



Massachusetts Gaming Commission

Meeting Minutes

Date/Time: February 6, 2025, 9:30 a.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 832 4537

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

Commissioners Present:

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

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

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

2. [Meeting Minutes](#) (00:35)

Commissioner Skinner moved that the Commission approve the minutes for the June 20, 2023, August 30, 2023, and June 17, 2024 meetings that are included in the Commissioners' Packet, subject to any necessary corrections for typographical errors or any other non-material matters. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

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

Commissioner Skinner moved that the Commission approve the minutes for the November 21, 2024, December 5, 2024, and January 9, 2025, meetings that are included in the Commissioners' Packet, subject to any necessary corrections for typographical errors or any other non-material matters.

Commissioner O'Brien noted one edit to the January 9, 2025, meeting minutes (on page 15) regarding the procedural posture taken in advance of the vote taken by Commissioners. Commissioner Skinner confirmed that the edit would be made to the meeting minutes prior to their finalization.

Commissioner O'Brien then seconded the motion.

Commissioner O'Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Commissioner Brodeur: Aye.
Chair Maynard: Aye.
The motion passed unanimously 5-0.

3. [Administrative Update](#) (04:55)

a. Update on collaborative work underway with Department of Public Health

Executive Director Dean Serpa provided an update on collaborative projects underway between the Massachusetts Gaming Commission ("MGC") and the Department of Public Health ("DPH"), specifically the Commonwealth's Office of Problem Gambling Services. Executive Director Serpa stated that a Memorandum of Understanding ("MOU") between the MGC and the Executive Office of Health and Human Services, originally executed in July 2014 and renewed in August 2021, called for the two agencies to collaborate on initiatives of mutual interest in the area of problem gambling.

Executive Director Serpa reported that the Commission held meetings with DPH Executive Director Goldstein (June 5, 2024), DPH Assistant Commissioner Diop (June 7, 2024), and the Office of Problem Gambling Services Director Ortiz (October 2024) to discuss areas of mutual interest. Executive Director Serpa also provided a brief overview of some of the initiatives discussed by the Commission and DPH staff including, a study of existing disclaimer language in sports wagering advertising to ensure clarity, updating the problem gambling helpline website to provide clear instructions for enrolling in the voluntary self-exclusion program, providing a refresher training for Massachusetts Problem Gambling Helpline staff on the Voluntary Self-Exclusion ("VSE") program and enrollment processes, and creating a framework with the district

courts to deliver required problem gambling assessments to determine if individuals should be placed on the statewide mandatory exclusion list.

Executive Director Serpa noted that the biggest challenge was maintaining momentum on these initiatives due to competing priorities at both agencies. He emphasized the importance of the Commission communicating its top priorities for collaboration to the DPH.

Commissioner Skinner stated that she appreciated the transparency and the involvement of staff in these endeavors. Commissioner O'Brien stated that she appreciates the spirit of working together with DPH and other state agencies to move these issues forward.

Executive Director Serpa confirmed that the Commission would remain focused and steadfast in making progress.

b. [Discussion Regarding Human Resources Department Staff Vacancy](#) (15:18)

Executive Director Serpa stated that the Commission was preparing to post a hiring notice for Division Chief of the Human Resources Division. He explained that the position was a new job title, but it would be designated as a major policymaking position and subject to the MGC Hiring Policy 1.03.01. He outlined the policy to the Commissioners and also provided a list of positions within the Commission that were subject to the policy. He added that policy allowed for options such as the Chair designating one or two Commissioners to participate, the Commission's notification and review of the job posting, establishing notification requirements during the hiring process, or delegating the hiring process to staff with conditions.

A memorandum regarding the vacancy within the Human Resources Division, the full HR Policy regarding Hiring Authority, list of current Agency positions subject to the Policy, and the current job description for the Division Chief, Human Resources Division, was included in the meeting packet on pages 54 through 63.

Commissioner Brodeur stated he was comfortable with the job description within the meeting packet and noted his preference to delegate the hiring process to the Executive Director.

Commissioner Skinner noted that the positions title was being changed to Chief People and Diversity Officer to Chief Human Resources Officer. She expressed her comfort with that change, as it would be more consistent with the naming conventions of other Chief-level positions at the Commission. She noted for the record that revising the job title by removing the reference to diversity did not reflect a reduction in the Commission's expectations that that particular work be carried out. She noted that now more than ever the commitments made by the Commission to be intentional about DEI work and its operator's and licensee's DEI work remained strong – despite what is playing out at the federal level and across the country.

Commissioner Skinner also voiced her support in designating the Executive Director to develop the hiring process for the position, with the condition that at least one Commissioner serve on the hiring committee. She stated that she would be happy to serve on the Committee.

Commissioner O'Brien stated that she agreed with Commissioner Skinner on the condition of Commissioner participation and stated that Commissioner Skinner was an excellent choice. She also suggested that the education and experience requirement for the position be changed from 15 years of HR management experience to a lower range, such as 7 to 10 years. After a brief discussion, Commissioners reached consensus on this point and agreed to change the experience requirement to a range of 7 to 10 years.

Chair Maynard also noted his interest in joining the Hiring Committee with Commissioner Skinner and the Executive Director. Executive Director Serpa confirmed that he had the necessary information to post the job description and begin the candidate search.

4. [Legislative Update](#) (25:44)

Commissioner Brad Hill noted that he did not have a new legislative update to provide, as the previous update from the last public meeting was still current. Commissioner Hill sought feedback from his fellow Commissioners on whether they would consider directing staff to send another letter to the Massachusetts House of Representative leaders who were working on the upcoming budget. He stated that the letter would be similar to one sent a few months prior. He stated that the letter would aim to address four main issues:

- 1) Restoring funding for the Community Mitigation Fund, including an explanation of why this program is needed in the communities it serves;
- 2) Maintaining the current revenue stream for the Racehorse Development Fund, and requesting to utilize up to 10% of the fund for regulating the racing industry;
- 3) Maintaining funding for the Public Health Trust Fund; and
- 4) Amending Chapter 23N, the sports wagering statute, to allow the Commission to effectively regulate the industry by allowing operators to submit commercially sensitive and confidential documentation without it being open to the general public. This request would use the same language as in the previous letter.

Chair Maynard summated the presentation by Commissioner Hill and inquired whether the Commissioners were comfortable sending the letter to the Legislature. Commissioner O'Brien voiced her support for sending the letter. Chair Maynard noted his support for the letter but pointed out that there could be some pushback on taking money away from the purses to put funds towards the Commission's funding. He stated he would ultimately defer to the Legislature on how to deal with that issue and noted the Commission could provide them guidance as necessary. Commissioner Skinner voiced her agreement in support of the letter being drafted and sent.

Commissioner Hill thanked his fellow Commissioners, and stated he would work with Executive Director Serpa and staff to have the letter sent to the House leaders.

5. [Discussion and Possible Adoption of Super Bowl Prop Wagers](#) (28:58)

Commissioner Hill then transitioned into discussing the adoption of specific proposition wager ("Prop wagers"). He stated that this was an issue that had been taken up last year, and on a 3-2

vote, the Commission had decided to not allow Super Bowl prop wagers. *A memorandum from the 2024 meeting regarding proposition wagers was included in the meeting packet on pages 64 through 65.*

Commissioner Hill stated that after witnessing the previous year's coin toss, there did not appear to be any problems with betting integrity and that he had also looked into the issue in other jurisdictions. He then asked the Commissioners to discuss and consider offering wagers on the coin toss results, the coin toss winner, the coin toss winner wins game, and the coin toss call result, all of which had been voted on last year.

Commissioner O'Brien sought clarification whether the bets under consideration were not existing prop bets but were considered as an "other event" that would be added to the catalog. Chief of the Sports Wagering Division, Carrie Torrisi, confirmed that the wagers would be added under the "other event" category.

Commissioner O'Brien stated that she was a "nay" last year, and was still a nay this year, but respected Commissioner Hill for bringing the issue forward so that they could have the conversation. She stated that she had spoken with Chief Torrisi in the weeks prior to the meeting and had learned that no operators had asked for the event to be added to the catalogue.

Commissioner Brodeur stated that he would support the motion if it came forward for a vote. He recognized that a certain segment of the betting market would be looking to make these kinds of wagers.

Commissioner Skinner expressed the sentiment that nothing had changed since the discussions that took place one year prior. She also noted that no operator had come forward to request or petition to authorize the event, despite being on the eve of the Super Bowl. Commissioner Skinner also inquired whether the proposal made in this way would qualify as an "other event", and noted there was no legal analysis or process to go through. She stated that she was reluctant to bypass the requirements placed on operators.

Deputy General Counsel, Justin Stempeck, responded that the decision last year was not based on a limitation within the authority of the Commission, rather that the Commission had the authority to add events to the catalog. He stated that legal counsel had recently reviewed existing regulations and statutes and concluded that the Commission had the authority to add events to the catalog if it chooses to do so.

Commissioner Skinner noted that last year, Commissioner Hill had acknowledged that the Commission previously decided that Commissioners could not independently bring a request for events to be added to the catalog. She asked for a legal interpretation on how to reconcile the previous year's outcome with the current discussion.

Deputy General Counsel Stempeck explained that the legal team had looked into the issue in the past few weeks and had discussions with the Commissioners. He confirmed that the legal team found a fundamental authority within the statute in the creation and modification of the catalog. Attorney Stempeck confirmed that legal counsel looked at prior discussions where this became a

question and determined that the Commission had not precluded itself from bringing forward these items to be considered for the catalog.

Commissioner O'Brien noted that the conundrum was that there was no regulation in place, and the lack of the regulation put the Commission in an unfortunate situation.

Chair Maynard stated his belief that a Commissioner should be able to add items to the catalog, and that the Commission had done this based on other jurisdictions' ability to amend their catalog without filling out formal forms.

Commissioner Skinner asked that the Sports Wagering team include statistics on the prop bets if the motion passed, as well as the tax revenue on the wagers if they were offered. Commissioner O'Brien agreed that it would be wise to review the revenue statistics.

Commissioner Hill moved that the Commission amend the official catalog of events and wagers to include the Super Bowl coin toss results, winner, winner wins game, and the coin toss call result. Commissioner Brodeur seconded the motion.

Commissioner O'Brien: Nay.

Commissioner Hill: Aye.

Commissioner Skinner: Nay.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed 3-2.

6. [Racing](#) (53:55)

- a. Plainridge Park Casino Request for Capital Improvement Fund Reimbursement (Paddock Renovations)

Director of Licensing and Chief Veterinarian, Dr. Alex Lightbown, introduced Racing Analyst Chad Bourque. Mr. Bourque introduced Steve O'Toole, General Manager of Plainridge Racing, and Bill Curry of Curry Construction Systems to provide more information on the paddock improvement project. *A Memorandum and information regarding the Reimbursement Request was included in the meeting packet on pages 66 through 95.*

Mr. Curry then gave a brief overview of the paddock renovation project. Mr. Curry stated that the project was exciting and that he was pleased with the results of the paddock upgrade.

Mr. Bourque stated that he had reviewed the request and all supporting documents, including invoices from the contractor, bank statements showing payments to the contractor, and a recommendation letter from Dixon Salo Architects. He noted that the request for consideration had been previously approved by the Commission on February 29, 2024. Mr. Bourque stated that he recommended the Commission approve the reimbursement request.

Commissioner Hill moved that the Commission approve the Plainridge Park Casino Capital Improvement Trust Fund request for reimbursement in the amount of \$906,362.94 for Paddock

Renovations, as included in the Commissioner's packet and discussed here today. Commissioner Brodeur seconded the motion.

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

Mr. O'Toole thanked the Commission and noted that they had received positive feedback on the renovations from horsemen and racing staff.

7. [Sports Wagering Division](#) (1:00:28)

- a. Request for Temporary Waiver from identity authentication questions requirement in 205 CMR 248.04(4) for Penn Sports Interactive (PSI), BetMGM, DraftKings, and Bally Bet

Carrie Torrissi, Chief of Sports Wagering Division, presented the waiver request. She stated that this item concerned a waiver request for four operators related to 205 CMR 248.04(4). The regulation requires operators to use identity authentication questions (also known as KBA) as part of their Know Your Customer ("KYC") process or to have alternative methods approved by the Commission. *The Memorandum of Request for Temporary Waiver from 248.04(4) was included in the meeting packet on page 46.*

Chief Torrissi reminded the commissioners that last month, they reviewed and approved FanDuel's alternative KYC methods after it was discovered that those methods had been previously approved by the Sports Wagering Division in error. She explained that the approval should have come to the Commission directly. Following that error, the Sports Wagering Division reviewed all operators, and discovered the same mistake was made with other operators. The Division had erroneously approved alternative KYC methods for Penn Sports Interactive (PSI), BetMGM, DraftKings, and Bally Bet, which should have been submitted to the Commission for approval.

Chief Torrissi requested a temporary waiver in order to bring these four operators into regulatory compliance while the Division worked to review their processes and schedule them for upcoming meetings with the Commission to formally approve their processes.

Torrissi noted that all of the alternative KYC processes currently in use are as strong, if not stronger, than KBA. She stated that she did not have concerns about issuing a temporary waiver to operators. She also highlighted that in the Division's memorandum, they requested a waiver until March 27, 2025 but it would be helpful if the waiver could be extended through April 30, 2025 to allow more time for review and scheduling.

With that, Commissioner Skinner moved that in accordance with 205 CMR 202.03(2), the Commission extend the existing waiver to all licensed sports wagering operators from the

requirements outlined in 205 CMR 238.12 until June 1, 2025, as granting the extension to the waiver meets the requirements specified in 205 CMR 102.03(4) and is consistent with the purposes of G.L. c. 23N. Commissioner Brodeur seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

8. [Legal](#) (1:03:23)

- a. 205 CMR 238.12: Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering - Discussion and Review of Regulation Amendments and Small Business Impact Statement for Authorization to Begin the Promulgation Process by the Commission

Justin Stempeck, Deputy General Counsel, introduced the discussion regarding 205 CMR 238.12, which concerned the letter of credit regulation for sports wagering operators. Attorney Stempeck noted that the Commission had previously received informal operator feedback, and had a lengthy discussion on January 9, 2025 regarding the various options the Commissioners could take in regard to amending the regulation. Following that meeting, the Commission had requested an informal commentary from operators regarding the economic impact of securing a letter of credit to cover either liabilities or account balances. *A Memorandum, draft of the regulation, Small Business Impact Statement, and all comments submitted to the Commission were included in the meeting packet on pages 54 through 47.*

Attorney Stempeck reported that most operators indicated that a letter of credit to cover account balances would be more costly than covering liabilities. He added that some operators noted that liabilities fluctuated significantly throughout the year and provided an example of liabilities being higher during the Super Bowl or March Madness. Attorney Stempeck reported that many operators raised concerns about the inflexibility of letters of credit, although they acknowledged that letters of credit offered the best protection in the event of bankruptcy. Attorney Stempeck mentioned that after discussions with CFAO Lennon, setting the letter of credit at 110% of the preceding year's account balances seemed reasonable. He noted that a definition of "sports wagering liability" was added to 205 CMR 238.01 for more clarity.

Attorney Stempeck outlined two options for the Commission. The Commission could maintain the existing regulation, which covers only the liabilities with a letter of credit and add the definition of "sports wagering liability" to 205 CMR 238.01. This means that patron wagers would be protected by a letter of credit and money in patron accounts not currently being wagered would, at the operator's option, be protected by placement in a segregated account or by backup through a letter of credit, or cash reserves.

The second option would require a revision to 205 CMR 238.12 to require letters of credit for sports wagering accounts (instead of liabilities), while still adding the "sports wagering liability" definition in 205 CMR 238.01. This would mean that the Commission would not require a letter of credit as backup for wagered funds, but only for funds not currently being wagered.

Commissioner Skinner stated that she was looking for more solid numbers from the operators in terms of the difference in cost between covering account balances versus liabilities, as she only got a general sentiment from comments that covering account balances would cost more.

Commissioner Skinner sought clarification if there were waivers currently in effect and where operators stood on their compliance with the existing regulation. Chief of the Sports Wagering Division, Carrie Torrisi, confirmed that there were waivers in effect for operators until June 1, 2025.

Commissioner Skinner expressed that she was not in favor of removing any of the requirements that were currently in place for operators including a letter of credit for liabilities. She noted however that as the Commission did not have enough information from operators regarding their firm preference for and fiscal significance of a letter of credit for liabilities over account balances. Commissioner Skinner stated that she was still in favor of requiring a letter of credit to cover the balances of accounts, not liabilities. Commissioner Skinner explained that funds that were wagered were already at risk of being lost based on the understanding that those funds could be lost on a losing wager, whereas the funds within a player account were expected to be safeguarded.

Commissioner O'Brien asked Attorney Stempeck to confirm that option two was the option that would require letters of credit only for Sports Wagering Accounts. Attorney Stempeck confirmed and reminded the Commission that the current discussion was only to start the promulgation process, which included a public comment period on the drafted regulation. Commissioner O'Brien stated she agreed with Commissioner Skinner's position.

Commissioner Hill stated his preference for the first option presented by Attorney Stempeck. Commissioner Brodeur stated that he understood the theoretical concern being addressed by option two, but was not convinced that the Commission should add that requirement at present.

Attorney Stempeck clarified that the motion he drafted also accounted for adding the definition of "sports wagering liability" to 205 CMR 238.01.

Commissioner O'Brien noted that she could support the first option presented along with the definition, and suggested separate regulations or warnings language to patrons regarding their account deposits not being secured in the same way as a bank account would be. Attorney Stempeck stated that he could work on Commissioner O'Brien's suggestion in a parallel path to the current regulation.

Commissioner Hill noted that it appeared that the Commission may not be ready to proceed with the regulation as proposed and may need more time to consider the options before it. Attorney Stempeck noted that a consensus for option one appeared to be developing and stated that a separate, and parallel track could be considered regarding warnings or language about account deposits not being secured like a bank or financial institution, as proposed by Commissioner O'Brien. Chair Maynard noted that this had been in discussion for quite some time and noted that it could be beneficial if the Commission could get started on something.

With that, Commissioner Hill moved that the Commission approve the relevant portion of the small business impact statement and the draft of 205 CMR 238.01 as included in the Commissioner's Packet and discussed here today, and further that staff be authorized to take the steps necessary to file the required documentation to begin the regulation promulgation process. The motion was seconded by Commissioner O'Brien.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0.

[Recess](#) (1:23:23) *Transcriber's note: The Commission took a short break, and resumed the meeting at 11:00a.m. EST. All five Commissioners were present after the break.*

b. [2024 Administrative Appeals Summary](#) (1:29:10)

Staff Attorney, Autumn Birarelli, presented a summary of the administrative appeals submitted to the Commission in calendar year 2024. *The presentation was included in the meeting packet on pages 106 through 114.* Attorney Birarelli stated that the regulation governing appeals was 205 CMR 101. She noted that 2024 was a record number of appeals, totaling 25, which was the highest number the Commission had ever received. All 25 appeals came in during the first ten months of the year, with no submissions in November or December of 2024. She highlighted that there were more horse racing appeals in 2024 than in the previous 5 years. Attorney Birarelli stated that after appeals were decided by a hearing officer, there were 7 appeals to the full Commission in 2024 - all related to IEB cases and not horse racing or Voluntary Self Exclusion ("VSE") matters. Of those 7 appeals, the IEB appealed 3 decisions, and the appellants appealed 4 of the hearing officer's decisions.

Commissioner Skinner asked if the appeals were responded to by email, and if so, what happened when an email was returned as undeliverable. Attorney Birarelli responded that the Clerk's office mostly corresponds by email and that she had not experienced receiving an undeliverable email, but if it were to happen, she would try to reach out by another means provided on their forms.

Commissioner Brodeur asked if the 7 appeals to the Commission were part of the 25 appeals she mentioned previously. Attorney Birarelli clarified that the 25 appeals were initial appeals to the hearing officers, and the 7 appeals to the Commission were a subsequent step for those who disagreed with a hearing officer's decision. She also clarified that the 7 appeals to the Commission were not all from the 25 appeals of 2024, as some decisions were continued into the following year based on timing.

Commissioner O'Brien and Chair Maynard both noted their appreciation for the overview and the perspective it gave on the work of Attorney Birarelli and Commission staff who served as clerks for these kinds of appeals.

Commissioner O'Brien asked if there was any known reason for the uptick in horse racing appeals. Attorney Birarelli deferred to the Director of Racing, Dr. Lightbown, who clarified that there was no particular reason, but that there were fewer active races in previous years due to COVID and the shutdown of thoroughbred racing in 2019, which accounted for fewer appeals in those years. She also added that of the horse racing appeals in 2024, only two resulted in a full hearing, with the others being dismissed or dropped by the appellant.

Attorney Birarelli thanked the Commissioners for their time and attention.

9. [Investigations and Enforcement Bureau](#) (1:44:05)

- a. Briefing on Noncompliance Matter Related to Temporary Category 3 Sports Wagering Licensee Penn Sports Interactive, and Discussion Regarding Next Steps. Alleged noncompliance relates to Communications Sent to members of the Massachusetts Voluntary Self- Exclusion List in violation of 205 CMR 256.07(1), 205 CMR 233.06, and 205 CMR 133.06.

IEB Director Monahan introduced Zac Mercer, IEB Enforcement Counsel, to discuss the first two of the three noncompliance matters the IEB had brought forward for Commission review. Attorney Mercer presented the details of a noncompliance matter involving Penn Sports Interactive, a Temporary Category 3 Sports Wagering Operator. ("PSI"). *A summary of the Noncompliance matter was included in the Commissioner's packet on page 115.*

Attorney Mercer stated that PSI had erroneously sent marketing materials to eight (8) individuals on the Massachusetts Voluntary Self-Exclusion List, and thirty-six (36) individuals who had self-excluded with PENN Entertainment and have at one point had activity in Massachusetts. Attorney Mercer stated that PSI reported that the issue was due to a human error in which the marketing team failed to check the appropriate boxes to filter communications to patrons. PSI self-reported this to the Sports Wagering Division on April 5, 2024.

Commissioner O'Brien asked about measures taken by the Operator to prevent future errors. Attorney Mercer explained that PSI has implemented additional backend selections to target groups to act as a fail-safe should manual processes fail, a two-employee sign-off to confirm that

appropriate steps were taken to ensure appropriate filters were reset, and additional quality assurance checks.

Commissioner O'Brien asked if the Commission had heard from any of the 36 individuals who were erroneously contacted. Attorney Mercer stated that it was his understanding that PSI became aware of this due to a consumer complaint received from another jurisdiction, which led to an internal review and learning how this occurred, and who had received erroneous communications. Commissioner O'Brien stated that she would support sending this matter to the IEB for a recommendation to the Commission on a later date.

Commissioners reached consensus to send the matter back to the IEB for a recommendation.

- b. [Update on IEB review of Potential Noncompliance with 205 CMR 248.04\(4\) by American Wagering Inc., d/b/a Caesars Sportsbook, a Category 3 Sports Wagering licensee, as requested by the Commission](#) (1:48:51)

Attorney Mercer then presented an update on a noncompliance matter involving American Wagering Inc., d/b/a Caesars Sportsbook, a Category 3 Sports Wagering licensee. Attorney Mercer noted that discussion was a continuation from an initial presentation on April 30, 2024, regarding 205 CMR 248.04(4), which involves the use of identity authentication questions (KBA) in the KYC (Know Your Customer) process for sports wagering operators. The MGC requested that the IEB review the matter for potential non-compliance.

The IEB conducted a preliminary review, which was presented to the Commission on July 11th, 2024. The IEB presented a timeline of communications, summarized in the memo submitted to the Commission. Attorney Mercer explained that the IEB reviewed correspondence between the Sports Wagering Division and Caesars, and discerned the failure was the result of several concurrent issues. First, Caesar's partially relied upon its prior GLI certification which indicated it was compliant with the earlier wording of 205 CMR 248.04(4). Second, Caesar's interpreted the lack of a reply from the Sports Wagering Division to its June 8, 2023 email stating that it did not use KBA questions as confirmation that its reported process was compliant. Third, Caesar's belief that it was compliant was further reinforced by its internal position that the process that it had in place, which was explained to the Sports Wagering Division in its June 8th 2023 email, was superior to the standard KBA processes that were required. No representations were made by the Sports Wagering Division that Caesars' alternative process was compliant prior to the discovery of the non-compliance in January of 2024. Ceasars also communicated to the IEB that there was no attempt to disregard their requirements.

Commissioner O'Brien expressed her support for sending the matter back to the IEB for a recommendation. Commissioner Skinner noted that the Sports Wagering Division communicated the amendments to the regulation and included a link to the public meeting packet where the change was discussed in an email that went unresponded to by Caesars. She recognized that both sides bore some culpability in the error and agreed with Commissioner O'Brien's recommendation to send the matter back to the IEB for a recommendation.

Commissioners reached consensus to send the matter back to the IEB for review. Attorney Mercer thanked Commissioners and concluded this portion of the IEB's presentation.

- c. [Briefing on noncompliance matter related to Category 3 Sports Wagering Licensee American Wagering, Inc. d/b/a Caesars Sportsbook and Discussion Regarding Next Steps. Alleged Noncompliance Relates to Wagers on an Unauthorized Event in violation of M.G.L. c. 23N § 3 and 205 CMR 247.01\(2\)\(e\) \(1:54:35\)](#)

Nate Kennedy, Enforcement Counsel for the IEB presented a briefing on a noncompliance matter involving American Wagering, Inc. d/b/a Caesars Sportsbook, a Category 3 Sports Wagering Operator. *A summary of the Noncompliance matter was included in the Commissioner's packet on page 116.*

Attorney Kennedy stated that Caesars offered wagers on "Tournament Total Red Cards" during the Union of European Football Association's Euro 2024 Tournament. Caesars accepted six wagers between June 27, 2024 and July 9, 2024, for a total stake of \$8,270. This was a violation of M.G.L. c.23N, § 3 and 205 CMR 247.01(2)(e) that states that operators cannot offer wagers on injuries, penalties, discipline, or replay review in the Commonwealth. Attorney Kennedy stated that the core reason for Caesars offering these wagers was not identified in their initial report, nor after a second request for clarification.

Caesars stated that they followed up with training for their head of training and offered further training and guidance to the trading team on following Massachusetts restrictions. Prior to opening up discussion, Attorney Kenney noted that a similar violation by BetMGM for wagers on penalty cards during soccer matches had been set for an adjudicatory hearing by the Commission in the past.

Commissioner O'Brien asked if the violation was self-reported or found out some other way. Attorney Kennedy stated that the Sports Wagering Division discovered the violation and reported it to Caesars. This was the same circumstance for the BetMGM violation. Commissioner O'Brien asked if, despite two inquiries, they could succinctly explain what caused the error. Attorney Kennedy stated that their email hadn't provided additional information. He clarified that their email stated the new market was mistakenly added on June 10th, but Caesars did not say how.

Commissioner O'Brien stated she was troubled by the fact that the Commission found the violation. She stated she was in favor of pursuing an adjudicatory hearing with BetMGM, as they had not received clarification from the operator on the cause of the error. Commissioner Skinner supported moving to an adjudicatory hearing as well.

The Chair and Commissioners reached consensus to pursue an adjudicatory hearing for this matter. Attorney Kennedy thanked Commissioners for their thoughts on the matter.

10. [Commissioner Updates](#) (1:59:31)

After inquiry from Chair Maynard, no Commissioner updates were noted.

11. [Other Business](#) (01:59:51)

Hearing no business, Chair Maynard requested a motion to adjourn.

Commissioner O'Brien moved to adjourn. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Brodeur: Aye.

Chair Maynard: Aye.

The motion passed unanimously, 5-0. Meeting Adjourned.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda dated February 4, 2025](#)
2. [Meeting Materials from the February 6, 2024 Meeting](#) (posted on massgaming.com)