



Massachusetts Gaming Commission Meeting Minutes

Date/Time: January 13, 2023, 10:00 a.m.
Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 1431 1966

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

Commissioners Present:

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

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

Chair Judd-Stein called to order the 423rd Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Evaluation Process](#) (01:06)

Chair Judd-Stein stated that the Commission would evaluate the category three sports wagering license application submitted by Digital Gaming Corporation USA d/b/a Betway ("DGC") in this meeting.

- a. [Presentation of application and demonstration of technology and user experience by each applicant for a Category 3 untethered sports wagering operator license in accordance with 205 CMR 218.06\(3\)](#) (01:48)

DGC's Executive Vice President of Operations, Bruce Watermeyer, introduced DGC's Head of Operations, Charl Baard, DGC's Corporate Compliance Officer, Gary Ehrlich, and DGC's Director of Human Resources for North America, Melinda Tarbock. He explained that DGC had recently been acquired by Super Group Holding Company ("SGHC") and introduced SGHC's President and CEO, Richard Hasson.

Mr. Hasson provided an overview of SGHC's company history. He explained that SGHC acquired DGC on January 3, 2023. He stated that SGHC had 4,000 employees and offered sports wagering in more than 20 jurisdictions.

Mr. Watermeyer explained that DGC was licensed in eight states. He explained that DGC was partnered with many NBA, NHL, and other professional sports teams. He explained that DGC required that all staff receive responsible gaming training. He stated that DGC employed registration controls, customer responsible gaming control tools, and a customer intervention program.

Mr. Ehrlich provided details regarding DGC's community involvement in other jurisdictions. He stated that DGC entered into a 10-year agreement with three Historically Black Colleges and Universities ("HBCU") in Virginia with a total commitment of \$2.5 million. He noted that DGC had partnered with an indigenous tribe in Arizona to provide impactful assistance. He stated that DGC planned to create cross-marketing opportunities with the Massachusetts Lottery. Mr. Watermeyer outlined additional plans for community engagement in Massachusetts, including local media buying, marketing partnerships, office rental, and in-state legal counsel.

Ms. Tarbock stated that 31% of DGC's United States workforce were women and that 28% were ethnically diverse. She stated that 41% of DGC's management team were women. She explained that there were annual trainings related to diversity, equity, and inclusion ("DEI") and unconscious bias.

Mr. Baard provided a product demonstration of DGC's sports wagering platform. Chair Judd-Stein asked if the platform would be available in other languages. Mr. Baard stated that multiple languages were offered where relevant. He stated that the United States platform was available in English, and that DGC planned to offer their platform in Spanish.

Commissioner Skinner asked if there was a notification to alert patrons to the amount of time they spent on DGC's platform. Mr. Baard stated that the feature was available and could be implemented for the Massachusetts launch.

b. [Presentations and Analysis Relevant to review and evaluation of Application for each Category 3 untethered sports wagering operator license:](#) (51:09)

i. [Technical Components](#) (51:25)

Joe Bunevith, Vice President of Government Relations and Regulatory Affairs from Gaming Laboratories International ("GLI"), provided an overview of the certification process and end verification for mobile applications and other digital platforms once they are approved by the

Commission. He stated that GLI would verify whether the platform meets all requirements specific to Massachusetts during the verification process.

Chair Judd-Stein asked if DGC's platform was GLI certified in Ohio. Mr. Bunevith stated that DGC was certified by GLI in each state that DGC was operating in.

ii. [Report on suitability of the Applicant](#) (57:40)

Chief Enforcement Counsel Heather Hall discussed the Investigation and Enforcement Bureau's ("IEB") report on the preliminary suitability of DGC. She noted that the Licensing Division identified one entity qualifier and three individual qualifiers. She stated that there were no deficiencies in DGC's submissions.

Commissioner Skinner noted that SGHC had recently acquired DGC and inquired whether the IEB had assessed any additional qualifiers from SGHC. Counsel Heather Hall stated that if a preliminary license was issued, additional qualifiers would be designated. Commissioner O'Brien noted that the corporate structure was now different than what was submitted. She asked how long it would take to receive an updated Business Entity Disclosure ("BED") and IEB report. Counsel Hall stated that the IEB was still in the scoping process for additional qualifiers.

Mr. Watermeyer stated that SGHC qualifiers planned to file with the Commission by the end of the month and noted that SGHC qualifiers had already filed in Ohio. Commissioner Skinner agreed with Commissioner O'Brien that supplemental information was required from SGHC. Commissioner Maynard asked if SGHC had provided attestations to the Commission. Counsel Hall reiterated that scoping had to be performed to identify qualifiers, and that the attestations would be submitted after that step.

iii. [Financial and Economic Impact Analysis](#) (1:08:20)

Jeff Katz, Finance Consultant from RSM US LLP ("RSM"), presented on the financial projection estimates provided by DGC, including anticipated market size in Massachusetts, year-over-year growth trends, market share data from other jurisdictions, hold percentage over time, and liquidity of the applicant.

Commissioner O'Brien noted that RSM's presentation included iGaming and requested that iGaming information be separated out as iGaming had yet to be approved in Massachusetts.

Chair Judd-Stein noted that seven operators made up 91% of the sports wagering market and asked how many operators were included in the 9% "other" category. Mr. Katz stated that RSM would provide that information to the Commission.

Mr. Katz noted that SGHC was not included as an entity qualifier in DGC's application, and that SGHC was outside of the scope of RSM's review. He stated that RSM had reviewed some publicly available statements regarding SGHC's liquidity profile.

Chair Judd-Stein asked if any of the Massachusetts applicants anticipated deducting promotional play for tax purposes. Mr. Katz stated that the applicants did not provide information regarding promotional play within their projections.

c. Review and evaluation of each Application for a Category 3 untethered sports wagering operator license as submitted by DGC in accordance with 205 CMR 218.00 including, but not limited to consideration of the following criteria: (1:42:22)

Chair Judd-Stein noted that the Commission would review DGC's application at this meeting, and that there would be a holistic review of each category three application during the meetings on January 18, 2023 and January 19, 2023.

i. Experience and Expertise related to Sports Wagering (205 CMR 218.06(5)(a)) (1:44:20)

Commissioner O'Brien noted that she had questions regarding DGC's ability to commence mobile sports wagering in Massachusetts by the scheduled go-live date. Mr. Watermeyer stated that DGC would prefer to discuss that topic in executive session.

Commissioner Hill asked whether customers could go directly to a live person for customer service or if they had to go through the chat first. Mr. Watermeyer stated that there was no requirement to use the chat before calling support. He stated that customer support would be available 24/7 in Massachusetts.

Chair Judd-Stein asked how data analysis would alert DGC to changes in behavior. Mr. Watermeyer stated that data was used to identify patterns and changes in behavior. He stated that DGC had a team checking alerts who would then reach out to customers.

Commissioner O'Brien asked for details regarding Betway Big Pick. Mr. Watermeyer stated that it was a free-to-play product that allowed users to select outcomes for events to win cash prizes. He stated that the product was used to increase brand awareness and build databases in markets where DGC did not operate sports wagering. Commissioner O'Brien asked if the same identity verification was used in connection with Betway Big Pick. Mr. Watermeyer stated that the free-to-play product required an attestation regarding the user's age but not external know-your-customer ("KYC") verification.

Commissioner Hill sought clarification regarding in-game betting. Mr. Watermeyer stated that most sportsbooks offer pre-game betting and betting that takes place during the event. He stated that it was a fairly standard offering among sports wagering operators.

Commissioner Hill noted that he could not see the responsible gaming emblem clearly. He requested that should DGC be licensed, they should work with the Commission's responsible gaming team to make it more visible. Mr. Watermeyer stated that DGC would comply with any requirements.

Chair Judd-Stein asked how customer competitive leaderboards would be consistent with responsible gaming. Mr. Watermeyer stated that there was a tightrope between attracting customers and incentivizing customers more than necessary. He stated that each incentive offered by DGC was assessed based on both its positive and negative merits.

The Commission agreed to withhold consensus as to whether DGC had met the Commission's expectations for this section of the application until after the executive session.

ii. [Economic impact and other benefits to the Commonwealth if applicant is awarded a license \(205 CMR 218.06\(5\)\(b\)\)](#) (2:05:28)

Commissioner O'Brien inquired about the number of DGC employees in Massachusetts. Mr. Watermeyer explained that at the time DGC applied, there were two Massachusetts employees, but that a third Massachusetts resident had been hired since then.

Commissioner Hill asked about DGC's plans for community engagement in Massachusetts. Mr. Watermeyer stated that the tourism partnership planned for Massachusetts was a new venture for DGC. He stated that DGC would focus on data sharing and cross-marketing opportunities. He explained that DGC had sponsored minor league teams, engaged with restaurants, and partnered with HBCUs in other jurisdictions. He explained that DGC's African Division launched the Betway Cares program, and that the website showcased numerous community engagements.

Commissioner Skinner noted that DGC's application referenced the Commission's Vendor Advising Committee and sought further details regarding that involvement. Chief Administrative Officer Crystal Beauchemin noted that the Vendor Advising Committee was an internal team that was reactivated in 2022. She stated that community members worked with licensees for procurement opportunities.

The Commission reached a consensus that DGC had met the Commission's expectations with regard to Section C of the application.

iii. [Applicant's willingness to foster racial, ethnic, and gender diversity, equity, and inclusion \(205 CMR 218.06\(5\)\(d\)\)](#) (2:14:45)

Commissioner O'Brien noted that DGC's diversity in regard to women in the workforce seemed to fall during 2022. Mr. Watermeyer noted that DGC doubled in size between 2021 and 2022, and that the large increase in employees shifted its diverse employment percentages.

Commissioner O'Brien asked what efforts had been made in regard to hiring more women. Mr. Watermeyer stated that DGC had programs focusing on leadership and diversity. He stated that changes were made to hiring practices to focus on increasing the percentage of women in DGC's workforce.

Commissioner O'Brien asked if similar statistics were available for ethnic diversity. Ms. Tarbock stated that DGC's United States workforce was 9% Asian, 18% Black, 19% Hispanic, 51% White, and 3% other. Mr. Ehrlich explained that DGC's corporate structure in Maryland and

Virginia created drop down corporations with minority ownership. Commissioner O'Brien noted that this structure was incentivized by Maryland's statutory scheme and asked if that scheme was carried over to Virginia. Mr. Ehrlich stated that the model in Virginia was established first and not based upon a statutory scheme.

Commissioner Skinner noted that the supplier diversity spending goal of 10% listed minority-owned business enterprises and women-owned business enterprises. She asked if veteran-owned business enterprises would be included in that 10%. Mr. Watermeyer stated that spending would be spread throughout all three categories. Commissioner Skinner requested that DGC submit its total spending to put the 10% diversity spending goal into context. Mr. Watermeyer stated that information related to total spending could be discussed in executive session.

Commissioner Maynard asked how many employees DGC employed in the United States. Ms. Tarbock stated that there were 117 employees. Chair Judd-Stein asked if DGC planned to open an office space in Massachusetts. Mr. Watermeyer stated that an office would be opened wherever there was a significant quota of employees.

The Commission reached a consensus that DGC had met the Commission's expectations with regard to Section D of the application.

iv. [Proposed measures related to responsible gaming \(205 CMR 218.06\(5\)\(c\)\)](#)
(2:26:58)

Commissioner O'Brien noted that the regulatory field was moving away from using the term "free bet". Mr. Watermeyer stated that DGC was discontinuing use of the term "free bet" and was moving toward using the phrase "first bet reset". He stated that offerings available to customers were no longer listed as "free bet" or "risk-free bet". Commissioner O'Brien noted that DGC's platform had a session clock and asked if DGC had the capacity to implement a time limit. Mr. Watermeyer stated that a time limit function was currently available.

Chair Judd-Stein asked if DGC notified users when their cooling-off period was expiring. Mr. Baard stated that the most responsible approach was to not provide a notification and to allow the customer to return on their own.

Chair Judd-Stein noted that there was a small chart related to fines and asked DGC's representatives to provide details regarding those incidents. DGC's Divisional Manager of eCommerce & Risk, Marsha Brusgard, explained that the first issue was related to tax identification upon registration not running for a period of six weeks. She stated that DGC implemented additional measures that would notify them if a check failed on any account.

Ms. Brusgard stated that the next matter was related to a failure in the duplicate account identification check. She stated that a single customer registered two active accounts. She stated that DGC notified the regulator and conducted an audit to confirm that it only affected one account.

Ms. Brusgard explained that during a quarterly audit of the exclusion list conducted by a regulator, 14 individuals were not included in DGC's exclusion list. She noted that the issue was self-corrected before DGC was notified of the audit.

Ms. Brusgard stated that the next issue was related to an error in code where passing electronic KYC would override account status and activate an account even if the user was excluded. She stated that one user was able to log in and wager over a two-day period. She stated that functionality was reviewed and fixed so that there was no way to override account status.

The Commission reached a consensus that DGC had met the Commission's expectations with regard to Section E of the application.

v. [Technology that the applicant intends to use \(205 CMR 218.06\(5\)\(e\)\)](#) (2:44:37)

Chair Judd-Stein asked if DGC's KYC was done in-house. Ms. Brusgard explained that DGC used LexisNexis, IDology, and IDComply as its third-party KYC providers. Commissioner O'Brien asked if DGC had any data breaches in the United States. Mr. Watermeyer stated that DGC did not have any data breaches in America. Chair Judd-Stein asked how long DGC had been operating in America. Mr. Watermeyer stated that live sports wagering began in March 2021, and that DGC offered sports wagering in eight states.

The Commission reached a consensus that DGC had met the Commission's expectations with regard to Section F of the application.

vi. [Suitability of the applicant and its qualifiers \(205 CMR 218.06\(5\)\(f\)\)](#) (2:51:09)

Commissioner O'Brien noted that she had questions related to DGC's acquisition by SGHC that she hoped to discuss in executive session.

The Commission agreed to withhold consensus as to whether DGC had met the Commission's expectations for this section of the application until after the executive session.

d. [Executive Sessions](#) (2:54:47)

General Counsel Grossman reiterated the topics that the Commission identified for discussion in executive session. He stated that those topics were appropriate for executive session in accordance with G.L. c. 23N, § 6(i).

Chair Judd-Stein stated that the Commission anticipated that it would meet in executive session in conjunction with its review of each of the category 3 untethered applications in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to consider information submitted by the applicants in the course of the respective applications for an operator license, as examined by RSM US LLP in the context of any discussed financial metrics, ratios, or associated financial measures, that are a trade secret, competitively-sensitive or proprietary and which if disclosed publicly would place the applicant at a competitive disadvantage.

Commissioner O'Brien moved that the Commission go into executive session on the matters delineated by General Counsel Grossman and for the reasons stated by the chair. Commissioner Skinner seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Chair Judd-Stein stated that the public session of the meeting would reconvene following the executive session.

Transcriber's Note: The Commission entered executive session and returned to the public meeting session at [5:46:52](#).

The Commission reached a consensus that DGC had met the Commission's expectations with regard to Section B of the application. The Commission requested that DGC provide supplemental information regarding its launch date.

The Commission reached a consensus that DGC had met the Commission's expectations with regard to Section G of the application. The Commission requested that DGC provide supplemental information regarding SGHC's entity and individual qualifiers.

Director of the IEB Loretta Lillios stated that the Licensing Division was in active communication with the applicant regarding the acquisition and was working on designating qualifiers. Executive Director Karen Wells noted that SGHC had been scoped in other jurisdictions, and that the IEB could work off of the designation letters from those jurisdictions. Director Lillios stated that the IEB would work with the applicant on that process.

Commissioner O'Brien stated that the Commission could consider conditions on DGC's license to allow the Commission to have time to receive the IEB's updated report. The Commission thanked DGC's representatives for their time.

3. [Other Business](#) (5:59:52)

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

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

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

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

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda dated January 3, 2023](#)