

**NEW YORK STATE GAMING COMMISSION
VIOLATION NOTIFICATION**

A. Incident Information:

Date of Notification: February 24, 2020
Date of Violation: August 31 – October 20, 2019
Incident Location: Rivers Casino & Resort at Mohawk Harbor (“Rivers Casino”)
NYSGC Case Number: RV-SB-002-2019

B. Facility Cited: Capital Region Gaming, LLC d/b/a Rivers Casino & Resort at Mohawk Harbor (“Rivers Casino”)

C. Vendors/Licensees Cited:

<u>Name</u>	<u>License #</u>	<u>Address</u>
<u>Rush Street Interactive NY, LLC</u>	<u>G3012</u>	<u>900 North Michigan Ave. Ste 1600 Chicago, IL 60611</u>
<u>Kambi USA Inc.</u>	<u>G3009</u>	<u>3500 South Dupont Highway Dover, DE 19901</u>

D. 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)

E. 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.

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

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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 III games were not included in any Approved Sports Wagers spreadsheet and have not been approved by the Commission to date. Upon investigation, Rivers Casino disclosed 2,444 wagers on games involving FCS or NCAA Division II or III football teams during the period from August 31 through October 19, 2019. These unauthorized wagers included 8 involving an FCS team from New York State. Rivers Casino's offering and acceptance of wagers on an unapproved sports events is a violation of Commission Rules.

The failure of the Rivers Casino staff and of licensed casino vendor enterprises Rush Street Interactive NY, LLC and Kambi USA Inc. to properly screen the unapproved wagers, allowing such wagers to be offered at the Rivers Casino sports wagering lounge in violation of law for almost two months resulted in 2,452 violations of 9 NYCRR § 5329.13(a), one for each unauthorized wager accepted on a sports event involving an FCS or Division II or III 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 Rivers Casino, that Rivers Casino had accepted 2,444 wagers on unapproved FCS or Division II or III games totaling \$103,647.26 over seven weeks. Rivers Casino concedes that it realized \$69,933.03 in profit from such unapproved FCS or Division II or III wagers. In addition, 8 of such wagers involved a New York college team.

The Commission hereby issues the following fines:

1. Rivers Casino is fined \$67,939.73 in the aggregate for the 2,452 violations of Rivers Casino accepting unapproved wagers, representing a fine of \$62,939.73 for the acceptance of the 2,444 wagers on unapproved sporting events (8 of which involved a New York college team) in violation of Commission Rules, and an additional fine amount of \$5,000.
2. Rush Street Interactive NY, LLC 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 Rivers Casino, and for allowing 2,444 unapproved wagers (8 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 Rivers Casino, and for allowing 2,444 unapproved wagers (8 of which involved a New York college team) to remain posted over the course of seven weeks.

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



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