



Massachusetts Gaming Commission Meeting Minutes

Date/Time: December 19, 2022, 10:00 a.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 981 0714

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](#) (00:00)

Chair Judd-Stein called to order the 414th Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Legal Framework Relative to the Award of A Category 1 Sports Wagering Operator License](#) (09:52)

General Counsel Todd Grossman stated that this meeting was the Commission's opportunity to evaluate the application for a category one sports wagering license submitted by Blue Tarp reDevelopment, LLC, d/b/a MGM Springfield ("MGM"). He explained that under G.L. c. 23N, § 6(b)(1), the Commission shall issue a category one sports wagering license to any holder of a gaming license under G.L. Chapter 23K, provided that any holder of a category one sports wagering license shall not receive a category two sports wagering license.

General Counsel Grossman stated that MGM held a gaming license under G.L. c. 23K. He stated that a category one sports wagering license was defined in G.L. c. 23N, § 3, as a license issued by the Commission that permits in-person sports wagering at a gaming establishment and not

more than two individually branded mobile applications or digital platforms approved by the Commission. He stated that entities operating the mobile platforms would be required to have a category three sports wagering license.

General Counsel Grossman stated that 205 CMR 218 set out the application requirements, standards, and procedures. He explained that the Commission had convened a meeting to receive public feedback on the category one applications on December 5, 2022. He stated that the regulation sets out factors and considerations for the Commission to analyze in the evaluation process, but that the regulations did not set out a particular order to review factors nor did the regulation assign particular weight to the factors. He added that the Commission may require that the applicant provide additional information or documents the Commission deemed appropriate.

General Counsel Grossman noted that the evaluation of this application was being conducted in public and that all deliberations made by the Commission must take place in public. He stated that G.L. Chapter 30A, § 21(a)(7) allowed the Commission to move into executive session to comply with or act under the authority of any general law, such as G.L. Chapter 23N, § 6(i) regarding competitively sensitive information submitted in the course of the application process. He stated that if the Commission requested answers pertaining to competitively sensitive information, the applicant could request to move the meeting to executive session.

General Counsel Grossman stated that any finding the Commission makes must be backed by substantial evidence, and that the heightened standard of clear and convincing evidence applied to suitability pursuant to 205 CMR 215.

General Counsel Grossman stated that the factors the Commission would evaluate would be: the applicant's experience and expertise related to sports wagering; the economic impact and benefits to the Commonwealth; the applicant's proposed measures related to responsible gaming; the description of the applicant's willingness to foster racial, ethnic, and gender diversity, equity, and inclusion ("DEI"); the technology the applicant intends to use in operation; the suitability of the applicant and qualifiers; and any other appropriate factor in the Commission's discretion.

General Counsel Grossman stated that the Commission could determine temporary or durable findings of suitability, but that no preliminary finding needed to be entered. He noted that the Commission could use any information received pursuant to G.L. c. 23K, G.L. Chapter 128A, G.L. c. 128C, or information from other jurisdictions where the operator was authorized to operate. He stated that conditions could be placed on a license pursuant to 205 CMR 220.

[3. Continuation of Application Review from December 7, 2022 \(#407\) for Category 1 sports Wagering Operator License Submitted by MGM in Accordance With 205 CMR 218.06\(3\) and \(5\) \(24:33\)](#)

Chair Judd-Stein stated that the Commission had asked the applicant to supplement Sections F and G of their application at the December 7, 2022, public meeting. She stated that the applicant did provide supplemental information, and that MGM had the opportunity to present the new information at this meeting.

Jed Nosal, Attorney from Womble Bond Dickison, serving as external counsel for MGM, introduced: Chris Kelley, MGM President and COO; Arlen Carballo, MGM's Executive Director of Finance; Beth Ward, MGM's Director of Community Affairs; Daniel Miller, MGM's Director of Compliance; Danielle White, MGM's Vice President of Community Engagement; Augustine Kim, MGM's Vice President and Legal Counsel; Pat Madamba, MGM Resorts International's ("MGM Resorts") Senior Vice President and Legal Counsel; Garrett Farnes, MGM Resorts' Director of Responsible Gaming; Joshua Smith, MGM Resorts' Vice President of International Compliance; Sarah Brennan from BetMGM; and Roman Rubas from BetMGM.

Mr. Nosal stated that the application was updated based upon the Commission's input at the December 7, 2024, meeting. He stated that Section F was supplemented to include additional information about KYC safeguards, the wager application process, monitoring and security, and the testing of the platform and kiosks. He stated that additional information related to the certification of BetMGM's platform to applicable GLI standards in other jurisdictions was provided as well.

Mr. Nosal stated that Section G of the application was supplemented to provide more clarity regarding background compliance and suitability. He stated that MGM relied upon the IEB report that verified MGM Resorts' financial stability. He stated that answers were updated to ensure consistency. He stated that he felt comfortable with MGM's history of compliance as it was presented to the Commission.

Mr. Nosal stated that he wanted to address Commissioner O'Brien's question about the lawsuit brought by Chelan Brown against MGM. He stated that MGM was constrained in what could be discussed due to litigation strategy and privilege. He stated that MGM unequivocally denied the allegations by Ms. Brown. He stated that initially, a complaint was filed with MCAD alleging discrimination based upon race, discrimination based upon gender, sexual harassment, and retaliation. He stated that MGM filed a position statement in November 2020. He stated that on August 22, 2022, MCAD issued an investigative disposition finding insufficient evidence to support a determination of probable cause to credit the complaint with respect to all claims. Mr. Nosal stated that Ms. Brown was issued a "Right To Sue Letter" under state and federal law by the Equal Employment Opportunity Commission. He stated that Ms. Brown then filed a lawsuit against MGM and its former president. He noted that MGM had yet to be served with the complaint.

MGM's Vice President and Legal Counsel, Mr. Kim stated that both the defendants categorically denied that MGM filed any falsified reports with the Commission or engaged in unlawful discrimination, harassment, or retaliation. Mr. Nosal stated that once served, MGM intended to file a motion to dismiss. He stated that MGM would vigorously defend itself against these claims. Mr. Nosal stated that MGM's workforce was over 50% minority with the largest concentration of team members coming from Springfield.

Commissioner O'Brien expressed the expectation that MGM would continue to provide any additional information related to the complaint and its claims to the Commission. Mr. Nosal

stated that MGM would provide that information and reiterated that MGM denied all allegations in the complaint.

Commissioner Skinner asked if the IEB would conduct an internal investigation into the allegation that MGM had provided the Commission with falsified numbers. Chair Judd-Stein requested that this question be addressed at a later point, as she did not want to put the IEB on the spot at this juncture.

Chair Judd-Stein asked if there was a consensus as to whether MGM had met the Commission's expectations with this application. Commissioner O'Brien stated that she wanted more clarity as to what sections were changed to include new information.

Mr. Nosal stated that Section B(1)(a) of the application was changed to clarify the roles and responsibilities of BetMGM and MGM. He stated that it clarified that MGM would have control over the retail sportsbook operations. He stated that Section C of the application was supplemented to provide the most up to date information and incorporate additional information from BetMGM. He stated that some answers were amended to ensure consistency, but that the substance of the answers did not change. He stated that additional information from BetMGM was incorporated into Section E2 of the application.

Mr. Nosal reported that Section F of the application was changed to incorporate significant additional information regarding KYC, wager acceptance, monitoring of suspicious activity, location of servers, and BetMGM's security Policy. He stated that Section G of the application was updated to provide more comprehensive answers based on feedback from the Commission at the December 7, 2024, meeting.

Commissioners reached consensus that MGM had met the Commission's expectations in regard to Section B of the application.

Chair Judd-Stein asked if the number of kiosks was increased to eighteen. Mr. Kelley confirmed that was correct. Chair Judd-Stein then asked if all of the kiosks were on the gaming floor. Mr. Kelley stated that was correct. Chair Judd-Stein asked if the kiosks were spaced adequately for public safety purposes. Mr. Miller reported that the kiosks were stationed across several locations throughout the casino floor, with a higher concentration in the sports area.

Commissioner O'Brien asked how many employees were at the MassMutual Center. Ms. Ward stated that MassMutual averaged approximately 100 full-time employees. Commissioner O'Brien asked if any brand ambassadors would be added in that area. Ms. Ward stated that brand ambassadors would not be used in the MassMutual Center. Chair Judd-Stein asked if MGM added clarification regarding their relationship with the Massachusetts Lottery. Mr. Miller confirmed that clarification was added regarding MGM's preexisting agreement with the Massachusetts Lottery to offer lottery kiosks and Keno in the casino.

Commissioners reached consensus that MGM had met the Commission's expectations in regard to Section C of the application.

Chair Judd-Stein stated that MGM's supplemental response to Section D of the application was comprehensive. Commissioner O'Brien reiterated that MGM had a commitment to keep the IEB and the Commission informed of any new information.

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

Commissioner Hill asked MGM's representatives to reiterate what amendments were made to Section E of the application. Mr. Nosal stated that Section E(3) of the application was amended to be more complete and include information related to the applicant, applicant's owner and the owner's subsidiaries. He stated that the Commission could refer to the supplements in Section G for further information related to disciplinary history.

Chair Judd-Stein asked if MGM would have control of tethered operator BetMGM's marketing decisions. Mr. Nosal stated that BetMGM was a separate entity, and that MGM would not have control over the tethered category three applicant. Mr. Madamba explained that BetMGM was a joint venture between MGM Resorts and Entain, a publicly traded company. He stated that decisions related to BetMGM were joint decisions with Entain. He stated that BetMGM would operate the tethered mobile sports wagering platform in Massachusetts, and that MGM would control and operate the retail sportsbook. Chair Judd-Stein asked if MGM would have discretion and control over the marketing partners of the tethered operator, because the tethered license was connected to MGM's category one sports wagering license. Mr. Miller stated that MGM would collaborate with the BetMGM regarding marketing, but that MGM had no control over BetMGM.

Commissioner Hill stated that MGM had met his expectations with respect to Section E of the application. Commissioner O'Brien stated that she would hold judgment on this section until after the Commission completed its review of Section G of the application. Commissioner Skinner agreed with Commissioner O'Brien with respect to Sections E, F, and G of the application. She stated that BetMGM was significantly intertwined with the category one retail sports wagering operations. She stated that she struggled with how to consider the category one license without first reviewing BetMGM's application.

Mr. Nosal stated that BetMGM was not a qualifier for MGM, and that BetMGM was a service provider similar to the vendor that manages the slot machines. He stated that MGM had confidence in the integrity of BetMGM. He stated that the ownership of BetMGM should not be reviewed as part of MGM's suitability and requested that those questions be saved for a review of BetMGM's application.

Loretta Lillios, Director of the IEB, stated that the vendor model was consistent with the Commission's regulations. She stated that for the purposes of retail launch BetMGM was being treated as a sports wagering vendor. She stated that the IEB was in the process of collecting materials required by regulation for temporary licensing that would permit the launch. Chair Judd-Stein asked if the IEB had any concerns with respect to suitability for MGM. Director

Lillios stated that the IEB had submitted a report and was constantly receiving updates from each of the licensees. She stated that there was no information that disturbed the finding of suitability as presented in the IEB's report.

Commissioner Skinner asked if BetMGM would need to be found suitable as a vendor before they could commence retail operations at MGM. Director Lillios stated that by regulation, temporary vendor licenses were reliant upon attestations with full suitability investigations occurring subsequently thereafter. Commissioner Skinner asked what the process was for the Commission to review vendor information. Director Lillios stated that for occupational licenses and vendor licenses, the license was issued based on the IEB's findings. She explained that individual vendors did not come before the Commission. She stated that the IEB would keep the Commission apprised with the reporting component for BetMGM.

Commissioner Skinner noted that MGM was collaborating closely with BetMGM; and asked what the timeline was for reviewing BetMGM as a vendor. Director Lillios stated that the IEB was working to get the required attestations from operators prior to the retail launch. She confirmed that the IEB would review attestations, and that the suitability investigation would be performed after the launch.

Chair Judd-Stein noted that the application being reviewed was MGM and not BetMGM. Commissioner Skinner offered clarification that she was discussing BetMGM in its capacity as a vendor for MGM. She then asked if the review of BetMGM as a vendor would be reliant upon attestations alone. Director Lillios stated that there would be a subsequent investigation, and that other information could be considered during the review of BetMGM in relation to its own application for an operator's license. Director Lillios stated that G.L. c. 23N contemplated the identification of significant issues in conjunction with the review of BetMGM's operator's license, and that this information would not be ignored in conjunction with the IEB's review of BetMGM's vendor license.

Director Lillios stated that the initial review of vendors was reliant upon self-disclosures. She stated that if issues were discovered during this process there would be additional review and investigations. General Counsel Grossman stated that vendors that provide services could be moved in and out, and that there is no guarantee that BetMGM will be the vendor used at launch. He stated that while BetMGM is a vendor, some of the issues would be more properly considered during the review of BetMGM's application. Mr. Nosal stated that MGM, MGM Resorts, and all qualifiers had suitability that stood on its own. He stated that the Commission could move forward with MGM's application based upon this existing suitability.

Commissioner O'Brien stated that some details of MGM's relationship with BetMGM as a vendor could be discussed in executive session as it might create a competitive disadvantage to answer those questions in a public forum. Commissioner Skinner stated that she understood that MGM would stand on its own as an operator but that she was hesitant to agree to BetMGM, even as a vendor, without first reviewing BetMGM's application.

Chair Judd-Stein stated that BetMGM's category three application was tethered to MGM's application, and that the Commission could not move forward on a tethered applicant until the category one sports wagering operator was approved. General Counsel Grossman stated that the awarding of a category one sports wagering license opens the door for the category one licensee to operate online sports wagering operations through a category three tethered operator. He stated that for the purpose of the category one application review the Commission could focus on the services BetMGM would perform in their capacity as a vendor.

Commissioner Skinner stated that some of her concerns with BetMGM were in connection with its role as a vendor for MGM. Chair Judd-Stein stated that the topic could be reviewed in executive session if appropriate. Commissioner O'Brien stated that would be helpful and Commissioner Skinner agreed. Commissioner Hill stated that if there were outstanding issues to be addressed in executive session regarding Section E of the application, that the Commission could return to whether there was a consensus as to whether Section E met expectations or not after the executive session.

Chair Judd-Stein asked if there were any questions about the answers supplemented for Section F of the application. The Commission had no questions relative to Section F of the application. The Commission reached a consensus that MGM had met the Commission's expectations in regard to Section F of the application.

Commissioner O'Brien stated there were several disclosures about recent fines and asked if MGM was comfortable discussing those matters in public. Mr. Madamba stated that those fines were related to BetMGM and not MGM's retail location.

Commissioner Skinner requested an executive session for clarity regarding portions of the responses in Section E, Section F, and Section G of the application. Mr. Nosal stated that it was his understanding that the outstanding issues were only related to Section E and Section G of the application. He stated that MGM and its qualifiers were currently found suitable under G.L. c. 23K and already under heightened reporting requirements. He stated that MGM would be happy to go into executive session to answer any additional questions.

Mr. Madamba reported that MGM filed its compliance committee binder with the IEB on a quarterly basis. He stated that all information related to subsidiaries was reported to the IEB, and that the information was far broader than the question on the application.

Chair Judd-Stein stated that there was a consensus that Section F of the application met the Commission's expectations but noted to Mr. Nosal that Commissioner Skinner had raised an issue related to technology. Commissioner Skinner requested a five-minute break to consult with General Counsel Grossman.

Commissioner O'Brien expressed that BetMGM was integrally intertwined with MGM's operations as described in the application. She stated that she wanted more information related to the control of advertising, marketing, and responsible gaming. She stated that an executive session may be appropriate for that topic. Commissioner Hill stated that he was willing to go into executive session with respect to Commissioner O'Brien and Commissioner Skinner's concerns.

He noted that MGM had met his expectations for this category. Commissioner Maynard stated that he had no further questions, but out of respect for his fellow Commissioners, he would prefer to go into executive session prior to voting. Chair Judd-Stein agreed and stated that all Commissioners should have their questions answered.

General Counsel Grossman stated that Commissioner Skinner could inquire about these issues in public to narrow down what would be discussed in executive session. He stated that the topics discussed seemed to meet the exception related to confidential information that would place the applicant at a competitive disadvantage, if discussed publicly. Commissioner O'Brien stated that after reviewing the application, she had no further need for an executive session related to advertising and marketing control.

Commissioner Skinner asked what the relationship was between the applicant and BetMGM with respect to the provision related to promotions and advertising. Mr. Madamba replied that retail promotions were within MGM's control. He stated that MGM had the final decision whether or not promotions were appropriate to offer in this market.

Commissioner Skinner asked what relationship there was between the applicant and MGM regarding the maintenance of patron data. Mr. Madamba stated that certain data was shared between MGM and BetMGM, but that MGM was responsible for all information stored on MGM's servers. He stated that BetMGM is responsible for any data stored on its server, and that the environment stays secure. Mr. Miller stated that there was a diagram in the application which detailed the separation and connection of data systems.

Commissioner Skinner asked if BetMGM had access to MGM patron data. Mr. Madamba stated that BetMGM did not have access to full patron data, but that data was shared to facilitate the creation of accounts. Mr. Miller stated that sharing data was predominantly used to ensure players could move more smoothly through the loyalty program.

Commissioner Skinner stated that she believed it to be appropriate to discuss patron data further in executive session. General Counsel Grossman stated that this topic would fall into the parameters of competitively sensitive information that could place the applicant at a competitive disadvantage.

Mr. Nosal stated that for data integrity purposes, MGM was responsible for any issues that may arise. Commissioner Skinner stated that her questions related to the confidential investigations disclosed by BetMGM. She stated she had concerns related to the maintenance of security and patron data due to that disclosure. Mr. Nosal agreed that this confidential investigation would be best discussed in executive session.

Chair Judd-Stein stated that the Commission anticipated that it may meet in executive session in conjunction with its review of the Blue Tarp reDevelopment (d/b/a MGM Springfield) application in accordance with G.L. c. 30A, § 21(a)(7), and G.L. c. 23N, § 6(i), to consider information submitted by the applicant in the course of its application for an operator license that

is a trade secret, competitively-sensitive or proprietary and which if disclosed publicly would place the applicant at a competitive disadvantage.

Commissioner Skinner moved that the Commission meet in executive session in conjunction with its review of the Blue Tarp reDevelopment (d/b/a MGM Springfield), application in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to consider competitively sensitive information related to the relationship between the applicant and BetMGM with respect to the maintenance of patron data and an ongoing confidential investigation that was disclosed by BetMGM, which if disclosed publicly would place the applicant at a competitive disadvantage. Commissioner O'Brien seconded the motion.

Chair Judd-Stein stated that she was unsure whether something disclosed by BetMGM should be discussed relative to the agenda items for MGM. Commissioner Skinner stated that the executive session was relative to the relationship the applicant had with BetMGM. Chair Judd-Stein asked if the same information was provided by the applicant. Mr. Madamba stated that MGM was prepared to discuss the topic in executive session. Chair Judd-Stein noted that she did not have BetMGM's application in front of her. Commissioner O'Brien stated that the question was relative to MGM's data protection and sharing in relation to the matter disclosed by BetMGM. Chair Judd-Stein stated that she did not want the motion to reference that the information was submitted by another applicant.

Commissioner Skinner moved that the Commission meet in executive session in conjunction with its review of the Blue Tarp reDevelopment (d/b/a MGM Springfield) application in accordance with G.L. c. 30A, § 21(a)(7), and G.L. c. 23N, § 6(i) to consider competitively sensitive information related to the relationship between the applicant and BetMGM with respect to the maintenance of patron data and an ongoing confidential investigation which if disclosed publicly would place the applicant at a competitive disadvantage. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Transcriber's Note: The Commission entered executive session and then returned to the public meeting.

Commissioners reached a consensus that MGM had met the Commission's expectations in regard to Section E of the application. The Commission reached a consensus that MGM had met the Commission's expectations in regard to Section G of the application.

4. [MGM Springfield Category 1 License Application Determination by the Commission in Accordance with 205 CMR 218.07](#) (3:09:48)

General Counsel Grossman reiterated that the factors the Commission would evaluate would be: the applicant's experience and expertise related to sports wagering; the economic impact and benefits to the Commonwealth; the applicant's proposed measures related to responsible gaming; the description of the applicant's willingness to foster racial, ethnic, and gender DEI; the technology the applicant intends to use in operation; the suitability of the applicant and qualifiers; and any other appropriate factor in the Commission's discretion.

Chair Judd-Stein asked if the Commission needed any further clarification related to advertising and marketing. Commissioner O'Brien replied that there were no further questions. Chair Judd-Stein asked if MGM was in control of third-party marketing affiliates. Mr. Madamba stated that MGM had full control over the retail side of marketing. He stated that MGM expected that BetMGM would follow all requirements in Massachusetts for mobile marketing.

General Counsel Grossman stated that a series of automatic conditions were attached to licensure. He stated that whether pre-registration could occur might be better addressed by regulation. He stated that the automatic conditions that attach to the license are that: the operator obtain an operations certificate before conducting sports wagering; the operator comply with all terms and conditions of the license and operations certificate; the operator comply with G.L. Chapter 23N and all rules and regulations of the Commission; the operator make all required payments to the Commission in a timely manner; the operator maintain its suitability to hold a sports wagering license; and the operator conduct sports wagering within its approved system of internal controls and in accordance with its approved house rules and G.L. c. 23N § 10(a).

Commissioner Hill moved that the Commission find that the applicant, Blue Tarp reDevelopment (d/b/a MGM Springfield), through its application submitted and discussed here today and on December 7, 2022, has established by substantial evidence that it met the criteria set forth in 205 CMR 218.06(5) (a) through (e) and (g), and further that the reward of a category one license to the applicant would be to the benefit of the Commonwealth. Commissioner Maynard seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Commissioner Hill moved that the Commission find that the applicant Blue Tarp reDevelopment (d/b/a MGM Springfield) be found to have established through its application filing reviewed by the IEB and the discussion here today and on December 7, 2022, by clear and convincing evidence at an adjudicatory proceeding its suitability consistent with 205 CMR 218.06(5)(f) and

that any condition subject to a finding of suitability also reference the obligations outlined in 205 CMR 220.01.

Commissioner O'Brien sought clarification regarding which adjudicatory hearing the motion referred to. General Counsel Grossman stated that any durable finding of suitability had to be made by clear and convincing evidence presented at an adjudicatory proceeding. He stated that MGM was found suitable at a previous hearing in 2013. He stated that MGM maintained that suitability. Commissioner O'Brien moved to amend the motion to add the language, "and nothing in the submissions of the applicant or in the hearing on December 7, 2022, or today raise substantial issues such that we would disturb the suitability finding." Commissioner Hill accepted the amendment. Chair Judd-Stein moved to amend the motion to clarify that the adjudicatory hearing referenced was held on December 23, 2013. Commissioner Hill accepted the amendment. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

[5. Presentation of Application for a Category 3 Sports Wagering Operator License Submitted by BetMGM, LLC including Demonstration of Technology and User Experience in Accordance with 205 CMR 218.06\(3\) \(4:03:16\)](#)

BetMGM's Chief Compliance Officer Rhea Loney introduced BetMGM's Deputy General Counsel Jeremy Kolman, BetMGM's Senior Director of Compliance Sarah Brennan, BetMGM's Senior Manager of Technical Sports Operations David Main, BetMGM's Senior Manager of Responsible Gaming Richard Taylor, BetMGM's Director of Loyalty Meghan Twombly, BetMGM's Head of DEI Anna Eleazar, and BetMGM's Director of Technical Governance Roman Rubas.

Ms. Brennan explained that BetMGM was established in 2018. She stated that BetMGM assisted in operating physical sportsbooks in Nevada, Detroit, New Jersey, Mississippi, and Maryland. She explained that BetMGM was a joint venture between MGM Resorts and Entain. She stated that BetMGM was live in twenty-five jurisdictions and that BetMGM provided retail technology, trading and risk management to MGM.

Ms. Brennan stated that MGM had exponential growth in the compliance team that corresponded with the growth of sports wagering markets in the United States. Mr. Main stated that BetMGM had an internal trading department which handled all odds-making. He stated that BetMGM used U.S. Integrity for integrity monitoring.

Mr. Taylor stated that BetMGM was focused on the development and continuous improvement to a multifaceted approach to responsible gaming. He stated that BetMGM had implemented GameSense throughout each of its operations. He stated that all employees receive responsible gaming training and that customer-facing employees received advanced training. He stated that BetMGM has a variety of responsible gaming tools and time-out features located in the platform's account settings. He stated that BetMGM collaborated with MGM Resorts regarding the voluntary exclusion list. He explained that the responsible gaming team reviewed marketing materials. He stated that BetMGM donated \$430,000 to the International Center for Responsible Gaming.

Ms. Twombly explained that BetMGM was partnered with MGM Rewards and had access to that loyalty program. She stated that patrons could earn bonus play or a number of other loyalty rewards. Ms. Eleazar stated that DEI was among BetMGM's core values and that BetMGM was committed to creating an inclusive culture. She stated that BetMGM partnered with seven employee research groups ("ERGs") to bring visibility to DEI concepts.

Ms. Eleazar explained that BetMGM had partnered with Supplier.io to help scale its diversity spending. She stated that BetMGM's goal was to determine the diversity percentage levels amongst its vendors in quarter one of 2023. She stated that BetMGM was using AI tools to generate gender neutral and inclusive job descriptions. She explained that in quarter one of 2023 BetMGM anticipated the launch of the Empower Mentorships program. She stated that BetMGM was working on developing diverse long-term institutional relationships.

Mr. Rubas stated that BetMGM's mobile platform was live in nineteen jurisdictions and that the platform was tested to GLI 33 technical standards. He stated that BetMGM did security assessments and penetration testing through an independent third-party, Bulletproof. He stated that geofencing was integrated with GeoComply. Mr. Rubas then provided a product demonstration of BetMGM's mobile platform for the Commissioners and meeting attendees.

Chair Judd-Stein asked for clarification regarding the options for timeouts in the responsible gaming section. Mr. Rubas explained that there were several pre-designated timeouts and that players could also set a specific date. Chair Judd-Stein asked how much notice players received before the end of the timeout period. Mr. Rubas stated that players were notified once the timeout expired, and that they had the option to extend the timeout or return to wagering.

Chair Judd-Stein asked if there was notification that the timeout was approaching expiration. Mr. Taylor stated that cool-off periods were typically used for concerns related to problem gambling. He stated that a notification stating a cooling-off period was expiring might create a countdown that raises the patron's excitement levels. He stated that he was not comfortable having that occur, but that he would comply with any Commission requirements.

Commissioner Hill noted that the in-person support via phone was only available from 11 a.m. to 8 p.m. He explained that he had concerns about customer's being able to reach an available person. He stated that another operator that presented only had four hours where customer support was not available via phone. He stated that BetMGM had a large window without

availability to call the operator. Mr. Rubas stated that the determination of hours was based upon regulator requests, and that the phone line could be made 24/7 if the Commission required it.

Commissioner Hill asked if the hours would be 11 a.m. to 8 p.m. if the Commission did not regulate a required availability. Ms. Brennan stated that was correct. Commissioner Maynard asked if customer support could escalate to calls should a major concern arise. Ms. Brennan explained that BetMGM had established a standard operating procedure for players who threaten self-harm, harm against the establishment, or exhibit problem gambling behaviors. She stated that customer support flags these issues to supervisors and the issue is escalated in a path most appropriate. She stated that these paths included calls from supervisors, wellness checks, and escalations to property security.

Commissioner Maynard asked if large transfers, like \$10,000, would flag the customer support team. Mr. Taylor stated that BetMGM focused on behaviors and context of the interaction. He stated that context decides whether an issue was escalated.

Chair Judd-Stein asked if live chat was with an AI or active employee. Mr. Rubas stated that BetMGM did not use AI. Commissioner O'Brien asked if customer support phone calls were offered in other languages. Ms. Brennan stated that the calls were offered in English, and that BetMGM was working to establish Spanish language support lines. Commissioner O'Brien asked if there were plans to implement any other languages. Ms. Brennan stated that she was not certain, and that she would get back to the Commission with further information.

6. Presentations and Analysis Relevant to review and evaluation of Application for Category 3 sports wagering operator license submitted by BetMGM, LLC (5:22:51)

a. Technical Components

Chair Judd-Stein stated that Gaming Laboratories International (“GLI”) was the first company to develop and set gaming technical standards which are now considered an industry benchmark. She stated that GLI continues to innovate standards and regulators rely upon these standards to preserve the integrity of the industry.

Joe Bunevith, GLI’s Director of Client Solutions, stated that before the test lab could make submittals the Commission would have to approve 205 CMR 247 and 205 CMR 248. He stated that 205 CMR 138 and 205 CMR 238 had been approved, and that after 205 CMR 247 and 205 CMR 248 were approved, operators would submit the code for their sports wagering systems and hardware to GLI for testing.

Mr. Bunevith stated that the operator would submit their code bases for the entire sports wagering systems they intended to deploy. He stated that if the program was one GLI was familiar with, then GLI would rely upon the last submission for one or more U.S jurisdictions and then test any changes to the platform to comply with Massachusetts specific rules and regulations. He stated that if a potential operator’s platform was new to GLI, it would undergo an architectural review that identifies, and documents critical files related to compliance. He stated

that after the initial review was complete the source code could be submitted for testing in a locked down environment.

Mr. Bunevith stated that the lab would verify changes for Massachusetts specific deployments, and once those changes were validated, a certificate would be issued to the operator. He stated that once the certificate was issued the Commission could approve the operator for operations. He stated that field verification would be finalized in the upcoming weeks and that verification of the production server and verification of critical file signatures would commence. He stated that GLI would also review internal controls and procedures.

b. [Report on suitability of the Applicant](#) (5:30:29)

Senior Enforcement Counsel Kathleen Kramer stated that BetMGM's category three sports wagering license was to be tethered to MGM's category one sports wagering license. She reported that the IEB performed a review for preliminary suitability according to the standards set forth in 205 CMR 2.15.01(2). She noted that a full suitability investigation had not been conducted at this time.

Counsel Kramer stated that the licensing division did a scoping review of the applicant pursuant to G.L. Chapter 23N, § 5(b). She stated that four entities and seven individuals were designated as qualifiers in connection with BetMGM's application. She stated that the IEB reviewed the submission and found no substantial deficiencies.

Counsel Kramer stated that the team conducting the review was comprised of contract investigators. She stated that the review for preliminary suitability included a summary of BetMGM's licensing status in other jurisdictions, compliance history in other jurisdictions, and pending litigation valued over \$100,000. She stated that the IEB had reviewed supplemental public financial filings with the Securities and Exchange Commission ("SEC") from BetMGM's parent company MGM Resorts. She stated that RSM reviewed BetMGM's forecasting submissions and a summary of BetMGM's self-reported history of judgments.

c. [Financial and Economic Impact Analysis](#) (5:33:38)

Jeff Katz, RSM's Strategic Finance Practice Leader, stated that much of the information in RSM's report was likely confidential and that details would have to be discussed in executive session. He stated that jurisdiction rules and regulations may affect the applicant market size and sportsbook composition. He noted that when sports wagering went live in Massachusetts, other neighboring states would likely see a decrease in sports wagering activity.

Mr. Katz stated that if all applicants were granted licenses, then Massachusetts would have an above average number of sportsbooks. He stated that having more sportsbooks was associated with lower hold percentages. He noted that there may be some consolidation in the sports wagering industry via merger or operators unable to sustain operations in this industry. He stated that the evolving nature of the industry made it difficult to predict the composition of the marketplace.

Mr. Katz stated that RSM reviewed BetMGM's self-disclosed financial information, the historical financial performance of BetMGM in other jurisdictions, BetMGM's liquidity, financial projections in Massachusetts, and the financial impact of compliance risk, bankruptcy, and other legal proceedings. He explained that BetMGM was owned by a joint venture partnership between MGM Resorts and Entain. He stated that the applicant provided financial disclosures for both entities.

Mr. Katz stated that MGM had previously been issued a determination of suitability. He stated that the applicant had provided projections based upon the estimated Massachusetts market size and gross gaming revenue applied to a projected market share percentage. He stated that this methodology had fewer data points to compare to the industry standard, but that it should not be seen as a negative.

Mr. Katz stated that the projected market share capture rate percentage was constant for a five-year forecast period. He stated that the applicant projected growth each year of the forecast and multiplied it by market share. He stated that the estimated amount is low in year one of projections and a reasonable estimate by year five. He stated that in other jurisdictions, online sports wagering scaled quickly before settling to a single-digit annual growth rate. He stated that BetMGM's projected revenues were both reasonable and conservative.

Mr. Katz stated that both MGM Resorts and Entain provided financial support and technical resources on an as-needed basis. He stated that Entain filed publicly available filing with the London Stock Exchange, and that after quarter two of 2022 Entain had \$567 Million of available liquidity in cash. He stated that Entain had \$236 million payable on their total long term debt balance within the next twelve months.

Mr. Katz stated that MGM Resorts had public filings with the SEC indicating that as of quarter three of 2022, MGM resorts had \$7.3 billion in total liquidity, with \$5.3 billion in cash and \$2 billion in undrawn revolving credit. He stated that MGM resorts had \$1.5 billion payable on its total long term debt balance within the next twelve months. He stated that both Entain and MGM Resorts had the capital available to fund operations within the Commonwealth of Massachusetts.

7. Review and evaluation of Application for Category 3 sports wagering operator license submitted by BetMGM, LLC in accordance with 205 CMR 218.00 including, but not limited to consideration of the following criteria (5:51:43)

a. Experience and Expertise related to Sports Wagering (205 CMR 218.06(5)(a))

Commissioner Skinner asked if BetMGM was licensed in Maryland. Ms. Loney stated that BetMGM now held a license in Maryland but was in the process of applying for licensure when it submitted their application for licensure in Massachusetts.

Chair Judd-Stein inquired as to how issues flowed to the compliance committee. Ms. Loney explained that there was a three-person compliance committee, and a compliance plan approved

by the Board of Directors. She stated that the compliance committee had one member from MGM Resorts, one member from Entain, and an independent member. She stated that the committee held quarterly meetings to review matters and incidents, but that the committee communicated in between meetings as necessary.

Commissioner Skinner sought clarification as to whether patron data was retained when using the 'Share My Bet' feature. Mr. Rubas stated that player information was not stored, and that the recipient would have to create an account to view and place that bet. Commissioner Skinner asked what information was required for that feature. Mr. Rubas stated that the patron could input a friend's email address to send a link for a bet.

Chair Judd-Stein noted that GLI had advised the Commission that no other jurisdiction had regulations that would prohibit pre-registration and preloading of funds. Ms. Loney stated that BetMGM was awaiting further clarification from the Commission before beginning pre-registration. She stated that the general practice across the industry was to allow pre-registration.

Chair Judd-Stein asked if BetMGM would use third-party marketing affiliates. Ms. Loney stated that BetMGM did plan to use marketing affiliates. Chair Judd-Stein asked if BetMGM would retain full control over the content put out by marketing affiliates. Ms. Brennan stated that the compliance team worked closely with the marketing department to ensure affiliates followed all marketing guidelines and American Gaming Association ("AGA") standards. She noted that part of the patron's privacy policy included the agreement to receive marketing from BetMGM's partners.

Commissioner O'Brien asked what BetMGM does if a third-party marketing affiliate violates any rules or regulations in a jurisdiction. Ms. Brennan stated that some jurisdictions required marketing affiliates to hold a license, in which case there would be regulatory implications. She stated that if the violation was egregious, BetMGM would reevaluate the relationship with that affiliate. Commissioner O'Brien asked if there was zero tolerance policy, or a case-by-case policy. Ms. Brennan stated that violations by marketing affiliates are reviewed on a case-by-case basis.

Commissioner O'Brien asked what jurisdictions required licensure for marketing affiliates. Josh Wyseman, BetMGM's Director of Licensing, stated that New Jersey, Pennsylvania, Indiana, Michigan, and Maryland required some level of licensure for third-party marketing affiliates. Commissioner O'Brien asked if there was reciprocity in licensing across those jurisdictions. Mr. Wyseman stated that affiliates had to do their own licensing in which they had to disclose which other jurisdictions they held a license in.

Commissioners reached consensus that BetMGM had met the Commission's expectations in regard to Section B of the application.

[b. Economic Impact and Other Benefits to the Commonwealth if Applicant is Awarded a License \(205 CMR 218.06\(5\)\(b\)\) \(6:07:13\)](#)

Commissioner O'Brien asked if BetMGM still anticipated only one job to be located in Massachusetts. Mr. Wyseman stated that the one anticipated job was actually going to be employed by MGM not BetMGM. Commissioner O'Brien asked if the application was being amended to state that BetMGM was adding zero jobs in the Commonwealth of Massachusetts. Mr. Wyseman confirmed that was correct.

Commissioner Maynard asked if BetMGM was willing to work with the Massachusetts Lottery. Mr. Wyseman stated that BetMGM did not yet have a relationship with the lottery but confirmed that they planned to work with the Lottery closely through MGM's retail operation. Chair Judd-Stein asked whether BetMGM would be making arrangements with local establishments to promote the BetMGM platform. Ms. Loney stated that BetMGM would partner with local establishments for marketing where it made sense. Chair Judd-Stein stated that the partnerships could be used to cross-promote lottery products.

Commissioner O'Brien stated that the section on community engagement was disappointing as it repeatedly referenced MGM's community engagement. She stated that she wanted to hear more about BetMGM's efforts to complement MGM's community engagement. Ms. Brennan stated that BetMGM would implement a strategy when it was live in Massachusetts.

Ms. Eleazar stated that giving worked differently for BetMGM due to it being a joint venture. She stated that the giving mechanism was associated with the ERG's and provided funds for goals associated with ERG missions. Commissioner O'Brien asked if there were goals in terms of dollar amounts. Ms. Eleazar stated that there were not goals currently, just a budget given to the ERGs.

Chair Judd-Stein sought clarification regarding the goals for diversity spending and workforce diversity. Ms. Eleazar stated that BetMGM was committed to establishing those goals in quarter one of 2023. She stated that recommendations had been made, and that BetMGM's finance team was in the process of assessing the goals. Chair Judd-Stein asked when the goals would be announced. Ms. Eleazar reported that the goals should be agreed upon by the end of January.

Commissioner Skinner inquired as to what services *Supplier.io* offered to help develop diversity goals. Ms. Eleazar stated that *Supplier.io* was a diversity sourcing platform with a large database of vendors. She stated that the vendor identified minority-owned business enterprises ("MBEs"), women-owned business enterprises ("WBEs"), veteran-owned business enterprises ("VBEs") and LGBTQ-owned business enterprises. She stated that the vendor was helping BetMGM identify which of its vendors qualified as diverse vendors.

Commissioner Skinner asked if BetMGM had a mechanism to identify current diverse vendors. Ms. Eleazar stated that she had developed a self-reporting section in the vendor form, but that it only collected data from 2021 onward. She stated that *Supplier.io* was compiling the entirety of the information. Commissioner Skinner asked if BetMGM had current information about diversity spending. Ms. Eleazar stated that she did not have that information presently. Commissioner Skinner asked what BetMGM's supplier diversity goals were expected to be. Ms. Eleazar stated that the recommendation was 2% across each of the categories.

Commissioner Skinner inquired what the 2% was based on. Ms. Eleazar stated that BetMGM's staff looked at their procurement team's prior experience. She stated that 5% was average, and that the procurement team recommended 2% across each category as an initial goal. Commissioner Skinner stated that she would like more information once the process was clear. She stated that percentage does not convey a lot without the Commission knowing the number of vendors BetMGM worked with.

The Commission reached a consensus that BetMGM had met the Commission's expectations in regard to Section C of the application. Commissioner O'Brien stated that she would have liked more detail, but that this section satisfied the threshold that was required.

c. [Applicant's willingness to foster racial, ethnic, and gender diversity, equity, and inclusion \(205 CMR 218.06\(5\)\(d\)\)](#) (6:24:52)

Commissioner O'Brien stated that she had difficulty identifying the workforce diversity statistics as they were presented in the application. She asked if BetMGM's representatives could speak to the statistics among the general workforce and provide clarity regarding diversity in upper management.

Ms. Eleazar reported that BetMGM's employees were 31% Female, 67% Male, and 2% nonbinary. She stated that 8% of employees identified as Asian, 16% identified as Black, 18% identified as Hispanic or Latino, 3% identified as Pacific Islander, 52% identified as White, and 5% identified as two or more races. She stated that within the executive leadership team, 22% of the members were women, and one member identified as non-white. Commissioner O'Brien asked if this was for the C-Suite level employees. Ms. Eleazar confirmed that was correct.

Chair Judd-Stein asked if there were statistics related to other levels of management. Commissioner O'Brien noted that the levels of management included in the application were director, senior director, and manager. Commissioner O'Brien stated that other licensees had robust programs for promoting within and asked if BetMGM had similar programs. Ms. Eleazar stated that BetMGM had the Progressive Women's Leadership Platform and had just launched the Take the Lead Program. She stated that in 2023 BetMGM would implement the Empower Mentorship Program. She stated that this program would be available to ERG members including the Women's ERG.

Chair Judd-Stein commended that the ethnicity of employees was broken out to show more clear statistics. Commissioner O'Brien stated that she had difficulty interpreting the graphs. Ms. Eleazar stated that BetMGM looked at information through an intersectional lens. She stated that BetMGM analyzed if any group had difficulty breaking into leadership roles.

Ms. Eleazar stated that at the director and senior director levels, there were twenty-nine White directors, of which nine were women. She stated that there were six Asian employees, of which one was a woman. She stated that the three Hispanic or Latino employees at this level were all men. She stated that there was one man and one woman who identified as two or more races at

this level. Commissioner O'Brien asked if the category of "two-or-more races" was captured in other categories as well. Ms. Eleazar stated that employees could only self-identify in one category. Commissioner Skinner asked how many directors and senior directors there were in total. Ms. Eleazar stated that there were forty employees at that level. Commissioner Skinner asked how many of those employees in that category self-identified as minorities. Ms. Eleazar stated that eleven of the employees, or 28%, identified as not White.

Ms. Eleazar stated that at the manager level there were seventy-nine employees who Identified as white, of which twenty-five were women. She stated that there were fifteen Asian employees, of which six were women. She stated that there were twelve Black employees at this management level, three of which were women. She stated that there were eight Hispanic or Latino employees, three of which were women. She stated that there were five employees who identified as two-or-more races, three of which were women.

Chair Judd-Stein noted that there was an employee self-assessment about inclusion. Ms. Eleazar stated that BetMGM engaged a third-party researcher to determine where BetMGM was at in terms of diversity. She stated that BetMGM now included this assessment as part of the quarterly survey.

Commissioner Maynard asked if BetMGM could provide the Commission with all information it had up until this point related to supplier diversity. Ms. Eleazar stated that she would provide that information to the Commission, but that the information was not tracked prior to 2021. She stated that the information from 2018 to 2021 would not be wholly accurate.

Commissioners reached consensus that BetMGM had met the Commission's expectations in regard to Section D of the application.

d. [Proposed measures related to responsible gaming \(205 CMR 218.06\(5\)\(c\)\)](#) (6:48:40)

Commissioner O'Brien asked if there was a mechanism that would prevent payments from credit cards and payment sources one step removed from credit cards. Mr. Taylor noted that BetMGM only prohibited credit card payments in jurisdictions that prohibited credit card use. Mr. Kolman stated that if a regulation required prohibition of payment sources one step removed from credit cards, then BetMGM would work to ensure that providers would implement those controls. He stated that if providers were unable to implement controls for a service, BetMGM would not accept payments from that service. Commissioner O'Brien asked which jurisdictions prevented credit card and one step away sources from being used. Mr. Kolman reported that Tennessee and Iowa did not allow credit funding.

Commissioner O'Brien noted that the phone number listed in the Massachusetts Responsible Gaming Plan was a national number. She explained that by statute, Massachusetts required numbers approved by the Massachusetts Department of Health be listed. Mr. Taylor stated that BetMGM would ensure the correct number is listed and that the marketing plans would follow that guidance. Commissioner O'Brien asked which number was listed on BetMGM's website. Mr. Taylor explained that BetMGM created clone websites for each jurisdiction, and that the

responsible gaming logos, phone numbers, and links to state resources are specific to the Massachusetts page. Commissioner O'Brien asked if the different websites were IP address based. Mr. Taylor stated that the website would be based on the product the user was logged into, and that other states resources would be available through a link.

Commissioner Maynard commended the robust discussion of GameSense in the presentation. Chair Judd-Stein sought clarification regarding the role of Epic Risk Management. Mr. Taylor stated that Epic Risk Management provided educational seminars, workshops, and training for BetMGM's employees related to the risks of problem gambling.

Commissioners reached consensus that BetMGM had met the Commission's expectations in regard to Section E of the application.

e. [Technology that the applicant intends to use \(205 CMR 218.06\(5\)\(e\)\)](#) (7:00:12)

Chair Judd-Stein asked if dual-factor authentication was opt-in rather than required. Mr. Rubas confirmed that it was opt-in. Chair Judd-Stein stated that the responses from BetMGM were fulsome and educational. She noted that keeping records for five-years for self-auditing was something the Commission could look at requiring as regulators.

Commissioner Skinner stated that she sought more information related to the security of patron data as it related to the confidential investigation BetMGM disclosed. Chair Judd-Stein stated this topic would likely be appropriate for an executive session. She stated that the consensus of whether or not Section F of the application met the Commission's expectations would be held until after the executive session.

f. [Suitability of the applicant and its qualifiers \(205 CMR 218.06\(5\)\(f\)\)](#) (7:04:03)

Commissioner O'Brien stated that an article was attached to the IEB's report related to a substantial fine in Entain's compliance history. Mr. Kolman asked to discuss this topic in executive session. Commissioner O'Brien noted that the fact there was a fine was public knowledge and stated she would like more details about it. She stated that some of the details might put BetMGM at a competitive disadvantage if discussed publicly. General Counsel Grossman stated that any parts of the matter publicly reported would not be a proper topic for executive session. Commissioner O'Brien stated that the article discussed a set of fines against Entain from the U.K. Gambling Commission which settled for £17 million. Mr. Kolman noted that BetMGM had its own anti-money laundering ("AML") compliance department, and that Entain did not provide AML compliance to BetMGM.

Commissioner Skinner noted that in Section G of the application there was a response of "not applicable to BetMGM and parent company will provide info separately." She stated that a response from the parent company facing fines due to a violation should have been included in that answer. She stated that this settlement was referenced in the IEB's report but not disclosed directly in the application. Commissioner O'Brien stated that a number of responses had referred to Entain's application, but that Entain did not need to apply as an entity qualifier.

Commissioner O'Brien noted that there was a reference to certain marketing agreements on page 945 of BetMGM's application and stated that the entity referenced was not referenced anywhere else in the application. Mr. Wyseman requested that this information be discussed in an executive session. General Counsel Grossman stated that administrative or judicial proceedings tended to be matters of public record, and that there would have to be a showing that cases were not in the public record before they could be discussed in executive session.

Commissioner O'Brien stated that there was a pending litigation matter for a patent infringement case. She stated that if this litigation affected the technical capacity of BetMGM it could likely be discussed in executive session as a trade secret. Mr. Kolman noted that this case was active litigation. General Counsel Grossman noted that the complaint was a public matter. Mr. Kolman stated that the specifics as to technology were commercially sensitive. Commissioner O'Brien stated that she would like to know if that ruling could impact the technological capacity of the client.

Commissioner O'Brien stated that she would like to know if Entain had ever filed for bankruptcy. She stated that she wanted a clear answer as it was related to suitability. She noted that the response in the application was limited to BetMGM and MGM Resorts. She stated that this information is public and would not need an executive session. Commissioner Skinner stated that she had similar questions regarding disciplinary actions against Entain. Commissioner O'Brien noted that the question regarding internal controls similarly did not have answers related to Entain. Ms. Loney requested a brief recess to get relevant Entain employees on the call.

Ms. Loney introduced Entain's Senior Vice President of American Regulatory Affairs and Responsible Gaming Martin Lycka. Mr. Lycka noted that the U.K. matter was a regulatory settlement and not a fine. He stated that Entain had since improved and enhanced its government processes with a focus on responsible gaming and AML. Mr. Lycka stated that there had originally been over seventy counts, and that Entain had only been found guilty of six counts.

Commissioner O'Brien asked if Mr. Lycka could describe what the infractions were that resulted in settlement and what internal controls were changed in response to this matter. Mr. Lycka stated that improvements were made to AML and responsible gaming systems. He stated that the government's team was expanded to 600 employees, and that internal trainings were stepped up. He stated that a third-party was brought in to review Entain's governance processes. He stated that the results of these changes were presented at a hearing for license renewal in Nevada.

Mr. Lycka explained that Entain launched a new responsible gaming program called Advanced Responsibility and Care. He stated that Entain also created a dedicated team for responsible gaming matters. Commissioner O'Brien asked if Mr. Lycka could provide the facts of the seven matters that were the basis for the settlement. Mr. Lycka expressed he would prefer to speak about those issues in executive session.

Commissioner O'Brien noted that the CEO of BetMGM, Adam Greenblatt, once worked for Entain. She asked if Mr. Greenblatt was connected to the events at issue in the settlement. Mr.

Lycka stated that Mr. Greenblatt worked for Entain from 2017 to 2018 and was not involved in any of the issues that resulted in the settlement. Commissioner O'Brien asked if Entain had any bankruptcies. Mr. Lycka replied that Entain had not had any bankruptcies. Ms. Loney noted that BetMGM had separate responsible gaming operations that were not conducted by Entain personnel. She stated that BetMGM had its own AML polices and an AML team in-house at BetMGM.

Chair Judd-Stein asked if there were any questions for executive session. Commissioner O'Brien stated that she wanted to discuss the seven incidents that formed the basis for Entain's settlement. She stated that she also wanted to discuss the patent infringement case, the most recent Maryland incident, and the entity referenced on page 945.

Commissioner Skinner stated that she had questions pertaining to disciplinary action directed towards BetMGM. She stated she wanted more information regarding anything that was responsive to Section G(3) of the application. She stated that disciplinary incidents were mentioned in the IEB report, but that she wanted to know about the facts related to these incidents.

Commissioner Skinner stated that she also sought information related to the confidential investigation disclosed by BetMGM the previous week. General Counsel Grossman stated that the Commission needed to determine which matters were part of the public record before entering an executive session.

Chair Judd-Stein stated that in the question inquiring about administrative and judicial responses BetMGM had replied that Entain would submit its response with its application. She noted that Entain was not submitting an application, as they are a qualifying entity. Director Lillios stated that Entain submitted a Business Entity Disclosure form ("BED") which was reviewed by the Licensing Division.

Commissioner Skinner requested a summary of disciplinary incidents referenced in the BED. She stated that she would be happy to accept a written response to supplement that answer. Ms. Loney stated that BetMGM could provide a supplemental response. Commissioner Skinner asked if the information she requested was within the forms the IEB had. Ms. Loney confirmed it was.

Chair Judd-Stein noted that BetMGM's response to Section G(3)(g) of the application was that it was "not applicable to BetMGM" and questioned whether that was accurate. Mr. Wyseman stated that information was provided related to regulatory fines and proceedings, and that BetMGM had provided supplemental information after a deficiency notice was received. General Counsel Grossman stated that some of the matters were confidential, and others may not be. He stated that more information would be required before discussing each incident in executive session.

Ms. Loney offered to provide a brief summary of each incident in the public session. Ms. Brennan stated that many of the trading errors were manual errors in the beginning of

BetMGM's history. She stated that the best practices in the industry dramatically improved in the past three years. She noted that BetMGM tracked trends of errors and violations to help decrease the frequency of errors occurring.

Ms. Brennan stated that the first matter was related to a manual error where a trader failed to effectively reference proper compliance documentation. Commissioner Skinner asked if this was an in-house trader. Ms. Brennan confirmed that it was. She stated that the second incident was not properly documented, and that she would research the issue more thoroughly before providing information to the Commission. She noted that it was the same root cause and jurisdiction as the first incident.

Ms. Brennan stated that the third matter was due to several issues including a license application submitted late and a responsible gaming employee who was not appropriately licensed. She stated that the issues were all self-identified and that the fine encompassed four separate issues.

Commissioner Skinner suggested that the applicant provide a supplemental response rather than detailing each incident. Ms. Loney confirmed that BetMGM had submitted an attachment as part of the BED which detailed the incidents. Chair Judd-Stein noted that the Commission did not typically review the BED. Ms. Loney stated that she would supplement the answers in the application. Commissioner O'Brien stated that would be helpful. She stated that viewing Attachment 30(b) would be helpful. Chair Judd-Stein expressed apprehension that the Commission might be requesting the applicant to do more than what was requested in the application.

Director Lillios stated that it was not uncommon for operators who are active in many jurisdictions to have violations. She stated that the IEB reviews if there were multiple incidents where the same problem went unaddressed, whether the operator self-identified or self-disclosed the information to the regulator, whether the fines were timely paid, whether infractions were intentional or inadvertent, and whether the operator implemented remedial actions. She stated that it was not a surprise that an operator had violations as part of its history.

Executive Director Karen Wells stated that Massachusetts was a new jurisdiction and was not in a position to determine what the norm was for the industry. She stated that there would be an ongoing suitability investigation. She stated that the IEB would not be able to comment whether the breadth and scope of the violations was excessive. Chair Judd-Stein asked if the IEB would do further review of the compliance history during the durable suitability review. Director Lillios stated that the IEB adhered to the regulations requiring a summary of self-disclosed history, and that she was not in a position to opine as to whether any violations jumped out. She stated that there would be further review for durable suitability.

Commissioner Skinner stated that she was not looking to assess the number or severity of the disciplinary actions. She stated that she was looking for an answer to the question in the application as other applicants had done. She stated that there was an inconsistent response between the application and the BED that needed to be rectified. Mr. Kolman stated that BetMGM interpreted the question as being about judicial proceedings and not fines as a result of

regulatory settlements. Chair Judd-Stein stated that administrative proceedings included regulatory settlements. Commissioner O'Brien stated that she agreed with Chair Judd-Stein's interpretation. Mr. Kolman stated that he would amend the answer to include settlements.

Mr. Wyseman stated that Attachment 30(b) of the BED answered the question. Ms. Loney stated that the attachment was three pages and could be provided to the Commission for review. Chair Judd-Stein recommended the Commission take a brief pause to review this form.

Director Lillios introduced Lead Investigator Joe Duggan. Mr. Duggan stated that BetMGM had submitted supplemental answers to the BED, and that the IEB's report summarized as much detail as was submitted. Chair Judd-Stein asked if the amount of detail was consistent with industry practices. Mr. Duggan stated that operators all had litigation and regulatory fines. Director Lillios reiterated that the IEB had relied upon what was in the regulation and the applicant's attestation to the veracity of the submission. She stated that the IEB would conduct a full suitability review and if the applicant was found to have been misleading their license was at stake. She stated that the Commission found this a compelling paradigm to move forward with.

Commissioner Skinner reiterated that she wanted to see the answer in Section G(3)(g) supplemented to account for the disconnect between the application and the BED. She stated that she would be willing to accept supplemented documentation. Director Lillios stated that there was a supplemental document not in the IEB's preliminary report that had yet to be reviewed. Commissioner O'Brien stated that fact changed things for her. Director Lillios offered to provide the Commission with the chart submitted. Commissioner O'Brien expressed concern about the Commission viewing a document the IEB had yet to review.

Chief Enforcement Counsel Heather Hall explained that a supplemental document was submitted to the Licensing Division. She stated that it referenced the same fines in the IEB report but included incidents without fines. She stated that the IEB's report was consistent with the supplemental document.

Ms. Loney explained that the supplemental document gave slightly more information related to each fine. Commissioner Skinner stated that if the supplemental document was consistent with the information Ms. Brennan provided, she would like to review that document. Commissioner O'Brien agreed that the information present within the application needed to be supplemented. Commissioner Maynard stated that this was a possibility as the Commission put similar questions in two separate places. Commissioner Hill confirmed that he wanted the Commission to be provided with the information Commissioner Skinner was requesting.

Commissioner O'Brien suggested that the Commission enter executive session on the topics previously identified. She stated that BetMGM could supplement the application and that any vote would be conditional upon further review of the supplemental information. General Counsel Grossman stated that this approach would work.

8. [Executive Session](#) (8:58:02)

Chair Judd-Stein asked for the executive session topics to be reiterated. General Counsel Grossman stated that there were matters related to confidential investigations, the collaboration referenced relative to marketing agreements on page 945, the pending litigation relative to a patent infringement matter, the seven matters relative to Entain's regulatory settlement, and matters related to judicial and administrative proceedings. Commissioner O'Brien noted that only the Maryland matter could be discussed in executive session. General Counsel Grossman stated that those matters fell under the umbrella of being competitively sensitive to the point that if discussed publicly, it would place BetMGM at a competitive disadvantage.

Chair Judd-Stein stated that the Commission anticipated that it may meet in executive session in conjunction with its review of the BetMGM, LLC application in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to consider information submitted by the applicant in the course of its application for an operator license that is 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 for the specific reasons delineated by General Counsel Grossman just prior to the Chair's summary. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Transcriber's Note: The Commission entered executive session and returned to the public session of the meeting at [10:17:15](#).

Commissioners reached consensus that MGM had met the Commission's expectations in regard to Section F of the application.

Chair Judd-Stein asked if the information from the executive session met the Commission's expectations for Section G. Commissioner Skinner stated that she was satisfied with the exception of the unlicensed supplier matter and unauthorized credit card transaction. She asked if the applicant could explain the cause for these incidents and what remediation efforts were put into place.

Ms. Brennan stated that BetMGM's vendor Sightline had a coding issue that allowed credit transactions because the BIN was not properly prohibited from making transactions. She stated that this impacted all operators. She stated that BetMGM had 911 credit card transactions in the amount of \$266,878. She stated that once notified BetMGM conducted an audit to ensure no further credit card transactions took place. She stated that subsequent audits have been conducted

within the year after the notification. She stated that internal controls and terms of service were revised. She stated that she had testified in Iowa where Sightline accepted responsibility for having allowed these transactions.

Commissioner Skinner asked if credit cards were used to deposit funds in wagering accounts. Ms. Brennan confirmed that was correct. Commissioner Skinner asked if those funds were able to be put towards bets. Ms. Brennan confirmed that credit card funds were used for wagering activities. Commissioner Skinner asked if anything further was required as the settlement other than the fine payment. Ms. Brennan stated that proof of remediation methods and an evaluation of Sightline's internal compliance functions were also required.

Commissioner Skinner asked how this incident was brought to BetMGM's attention. Ms. Brennan stated that Sightline self-reports to the regulator and operators. She stated that BetMGM conducted an audit in parallel with Sightline's audit. Commissioner Skinner stated that six months of prohibited activity was significant.

Commissioner O'Brien asked if there were protocols in place to spot check compliance. Ms. Brennan stated that BetMGM did UAT testing prior to deployment of the platform in a new jurisdiction. She stated that any violation had been addressed as part of the regular compliance audit routine.

Commissioner Skinner requested details related to the unlicensed vendors. Mr. Wyseman reported that BetMGM worked with several third-party vendors who provided data. He stated that there was an error in an internal communication about the licensing status of a vendor. He stated that BetMGM had inadvertently relied upon that vendor's services at the time of launch despite their application for a license not being approved. He stated that the vendor was subsequently licensed in other jurisdictions. He stated that the licensing team had been expanded and put a more structured process with safeguards in place.

Commissioners reached consensus that MGM had met the Commission's expectations in regard to Section G of the application.

[9. BetMGM, LLC license application determination by the Commission in accordance with 205 CMR 218.07](#) (10:31:22)

Chair Judd-Stein asked for General Counsel Grossman to clarify the factors the Commission was to use to evaluate the application. General Counsel Grossman reiterated that the factors the Commission would evaluate would be: the applicant's experience and expertise related to sports wagering; the economic impact and benefits to the Commonwealth; the applicant's proposed measures related to responsible gaming; the description of the applicant's willingness to foster racial, ethnic, and gender DEI; the technology the applicant intends to use in operation; the suitability of the applicant and qualifiers; and any other appropriate factor in the Commission's discretion.

General Counsel Grossman stated that there were two options for suitability. He stated that a durable finding of suitability could only be awarded if an applicant had been through an adjudicatory proceeding pursuant to 205 CMR 101. He stated that there had not been an adjudicatory proceeding for BetMGM. He stated that a preliminary finding of suitability may be awarded based upon certifications made by the applicant and in the IEB's report.

Chair Judd-Stein asked if there were any conditions to attach to BetMGM's license. General Counsel Grossman noted that the only condition he noted was that BetMGM submit information related to supplier diversity. Commissioner Maynard reported that the applicant's goals were presented as a 2% rate across each category. Commissioner Skinner stated that she wanted to see the number of vendors to put the 2% number in context. The Commissioners reached consensus in support of adding this condition.

Commissioner O'Brien proposed a condition that BetMGM provide timely ongoing notice to the IEB about any developments in either of the confidential investigations disclosed on December 16, 2024, and further discussed in executive session. The Commission reached consensus in support of adding this condition.

General Counsel Grossman reiterated that a series of automatic conditions were attached to licensure. He stated that whether pre-registration could occur might be better addressed by regulation. He stated that the automatic conditions that attach to the license were: the operator obtain an operations certificate before conducting sports wagering; the operator comply with all terms and conditions of the license and operations certificate; the operator comply with G.L. Chapter 23N and all rules and regulations of the Commission; the operator make all required payments to the Commission in a timely manner; the operator maintain its suitability to hold a sports wagering license; and the operator conduct sports wagering within its approved system of internal controls and in accordance with its approved house rules and G.L. c. 23N § 10(a).

Commissioner Hill moved that the Commission find that the applicant BetMGM, LLC, through its application submitted and discussed here today and subject to the conditions discussed here today has established by substantial evidence and met the criteria set forth in 205 CMR 218.06(5) (a) through (e) and (g), and further that any award of the category three license to the applicant would be to the benefit of the Commonwealth. Commissioner Maynard seconded the motion.

Chair Judd-Stein asked if the motion needed to be amended to expressly include the conditions. Commissioner O'Brien moved to amend the motion to include the first condition, that the licensee provide a vendor diversity list as requested, and the second condition, that BetMGM provide timely and ongoing updates concerning any developments connected to the two confidential investigations that were first disclosed to the IEB on December 16, 2022; and further discussed in executive session today. Commissioner Hill accepted the amendment. Commissioner Maynard seconded the motion.

Roll call vote:

Commissioner O'Brien: *Aye.*

Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Commissioner Maynard: Aye.
Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Commissioner Hill moved that the Commission find that the applicant BetMGM, LLC, be found to have established by its application filing reviewed by the IEB and the discussion here today by clear and convincing evidence its suitability consistent with 205 CMR 218.06(5)(f) and that any conditions subject to a finding of suitability also reference the obligations outlined in 205 CMR 220.01.

General Counsel Grossman explained that preliminary suitability required substantial evidence and not clear and convincing evidence. Commissioner O'Brien asked if 205 CMR 218 was the correct cite for preliminary suitability. General Counsel Grossman stated that preliminary suitability was captured in 215.01(2)(b). Commissioner Hill withdrew his motion.

Commissioner Hill moved that the Commission find that the applicant BetMGM, LLC, be found to have established by its application filing reviewed by the IEB and the discussion here today by substantial evidence its suitability consistent with 205 CMR 215.01(2) and that any conditions subject to a finding of suitability also reference the obligations outlined in 205 CMR 220.01. Commissioner Maynard seconded the motion.

Chair Judd-Stein asked if the suitability had to be further clarified as preliminary suitability. General Counsel Grossman stated that the regulation cited stated that it was for preliminary suitability. Commissioner O'Brien offered an amendment to add the word "preliminary" before the term "suitability" in the motion. Commissioner Hill accepted the amendment and Commissioner Maynard seconded the amended 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.

10. [Other Business](#) (11:11:29)

Executive Director Wells recommended adjusting the agenda for the public meeting on December 20, 2022, as the Commission would not reasonably get to the agenda item evaluating Fanatics' application. Commissioner O'Brien agreed and stated that it was not realistic to get to Fanatics' application at that meeting.

Chair Judd-Stein agreed, and stated that Caesars, Plainridge Park Casino, then Penn Sports Interactive would be reviewed at the next day's meeting. Commissioner O'Brien asked if the

Commission had received the supplemental information from Caesars. Director Lillios stated that the Licensing Division had received their BED. Director Lillios stated that the Licensing Division indicated that the preliminary review for administrative completeness would be ready for the meeting.

Chair Judd-Stein requested that General Counsel Grossman move the Commissioner update scheduled for 9:00 a.m. to the following day. Hearing no other business, Chair Judd-Stein requested a motion to adjourn.

Commissioner Hill 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 December 12, 2022