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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** August 4, 2022, 9:00 a.m.  
**Place:** Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292  
PARTICIPANT CODE: 111 573 0532

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 386<sup>th</sup> Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

#### 2. [Administrative Update](#) (01:48)

Executive Director Karen Wells stated that a sports wagering bill had been approved by the legislature and sent to the Governor to sign. She stated that the bill was not yet law as the Governor had yet to sign it.

Executive Director Wells stated that should the Governor sign this bill there were a few preliminary considerations for the Commission. She recommended that as part of the application the Commission use the Business Entity Disclosure ("BED") form and the Multi-Jurisdictional Personal History Disclosure ("MJPHD") form as they were used across the nation and would expedite the process as applicants and investigators were familiar with these forms.

Executive Director Wells stated that the other expectation would be that the operator license levels would be folded into the existing structure. She stated that this would create efficiencies in the licensing process. She stated that the Commission would expect potential licensees to submit job compendiums so that they could be entered into the OMAC system.

Executive Director Wells stated that the Commission should consider the IT certification of mobile platforms to protect the integrity the mobile applications. She stated that the Commission would also have to discuss vendor licensing. She noted that a hot-button issue in the industry was how promotional play was handled for tax purposes, and that the issue would need to be considered by the Commission.

Executive Director Wells stated that the Commission would also have to discuss what was considered the gaming space for kiosk placement in retail sportsbooks. She stated that the staff would continue to inform the Commission of any potential issues as they arise. She stated that integrity was the key principle to the implementation and regulation of sports wagering.

Chair Judd-Stein noted that the Governor had ten days to act on this bill, and that the Commission was respectful of that process. She stated that this meeting's discussion was an opportunity to consider what steps were necessary should the sports wagering law be passed.

Chair Judd-Stein stated that legalizing sports wagering did not create a new form of gaming, but provided responsible gaming initiatives and consumer protections that were not available in the illegal market. She noted that there was not a current vehicle for legal sports wagering in Massachusetts. She stated that the process of implementing sports wagering and all relevant topics would be in public. She expressed appreciation for the legislature's confidence in the Commission as a regulator for this industry.

### [3. Preparations for Matters Related to Sports Wagering Legislation Pending Before the Governor](#) (09:50)

#### a. Adoption of Revised Organizational Chart and Chief of Sports Wagering Position

Executive Director Wells stated that under General Law Chapter 23K, the Commission was required to approve an organizational chart for the agency. She stated that the approval of the organizational chart occurred on an annual basis. She explained that she had talked to sports wagering regulators from other jurisdictions and recommended that the Commission have an independent Sports Wagering Division. She stated that it would not be a large division, just a Chief of Sports Wagering and some employees. She stated that the Sports Wagering Division would work in conjunction with the other divisions, such as the Legal, Research and Responsible Gaming, and Finance teams. The *Proposed Revised Organizational Chart* was included in the Commissioner's Packet on page 3.

Executive Director Wells recommended that the Commission provide conditional approval for updating the organization chart, should sports wagering legislation pass. Commissioner O'Brien questioned how enforcement mechanisms would be conducted if the Sports Wagering Division was separate from the IEB. Executive Director Wells stated that the Director of Sports Wagering position could be more clearly defined, and that any enforcement action taken with respect to sports wagering would fall under the purview of the IEB. She stated that the Sports Wagering Director would coordinate with other divisions in the Commission.

Commissioner O'Brien stated that the Sports Wagering Division should have some connection to the IEB delineated on the organization chart. Executive Director Wells noted that the proposed organization chart could be changed. Chair Judd-Stein stated that the Sports Wagering Division's placement on the chart seemed appropriate. Commissioner O'Brien agreed that the placement was appropriate, but that she needed additional clarity regarding the enforcement component. Chair Judd-Stein stated that the legislation as written contemplated the Commission as having oversight of enforcement, and that the Commission would work with the IEB.

Executive Director Wells suggested that the Commission could draft a policy clarifying how enforcement measures would be conducted for sports wagering. Chair Judd-Stein agreed with this approach. Director Lillios stated that it made sense to clarify the enforcement issue through a policy statement.

Commissioner Hill stated that sports wagering was a unique industry and that it was important that the Sports Wagering Division be standalone in the organization chart. He noted that the Commissioners had attended conferences on sports wagering in the past few months and learned that other jurisdictions had concerns about the organization of sports wagering. He stated that he agreed with establishing a policy regarding enforcement measures and the proposed organization chart. The Commission reached a consensus in support of having a standalone sports wagering division and developing a policy regarding enforcement.

Commissioner O'Brien moved that the Commission approve the organizational chart submitted by Executive Director Wells and included in the Commissioner's Packet and further discussed here today. 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.*

Executive Director Wells noted that the Commission set forth a policy where the Commission could choose to be involved in the hiring of high-level policy-making positions. She stated that the job description for the sports wagering division had been drafted. She asked how much the Commission wanted to be involved in the hiring process for this position.

Chair Judd-Stein stated that it would be helpful for the Commission to provide support to the Executive Director for this hiring. She stated that she would work with the Executive Director to work on the hiring process. She stated that once the job description was confirmed it could be posted immediately once the sports wagering bill was signed. Executive Director Wells stated that Commissioner involvement in upper-level hires had been a great success.

b. [Review of Draft Licensing Application Outline](#) (26:45)

Executive Assistant to the Chief Financial Officer Jaclynn Knecht stated that she reviewed what other jurisdictions requested in the application process to gather information and best practices. She stated that the information included in the Commissioner's Packet included scoring parameters, information required, and potential pertinent questions. The *sports wagering application outline draft* was included in the Commissioner's Packet on pages 6 through 18.

Commissioner Hill asked how long the application process would take. Ms. Knecht stated that the general consensus on the application timeline was three to six months. Chair Judd-Stein asked how the Commission should assess this information in light of the legislation sent to the Governor. Executive Director Wells stated that the legal team would need to do a cursory review of the legislation. She stated that there seemed to be a presumption of licensure for category one sports wagering, but that category three would likely have a competitive process. She stated that the legal department would put together a proposal and return it to the Commission for approval on the application process and application form.

Chair Judd-Stein stated that many of the interested parties were familiar with the forms and information expected, and that the timeline might be quicker as a result. Executive Director Wells stated that information would be provided to prospective licensees so that they could begin to compile information.

Commissioner O'Brien asked if the hypothetical timeline on page sixteen the Commissioner's Packet was the only sample timeline or if there were any other materials related to the timeline. Ms. Knecht stated that the information was a sample for this meeting.

Commissioner Hill stated that he wanted the public to understand that the process of implementing sports wagering would take time to do right. He stated that it will likely be longer than anticipated by the public. Chair Judd-Stein stated that the Commission's preparations put it ahead of the game, but that the Commission would not compromise the integrity of gaming, or the product being regulated. Commissioner O'Brien stated that the Commission would move

expeditiously, but consistently with its responsibilities as a regulatory body while maximizing the benefit to the Commonwealth.

Commissioner Skinner stated that she agreed with Commissioner Hill and Commissioner O'Brien's comments. She asked if any other jurisdictions had adopted a temporary licensure framework. Ms. Knecht stated that she did not specifically search for temporary licensing information. Executive Director Wells stated that gaming vendors had a temporary licensing provision, but that research would have to be conducted about temporary license models in other jurisdictions. Commissioner Maynard stated that the Commission staff had been preparing for the launch of sports wagering, but that it would require a review of the legislation and take time to implement.

c. [Overview of Regulatory Process and Timeline](#) (44:56)

General Counsel Todd Grossman stated that there was a tremendous amount of planning and preparation required for implementing a complex statutory framework. He stated that regulations would animate directives, capture the intent of the statute, and incorporate the Commission's interpretations. He stated that the regulations would serve as a how-to manual for the regulated parties and the Commission's staff. He stated that a regulatory framework had been prepared with priority levels for different regulations. He noted that there were existing technical standards that the Commission could consider and adopt.

Deputy General Counsel Caitlin Monahan stated that she had created a spreadsheet tracking everything required for the launch of sports wagering. She stated that sports wagering would require approximately 225 regulations. She stated that an attorney would be assigned to each regulation, and that the attorneys would work with stakeholders in drafting the regulation. She stated that once the regulation was drafted, the legal team would approve it internally and forward the regulation to the Commission to be discussed at a public meeting.

Deputy General Counsel Monahan stated that the spreadsheet also included sample regulations from other jurisdictions that could be used as a model. She stated that the regulations had three priority tiers. She stated that the first tier of priority was the application, licensing, and technology standards. She stated that the second tier of priority was the internal controls and responsible gaming. She stated that the third tier of priority was regulations that were less urgent such as administrative regulations.

Deputy General Carrie Torrisi explained that after the drafting process, regulations enter the formal promulgation process. She stated that notice would need to be filed with the local government advisory committee. She stated that the local government advisory committee would also have to be notified of the public hearing date. She stated that the regulation must be filed fourteen days before notice of the public hearing can be filed with the Secretary of the Commonwealth and fourteen days before publishing in the newspaper.

Deputy General Counsel Torrasi stated that the next step was to identify the date the public hearing would be held and completing a small business impact statement to be filed with the Secretary of the Commonwealth. She stated that the regulation must be published in the Massachusetts Register at least seven days before the public hearing. She noted that the Massachusetts Register runs on a bi-weekly publication schedule and that filings were due two weeks before being published. She stated that if a regulation was filed on August 5, 2022, that it would be published on August 19, 2022. She stated that this timeframe was factored into scheduling a public hearing.

Deputy General Counsel Torrasi stated that the notice of hearing also needed to be posted to the Commission's website and published in a local newspaper at least twenty-one days before the public hearing. She stated that public hearings were typically presided over by one or multiple Commission members. She noted that the public could comment in person or in writing at a public hearing.

Deputy General Counsel Torrasi stated that the draft regulation would then be returned to the Commission with an amended small business impact statement for a vote to finalize the promulgation process. She stated that the regulation would then be filed with the Secretary of the Commonwealth's office. She added that the effective date of a regulation was dependent upon the Massachusetts Register's bi-weekly publication schedule.

Deputy General Counsel Torrasi explained that the legislation had language referencing the adoption of regulation by emergency. She added that emergency regulations could be filed immediately and stay in effect for three months. She explained that during the three-month period the Commission would progress through the promulgation process, after which the regulation could be formally filed.

Commissioner Hill asked which circumstances would allow the Commission to file a regulation by emergency. Deputy General Counsel Torrasi stated that under G.L. Chapter 30A, an emergency regulation could only be filed when immediate adoption, amendment, or repeal of a regulation was necessary for the preservation of the public health, safety, or general welfare and that observance of the requirements of notice would be contrary to the public interest. She stated that it was unclear whether the authority regarding emergency regulations in the sports wagering legislation was broader than the authority in G.L. Chapter 30A. She stated that the legal team was actively researching that issue.

d. [Overview of Plan for Investigatory Process](#) (1:03:53)

Director of Investigations and Enforcement Bureau ("IEB") Loretta Lillios explained that the IEB had taken steps to plan for conducting suitability investigations on entities and individuals connected with sports wagering process. She stated that the IEB anticipated it would conduct both a general integrity review and a financial stability integrity review. She stated that existing processes and forms would lend themselves well to this process.

Director Lillios stated that a statement of work had been drafted to contract investigators for both the background review and financial investigations. She stated that she was checking the statewide contract list. She noted that she anticipated the hiring of a full-time financial investigator to assist with overseeing the financial investigation. She stated that the requests for hires would be reevaluated when the anticipated volume of applicants was known. She stated that she expected to come to the Commission for guidance regarding the standard of review and guidance regarding the licensure of vendors.

Commissioner Hill sought clarification as to whether this suitability process would be different than the casino employee's suitability. Director Lillios noted that the legislation allowed the IEB to rely upon information gathered from investigations pursuant to G.L. Chapter 23K. She stated that relying on existing information could save time. She noted that the IEB also outsourced the casino investigations which were lengthy. She explained that the sports wagering legislation did not set out a standard for the burden of proof like G.L. Chapter 23K did and stated that the Commission would need to address that issue. She stated that temporary licensure may be a tool the Commission could utilize to be more comfortable with the timeline.

Commissioner Hill stated that he did not want the Commission to lower its standards in terms of suitability for the temporary license process. Chair Judd-Stein sought clarification regarding suitability of entities. Director Lillios stated that the legislation envisioned both operator licenses and occupational licenses. She stated that when scoping applicants the IEB reviews who was in control of the company in terms of ownership and ability to impact the entity's operations. She stated that the Commission would scope the entity and determine which associated individuals and entities would have to submit to the qualification process. She stated that occupational licenses could be issued to entities that work directly with the sports wagering operator, and those at supervisor level and above would be subject to licensure.

Chair Judd-Stein asked if the licensed vendors would be required to undergo suitability analysis. Director Lillios explained that vendors would be required to submit applications and undergo a background review commensurate with their roles. Commissioner O'Brien stated that she agreed with Commissioner Hill that the Commission would not lower its standards for the temporary licensure evaluation.

Commissioner Maynard asked if enough staffing was available for the background investigators and financial investigators. Director Lillios stated that the legislation had a funding mechanism which had the costs of investigation fall on the applicant. She stated that the IEB was looking towards a contract solution rather than in-house hiring. She stated that there were initial questions regarding the volume of applications and clarity required regarding vendors.

Commissioner Skinner stated that she shared Commissioner Hill and Commissioner O'Brien's concerns about wanting to ensure the Commission's standards were met in each phase of the application process. Chair Judd-Stein stated that the legal team was still reviewing the

legislation, and that the Commission was awaiting action from the Governor's office before evaluating the legislation as a group. Commissioner Maynard stated that the Commission would be able to address the legislation more fulsomely once it was signed into law.

Executive Director Wells stated that she expected to come before the Commission with the Chief Financial and Accounting Officer ("CFAO") to discuss the process that would allow for additional hires to be added to the Commission's budget. Chair Judd-Stein requested that the CFAO attend the next public meeting to walk through the financial implications for the Commission and the Commonwealth.

#### 4. [Commissioner Updates](#) (1:27:17)

##### a. Plan for Roundtables with Licensees and Stakeholders

Chair Judd-Stein stated that if the Governor legalized sports wagering the Commission would convene public roundtables to receive input from stakeholders. She stated that the Commission would invite Encore Boston Harbor, Plainridge Park Casino, MGM Springfield, Raynham Park, and Suffolk Downs to discuss plans for sports wagering. She stated that the first-round table would be limited to existing licensees who were identified as potential sports wagering operators.

Chair Judd-Stein said that the Commission would have to develop questions to ask the stakeholders. She noted that similar roundtables would be conducted for prospective mobile sports wagering operators. She explained that the roundtables would be announced publicly, and that those who would like to participate should reach out to the Commission's staff. She stated that the meetings would be streamed on the Commission's YouTube channel and relevant materials would be posted on the Commission's website for public access.

The Commissioners reached consensus to schedule and host roundtables with sports wagering stakeholders. Commissioner Skinner stated that she strongly encouraged participation from the existing gaming and horseracing licensees. Chair Judd-Stein stated that some of the licensees had already expressed interest in attending these roundtables.

Commissioner O'Brien stated that roundtables were helpful when establishing Covid-19 protocols for re-opening casinos. She stated that licensees likely would not want to miss the opportunity to contribute. Commissioner Maynard agreed.

Chair Judd-Stein stated that she would like to receive input on how the Commission should address consumer protections. Commissioner O'Brien stated that she would like the existing licensees to share information with the Commission to the extent they can in order to help in guiding and drafting regulations. Executive Director Wells stated that it also could be helpful for the prospective operators to break out differences in implementing retail operations, as opposed to mobile operations, and explain any potential differences in the timelines. Commissioner



O'Brien stated that she would like to receive information as to how the potential operators planned to address responsible gaming as well.

Chair Judd-Stein stated that the first step was to reach out to licensees. She stated that the licensees might be able to provide key topics for the Commission's consideration that could help frame the conversation. She noted that the Commission would wait for the Governor's action before determining the date of the roundtable, however. Commissioners agreed.

5. [Other Business](#) (1:36:54)

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

Commissioner Hill moved to adjourn. The motion was seconded by Commissioner O'Brien.

*Roll call vote:*

*Commissioner O'Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed unanimously, 5-0.*

**List of Documents and Other Items Used**

1. [Notice of Meeting and Agenda](#) dated August 1, 2022
2. [Commissioner's Packet](#) from the August 4, 2022, meeting (posted on massgaming.com)