

**NEW YORK STATE GAMING COMMISSION
VIOLATION NOTIFICATION**

A. Incident Information:

Date of Notification: February 24, 2020

Date of Violation: August 24 – October 19, 2019

Incident Location del Lago Casino and Resort (“del Lago”)

NYSGC Case Number: DL-SB-001-2019

Facility Cited: Lago Casino & Resort, LLC d/b/a del Lago Resort and Casino (del Lago)

B. Vendors/Licensees Cited:

<u>Name</u>	<u>License #</u>	<u>Address</u>
<u>Crown NY Gaming Inc. (d/b/a Draft Kings)</u>	<u>G3090</u>	<u>222 Berkeley St, 5th Floor Boston, MA 02116</u>
<u>Kambi USA Inc.</u>	<u>G3009</u>	<u>3500 South Dupont Highway Dover, DE 19901</u>

C. Statutes, Regulations and/or Internal Controls Violated:

9 NYCRR §§ 5329.13(a), 5329.13(b)(2)(i), and 5329.13(b)(2)(v)

(see 9 NYCRR § 5329.4, § 5329.7, and § 5329.36(a)(1), (2), (5), (6), and (7); RWL §1367(3)(f); and Approved Sports Wagers spreadsheets for reference)

D. Summary of Violations:

On October 19, 2019 at 9:30 AM, New York State Gaming Commission (“Commission”) Supervising Gaming Operations Inspector ██████████ sent a text message to Gaming Division staff. The message included a picture of the odds board at the Rivers Casino sports wagering lounge and ██████████ comment stating “This is on the screen in SB. No O/U or Money Line. Idk if they are allowed to place bets on these FCS teams but they have the spread odds at -110.” The picture detailed National Collegiate Athletic Association (“NCAA”) Football Championship Subdivision (“FCS”) wagers being offered. Following the notification, a subsequent phone call was placed to the on-site inspectors at the three other sports wagering operators, including del Lago. After Supervising Gaming Operations Inspector ██████████ checked the offerings, it was found that the same offerings for wagering at Rivers Casino were also being offered at del Lago.

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Regulations require Commission approval before a licensed gaming facility is permitted to offer any type of wager not previously offered by such operator, or an existing wager type for a sport, league, association or organization on whose contests the Commission had not previously authorized wagering. Approved types of wagers have been provided to each gaming facility licensee on July 12, July 15, July 24, July 30, August 8, September 4, September 17, and October 31 of 2019. Wagers on FCS or NCAA Division II games were not included in any Approved Sports Wagers spreadsheet and have not been approved by the Commission to date. Upon investigation, del Lago disclosed 1,531 wagers on games involving FCS or NCAA Division II football teams during the period from August 24 through October 19, 2019. These unauthorized wagers included 4 involving an FCS team from New York State. del Lago's offering and acceptance of wagers on an unapproved sports events is a violation of Commission Rules.

The failure of the del Lago staff and of licensed casino vendor enterprises Draft Kings and Kambi USA Inc. to properly screen the unapproved wagers, allowing such wagers to be offered at the del Lago sports wagering lounge in violation of law for almost two months resulted in 1,535 violations of 9 NYCRR § 5329.13(a), one for each unauthorized wager accepted on a sports event involving an FCS or Division II team and one for each wager accepted on a prohibited sports event (involving a New York college team).

F. Fines:

Upon investigation, it was determined, and conceded by del Lago, that del Lago had accepted 1,531 wagers on unapproved FCS or Division II games totaling \$43,086.57 over eight weeks. del Lago concedes that it realized \$27,198.55 in profit from such unapproved FCS or Division II wagers. In addition, 4 of such wagers involved a New York college team.

The Commission hereby issues the following fines:

1. del Lago is fined \$29,478.70 in the aggregate for the 1,535 violations of del Lago accepting unapproved wagers, representing a fine of \$24,478.70 for the acceptance of the 1,531 wagers on unapproved sporting events (4 of which involved a New York college team) in violation of Commission Rules, and an additional fine amount of \$5,000.
2. Draft Kings is fined \$5,000 for its role in failing to screen the unapproved wagers and ensure that the wagers not be offered to patrons at del Lago, and for allowing 1,531 unapproved wagers (4 of which involved a New York college team) over the course of seven weeks.
3. Kambi USA Inc. is fined \$5,000 for its role in failing to screen the unapproved wagers and ensure that the wagers not be offered to patrons at del Lago, and for allowing 1,531 unapproved wagers (4 of which involved a New York college team) to remain posted over the course of seven weeks.



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The Commission notes that once instructed to remove the unlawful wagering options, all parties promptly acted and took appropriate remedial action to ensure customers were no longer able to place such wagers. We find this prompt and appropriate action a mitigating factor against the imposition of what would otherwise have been significantly more substantial fines.

G. Individual Completing this Form:

Name: James Googas

Title: Assistant Manager of Gaming Operations

Date: February 24, 2020

del Lago: Please remit the amount of this fine (\$29,478.70) to the Commission within thirty (30) days of the date of this letter.

Draft Kings: Please remit the amount of this fine (\$5,000) to the Commission within 30 days of the date of this letter.

Kambi USA Inc.: Please remit the amount of this fine (\$5,000) to the Commission within 30 days of the date of this letter.

Payments not timely made will be subject to interest and collection fees pursuant to State Finance Law §18. This violation has been assigned the identification code of DL-SB-001-2019.

If you wish to contest the violations contained in this letter, you may request a hearing pursuant to Article 3 of the State Administrative Procedure Act and Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law by submitting your request for such a hearing within 30 days of receipt of this letter to:

Secretary to the Commission
New York State Gaming Commission
P.O. Box 7500
Schenectady, NY 12301

Failure to request a hearing within 30 days shall be considered your waiver of any available hearing, and any requests for a hearing received after 30 days of your receipt of this letter shall be rejected as untimely.



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cc: Robert Williams, Executive Director
Edmund Burns, General Counsel
Thomas Anapolis, Director, Gaming Division
Chris Palmer, Deputy Director, Gaming Division