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## Massachusetts Gaming Commission

### Meeting Minutes

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**Date/Time:** May 21, 2024, 11:00 a.m.

**Place:** Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292

PARTICIPANT CODE: 112 825 4566

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 (0:04)

Interim Chair Jordan Maynard called to order the 517<sup>th</sup> Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all four commissioners were present for the meeting.

#### 2. Sports Wagering Operator Wager Limitations Roundtable (0:44)

##### a. Opening remarks and introduction of roundtable participants (0:56)

Interim Chair Jordan Maynard stated that the roundtable would primarily focus on how, when and why a patron would be limited by a Sports Wagering Operator in the Commonwealth. He noted that the Commission was made aware of reports from consumers and various media articles that some operators limit patrons who routinely win. He stated that some sports wagering operators claimed they were not in violation of house rules, State laws, or other authorized acts when the patrons were limited. He noted that operators have the right to limit their risk by blocking players attempting to circumvent the rules. He stated that many at the Commission considered the implication that patrons wagering honestly were being limited and how that limitation would incentivize those players to turn to the illegal market.

Interim Chair Maynard stated that ten operators decided against participating in the roundtable and preferred to discuss the topic in an executive session due to the sensitivity of the information. He highlighted the importance of public meetings and clarified that the team at the Commission developed questions to guide, but not limit, discussion.

General Counsel Todd Grossman stated that there was no provision of the law governing executive sessions or of the Public Records Law that covers the circumstances of this matter.

Interim Chair Maynard added that Justin Black would be representing Bally's Interactive ("Bally's") in the meeting.

Commissioner Skinner asked for clarification about the roles of the participants in the roundtable. Interim Chair Maynard stated that Co-Founder of Unabated Sports Jack Andrews was in attendance as well as CEO and Founder of Doura-Schawohl Consulting LLC Brianne Doura-Schawohl, gaming industry consultant at Closing Line Consulting Dustin Gouker, and Director of Research and Responsible Gaming Mark Vander Linden.

b. Review of previous discussions related to wager limitations and comments received by the MGC (10:04)

Sports Wagering Director Bruce Band stated that over the course of several months, he, Sports Wagering Operations Manager Andrew Steffen and Sports Wagering Business Manager Crystal Beauchemin had discussions with the licensees on the topic of wager limitations. He asked Operations Manager Steffen to explain those conversations.

Operations Manager Steffen provided an overview of recent activities by the Sports Wagering Division. He explained that the roundtable was in response to a public comment submitted to the Commission about the business practice of limiting sports wagers where a patron is not permitted to bet beyond a set amount for an event or sport. He stated that the matter had been under review for several months as the Sports Wagering Division expanded its team. He explained that in January, the team conducted research and met with three operators to gain insight into the topic. He noted that on March 28, 2024, the Sports Wagering Division presented its findings in a public meeting.

c. Topics of Discussion

i. Please detail how and why a patron may be limited on your platform, including how you may limit patrons on an individual basis (13:28)

Mr. Black stated that sports books offer a broad range of wagering opportunities. He added that Bally's does not limit players based on winnings but rather based on underlying factors specific to Bally's from a risk management perspective.

Mr. Andrews, who is also a professional gambler, stated that Bally's utilizes a third-party provider, Kambi Group Plc ("Kambi"), to operate their risk management program. He added that

Kambi has a history of identifying players based on their closing line value and expected value and uses stake factoring to determine for Bally's which players have been limited down.

Mr. Black stated that he could not speak on behalf of Kambi and emphasized that sports wagering odds were subject to a large number of variables. Therefore, sports books operate under the assumption that patrons will try to create an edge out of imperfect odds.

Commissioner O'Brien asked if there was a history of brick and mortar casinos imposing wager limitations as opposed to sports betting.

Director Band stated that brick and mortar operators limit "advantage players" as well as every table which will have a minimum and maximum bet requirement. He explained that advantage players such as "card counters" are not considered illegal in this jurisdiction.

Interim Chair Maynard asked Director Band to explain the communication process that occurs when a player is banned at a casino table. Director Band stated that a player cannot be banned at a table in this jurisdiction, but the amount that a patron can wager will be limited. He stated that casinos typically limit a patron to \$200,000 per hand.

Operations Manager Steffen noted that the number of hands that an advantage player may play can be limited or the deck of cards may be split in half.

Commissioner Skinner stated that her understanding was that initially, the issues and concerns brought to the Commission were limited to situations involving "sharps". She noted that additional comments received indicated that regular individuals and recreational patrons were being limited simply for winning. She added that in her opinion, this affects many more individuals than the handful of sharps that may be gaming the system from the operator perspective. She expressed that according to the memo prepared by the Sports Wagering Division, *contained in the Commissioners' Packet on pages 3 – 6*, it was within the Commission's regulations for an operator to limit patrons; however, the Commission was lacking information on the determination process on the part of the operator. She stated that the Commission was unlikely to get an answer today due to a lack of participation from sports wagering operators. She stated that there were complaints around a lack of communication from the operators, and she was concerned that individuals can bet large amounts and are limited when they start to win but were not given a reason why. She stated that she wanted to understand why this was occurring and what the operators' rationale is.

ii. Please explain the experience of a patron once they become limited (27:20)

Interim Chair Maynard agreed with Commissioner Skinner's sentiment and asked Mr. Gouker to describe the experience of a patron once they become limited.

Mr. Gouker stated that operators have a lot of data on this topic, and an important starting point was to understand what percentage of Massachusetts patrons were limited for winning opportunities because of violations of house rules or for responsible gaming reasons. He stated that this transparency is key.

Ms. Doura-Schawohl echoed Mr. Gouker's point that more data must be collected. She stated that there was a test case in Washington D.C. in which a patron was limited for problem or responsible gaming reasons without true justification.

Commissioner O'Brien asked if there were relevant regulations, statutes, or practices in the market that the Commission should be aware of. Ms. Doura-Schawohl responded that there are minimum bet standards in Australia because of concerns of patrons being limited. She explained that the UK has more robust programs to track problematic play. Further, New Jersey has a model which has distinctive obligations for a licensee that when certain thresholds of play are met, the player is required to talk to someone.

Interim Chair Maynard asked Mr. Andrews to describe the experience of a patron that becomes limited. Mr. Andrews stated that often patrons are not notified of the limitation and will make multiple attempts to understand what their limit is when betting. There are no listed minimum and maximum bets for online sports betting.

Commissioner Skinner asked for someone to speak to the concept of new player account limitations and how a limit is determined by an operator. Mr. Black responded that every new player who signs up on Bally's platform is treated the same and is not capped based on their first winnings. Commissioner Skinner asked Mr. Black to clarify that he did not believe that there was individual limit setting upon account creation. Mr. Black stated that she was correct.

iii. What are the responsible gaming implications if patron limits are more heavily regulated? (42:27)

Interim Chair Maynard asked about the implications of regulating patron limits. Ms. Doura-Schawohl responded by stating that stake limits are different from looking at aggregate data. She added that competing studies suggest that 1% of an individual's total income would be a "safe-zone" for gambling expenditures while another study suggests that it should be 3% of discretionary income. She stated that sports books have billions of data points at their disposal, and she proposed analyzing aggregate data to understand the risk that someone faces when gambling. She noted a Connecticut study which found that 71% of revenue was arrived at by 7% of the population, 1.8% of those individuals having a gambling problem or gambling diagnosis and 4.9% being at-risk. She stated that it would be worth exploring using data to mitigate gambling related harms.

Commissioner O'Brien asked if there are any regulations that tie the maximum bet to the minimum. Ms. Doura-Schawohl responded by stating that Australia has fixed odds betting and that she would provide that information.

Director Vander Linden stated the Commission endorsed lower risk gambling guidelines, both behavioral and financial, by recommending that no more than 1% of an individual's monthly income is used. He added that looking at aggregate data is essential. He stated that the Commission was interested in this and was pursuing how data can be used to protect players.

Mr. Gouker reiterated these points. Interim Chair Maynard stated that Director Vander Linden was creating an AI task force to address these issues.

iv. What would be the impacts to the industry if allowing limits on individual patrons was prohibited or limited by law or regulation? (53:14)

Mr. Black stated that if limiting was no longer possible, there are other strategies that will impact the offerings available to people in Massachusetts, such as product restrictions.

v. What are other jurisdictions and/or other sportsbooks doing? (54:51)

Interim Chair Maynard asked if there was any other jurisdiction which imposes a stricter limit or regulation than Massachusetts. Operations Manager Steffan responded that Massachusetts regulations are very similar to other jurisdictions that they were compared against.

Commissioner Skinner asked if there was a sportsbook that does not limit patrons. Mr. Andrews stated there are sportsbooks that do not limit patrons. These sportsbooks take a low margin approach to the industry and offer a fair playing field to all bettors; however, Massachusetts has a high barrier to entry for incoming operators.

Mr. Gouker agreed with Mr. Andrews and stated that a legislative change would fix this problem but that it may not be the best course of action.

Ms. Doura-Schawohl stated that a lower barrier to entry may not provide a solution to ultimately fix the issue of patrons complaining about being limited with little to no communication and leaving patrons who need to be limited not being offered that option.

Interim Chair Maynard stated that he was trying to understand how communication to patrons works and how specific this communication was.

Mr. Gouker agreed that lowering the barrier to entry would have policy ramifications and raised the possibility of creating a secondary licensing option. He emphasized the need for transparent communications to limited patrons, including what an individual is limited on, how they are limited, and why.

Mr. Andrews stated that patrons are not being informed about the reason they have become limited. He stated that operators deny that they limit players based on winnings and suggested that operators limit patrons on certain sports that they consistently win.

Interim Chair Maynard stated that Massachusetts consumers are treated very well, and the Commission deals with consumer issues every day.

Ms. Doura-Schawohl stated that there is interest about these types of communications from operators to patrons in many jurisdictions and at many levels of government.

Mr. Andrews commented that many players feel that games are fundamentally unfair and limiting is a part of that. He commended the Commission for holding a roundtable on the subject.

Mr. Gouker stated that the Massachusetts Attorney General's Office has taken action against fantasy parlay sites which offer parlays against the house. He explained that limiting also occurs in the unregulated market.

Commissioner O'Brien stated that the Commission must be proactive in terms of taking action to address player limiting and take into consideration responsible gaming and marketing matters. She withheld further comment but requested that this topic be addressed in future meetings.

Commissioner Skinner stated that the discussion was not as meaningful as she had hoped due to the lack of participation from operators. She added that she did not think that the meeting had scratched the surface of the issue. She agreed that the data was a good starting point.

Commissioner Hill shared in Commissioner Skinner's frustration that there was information that the Commission did not get today.

Interim Chair Maynard stated that the Commission strived to strike a proper balance for regulation. He added that he hoped that the Commission continued to learn about this subject.

### 3. [Other Business](#) (1:22:09)

Hearing no other business, Interim Chair Maynard requested a motion to adjourn. Commissioner Hill moved to adjourn. The motion was seconded by Commissioner O'Brien.

*Roll call vote:*

*Commissioner O'Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Interim Chair Maynard: Aye.*

*The motion passed unanimously, 4-0.*

### **List of Documents and Other Items Used**

1. [Notice of Meeting and Agenda dated May 17, 2024](#)
2. [Commissioner's Packet from the May 21, 2024](#), meeting (posted on massgaming.com)