

THE OFFICE OF LOTTERY AND CHARITABLE GAMES

NOTICE OF PROPOSED RULEMAKING

The Executive Director of the Office of Lottery and Gaming, pursuant to the authority set forth in Section 4 of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code §§ 36-601.06(a) and 36-621.02 (2012 Repl.)), and Office of the Chief Financial Officer Management Control Order No. 96-22, effective September 24, 1996, hereby gives notice of her intent to repeal Chapters 20 (Lottery Board Procurement), 22 (Procurement By Competitive Sealed Bidding), 23 (Procurement By Competitive Sealed Proposals), 24 (Sole Source and Emergency Procurements), and 25 (Small Purchases) of Title 30 (Lottery and Charitable Games) of the District of Columbia Municipal Regulations (DCMR), and to amend Chapter 21 (Contract Administration and Management) of Title 30 DCMR.

The proposed rulemaking is to implement provisions of the Sports Wagering Lottery Amendment Act of 2018, effective May 3, 2019 (D.C. Law 22-312; 66 DCR 1402 (February 1, 2019)).

The Executive Director also gives notice of her intent to take final rulemaking action to adopt these proposed rules, in not less than thirty (30) days from the date of publication of this notice in the *D.C. Register*.

Title 30 DCMR, LOTTERY AND CHARITABLE GAMES, is amended as follows:

CHAPTER 20 [RESERVED]

Chapter 21, CONTRACT ADMINISTRATION AND MANAGEMENT, is amended to read as follows:

CHAPTER 21 PRIVATELY OPERATED SPORTS WAGERING

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2100 SCOPE OF CHAPTER

2100.1 The purpose of this chapter is to implement the Sports Wagering Lottery Amendment Act of 2018, effective May 3, 2019 (D.C. Law 22-312; 66 DCR 1402 (February 1, 2019)) (Act).

2101 CLASS A SPORTS WAGERING OPERATOR LICENSE REQUIREMENTS

2101.1 An individual, group of individuals or entity may apply to the Office for a Class A Operator License, the application for which shall be on a form or platform provided by the Office. Applications shall be made under oath in a form prescribed by the Office.

2101.2 The Office may issue a Class A Operator License to an Applicant whose Sports Wagering Facility will be located within any of the following designated facilities:

- (a) Capital One Arena (601 F Street, N.W., and described as Lot 0047, Square 0455).
- (b) Audi Field (100 Potomac Avenue, S.W., and described as Lot 0027, Square 0665).
- (c) Nationals Park (1500 South Capitol Street, S.E., and described as Lot 0016, Square 0705).
- (d) St. Elizabeths East Entertainment and Sports Arena (St. Elizabeths Campus, 1100 Oak Drive, S.E., and described as Lots 0837 and 0838, Square 5868S).

2101.3 The Office may require the following information in conjunction with an application for a Class A Operator License:

- (a) The Applicant's legal name and form of business entity;
- (b) The mailing address of the Applicant and, if a corporation, the name of the state in which it is incorporated and the location of its principal place of business;
- (c) The names, addresses, employer identification or social security numbers and dates of birth of its directors, officers, partners, owners, and key personnel;
- (d) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a corporate Applicant, including a corporate holding company, parent company, or subsidiary company of the Applicant that has the ability to control the activities of the corporate Applicant or elect a majority of the board of directors of that corporation, excluding any bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business;
- (e) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a non-corporate Applicant that directly or indirectly holds a five percent (5%) or greater beneficial or proprietary interest in the Applicant's business operation, or that the Office otherwise determines has the ability to control the Applicant;

- (f) Information regarding the Applicant or any persons identified in subsections (c) through (e) who are eligible to hold a Sports Wagering Operator's License, including disclosure of the following information:
 - (1) Whether the Applicant or any persons identified in subsections (c) through (e) have been convicted of an offense other than a traffic violation;
 - (2) Whether the Applicant or any persons identified in subsections (c) through (e) have been subject to any disciplinary action, past or pending, by any administrative, governmental, or regulatory body;
 - (3) Whether the Applicant or any persons identified in subsections (c) through (e) have been charged with a violation of any statute, rule, regulation, or ordinance of any administrative, regulatory, or other governmental body; or
 - (4) Whether the Applicant or any persons identified in subsections (c) through (e) have been in default of paying any taxes, fees, or other obligations owed to the District of Columbia, any local governmental entity, or the federal government.
- (g) A report of the Applicant's or any person identified in subsections (c) through (e)'s financial activities, including evidence of financial stability, such as bank statements, business and personal income and disbursement schedules, tax returns, or other documentation satisfactory to the Office that demonstrates that the Applicant has sufficient business ability and experience to establish and maintain a successful sports wagering business;
- (h) A description of the proposed internal controls and security systems to be used in conducting sports wagering or processing sports wagering transactions;
- (i) The number of employees expected to be employed at the proposed Sports Wagering Facility;
- (j) The estimated tax revenue to be generated by the Sports Wagering Facility;
- (k) The estimated economic benefit to the District of Columbia of the proposed Sports Wagering Facility. The estimate shall include, but not be limited to, the following:
 - (1) Projected amount of gross revenue on an annual basis;

- (2) Estimated new capital investment for the project;
- (3) Scientific or market research performed by the Applicant or its contractors; and
- (4) Other such information as may be requested by the Office;
- (l) The location of the proposed Sports Wagering Facility;
- (m) A copy of the Applicant's license to conduct business in the District of Columbia;
- (n) Proof of good standing pursuant to D.C. Official Code § 29-102.08 and a certification that the Citywide Clean Hands Database indicates that the proposed Licensee is current with its District taxes;
- (o) A list of jurisdictions where the Applicant has applied for a sports wagering or gambling license;
- (p) A list of jurisdictions where the Applicant has been issued a sports wagering or gambling license;
- (q) A list of jurisdictions where the Applicant has had any sports wagering or gambling license suspended or revoked;
- (r) Criminal history and background information of the Applicant or any person identified in subsections (c) through (e) as required by the Office;
- (s) Documentation indicating whether the Applicant has entered into a labor peace agreement with each labor organization that is actively engaged in representing or attempting to represent employees in the gaming, hospitality, or food and beverage industries in the District. If the Applicant has not entered into a labor peace agreement as referenced in this paragraph, the Applicant shall provide information showing that it is engaged in good faith negotiations to enter into a labor peace agreement or information showing why it was unable to enter in a labor peace agreement;
- (t) Information demonstrating whether the Applicant is a Small Business Enterprise; and
- (u) Any other information the Executive Director considers necessary and appropriate to determine competency, honesty and integrity.

- 2101.4 The Applicant shall notify the Office of any changes to their application within ten (10) days of the change.
- 2101.5 As a condition of licensure, a Class A Operator shall be bonded, in such amounts and in such manner as determined by the Office, and agree, in writing, to indemnify and to save harmless the District of Columbia against any and all actions, claims, and demands of whatever kind or nature that the District of Columbia may incur by reason of or in consequence of issuing an Operator License to the Licensee.
- 2101.6 Upon a showing of good cause, the Executive Director may grant a waiver of information that must be provided in conjunction with the application for a Class A Operator License.
- 2101.7 A Class A Operator License shall be issued for five (5) years and require a non-refundable application fee of five hundred thousand dollars (\$500,000), which shall be submitted with the application; provided, that when an Applicant for a Class A Operator License partners in a joint venture with a Certified Business Enterprise majority interest, it shall submit a non-refundable application fee of one hundred twenty-five thousand dollars (\$125,000) at the time of the initial application.
- 2101.8 A Class A Operator License may be renewed for five (5)-year periods; provided, that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a two hundred fifty thousand dollar (\$250,000) renewal fee. The application for renewal shall include a report of Certified Business Enterprise participation, including Certified Business Enterprise joint ventures, which the Office shall assess and consider verified Certified Business Enterprise participation in the decision to approve a renewal.
- 2101.9 Each Class A Operator License is limited to a single Sports Wagering Facility.
- 2101.10 A Class A Operator may provide Sports Wagering Equipment, software, systems, data or services for the location which it has obtained a license without having to obtain a separate Suppliers License. If a Class A Operator purchases, leases or otherwise obtains Sports Wagering Equipment from a third party, it must do so from a licensed Supplier.
- 2101.11 A Class A Operator License is non-transferable.
- 2101.12 The Office shall not issue a Class A Operator License unless it is satisfied that the Applicant meets the requirements for a Class A Operator License and is a suitable and qualified person to be licensed to conduct or participate in conducting all aspects of Class A Sports Wagering.

2101.13 An Applicant for a Class A Operator License shall establish their suitability for a license by clear and convincing evidence.

2101.14 In determining whether an Applicant is suitable and to approve an application for a Class A Operator License, the Executive Director shall consider the following factors relating to the Applicant:

- (a) Whether the Applicant is proposing a sports wagering operation that will have a positive impact through increased revenues on the District and its residents;
- (b) Whether the Applicant possesses adequate funds or has secured adequate financing to commence and maintain a sports wagering operation;
- (c) Whether the Applicant has the financial stability, integrity, and responsibility to conduct a sports wagering operation;
- (d) Whether the Applicant has sufficient business ability and experience to create and maintain a successful sports wagering operation;
- (e) Whether the Applicant has proposed adequate measures for internal and external security, including a surveillance system or protocol;
- (f) Whether the Applicant has satisfied the sports wagering license requirements;
- (g) Whether the Applicant has demonstrated that its proposed sports wagering operation will be conducted in accordance with the Act and all other applicable District and federal laws;
- (h) Whether the Applicant has been convicted of a disqualifying offense, as established by this chapter;
- (i) Whether the Applicant is a Small Business Enterprise or Certified Business Enterprise;
- (j) Whether the Applicant has entered into a labor peace agreement with each labor organization that is actively engaged in representing or attempting to represent employees in the gaming, hospitality, or food and beverage industries in the District. The labor peace agreement shall be a written agreement between the Applicant and the labor organization that contains, at a minimum, a provision protecting the District's revenues by prohibiting the labor organization or its members from engaging in any picketing, work stoppage, boycott, or other economic interference with the Applicant's sports wagering operations during any effort by the labor organization to organize employees for purposes of collective bargaining

representation and apply to a sports wagering operation conducted at a Class A Sports Wagering Facility approved by the Office, whether conducted directly by the Applicant or by a Management Services Provider under a management services agreement with the Applicant;

- (k) The past and present compliance of the Applicant and its affiliates or affiliated companies with gaming-related licensing requirements in the District or any other jurisdiction, including whether the Applicant has a history of non-compliance with the gaming licensing requirements of any jurisdiction;
- (l) If the Applicant has been charged with, convicted, pleaded guilty, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, not including a traffic offense;
- (m) If the Applicant has filed, or had filed against it a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the payment of any debt;
- (n) If the Applicant has been served with a complaint or other notice filed with any public body regarding a payment of any tax required under any law in any jurisdiction, where the Applicant has been in breach for one or more years;
- (o) If the Applicant is or has been a defendant in litigation involving its business practices that would call into question its suitability to be licensed;
- (p) If awarding a license would undermine the public's confidence in the gaming industry in the District; and
- (q) If the Applicant meets other prescribed standards for the issuance of a license.

2101.15 An Applicant may apply for up to but no more than two (2) sports wagering licenses unless the Applicant enters into a joint venture or other contractual agreement whereby a majority interest is owned by a Certified Business Enterprise for any additional licenses.

2102 CLASS B SPORTS WAGERING OPERATOR LICENSE REQUIREMENTS

2102.1 An individual, group of individuals or entity may apply to the Office for a Class B Operator License, the application for which shall be on a form or platform provided by the Office. Applications shall be made under oath in the prescribed form prescribed by the Office.

2102.2 The Office shall not issue a Class B Operator License to an Applicant whose Sports Wagering Facility will be located within a Class A Sports Wagering Facility or within a two (2) block radius of any of the designated Class A Sports Wagering Facilities.

2102.3 The Office may require the following information in conjunction with an application for a Class B Operator License:

- (a) The Applicant's legal name and form of business entity.
- (b) The mailing address of the Applicant and, if a corporation, the name of the state in which it is incorporated and the location of its principal place of business.
- (c) The names, addresses, employer identification or social security numbers and dates of birth of its directors, officers, partners, owners and key personnel.
- (d) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a corporate Applicant, including a corporate holding company, parent company, or subsidiary company of the Applicant that has the ability to control the activities of the corporate Applicant or elect a majority of the board of directors of that corporation, excluding any bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business.
- (e) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a non-corporate Applicant that directly or indirectly holds a five percent (5%) or greater beneficial or proprietary interest in the Applicant's business operation, or that the Office otherwise determines has the ability to control the Applicant.
- (f) Information regarding the Applicant or any persons identified in subsections (c) through (e) are eligible to hold a Sports Wagering Operator's License, including disclosure of the following information:
 - (1) Whether the Applicant or any persons identified in subsections (c) through (e) have been convicted of an offense other than a traffic violation;
 - (2) Whether the Applicant or any persons identified in subsections (c) through (e) have been subject to any disciplinary action, past or pending, by any administrative, governmental, or regulatory body;

- (3) Whether the Applicant or any persons identified in subsections (c) through (e) have been charged with a violation of any statute, rule, regulation, or ordinance of any administrative, regulatory, or other governmental body; or
- (4) Whether the Applicant or any persons identified in subsections (c) through (e) have been in default of paying any taxes, fees, or other obligations owed to the District of Columbia, any local governmental entity, or the federal government;
- (g) A report of the Applicant's or any person identified in subsections (c) through (e)'s financial activities, including evidence of financial stability, such as bank statements, business and personal income and disbursement schedules, tax returns, or other documentation satisfactory to the Office that demonstrates that the Applicant has sufficient business ability and experience to establish and maintain a successful sports wagering business;
- (h) A certification indicating whether the Applicant or any persons identified in subsections (c) through (e) have been directly employed by an illegal or offshore Sports Wagering Operator that serviced the United States or otherwise accepted black market wagers from individuals located in the United States;
- (i) A description of the proposed internal controls and security systems to be used in conducting sports wagering or processing sports wagering transactions;
- (j) The number of employees expected to be employed at the proposed Sports Wagering Facility;
- (k) The estimated tax revenue to be generated by the Sports Wagering Facility;
- (l) The location of the proposed Sports Wagering Facility;
- (m) A copy of the Applicant's license to conduct business in the District of Columbia;
- (n) Proof of good standing pursuant to D.C. Official Code § 29-102.08 and a certification that the Citywide Clean Hands Database indicates that the proposed Licensee is current with its District taxes;
- (o) A list of jurisdictions where the Applicant has applied for a sports wagering or gambling license;

- (p) A list of jurisdictions where the Applicant has been issued a sports wagering or gambling license;
- (q) A list of jurisdictions where the Applicant has had any sports wagering or gambling license suspended or revoked;
- (r) Criminal history and background information of the Applicant or any person identified in subsections (c) through (e) as required by the Office;
- (s) Information demonstrating whether the Applicant is a Small Business Enterprise;
- (t) The estimated economic benefit to the District of Columbia of the proposed Class B Sports Wagering Facility. The estimate shall include, but not be limited to the following:
 - (1) Projected gross revenue on an annual basis;
 - (2) Estimated new capital investment for the project; and
 - (3) Scientific or market research performed by the Applicant or its contractors; and
- (u) Any other information the Executive Director considers necessary and appropriate to determine the competency, honesty, quality, economic impact and integrity of the proposed operation.

2102.4 The Applicant shall notify the Office of any changes to their application within ten (10) days of the change.

2102.5 As a condition of licensure, a Class B Operator shall be bonded, in such amounts and in such manner as determined by the Office, and agree, in writing, to indemnify and to save harmless the District of Columbia against any and all actions, claims, and demands of whatever kind or nature that the District of Columbia may incur by reason of or in consequence of issuing an Operator License to the Licensee.

2102.6 A Class B Operator License shall be issued for five (5) years and require a non-refundable application fee of one hundred thousand dollars (\$100,000), which shall be submitted with the application; provided, that when an Applicant for a Class B Operator License partners with a joint venture with a Certified Business Enterprise majority interest, it shall submit a non-refundable application fee of twenty-five thousand dollars (\$25,000) at the time of the initial application.

- 2102.7 A Class B Operator License may be renewed for five (5)-year periods; provided, that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a fifty thousand dollar (\$50,000) renewal fee. The application for renewal shall include a report of Certified Business Enterprise participation, including Certified Business Enterprise joint ventures, which the Office shall assess and consider verified Certified Business Enterprise participation in the decision to approve the renewal.
- 2102.8 Each Class B Operator License is limited to a single Sports Wagering Facility.
- 2102.9 A Class B Operator may provide Sports Wagering Equipment, software, systems, data or services for the location which it has obtained a license without having to obtain a separate Suppliers License. If a Class B Operator purchases, leases or otherwise obtains Sports Wagering Equipment from a third party, it must do so from a licensed Supplier.
- 2102.10 A Class B Operator License is non-transferable.
- 2102.11 The Office shall not issue a Class B Operator License unless it is satisfied that the Applicant meets the requirements for a Class B Operator License and is a suitable and qualified person to be licensed to conduct or participate in conducting all aspects of Class B Sports Wagering.
- 2102.12 An Applicant for a Class B Operator License shall establish their suitability for a license by clear and convincing evidence.
- 2102.13 In determining whether an Applicant is suitable and to approve an application for a Class B Operator License, the Executive Director shall consider the following factors relating to the Applicant:
- (a) Whether the Applicant is proposing a sports wagering operation that will have a positive impact on the District and its residents through increased revenues and improving the quality and marketability of sports wagering entertainment within the District;
 - (b) Whether the Applicant possesses adequate funds or has secured adequate financing to commence and maintain a sports wagering operation;
 - (c) Whether the Applicant has the financial stability, integrity, and responsibility to conduct a sports wagering operation;
 - (d) Whether the Applicant has sufficient business ability and experience to create and maintain a successful sports wagering operation;
 - (e) Whether the Applicant has proposed adequate measures for internal and external security, including a surveillance system or protocol;

- (f) Whether the Applicant has satisfied the sports wagering license requirements;
- (g) Whether the Applicant has demonstrated that its proposed sports wagering operation will be conducted in accordance with this title and all other applicable District and federal laws;
- (h) Whether the Applicant has been convicted of a disqualifying offense, as established by this chapter;
- (i) Whether the Applicant is a Small Business Enterprise;
- (j) The past and present compliance of the Applicant and its affiliates or affiliated companies with gaming-related licensing requirements in the District or any other jurisdiction, including whether the Applicant has a history of non-compliance with the gaming licensing requirements of any jurisdiction;
- (k) If the Applicant has been charged with, convicted, pleaded guilty, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, not including a traffic offense;
- (l) If the Applicant has filed, or had filed against it a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the payment of any debt;
- (m) If the Applicant has been served with a complaint or other notice filed with any public body regarding a payment of any tax required under any law in any jurisdiction, where the Applicant has been in breach for one or more years;
- (n) If the Applicant is or has been a defendant in litigation involving its business practices that would call into question its suitability to be licensed;
- (o) If awarding a license would undermine the public's confidence in the gaming industry in the District; and
- (p) If the Applicant meets other prescribed standards for the issuance of a license.

2102.14 An Applicant may apply for up to but no more than two (2) sports wagering licenses unless the Applicant agrees to subcontract with a joint venture or subcontract with a Certified Business Enterprise for any additional licenses.

2103 MANAGEMENT SERVICES PROVIDER LICENSE REQUIREMENTS

- 2103.1 An individual, group of individuals or entity may apply to the Office for a Management Services Provider License, the application for which shall be on a form provided by the Office.
- 2103.2 An Operator may enter into a management services contract that permits an individual, group of individuals or entity other than the licensed operator e to conduct sports wagering on the premises.
- 2103.3 The management services contract shall be in writing and must be approved by the Office.
- 2103.4 The Office may require the following information in conjunction with an application for a Management Services Provider License:
- (a) The Applicant's legal name and form of business entity;
 - (b) The mailing address of the Applicant and, if a corporation, the name of the state in which it is incorporated and the location of its principal place of business;
 - (c) The names, addresses, employer identification or social security numbers and dates of birth of its directors, officers, partners, owners and key personnel;
 - (d) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a corporate Applicant, including a corporate holding company, parent company, or subsidiary company of the Applicant that has the ability to control the activities of the corporate Applicant or elect a majority of the board of directors of that corporation, excluding any bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business;
 - (e) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a non-corporate Applicant that directly or indirectly holds a five percent (5%) or greater beneficial or proprietary interest in the Applicant's business operation, or that the Office otherwise determines has the ability to control the Applicant.;
 - (f) Information regarding the Applicant or any persons identified in subsections (c) through (e) are eligible to hold a Management Services Provider License, including disclosure of the following information:

- (1) Whether the Applicant or any persons identified in subsections (c) through (e) have been convicted of an offense other than a traffic violation;
 - (2) Whether the Applicant or any persons identified in subsections (c) through (e) have been subject to any disciplinary action, past or pending, by any administrative, governmental, or regulatory body;
 - (3) Whether the Applicant or any persons identified in subsections (c) through (e) have been charged with a violation of any statute, rule, regulation, or ordinance of any administrative, regulatory, or other governmental body; or
 - (4) Whether the Applicant or any persons identified in subsections (c) through (e) have been in default of paying any taxes, fees, or other obligations owed to the District of Columbia, any local governmental entity, or the federal government;
- (g) A report of the Applicant's or any person identified in subsections (c) through (e)'s financial activities, including evidence of financial stability, such as bank statements, business and personal income and disbursement schedules, tax returns, or other documentation satisfactory to the Office that demonstrates that the Applicant has sufficient business ability and experience to establish and maintain a successful sports wagering business;
- (h) A certification indicating whether the Applicant or any persons identified in subsections (c) through (e) have been directly employed by an illegal or offshore Sports Wagering Operator that serviced the United States or otherwise accepted black market wagers from individuals located in the United States;
- (i) A description of the proposed internal controls and security systems to be used in conducting sports wagering or processing sports wagering transactions;
- (j) The number of employees expected to be employed at the proposed Sports Wagering Facility;
- (k) The location of the proposed Sports Wagering Facility;
- (l) A copy of the Applicant's license to conduct business in the District of Columbia;

- (m) Proof of good standing pursuant to D.C. Official Code § 29-102.08 and a certification that the Citywide Clean Hands Database indicates that the proposed Licensee is current with its District taxes;
- (n) A list of jurisdictions where the Applicant has applied for a sports wagering or gambling license;
- (o) A list of jurisdictions where the Applicant has been issued a sports wagering or gambling license;
- (p) A list of jurisdictions where the Applicant has had any sports wagering or gambling license suspended or revoked;
- (q) Criminal history and background information of the Applicant or any person identified in subsections (c) through (e) as required by the Office;
- (r) A copy of the contract or proposed contract between the Management Services Provider and the Operator;
- (s) Information demonstrating whether the Applicant is a Small Business Enterprise; and
- (t) Any other information the Executive Director considers necessary and appropriate to determine competency, honesty and integrity.

2103.5 The Applicant shall notify the Office of any changes to their application within ten (10) days of the change.

2103.6 A Management Services Provider License shall be issued for a one (1)-year period and require a non-refundable application fee of ten thousand dollars (\$10,000), which shall be submitted with the application.

2103.7 A Management Services Provider License may be renewed annually; provided, that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a two thousand dollar (\$2,000) renewal fee.

2103.8 Each Management Services Provider License is limited to a single Sports Wagering Facility.

2103.9 A Management Services Provider may provide Sports Wagering Equipment, software, systems, data or services for the location which it has obtained a license without having to obtain a separate Suppliers License. If a Management Services Provider purchases, leases or otherwise obtains Sports Wagering Equipment from a third party, it must do so from a licensed Supplier.

- 2103.10 The duties and responsibilities of a Management Services Provider under a management services contract shall not be assigned, delegated, subcontracted, or transferred to a third party without the prior approval of the Office.
- 2103.11 The Office shall not issue a Management Services Provider License unless it is satisfied that the Applicant meets the requirements for a Management Services Provider License and is a suitable and qualified person to be licensed to conduct or participate in conducting all aspects of Sports Wagering pursuant to its management services contract that has been approved by the Office.
- 2103.12 An Applicant for a Management Services Provider License shall establish their suitability for a license by clear and convincing evidence.
- 2103.13 In determining whether an Applicant is suitable and to approve an application for a Management Services Provider License, the Executive Director shall consider the following factors, when applicable, relating to the Applicant:
- (a) Whether the Applicant is Management Services Provider Licensee is capable of operating a Sports Wagering Facility that will have a positive impact on the District and its residents through increased revenues and improving the quality and marketability of sports wagering entertainment within the District;
 - (b) Whether the Applicant possesses adequate funds or has secured adequate financing to operate a Sports Wagering Facility in conformity with the regulations and standards promulgated by the Office;
 - (c) Whether the Applicant has the financial stability, integrity, and responsibility to conduct a sports wagering operation.
 - (d) Whether the Applicant has sufficient business ability and experience to operate and maintain a successful sports wagering operation;
 - (e) Whether the Applicant has proposed adequate measures for internal and external security, including a surveillance system or protocol;
 - (f) Whether the Applicant has satisfied the Management Services Provider License requirements;
 - (g) Whether the Applicant has demonstrated that its proposed sports wagering operation will be conducted in accordance with the Act and all other applicable District and federal laws;
 - (h) Whether the Applicant has been convicted of a disqualifying offense, as established by regulation by this chapter;

- (i) Whether the Applicant is a Small Business Enterprise;
- (j) The past and present compliance of the Applicant and its affiliates or affiliated companies with gaming-related licensing requirements in the District or any other jurisdiction, including whether the Applicant has a history of non-compliance with the gaming licensing requirements of any jurisdiction;
- (k) If the Applicant has been charged with, convicted, pleaded guilty, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, not including a traffic offense;
- (l) If the Applicant has filed, or had filed against it a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the payment of any debt;
- (m) If the Applicant has been served with a complaint or other notice filed with any public body regarding a payment of any tax required under any law in any jurisdiction, where the Applicant has been in breach for one or more years;
- (n) If the Applicant is or has been a defendant in litigation involving its business practices that would call into question its suitability to be licensed;
- (o) If awarding a license would undermine the public's confidence in the gaming industry in the District; and
- (p) If the Applicant meets other prescribed standards for the issuance of a license.

2103.14 An Applicant may apply for up to but no more than two (2) Management Services Provider Licenses, unless, the Applicant enters into a joint venture or other contractual agreement whereby a majority interest is owned by a Certified Business Enterprise for any additional licenses.

2103.15 A Management Services Provider shall prominently display in the Sports Wagering Facility the Management Services Provider License issued by the Office.

2104 SUPPLIER LICENSE REQUIREMENTS

2104.1 An individual, group of individuals or entity may apply to the Office for a Supplier License, the application for which shall be on a form provided by the Office.

- 2104.2 An individual, group of individuals or entity that seeks to sell or lease sports wagering equipment, software, systems, data or services relating to the conducting of sports wagering, as determined by the Office, shall obtain a Supplier License from the Office.
- 2104.3 An individual, group of individuals or entity that provides odds on sporting events to Operators or Management Services Providers when such information is not available to the public electronically in real time, must be licensed as a Supplier.
- 2104.4 The Office may require the following information in conjunction with an application for a Supplier License:
- (a) The Applicant's legal name and form of business entity;
 - (b) The mailing address of the Applicant and, if a corporation, the name of the state in which it is incorporated and the location of its principal place of business;
 - (c) The names, addresses, employer identification or social security numbers and dates of birth of its directors, officers, partners, owners, and key personnel;
 - (d) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a corporate Applicant, including a corporate holding company, parent company, or subsidiary company of the Applicant that has the ability to control the activities of the corporate Applicant or elect a majority of the board of directors of that corporation, excluding any bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business;
 - (e) The names, addresses, employer identification or social security numbers and dates of birth, as applicable, of each individual, group of individuals or entity associated with a non-corporate Applicant that directly or indirectly holds a five percent (5%) or greater beneficial or proprietary interest in the Applicant's business operation, or that the Office otherwise determines has the ability to control the Applicant;
 - (f) Information regarding the Applicant or any persons identified in subsections (c) through (e) are eligible to hold a Supplier License, including disclosure of the following information:
 - (1) Whether the Applicant or any persons identified in subsections (c) through (e) have been convicted of an offense other than a traffic violation;

- (2) Whether the Applicant or any persons identified in subsections (c) through (e) have been subject to any disciplinary action, past or pending, by any administrative, governmental, or regulatory body;
 - (3) Whether the Applicant or any persons identified in subsections (c) through (e) have been charged with a violation of any statute, rule, regulation, or ordinance of any administrative, regulatory, or other governmental body; or
 - (4) Whether the Applicant or any persons identified in subsections (c) through (e) have been in default of paying any taxes, fees, or other obligations owed to the District of Columbia, any local governmental entity, or the federal government;
- (g) A report of the Applicant's or any person identified in subsections (c) through (e)'s financial activities, including evidence of financial stability, such as bank statements, business and personal income and disbursement schedules, tax returns, or other documentation satisfactory to the Office that demonstrates that the Applicant has sufficient business ability and experience to establish and maintain a successful sports wagering business;
- (h) A certification indicating whether the Applicant or any persons identified in sections (c) through (e) have been directly employed by an illegal or offshore Sports Wagering Operator that serviced the United States or otherwise accepted black market wagers from individuals located in the United States;
- (i) A copy of the Applicant's license to conduct business in the District of Columbia;
- (j) Proof of good standing pursuant to D.C. Official Code § 29-102.08 and a certification that the Citywide Clean Hands Database indicates that the proposed Licensee is current with its District taxes;
- (k) A list of jurisdictions where the Applicant has applied for a sports wagering or gambling license.
- (l) A list of jurisdictions where the Applicant has been issued a sports wagering or gambling license.
- (m) A list of jurisdictions where the Applicant has had any sports wagering or gambling license suspended or revoked.
- (n) Criminal history and background information of the Applicant or any person identified in subsections (c) through (e) as required by the Office;

- (o) A list of sports wagering equipment, systems, or other gaming items necessary to conduct sports wagering that may be offered for sale or lease; and
- (p) Any other information the Executive Director considers necessary and appropriate to determine competency, honesty and integrity.

2104.5 The Applicant shall notify the Office of any changes to their application within ten (10) days of the change.

2104.6 A Supplier License shall be issued for a one (1)-year period and require a non-refundable application fee of ten thousand dollars (\$10,000), which shall be submitted with the application.

2104.7 A Supplier License may be renewed annually; provided, that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a two thousand dollar (\$2,000) renewal fee.

2104.8 A Supplier License is non-transferable. The duties and responsibilities of a Supplier shall not be assigned, delegated, subcontracted, or transferred to a third party without the prior approval of the Office.

2104.9 The Office shall not issue a Supplier License unless it is satisfied that the Applicant meets the requirements for a Supplier License and is a suitable and qualified person to be licensed as a Supplier.

2104.10 An Applicant for a Supplier License shall establish their suitability for a license by clear and convincing evidence.

2105 OCCUPATIONAL LICENSE REQUIREMENTS

2105.1 All persons employed to be engaged in activities related to sports wagering shall be required to be licensed by the Office and, when employed, shall maintain a valid Occupational License and be employed in the capacity reported to the Office.

2105.2 An Occupational License is required for the following individuals:

- (a) An individual who is employed by a Sports Wagering Operator and whose work duties are directly related to or involved in sports wagering operations;
- (b) An individual who works in a restricted area of the Sports Wagering Facility; and

- (c) An individual who is a Sports Wagering Operations Manager, a general manager or department manager having oversight or operational responsibility for operations of the Sports Wagering Facility.

- 2105.3 The Office may license different levels of Occupational Licenses.
- 2105.4 An Occupational Licensee may perform any work duties or activities included within the level of Occupational License held by the Licensee and included in any lower level of Occupational License. A license may entitle the person to work at more than one location if such an arrangement has been approved by the Office.
- 2105.5 The Office shall not process an application for an Occupational License unless the application includes a written statement from a Sports Wagering Operator that the Applicant has been or will be hired by the Sports Wagering Operator, subject to satisfactory completion of any training required by the Office and upon receiving the appropriate Occupational License application fee.
- 2105.6 The Applicant shall notify the Office of any changes to their application within ten (10) days of the change.
- 2105.7 The Office may exempt any person from the occupational licensing requirements of this title if the Office determines that the person is regulated by another governmental agency or that licensing is not considered necessary to protect the public interest or accomplish the policies and purposes of the Act.
- 2105.8 A holder of an Occupational License shall submit a renewal application by September 30 of each year and pay a renewal fee of one hundred dollars (\$100), which may be paid on behalf of the licensed employee by the employer.
- 2105.9 Each holder of an Occupational License shall carry the license and have some indicia of licensure prominently displayed on his or her person when present in a Sports Wagering Facility at all times, in accordance with the rules of the Office.
- 2105.10 An Applicant for an Occupational License under this section shall submit an application, as required by the Office, and pay a nonrefundable fee of \$100, which may be paid on behalf of the Applicant by the prospective employer.
- 2105.11 The Office shall not issue an Occupational License unless it is satisfied that the Applicant meets the requirements for such license and is a suitable and qualified person to be licensed for the operational position they are proposing to hold.
- 2105.12 An Applicant for an Occupational License shall establish their suitability for a license by clear and convincing evidence

2106 PROVISIONAL SPORTS WAGERING LICENSES

2106.1 The Office may issue Provisional Sports Wagering Licenses to Operators, Management Service Providers and Suppliers.

2106.2 An Applicant for a Provisional Sports Wagering Licenses shall provide the Office with the following documents and information and complete the following steps:

- (a) Provide proof of current licensure for sports wagering from an Office approved jurisdiction;
- (b) Provide a copy of the application, including all amendments and updates, submitted to obtain its sports wagering license from an Office approved jurisdiction;
- (c) Begin the Office’s sports wagering license application process;
- (d) Complete all forms required by the Office;
- (e) Obtain a Basic Business License;
- (f) Provide proof of good standing pursuant to D.C. Official Code § 29-102.08 and a certification that the Citywide Clean Hands Database indicates that the Applicant is current with its District taxes;
- (g) Comply with the Certified Business Entity requirements for licensure contained in the Act;
- (h) For a provisional Class A Operator’s license, provide documentation indicating whether the Applicant has entered into a labor peace agreement with each labor organization that is actively engaged in representing or attempting to represent employees in the gaming, hospitality, or food and beverage industries in the District. If the Applicant has not entered into a labor peace agreement as referenced in this paragraph, the Applicant shall provide information showing that it is engaged in good faith negotiations to enter into a labor peace agreement or information showing why it was unable to enter in a labor peace agreement
- (i) Provide any additional information or documentation required by the Office; and
- (j) Pay the non-refundable application fee.

2106.3 An Applicant for a Provisional Sports Wagering License shall agree in writing to the following conditions:

- (a) The Provisional Sports Wagering License does not create a right or privilege to continue sports wagering operations if the Applicant's application for a standard sports wagering license is rejected by the Office.
- (b) The Office may rescind the Applicant's Provisional Sports Wagering License at any time, with or without notice to the Applicant, if:
- (c) The Office is informed that the suitability of the Applicant may be at issue; and
- (d) The Applicant fails to cooperate with the Office in the Office 's investigation into the qualifications and suitability of the Applicant for a standard sports wagering license.

2106.4 A Provisional Sports Wagering License shall be valid for a period of up to six (6) months. The Executive Director may extend the Provisional Sports Wagering License period upon a showing of good cause.

2106.5 While operating under a Provisional Sports Wagering License, the licensee shall adhere to all applicable requirements contained in the Act and this chapter.

2106.6 The Applicant must complete the Office's full sports wagering licensing applications and meet all requirements prior to being issued a standard sports wagering license.

2106.7 The initial standard license term of the Applicant shall be reduced by the number of days the Applicant held a Provisional Sports Wagering License.

2106.8 A Provisional Sports Wagering License shall expire immediately if the Applicant's application for a standard sports wagering license is denied.

2107 LICENSE PROHIBITIONS

2107.1 The Office shall deny, suspend, or revoke a license if evidence satisfactory to the Office exists that the Applicant or Licensee committed any of the following disqualifying offenses:

- (a) The Applicant or Licensee knowingly made a false statement of a material fact to the Office;
- (b) The Applicant or Licensee has been suspended from operating a gambling game, gaming device, or gaming operation, or had a license revoked by any governmental authority responsible for the regulation of gaming activities;

- (c) The Applicant or Licensee has been convicted of a felony and has not received a pardon or has not been released from parole or probation for at least five (5) years;
- (d) The Applicant or Licensee has been convicted of a gambling-related offense, or a theft or fraud offense; or
- (e) The Applicant or Licensee is a company or individual who has been directly employed by any illegal or offshore book that serviced the United States or otherwise accepted black market wagers from individuals located in the United States.

2107.2 The Office may deny, suspend, or revoke an Applicant's or Licensee's Sports Wagering License under the following circumstances:

- (a) If the Applicant or Licensee has not demonstrated by clear and convincing evidence to the satisfaction of the Office financial responsibility sufficient to adequately meet the requirements of the proposed enterprise;
- (b) If the Applicant or Licensee is not the true owner of the business or is not the sole owner and has not disclosed on the application the existence or identity of other persons who have an ownership interest in the business; or
- (c) if the Applicant or Licensee is a corporation that sells more than five percent (5%) of its voting stock, more than five percent (5%) of the voting stock of a corporation that controls the Applicant or Licensee, sells the Applicant's or Licensee's assets, other than those bought and sold in the ordinary course of business, or an interest in the assets, to an individual, group of individuals, or entity not already determined by the Office to have met the qualifications of a Licensee, or is a non-corporate entity where an individual, group of individuals, or entity not already determined by the Office to have met the qualifications of a Licensee pursuant to this title holds more than a ten percent (10%) interest in the non-corporate entity.

2107.3 The Office may deny, suspend, or revoke an Applicant's or Licensee's Sports Wagering License if they, or any person required to be qualified under this chapter as a condition of a sports wagering license, has been convicted of any offense in any jurisdiction which equate to the following crimes:

- (a) All crimes of the first degree;
- (b) Attempt to commit an offense which is listed in this subsection;
- (c) Conspiracy to commit an offense which is listed in this subsection;

- (d) Manslaughter;
- (e) Vehicular homicide which constitutes a crime of the second degree;
- (f) Aggravated assault which constitutes a crime of the second or third degree;
- (g) Kidnapping;
- (h) Sexual offenses which constitute crimes of the second or third degree;
- (i) Robberies;
- (j) Crimes involving arson and related offenses;
- (k) Causing or risking widespread injury or damage;
- (l) Burglary which constitutes a crime of the second degree;
- (m) Theft and related offenses which constitute crimes of the second or third degree;
- (n) Forgery and fraudulent practices which constitute crimes of the second or third degree;
- (o) Endangering the welfare of a child;
- (p) Bribery and corrupt influence;
- (q) Perjury and other falsification in official matters which constitute crimes of the second, third or fourth degree;
- (r) Misconduct in office and abuse in office which constitutes a crime of the second degree;
- (s) Manufacturing, distributing or dispensing a controlled dangerous substance or a controlled dangerous substance analog which constitutes a crime of the second or third degree;
- (t) Employing a juvenile in a drug distribution scheme;
- (u) Distributing, dispensing or possessing a controlled dangerous substance or a controlled substance analog on or within one thousand feet (1,000 ft.) of school property or bus;

- (v) Distributing, dispensing or possessing a controlled dangerous substance or a controlled substance analog in proximity to public housing facilities, parks or buildings;
- (w) Distribution, possession or manufacture of imitation controlled dangerous substances;
- (x) Acquisition of controlled dangerous substances by fraud;
- (y) Gambling offenses which constitute crimes of the third or fourth degree;
- (z) Possession of a gambling device;
- (aa) Any second-degree racketeering crime;
- (bb) Swindling and cheating;
- (cc) Use of device to gain an advantage at a sports wagering, lottery or casino game;
- (dd) Unlawful use of bogus chips or gaming billets, marked cards, dice, cheating devices, unlawful coins;
- (ee) Cheating games and devices in a licensed casino;
- (ff) Unlawful possession of device, equipment or other material illegally manufactured, distributed, sold or delivered; or
- (gg) Any other offense under present District or federal law which indicates that licensure of the Applicant would be detrimental to the policy of the Act and to sports wagering operations; provided, however, that the automatic disqualification provisions of this subsection shall not apply with regard to any conviction which did not occur within the ten (10)-year period immediately preceding application for licensure and which the Applicant demonstrates by clear and convincing evidence does not justify automatic disqualification pursuant to this subsection and any conviction which has been the subject of a judicial order of expungement or sealing;
- (hh) Current prosecution or pending charges in any jurisdiction of the Applicant or Licensee or of any person who is required to be qualified under the Act as a condition of a sports wagering license, for any of the offenses enumerated in this chapter; provided, however, that at the request of the Applicant or the person charged, the Office shall defer decision upon such application during the pendency of such charge;

- (ii) The pursuit by the Applicant or Licensee or any person who is required to be qualified under the Act as a condition of a sports wagering license of economic gain in an occupational manner or context which is in violation of the criminal or civil public policies of the District, if such pursuit creates a reasonable belief that the participation of such person in sports wagering operations would be detrimental to the policies of the Act or to legalized gaming in the District of Columbia. For purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management, or execution of an activity for financial gain;
- (jj) The identification of the Applicant or Licensee or any person who is required to be qualified under the Act as a condition of a Sports Wagering License as a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates a reasonable belief that the association is of such a nature as to be detrimental to the policy of this chapter and to gaming operations. For purposes of this section, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed criminal violations of the public policy of the District of Columbia. A career offender cartel shall be defined as any group of persons who operate together as career offenders;
- (kk) The commission by the Applicant or Licensee or any person who is required to be qualified under the Act as a condition of a Sports Wagering License of any act or acts which would constitute any offense under this chapter, even if such conduct has not been or may not be prosecuted under the criminal laws of the District of Columbia or any other jurisdiction or has been prosecuted under the criminal laws of the District of Columbia or any other jurisdiction and such prosecution has been terminated in a manner other than with a conviction;
- (ll) Willful defiance by the Applicant or Licensee or any person who is required to be qualified under the Act of any legislative investigatory body or other official investigatory body of any state or of the United States when such body is engaged in the investigation of crimes relating to gaming, official corruption, or organized crime activity;
- (mm) Failure by the Applicant or Licensee or any person required to be qualified under the Act as a condition of a Sports Wagering License to make required payments in accordance with a child support order; and
- (nn) Failure by the Applicant or Licensee or any person required to be qualified under the Act as a condition of a sports wagering license to repay any other debt owed to the District of Columbia; unless such Applicant

provides proof to the Office's satisfaction of payment of or arrangement to pay any such debts prior to licensure.

2108 DUTIES OF OPERATORS AND MANAGEMENT SERVICES PROVIDERS

2108.1 Operators and Management Services Providers shall, in accordance with Section 307 of the Act:

- (a) Employ a monitoring system utilizing software to identify irregularities in volume or odds and swings that could signal suspicious activities that should require further investigation, and immediately reports such findings to the Office;
- (b) Develop system requirements and specifications for internal controls according to industry standards and implement the requirements and specifications as required by the Office;
- (c) Immediately reporting to the Office facts or circumstances related to the operation of a sports wagering Licensee that may constitute a violation of District or federal law, including suspicious sports wagering over any threshold set by the Operator;
- (d) Provide a secure location within the District, or a location approved by the Office in accordance with this title and all other applicable District and federal laws for the placement, operation, and play of sports wagering equipment;
- (e) Employ the use of licensed security officers if required to do so by the Office.
- (f) Prevent an individual, group of individuals or entity from tampering with or interfering with the operation of sports wagering or sports wagering equipment;
- (g) Ensure that sports wagering occurs only within the specific designated areas in which sports wagering may take place, using Office-approved mobile applications, websites, other digital platforms, or sports wagering devices that utilize communications technology to accept only wagers originating within the District.
- (h) Ensure that sports wagering conducted through the use of a Self-Service Betting Terminal or Sports Wagering Facility booth located in the Sports Wagering Facility or other window locations as approved by the Office, is conducted within the sight and control of designated employees of the

licensed Operator or Management Services Provider and under continuous observation by security equipment, as required by the Office;

- (i) Maintain a sufficient cash supply and other supplies within the boundaries of the District;
- (j) Maintain daily records showing the Gross Sports Wagering Receipts and adjusted gross sports wagering receipts of the operator; and
- (k) Timely file with the Office records or reports required by this chapter;

2108.2 Operators and Management Services Providers shall not knowingly allow, and shall take reasonable steps to prevent, the circumvention of reporting requirements through a player making a structured wager, including multiple wagers or a series of wagers that are designed to accomplish indirectly that which could not be accomplished directly. A wager or wagers need not exceed the dollar thresholds at any single operator in any single day in order to constitute prohibited structuring. No Operator or Management Services Provider shall encourage or instruct the player to structure or attempt to structure wagers. This section does not prohibit an Operator or Management Services Provider from informing a player of the regulatory requirements imposed upon the Operator or Management Services Provider, including the definition of structured wagers. An Operator or Management Services Provider shall not knowingly assist a player in structuring or attempting to structure wagers.

2108.3 Operators and Management Service Providers shall investigate each player complaint and provide a response to the player within ten (10) calendar days. For complaints that cannot be resolved to the satisfaction of the player, related to player accounts, settlement of wagers or illegal activity, a copy of the complaint and Licensee's response, including all relevant documentation, shall be provided to the Office.

2108.4 To conduct sports wagering transactions on premises, a Sports Wagering Facility shall have a cashier's cage that has been approved for the operation by the Office. Sports wagering transactions shall be conducted from a Sports Wagering Facility booth located in the Sports Wagering Facility or other window locations as approved by the Office, Self-Service Betting Terminals in locations as approved by the Office or through the use of Office approved mobile applications, websites, other digital platforms, or devices within the Sports Wagering Facility.

2108.5 The Sports Wagering Facility shall be designed to promote optimum security of the facility and shall include the installation and maintenance of security and surveillance equipment, including closed-circuit television equipment, according to specifications approved by the Office. The Office shall have direct access to the system and its transmissions. Operators and Management Services Providers shall

submit a surveillance plan for Office approval prior to accepting wagers. Any changes to the surveillance plan must be approved by the Office.

2108.6 Sports Wagering Facilities and locations with sports wagering equipment are subject to compliance inspections by the Office at all times. Authorized office employees shall be granted access to all portions of the Sports Wagering Facility or any location where sports wagering equipment is stored at all times for the purposes of conducting compliance inspections or enforcement actions.

2108.7 Operators and Management Service Providers shall not accept sports wagers on a prohibited sports event.

2109 ADDITIONAL DUTIES OF OPERATORS AND MANAGEMENT SERVICES PROVIDERS

2109.1 In addition to the requirements set forth in § 2108, Operators and Management Services Providers shall:

- (a) Ensure that its employees and agents conduct sports wagering operations in a manner that does not pose a threat to the public health, safety, and welfare of District residents;
- (b) Verify that persons seeking to participate in sports wagering are at least eighteen (18) years of age by requiring that they present a valid government-issued identification document, including a driver's license, passport, or military ID, that includes the person's name and date of birth;
- (c) Prohibit any person under the age of eighteen (18) to collect winnings from sports wagering;
- (d) Prevent intoxicated or impaired persons from participating in sports wagering or entering the approved designated areas for sports wagering on the licensed premises;
- (e) Prohibit an employee or agent who is serving alcoholic beverages to customers from taking sports wagers on the same day;
- (f) Ensure that all approved designated areas for sports wagering on the licensed premises are monitored by designated staff and Office-approved security systems that are operational, regularly maintained, and are capable of storing footage for a minimum of thirty (30) days. Any security footage shall be made available to the Office, and the Metropolitan Police Department upon request; and

- (g) Immediately notify security if a person who is under the age of eighteen (18) or is intoxicated or impaired knowingly engages in sports wagering on the licensed premises.

2110 POSTING

2110.1 The following shall be conspicuously posted at the sports wagering facility:

- (a) The Sports Wagering Operator license;
- (b) The Management Services Provider License;
- (c) The name of the Sports Wagering Manager on duty;
- (d) A sign that shall include the statement that is similar to “It is unlawful for any individual who is under 18 years of age or is noticeably intoxicated or impaired to engage in sports wagering.”; and
- (e) A sign which shall contain information preventing, treating, and monitoring compulsive gambling, as well as the toll-free number a person can call for help.

2110.2 Online sports wagering websites and mobile applications shall display the following:

- (a) Notice that shall include the statement that is similar to “It is unlawful for any individual who is under 18 years of age or is noticeably intoxicated or impaired to engage in sports wagering.”; and
- (b) Responsible gaming logo or information to direct players to the site's Office-approved responsible gaming page, which shall include, at a minimum:
 - (i) Prominent display of the toll-free helpline number and messaging approved by the Office;
 - (ii) A direct link to the responsible gambling resources approved by the Office that is dedicated to helping persons with potential gambling problems;
 - (iii) A clear statement of the online Operator's policy and commitment to responsible gaming;
 - (iv) Information governing self-imposed responsible gaming limits and the ability for the player to establish those limits; and

- (v) Any other information about available programs to prevent, treat, or monitor compulsive or problem gambling.

2111 IDENTIFICATION BADGES

- 2111.1 The Office shall issue identification badges to Licensees and employees, officers and directors of Licensees.
- 2111.2 The identification badges shall be in the form prescribed by the Office.
- 2111.3 The identification badge shall be worn by the Licensee or employee, officer or director of the Licensee in a clearly visible location above the waist, while the Licensee or Licensee’s employee, officer or director is present within the Sports Wagering Facility or any facility that houses sports wagering equipment.

2112 SPORTS WAGERING MANAGER

- 2112.1 Each Sports Wagering Facility shall have a Sports Wagering Manager present within the Sports Wagering Facility at all times when sports wagering is taking place.
- 2112.2 The name of the Sports Wagering Manager on duty shall be prominently displayed within the Sports Wagering Facility.

2113 REPORTING

- 2113.1 The Sports Wagering Operator shall submit a monthly report to the Office that includes the following information:
 - (a) The total amount of sports wagers received from Sports Wagering;
 - (b) The total amount of prizes awarded for sports betting;
 - (c) The total amount of Gross Sports Wagering Revenue (GGR) received by the Operator;
 - (d) The total number of authorized sports bettors that requested to exclude themselves from sports wagering; and
 - (e) Any additional information the Office considers necessary.
- 2113.2 Reports shall be submitted on forms and in a manner required by the Office.

2114 SELF-LIMITING PROGRAM

- 2114.1 Operators and Management Services Providers shall implement a system to allow individuals to set limits with the Operator or Management Services Provider, including responsible gaming limits set forth below. Any decrease to these limits shall be effective no later than the player's next log in. Any increase to these limits shall become effective only after the time period of the previous limit has expired and the player reaffirms the requested increase.
- (a) A deposit limit, which shall be offered on a daily, weekly and monthly basis and shall specify the maximum amount of money a player may deposit into his or her sports wagering account during a particular period of time;
 - (b) A spending limit, which shall be offered on a daily, weekly and monthly basis and shall specify the maximum amount of player funds that may be put at risk during a particular period of time; and
 - (c) A time-based limit, which shall be offered on a daily basis and shall specify the maximum amount of time, measured hourly from the player's log in to log off, a player may spend playing on a sports wagering system.
- 2114.2 Operators and Management Services Providers shall take reasonable steps to prevent individuals from overriding their self-imposed limits, including, at the request of the individual, sharing the requested limitations with the Office for the sole purpose of disseminating the request to other operators.
- 2114.3 Operators and Management Services Providers shall prohibit an individual from wagering over the limit they have set or from sports wagering if they are on a list provided by the Office of the individuals who have requested to be excluded from sports wagering.
- 2114.4 Operators and Management Services Providers shall implement and maintain reasonable security procedures and practices that are appropriate to the nature of the personal information of individuals who place a wager with the Operator from unauthorized access, use, modification or disclosure.
- 2114.5 Operators and Management Services Providers shall establish procedures to evaluate requests made by third parties to exclude an individual from sports wagering, including requests to exclude an individual from placing sports wagers when the requestor provides documentary evidence of sole or joint financial responsibility for the source of funds deposited with an Operator by the individual or a court order requiring the individual to pay unmet child support obligations.
- 2114.6 Operators and Management Services Providers shall establish a system to exclude from sports wagering individuals who are on the Office's self-exclusion list.

- 2114.7 Operators shall submit a monthly report to the Office that includes the total number of authorized sports bettors that requested to exclude themselves from sports wagering.
- 2114.8 Operators and Management Service Providers shall establish reasonable procedures designed at a minimum to prevent entry of a self-excluded person into the sportsbook area of a Sports Wagering Facility.
- 2114.9 Any person may request placement on the list of self-excluded persons, and the person during any period of voluntary exclusion may not collect any winnings or recover any losses resulting from any sports wagering or lottery gaming activity.
- 2114.10 Unless the suspension was a result of a player's self-exclusion, the Operator or Management Services Provider shall notify the sports wagering account holder via email, certified or registered mail, or other method approved by the Office, whenever his or her Account has been closed or placed in a suspended mode. Such notification shall include the restrictions placed on the Account and any further course of action needed to remove the restriction.
- 2114.11 Operators and Management Service Providers shall abide by all requirements issued by the Office pertaining to training employees about compulsive and problem gambling.,

2115 INTERNAL CONTROLS

- 2115.1 Operators and Management Services Providers shall file with the Office internal controls for all aspects of sports wagering operations prior to commencing operations.
- 2115.2 As determined by the Office, prior to commencing sports wagering, a Sports Wagering Operator or Management Services Provider shall submit to the Office for approval internal controls for all aspects of sports wagering (*i.e.*, retail sportsbook operations, in venue mobile sportsbook operations and remote sportsbook wagering operations) prior to implementation and any time a change is made thereafter.
- 2115.3 The internal controls shall address the following items regarding the sports wagering system, at a minimum:
- (a) User access controls for all sports wagering personnel;
 - (b) Segregation of duties;
 - (c) Automated and manual risk management procedures;

- (d) Procedures for identifying and reporting fraud and suspicious conduct;
- (e) Procedures for identifying and preventing persons who are under eighteen (18) years of age from engaging in sports wagering;
- (f) Procedures to prevent wagering by players prohibited from wagering;
- (g) Procedures for identifying and preventing intoxicated and impaired persons from engaging in sports wagering;
- (h) Description of anti-money laundering (AML) compliance standards;
- (i) Description of all types of wagers available to be offered by the system; and
- (j) Description of all integrated third-party systems.

2115.4 The internal controls shall detail the reconciliation of assets and documents contained in a Sports Wagering Facility Ticket Writer's drawer, Self Service Terminal, and mobile sports wagering.

2116 HOUSE RULES

2116.1 Operators and Management Services Providers shall adopt comprehensive House Rules which shall be submitted to the Office for approval before the commencement of operations.

2116.2 At a minimum, the House Rules shall address the following items:

- (a) A method for the calculation and payment of winning wagers;
- (b) The effect of schedule changes;
- (c) The method of notifying players of odds or proposition changes;
- (d) Acceptance of wagers at terms other than those posted;
- (e) Expiration of any winning ticket one hundred and eighty (180) days after the date of the event;
- (f) The method of contacting the Operator or Management Services Provider for questions and complaints;
- (g) A description of prohibited sports participants;
- (h) The method of funding a sports wager; and

(i) A description of all types of wagers that may be accepted.

2116.3 House Rules shall include a provision prohibiting the stacking of bets to avoid federal currency transactional reporting thresholds.

2116.4 House Rules shall place players on notice that wagers are subject to Anti-Money Laundering standards, including Currency Transaction Reports and Suspicious Activity Reports.

2116.5 Minimum and maximum sports wagers referenced in House Rules must not fall outside of the limits set by the Office.

2116.6 House Rules shall be conspicuously displayed in the Sports Wagering Facility, posted on the Operator's or Management Services Provider's websites and mobile applications.

2116.7 Copies of the House Rules shall be made readily available, upon request, to players, the Office, and the Metropolitan Police Department.

2117 RESERVE REQUIREMENTS

2117.1 Operators and Management Services Providers shall establish a cash reserve of not less than the greater of twenty-five thousand dollars (\$25,000) or the sum of the following amounts:

(a) Amounts held by the Operator for player accounts;

(b) Aggregate amounts accepted by the Operator as wagers on sports wagering events whose outcomes have not been determined; and

(c) Amounts owed but unpaid by the operator on winning wagers through the period established by the Operator for honoring winning wagers.

2117.2 Operators and Management Services Providers shall calculate their reserve requirements each day. In the event an Operator determines that their reserve is not sufficient to cover the calculated requirement, the Operator must, within twenty-four (24) hours, notify the Office of this fact and must also indicate the steps the Operator has taken to remedy the deficiency.

2118 ANONYMOUS WAGERS AND PAYOUTS GREATER THAN \$10,000

2118.1 The requirements of this section only apply for wagers and payouts not associated with a player account.

2118.2 Prior to accepting any wager in excess of ten thousand dollars (\$10,000) or making a payout in excess of \$10,000 on a winning wager, an Operator or Management Services Provider shall obtain and record the following information:

- (a) The player's legal name;
- (b) The player's date of birth;
- (c) The player's residential address (a post office box is not acceptable);
- (d) The player's social security number or equivalent for a foreign player such as a passport or taxpayer identification number; and
- (e) The document number from one of the following valid identification credentials collected from the player to verify their identity:
 - (1) Driver's license;
 - (2) Passport;
 - (3) Non-resident alien identification card;
 - (4) Other reliable government-issued identification credentials; or
 - (5) Other picture identification credential normally acceptable as a means of identification when cashing checks.

2118.3 Subsequent to accepting a wager in excess of \$10,000 or making a payout in excess of \$10,000 on a winning wager the Operator or Management Services Provider shall record or maintain records that include:

- (a) The time and date of the wager or payout;
- (b) The amount of the wager or payout;
- (c) The player's legal name;
- (d) The sports wagering facility ticket writer number or other identification of the location where the wager or payout occurred; and
- (e) The name and signature of the employees accepting or approving the wager and payout on the wager.

2118.4 Operators and Management Services Providers shall monitor all wagers to ensure players are not circumventing the identification requirements above.

2119 SPORTS WAGERING SYSTEM REQUIREMENTS

- 2119.1 Prior to operating sports wagering or online sports wagering pursuant to the Act, all equipment and software used in conjunction with its operation shall be submitted to an Office approved independent testing laboratory or a testing laboratory operated in an accredited jurisdiction approved by the Office.
- 2119.2 All equipment and software used in conjunction with operating sports wagering or online sports wagering must meet as a minimum testing requirement, the standards set forth in the latest version of the GLI-33 Standards for Event Wagering Systems or other generally accepted standards approved by the Office.
- 2119.3 The sports wagering system Supplier shall pay all costs of testing, certification, and approval under this chapter including, but not limited to, all costs associated with:
- (a) Equipment and technical services required by an independent certified testing laboratory to conduct the testing and certification process;
 - (b) Operational audits; and
 - (c) Implementation testing.
- 2119.4 A sports wagering system submitted to the Office for approval shall contain a description of the system's risk management framework, including but not limited to, the following items:
- (a) User access controls for all sports wagering personnel;
 - (b) Information regarding segregation of duties;
 - (c) Information regarding automated risk management procedures;
 - (d) Information regarding fraud detection;
 - (e) Information regarding controls ensuring regulatory compliance;
 - (f) A description of anti-money laundering (AML) compliance standards;
 - (g) A description of all software applications that comprise the system;
 - (h) A description of all types of wagers available to be offered by the system;
 - (i) A description of all integrated third-party systems; and
 - (j) A description of the method to prevent past posting.

- 2119.5 A sports wagering system shall maintain all transactional betting data for a period of five (5) years.
- 2119.6 A sports wagering system shall record the following information for each wager made:
- (a) Description of event;
 - (b) Event number;
 - (c) Wager selection;
 - (d) Type of wager;
 - (e) Amount of wager;
 - (f) Date and time of wager;
 - (g) Unique wager identifier; and
 - (h) An indication of when the ticket expires.
- 2119.7 The following additional requirements are for all tickets generated by a cashier or at a Self Service Betting Terminal:
- (a) Name and address of the party issuing the ticket;
 - (b) A barcode or similar symbol or marking as approved by the Office, corresponding to the unique wager identifier;
 - (c) The method of redeeming winning ticket by mail, any ticket of six hundred dollars (\$600) or more must be redeemed in person; and
 - (d) Identification of the cashier or Self Service Betting Terminal generating the ticket.
- 2119.8 If the sports wagering system issues and redeems a sports wagering voucher, the system shall be capable of recording the following information for each voucher:
- (a) The amount of the voucher
 - (b) The date, time and location of issuance;
 - (c) The unique voucher identifier;

- (d) The expiration date of the voucher; and
- (e) The date, time and location of redemption, if applicable.

2119.9 Sports wagering vouchers issued by a sports wagering system shall contain the following information:

- (a) The date, time and location of issuance;
- (b) The amount of the voucher;
- (c) A unique voucher identifier;
- (d) The expiration date of the voucher;
- (e) The name of the Operator or Management Services Provider.

2119.10 A sports wagering system that offers in-play wagering shall be capable of the following:

- (a) The accurate and timely update of odds for in-play wagers;
- (b) The ability to notify the player of any change in odds after a wager is attempted;
- (c) The ability for the player to confirm the wager after notification of the odds change; and
- (d) The ability to freeze or suspend the offering of wagers when necessary.

2119.11 A sports wagering system shall be configured to perform the following functions:

- (a) Creating wagers;
- (b) Settling wagers;
- (c) Voiding wagers;
- (d) Cancelling wagers; and
- (e) Preventing the acceptance of wagers from players prohibited from wagering.

2119.12 When a sports wager is voided or cancelled, the system shall clearly indicate that the ticket is voided or cancelled, render it nonredeemable and make an entry in

the system indicating the void or cancellation and identity of the cashier or automated process.

- 2119.13 A sports wagering system shall prevent past posting of wagers and the voiding or cancellation of wagers after the outcome of an event is known.
- 2119.14 In the event a player has a pending wager and then self-excludes, the wager shall be cancelled, and the funds returned to the player according to the Licensee's internal controls.
- 2119.15 A sports wagering system shall, at least once every twenty-four (24) hours, perform a self-authentication process on all software used to offer, record and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, at a minimum, the system shall immediately notify the Operator's or Management Services Provider's Information Systems Officer and the Office within twenty-four (24) hours. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than ninety (90) days.
- 2119.16 Operators and Management Services Providers shall provide the Office access to wagering transaction and related data as deemed necessary by and in a manner approved by the Office.
- 2119.17 A sports wagering system shall be capable of maintaining the following:
- (a) A description of the event;
 - (b) The event number;
 - (c) The wager selection;
 - (d) The type of wager;
 - (e) The amount of wager;
 - (f) The amount of potential payout;
 - (g) The date and time of wager;
 - (h) The identity of the cashier accepting the wager if applicable;
 - (i) The unique ticket identifier;
 - (j) The expiration date of the ticket;
 - (k) The player name, if known;

- (l) The date, time, amount, and description of the settlement;
- (m) The location where wager was made;
- (n) The location of redemption; and
- (o) The identity of cashier settling the wager if applicable.

2119.18 For all lost tickets that are redeemed, a sports wagering system shall record and maintain the following information:

- (a) The date and time of redemption;
- (b) The employee responsible for redeeming the ticket;
- (c) The name of the player redeeming the wager;
- (d) The unique ticket identifier; and
- (e) The location of the redemption.

2119.19 Sports wagering systems shall provide a mechanism for the Office to query and export, in a format required by the Office, all sports system data.

2119.20 Sports wagering systems shall be designed to ensure the integrity and confidentiality of all communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

2119.21 Operators and Management Services Providers shall set up test accounts to be used to test each of the various components and operations of the sports wagering system in accordance with internal controls approved by the Office.

2119.22 Additional system specifications and sports wagering system logging requirements may be specified by the Office through the issuance of technical bulletins.

2119.23 The sports wagering system shall generate those reports necessary to record gross sports wagering revenue (GGR), wagering liability, ticket redemption, and such other information relating to sports betting as deemed necessary by the Office. Such reports shall distinguish by type and status where applicable.

2119.24 Reports for Sports Wagering Systems:

- (a) Sports wagering systems shall be designed to generate the reports required by this section or otherwise required by the Office in a format approved by the Office.
- (b) All required reports shall be generated by the sports wagering system, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of “No Activity” or similar message if no data appears for the period specified.
- (c) All data required by this rule must be available in report image formats as well as database type formats as approved by the Office.
- (d) Sports wagering systems shall, at a minimum, generate the daily reports for each gaming day in order to calculate the taxable revenue or to ensure the integrity of operations related to operating an online sports wagering.

2119.25 Operators and Management Services Providers shall determine the daily win amount by comparing a win report from the sports wagering system to the reconciliation of the sports wagering drawers. Operators and Management Services Providers shall be required to report sports wagering revenue as the higher amount unless otherwise authorized by the Office.

2120 INTERNET AND MOBILE APPLICATION SPORTS WAGERING

2120.1 Operators and Management Services Providers may conduct sports wagering over the internet or through the use of mobile applications or other digital platforms; provided that the sports wagering transaction is initiated and received, or otherwise made, exclusively within the physical confines of the single approved Sports Wagering Facility, or otherwise as authorized by law, and must comply with all applicable District and federal laws and regulations.

2120.2 Operators and Management Services Providers shall have in place technical and operational measures to prevent sports wagering by those who are underage.

2120.3 Operators and Management Services Providers shall utilize a Geolocation System to reasonably detect the physical location of a player attempting to access the online sports wagering system; and to monitor and block unauthorized attempts to access the online sports wagering system.

2120.4 The Geolocation System shall, at a minimum:

- (a) The Geolocation System shall ensure that any player is continually located within the permitted boundary and shall be equipped to dynamically

monitor the player's location and block unauthorized attempts to access the online sports wagering system;

- (b) The Geolocation System shall trigger periodic geolocation interval checks to ensure the player remains in the area where the Operator or Management Services Provider is licensed to accept wagers;
- (c) Geolocation Systems shall not rely upon IP addresses to determine location when a mobile internet connection is being used to place a wager;
- (d) Geolocation Systems shall detect and block non-secure devices that have been jailbroken and rooted devices; and
- (e) Shall keep their Geolocation Systems up to date, including integrating the latest solutions in real time that can detect the use of remote desktop software, rootkits, virtualization, or any other programs identified by the Office having the ability to circumvent geolocation measures.

2120.5 Operators and Management Services Providers shall provide the Office at least every ninety (90) days, evidence that the Geolocation system is updated to the latest solution.

2120.6 The integrity of the Geolocation System shall be reviewed regularly by the Operator or Management Services Provider to ensure it detects and mitigates existing and emerging location fraud risks.

2120.7 The Office shall approve technical specifications for Geolocation Systems and any specific requirements related to geolocation and may also issue such requirements in the form of technical bulletins.

2120.8 Mobile applications are limited to one skin for each license.

2121 REMOTE SPORTS WAGERING SYSTEMS

2121.1 Each Remote Sports Wagering System that provides content to another sports wagering system shall conform to the following requirements:

- (a) Maintain internal controls for all aspects of sports wagering operations prior to implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, and accounting;
- (b) Maintain internal controls approved by the Office that address compliance with all online sports wagering system requirements;

- (c) Employ personnel responsible for duties of an Information Technology Department, ensuring the operation and integrity of the sports betting and reviewing all reports of suspicious behavior as determined and approved by the Office;
- (d) Perform an annual system integrity and security assessment conducted by an independent professional selected by the Licensee, subject to the approval of the Office;
- (e) The independent professional's report on the assessment shall be submitted to the Office; and
- (f) Provide the Office with physical and logical access to the remote sports wagering system to review and collect all data contained therein.

2121.2 A Remote Sports Wagering System shall only offer to an Operator's and Management Services Provider's wagers on sporting events approved by the Office and shall notify the applicable Operators and Management Services Providers and the Office when a game is disabled, regardless of the reason.

2121.3 A Remote Sports Wagering System shall only void wagers via a procedure agreed upon between the Remote Sports Wagering System and affected Operators and Management Services Providers or after being notified by the Operator or the Management Services Provider that a wager must be voided.

2121.4 Each Remote Sports Wagering System shall respond to the Operator and Management Services Provider for any issue received related to a player or other wagering issue with a resolution within three calendar days.

2121.5 Any feature that allows a user to manually input or override any wager transaction shall be submitted to the Office for approval prior to use.

2121.6 Each Remote Sports Wagering System shall monitor for and immediately report to the appropriate Operators and Management Services Providers and the Office, any malfunction or security incident that adversely affects the integrity of critical data or system functionality.

2122 SPORTS WAGERING ACCOUNT REQUIREMENTS

2122.1 Online sports wagering shall only be engaged in by players who have established a sports wagering account.

2122.2 Nothing in this section shall be interpreted to prohibit Operators or Management Services Provider from accepting anonymous wagers at Sports Wagering Facility Ticket Writers or a Self-Service Betting Terminal.

- 2122.3 The information obtained to initially create a sports wagering account is recorded and maintained. The information includes, but is not limited to:
- (a) The player's legal name;
 - (b) The player's date of birth;
 - (c) The player's residential address (a post office box is not acceptable); and
 - (d) The player's social security number (SSN) or equivalent for a foreign player such as a passport or taxpayer identification number. The player may enter only the last four digits of a SSN if the other factors are sufficient to determine the entire nine-digit SSN within four minutes, if that cannot be done, entry of the nine-digit SSN is required.
- 2122.4 Operators and Management Services Providers shall:
- (a) Verify the player's identity, including that the player is of the legal age of eighteen (18) years of age or older, not self-excluded or otherwise prohibited from participating in Sports Wagering; and
 - (b) Record the document number of the government-issued identification credentials examined, or other methodology for remote, multi-sourced authentication, which may include third-party and governmental databases, as approved by the Office.
- 2122.5 Operators and Management Services Providers shall have an age verification process as a part of its registration process which may include requiring the use of a reputable independent third party that is common in the business of verifying an individual's personal identity information.
- 2122.6 Operators and Management Services Providers shall record the player's acceptance of the terms and conditions and privacy policy and acknowledgment that the information they provided is accurate and that they are prohibited from allowing any other person to access or use their sports wagering account.
- 2122.7 Operators and Management Services Providers shall notify the player of the establishment of the Sports Wagering Account by email or first-class mail.
- 2122.8 Once a Sports Wagering Account is created, a secure personal identification for the player authorized to use the Sports Wagering Account shall be established that is reasonably designed to prevent the unauthorized access to, or use of, the Sports Wagering Account by any individual other than the player for whom the Sports Wagering Account is established.
- 2122.9 A player shall have only one (1) Sports Wagering Account for each License.

- 2122.10 A Sports Wagering Account may be funded using:
- (a) Cash deposits made directly with the Licensee;
 - (b) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the Licensee;
 - (c) Debits from the player's debit card or credit card;
 - (d) Transfers from another account verified to be controlled by the player through the Automated Clearing House (ACH deposit) or another mechanism designed to facilitate electronic commerce transactions;
 - (e) Cash complimentary, promotional credit, or bonus credit;
 - (f) Winnings;
 - (g) Adjustments made by the Licensee with documented notification to the player;
 - (h) A transaction at a Self-Service Betting Terminal; or
 - (i) Any other means approved by the Office.
- 2122.11 A failed ACH deposit attempt shall not be considered fraudulent if the player has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the Operator or Management Services Provider shall:
- (a) Temporarily block the player's Account for investigation of fraud after five-consecutive failed ACH deposit attempts within a ten-minute time period. If there is no evidence of fraud, the block may be vacated; and
 - (b) Suspend the player's Account after five additional consecutive-failed ACH deposit attempts within a ten-minute period.
- 2122.12 Prior to any withdrawal, if a player used a credit or debit card to fund a Sports Wagering Account, any remaining balance in the account up to the amount of the deposit shall be refunded to the player's credit or debit card account used to fund the sports wagering account provided that a credit or debit card issuer permits the return of a withdrawal from a sports wagering account funded by the credit or debit card of the issuer.
- 2122.13 Funds may be withdrawn from a player's Sports Wagering Account as follows:

- (a) Wagers;
- (b) Cash withdrawal made directly with the Licensee;
- (c) Personal check, cashier's check, wire transfer and money order by the Licensee made payable to the player and issued directly or delivered to the player's address on file in a manner approved by the Office;
- (d) Credits to the player's debit card or credit card;
- (e) Transfers to another account verified to be controlled by the player through the automated clearing house (ACH withdrawal) or another mechanism designed to facilitate electronic commerce transactions;
- (f) Adjustments made by the Licensee with documented notification to the player;
- (g) A transaction at a Self-Service Betting Terminal; or
- (h) Any other means approved by the Office.

2122.14 A player's request for withdrawal of funds (*i.e.*, deposited and cleared funds and funds won) is completed within a reasonable timeframe unless there is a pending unresolved player dispute or investigation. Funds for withdrawal may be withheld from withdrawal until the funding transaction clears or the chargeback period ends. Promotional credits or bonus credits with conditions may not be withdrawn unless all conditions are met.

2122.15 All adjustments to player Accounts for amounts of five hundred dollars (\$500.00) or under shall be periodically reviewed by supervisory personnel as set forth in the Licensee's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

2122.16 Operators shall not allow the transfer of funds or credits between players.

2122.17 Operators shall provide an account statement with details to a player on demand, which shall include account activity for at least the six (6) months preceding twenty-four (24) hours prior to the request. In addition, Operators and Management Services Providers shall, upon request, be capable of providing to a player a summary statement of all player activity during the past year.

2122.18 Operators shall maintain a bank account within the District, separate from all other operating accounts to ensure the security of funds held in sports wagering accounts. The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all sports wagering accounts, funds on wagers, and pending withdrawals. Operators and Management Services

Providers shall have unfettered access to all player Sports Wagering Account and transaction data to ensure the amount held in its independent account is sufficient.

- 2122.19 Operators shall periodically re-verify a player's identification upon reasonable suspicion that the player's identification has been compromised.
- 2122.20 Operators shall offer a readily-accessible method for a player to close his or her account. Any balance remaining in a player's Sports Wagering Account closed by a player shall be refunded pursuant to the Licensee's internal controls.
- 2122.21 Sports wagering systems shall employ a mechanism that can detect and prevent any player-initiated wagering or withdrawal activity that would result in a negative balance of a sports wagering account.
- 2122.22 A player's sports wagering account shall be disabled after three failed log-in attempts and require multi-factor authentication to recover or reset a password or username.
- 2122.23 A mechanism shall be employed that places a sports wagering account in a suspended mode:
- (a) When requested by the player for a specified period of time, which shall not be less than seventy-two (72) hours (self-exclusion);
 - (b) When required by the Office; or
 - (c) Upon a determination that a player is a prohibited Sports Wagering Participant;
 - (d) When initiated by an Operator or Management Services Provider that has evidence that indicates:
 - (1) Illegal activity;
 - (2) A negative account balance;
 - (3) After failed ACH deposit attempts;
 - (4) A violation of the terms and conditions has taken place on a player's sports wagering account.
- 2122.24 When a Sports Wagering Account is in a suspended mode, the player shall be prevented from:
- (a) Wagering;

- (b) Depositing funds;
- (c) Withdrawing funds, unless the reason for the suspended mode would not prohibit a withdrawal;
- (d) Making changes to their sports wagering account; and
- (e) Removing of the sports wagering account from the system.

2122.25 A suspended Account may be restored;

- (a) Upon expiration of the time period established by the player;
- (b) When permission is granted by the Office;
- (c) When the player is no longer a prohibited sports wagering participant; or
- (d) When the Operator or Management Services Provider has lifted the suspended status.

2123 FINANCIAL AUDIT REQUIREMENTS

2123.1 Upon application for an Operator or Management Services Provider License, and annually thereafter, each Operator or Management Services Provider shall submit to the Office an audit of the financial transactions and condition of the Licensee's total Sports Wagering Operations prepared by a Certified Public Accountant in accordance with generally accepted accounting principles and applicable District and federal law.

2123.2 Operators and Management Services Providers shall establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds associated with sports wagering.

2123.3 Operators and Management Services Providers shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to their Sports Wagering Operations for a minimum period of five (5) years.

2123.4 Books and records subject to this chapter shall be subject to inspection, review, or audit by the Office or other authorized District of Columbia governmental officials.

2124 OPERATIONS PROCESS AND PROCEDURE AUDIT REQUIREMENTS

2124.1 Operators and Management Services Providers, prior to commencing sports betting operations, and by June 1 each subsequent year, shall have their control systems audited by an independent licensed audit agent approved by the Office. Sports Wagering Operators and Management Services Providers are responsible for forwarding the results of this audit to the Office.

2124.2 In reviewing the operations conducted by the Licensee, the audit shall consider the operational aspects of this chapter, including those set forth in these rules and the appendices of the GLI-33 Standards for Event Wagering Systems or other generally accepted standards approved by the Office, in addition to the following:

- (a) Any changes to the control system and operating environment since the previous review;
- (b) The effectiveness of the Operator's or Management Services Provider's control systems to ensure compliance with all statutory and Office requirements.
- (c) The Operator's or Management Services Provider's compliance with its control systems.
- (d) Any other objectives established by the Office.

2125 TECHNICAL SECURITY CONTROL AUDIT REQUIREMENTS

2125.1 By June 1 of each year after being licensed, Operators and Management Services Providers must complete an annual security audit by an independent licensed auditor approved by the Office. Sports Wagering Operators and Management Services Providers are responsible for forwarding the results of this audit to the Office.

2125.2 Newly-licensed Operators and Management Services Providers shall submit a security audit within six (6) months of being licensed. This is irrespective of whether they are actively participating in sports wagering or not.

2125.3 This audit includes, but is not limited to, an information security system (ISS) assessment:

- (a) Review of the operational processes that are critical to compliance;
- (b) penetration testing focused on the external and internal infrastructure;
- (c) The applications transferring, storing or processing player credentials or sensitive information; and

(d) Any other objectives established by the Office.

2125.4 Compliance with these standards is to ensure that Operators and Management Services Providers have appropriate security controls in place so that players are not exposed to unnecessary risks when choosing to participate in sports wagering.

2126 PLAYER SPORTS WAGERS

2126.1 An Operator or Management Services Provider shall not accept any wager on a sports event unless it has received prior approval from the Office.

2126.2 If an Operator or Management Services Provider would like to offer a new category of wagering event they must submit a request to the Office on a form specified by the Office.

2126.3 The request must be submitted to the Office at least fourteen (14) days in advance of the proposed date of accepting wagers on such category of a wagering event.

2126.4 The Office reserves the right to prohibit the acceptance of wagers and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the District of Columbia.

2126.5 An Operator or Management Services Provider shall only accept wagers on sports events and other events for which:

- (a) The outcome can be verified;
- (b) The outcome can be generated by a reliable and independent process;
- (c) The outcome is not be affected by any wager placed; and
- (d) The event is conducted in conformity with all applicable laws.

2126.6 Sports wagers shall only be made using:

- (a) Cash;
- (b) Cash equivalent;
- (c) Credit or debit card, online purchases only;
- (d) Promotional funds;
- (e) Sports wagering vouchers; and

(f) Any other means approved the Office.

2126.7 A request for approval to accept wagers on any new category of wagering event shall be made by an Operator or Management Services Provider on such forms approved by the Office, and shall include:

(a) A full description of the event and the manner in which wagers would be placed and winning wagers would be determined;

(b) A full description of any technology which would be utilized to offer the event;

(c) Information or documentation which demonstrates that:

(1) The event could be adequately supervised;

(2) The outcome of the event would be verifiable;

(3) The outcome of the event would be generated by a reliable and independent process;

(4) The outcome of the event would be unlikely to be affected by any wager placed;

(5) The event could be conducted in compliance with any applicable laws; and

(6) The granting of the request for approval would be consistent with the public policy of the District.

(d) Such additional or supplemental information as the Office may require

2126.8 A Sports Wagering Operator or Management Services Provider may, in its discretion, accept a Layoff Wager from another Sports Wagering Operator or Management Services Provider. A Sports Wagering Operator or Management Services Provider placing a Layoff Wager shall disclose its identity to the other licensed Sports Wagering Operator accepting the wager.

2126.9 Players shall not place, nor shall Operators and Management Services Providers accept prohibited sports wagers.

2126.10 The Executive Director shall set the minimum and maximum sports wagers in the District.

2126.11 Any winning ticket shall be deemed expired and ineligible for payment one hundred eighty (180) days from the date of the last event that forms the basis of such wager.

2126.12 An Operator or Management Services Provider shall be prohibited from wagering through its own sports wagering facility and shall employ reasonable methods to prohibit:

- (a) A director, officer, owner, or employee of the Operator or Management Services Provider, and any relative living in the same household as the aforementioned individuals from placing a wager;
- (b) An athlete, coach, referee, team owner, employee of a sports governing body or its member teams, and player and referee union personnel from wagering on a sporting event overseen by their sports governing body;
- (c) An individual, group of individuals or entity with access to non-public confidential information held by the operator from placing wagers; or
- (d) An individual, group of individuals or entity from placing a wager as an agent or proxy for others.

2126.13 In determining which individual, group of individuals or entity is to be excluded from placing a wager, an Operator or Management Services Provider shall use publicly available information and any lists of such individuals, group of individuals or entities that the Sports Governing Body may provide to the Office, and which the Office, or sports governing body, has provided to the Operator or Management Services Provider.

2127 PROHIBITED SPORTS EVENTS

2127.1 No wagers may be accepted or paid by any Sports Wagering Operator Licensee in any of the following instances:

- (a) Any collegiate sports or athletic event in which any District of Columbia based college or university team participates regardless of where the event takes place;
- (b) All high school sports events, including high school electronic sports events and high school competitive video game events; and
- (c) Any amateur sport or athletic event with the exception of:
 - (1) Olympic sporting or athletic events sanctioned by the International Olympic Committee where the participants are age eighteen (18) or older, subject to limitation by the Office;

- (2) International team sports events in which persons under age 18 make up a minority of the participants;
 - (3) Collegiate sporting or athletic events occurring outside the District that do not involve a District of Columbia college or university;
 - (4) The other games of a collegiate sports or athletic tournament in which a District of Columbia college or university team is a participant; and
 - (5) Any games of a collegiate tournament that occur outside the District of Columbia even though some of the individual games or events are held in the District of Columbia.
- (d) Any collegiate sport or athletic event which the Operator Licensee knows or reasonably should know, is being placed by, or on behalf of a coach or participant in that collegiate event;
 - (e) An event broadcast on television or other media that is ostensibly a contest with in-person judges or that may incorporate fan judging but that is more suitably described as entertainment; and
 - (f) Any event or athletic sporting event unless approved by the Office.

2128 RESPONSIBLE GAMING PLAN

2128.1 Operators and Management Services Providers shall submit a Responsible Gaming Plan to the Office at the time of first application. The plan must be approved by the Office prior to the commencement of gaming activity. The Plan shall include, at a minimum, the following:

- (a) The goals of the plan, procedures and deadlines for implementation of the plan;
- (b) The identification of the individual(s) who will be responsible for the implementation and maintenance of the plan;
- (c) Procedures for compliance with the office's self-exclusion program set forth in this chapter;
- (d) Procedures for implementation of a self-limitation program, allowing gamblers to set budgets for time and money expended on gambling activity offered by the licensee; and

- (e) The applicant's plans for creating and disseminating promotional material to educate patrons about compulsive and problem gambling and to inform them about treatment services available to compulsive and problem gamblers and their families. The Applicant shall provide examples of the materials to be used as part of its plan, including signs, brochures and other material and a description of how the material will be disseminated. The Licensee shall, at a minimum, implement the following communications:
- (1) Display signage and written materials, in conspicuous places in their Sports Wagering Facility, and on their websites and mobile applications information on the availability of problem gambling treatment or counseling, procedures for self-exclusion, and promotion of a problem gambling hotline;
 - (2) Provide information on all print, billboard, sign, online, or broadcast advertisements, information about available programs to prevent, treat, or monitor compulsive or problem gambling, procedures for self-exclusion, and promotion of a problem gambling hotline;
 - (3) Post in every designated area approved for sports wagering, on their websites and mobile applications, a statement approved by the Office referring customers to a toll-free helpline and other information as may be required by the Office;
- (f) Procedures to prohibit an Operator, Management Services Provider, or any of their directors, officers, owners, and employees from extending credit to an individual, group of individuals or entity that places wagers with the Operator Management Services Provider or seeks to place wagers with the Operator or Management Services Provider;
- (g) Procedures to prohibit an individual, group of individuals or entity that places wagers with the Operator or Management Services Provider from establishing more than one active account with the Operator;
- (h) Procedures to permit an individual, group of individuals or entity that places wagers with the Operator or Management Services Provider to terminate their Account at any time and for any reason and without penalty;
- (i) Details of the Applicant's plan for responsible gaming training for its employees;
- (j) The duties and responsibilities of the key employees and gaming employees designated to implement or participate in the plan;

- (k) Procedures to prevent underage gambling;
- (l) Procedures to prevent intoxicated or impaired patrons from gambling;
- (m) Procedures to allow patrons to block their bank card(s) from being used at an automated teller or other banking machines located on or adjacent to the Sports Wagering Facility;
- (n) An estimation of the cost of development, implementation and administration of the Responsible Gaming Plan; and
- (o) Other policies and procedures as determined by the Office to prevent problem gambling and encourage responsible gambling.

2128.2 Operators and Management Services Providers shall resubmit their Responsible Gaming Plan for approval within ten (10) days of any changes to the plan and at license renewal.

2128.3 All sports wagering websites and mobile applications must include a description of the possible repercussions for an underage player who circumvents or attempts to circumvent controls to prevent underage play, such as immediate stoppage of play, account closure, and confiscation of winnings.

2129 SELF-EXCLUSION PROGRAM

2129.1 The Self-Excluded Program shall consist of those persons who have complied with the applicable provisions of this section and have been placed on such list by the Office. The voluntary Self-Exclusion Program is established for the purpose of allowing persons who wish to refrain from sports wagering and other types of gambling offered by the Office, to notify the Office that they will accept responsibility for refraining from engaging in sports wagering and other gambling activities offered by the Office and its Licensees. Each person seeking placement in the voluntary Self-Exclusion Program acknowledges that it is his or her responsibility to refrain from engaging in sports wagering and other gambling activities under the jurisdiction of the Office.

2129.2 An individual may request to have their name placed in the voluntary Self-Exclusion Program by completing the application and following the procedure outlined in the Office's website or printed material available from the Office, at designated locations on and off the premises of licensed sports wagering establishments as determined by the Office.

2129.3 An application for placement on the voluntary Self-Exclusion List may only be accepted, and an intake performed, by a designated agent approved by the Office.

- 2129.4 Failure to provide any information or to execute any forms deemed necessary by the Office may result in a denial of a request for placement in the Self-Exclusion Program.
- 2129.5 Self-Exclusion List application forms may include a request to waive the liability of the Office and its agents, a sports wagering Licensees and its agents, the District and any person licensed pursuant to the Act, or other such persons as deemed necessary by the Office, for any damages that may arise out of any act or omission related to placement in the Self-Exclusion Program.
- 2129.6 Upon the filing of an application for placement in the Self-Exclusion Program, the Office may file a Notice of Placement in the Self-Exclusion Program and such application and notice may be disclosed to Sports Wagering Operator Licensees, Management Services Providers and their agents and employees, as approved by the Office.
- 2129.7 Upon submission of an application, a designated agent shall review with the Applicant the contents and statements contained in the application. If the application is complete, the designated agent shall sign the application indicating that the review has been performed and the application has been accepted.
- 2129.8 A designated agent may not sign an application if (a) any required information is not provided or (b) they are of the belief that the applicant is not capable of understanding the responsibilities and consequences of being placed on the Self-Exclusion List.
- 2129.9 The designated agent shall forward the signed application for voluntary Self-Exclusion to the Office within forty-eight (48) hours of completion in a manner directed by the Office.
- 2129.10 Upon receipt of an application, the Office, or its designee, shall review it for completeness. If the application meets all requirements of this chapter, the application shall be approved, and the individual's name shall be added to the voluntary Self-Exclusion list. If the application is incomplete, the Office, or its designee, may deny the application and make efforts to contact the applicant advising them of such.
- 2129.11 If the Licensee of the Office utilizes an internal management system to track individuals on the Self-Exclusion List, they shall update that system at least every seventy-two (72) hours with names of individuals being added or removed from the Self-Exclusion List.
- 2129.12 The Office, or its designee, shall add to the list of voluntarily self-excluded persons the name of any individual provided from a gaming jurisdiction outside of the District, with which the Office has entered into an interstate compact, upon a determination that the individual voluntarily requested that their name be added to

the list of the referring jurisdiction and that they were notified, either directly or by operation of law, that their name may be placed on similar lists in other jurisdictions.

2129.13 A person does not have to admit they are a problem gambler when placing themselves in the Self-Exclusion Program.

2129.14 If the applicant has elected to seek services available within the District, the Office, or its designee, shall contact the designated coordinating organization for the provision of requested services. The Executive Director shall determine the information and forms to be required of a person seeking placement on the Self-Exclusion List. Such information shall include, but not be limited to, the following:

- (a) Name, home address, email address, telephone number, date of birth, and social security number of the applicant;
- (b) A passport-style photo of the applicant without headwear;
- (c) A statement from the applicant that one or more of the following apply:
 - (1) They identify as a “problem gambler,” meaning an individual who believes their gambling behavior is currently, or may in the future without intervention, cause problems in their life or on the lives of their family, friends, or co-workers;
 - (2) They feel that their gambling behavior is currently causing problems in their life or may, without intervention, cause problems in their life; or
 - (3) There is some other reason why they wish to add their name to the list.
- (d) Election of the duration of the exclusion in accordance with Subsection 2127.03 of this chapter;
- (e) An acknowledgment by the applicant that the individual will not be participating in sports wagering or any other form of gambling offered by the Office and that it is their sole responsibility to refrain from doing so;
- (f) An acknowledgment by the applicant that the applicant shall not collect any winnings or recover any losses resulting from any gambling activity under the jurisdiction of the Office for the duration of the exclusion period;

- (g) An acknowledgment by the applicant that the individual will forfeit all rewards or points earned through any player reward or another promotional program they engage in sports wagering while on the self-exclusion list;
- (h) An offer by the Office or the designated agent completing the self-exclusion application to assist the applicant to access information about gambling disorders, self-guided help or counseling services with a clinician approved by the District of Columbia Department of Behavioral Health;
- (i) An acknowledgment of understanding by the applicant that by placing their name on the Self-Exclusion List, the prohibitions identified in § 2127 apply to all sports wagering or gambling activities offered by the Office or its Licensees or affiliates, whether within the District or another jurisdiction, and that the Office may share the list with other domestic or international gaming jurisdictions resulting in placement on those lists;
- (j) An acknowledgment by the applicant that the individual is submitting the application freely, knowingly, and voluntarily;
- (k) A statement that the individual is not under the influence of a substance or suffering from a mental health condition that would impair their ability to make an informed decision;
- (l) An acknowledgment by the applicant that if they knowingly violate their agreement to refrain participating in any gambling activity offered by the Office or its Licensees or affiliates during the exclusion period, the applicant shall notify the Office of such violation within twenty-four (24) hours of such gambling activity; and releasing the District, the Office and all affiliated employees, entities and persons licensed by the Office and their affiliates, from any claims associated with their breach of the agreement;
- (m) An affidavit verifying that the applicant wishes to be placed on the Self-Exclusion List, that the Office is specifically authorized and requested to release all contents of the person's application to persons who, in the sole discretion of the Office, are necessary to implement the policies and procedures contained in this chapter. Such persons shall be subject to terms of confidentiality prescribed by the Office, which shall be contained in the application. Such persons shall include, but not be limited to the following:
 - (1) Employees or contractors of the Office involved in the administration, supervision or activities related to the administration or supervision of this chapter;

- (2) Licensees of the Office or their affiliates, agents and employees;
- (3) Designated agents; and
- (4) Law enforcement personnel involved in the administration, supervision or investigation of activities contained in this chapter.

(n) An acknowledgment by the applicant that once their name is placed on the Self-Exclusion List they may be refused entry or ejected from areas specifically devoted to sports wagering or other forms of gambling under the jurisdiction of the Office by a person licensed by the Office, an agent of the Office, or law enforcement personnel.

2129.15 The Office may provide procedures permitting online self-exclusion if it determines that the goals, objectives and protections of the in-person self-exclusion process can be accomplished online. The Office may require any Licensee offering mobile or online sports wagering to offer self-exclusion and self-limitation options to customers as a condition of its license. The full cost of such self-exclusion and self-limitation system shall be the responsibility of the Licensee.

2129.16 As part of the request for self-exclusion, the individual must select the duration for which they wish to be excluded. An individual may select any of the following time periods as a minimum length of exclusion:

- (a) One (1) year;
- (b) Eighteen (18) months;
- (c) Three (3) years;
- (d) Five (5) years; or
- (e) Lifetime (an individual may only select the lifetime duration if their name has previously appeared on the Self-Exclusion List for at least six (6) months).

2129.17 An individual on the Self-Exclusion List may not apply to decrease the duration of exclusion. An individual who is on the list may submit a request to increase the minimum length of exclusion.

2129.18 Upon expiration of the selected duration of exclusion, individuals may request that their name be removed from the list or petition for exclusion for a new duration. Individuals shall remain on the list after the expiration of the selected

duration of exclusion until such time as they submit a petition for removal and it is approved by the Office or its designee.

- 2129.19 At any time after the expiration of the selected duration of exclusion, an individual may request that their name be removed from the voluntary Self-Exclusion List by submitting a petition for removal on a form approved by the Office. The petition shall include confirmation from a designated agent that the individual completed an exit session. Any petition for removal received by the Office prior to the expiration of the duration of the selected exclusion period shall be denied.
- 2129.20 The Office shall approve a completed petition for removal. An individual who has selected a lifetime duration may not submit a petition for the removal of their name from the list. An incomplete application, including one that fails to demonstrate completion of an exit session shall be denied until such time as the application is completed.
- 2129.21 To be eligible for removal from the Self-Exclusion List the petitioner shall participate in an exit session with a designated agent. The exit session shall include a review of the risks and responsibilities of gambling, budget setting and a review of problem gambling resources should the petitioner wish to seek them. Upon completion of the exit session, the designated agent shall sign the individual's petition for removal from the list attesting to the fact that the exit session was conducted.
- 2129.22 Upon approval of a petition for removal from the Self-Exclusion List, a written notice of removal from the list shall be forwarded by the Office, or its designee, to each gaming Licensee and to the petitioner. Notice may be forwarded to the petitioner by email or first-class mail to the email address or home address provided by the petitioner in the petition. The petitioner shall be deemed to be removed from the voluntary Self-Exclusion List when the notice is sent by the Office or its designee.
- 2129.23 If a petitioner does not meet the eligibility requirements for removal from the list, the petition shall be denied. The petitioner shall be notified of the denial by email or first-class mail to the email address or home address provided by the petitioner in the petition. In the event of a denial of a petition, the individual shall remain on the voluntary Self-Exclusion List until such time as the eligibility requirements have been satisfied.
- 2129.24 An individual whose name has been removed from the Self-Exclusion List may reapply for placement on the list at any time by submitting an application in accordance with this chapter;
- 2129.25 An individual whose name was added to the Self-Exclusion List in the District in accordance with this chapter shall be removed from the list upon receipt of

written notice from the referring jurisdiction that the individual's name has been removed from that jurisdiction's list.

- 2129.26 The Office shall maintain an up-to-date database of the Self-Exclusion List. Licensees designated by the Office shall be afforded access to the voluntary Self-Exclusion List. The Self-Exclusion List may only be accessed by individuals authorized in accordance with the Licensee's approved system of internal controls. All information contained in approved applications for voluntary exclusion may be disclosed to a designated Licensee.
- 2129.27 The Office's list of self-excluded persons shall be kept confidential. Except as required by this chapter, Sports Wagering Operators and Management Services Providers shall not disclose the names included in the Self-Exclusion Program.
- 2129.28 The self-exclusion list shall not be publicly disclosed by a Licensee, agent, affiliate or other person authorized to access the list. However, a Licensee may share the list with other designated Licensees in the District or its affiliates in other jurisdictions for the purpose of assisting in the proper administration of responsible gaming programs operated by affiliated sports wagering or lottery retailer establishments.
- 2129.29 The Office may disclose de-identified information from the Self-Exclusion List to one or more research entities selected by the Office for the purpose of evaluating the effectiveness and ensuring the proper administration of the self-exclusion program.
- 2129.30 Any person placed on the Self-Exclusion List pursuant to this chapter is deemed ineligible to place a wager at any Sports Wagering Facility or licensed Lottery retailer under the jurisdiction of the Office. Persons on the voluntary Self-Exclusion List shall not be entitled to recover losses resulting from their gambling activity since the wager was void from its beginning.
- 2129.31 Sports Wagering Licensees and Lottery retailers shall have the following responsibilities relative to the administration of the voluntary Self-Exclusion Program:
- (a) Verify that any person seeking to place a sports wager or enter the designated sports wagering area is on the self-exclusion list;
 - (b) To refuse to accept a wager or to allow the purchase of any gambling product approved by the Office to any individual that the Licensee or retailer has identified as being on the Self-Exclusion List or a person such Licensee or retailer suspects of being on the voluntary Self-Exclusion List;

- (c) To promptly notify the Office, or its designee, if an individual on the Self-Exclusion List attempts to place or is discovered to have placed a sports wager or purchased or attempted to purchase a lottery product;
- (d) Remove self-excluded persons from player loyalty or reward card programs and targeted print, online or other forms of advertising or promotions;
- (e) Refrain from marketing to individuals on the Self-Exclusion List;
- (f) Deny access to complimentary services or items, check cashing privileges, player reward programs, and other similar benefits to persons on the list;
- (g) Deny a person on the self-exclusion list from any winnings derived from gambling. Winnings derived from gambling shall include, but not be limited to, such things as proceeds derived from a sports wagering or from the purchase of any gambling product approved by the Office. Where reasonably possible, the Licensee or retailer shall confiscate from the individual in a lawful manner, or shall notify an Office agent who shall confiscate, or shall refuse to pay any such winnings derived from gambling or any money or thing of value that the individual has converted or attempted to convert into a gambling instrument whether actually wagered or not. A wagering instrument shall include, but not be limited to, tickets, vouchers, prizes, non-complimentary pay vouchers, electronic credits on a mobile wagering system or any other implement of value representing a prize won from gambling. The monetary value of the confiscated winnings and wagering instrument shall be paid to the Office within forty-five (45) days;
- (h) If an individual on the Self-Exclusion List wishes to contest the forfeiture of winnings or things of value, the individual may request a hearing in writing with the Office within fifteen (15) days of the date of the forfeiture. The request shall identify the reason why the winnings or things of value should not be forfeited. A hearing shall be conducted to determine whether the subject funds were properly forfeited in accordance with this chapter;
- (i) In cooperation with the Office, and where reasonably possible, the Licensee or retailer shall determine the amount wagered and lost by an individual who is prohibited from gambling. The monetary value of the losses shall be paid to the Office within forty-five (45) days; and
- (j) A Sports Wagering Licensee shall submit a written policy for compliance with the voluntary Self-Exclusion Program for Office approval with its license application. The Office shall review the plan for compliance with

this chapter. If approved, the plan shall be implemented and followed by the Licensee.

2129.32 Programs and policies created by this chapter are intended to prevent problem gambling, treat problem gamblers and promote responsible gaming. The sole remedy for failure to comply with this chapter shall be disciplinary actions imposed by the Office. The Office, its Licensees and retailers, or employees thereof will not be liable for damages in any civil action, which is based on the following:

- (a) Compliance or noncompliance with this chapter or a plan adopted pursuant to this chapter;
- (b) An action or failure to take action under this chapter or a plan adopted under this chapter;
- (c) Failure to withhold gambling privileges from an individual; or
- (d) Permitting an individual to gamble.

2130 ADVERTISING

2130.1 Operators and Management Services Providers shall not advertise sports wagering in any area prohibited by federal law.

2130.2 Operators and Management Services Providers shall ensure that all advertising, public relations activities and marketing campaigns do not:

- (a) Contain false or misleading information;
- (b) Fail to disclose conditions or limiting factors associated with the advertisement;
- (c) Use a font, type size, location, lighting, illustration, graphic depiction or color obscuring conditions or limiting factors associated with the advertisement;
- (d) Consist of indecent or offensive graphics or audio, or both;
- (e) Target players which have been excluded from play;
- (f) Target, either via content or placement, those under the legal age of betting;
- (g) Target moderate and high-risk groups;

- (h) Encourage players to chase their losses or re-invest their winnings; or
- (i) Suggest that betting is a means of solving financial problems.

2130.3 Advertisements, public relations activities and marketing campaigns shall meet the following requirements:

- (a) Provide information on compulsive gambling treatment or counseling, procedures for self-exclusion, and promotion of a problem gambling hotline;
- (b) Be socially responsible;
- (c) Give a balanced message with regard to winning and losing;
- (d) Include language demonstrating the Operator is licensed by the Office of Lottery and Gaming.

2130.4 As directed by the Office, Operators and Management Services Providers shall delete or modify any advertisement which does not conform to the requirements of this chapter or is necessary for the immediate preservation of the public peace, health safety, and welfare of District residents.

2130.5 Class B Operators shall not place or caused to be placed, physical advertising within a two (2) block radius of any of the designated Class A Sports Wagering Facilities.

2131 ENFORCEMENT AND PENALTIES

2131.1 The Office shall have the authority to revoke Sports Wagering Licenses for any violation of the Act, this chapter or any other applicable District or federal law or regulation.

2131.2 The Office shall have the authority to suspend Sports Wagering Licenses for a period not to exceed three hundred sixty-five (365) days for any violation of the Act, this chapter, or any other applicable District or federal law or regulation.

2131.3 If a Sports Wagering License is revoked, the Licensee is ineligible to apply for a new Sports Wagering License for a minimum of three (3) years.

2131.4 The Office shall have the authority to impose a fine of not more than fifty thousand dollars (\$50,000) for any violation of the Act, this chapter, or any other applicable District or federal laws or regulation.

2131.5 Any person, firm, partnership, association, organization, or corporation who has been fined, or whose application has been denied, or whose license has been

revoked, or suspended pursuant to this section shall have a right to a hearing before the Office and, in the event of its affirmation of such fine, denial, revocation or suspension, the right to appeal such fine, denial, revocation or suspension to the Superior Court of the District of Columbia.

2132 TAXATION OF SPORTS WAGERING

2132.1 On or before the 20th calendar day of each month, each Sports Wagering Operator in the District of Columbia shall:

- (a) File a return, on forms and in the manner prescribed by the Chief Financial Officer, with the Chief Financial Officer indicating the amount of its gross sports wagering revenue, including revenues remitted by registered sports governing bodies, for the preceding calendar month; and
- (b) Pay to the District of Columbia Treasurer ten percent (10%) of the gross sports wagering revenue from the preceding calendar month.
- (c) All funds owed to the District under the Act shall be held in trust within the boundaries of the District for the District by an Operator until the funds are paid to the District of Columbia Treasurer. An Operator shall establish a separate bank account into which Gross Sports Wagering Revenue shall be deposited and maintained until such time as the funds are paid to the District of Columbia Treasurer.

2132.2 When the tax imposed on Sports Wagering has become due and payable and has not been paid, that tax may be collected using any of the provisions set forth in Chapter 44 of Title 47 of the D.C. Official Code.

2132.3 Interest shall be assessed on underpayments of the tax on Sports Wagering at the rate set forth in D.C. Official Code § 47-4201 and on overpayments under D.C. Official Code § 47-4202. The provisions of D.C. Official Code § 47-4222 shall apply, as applicable.

2132.4 All of the penalties, as applicable, set forth in Chapter 42 of Title 47 shall apply to the tax imposed on Sports Wagering.

2133 SPORTS WAGERING CBE REQUIREMENTS AND SMALL BUSINESS DEVELOPMENT PROGRAM

2133.1 (a) An applicant for an initial Sports Wagering Operator or MSP License or renewal of a Sports Wagering Operator or MSP License shall submit for approval by the Director of the Department of Small and Local Business Development (“DSLBD”), a CBE plan (“CBE Plan”) that demonstrates that at least thirty-five percent (35%) of the expenses included in the applicant’s operating budget will be contracted or subcontracted with one

(1) or more CBEs (“CBE Minimum Expenditure”) and that such contracts or subcontracts will be for commercially useful functions related to sports wagering.

(b) The CBE Plan shall include:

(1) An itemized Operating Budget that includes a detailed breakdown of all estimated revenues and expenses generated from the operations of a Sports Wagering facility, or where wagering occurs in connection with a Sports Wagering license. The Operating Budget shall include:

(A) Detailed line items setting forth the expenditures needed to carry out the desired operating plan;

(B) A list of each function associated with the Operating Budget, the dollar amount of the expenditures associated with each function; a designation of whether the function will be self-performed or carried out by a contractor; and, if the function will be carried out by a contractor, a designation of whether the contractor is a CBE; and

(C) For each contract that will be carried out by a CBE:

(i) The name and address of the CBE contractor;

(ii) The certification number of the CBE contractor;

(iii) The scope of work to be performed by the CBE contractor, which shall be for a commercially useful function related to sports wagering;

(iv) The price to be paid by the Applicant to the CBE contractor; and

(v) The length of the contract with the CBE contractor.

(2) A CBE capacity building plan that includes:

(A) A detailed description of how the Applicant will operate and manage Sports Wagering activities for each year of the licensing period, increase contracting with CBEs for both professional and non-professional services,

(B) A detailed description of how the Applicant will develop the capacity of SBEs and SBE-eligible firms to become

Sports Wagering Operators (“Operator”) and Management Service Providers (“MSP”),

(C) A detailed description of how the Applicant will develop the capacity of SBEs and SBE-eligible firms to become equity partners in the various Sports Wagering licensed operations;

(3) A written justification for any portion of the Operating Budget the Applicant seeks to exclude from the thirty-five percent (35%) CBE contracting requirement; and

(4) A copy of the auditor’s report submitted to the Office pursuant to Section 307(a) of the Act.

(c) When reviewing the Operating Budget, DSLBD may exclude from the thirty-five percent (35%) CBE contracting requirement, expenditures related to internally generated costs such as employee insurance; employee benefits; interest; income taxes; property taxes; lease payments; bank fees; fines, claims, dues, and utilities.

(d) When evaluating a CBE plan, DSLBD shall consider whether the Applicant has demonstrated good faith efforts to increase CBE participation in the areas related to Sports Wagering.

2133.2 Each contract that is utilized to meet the CBE Minimum Expenditure shall include a requirement that the CBE perform at least thirty-five percent (35%) of the contracting effort with its own organization and resources.

2133.3 An applicant that is a CBE or a certified joint venture shall not be required to comply with the CBE Minimum Expenditure requirement, provided the CBE or certified joint venture performs at least fifty percent (50%) of its contracting effort with its own organization and resources and, if it contracts, thirty-five percent (35%) of the contracted effort shall be with certified business enterprises.

2133.4 (a) Upon receipt of the CBE Plan from the Office, the Director of DSLBD shall conduct a preliminary review of the submission for compliance with the requirements of the Act and this chapter and:

(1) If the CBE Plan submission is complete, accept the CBE Plan for review by DSLBD; or

(2) If the CBE Plan submission is incomplete or additional information is needed by DSLBD, return the CBE Plan to the Applicant with a notice indicating the need for additional actions or materials in order for the submission to be accepted for review.

- (b) If the applicant receives a notice from DSLBD under paragraph (a)(2) of this subsection, the applicant shall submit to DSLBD, no later than five (5) days after receipt of the DSLBD notice, information sufficient to complete the submission for DSLBD’s review of the CBE Plan. If the CBE Plan remains incomplete after the five (5)-day submission period, the CBE Plan shall be denied.

2133.5 The Director of DSLBD, or the Director of DSLBD’s designee, may hold interviews or discussions with an applicant or applicant’s representative(s) as part of the CBE Plan review process.

2133.6 In addition to the information supplied in the applicant’s CBE Plan submission, the Director of DSLBD may require an applicant to supply or provide access to additional information and documents relevant to DSLBD’s review of the applicant’s CBE Plan.

2133.7 Upon completion of DSLBD’s review of a CBE Plan, the Director of DSLBD shall provide the applicant and the Office in writing DSLBD’s approval or denial of the CBE Plan, and if the CBE Plan is approved, certify the CBE Minimum Expenditure. DSLBD shall deny the CBE Plan if the applicant fails to demonstrate compliance with relevant requirements of the Act or this chapter.

2133.8 In accordance with the Act, the CBE Act, and these regulations, an Applicant may seek the Director of DSLBD’s approval to waive the CBE Minimum Expenditure requirement, or any portion of the CBE Minimum Expenditure requirement, if the Applicant can demonstrate that there is insufficient market capacity for the goods or services that comprise the Sports Wagering Operation, and such lack of capacity leaves the Applicant commercially incapable of achieving the CBE Minimum Expenditure requirement.

2133.9 An Applicant seeking a waiver of the CBE Minimum Expenditure requirement shall submit, through the Office, a request for approval of a waiver by the Director of DSLBD (“Waiver Application”). The waiver request shall include a written justification (“Waiver Justification”) that includes:

- (a) The number of certified business enterprises, if any, qualified to perform the elements of work that comprise the Sports Wagering Operation;
- (b) A summary of the market research or outreach conducted to analyze the relevant market;
- (c) Consideration given to alternate methods for acquiring the work to be contracted to make the work more amenable to be performed by CBE;

- (d) An itemized Operating Budget and operation plan in the same manner prescribed in Subsection 2132.1 of this chapter; and
 - (e) A copy of the auditor's report submitted to the Office pursuant to Section 307(a) of the Act.
- 2133.10 (a) Upon receipt of the Waiver Application, the Director of DSLBD shall conduct a review of the submission for compliance with the requirements of the Act and this chapter and:
- (1) If the Waiver Application is complete, accept the Waiver Application for review by DSLBD; or
 - (2) If the Waiver Application is incomplete or additional information is needed by DSLBD, return the Waiver Application to the Applicant with a notice indicating the need for additional actions or materials in order for the Waiver Application to be accepted for review.
- (b) If the Applicant receives a notice from DSLBD under paragraph (a)(2) of this subsection, the Applicant shall submit to DSLBD, no later than three (3) days after receipt of the DSLBD notice, information sufficient to complete the Waiver Application for DSLBD review. If the Waiver Application remains incomplete after the three (3)-day submission period, the waiver request shall be denied.
- 2133.11 The Director of DSLBD, or the Director of DSLBD's designee, may hold interviews or discussions with an Applicant or Applicant's representative(s) as part of the waiver review process.
- 2133.12 In addition to the information supplied in the applicant's Waiver Justification, DSLBD may require an applicant to supply or provide access to additional information and documents relevant to DSLBD's review and determination of the applicant's waiver request.
- 2133.13 Upon receipt of a complete Waiver Application, the Director of DSLBD shall post the waiver request on DSLBD's website for ten (10) days to provide the public notice of the waiver request.
- 2133.14 Upon completion of DSLBD's review of a Waiver Application, the Director of DSLBD shall approve or deny the waiver request in writing, with notices sent to both the Office and the Applicant. If the Director of DSLBD neither approves or denies the waiver request within thirty (30) days after the submission of a complete Waiver Application, the waiver request shall be deemed approved.
- 2133.15 An applicant for certification as a joint venture shall:

- (a) Submit an executed copy of the applicant's joint venture agreement, which must:
- (1) Specify in reasonable detail the purpose of the joint venture and the location the joint venture will apply for a Sports Wagering Operator or MSP License;
 - (2) Identify the parties to the joint venture and define their respective obligations, rights, and responsibilities, including the management structure, control of the joint venture, financial contributions, service and labor contributions, revenue or fees for services or labor, and distribution of profits;
 - (3) Demonstrate that the majority owner(s) of the joint venture is/are a CBE;
 - (4) Demonstrate that the majority CBE owner and/or managing CBE member of the joint venture maintains the Resident-Owned Business (ROB), Disadvantaged Business Enterprise (DBE), or Small Business Enterprise (SBE) certification category;
 - (5) Provide for the establishment and administration of a separate bank account in the name of the joint venture into which all funds received will be deposited and through which all expenses will be paid, and which requires all withdrawals and deposits to be approved by the CBE member;
 - (6) Contain a provision indicating that the CBE's interest in the joint venture shall not be reduced or diluted;
 - (7) Contain a provision indicating that the CBE's financial risk is commensurate with its percentage interest in the joint venture;
 - (8) Contain a provision indicating that the joint venture agreement is the controlling agreement between the parties regarding interest, ownership, control, responsibilities, duties, and functions of the parties and the joint venture agreement shall prevail if there is any conflict between the joint venture agreement and any other agreement between the parties;
 - (9) Specify the responsibilities of the parties in at least the areas of negotiations with the owners, subcontract negotiation, and contract and subcontract performance; and

- (10) Indicate the level at which the CBE will perform services of the joint venture, receive profits of the joint venture, provide labor hours required of the joint venture, and perform other work for the joint venture (which level must be approved by DSLBD as part of the application process and which level may not be less than the percentage of the CBE's ownership interest in the joint venture).
- (b) Submit all other agreements between the joint venture parties, concerning the joint venture;
- (c) Submit additional information that:
 - (1) Demonstrates that each participant in the joint venture has the competence and expertise necessary to perform the type of work in connection with which the joint venture wishes to be certified;
 - (2) Demonstrates the joint venture has created a separate for-profit entity and registered with the Department of Consumer and Regulatory Affairs (DCRA);
 - (3) Includes any other agreements between the parties regarding the operations of the joint venture; and
 - (4) Includes the most current audited or reviewed financial statement for the non-CBE participant(s); and
- (d) Include certifications that:
 - (1) All agreements between the joint venture parties, concerning the joint venture, have been provided with the application and if any additional such agreement is later entered into by the joint venture parties, the Applicant will provide the agreement to DSLBD within five (5) business days after it is executed by the joint venture parties;
 - (2) The joint venture will permit DSLBD to enter and conduct onsite inspections and re-inspection of the joint venture's business premises;
 - (3) The joint venture will make its records available to DSLBD at any time deemed appropriate by DSLBD; and
 - (4) The information in the application is true, correct, and complete.

2133.16

The joint venture shall permit DSLBD to enter and conduct onsite inspections and re-inspections of the joint venture's business premises.

- 2133.17 DSLBD shall deny certification of any joint venture whose joint venture agreement lacks any of the provisions in § 2132.15.
- 2133.18 The joint venture shall make its records available to DSLBD at any time deemed appropriate by DSLBD.
- 2133.19 If the application for certification of a joint venture is incomplete or additional information is needed by DSLBD, DSLBD shall notify the applicant indicating the need for additional actions or materials in order to complete the application, and the joint venture shall complete the additional actions and provide the additional materials within three (3) calendar days of DSLBD's notification.
- 2133.20 The joint venture shall notify DSLBD in writing within five (5) days of the receipt of a Sports Wagering Operator or MSP License.
- 2133.21 The joint venture shall notify DSLBD in writing if its application for a Sports Wagering Operator or MSP License is denied by the Office or if it is no longer pursuing a Sports Wagering Operator or MSP License.
- 2133.22 DSLBD may revoke the certification of a joint venture for failure to comply with the Act and these regulations.
- 2133.23 Each Operator and MSP shall comply with the reporting requirements of the Act and the CBE Act. Pursuant to D.C. Official Code § 2-218.46(i), each Operator and MSP shall provide a quarterly report that includes, for each contract that is part of the Operator or MSP's plan to meet the CBE Minimum Expenditure requirement:
- (a) The price to be paid by the Operator or MSP to the contractor or subcontractor under the contract;
 - (b) A description of the goods procured or the services subcontracted for;
 - (c) The amount paid by the Operator or MSP to the contractor or subcontractor under the contract; and
 - (d) A copy of the fully executed contract or subcontract, if the fully executed contract or subcontract was not provided in a prior quarterly report.
- 2133.24 DSLBD may also require an Operator or MSP to demonstrate compliance with relevant requirements of the Act, the CBE Act, this chapter, and other laws of the District of Columbia. In furtherance of such demonstration, the Operator and/or MSP shall:

- (a) Permit DSLBD to enter onto and conduct an on-site inspection of the Operator's or MSP's business premises;
- (b) Provide DSLBD, during the on-site inspection, with immediate access to any records or area of the premises that DSLBD deems necessary to review to determine whether the Operator or MSP is in compliance with relevant requirements of the Act, the CBE Act, this chapter, and other laws of the District of Columbia; and
- (c) Provide any other information DSLBD deems necessary to evidence compliance with relevant requirements of the Act, the CBE Act, this chapter, and other laws of the District of Columbia.

2133.25 Each Operator and MSP shall promptly report to DSLBD any material changes that may affect the CBE Plan, including but not limited to:

- (a) A change in ownership of a CBE included in the CBE Plan;
- (b) A change in the address of a CBE included in the CBE Plan;
- (c) The expiration of CBE certification of a contractor included in the CBE Plan;
- (d) Removal of a CBE contractor from the CBE Plan;
- (e) Addition of a CBE contractor to the CBE Plan;
- (f) A change to the CBE capacity building plan; and
- (g) A change to the Operating Budget.

2133.26 If the Operating Budget of an Operator or MSP increases or decreases by an amount greater than five percent (5%) of the amount of the Operating Budget submitted to DSLBD, the Operator or MSP shall within ten (10) business days submit to DSLBD a copy of the revised Operating Budget. DSLBD shall review the revised Operating Budget and determine if a modification to the CBE Minimum Expenditure is required.

2133.27 Each Operator and MSP shall meet with DSLBD within ten (10) days after receiving a license from the Office.

2133.28 Thereafter, the Operator and/or MSP shall meet on an annual basis with DSLBD to provide an update of the CBE Plan for utilization of certified business enterprises. The Operator and/or MSP will inform DSLBD of any issues that might negatively impact the CBE performance or the CBE goal.

2133.29 The applicant shall use print advertising, internet notices, pre-bid and pre-proposal conferences and the resources of DSLBD, including DSLBD's website (<http://dslbd.dc.gov>) and other resources to identify individuals or businesses that could qualify as CBEs and is encouraged to refer any such individuals or businesses to DSLBD's Certification unit to apply for certification. The applicant may identify individuals or businesses that could qualify as CBEs and is encouraged to refer any such firms to DSLBD's Certification unit to apply for certification.

2133.30 If DSLBD determines that an Operator or MSP has failed to comply with an applicable CBE requirement, the Operator or MSP must develop and implement a corrective action plan, approved by DSLBD, that demonstrates how the Operator or MSP will comply with the CBE requirements in the future.

2133.31 If DSLBD determines, in accordance with the procedures set forth in this section that an Operator or MSP has violated Subsection 2132.23 of this chapter, DSLBD may:

- (a) Assess a civil penalty of not more than five thousand dollars (\$5,000) for the first offense;
- (b) Assess a civil penalty of not more than fifteen thousand dollars (\$15,000) for the second offense;
- (c) Assess a civil penalty of not more than twenty-five thousand dollars (\$25,000) for the third and each subsequent offense; and
- (d) Refer the matter to the Office, which may revoke or suspend the Operator's or MSP's license under §§ 314 (a)(2) and (a)(3) of the Act.

2133.32 In addition to other penalties assessed, if DSLBD determines that an Operator or MSP has failed to use good faith efforts to meet contracting requirements in accordance with Section 305(g) of the Act and Subsection 2132.1 of this chapter, DSLBD may assess a civil penalty equal to ten percent (10%) of the dollar volume of the Operator or MSP's Operating Budget.

2134 SPORTS WAGERING ADMINISTRATIVE HEARINGS

2134.1 An individual, group of individuals or entity that has been fined, whose application has been denied, or whose license has been revoked, or suspended pursuant shall have a right to a hearing before the Office and, in the event of its affirmation of the fine, denial, revocation, or suspension, whichever applies, the right to appeal the decision of the Office to the Superior Court of the District of Columbia

- 2134.2 A request for a hearing shall be filed with the Office of the General Counsel within fifteen (15) business days after the receipt of written notice of a fine or written notice denying, suspending, or revoking a sports wagering license.
- 2134.3 Each request for a hearing shall contain the following information:
- (a) The name, address and telephone number of the person filing the request;
 - (b) The name, address and telephone number of the licensees' representatives if any; and
 - (c) A clear and concise statement of facts refuting the allegations of the Office;
- 2134.4 The General Counsel shall designate a Hearing Examiner to conduct the hearing and make proposed findings of fact and conclusions of law.
- 2134.5 Any person filing a request for a hearing may be represented by counsel or any other person as a representative.
- 2134.6 On the first occasion of appearance, persons who appear in a representative capacity shall file a written notice of appearance.
- 2134.7 The notice of appearance shall state the person's name, local address, and local telephone number.
- 2134.8 The written notice of appearance shall be part of the record.
- 2134.9 Where these Rules do not address a procedural issue, the Hearing Examiner may be guided by the District of Columbia Superior Court Rules of Civil Procedure to decide the issue.
- 2134.10 Decorum and good order shall be maintained at all times during any hearing.
- 2134.11 Any person who refuses to comply with a reasonable order may be excluded from the hearing by the person conducting the hearing.
- 2134.12 The Office will provide oral or sign language interpretation services upon request for persons seeking information or participating in a hearing. The Hearing Examiner may order the use of such services at a hearing.
- 2134.13 A person who needs language interpretation services for a hearing shall request them as early as possible to avoid delay.
- 2134.14 Upon request by a party with impaired vision, the Office will provide official documents in Braille or a large print within a reasonable time.

- 2134.15 An interpreter at a hearing shall swear or affirm under penalty of perjury to interpret accurately, completely, and impartially.
- 2134.16 In any action, the parties or their representatives shall appear before the Hearing Examiner on a date set by the Hearing Examiner for a conference to consider the following:
- (a) Whether a hearing is necessary;
 - (b) Simplification of the issues;
 - (c) The possibility of obtaining the admission and stipulation of facts and documents which will avoid unnecessary proof; and
 - (d) Any other matters which may aid in the disposition of the action.
- 2134.17 The Hearing Examiner shall enter an order that recites the action taken at the conference. The order, when entered, shall control the subsequent course of the action.
- 2134.18 In computing any period of time under this title, unless otherwise stated, time shall be computed in calendar days with the following exceptions:
- (a) If the day of the act, event, or default after which the time period ends is a Saturday, Sunday, or legal holiday, the period shall run until the next day which is not a Saturday, Sunday, or legal holiday; and
 - (b) When the time period is five (5) days or less, intermediate Saturdays, Sundays, and legal holidays shall be excluded from the computation of time.
- 2134.19 Where good cause is shown and upon a written request, the Hearing Examiner may order an extension of time if made prior to the expiration of the period prescribed.
- 2134.20 The Hearing Examiner shall have the power to administer oaths, to take testimony under oath, subpoena witnesses and require the production of records, papers, and documents relevant to the inquiry.
- 2134.21 A subpoena for the appearance of witnesses and production of documents at a hearing shall only be issued by the Hearing Examiner.
- 2134.22 A party may request a subpoena in writing or the Hearing Examiner may issue a subpoena without a party's request.

- 2134.23 Any request that the Hearing Examiner issue a subpoena should include a copy of the proposed subpoena and shall state the relevance of the requested testimony or documents. Subpoenas and forms to request a subpoena are available on the Office's website.
- 2134.24 Unless otherwise provided by law or order of the Hearing Examiner, any request or a subpoena shall be filed no later than five calendar days prior to the hearing.
- 2134.25 It is the responsibility of the requesting party to serve a subpoena in a timely fashion. Any person, including a party, who is at least eighteen (18) years of age, may serve a subpoena.
- 2134.26 Service of a subpoena for a witness to appear at a hearing shall be made by personally delivering the subpoena to the witness. Unless otherwise ordered by the Hearing Examiner, service shall be made at least four (calendar days before the hearing.
- 2134.27 A subpoena for the production of documents at a hearing shall be directed to either an individual, a corporation, the Government, or another entity.
- 2134.28 A subpoena for the production of documents at a hearing shall be served by any of the following means:
- (a) Handing it to the person or to a representative of the person or entity;
 - (b) Leaving it at a person's office with a responsible adult, or if no one is available, leaving it in a conspicuous place in the office;
 - (c) Leaving it with a responsible adult at an entity's office that is connected to the case;
 - (d) Mailing it to the last known address of the person;
 - (e) Mailing it to the last known address of an entity's office connected to the case; or
 - (f) Delivering it by any other means, including electronic means, if consented to in writing by the person or entity served, or as ordered by the Hearing Examiner.
- 2134.29 A person or entity ordered to produce documents at a hearing:
- (a) Need not appear in person at the hearing unless ordered by the Hearing Examiner to do so;

- (b) Shall produce the documents as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the subpoena; and
- (c) Shall expressly make any claims of privilege or protection with a description of the documents not produced that is sufficient to enable the requesting party to contest the claim.

2134.30 A subpoena may be served at any place within the District of Columbia, or at any place outside the District of Columbia that is within twenty-five (25) miles of the place of the hearing.

2134.31 To prove service of a subpoena, a party shall file a written statement or shall provide in-court testimony describing the date and manner of service, and names of the persons served.

2134.32 The Hearing Examiner may quash or modify a subpoena if it:

- (a) Does not meet the requirements of this chapter;
- (b) Was improperly served;
- (c) Fails to allow a reasonable time for compliance;
- (d) Requires a person who is not a party or an officer of a party to travel to a hearing more than twenty-five (25) miles from where that person resides, is employed, or regularly transacts business, except that such a person may be ordered to appear by telephone;
- (e) Requires disclosure of a privileged or other protected information; or
- (f) Subjects a person or entity to undue burden or expense.

2134.33 If a person or entity disobeys a subpoena, the Hearing Examiner may order compliance with the subpoena. If a person subject to the order fails to comply, the Hearing Examiner may impose monetary sanctions. In addition, a party may apply to the Superior Court of the District of Columbia for an order to show cause why that person should not be held in civil contempt.

2134.34 Except upon order of the Hearing Examiner, a hearing scheduled before the Hearing Examiner may not be delayed by motion for a continuance unless the motion is made at least one (1) day prior to the scheduled hearing date and, in the opinion of the Hearing Examiner, sets forth good and sufficient cause for the continuance.

- 2134.35 If a party to any proceeding under this chapter without sufficient reason fails to appear at the time and place set for the hearing, the Hearing Examiner may proceed to hear the matter on the record.
- 2134.36 Hearings shall be recorded and transcribed under the direction of the Hearing Examiner.
- 2134.37 Upon payment of reasonable cost, a transcript of the proceeding shall be supplied to interested parties.
- 2134.38 Within a reasonable time after the close of a proceeding, the Hearing Examiner shall render a proposed written decision, accompanied by findings of fact, conclusions of law, and recommendations to the Executive Director.
- 2134.39 The Executive Director may change a finding of fact or conclusion of law made by the Hearing Examiner or may vacate or modify an order issued by the Hearing Examiner only if the Executive Director determines:
- (a) That the Hearing Examiner did not properly apply or interpret applicable law, office rules, written policies, or prior administrative decisions;
 - (b) That a prior administrative decision on which the Hearing Examiner relied is incorrect or should be changed; or
 - (c) That a technical error in a finding of fact should be changed.
- 2134.40 If the Executive Director makes a change to a finding of fact or conclusion of law or vacates or modifies an order of the Hearing Examiner, the Executive Director must state in writing the specific reason and the legal basis for the change.
- 2134.41 If the recommendation of the Hearing Examiner is adverse to the person who filed the request for a hearing, the person may file exceptions and present arguments to the Executive Director. The Executive Director shall make all final decisions on issuance of fines or the denial, revocation or suspension of licenses.
- 2134.42 The Executive Director shall issue a final order accompanied by findings of fact and conclusions of law.
- 2134.43 Findings of fact shall consist of a concise statement conclusions on each contested issue of fact and shall be based solely upon evidence contained in the record.
- 2134.44 Findings of fact and conclusions of law shall be supported by and in accordance with reliable, probative, and substantial evidence.

- 2134.45 At any time, the Hearing Examiner or the Clerk, in consultation with the Hearing Examiner, may correct clerical, typographical, numerical, or technical mistakes in the record and errors from oversight or omission.
- 2134.46 The Hearing Examiner may order that notice of such corrections be given to the parties.
- 2134.47 If a party has filed a request for appellate review, such mistakes may be corrected before the record is transmitted to the reviewing court, and thereafter may be corrected with leave of the reviewing court.
- 2134.48 Any person whose license is revoked, suspended, or assessed a penalty by the final decision of the Office following a hearing shall have the right to appeal the decision to the Superior Court of the District of Columbia within the time fixed by rule of the Court.

2135-2198 [RESERVED]

2199 DEFINITIONS

2199.1 The following definitions shall apply to this chapter:

“**Act**” means the Sports Wagering Lottery Amendment Act of 2018, effective May 3, 2019 (D.C. Law 22-312; 66 DCR 1402 (February 1, 2019)).

“**Applicant**” means an individual, group of individuals or entity who applies for a Sports Wagering license in the District of Columbia.

“**Authentication process**” means a method used to verify the validity of software.

“**Cancelled wager**” means a wager that has been cancelled due to any issue with an event that prevents its completion.

“**CBE act**” means the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code §§ 2-218.01, *et seq.*), as amended.

“**CBE plan**” means the plan required by Applicants for Sports Wagering licenses pursuant to Section 305(g) of the Act.

“**CBE plan application date**” means the date on which an application is received by the Department of Small and Local Business Development (DSLBD).

“**Certified business enterprise**” or “**CBE**” shall have the same meaning as provided in Section 2302(1D) of the CBE act.

“**CFO**” means the Chief Financial Officer of the District of Columbia.

“**Class A operator**” means a licensed operator who is authorized to conduct sports wagering in the District of Columbia at one (1) of the following locations: Capital One Arena (601 F Street, N.W., and described as Lot 0047, Square 0455), Audi Field (100 Potomac Avenue, S.W., and described as Lot 0027, Square 0665); Nationals Park (1500 South Capitol Street, S.E., and described as Lot 0016, Square 0705); or St. Elizabeths East Entertainment and Sports Arena (St. Elizabeth’s Campus, 1100 Oak Drive, S.E., and described as Lots 0837 and 0838, Square 5868S).

“**Class B operator**” means a licensed operator who is authorized to conduct sports wagering in the District of Columbia and who is prohibited from operating sports wagering within a two block radius of the following locations: Capital One Arena (601 F Street, N.W., and described as Lot 0047, Square 0455), Audi Field (100 Potomac Avenue, S.W., and described as Lot 0027, Square 0665); Nationals Park (1500 South Capitol Street, S.E., and described as Lot 0016, Square 0705); or St. Elizabeths East Entertainment and Sports Arena (St. Elizabeth’s Campus, 1100 Oak Drive, S.E., and described as Lots 0837 and 0838, Square 5868S).

“**Commercially useful function**” shall have the same meaning as provided in Section 2302(1G) of the CBE act.

“**Days**” means calendar days.

“**Designated Facilities**” means a District establishment where sports wagering Class A operators may operate a Sports Wagering Facility, including at the following locations: Capital One Arena (601 F Street, NW, and described as Lot 0047, Square 0455), Audi Field (100 Potomac Avenue, SW, and described as Lot 0027, Square 0665), Nationals Park (1500 South Capitol Street, SE, and described as Lot 0016, Square 0705), and St. Elizabeths East Entertainment and Sports Arena (St. Elizabeth Campus, 1100 Oak Drive, SE, and described as Lots 0837 and 0838, Square 5868S).

“**Disadvantaged business enterprise**” or “**DBE**” shall have the same meaning as provided in Section 2302(5) of the CBE act.

“**Dormant account**” means an online sports wagering account which has had no player-initiated activity for a period of one (1) year.

“**DSLBD**” means the Department of Small and Local Business Development.

“**Event number**” means a set of alpha or numeric characters that correspond to a sports event or an event ancillary to a sports event.

“Executive Director” means the Executive Director of the Office of Lottery and Gaming.

“Fiscal year” means October 1 of each year through September 30 of the following year.

“General Counsel” means the General Counsel of the Office of the Chief Financial Officer.

“Good Faith Efforts” means the fulfillment of the CBE identification, outreach, and awareness requirements set forth in §§ 2132.01, 2132.09, and 2132.29.

“Gross sports wagering revenue” means the total of cash or cash equivalent received from sports wagering minus the total of: Cash or cash equivalents paid to purchase annuities to fund prizes payable to players as a result of sports wagering; cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of sports wagering; and the actual cost paid by the license holder for any personal property distributed to a player as a result of sports wagering, excluding travel expenses, food, refreshments, lodging, or services.

“Holding Company” means any person, other than an individual, that directly or indirectly owns, has the power or right to vote or control, or holds with the power to vote more than five percent (5%) of the stock, equity interest, or other voting security of a person that holds, or has applied for, a Sports Wagering Operator License, Management Services Provider License or Supplier License or directly or indirectly owns, any power, right, or security through any interest in a subsidiary or successive subsidiaries, regardless of how many subsidiaries may intervene between the holding company and the holder or Applicant for a Sports Wagering Operator License, Management Services Provider License, or a Supplier License.

“Indirect interest” means an interest, claim, right, legal share, or other financial stake in a person that is determined by the Office to exist by virtue of a financial or other interest in another person.”

“Individual” means any natural person.

“Integrity monitoring system” means a system of policies and procedures approved by the Office through which an online Sports Wagering Operator receives and sends reports from Sports Wagering Operators to assist in identifying suspicious activity.

“Intermediary company” means any corporation, firm, partnership, trust, limited liability company, or other form of business entity that is a holding

company of a person that has applied for or holds the Sports Wagering Operator License or a Supplier License or is a direct-line subsidiary of any holding company of a person that has applied for or holds a Sports Wagering Operator License, Management Services Provider License, or a Supplier License.

“Layoff wager” means a wager placed by a Sports Wagering Operator or Management Services Provider with another Sports Wagering Operator or Management Services Provider for the purpose of offsetting player wagers made pursuant to this chapter.

“Licensee” means an individual, group of individuals or entity that holds a Sports Wagering License in the District of Columbia.

“Majority interest” means more than fifty percent (50%) of the total combined voting power of all classes of stock of the joint venture business enterprise or more than fifty (50%) of the total value of the joint venture business enterprise, a financial contribution to the enterprise of more than fifty percent (50%), or more than fifty 50% of the total interest in the capital, profits, and loss, or beneficial interest in the joint venture business enterprise.

“Management services provider” or **“MSP”** means an independent entity affiliated with a licensed Sports Wagering Operator and licensed and approved by the Office to offer sports wagering activities in a Sports Wagering Facility or through online or mobile sports wagering. The player accounts, or sports wagering accounts, of such intermediaries, shall be owned by the licensed Sports Wagering Operator.

“Mobile applications and other digital platforms” mean any mobile application or interactive platform approved by the Office for the operation of online sports wagering.

“Multi-factor authentication” means a type of strong authentication that uses two (2) of the following to verify a player's identity including, information known only to the player, such as a password, pattern or answers to challenge questions, an item possessed by a player such as an electronic token, physical token or an identification card, or a player's biometric data, such as fingerprints or facial or voice recognition.

“Office” means the Office of Lottery and Gaming.

“Online sports wagering system” means all hardware, software, and communications that comprise a type of sports wagering system for the purpose of offering online sports wagering.

“Online sports wagering” means a sports wagering operation in which wagers on sports events are made through computers or mobile application on mobile devices or other approved interactive devices accepted through a sports wagering system approved by the Office to operate online sports wagering.

“Operating Budget” means a detailed description of all estimated revenues and expenses generated from the operations of a Sports Wagering facility, or where wagering occurs in connection with a Sports Wagering license.

“Operator license” means a Sports Wagering Operator License issued by the Office that authorizes the operation of sports wagering, including sports wagering conducted over the internet or through mobile applications or other digital platforms that are initiated and received, or otherwise made, exclusively within the physical confines of the single approved Sports Wagering Facility or as authorized by law.

“Operator” means an individual, group of individuals or entity that holds a Sports Wagering Operator License issued by the Office.

“Pending wager account” means the account maintained by a server-based gaming system that holds the total balance of all wagers pending disposition and all other funds attributable to future events.

“Prohibited sports wagering participant” means any individual under the age of eighteen (18), or who is prohibited pursuant to any self-exclusion or Sports Wagering Facility exclusion list, any individual whose participation may undermine the integrity of the wagering or the sports event or for other good cause, including but not limited to, any individual placing a wager as an agent or a proxy, and any employee of the Office, a Sports Wagering Operator, Management Services Provider or Supplier.

“Provisional sports wagering license” means a temporary license issued to an Operator, Management Services Provider or Supplier.

“Remote sports wagering system” or “RGS” means hardware and software used to provide an online sports wagering or authorized games to players in conjunction with an online sports wagering system. An RGS may be a standalone system or integrated within another part of the online sports wagering system.

“Resident-owned business” or “ROB” shall have the same meaning as provided in Section 2302(15) of the CBE act.

“Secure transaction file” means a file that contains data, which cannot be modified without detection.

“**Skin**” means a graphic file used to change the appearance of the user interface to a program or for a mobile application or digital platform.

“**Small Business Enterprise**” or “**SBE**” shall have the same meaning as provided in Section 2302(16) of the CBE act.

“**Sports League governing body**” means the governing body for a sports league that is registered with the Office, including, if registered, Major League Baseball, Major League Soccer, National Basketball Association, National Football League, National Hockey League, and the Women’s National Basketball Association.

“**Sports Wagering Account**” means an account established by a Sports Wagering Operator or Management Services Provider for an individual player to engage in online or mobile sports wagering.

“**Sports Wagering Equipment**” means any mechanical, electronic or other device, mechanism, or equipment, and related supplies used or consumed in the operation of sports wagering at a licensed Sports Wagering Facility including, but not limited to, a self-service terminal or kiosk installed to accept sports wagers.

“**Sports Wagering Event**” means a sporting event as determined by the Office Executive Director as a sporting event on which a wager may be authorized by the Office of Gaming.

“**Sports Wagering Facility**” means the premises approved under a sports wagering license on which a sports wagering operator may offer sports wagering. A Sports Wagering Facility may be a building or a set of buildings, subsection or subdivision of a single building or structure, or a room or set of rooms within a building or structure.

“**Sports Wagering Manager**” means a key employee of the Sports Wagering Operator, or a qualified employee of a licensed Management Services Provider that is operating under a contract with a Sports Wagering Operator, responsible for the operations of sports wagering and final approval of all odds established on any wager made pursuant to this chapter.

“**Sports Wagering Operator License**” or “**Operator License**” means the license issued by the Office that authorizes the operation of sports wagering, including sports wagering conducted over the internet or through mobile applications or other digital platforms that is initiated and received, or otherwise made, exclusively within the physical confines of

the single approved Sports Wagering Facility or as otherwise authorized by law.

“Sports Wagering Operator” or “Operator” means an individual, group of individuals or entity that holds a Sports Wagering Operator License issued by the Office.

“Sports Wagering Supplier License” or “Supplier” means an individual, group of individuals or entity that seeks to sell or lease sports wagering equipment, software, systems, data or services relating to the conducting of sports wagering, by an Operator or Management Services Provider, as determined by the Office.

“Sports wagering system” means all equipment and software used in conjunction with the operation of a Sports Wagering Facility or online or mobile sports wagering.

“Sports wagering ticket” means a printed record issued or an electronic record maintained by the sports wagering system that evidences a sports wager.

“Suspicious betting activity” means any unusual betting activity which cannot be explained and is indicative of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.

“Unusual betting activity” means abnormal wagering activity exhibited by players and deemed by a Sports Wagering Operator, the Office or another governing body as a potential indicator of suspicious activity. Unusual wagering activity may include the size of a player’s wager or increased wagering volume on a particular event or wager type.

“Voided wager” means a wager voided by a ticket writer with supervisor approval for a specified event.

“Wager” or “bet” means accepting wagers and or bets on sporting events or portions of sporting events, or on the individual performance statistics of athletes in a sport, in a sporting event or combination of sporting events, by any system or method of wagering, including, but not limited to, in-person or over the internet through websites and on mobile devices. The term includes, but is not limited to, single-game bets, teaser bets, parlays, over-under, money line wagering, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets. The term wager does not include any activity governed by securities laws of the United States or the District of Columbia, a contract of indemnity or guarantee, a contract for insurance, or participation in any game or contest in which the participants do not stake or risk anything of value other than personal efforts of the participants playing the game or contest or obtaining access to the internet,

or points or credits that the sponsor of the game or contest provides to participants free of charge, and that can be used or redeemed only for participation in games or contests offered by the sponsor.

CHAPTER 22 [RESERVED]

CHAPTER 23 [RESERVED]

CHAPTER 24 [RESERVED]

CHAPTER 25 [RESERVED]

Persons desiring to comment on the subject matter of this proposed rulemaking should file comments, in writing, no later than thirty (30) days after the date of publication of this notice in the *D.C. Register*. Comments should be filed with Antar Johnson, Senior Counsel, Office Lottery and Gaming, 2235 Shannon Place S.E., Washington, D.C. 20020, or e-mailed to SWRules@dc.gov. Copies of the proposed rules may be obtained between 8:30 a.m. and 5:00 p.m. at the address stated above. Questions may be directed to (202) 645-8026.