

The Virginia Lottery

In the Matter of WSI US, LLC

Docket No. 2021-05-01

SETTLEMENT AGREEMENT

Pursuant to Article 2 of Chapter 40 of Title 58.1 of the Code of Virginia (“Va. Code”), § 58.1-4030, *et seq.* (“Sports Betting Law”), and Virginia Administrative Code 11VAC5-70-120H, the Executive Director (“Director”) of the Virginia Lottery (“Lottery”) and WSI US, LLC (“WynnBET or “Wynn”) wish to resolve this matter without a formal administrative hearing. Accordingly, the parties recite the following facts and make the following agreements:

BACKGROUND

The Director and Lottery staff, through regulations adopted by the Virginia Lottery Board (“Board”), regulate the operation of Virginia’s legal sports betting program, and are responsible for authorizing qualified persons to offer legal sports betting within the Commonwealth of Virginia and for ensuring that the operation of sports betting platforms is conducted legally. Va. Code §§ 58.1-4007, 58.1-4031; 11VAC5-70.

If a permit holder violates a provision of the Sports Betting Law, a regulation promulgated by the Board, or a directive of the Lottery or the Director, the Director is authorized to, after a hearing, take action against a permit holder that may include suspension or revocation of the sports betting permit and levying a civil penalty for each violation. Va. Code § 58.1-4035; 11VAC5-70-120B. The Director may impose these sanctions on a permit holder for violations committed by the permit holder’s principals, suppliers, vendors, or employees. 11VAC5-70-120D. The Director may also determine that is in the best interest of the

Commonwealth of Virginia to reach an agreed-upon settlement with a permit holder resolve a violation. 11VAC5-70-120H.

WynnBET was issued a sports betting permit by the Director on March 3, 2021, to operate a sports betting platform in the Commonwealth and began accepting wagers through its platform on March 9, 2021.

Upon WynnBET's self-report and through a series of conversations during April and May 2021, the Lottery informed WynnBET of the Lottery's determination that WynnBET, directly and through its contractors and agents, had allegedly violated the Sports Betting Law and the Lottery's related regulations with respect to geofencing during the month of March 2021. The Lottery specified during these conversations the violations for which the Director is proposing a settlement amount. The Lottery has asserted that these actions violated the Sports Betting Law and the regulations promulgated thereunder, and that these actions were sanctionable.

WynnBET has taken corrective measures to ensure future compliance with the Sports Betting Law and its related regulations.

The parties agree to the following terms and conditions as a means of resolving the captioned alleged violations.

TERMS AND CONDITIONS


1. This Settlement Agreement is being entered into as a means of settling the alleged violations and avoiding the potential expense and inconvenience of a formal hearing.
2. There has not been a formal finding as to the merits of the allegations. This Settlement Agreement does not constitute an allegation, an admission, or a denial by either party that a violation of law or regulation has occurred.

3. Upon execution of this Settlement Agreement by both parties, and no later than 10 days after, WynnBET shall remit payment of \$150,000 to the Lottery for deposit into the Commonwealth's General Fund.
4. Upon receipt of payment from WynnBET, the Director will close these matters.
5. WynnBET will continue to take appropriate measures to ensure future compliance with the Sports Betting Law and its related regulations.
6. If WynnBET violates a term of this Settlement Agreement, the Director may impose a sanction or penalty on WynnBET for violating the Agreement or for the underlying violations.
7. By entering into this Settlement Agreement, WynnBET waives all rights to administrative or judicial review of these alleged violations pursuant to 11VAC5-70-120H.
8. This Settlement Agreement extends only to those alleged violations occurring during the period of March 9 - 23, 2021 and that were referenced in the Lottery's discussions with WynnBET. If the Lottery subsequently discovers additional facts of a material and substantial nature involving any of those incidents, and said facts constitute additional alleged violations, the Lottery may pursue such additional alleged violations. WynnBET may dispute such additional alleged violations.
9. This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written that are not specified or referenced within this document will be valid provisions of this Settlement Agreement.

10. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by the parties.


IN WITNESS WHEREOF, the parties have signed this Settlement Agreement as set forth below:

Date: May 27, 2021



Kevin Hall
Executive Director
Virginia Lottery

Date: May 26, 2021



Jennifer Roberts
General Counsel
WSI US, LLC