



Massachusetts Gaming Commission Meeting Minutes

Date/Time: April 29, 2024, 1:00 p.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 807 8390

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:

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

1. [Call to Order](#) (00:03)

Interim Chair Maynard called to order the 514th Public Meeting of the Massachusetts Gaming Commission ("Commission") at 1:04PM. Roll call attendance was conducted, and all four commissioners were present for the meeting.

2. [Sports Wagering Division](#) (00:34)

- a. Background and Overview of Caesars and Fanatics Know Your Customer ("KYC") processes pursuant to 205 CMR 248.04(4)

Bruce Band, Director of the Sports Wagering Division, introduced Crystal Beauchemin, Sports Wagering Business Manager, to provide background information on the status of operators' process for developing their required KYC operations. Ms. Beauchemin stated that on April 11, 2024, the Commission approved a temporary 90-day waiver to Fanatics and Caesars Sportsbooks. The waiver was intended to allow time for the Commission to review the operators' existing KYC processes, and have further discussions with its contractor, Gaming Labs International ("GLI"), and the Commission's IT and Sports Wagering Divisions about the advancements in KYC. Then, the Commission could make an informed determination as to

whether to require the use of knowledge-based authentication (“KBA”) questions or to approve these and/or other alternate methods of authentication as authorized by 205 CMR 248.04(4).

Ms. Beauchemin outlined the process for reviewing operator variance requests, explaining that Fanatics submitted a variance request when the regulation was first approved, prior to the uniform waiver exploration. She noted that Commission staff reviewed Fanatics’ stepped-up KYC process and agreed that it was more advanced than the use of KBA alone. As such, Fanatics was asked to submit updated Internal Controls reflecting the approval, and guided Fanatics to proceed with its proposed verification process.

Ms. Beauchemin explained that when Fanatics went to deploy their stepped-up KYC processes on August 31, there were critical technological issues, and they contacted MGC staff asking for an emergency waiver to work on a solution. Emergency waivers were then brought to the Commission by Director Band on September 7, 2023, and the Commission granted the emergency waiver through September 15, 2023, to provide Fanatics the time to fix the issue related to the verification error and relaunch with the approved KYC process. They successfully implemented the stepped-up KYC at 2am on September 14, 2023, and provided the required updated internal controls.

i. [GLI Process for KYC](#) (4:57)

Ms. Beauchemin introduced Joe Bunevith, Vice President of Government Relations and Regulatory Affairs, to provide insights on behalf of Gaming Labs International (“GLI”). Mr. Bunevith stated that the operators have different methods of getting user information but must adhere to Massachusetts’ rules. He added that both Fanatics and Caesars had passed their initial KYC submissions.

Mr. Bunevith explained that the rule requiring identity authentication questions was satisfied, in effect, by the operators' use of the last four digits of the patron's social security number, which was considered to be information known only to the patron.

Commissioner Skinner questioned whether the last four digits of a social security number was something only known to the patron and inquired if a better method was being contemplated by Fanatics and Caesars. Lisa Rankin, a representative from Caesars, clarified that while the initial request was for the last four digits of the social security number, if that was not sufficient for verification, the full, nine-digit social security number would be requested.

Commissioner Skinner also asked whether the operators could implement additional measures like KBA on top of what was required by 248.044 without Commission approval. Ms. Rankin indicated that Caesar’s plan was to implement an enhanced threat metrics procedure in addition to their current process, which did not include KBA.

Interim Chair Maynard stated that he would need to hear more about industry norms regarding the verification request for the last four digits of a patron's social security number, but noted that the information would likely be provided in executive session. Ms. Beauchemin confirmed that the executive session would likely cover a portion of that topic when the operators shared their alternate methods.

- b. Fanatics request to use an alternate method of KYC identity authentication at the time of sports wagering account establishment pursuant to 205 CMR 248.04(4)
 - i. [Executive Session](#) (22:50)

Interim Chair Maynard read the following statement into the record, “the Commission anticipates that it will meet in executive session in accordance with G.L. c. 30A, § 21(a)(7) and G. L. c. 4, § 7(26)(n) to review certain materials in connection with the sports wagering operators’ processes and parameters during account creation related to customer verification and authentication, as these matters relate to cyber security in the Commonwealth, and the public disclosure of which is likely to jeopardize public safety or cyber security.”

Commissioner Hill moved to enter executive session for reasons stated by the Chair. Commissioner O’Brien seconded the motion.

Roll call vote:

Commissioner O’Brien: Aye.
Commissioner Hill: Aye.
Commissioner Skinner: Aye.
Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

[Transcriber’s note:](#) Commissioners then returned to the public portion of the meeting at 2:11PM EST. A Roll call vote was taken, and all Commissioners were present.

The Commission reconvened after attending the executive session for Fanatics. Interim Chair Maynard asked if anything from the executive session needed to be brought forward for discussion in the public session. Commissioners O’Brien and Skinner both stated that they did not think so.

Commissioner Hill inquired if allowing the alternate methods for Fanatics meant the legal team will have to come back with new language in a regulation to allow this, or if the vote today would deem that their authentication methods fell within the current regulation. Deputy General Counsel Torrisi responded that the Commission’s vote would be a finding that the methods complied with the existing regulation, so no change was necessary.

Commissioner Hill asked if other operators could use the same authentication if the request before the Commission was approved for Fanatics. Deputy General Counsel Torrisi clarified that each operator would have to be granted an alternate method by the Commission.

Commissioner Hill moved that pursuant to 205 CMR 248.04(4), the Commission approve the alternate methods of sports wagering account identity authentication presented by Fanatics and discussed here today. Commissioner O'Brien seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

The Chair thanked the team for discussing the process with the Commission.

- c. [Caesars request to use an alternate method of KYC identity authentication at the time of sports wagering account establishment pursuant to 205 CMR 248.04\(4\) \(1:05:44\)](#)
 - i. Executive Session

Commissioners then moved to agenda item 2(c) to discuss the proposed KYC methods respective to Caesars. Interim Chair Maynard noted that much of the public information regarding Caesars had been discussed earlier in the meeting.

Interim Chair Maynard then read the following statement into the record, “the Commission anticipates that it will meet in executive session in accordance with G.L. c. 30A, § 21(a)(7) and G. L. c. 4, § 7(26)(n) to review certain materials in connection with the sports wagering operators’ processes and parameters during account creation related to customer verification and authentication, as these matters relate to cyber security in the Commonwealth, and the public disclosure of which is likely to jeopardize public safety or cyber security.”

Commissioner Skinner moved to enter an executive session for the reasons stated by the Chair. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

(1:50:58) *Transcriber's note: Commissioners returned to the public meeting after the executive session. A roll call was taken, and all Commissioners were present.*

Interim Chair Maynard asked if any Commissioners had questions for the public session. Commissioner Skinner asked if any other operators were in a similar situation as Fanatics, believing they had been granted a variance for this regulation. Ms. Beauchemin clarified that while there had been other operators who requested a variance, Fanatics was the only operator who has granted a variance that had not been utilizing KBA.

Commissioner Hill moved that pursuant to 205 CMR 248.04(4), the Commission approve the alternate methods of sports wagering account identity authentication presented by Caesar's and discussed here today. Commissioner Skinner seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0.

3. [Commissioner Updates](#) (10:50)

No Commissioner updates were noted.

4. [Other Business](#) (10:56)

Hearing no other business, Interim 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.

Interim Chair Maynard: Aye.

The motion passed unanimously, 4-0. The meeting adjourned.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda](#) dated April 25, 2024