

**COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION**

In the Matter of)
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)
Application of Penn Sports Interactive, LLC (“PSI”) for a)
Tethered Category 3 Sports Wagering Operator License)
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**DECISION DEEMING PENN SPORTS INTERACTIVE, LLC
ELIGIBLE TO REQUEST A TEMPORARY
TETHERED CATEGORY 3 SPORTS WAGERING OPERATOR LICENSE¹**

I. Introduction

Penn Sports Interactive, LLC (“PSI”) applied to the Massachusetts Gaming Commission (“MGC” or “Commission”) for a Tethered Category 3 Sports Wagering License. Under G.L. c. 23N, the Commission may issue a Tethered Category 3 license to an entity that offers sports wagering in connection with a Category 1 or 2 license, and through a mobile application or other digital platform that meets the requirements of c. 23N and the rules and regulations of the Commission. For the following reasons, the Commission hereby deems PSI eligible to request a temporary license.

II. Procedural History

On November 21, 2022, the Commission received PSI’s application, including the \$200,000 application fee. *See* G.L. c. 23N, § 7(A) and 205 CMR 214.01. The MGC Division of Licensing reviewed the Sports Wagering License Application for administrative sufficiency and determined that the application was sufficient. *See* 205 CMR 218.03. On December 5, 2022, the Commission held a virtual public meeting to hear public comment on all Category 3 Sports Wagering applications. *See* 205 CMR 218.05 and 205 CMR 218.06. On January 3, 2023, the Commission held a virtual public meeting to hear an informal presentation from PSI explaining its Application and to receive comments from consultants the Commission hired to review various elements of the Application. *See* 205 CMR 218.04(1)(a)-(b), 218.05(1)(b), and 218.06(1). At that same meeting, the Commission deliberated on the license application, and on January 4, 2023, the Commission found PSI preliminarily suitable and eligible to request a Temporary License. *See* 205 CMR 215.01(2)(c)-(d), 205 CMR 218.06(4)-(5), 218.07(1)(a).

III. Findings and Evaluation

In evaluating whether to issue the Category 3 Sports Wagering License to PSI, the Commission considered: all information in the application submitted by PSI; the public comments made on

¹ All facts referenced in this decision were current as of the date of the respective hearings referenced in the Procedural History for this applicant.

December 5, 2022; the presentations made by PSI and the Commission’s external consultants² on January 3 and 4, 2023; and a written report prepared by the Investigations and Enforcement Bureau (“IEB” or “Bureau”) in accordance with 205 CMR 215.01(2)(b).

In accordance with 205 CMR 218.06(5), in determining whether to deem PSI eligible to request a Temporary Sports Wagering License, the Commission evaluated all materials and information in the record to determine whether a license award would benefit the Commonwealth, and considered the following factors:

- a) PSI’s experience and expertise related to Sports Wagering, including:
 1. PSI’s background in Sports Wagering;
 2. PSI’s experience and licensure with Sports Wagering in other jurisdictions ;
 3. A description of PSI’s proposed Sports Wagering operation;
- b) The economic impact and other benefits to the Commonwealth if PSI is awarded a License, including:
 1. Employment opportunities within the Commonwealth;
 2. The projected revenue from wagering operations, and tax revenue to the Commonwealth;
 3. PSI’s proposed plans for construction and capital investments associated with the license award;
 4. Community engagement;
- c) PSI’s proposed measures related to responsible gaming, including:
 1. PSI’s responsible gaming policies;
 2. PSI’s advertising and promotional plans;
 3. PSI’s history of demonstrated commitment to responsible gaming;
- d) A description of PSI’s willingness to foster racial, ethnic, and gender diversity, equity, and inclusion, including:
 1. Within PSI’s workforce;
 2. Through PSI’s supplier spend;
 3. In PSI’s corporate structure;
- e) The technology that PSI intends to use in its operation, including:
 1. Geofencing;
 2. Know-your-customer measures; and
 3. Technological expertise and reliability;

² The consultants include RSM US LLP (“RSM”), which presented on financial projections; Gaming Laboratories International LLC (“GLI”), which presented on technology considerations; and the Commission’s Investigations and Enforcement Bureau (“IEB”), which presented on suitability.

- f) The suitability of PSI and its qualifiers, including:
1. Whether PSI can be or has been determined suitable in accordance with 205 CMR 215;
 2. PSI’s and all parties in interest to the license’s integrity, honesty, good character, and reputation;
 3. PSI’s financial stability, integrity, and background;
 4. PSI’s business practices and business ability to establish and maintain a successful sports wagering operation;
 5. PSI’s history of compliance with gaming or sports wagering licensing requirements in other jurisdictions;
 6. Whether PSI is a defendant in litigation involving its business practices; and
- g) Any other appropriate factor, in the Commission’s discretion.

Further, the Commission decided whether each section of PSI’s application failed to meet, met, or exceeded expectations.

Ultimately, the Commission is satisfied that PSI’s proposed sports wagering operation meets, and in many instances exceeds, the requirements set forth in G.L. c.23N and 205 CMR 218. The Commission further finds there is substantial evidence to adopt the following specific findings of fact and conclusions of law related to PSI’s application.

A. Experience and Expertise Related to Sports Wagering

According to its January 3, 2023, presentation, PENN is a leading provider of casino game experience serving customers across North America. As PSI explained in its application, PENN’s wholly owned interactive division, Penn Interactive Ventures, LLC (“PIV”), and its wholly owned subsidiary Penn Sports Interactive, LLC (“PSI”) (collectively, “PENN Interactive”), operate 25 retail sportsbooks, as well as online social casino, bingo, and iCasino products.

Overall, there is substantial evidence that PSI’s proposal in the experience and expertise category is excellent, and therefore exceeds expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Background in Sports Wagering	PSI offers iCasino products in Michigan, New Jersey, Pennsylvania, West Virginia, Ontario (CA) and online sports betting services in 14 jurisdictions, including Arizona, Colorado, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, New Jersey, Ontario (CA), Pennsylvania, Tennessee, Virginia, and West Virginia.

	<p>The Commission unanimously agreed that PENN has sufficient background in Sports Wagering and has been fully vetted in that regard.</p>
<p>Experience and licensure in other jurisdictions with Sports Wagering</p>	<p>As PSI explained in its application, PENN, PSI’s ultimate parent company, operates 43 entertainment destinations in 20 jurisdictions across the United States with a variety of retail and online gaming, live and simulcast racing, entertainment, and hospitality offerings, and currently has 25 retail sportsbooks in 11 states.</p> <p>PIV has been approved for an online sports wagering license in Colorado, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Louisiana, New Jersey, Ohio, Tennessee, Virginia, West Virginia, and Wyoming.</p> <p>For the reasons described above, the Commission unanimously agreed that PENN has sufficient experience and licensure in other jurisdictions with Sports Wagering and has been fully vetted in that regard.</p>
<p>Description of PSI’s proposed Sports Wagering Operation</p>	<p>Barstool Sportsbook will offer markets on various events/sports/leagues along with app features such as Parlay+, Move the Line, and “odds boosts.” Various promotions are offered on the platform, including insurance-style promotions, Bet & Gets, Deposit Matches, and giveaways.</p> <p>PENN has entered into multi-year agreements with online sports betting and/or iGaming operators DraftKings, PointsBet, The Stars Group, Boom Sports, BetMGM, Unibet, Rush Street Interactive, Golden Nugget Online Gaming, WAGR, Sporttrade, and Mojo for market access across the Company’s portfolio. Currently, PENN holds 13 skins agreements in 15 jurisdictions where PENN has a casino property.</p> <p>PSI intends to offer a full complement of markets and sports on which to wager, consistent with whatever is permitted by the Commission.</p> <p>The Commission was satisfied by this described plan for Sports Wagering operations.</p>

B. Economic Impact

PSI provided a detailed description of the anticipated economic impact to the Commonwealth of receiving a sports wagering license this is further elaborated on below.

Commissioners expressed concern that any increase in employment positions available due to PSI’s licensure would be dictated by what happens at Plainridge Park Casino, rather than due to PSI’s own efforts. PSI addressed this concern by stating that PENN has two operations in

Massachusetts: one at the Plainridge Park Casino, and the other at a game studio in Greenfield, MA, which produces Penn’s bespoke iCasino content.

Overall, there is substantial evidence that PSI’s proposal in the economic impact category meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Employment opportunities	<p>PSI currently has 26 full-time employees who live within the Commonwealth of Massachusetts, but granting a license to PSI will not necessarily create additional jobs within the Commonwealth.</p> <p>The Commission was satisfied by this proposed employment plan.</p>
Projected revenue from wagering operations, and tax revenue	<p>PSI described its projected revenue for Sports Wagering on pages 103-110 of its Application, which the Commission found satisfactory.</p>
Community engagement	<p>PSI referred the Commission to PPC’s application for this section. PPC is involved with multiple local charitable organizations, including Boston Pearl, New Hope, New Colony Habitat for Humanity, and Tri-Town Chamber of Commerce.</p> <p>PPC will continue to work with the Lottery to expand on the initiatives established over the last 7 years.</p> <p>PPC has not and will not create, promote, operate or sell games that are similar to or in direct competition, as determined by the Massachusetts Gaming Commission, with games offered by the Massachusetts State Lottery Commission.</p> <p>The Commission was satisfied by PSI’s representations regarding its past, ongoing, and future plans for community engagement.</p>

C. Responsible Gaming

PSI’s parent company PENN has a history of commitment to responsible gaming. This history includes annual support of various industry-wide responsible gaming initiatives including Responsible Gaming Education Month and Problem Gaming Awareness Month, an extensive and comprehensive employee responsible gaming training program, and consistent adherence to federal standards governing gaming advertising.

However, the Commission was concerned with Penn’s current and future relationship with Barstool Sports. PSI argued in its presentation that its relationship with Barstool Sports allows it to be more creative and effective in its responsible gaming messaging by, for example, utilizing Barstool’s on-air personalities to deliver messages during its involvement in other media content about the risks associated with gambling. The Commission concluded that this question required further investigation and consideration, and decided to impose a condition on the temporary license accordingly.

Overall, PSI put forth a compelling responsible gaming plan. Other than the Commission’s concerns about PSI’s relationship with Barstool Sports and its implications for PSI’s responsible gaming plans, there is substantial evidence that PSI’s proposal in the responsible gaming category exceeds expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Responsible Gaming Policies	<p>PPC hosts the GameSense Information Center, which provides resources and information on healthy and problem gambling, and is staffed by representatives of the Massachusetts Council on Gaming and Health (MACGH) during designated hours and online via Live Chat 24 hours a day.</p> <p>PSI has an established Responsible Gaming Committee, which meets quarterly, monitors compliance, and continues to evaluate the Responsible Gaming (“RG”) program’s effectiveness, including authorizing changes to the program as necessary.</p> <p>PSI has established a set of policies and guidelines modeled after the American Gaming Association’s (“AGA”) Code of Conduct for Responsible Gaming, which establishes minimum standards that address problem gambling, underage gambling, and responsible marketing and advertising. All of PENN, including PSI, voluntarily employ an “exclude one, exclude all” policy for every patron whereby a patron excluded from any PENN property or service is excluded from all PENN properties and services.</p> <p><u>Responsible Gaming Staff</u> PSI has a dedicated Responsible Gaming team, which continuously reviews and improves responsible gaming practices; assists in player responsible gaming matters; and audits responsible gaming procedures, responsible gaming reporting, local and national sponsorships.</p> <p><u>Employee Training</u> PSI educates all relevant employees during onboarding, and annually thereafter, regarding responsible gaming; disordered</p>

	<p>gambling; the prohibition of underage gambling; and the identification and suspension of excluded, self-excluded, and suspended persons, as well as the confidentiality of this information. Further, employees in direct customer-interfacing roles are given additional training at least twice per year.</p> <p><u>Responsible Gaming Limits</u> A registered player’s self-imposed limit(s), including deposit, spend, wager, and session limits, are enforced across all of Barstool’s skins and platforms. A player can utilize tools such as temporary suspension, which is a complete suspension of the account for a varying amount of time (from 72 hours to 365 days), or withdrawal control, which cannot be disabled until 24 hours has elapsed.</p> <p>The Player Protection Responsible Gaming Page (“PPRG”) will also be available on the platform’s main menu and will be accessible to patrons throughout their gaming session. The PPRG will include a prominent contact number for a jurisdiction-approved helpline, and direct links to self-exclude and to organizations dedicated to helping people with a potential gambling problem, among other resources.</p> <p>PSI recently conducted a six-month paid Twitter campaign advertising Responsible Gaming, which it would be open to renewing or continuing at the Commission’s request.</p> <p>The Commission was satisfied by PSI’s responsible gaming policies.</p>
<p>Advertising and Promotional Plans</p>	<p>All of PSI’s sports wagering advertisements will contain a responsible gaming message and will comply with federal standards. These ads will not appeal to children or minors, feature those who are younger than 21, make claims that success is guaranteed when gambling, be placed in front of an audience where most are expected to be under 21, encourage people to play beyond their means, exaggerate patrons’ chances of winning, or otherwise encourage irresponsible play.</p> <p>The Commission was satisfied that PSI’s advertising and promotional plans would adhere to its responsible gaming policies.</p>
<p>History of Dedicated Commitment to Responsible Gaming</p>	<p>In each jurisdiction, PSI drafts and supplies a full responsible gaming plan that aligns with local statutes, regulations, and guidance. Any potential breach or violation of a jurisdiction’s statutes, regulations, or guidance is self-reported upon discovery.</p>

	<p>PSI annually budgets for state specific and national responsible gaming initiatives.</p> <p>PENN has received many awards for responsible gaming, including the following:</p> <ul style="list-style-type: none"> • PSI and the Barstool Sportsbook is officially accredited through the Responsible Gaming Council (“RGC”). • PSI contracted with the Responsible Gaming Council (“RGC) to complete a Responsible Gaming Check accreditation on the Barstool Sportsbook platform. <p>PSI has been involved in six settlements in Florida, Indiana, and Pennsylvania.</p> <p>The Commission was satisfied that PSI has a history of dedicated commitment to responsible gaming.</p>
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D. Diversity, Equity, and Inclusion

The Commission included Diversity, Equity, and Inclusion as a stand-alone consideration to demonstrate the value it places on this category of an applicant’s application.

According to its January 3, 2023, presentation, PENN has a variety of DEI efforts. It established a STEM scholarship program that has given four million dollars over five years to fund STEM workshops at historically black colleges and universities (“HBCUs”). It has also created the Leadership Excellence at Penn Program, which provides experience to recent college graduates and those about to complete college who are interested in long term careers in the gaming industry.

PENN also has an internal diversity scholarship program which offers a million dollars in tuition scholarships annually. In 2022, more than half of the recipients were first generation college students.

Commissioners expressed concern with the diversity of PSI’s vendors, and asked why PSI noted in its application that it was limited with regards to diverse vendor spend. PSI noted in response that most of its vendor spend is with large national or multinational organizations such as payment processors and KYC vendors, and the biggest impact on supplier diversity can be made at the local level.

Commissioners also expressed concern with the lack of goals that PSI included in its application with regards to supplier diversity and diversifying the workforce. PSI responded that it did not want to prematurely set a dollar threshold or percentage of spend threshold because of how rapidly the market is changing. Commissioners noted that they voted to attach a condition requiring stated goals on the applications of other applicants; PSI noted that it will work with the Commission to develop appropriate goals in this area.

The Commission entered Executive Session in order to discuss the Barstool College Football Show incident in Indiana and any specific changes with respect to the company’s internal control procedures for social media postings.

PSI’s application demonstrated an exemplary commitment to Diversity, Equity, and Inclusion. There is substantial evidence that PSI’s proposal in the diversity, equity, and inclusion category was considered excellent, and therefore exceeds expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
DEI within the workforce	<p>PENN focuses on key initiatives to assist with diversity and inclusion efforts, which are: Scholarship, Recruitment, Leadership Development, Procurement, and Community/Company Engagement.</p> <p>PENN’s recruitment efforts for open executive roles included either female or ethnically diverse candidates 100% of the time. PENN’s workforce development has grown through the Women Leading at PENN (WLP) program; the company’s executive team is now 37.5% female.</p> <p>PENN offers tuition reimbursement and certification programs for employees and offers the PENN Diversity Scholarship to team members’ children. 10% of recipients will be attending HBCUs. PENN has also committed \$4M in scholarships to support STEM programs at HBCUs.</p> <p>In 2021, 48% of PENN’s employees were women, and 46% identified as non-white (Asian, Black, Hispanic/Latinx, Indigenous, or multiracial). PSI’s current workforce demographic of women and BIPOC is 28% and 29%, respectively.</p> <p>PENN’s Diversity Committee leads a corporate-wide Supplier Diversity Initiative to coordinate efforts across all properties to develop new opportunities for diverse businesses, regardless of jurisdictional requirements. This initial effort resulted in a doubled diversity spend with businesses owned by minorities, women, disabled individuals and veterans.</p> <p>With the help of the National Minority Supplier Development Council (“NMSDC”), a diversity vendor specialist, PENN was able to increase its diversity spend from \$52 million in 2020 to \$68 million in 2021. In 2021, PENN launched its first virtual regional minority vendor fair, and launched a pilot for the PENN Minority Business Incubator.</p>

	<p>At the Commission’s request, PSI will work with the Commission to develop specific, measurable general workforce diversity goals.</p>
<p>DEI through supplier spend</p>	<p>PENN already has significant investments in the state of Massachusetts, and PSI will continue to utilize those relationships in its efforts to reach Massachusetts’ diverse communities and businesses.</p> <p>Currently 20% of PENN’s spend is categorized as Diverse Qualified Spend. In the online sphere over the last year, PSI has worked with numerous diverse vendors and actively searches for more to assist with its national operations. About 1% of PSI’s spend is on diverse vendors. As a national online gaming operator, PSI is limited in the diverse vendors available to support the operation with related products and services. However, PSI continues to actively search for diverse vendors that can offer services nationally.</p> <p>At the Commission’s request, PSI will work with the Commission to develop specific, measurable diversity spend goals.</p>
<p>DEI in corporate structure</p>	<p>PENN was included in the 2021 and 2022 Champions of Board Diversity by The Forum of Executive Women and the 2021 Breakfast of Corporate Champions, which recognizes companies that lead the way for gender balance on corporate boards. In 2021 and 2022, Penn was included in Forbes Magazine’s list of America’s Best Employers for Diversity and has received accolades from the All-In Diversity Project and is certified as an Age-Friendly Employer by the Age-Friendly Institute. Currently, Penn’s Board is 44% female, includes three military veterans, and members who are white/Latino/ Asian/African American and LGBTQ+.</p> <p>The Commission was satisfied by PENN’s corporate structure.</p>

E. Technology

PSI plans to partner with Kambi, a leading independent provider of premium sports betting technology and services, to provide and operate PSI’s sports wagering technology. Kambi has been certified in in over 25 jurisdictions in the United States and more worldwide. Consultants to the Commission noted that PSI’s application was thorough and complete, and that the technology PSI plans to use is best in class.

However, sports wagering is much more dynamic than land-based gaming operations, so the initial testing and certification, while essential, is only the beginning. It will involve continuing efforts and cooperation with other regulatory bodies.

Overall, there is substantial evidence that PSI’s proposal in the technology category meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Geofencing	PSI described its geofencing measures in response to section F.1 of its Application, which the Commission found satisfactory.
Know your customer measures	PSI described its Know Your Customer measures, including tools surrounding account creation and age and identity verification in response to section F.2 of its Application, which the Commission found satisfactory.
Technological expertise and reliability	PSI described its technological expertise and reliability in response to section F.3 of its Application, which the Commission found satisfactory.

F. Suitability of PSI and Its Qualifiers

PENN has undergone extensive investigations in relation to its Category 1 Operator’s License, and in 2013, the Commission found PENN and each of its then individual entity qualifiers suitable in connection with PENN’s application for a gaming license. As new qualifiers joined PENN, they were required to submit to full investigations as well, all of which are reviewed in the materials the IEB submitted in accordance with 205 CMR 215.02. Because the criteria for suitability to hold a gaming license are substantially aligned with the criteria for suitability to hold a sports wagering license, the Commission used information obtained in past suitability investigations here.

The Commission was concerned with the suitability of Barstool Sports, which Penn currently owns in its entirety. Specifically, the Commission is concerned with Penn’s decision to align with Barstool, and its founder Dave Portnoy, for branding purposes given Barstool’s historic position on gaming. Commissioners spent a significant portion of the January 3, 2023, hearing asking questions about this relationship to discern its effect on PSI’s suitability. To that end, the Commission has added conditions to this license (set forth below) requiring a full IEB investigation of Barstool’s suitability as it relates to PSI’s proposed sports wagering operation.

The Commission may determine that an applicant or qualifier is preliminarily suitable to hold a sports wagering license based on (1) the applicant and its qualifiers, or the qualifier, certifying to their suitability under the pains and penalties of perjury, and (2) the IEB’s investigative report. *See* 205 CMR 215.01(2)(a). The Commission deliberated on PSI’s

preliminary suitability during its deliberations on PSI’s application on December 6, 2022. *See* 205 CMR 215.01(2)(c). Based on PENN and its qualifiers’ certifications, the IEB’s investigative report, information obtained through previous investigations into PENN and its qualifiers as described above, and the license conditions requiring further investigation of Barstool’s suitability, the Commission determined that PENN and its qualifiers are preliminarily suitable to hold a sports wagering license. *See* 205 CMR 215.01(2)(d)(1).

Overall, the Commission is largely satisfied with PSI’s suitability. It therefore found PSI preliminarily suitable and concluded that there is substantial evidence that PSI’s suitability meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Suitability in accordance with 205 CMR 215	PSI is preliminarily suitable to hold a sports wagering license.
PSI’s and all parties in interest to the license’s integrity, honesty, good character and reputation	The IEB’s past investigations of PSI and the IEB’s investigative report prepared for the purposes of this temporary license decision have not revealed any disqualifying information concerning PSI or its qualifiers’ integrity, honesty, good character, or reputation.
PSI’s financial stability, integrity, and background	PSI’s financial stability was determined to be sufficient based on its relationship to PENN. PENN provides all capital funding to PSI. Further, PSI operated under a capital expenditure plan approved by the MGC from opening until December 31, 2020. In 2021, PSI received approval from the MGC for a capital plan that extends through December 31, 2025. PENN provides all capital funding to PSI.
PSI’s business practices and business ability to establish and maintain a successful sports wagering operation	At this time, the Commission has not been made aware of any disqualifying information concerning PSI’s business practices. As described in Experience and Expertise Related to Sports Wagering, above, PSI has the business ability to establish and maintain a successful sports wagering operation.
PSI’s history of compliance with gaming or sports wagering licensing requirements in other jurisdictions	PENN, the ultimate parent company of PSI, is currently licensed, or has subsidiaries that are licensed, in Arizona, Arkansas, Colorado, Florida, Iowa, Illinois, Indiana, Kansas, Louisiana, Maryland, Maine, Michigan, Missouri, Mississippi, New Jersey, New Mexico, New York, Nevada, Ohio, Pennsylvania, Tennessee, Texas, Virginia, Washington, and West Virginia. In 2014, the Iowa Racing and Gaming Commission issued a ruling not to renew the gaming license of Belle of Sioux City,

L.P. (“Belle”), an operating subsidiary of PENN. This non-renewal was not due to the operating or suitability record of either Belle or PENN, but because Belle’s operating agreement with its previous charitable “qualified sponsoring organization” (“QSO”), required under Iowa law, expired after 20 years. That QSO chose to partner with another gaming operator, and the Iowa Racing and Gaming Commission did not grant Belle’s request to license a new QSO to partner with Belle. Instead, the IRGC opened the county up for applications for a new land-based casino and granted that license to the Hard Rock Casino in Belle’s stead.

In December 2022, the Ohio Casino Control Commission issued a Notice of Violation to PSI. This Notice contained two counts of administrative charges. The first was that PSI, or its affiliate marketer, advertised or promoted on a college or university campus located in Ohio in violation of the Ohio Administrative Code. The second was that PSI, or its affiliate marketer, targeted individuals under the age of 21, also in violation of the Ohio Administrative Code. Based on these charges, the Ohio Casino Control Commission sought to impose the following administrative sanctions: (1) a monetary fine not less than \$250,000, (2) requiring PSI to ensure that its personnel are trained in all laws, policies, and procedures relevant to advertising and promoting sports betting compliant with Ohio law, and (3) any other sanction or remedy permitted. This matter was pending as of the date of license issuance.

In August 2021, the Indiana Gaming Commission (“IGC”) reached a settlement with PSI over an incident in which the logic being used by Platform Provider, White Hat Gaming, was not properly identifying and suspending accounts whose identity information duplicated that of existing PSI accounts. No deposits, wagers, or withdrawals were completed using these duplicate accounts.

In September 2021, the IGC reached an additional settlement with PSI over two incidents. First, the Terms and Conditions were not available to players upon the launch of the Barstool Sportsbook. Second, a Barstool Sports, Inc. intern posted a questionable social media video on a non-Barstool Sportsbook TikTok account. PSI self-reported both of these incidents to the IGC.

In March 2022, the IGC reached an additional settlement with PSI over a geolocation bug that caused the Sportsbook not to

	<p>conduct a new geolocation check when a patron changed IP addresses. No patrons were allowed to wager outside of Indiana.</p> <p>In June 2022, the IGC reached an additional settlement with PSI over three incidents. In the first, the IGC performed a prohibited participant audit and found 4 prohibited participant omissions. In another, PSI did not timely notify the IGC of its separation from service from its occupational licensing system. In the third, PSI had incorrectly notified the IGC that it had terminated a developer who then worked for 58 days without a license.</p> <p>In November 2021, the Pennsylvania Gaming Control Board reached a settlement with PSI over 9 iGaming self-exclusion violations. Four of those incidents occurred on the Barstool Sportsbook due to improper name-matching logic being utilized by the PAM.</p>
Whether PSI is a defendant in litigation involving its business practices	PSI is not a defendant in any litigation involving its business practices.
Any other appropriate factor in the Commission’s discretion	The Commission expressed concerns with PSI’s alignment with Barstool, which arguably glamorizes irresponsible gaming. For the purposes of this temporary license decision, the Commission is addressing this concern by requiring a full investigation as the licensing process continues.

IV. Award

THERE IS SUBSTANTIAL EVIDENCE IN THE RECORD THAT PSI’S APPLICATION MEETS EXPECTATIONS IN ALL MAJOR CATEGORIES AND THAT PSI IS ELIGIBLE TO REQUEST A TEMPORARY TETHERED CATEGORY 3 SPORTS WAGERING LICENSE

On January 4, 2023, the Commission deemed PSI (“Licensee”) eligible to request a Temporary Tethered Category 3 Sports Wagering Operator License (“License”) pursuant to the terms and conditions of this Agreement (“Agreement”). On November 21, 2022, the MGC received PSI’s request for a temporary license, and an initial licensing fee of \$1,000,000 payable to the Commission. *See* 205 CMR 219.02(1). On January 4, 2023, the Commission voted to issue the requested temporary license. *See* 205 CMR 219.02(3).

This License is subject to the following conditions:

1. Compliance with all of the requirements of G.L. c. 23N, as now in effect and as hereafter amended and 205 CMR, as now in effect and as hereafter amended.

2. Compliance with all applicable federal, state and local laws, rules and regulations, now in effect or as hereafter amended or promulgated.
3. Compliance with all terms and conditions of the Gaming License for the Gaming Establishment at PPC dated February 28, 2014.
4. Compliance with the license conditions required to be inserted into all sports wagering licenses by 205 CMR 220, namely:
 - a. That the Licensee obtain an Operation Certificate before conducting any sports wagering in the Commonwealth.
 - b. That the Licensee comply with all terms and conditions of its license and Operation Certificate;
 - c. That the Licensee comply with G.L. c. 23N and all rules and regulations of the Commission;
 - d. That the Licensee make all required payments to the Commission in a timely manner;
 - e. That the Licensee maintain its suitability to hold a sports wagering license;
 - f. That the Licensee conduct sports wagering in accordance with its approved system of internal controls, and in accordance with its approved house rules, in accordance with G.L. c. 23N, § 10(a) and with 205 CMR; and
5. That that the License, in the form prescribed by the Commission, shall be posted in a location continuously conspicuous to the public within the Sports Wagering Facility at all times.
6. Payment of assessments made pursuant 205 CMR 221.00 in accordance with that regulation.
7. Compliance with any requirements to obtain federal, state and local permits and approvals required to construct and operate the sports wagering facility, and any conditions or requirements set forth therein.
8. The Sports Wagering Operation shall substantially conform to the information included in the application filed by the Licensee.
9. Compliance with any free play standards set by the Commission.
10. Other specific conditions:
 - a. Fully cooperate with IEB in its suitability investigation, including, without limitation, the IEB's investigation into Barstool Sports and its branding relationship with Licensee.

- b. Prohibit anyone under 21 from attending the Barstool College Football Show as a live audience member.
11. The term of the temporary license awarded to Licensee commences on February 23, 2023, and shall expire as set out in 205 CMR 219.03.

SO ORDERED

MASSACHUSETTS GAMING COMMISSION



Cathy Judd-Stein, Chair



Eileen M. O'Brien, Commissioner



Bradford R. Hill, Commissioner



Nakisha L. Skinner, Commissioner



Jordan M. Maynard, Commissioner

