that the waiver was intended to help smaller companies enter the market and compete with other vendors, and to avoid creating unreasonable barriers to entry. She clarified that the waiver would still allow the commission to meet its investigatory goals and overall responsibilities. Chief Chang added that the IEB's approach was similar to the one used in gaming, where only two years of audited financial statements were needed instead of five years for smaller companies.

Commissioner Hill moved that in accordance with 205 CMR 202.03(2), the Commission issue a variance to new sports wagering vendors from the requirements outlined in 205 CMR 234.02(1)(f), as granting the variance meets the requirements specified in 205 CMR 102.03(4) and is consistent with the purposes of G.L. c. 23N. Commissioner Brodeur seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.
Commissioner Brodeur: Aye.
Chair Maynard: Aye.

The motion passed unanimously, 5-0.

9. [Discussion regarding Collective Bargaining of the SEIU Local 888 Agreement](#) (01:49:50)

Transcriber's Note: This item was reviewed earlier in the meeting's agenda to accommodate the schedule of Attorney Connelly, outside counsel from Morgan Brown & Joy LLP. It has been included here in the original position on the meeting's agenda, however.

a. Executive Session

Chair Maynard stated that the Commission would now discuss the collective bargaining agreement under review between the Commission and the SEIU Local 888. He stated that the discussion and review of the agreement would occur in an executive session.

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

Commissioner Brodeur moved to go into Executive Session on the matters and for the reasons stated by the Chair. The motion was seconded by Commissioner Hill.

Roll call vote:

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

The motion passed unanimously, 5-0.

Chair Maynard noted for the record that the Commission would return to the public session after the meeting. *Commissioners entered the executive session at 11:28 a.m., and returned to the public session at 12:54 p.m. EST. Commissioners then began discussing Agenda Item 5.*

10. [Executive Session Minutes](#) (4:52:15)

a. Executive Session

Chair Maynard noted that in addition to the discussion and review of the collective bargaining agreement the Commission would also review three sets of executive session minutes in an executive session. He read the following language into the record, "The Commission anticipates that it will meet in executive session to review minutes from previous executive session, as their

discussion at an open meeting may frustrate the intended purpose for which the executive session was convened, pursuant to G.L. c. 30A, § 21(a)(4), c. 30A, §21(a)(7), and G.L. c. 4, § 7(26)(f): May 30, 2023; G.L. c. 30A, §21(a)(3), and G.L. c. 30A, §21(a)(6): September 21, 2023; and G.L. c. 30A, § 21(a)(7), G.L. c. 23N, § 6(i) and G. L.c. 4, § 7(26)(n): December 16, 2024.

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

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

11. Commissioner Updates

After inquiry from Chair Maynard, no Commissioner updates were noted prior to entering the executive session.

12. Other Business

After inquiry from Chair Maynard, no other business was noted prior to the Commission entering the executive session.

The Commission entered an Executive Session at 2:29 p.m. The Commission did not reconvene at the conclusion of the Executive Session.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda dated January 7, 2024](#)
2. [Commissioner's Packet from the January 9, 2024 Meeting](#) (posted on massgaming.com)