



Massachusetts Gaming Commission

Meeting Minutes

Date/Time: November 27, 2023, 10:00 a.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 204 3176

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

Commissioners Present:

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

1. [Call to Order](#) (00:07)

Chair Judd-Stein called to order the 489th Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Sports Wagering Division](#) (00:48)

a. Sports Wagering Quarterly Reports

The Chief of the Sports Wagering Division, Bruce Band, thanked Commissioners and noted that there were four reports for presentation before the Commission today. He turned the presentation over to Sports Wagering Business Manager, Crystal Beauchemin, to introduce each sports wagering operator.

i. [Caesars Sportsbook](#) (1:51)

Ms. Beauchemin introduced Curtis Lane Jr., Digital Compliance Manager, to present the Caesars Quarterly Report. Mr. Lane then introduced his staff who would be presenting various parts of the Quarterly Report on behalf of Caesars Sportsbook. Presenters included Lisa Rankin, VP of Compliance & Licensing, David Schulte, VP of Procurement, Carolene Layugan, Responsible Gaming Program Director, and Greg Shinbur, Director of Diversity, Equity, and Inclusion.

Caesar's presentation was included in the Meeting Packet on pages 2 through 16.

While presenting on the company's workforce diversity initiatives, Mr. Shinbur noted that Caesars had set goals to achieve full gender and racial parity across the organization by 2025. Mr. Shinbur noted to the Commission, however, that Caesars does not require its employees to disclose their veteran status. He added that Massachusetts residents were under 1 percent of total staff, and that the total number of staff for Caesars was 1,258 employees.

Commissioner O'Brien noted that the percentage of women represented at the Executive level (9%) was low. She asked if Mr. Shinbur could speak of any efforts or initiatives the company had made to increase that number. Mr. Shinbur stated that Caesars had been trying to increase representation company-wide. He explained that leadership training and advertising initiatives would hopefully increase this representation in the future. Mr. Shinbur also explained that because the executive population at Caesars was small, an increase of even one or two women would significantly raise that percentage. Commissioner O'Brien thanked him for his explanation.

VP of Procurement, David Schulte, then presented on vendor and supplier diversity for the third quarter. He mentioned that the spending had been steadily improving aside from a slight decline in quarter three, to account for some second quarter spending that rolled over into the third quarter. He anticipated that the third quarter numbers would increase slightly after the audit was completed. Mr. Schulte reported that Caesars was also developing a Diversity play book that would more easily identify the states in which we conduct business, and any regulatory requirements associated with the relevant state.

Commissioner Skinner inquired what Caesars' current diversity spending goal was. Mr. Schulte stated that Caesars did not have a set goal per say, but that they were focused on continually improving Caesars' digital market spending by 11%. Commissioner Skinner confirmed whether Caesars would document the intentionality of its efforts within the reports provided to the Commission. Mr. Schulte confirmed that their efforts would be documented within future reports and that they would share them with the Commission very soon.

Mr. Lane then covered the compliance issues of the Sportsbook during the third quarter. He stated that no prohibited individuals were found to be engaging in sports wagering or attempting to wager on the Caesars platform. Caesars also reported that no accounts were suspended due to suspected underage users attempting to gamble.

Commissioner Hill stated that there had been external concerns raised regarding underaged individuals using computers and passwords of others to engage in sports wagering. He inquired whether Caesar's was able to intercept or determine whether or not this was happening. Mr. Lane stated that from his end, he was not currently aware that this was happening, nor was there a current system that was capable of detecting whether someone was using another person's account.

Commissioner Hill inquired whether Caesars was able to see if two computers, or a phone and a computer, were both accessing the same account, to detect possible fraudulent account usage. Mr. Lane stated that Caesars would review the wagers and where the signals were coming from in terms of proximity. He stated that depending on where the signals were coming from, Caesars would flag the activity, monitor it for a while and then determine if it was legitimate or fraudulent. Commissioner Hill noted that he was comfortable with this approach and now knowing that Caesars utilized GeoComply to determine whether wagers were being placed legitimately.

Chair Judd-Stein inquired whether the way to combat fraudulent use would be to increase identification requirements, facial recognition or multi-factorial authentication. She noted, however, that all devices were not equipped with this functionality, so it may be hard to implement all or some of these initiatives. Mr. Lane noted that the company does require patrons to submit self-portraits while holding their driver's license when suspicious activity is suspected by the platform. Mr. Lane noted that these procedures were always changing and adjusting as these protocols are continually being circumvented by fraudulent players.

Commissioner Skinner asked Mr. Lane if they had ever considered utilizing facial recognition in addition to the other multi-factor authentication methods utilized by Caesars. She recognized that not all phones had that ability, but posited whether it could be an optional consideration. Mr. Lane explained that Caesars asked for certain verifications of identity, but that visual verification using facial ID was not currently being considered.

Commissioner Skinner sought confirmation from Mr. Lane that Caesars had ultimately not identified any suspicious activity that after subsequent investigations was revealed to be minors or underage individuals engaging in sports wagering. Mr. Lane stated that Commissioner Skinner was correct.

Chair Judd-Stein thanked presenters from Caesars for their time and their reports.

ii. [DraftKings](#) (33:50)

Business Manager Beauchemin then introduced Jake List, Senior Director of Regulatory Operations from DraftKings, for their presentation on quarter 3 to Commissioners. Mr. List introduced his colleagues Chrissy Thurman, Head of Responsible Gaming Relations, Christina Ackas, VP of Inclusion, Equity, and Belonging, Jared Hess, Director of Communications, and

Kim Amphai, Accounting Manager. DraftKings' presentation included slides on revenue, workforce diversity and inclusion, vendor and supplier diversity, underage access and compliance, responsible gaming, and community outreach initiatives. DraftKings' presentation was included in the Meeting Packet on pages 17 through 45.

Commissioner Skinner asked if DraftKings was working with the Massachusetts Supplier Diversity Office to increase their diverse vendor numbers. Ms. Ackas, DraftKings' VP of Inclusion, Equity, and Belonging, replied that DraftKings were not yet working with the office, but stated that they had a plan to do so in Q1 of 2024.

Commissioners O'Brien and Hill asked questions regarding underage access and how DraftKings utilizes KYC and geolocation to mitigate the risk of minors accessing the platform. Mr. List explained that DraftKings' multi-layered approach had been successful. He stated that the approach included advanced know-your-customer ("KYC") efforts during registration, multi-factor authentication on new devices, geolocation controls, and behavioral monitoring on the application.

Chair Judd-Stein asked how DraftKings was working to de-stigmatize responsible gaming tools and encourage their use. She stated that Responsible Gaming tools were critical to the commission, and she would welcome anything DraftKings could do to encourage their use. Mr. List explained that DraftKings was working to provide visualization of these tools as much as possible and stated that users received monthly notifications reminding them that they were available. Mr. List also noted that while the percentages of users utilizing the tools may seem low, they represented thousands of people using the tools to manage their play. Chrissy Thurman, Head of Responsible Gaming Relations, added that DraftKings was working to engage with customers on a monthly basis, and put out specific responsible gaming messages to further promote the tools.

Jared Hess, Director of Communications, highlighted DraftKings' charitable initiatives through the DraftKings S.E.R.V.E.S. program, including donations to Dana-Farber Cancer Institute, tree planting events in partnership with the Arbor Day Foundation, sponsorship of the Celtic Shamrock Foundation Tip-off Gala, and support for breast cancer research through the Pink Up campaign. Commissioner O'Brien stated her appreciation that Massachusetts-specific investments were being made by DraftKings within their community outreach initiatives and diverse supplier spending.

Commissioner Hill inquired how or if DraftKings was making users aware of the Massachusetts Lottery. Mr. List stated that, while it had not occurred within the app yet, DraftKings did have an advertising space that could be used to highlight the Massachusetts Lottery.

Chair Judd-Stein thanked Mr. List and his team for their presentation.

iii. [Penn Sports International](#) ("PSI") (1:03:18)

Business Manager Beauchemin introduced Adam Kates, Sr. Director of Compliance from PSI, to provide a presentation on their third quarter report. Prior to starting, Mr. Kates highlighted that PSI's Q3 report would not include metrics related to their re-branding initiatives from Barstool to ESPN, as the shift had taken place after the end of the third quarter. Mr. Kates also explained that PSI had decided to migrate away from third-party vendors, White Hat Gaming and Kambi, in July of 2023. He reported that PSI was now fully independent of third-party vendors in terms of technology, which had resulted in numerous improvements to their programming and products. PSI's presentation included discussions on revenue, workplace diversity and inclusion, vendor and supplier diversity spending, and underage activity on their app. *PSI's presentation was included in the Meeting Packet on pages 46 through 62.*

Commissioner Skinner commended PSI on their increase in workplace diversity and vendor and diversity spending; and welcomed any explanations or strategy Mr. Kates wanted to share on behalf of PSI attributable to their success. Mr. Kates stated that as a compliance director, he didn't have direct insight into their numbers but noted that PSI's HR team, recruitment staff, finance group, and vendor procurement teams did a fantastic job to increase these areas. Mr. Kates noted that PSI was up to almost \$900,000 in its diverse vendor spend for 2023, and that the year was not over yet. Commissioner Skinner congratulated PSI on their increases and hard work.

On the topic of underage activity, Mr. Kates noted that there had been a significant decrease in potential underage activity, attributing this to PSI's enhanced KYC registration initiatives, which required government-issued ID and a selfie for all new accounts created with PSI.

Commissioner Hill asked if Mr. Kates would speak about the geocompliance initiatives used by PSI and how suspicious accounts were tracked and investigated. Mr. Kates explained that PSI's approach to geo-compliance was very similar to DraftKings' and Caesars' approaches. He noted that the protocols included monitoring for teleportation alerts, unusual login patterns, and location pings near high schools or areas with a higher concentration of minors. Mr. Kates added that every instance or alert to PSI received a full investigation, and temporary or permanent account suspension pending the outcome.

Commissioner O'Brien inquired about the requirement for new registrants to provide a selfie and government ID, and whether there were any efforts to have existing patrons upload their own documentation as a form of supplemental verification, or if PSI did not think there were vulnerabilities in its existing customer base. Mr. Kates explained that PSI had discussed plans to implement a similar initiative to existing customers in the future. Mr. Kates explained that PSI was trying to figure out a thoughtful way to roll out the verification initiatives, so they were not disruptive to current patrons. Commissioner O'Brien asked that PSI provide an update to the Commission on this initiative within its fourth quarter report. Mr. Kates took note of the request and stated that PSI would provide an update on their progress.

Commissioner Hill inquired about PSI's work with Mass Lottery, and if there was a way to let patrons know about the Lottery on their app or website. Mr. Kates noted that while the advertisement did not exist in their app, PSI did have advertising space and inventory that they could use for this initiative, similar to how PSI advertises their promotions. He stated that the company could try to devote some of their inventory or ad space to the Massachusetts lottery within their app or on the desktop program.

Commissioner Hill asked if it would be an ad on the inventory space, or if there would be text and a photo concerning the lottery. Mr. Kates stated that there could be cross-sale opportunities, as well as just general awareness and education about the lottery. He confirmed that PSI would explore both initiatives again.

Chair Judd-Stein inquired how many employees there were in the PSI office in Greenfield, Massachusetts. Mr. Kates noted that there were approximately 30 employees but noted that the number of employees may currently be even higher.

Hearing no additional questions, Chair Judd-Stein thanked Mr. Kates for his presentation and for PSI's community outreach initiatives.

iv. [WynnBet](#) (1:27:50)

Business Manager Beauchemin introduced Jennifer Roberts, VP and General Counsel of Wynn Bet, to provide their third-quarter presentation. Ms. Roberts was joined by Jacqui Krum, Senior VP and General Counsel of Encore Boston Harbor. WynnBet's presentation included details on revenue, taxes, workforce diversity initiatives, vendor diversity spend, underage patrons, and community outreach and ongoing initiatives by Wynn Resorts, their parent company. *WynnBet's presentation was included in the Meeting Packet on pages 63 through 81.*

Ms. Roberts highlighted that women represented 50% of the company's workforce at the executive and management levels. She also stated that, although WynnBet's overall workforce diversity percentages have decreased slightly due to attrition and reevaluation of business offerings, the company remained dedicated to promoting a diverse workplace. She added that WynnBet continued to focus on career pathing, upskilling employees, and recruitment initiatives to maintain a diverse workforce.

Ms. Roberts reported that there were no instances of minors attempting to access or successfully accessing their platform. She explained that WynnBet utilizes similar tools as other operators, including GeoComply and KYC procedures. They reviewed funding sources to ensure they did not come from underage individuals and employed measures to flag suspicious activity, such as multiple IP addresses used on the same account.

Commissioner O'Brien asked Ms. Roberts to clarify whether WynnBet mandated multi-factor authentication on their user accounts. Ms. Roberts explained that while it was not mandated,

WynnBet enabled two-factor authentication by default for all accounts. Ms. Roberts provided further explanation that patrons could disable the feature if they ultimately chose to.

Chair Judd-Stein thanked Ms. Roberts for her presentation, and Ms. Roberts exited the meeting.

Following the operator's presentations, Commissioners discussed their observations and concerns, particularly regarding underage wagering, and emphasized the need for continued vigilance and collaboration with operators to address the issue.

Commissioner O'Brien and Commissioner Hill both expressed their concerns about underage gambling and how to detect use by minors. They shared concerns over reports they had reviewed from outside sources regarding underage wagering and highlighted the need for ongoing vigilance and collaboration with operators.

Commissioner O'Brien pointed out a NCAA survey that indicated a high percentage of underage individuals were in fact participating in sports wagering. The Commissioners expressed their support of the operators' use of tools like GeoComply and KYC procedures, but also acknowledged the need to explore additional security mechanisms and educational initiatives to prevent underage access.

Commissioner Maynard echoed Commissioner O'Brien's concerns and highlighted the need for enhanced KYC and multi-factor authentication processes to address potential vulnerabilities.

Commissioner O'Brien also emphasized the importance of collaboration between operators and the Massachusetts Lottery. She cited the Lottery's challenges in competing for advertising space against operators and expressed the view that promoting the Lottery could help generate more revenue for local aid throughout the Commonwealth.

Commissioner O'Brien stressed the need for a comprehensive approach to prevent underage gambling, encompassing enhanced KYC procedures, education for parents and young people, and collaboration with other stakeholders, including law enforcement agencies and major venues. She suggested a deeper investigation into operators' algorithms and data analysis techniques to detect suspicious activity, as well as reviewing patterns of betting behavior beyond geolocation data.

3. [Commissioner Updates](#) (1:50:20)

The Commissioners had no updates to provide.

4. [Other Business](#) (1:51:40)

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

Commissioner Hill moved to adjourn. 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. Meeting Adjourned.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda](#) dated November 21, 2023
2. Commissioner's Packet from the November 27, 2023 public meeting.