

ILLINOIS REGISTER

ILLINOIS GAMING BOARD

NOTICE OF ADOPTED RULES

- 1) Heading of the Part: Sports Wagering
- 2) Code Citation: 11 Ill. Adm. Code 1900
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
1900.110	New Section
1900.120	New Section
1900.130	New Section
1900.150	New Section
1900.160	New Section
1900.210	New Section
1900.220	New Section
1900.230	New Section
1900.240	New Section
1900.250	New Section
1900.260	New Section
1900.270	New Section
1900.310	New Section
1900.320	New Section
1900.330	New Section
1900.340	New Section
1900.410	New Section
1900.420	New Section
1900.500	New Section
1900.510	New Section
1900.520	New Section
1900.530	New Section
1900.600	New Section
1900.610	New Section
1900.620	New Section
1900.630	New Section
1900.700	New Section
1900.710	New Section
1900.715	New Section
1900.720	New Section
1900.730	New Section
1900.735	New Section
1900.740	New Section
1900.750	New Section
1900.755	New Section
1900.760	New Section
1900.770	New Section
1900.780	New Section
1900.790	New Section
1900.795	New Section
1900.810	New Section

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1900.815	New Section
1900.820	New Section
1900.825	New Section
1900.830	New Section
1900.835	New Section
1900.840	New Section
1900.850	New Section
1900.860	New Section
1900.870	New Section
1900.880	New Section
1900.890	New Section
1900.895	New Section
1900.910	New Section
1900.915	New Section
1900.920	New Section
1900.925	New Section
1900.930	New Section
1900.935	New Section
1900.940	New Section
1900.945	New Section
1900.950	New Section
1900.960	New Section
1900.970	New Section
1900.980	New Section
1900.990	New Section
1900.995	New Section
1900.1000	New Section
1900.1010	New Section
1900.1020	New Section
1900.1030	New Section
1900.1040	New Section
1900.1050	New Section
1900.1100	New Section
1900.1110	New Section
1900.1120	New Section
1900.1130	New Section
1900.1140	New Section
1900.1150	New Section
1900.1160	New Section
1900.1170	New Section
1900.1180	New Section
1900.1190	New Section
1900.1210	New Section
1900.1220	New Section
1900.1230	New Section
1900.1240	New Section
1900.1250	New Section

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1900.1310	New Section
1900.1320	New Section
1900.1330	New Section
1900.1400	New Section
1900.1410	New Section
1900.1420	New Section
1900.1430	New Section
1900.1440	New Section
1900.1450	New Section
1900.1500	New Section
1900.1510	New Section
1900.1520	New Section
1900.1610	New Section
1900.1620	New Section
1900.1630	New Section
1900.1640	New Section
1900.1650	New Section
1900.1660	New Section
1900.1670	New Section
1900.1710	New Section
1900.1720	New Section
1900.1730	New Section
1900.1740	New Section

- 4) Statutory Authority: Section 25-15 (b) of the Sports Wagering Act [230 ILCS 45/25-15 (b)] provides in part that: “The Board may adopt any rules the Board considers necessary for the successful implementation, administration, and enforcement of this act, except for Section 25-70.”
- 5) Effective Date of Rule:
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain an incorporation by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the principal office and is available for public inspection.
- 9) Notice of proposal published in Illinois Register: 44 Ill. Reg. 84; January 3, 2020.
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between proposal and final version: The adopted rule incorporates the contents of an emergency sports wagering rule published at 44 Ill. Reg. 2618 (February 14, 2020).

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Also incorporated into the adopted rule are emergency amendments published at 44 Ill. Reg. 4062 (published March 13, 2020; effective February 26, 2020), and 44 Ill. Reg. 4670 (published March 20, 2020; effective March 9, 2020).

In addition, the adopted rule incorporates amendatory changes made in response to public comments submitted to the Illinois Gaming Board (Board) during the First Notice period. These public comments, and the Board's response to each of them, may be referenced in the Second Notice for the present rule.

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this rulemaking replace any emergency rulemaking currently in effect? Yes. The rule will replace emergency rules published at 44 Ill. Reg. 314 (January 3, 2020); 44 Ill. Reg. 2900 (February 14, 2020); 44 Ill. Reg. 4062 (March 13, 2020); and 44 Ill. Reg. 4670 (March 20, 2020).
- 14) Are there any rulemakings pending on this part? No
- 15) Summary and purpose of rulemaking: The rule adds a new Part to the Illinois Administrative Code entitled "Sports Wagering" [11 Ill. Adm. Code Part 1900]. This new Part is necessary to make sports wagering operational in Illinois. The following Subparts are contained within the new Part, and together indicate the scope of its contents:
 - Subpart A: General Provisions.
 - Subpart B: Duties of Licensees.
 - Subpart C: Standards of Conduct
 - Subpart D: Investigating Prohibited Conduct
 - Subpart E: Licensing Qualifications
 - Subpart F: Online License Competitive Bidding
 - Subpart G: Licensing Procedures
 - Subpart H: Denials of Applications

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- Subpart I: Disciplinary Proceedings
- Subpart J: Accounting, Records, and Data
- Subpart K: Conduct of Wagering
- Subpart L: Conduct of Online Wagering
- Subpart M: Tier 2 Wagering
- Subpart N: Equipment and Testing
- Subpart O: Internal Controls
- Subpart P: Facilities
- Subpart Q: Self-Exclusion

- 16) Information and Questions regarding this adopted rulemaking may be addressed to:

Agostino Lorenzini
General Counsel
Illinois Gaming Board
160 North LaSalle Street
Chicago, Illinois 60601

Fax No. (312) 814-7253
IGB.RuleComments@igb.illinois.gov

The full text of the Adopted Rules begins on the next page.

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TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING

SUBTITLE E: SPORTS WAGERING

CHAPTER I: ILLINOIS GAMING BOARD

PART 1900

SPORTS WAGERING

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1900.120	Definitions
1900.130	Cooperation with Investigations
1900.150	Licenses Required
1900.160	Service Via E-Mail

SUBPART B: DUTIES OF LICENSEES

Section

1900.210	General Duties of All Licensees
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1900.230	Duties of Master Sports Wagering Licensees
1900.240	Duties of Licensed Suppliers
1900.250	Duties of Management Services Provider Licensees
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SUBPART C: STANDARDS OF CONDUCT

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1900.310	Grounds for Disciplinary Actions
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1900.340	Advertising and Marketing

SUBPART D: INVESTIGATING PROHIBITED CONDUCT

Section

1900.410	Reporting Prohibited Conduct
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SUBPART E: LICENSING QUALIFICATIONS

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1900.520	Minimum Qualifications
1900.530	Identification and Requirements of Key Persons

SUBPART F: ONLINE LICENSE COMPETITIVE BIDDING

Section

1900.600	Coverage of Subpart
1900.610	Forms and Submissions
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1900.630	Supplementary Competitive Selection

SUBPART G: LICENSING PROCEDURES

Section

1900.700	Coverage of Subpart
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1900.730	Licensing Procedures
1900.735	Issuance of License
1900.740	Renewal of Licenses
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1900.760	Transferability of Ownership Interest
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1900.960	Evidence
1900.970	Prohibition on Ex Parte Communication
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1900.1130	Requests to Prohibit
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SUBPART O: INTERNAL CONTROLS

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Section

- 1900.1500 General Requirements – Internal Control System
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- 1900.1610 Wagering Locations
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- 1900.1650 Required Surveillance Equipment
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SUBPART Q: SELF-EXCLUSION

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- 1900.1710 Self-Exclusion Program
- 1900.1720 Distribution and Availability of Confidential Self-Exclusion List
- 1900.1730 Duties of Licensees Regarding Self-Excluded Persons
- 1900.1740 Effect of Enrollment

AUTHORITY: Implementing and authorized by the Sports Wagering Act [230 ILCS 45].

SOURCE: Emergency rules adopted at 44 Ill. Reg. 314, effective December 19, 2019, for a maximum of 150 days; emergency rules adopted at 44 Ill. Reg. 2900, effective January 28, 2020, for a maximum of 150 days; emergency rule effective December 19, 2019 amended by emergency rulemaking at 44 Ill. Reg. 4062, effective February 26, 2020, for the remainder of the 150 days; emergency rule effective January 28, 2020 amended by emergency rulemaking at 44 Ill. Reg. 4670, effective March 9, 2020, for the remainder of the 150 days; adopted at 44 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 1900.110 Board Meetings

- a) 86 Ill. Adm. Code 3000.105, except subsection (f) of that Section, shall apply to Board meetings under the Act.

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- b) Requests for Board action by a master sports wagering licensee, management services provider licensee, supplier licensee, or tier 2 official league data provider licensee shall be given initial consideration by the Board at one meeting and be given final consideration by the Board at a subsequent meeting. The Board may waive this requirement by motion.

Section 1900.120 Definitions

For purposes of this Part the following terms shall have the following meanings:

"Abnormal wagering activity": Wagering activity exhibited by patrons and deemed by the master sports wagering licensee or management services provider licensee as a potential indicator of suspicious activity. Abnormal wagering activity may include the size of a patron's wager or increased wagering volume on a particular event or wager type. Abnormal wagering activity may include a pattern of behavior by one or more patrons.

"Act": The Sports Wagering Act [230 ILCS 45/Art. 25].

"Affiliate": An "affiliate of", "affiliated entity of", or person "affiliated with" another person shall mean a person that directly, or indirectly through one or more intermediaries, owns, controls, is controlled by, or is under common ownership or control with, the other person.

"Applicant": A person applying for any license under the Act.

"Application": All material, including the instructions, definitions, forms and other documents issued by the Illinois Gaming Board, or submitted to the Illinois Gaming Board by an applicant.

"Attributed interest": A direct or indirect interest in an enterprise deemed to be held by an individual not through the individual's actual holdings but, pursuant to a plan, arrangement, agreement or contract, either:

through the holdings of the individual's relatives; or

through a third party or parties on behalf of the individual.

"Board": The Illinois Gaming Board.

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"Business entity" or "Business":

a partnership;

incorporated or unincorporated association or group;

firm;

corporation;

limited liability company;

partnership for shares;

trust;

sole proprietorship; or

other business enterprise.

"Cancelled wager": A wager that was valid at the time that it was made, but has since been invalidated due to an event or action that prevents its completion.

"Client" or "Client software": Any software or application installed or operating on a patron's device for the purpose of interacting with an internet wagering system and conducting internet wagering.

"Collegiate sport or athletic event": An intercollegiate contest, event, or game at which two or more persons participate, conducted under the auspices of a Board recognized college sports governing body.

"Control": The possession, direct or indirect, of power to direct or cause the direction of the management and policies of an applicant or licensee through the ownership of voting securities, by contract or otherwise.

"Designated gaming area": The portion of a facility not accessible to the public in which the actual operation of sports wagering occurs, including, but not limited to, the employee side of a sports betting window or counter, surveillance rooms, count rooms, or rooms containing wagering equipment other than publicly accessible and operational kiosks. "Designated gaming area" does not include off

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site servers or data centers located at a facility where in person wagering does not occur.

"Gaming operation": Has the meaning ascribed in 86 Ill. Adm. Code 3000.100.

"Institutional investor":

A retirement fund administered by a public agency for the exclusive benefit of federal, State or local public employees;

An investment company registered under section 8 of the Investment Company Act of 1940 (15 USC 80a-8);

A collective investment trust organized by a bank under Part 9 of the Rules of the Comptroller of the Currency (12 CFR 9.18);

A closed end investment trust registered with the U.S. Securities and Exchange Commission;

A chartered or licensed life insurance company or property and casualty insurance company;

A federal or state bank;

An investment advisor registered under the Investment Advisors Act of 1940 (15 USC 80b-1 through 80b-21); or

Other person the Board may determine for reasons consistent with the Act and this Part.

"Internet wagering": The conduct of sports wagering activities over the internet between a master sports wagering licensee and a patron, through use of an internet wagering system.

"Internet wagering system": Collectively, all hardware, software, and communications technology that is used by a master sports wagering licensee to offer sports wagering to patrons over the internet, including any client software.

"Key person ": A person identified by the Board as subject to regulatory approval as a person able to control or exercise significant influence over the management,

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assets, or operating policies of master sports wagering, management services provider, supplier, or tier 2 official league data provider licensee.

"Kiosk": Any kiosk, terminal, machine, or other device through which a patron may place or redeem an in person wager without requiring the involvement of an employee.

"Layoff bet": A wager placed between two master sports wagering licensees on the outcome of a sports event for the purpose of offsetting or managing risk by reducing the theoretical maximum exposure of a master sports wagering licensee.

"License": Authorization granted by the Board permitting a licensee to engage in the defined activities of sports wagering.

"Licensee": A person that holds a license granted by the Board pursuant to the Act.

"Minor league": Those events, contests, individuals, and entities affiliated with a sports governing body that do not constitute the highest level of play or competition under that sports governing body.

"Occupational licensee": An individual who holds an occupational license granted by the Board under the Act.

"Official league data provider": An individual, partnership, corporation or limited liability company that is licensed under the Act to provide official league data pursuant to an agreement with a relevant sports governing body for determining the outcome of tier 2 sports wagers.

"Organization gaming facility": Has the meaning ascribed in 86 Ill. Adm. Code 3000.100.

"Ownership interest": Includes, but is not limited to:

direct, indirect, beneficial or attributed interest;

holder of stock options, convertible debt, warrants or stock appreciation rights; or

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holder of any beneficial ownership or leasehold interest in a business entity.

"Person": An individual, partnership, committee, association, corporation, or any other organization or group of persons.

"Problem gambling": A repetitive set of gaming behaviors that negatively impacts someone's life.

"Professional sport or athletic event": A contest, event, or game at which two or more persons participate and receive compensation in excess of actual expenses for their participation in that event.

"Redemption kiosk": Any kiosk, terminal, machine, or other device through which a patron may redeem an in person wager without requiring the involvement of an employee regardless of whether the redemption is for currency or for a redemption ticket.

"Responsible gaming": All of the following:

Policies for reducing harms related to gaming;

Providing a transparent and fair game;

Playing within time and money limits; and

Gaming for entertainment and fun.

"Sole proprietor": An individual who, in his or her own name, owns 100% of the assets and who is solely liable for the debts of a business.

"Sports wagering operation": The conduct of authorized sports wagering under the Act and all related activities, including, but not limited to, accepting wagers, redeeming wagers, accounting, security, surveillance, marketing, and advertising.

"Sports wagering system": Collectively, all hardware, software, communications technology, and sports wagering equipment used to conduct sports wagering activity.

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"Supplier": An individual, partnership, corporation or limited liability company that is licensed under the Act to sell or lease sports wagering equipment, systems, or other gaming items to conduct sports wagering and offer services related to the equipment or other gaming items and data to a master sports wagering licensee.

"Suspicious wagering activity": Unusual betting activity that cannot be explained and may be indicative of match fixing, the manipulation of an event, misuse of inside information, money laundering, or other prohibited or illegal activity.

"Theoretical maximum exposure": The maximum possible amount that a master sports wagering licensee may be required to pay out on accepted wagers that have been placed on events whose outcomes have not yet been determined.

"Void wager" or "Voided wager": A wager that was not valid at the time it was placed or a wager that was valid at the time it was placed but has since become invalid for any reason, including but not limited to, the change in eligibility status of a patron or subject of the wager.

"Wagering equipment": A machine, mechanism, device, or implement that is integral to the operation of sports wagering, or that monitors, records, or determines the outcome of any wager, including, without limitation:

electronic, electrical, or mechanical devices for the making or recording of wagers;

any system for displaying or determining wager information;

any kiosk, terminal, or other device for the redemption of a wager;

computer monitoring systems; and

hardware and software related to any item described in this definition.

"Wagering kiosk": Any kiosk, terminal, machine, or other device through which a patron may place an in person wager without requiring the involvement of an employee.

Section 1900.130 Cooperation with Investigations

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The Board finds that the integrity of sports wagering and the health, safety, and welfare of the people of the State of Illinois can be ensured only through cooperation by the Board, law enforcement agencies, licensees, and sports governing bodies.

- a) Board Cooperation with Investigations by Law Enforcement Agencies and Sports Governing Bodies
 - 1) A law enforcement agency or sports governing body may submit a request for cooperation to the Administrator. The request for cooperation shall be in writing and shall include the following:
 - A) Name and address of the agency or entity making the request;
 - B) Name, title, phone number, and email address of the individual making the request;
 - C) A summary of the general nature of the conduct under investigation; and
 - D) A description of the information, data, records, or other cooperation desired.
 - 2) The Administrator may grant or deny the request for cooperation. Denial of a request for cooperation shall be in writing. In evaluating a request for cooperation, the Administrator shall consider all factors, including, but not limited to:
 - A) The nature and extent of cooperation requested;
 - B) The nature of the behavior being alleged;
 - C) The benefit to the integrity and security of sports wagering in the State of Illinois; and
 - D) Whether and to what extent granting the request would adversely impact the ongoing operations of the Board, the State of Illinois, or the sports wagering industry in Illinois.
- b) Licensee Cooperation with Investigations by Law Enforcement Agencies and Sports Governing Bodies

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- 1) A law enforcement agency or sports governing body may submit a request for cooperation to a master sports wagering licensee or management services provider licensee, with a copy submitted to the Administrator. The request for cooperation shall be in writing and shall include the following:
 - A) Name and address of the agency or entity making the request;
 - B) Name, title, phone number, and email address of the individual making the request;
 - C) A summary of the general nature of the conduct under investigation; and
 - D) A description of the information, data, records, or other cooperation desired.
- 2) The licensee may voluntarily grant or deny the request for cooperation. Denial of a request for cooperation shall be in writing, and shall be submitted to the requesting entity and the Administrator. A denial of a request for cooperation by a master sports wagering licensee must be for good cause, and must include a detailed explanation as to why the licensee will not cooperate.
- 3) Upon receiving a denial of a request for cooperation from a licensee, the Administrator may issue an order requiring the licensee to cooperate with the request. In determining whether to issue such an order, the Administrator shall consider all factors listed in subsection (a)(2).

Section 1900.150 Licenses Required

No person may engage in any activity relating to sports wagering in this State unless all required licenses have been obtained in accordance with the Act and this Part [230 ILCS 45/25-20(a)].

- a) **Master Sports Wagering License.** To conduct sports wagering, an owners licensee, organization licensee, online sports wagering operator, or sports facility is required to hold a master sports wagering license.
- b) **Occupational License.** A person employed by a master sports wagering licensee or management services provider licensee, and who works in a designated gaming

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area or performs duties in furtherance of or associated with the operation of sports wagering by the master sports wagering licensee, is required to hold an occupational license. An occupational licensee may perform any activity included within the licensee's level of occupational license or any lower level of occupational license.

- 1) Level 1 occupational license includes the following positions, or their equivalent:
 - A) Audit Manager;
 - B) Chief Compliance Officer;
 - C) Chief of Security;
 - D) Chief of Surveillance;
 - E) Chief Financial Officer and/or Controller;
 - F) General Manager;
 - G) IT Manager;
 - H) Sports Wagering Manager;
 - I) Any individual with direct authority over the setting of betting lines, point spreads, odds, or their equivalent;
 - J) Any other individual who the Board determines holds a position or a level of ownership, control or influence that is material to the regulatory concerns and obligation of the Board for the specified licensee or applicant.
- 2) Level 2 occupational license is a license held by a security, surveillance, compliance, or sports wagering employee not required to hold a level 1 occupational license under subsection (b)(1).
- 3) Level 3 occupational license is a license held by an employee not already required to hold a level 1 or level 2 occupational license who, by nature of

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his or her employment, has unsupervised access to a designated gaming area.

- c) **Supplier License.** The following persons are required to hold a supplier license:
 - 1) Seller or lessor of wagering equipment, systems, or other items to conduct sports wagering, including a manufacturer, distributor, wholesaler, or retailer.
 - 2) Provider of wagering equipment maintenance or repair services.
 - 3) Provider of gaming data, including, but not limited to, the setting of betting lines or odds making.
 - 4) Provider of security services at designated gaming areas.
 - 5) Any other purveyor of goods, data, or services to a master sports wagering licensee or management services provider licensee, as deemed necessary by the Board if the Board determines that the goods, data, or services impact the integrity or security of the sports wagering operation.
- d) **Management Service Provider License.** Any person contracting with a master sports wagering licensee to conduct the operation of sports wagering on behalf of the master sports wagering licensee is required to hold a management services provider license.
- e) **Tier 2 Official League Data Provider License.** Any sports governing body, league, organization, or association, or a vendor authorized by a sports governing body, league, organization, or association providing tier 2 official league data is required to hold a tier 2 official league data provider license.

Section 1900.160 Service Via E-Mail

- a) As a condition of application and licensure, applicants and licensees consent to receiving service of Illinois Gaming Board notices and letters via e-mail from the Illinois Gaming Board unless other means of service are required by rule.
- b) Each applicant and licensee has an ongoing duty to:

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- 1) Update with the Board the e-mail address at which it may be served, if that address changes; and
- 2) Verify that the application has an updated e-mail address no less than annually.
- c) Each applicant and licensee may designate up to two additional e-mail addresses at which notice may be served. Each designated e-mail address must be owned by the applicant or licensee if an individual, or by the applicant, licensee, its owner, or a key person of the applicant or licensee if a business entity.
- d) E-mail notices shall be deemed served on the date of the transmission, unless a delivery error is received on the Board's e-mail server for all of the licensee's designated e-mail addresses.
- e) If a delivery error is received by the Board for all of the applicant's or licensee's designated e-mail addresses, then the notice or letter will be served via personal service or certified U.S. Mail until the applicant or licensee updates the designated e-mail address.

SUBPART B: DUTIES OF LICENSEES

Section 1900.210 General Duties of All Licensees

In addition to all other duties and obligations required by the Act and this Part, each licensee and applicant for licensure under the Act has an ongoing duty to:

- a) Comply with all federal, State and local laws and regulations;
- b) Comply with all adopted internal controls of a master sports wagering licensee;
- c) At all times, conduct themselves in a professional manner when communicating with licensees, the public and the Board;
- d) Disclose all ownership interests to the Board in accordance with the Act and this Part;
- e) Conduct the licensee's sports wagering operation in a manner that does not pose a threat to the public health, safety, morals, good order or general welfare of the people of the State of Illinois;

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- f) Conduct the licensee's sports wagering operation in a manner that does not discredit or tend to discredit the Illinois gaming industry or the State of Illinois;
- g) Conduct the licensee's sports wagering operation in a manner that does not reflect adversely on the security or integrity of the Illinois sports wagering industry;
- h) Keep current in all payments and obligations to the State of Illinois and to other licensees with whom sports wagering business is conducted;
- i) Maintain suitability for licensure at all times; and
- j) Cooperate with Board investigations.

Section 1900.220 Continuing Duty to Report Information

Licensees, key persons, and applicants for licensure under the Act have a continuing duty to report certain information to the Administrator or his or her designee.

- a) Licensees, key persons, and applicants for licensure under the Act must report promptly the following information to the Administrator or his or her designee as soon as is reasonably possible:
 - 1) Any fact, event, occurrence, matter or action that may affect the conduct of sports wagering or the business and financial arrangements incidental to the conduct of sports wagering, or the ability to conduct the activities for which the licensee is licensed;
 - 2) Each arrest, summons, citation or charge for any criminal offense or violation, excluding minor traffic violations, if the disclosure would have been required at time of application. Information to be reported under this subsection (a)(2) shall include, but not be limited to, all changes relating to criminal arrest or criminal proceeding disposition history concerning any criminal offense under the laws of any jurisdiction or the Uniform Code of Military Conduct, in any state or foreign country;
 - 3) Identity of key persons; and
 - 4) Any changes in or new agreements relating to designees pursuant to Section 25-40 of the Act, if those agreements or changes will go into effect in less than 30 days.

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- b) Licensees, key persons, and applicants for licensure under the Act must report the following information to the Administrator or his or her designee within 30 days:
 - 1) Any changes or additions to material information provided in an application for licensure under the Act;
 - 2) Any changes in or new agreements relating to designees pursuant to Section 25-40 of the Act;
 - 3) Having been named as a defendant in any civil action based in whole or in part on allegations of conduct that constitutes fraud, misrepresentation or omission of material information, breach of fiduciary duty, unfair or deceptive trade practices, or a violation of the Illinois False Claims Act [740 ILCS 175] or any similar law in any other jurisdiction;
 - 4) Identity and contact information of legal counsel, if any;
 - 5) Any adverse action relating to any gaming license or operation in any other jurisdiction; and
 - 6) Any nonrenewal of, or failure to timely renew, a gaming license in any other jurisdiction.
- c) Any information provided by the Board or a licensee to any sports governing body under this Section is strictly confidential and shall not be used for any purpose other than the purpose that was stated in the request for cooperation. The information may not be disclosed to any third party other than for the purposes of resolving an integrity-related investigation, to law enforcement entities, or pursuant to a lawful court order, unless approved by the Administrator.
- d) A sports governing body shall notify the Administrator and cooperating licensee in writing upon receipt of any court order requiring disclosure of information obtained under this Section.

Section 1900.230 Duties of Master Sports Wagering Licensees

In addition to all other duties and obligations required by the Act and this Part, each master sports wagering licensee has an ongoing duty to comply with the following:

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- a) For master sports wagering licensees other than online sports wagering operators, maintain a secure premise for the conduct of a sports wagering operation;
- b) Prevent unaccompanied access to designated gaming areas by individuals that do not hold occupational licenses;
- c) Maintain an approved method of payout for valid receipt tickets and redeem for cash each valid receipt ticket that is within its redemption period;
- d) Assume the primary responsibility for the sports wagering operation;
- e) Assume responsibility for payment of tax remittance to the State, as required by the Act;
- f) As required by the Board, obtain and install, at no cost to the State, all hardware, software and related accessories necessary to allow for remote monitoring of sports wagering by the Board;
- g) Accept no prohibited wagers;
- h) Install, post and display signs as required by the Board, including signs indicating that sports wagering is limited to persons 21 years of age or older, and signs relating to problem gambling;
- i) Provide the Board, upon request, an accounting of all wagering activity or any subset of wagering activity;
- j) Make commercially reasonable efforts to promptly notify the Board and any relevant sports governing body of any information relating to:
 - 1) Abnormal wagering activity or patterns that may indicate a concern with the integrity of sports events;
 - 2) Any potential breach of the relevant sports governing body's internal rules and codes of conduct pertaining to sports wagering of which a licensee has knowledge; and
 - 3) Any other conduct that corrupts a wagering outcome of sports events for purposes of financial gain, including match fixing;

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- k) Make commercially reasonable efforts to promptly notify the Board of any information relating to:
 - 1) Criminal, disciplinary, or regulatory proceedings commenced against the master sports wagering licensee or affiliated person in connection with its gaming operations in any jurisdiction; and
 - 2) Suspicious or illegal wagering activities, including use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, using agents to place wagers, and using false identification;
- l) Conduct investigations as to the background and qualifications of all applicants for employment by the licensee who require occupational licensure;
- m) Provide oversight of any management services provider licensee or other designee with whom the master sports wagering licensee contracts to conduct its sports wagering operation;
- n) Provide to the Board any contract or agreement with a management services provider licensee or other master sports wagering licensee to be a designee under Section 25-40 of the Act;
- o) Document and investigate any report by an employee of any violation of the Act, this Part, or the master sports wagering licensee's internal control system, and provide a summary of those reports and investigations to the Board quarterly; and
- p) Report to the Administrator or his or her designee any facts the licensee has reasonable grounds to believe indicate a violation of the Act, this Part, or the master sports wagering licensee's internal control system.

Section 1900.240 Duties of Licensed Suppliers

In addition to all other duties and obligations required by the Act and this Part, each licensed supplier has an ongoing duty to comply with the following:

- a) Provide technical assistance and training in accordance with the Act and this Part;
- b) Obtain all approvals and certifications required by the Act and this Part;

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- c) Sell, distribute, lease or market in Illinois only sports wagering equipment that has been tested and certified for use in Illinois; and
- d) Promptly notify master sports wagering licensees or management service provider licensees with which the licensed supplier does business if the licensed supplier's hardware or software used in the operation of sports wagering is revoked under any circumstances.

Section 1900.250 Duties of Management Services Provider Licensees

In addition to all other duties and obligations of the Act and this Part, each management services provider licensee has an ongoing duty to comply with the following:

- a) Comply with all duties of a master sports wagering licensee in relation to any sports wagering operation the management services provider licensee conducts on behalf of a master sports wagering licensee; and
- b) Cooperate with oversight and investigations conducted by any master sports wagering licensee with which the management services provider licensee contracts.

Section 1900.260 Duties of Official League Data Providers

In addition to all other duties and obligations of the Act and this Part, each official league data provider has an ongoing duty to comply with the following:

- a) Provide to the Board copies of any contracts between the licensee and sports governing bodies pursuant to which the licensee will be providing official league data;
- b) Provide to the Board copies of any contracts between the licensee and any master sports wagering licensees pursuant to which the licensee will be providing official league data; and
- c) Provide official league data to master sports wagering licensees on commercially reasonable terms.

Section 1900.270 Duties of Occupational Licensees

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In addition to all other duties and obligations of the Act and this Part, each occupational licensee has an ongoing duty to comply with the following:

- a) Carry and display identification issued by the Board when working at a sports wagering operation;
- b) Return identification to the Board upon resignation or termination of employment; and
- c) Report violations of the Act, this Part, or a master sports wagering licensee's internal control system to his or her employer.

SUBPART C: STANDARDS OF CONDUCT

Section 1900.310 Grounds for Disciplinary Actions

- a) Holders of any license issued under the Act and identified key persons shall be subject to imposition of fines, suspension, revocation or restriction of license, or other disciplinary action for any act or failure to act by themselves, their agents, their employees, or any other contracted third party that is injurious to the public health, safety, morals, good order and general welfare of the people of the State of Illinois, or that would discredit or tend to discredit the Illinois sports wagering industry or the State of Illinois. Without limiting the provisions of this subsection (a), the following acts or omissions may be grounds for discipline:
 - 1) Failing to comply with, or make provision for compliance with, the Act, this Part, any federal, State or local law or regulation, or a control system or protocol mandated by the Board;
 - 2) Failing to comply with any order or ruling of the Board or its agents pertaining to the regulation of sports wagering in Illinois;
 - 3) Being found ineligible for a gaming license, having an application for a gaming license denied, or having a gaming license of any kind revoked or suspended in any state or other gaming jurisdiction;
 - 4) Employing, associating with, or participating in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;

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- 5) Employing, associating with, or participating in any enterprise or business with persons:
 - A) Of notorious or unsavory reputation;
 - B) Who have extensive police records; or
 - C) Who have failed to cooperate with any officially constituted investigatory or administrative body;
- 6) Failing to establish and maintain standards and procedures designed to prevent ineligible or unsuitable persons from being employed by the licensee;
- 7) Misrepresenting any information to the Board or Board staff;
- 8) Intentionally making, causing to be made, or aiding, assisting or procuring another to make, any false statement in any report, disclosure, application, permit, form, or any other document, including improperly notarized documents, required by the Act, this Part, or Board requirements (e.g., investigative requests, subpoenas, discovery requests);
- 9) Submitting tardy, inaccurate, or incomplete material or information to the Board;
- 10) Obstructing or impeding the lawful activities of the Board or its agents;
- 11) Willfully or repeatedly failing to pay amounts due or to be remitted to the State;
- 12) Failing to timely pay amounts due or to be remitted to the State;
- 13) Failing to timely pay a fine imposed by the Board;
- 14) Failing to respond in a timely manner to communications from the Board or its agents;
- 15) Being unavailable to the Board or its representatives or agents;

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- 16) Aiding and abetting a violation by a Board member or employee, or other government official, of a requirement established by statute, resolution, ordinance, personnel code, or code of conduct;
 - 17) Violations of the Act or this Part by any person identified as a key person;
 - 18) Employing, associating with, or participating in any enterprise or business with a person determined unsuitable to be a licensee or a key person of an applicant or licensee by the Board or any other gaming jurisdiction;
 - 19) Facilitating, enabling or participating in sports wagering other than in accordance with the Act;
 - 20) Engaging in, or facilitating, any unfair methods of competition or unfair or deceptive acts or practices, including, but not limited to, the use or employment of any deception, fraud, false pretense, false promise or misrepresentation, or the concealment, suppression or omission of any material fact in the conduct of any sports wagering operation;
 - 21) Acting in bad faith in the conduct of any business, transaction, or interaction with any other licensee or applicant, or the Board;
 - 22) Failing to maintain minimum qualifications for licensure; and
 - 23) Any cause that, if known to the Board, would have disqualified the applicant from receiving a license.
- b) A licensee whose employment has been terminated is subject to revocation of its license for any act or failure to act that occurred while licensed.
 - c) A person who has had a license revoked by the Board may not reapply for a license without permission from the Board.

Section 1900.320 Economic Disassociation

- a) Each master sports wagering licensee, management service provider licensee, tier 2 official league data provider licensee, and supplier licensee shall provide a means for the economic disassociation of any key person or holder of an ownership interest in the event the economic disassociation is required by an order of the Board.

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- b) Based upon findings from an investigation into the character, reputation, experience, associations, business probity, and financial integrity of a key person or a holder of an ownership interest, the Board may enter an order upon a licensee to require the economic disassociation of that person. This includes, but is not limited to, any criteria sufficient for denial of a license under Subpart E.
- c) Either the licensee or a person whose economic disassociation has been ordered may contest the order under the provisions of Subpart I. Any hearing relating to an order of economic disassociation shall be a hearing on the merits of the Board's determination that economic disassociation is warranted. Either party may participate in the administrative hearing regardless of which party requested the hearing.
- d) In the event that an order of economic disassociation is contested in an administrative hearing, payments owed to the disassociated individual or entity shall be abated and held in escrow until the Board issues a final Board order.
 - 1) If the final Board order results in an economic disassociation, no further payments may be made to the disassociated individual or entity.
 - 2) If the final Board order does not economically disassociate the individual or entity, then the abated payments shall be paid.
- e) A violation of an order of economic disassociation may subject a licensee to discipline under Section 1900.310.

Section 1900.330 Record Retention

- a) Each licensee other than an occupational licensee shall maintain in a place, secure from theft, loss or destruction, adequate records of business operations that shall be made available to the Board upon request. These records shall be held for at least as long as prescribed by the periodically published Records Retention Schedule, or longer if otherwise prescribed by general accounting and auditing procedures, litigation needs, or State or federal law. These records shall be maintained in a manner accessible to the Board or in a digital format prescribed by the Administrator.
- b) Each master sports wagering licensee, in such manner and for such time period as the Administrator may approve or require, shall keep accurate, complete and legible records of any books, records or document pertaining to, prepared in, or

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generated by the sports wagering operation, regardless of physical form, characteristics, or subject matter, including, but not limited to, all forms, reports, accounting records, ledgers, subsidiary records, computer maintained and generated data, internal audit records, internal control records, copies of all promotional material, and advertising, correspondence and personnel records.

- c) All records shall be organized and indexed in such a manner to provide immediate accessibility to agents of the Board.
- d) No original book, record or document required to be maintained by this Section may be destroyed by a licensee prior to the scheduled retention date without prior approval of the Administrator.
- e) The Administrator shall publish and periodically update the Retention Schedule.

Section 1900.340 Advertising and Marketing

- a) Each licensee shall be responsible for the content and conduct of any and all advertising or marketing done on its behalf or to its benefit whether conducted by the licensee, an employee or agent of the licensee, an affiliated entity or a third party pursuant to contract.
- b) For the purposes of this Section, advertising and marketing includes, but is not limited to:
 - 1) Direct mail or electronic mail;
 - 2) Telemarketing;
 - 3) Broadcast media;
 - 4) Billboards or signage;
 - 5) Internet advertising; or
 - 6) Patron acquisition, referral, or retention programs.
- c) Each master sports wagering licensee and management services provider licensee shall retain a copy of all advertising and marketing materials intended to promote any sports wagering operation in the State of Illinois, including a log of when and

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how those materials have been published, aired, displayed, or distributed. These materials and logs shall be retained in accordance with the retention schedule prescribed under Section 1900.330.

- d) All advertising and marketing materials and the publication log shall be made available to the Board or its agents upon request.
- e) All advertising and marketing materials published, aired, displayed, or distributed by or on behalf of any licensee shall comply with the following:
 - 1) Must not directly advertise or promote sports wagering to minors;
 - 2) Shall include problem gambling language materially consistent with the compulsive gambling text determined by rule by the Department of Human Services;
 - 3) Shall state patrons must be 21 years of age or older to wager;
 - 4) Shall not contain images, symbols, celebrity or entertainer endorsements, or language designed to appeal specifically to those under 21 years of age;
 - 5) Shall not feature anyone who is, or appears to be, under 21 years of age;
 - 6) Shall not be published, aired, displayed, or distributed in media outlets, including social media, that appeal primarily to individuals under 21 years of age;
 - 7) Shall not be placed before any audience where the majority of the viewers or participants is presumed to be under 21 years of age;
 - 8) Shall not imply greater chances of winning versus other licensees;
 - 9) Shall not imply greater chances of winning based on wagering in greater quantity or amount; and
 - 10) All direct marketing shall allow the option to unsubscribe.
- f) No licensee may enter into an agreement with a third party to conduct advertising or marketing on behalf of, or to the benefit of, the licensee when compensation is dependent on, or related to, the volume or outcome of wagers.

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SUBPART D: INVESTIGATING PROHIBITED CONDUCT

Section 1900.410 Reporting Prohibited Conduct

- a) The Board shall establish an electronic form on its website to allow individuals to report allegations of prohibited conduct, criminal behavior, or violations of the Act or this Part.
- b) Any individual making a report shall be required to include the following:
 - 1) Summary of the facts supporting the allegation;
 - 2) Affirmation by the individual that all information contained in the report is true and correct to the best of his or her knowledge and belief; and
 - 3) Acknowledgment by the individual that knowingly making false statements in the report may subject the individual to criminal penalties.
- c) The identity of any individual making a report and the contents of any report under this Section shall be confidential and not subject to disclosure under the Freedom of Information Act [5 ILCS 140/7(1)(a)] (FOIA).
- d) The identity of any individual making a report shall not be disclosed for any reason unless the individual authorizes that disclosure or if the allegation is referred by the Board to a law enforcement agency.

Section 1900.420 Referral of Investigations

- a) Upon receiving a report of prohibited conduct pursuant to Section 1900.410 that the Administrator or his or her designee deems reasonable, Board staff shall conduct a preliminary investigation.
- b) After a preliminary investigation, if the Administrator or his or her designee concludes the allegations contained in the report are credible, the Administrator shall refer the allegations to the appropriate law enforcement agency.
- c) Referrals under subsection (b) shall be as follows:

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- 1) When the alleged conduct occurs entirely or primarily within the State of Illinois, referrals shall be made to the Office of the Attorney General or to any appropriate State's Attorney;
 - 2) When the alleged conduct occurs entirely or primarily within a state other than the State of Illinois, referrals shall be made to the Attorney General of that state and to any sports wagering regulatory agency of that state, if applicable; or
 - 3) When the alleged conduct implicates interstate commerce or other violation of federal law, referrals shall be made to the Federal Bureau of Investigation.
- d) In addition to any referral under subsection (b), if a report alleges prohibited conduct by an athlete, upon determining that the allegations in the report are credible, the Administrator shall notify the appropriate sports governing body in writing. The notification shall include the identity of the athlete, and a general description of the nature of the allegations.

SUBPART E: LICENSING QUALIFICATIONS

Section 1900.500 Coverage of Subpart

This Subpart shall govern qualifications for all types of licenses issued by the Board pursuant to the Act.

Section 1900.510 Suitability for Licensure

- a) The burden is upon each applicant to demonstrate suitability for licensure.
- b) The Board shall not grant a license to any applicant if that person has been found by the Board to:
 - 1) Have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that:
 - A) Poses a threat to the public interests of the State or to the security and integrity of sports wagering;

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- B) Poses a threat to public health, safety, morals, good order and general welfare of the people of the State of Illinois; or
 - C) Discredits or tends to discredit the Illinois sports wagering industry or the State of Illinois.
- 2) Creates or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of sports wagering; or
 - 3) Presents questionable business practices and financial arrangements incidental to the conduct of sports wagering.
- b) In addition to the qualifications required in the Act and this Part, the Board may deny a license to an applicant if the applicant, or a key person of the applicant:
 - c)
 - 1) Associates with, either socially or in business affairs, or employs a person:
 - A) Of notorious or unsavory reputation or who has extensive police records;
 - B) Who has been convicted of a disqualifying offense under Section 1900.520(c); or
 - C) Who has failed to cooperate with any officially constituted investigatory or administrative body, including, but not limited to, the Board; or
 - 2) Has had a sports wagering or gaming-related license revoked, suspended or denied in Illinois or any other jurisdiction, or is an affiliate of a person who has had a sports wagering or gaming-related license revoked, suspended, or denied in any other jurisdiction.

Section 1900.520 Minimum Qualifications

- a) An applicant for a master sports wagering license, supplier license, management service provider license, or tier 2 official league data supplier license is not eligible for the respective license if the applicant, any owner of the applicant, any key person of the applicant, or any employee who participates in the management of sports wagering operations authorized under the Act:

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- 1) Has been convicted of a felony under the laws of this State, any other state, or the United States;
 - 2) Has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012 [720 ILCS 5], or substantially similar laws of any other jurisdiction; or
 - 3) Has submitted an application for a license under the Act, or any other documentation, to the Board that contains false information.
- b) In addition to the requirements of subsection (a), an online sports wagering operator applying to the Board for a master sports wagering license under Section 25-45 of the Act is not eligible for licensure if the applicant, any owner of the applicant, any key person of the applicant, or any employee who participates in the management or operation of sports wagering operations authorized under the Act has been convicted of a crime involving dishonesty or moral turpitude.
- c) A person applying to the Board for an occupational license under Section 25-15(e) of the Act must be an employee of a master sports wagering or management services provider licensee, and must meet the same requirements an applicant for an occupational licensee must meet under Section 9 of the Illinois Gaming Act [230 ILCS 10].

Section 1900.530 Identification and Requirements of Key Persons

- a) Applicants and licensees shall disclose the identity of key persons. Key persons must be approved by the Board and maintain suitability as a key person of the licensee.
- b) With respect to an applicant for, or the holder of, a master sports wagering license or management service provider license, key person shall include:
 - 1) Any person with an ownership interest or voting rights of 5% or more in the licensee or applicant, and the trustee and beneficiaries of any trust holding the ownership interest or voting rights; and
 - 2) The directors of the licensee or applicant and its Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, or their functional equivalents, and any managers of a limited liability company.

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- c) With respect to an applicant for, or holder of, a supplier license or a tier 2 official league data provider license, key person shall include:
 - 1) Any person with an ownership interest or voting rights of 5% or more in the licensee or applicant, and the trustee and beneficiaries of any trust holding the ownership interests or voting rights; and
 - 2) The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer or their functional equivalents.
- d) In addition to the persons named in subsections (b) and (c), the key persons include all other persons that the Board determines hold a position or a level of ownership, control or influence that is material to the regulatory concerns and obligations of the Board for the specified licensee or applicant.
- e) Individuals required to hold a level 1 occupational license, pursuant to Section 1900.150(b), may also be certified by the Board as key persons. For these individuals, the disclosure and approval requirements and the standards for compliance with this Part shall be those related to key persons.
 - 1) An individual denied an occupational license or whose license is revoked by a final determination of the Board is unsuitable to be, and shall not be allowed to function as, a key person of any applicant or licensee.
 - 2) An individual who, by voluntary action, relinquishes status as a level 1 occupational licensee and remains or becomes a key person shall be required to comply with all requirements imposed by the Board and this Part upon key persons.
- f) Each person designated as a key person shall:
 - 1) File an individual personal disclosure form or business entity disclosure form;
 - 2) File, on an annual basis, a disclosure affidavit, updated personal and background information, and updated tax and financial documents and information;

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- 3) Comply with the applicable provisions of this Part and shall disclose promptly to the Board (within 30 days) any material changes in status or information previously provided to the Board;
 - 4) As required, cooperate fully with Board agents in any investigation conducted by the Board;
 - 5) Maintain suitability as a key person; and
 - 6) Be subject to a fine or other appropriate discipline for each act or omission that is grounds for discipline of a licensee under Section 1900.310.
- g) An individual identified as a key person of a master sports wagering licensee or management services provider licensee shall not act in that role until after submission of an individual key person personal disclosure form.

SUBPART F: ONLINE LICENSE COMPETITIVE BIDDING

Section 1900.600 Coverage of Subpart

This Subpart shall govern procedures for applying for a master sports wagering license pursuant to Section 25-45 of the Act. When Subpart F conflicts with Subpart G, Subpart F shall apply.

Section 1900.610 Forms and Submissions

- a) The Administrator shall promulgate an Online Master Sports Wagering License Application and Bid Summary Form and cause them to be posted to the Board's website.
- b) During any application period, an applicant may submit a bid. A complete bid shall include, at minimum, the following:
 - 1) A completed Online Master Sports Wagering License Application;
 - 2) Business Entity Disclosure Forms or Individual Key Person Personal Disclosure Forms for all key persons;
 - 3) Any and all documents required by Section 1900.715 or Section 1900.720;
 - 4) A completed Bid Summary Form;

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- 5) A completed 5.1 Disclosure of Records statement containing all information responsive to Section 5.1(a) of the Illinois Gambling Act [230 ILCS 10]; and
- 6) A notarized affirmation by the applicant that the applicant has conducted its own due diligence and investigation, and the applicant and all key persons meet the minimum qualifications of the Act and Section 1900.520.
- c) A bid shall be submitted in electronic format to the address listed on the Online Master Sports Wagering License Application.

Section 1900.620 Initial Competitive Selection

- a) The application period for the initial competitive selection pursuant to Section 25-45 of the Act shall commence upon the Administrator posting public notice of the application on the Board website, along with the Online Master Sports Wagering License Application and Bid Summary Form.
- b) The Administrator shall post the notice and forms no later than 420 days after the first license of any kind is issued under the Act.
- c) The application period shall last for 120 days after the notice and forms are posted.
- d) No bid shall be accepted after the close of the application period.
- e) Incomplete Bids
 - 1) If the Administrator determines a bid or application is incomplete, the Administrator shall notify the applicant in writing. The notice shall identify any deficiencies in the bid submission.
 - 2) The applicant may supplement its bid submission to remedy any deficiencies. The supplement must be received no later than 30 days after notice is given to the applicant of the deficiencies.
 - 3) If the Administrator determines the bid submission is still incomplete because the applicant failed to supplement its bid submission, or because the supplement did not remedy all deficiencies, the applicant shall be disqualified.

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- f) Until opened in a public forum pursuant to Section 25-45(e) of the Act, the identity of applicants and contents of bids shall be confidential and not subject to disclosure under FOIA Section 7(1)(a).
- g) Applicants and key persons shall submit fingerprints on forms prescribed by the Board no later than 30 days after the close of the application period.
 - 1) An applicant may request an extension of up to 30 days that may be granted by the Administrator for good cause shown.
 - 2) An applicant that fails to timely submit all required fingerprints shall be deemed not a qualified applicant.
- h) The Administrator shall review the criminal history of all key persons and applicants not otherwise disqualified and determine whether the applicant meets the minimum qualifications under Section 25-45(d) of the Act and Section 1900.520(b).
 - 1) Any applicant that fails to meet the minimum qualifications shall be deemed not a qualified applicant and disqualified.
 - 2) Any applicant that meets the minimum qualifications of Section 25-45(d) of the Act and Section 1900.520(b) shall be deemed a qualified applicant.
- i) The Administrator shall notify an applicant in writing when it is either deemed qualified or disqualified.
- j) After every applicant that submitted a bid during the application period has been either disqualified or deemed qualified by the Administrator, the qualified applicants' bids shall be opened in a public forum after no less than 48 hours public notice.
- k) At the time of opening, the Administrator shall disclose:
 - 1) The identity of all qualified applicants;
 - 2) The identity of all disqualified applicants;
 - 3) The 5.1 Disclosure of Records statements of all applicants (see Section 1900.610(b)(5)); and

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- 4) The Bid Summary Form of all applicants.
- 1) No more than 90 days after the publication of the qualified applicants, the Board shall identify three winning bidders. In determining the winning bidders, the Board shall consider the all of following factors:
 - 1) The character, reputation, experience and financial integrity of the applicant, its key persons, and any other person that directly or indirectly controls or is controlled by the applicant or a key person or affiliate of the applicant;
 - 2) The highest prospective total revenue to be derived by the State from the conduct of sports wagering;
 - 3) The extent to which the ownership of the applicant reflects the diversity of the State by including minority persons, women, persons with a disability, and veterans of service in the armed forces of the United States;
 - 4) The good faith affirmative action plan of each applicant to recruit, train and upgrade minority persons, women, persons with a disability, and veterans of service in the armed forces of the United States in all employment classifications;
 - 5) Whether the applicant has adequate capitalization to establish and maintain a sports wagering operation for the duration of a license;
 - 6) The amount of the applicant's license bid;
 - 7) Any factor listed in Section 1900.510; and
 - 8) Any other factor relevant to security and integrity of the Illinois sports wagering industry.
 - m) After selecting winning bidders, the Board shall conduct an investigation of the applicant to determine whether the applicant is suitable for licensure under the Act and this Part.
 - n) Pursuant to Section 25-45(g) of the Act, at any point after selecting the winning bidders and before the issuance of a license pursuant to this Subpart F, the Board may make a finding that a winning bidder is not suitable for licensure for any

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reason under Section 1900.510, and that applicant shall be disqualified. The Board shall select another winning bidder from any remaining qualified applicants.

- o) Disqualified applicants under this Subpart F are not entitled to administrative hearings on disqualification.
- p) If the Board finds a winning bidder suitable for licensing, it shall direct the Administrator to issue the applicant a license upon payment of the applicant's license fee.

Section 1900.630 Supplementary Competitive Selection

- a) If, at any time after the initial competitive selection for issuance of master sports wagering licenses pursuant to Section 25-45 of the Act, there are fewer than three active master sports wagering licenses, the Administrator may commence a supplementary competitive selection.
- b) To commence a supplementary competitive selection, the Administrator shall post public notice on the Board website.
- c) The application period shall last for 120 days after the notice is posted.
- d) The supplementary competitive selection shall otherwise comply with all other provisions of Section 1900.620.

SUBPART G: LICENSING PROCEDURES

Section 1900.700 Coverage of Subpart

This Subpart governs procedures for applying for, renewing and maintaining all types of licenses issued by the Board pursuant to the Act.

Section 1900.710 Submission of Applications

- a) Applicants shall submit electronic copies of the application forms in the manner provided for in the instructions contained in the forms.
- b) Application Forms

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- 1) Master Sports Wagering License and Management Services Provider License
 - A) An applicant that holds or is a current applicant for an owners license or organization gaming license under the Illinois Gambling Act may submit a Master Sports Wagering/Management Services Provider License Application (Short Form). The applicant must also submit all required forms and documents referenced in the License Application (Short Form).
 - B) All other applicants for a master sports wagering license and management services provider license shall submit a Master Sports Wagering/Management Services Provider License Application, and must include Business Entity Disclosure Forms or Individual Key Person Personal Disclosure Forms for each of the applicant's key persons.
- 2) Supplier License and Tier 2 Official League Data Provider License
 - A) An applicant that holds or is a current applicant for a supplier license under the Illinois Gambling Act or a manufacturer, distributor, or supplier license under the Video Gaming Act may submit a Sports Wagering Act Supplier/Tier 2 Official League Data Provider License Application (Short Form). The applicant must also submit all required forms and documents referenced in the License Application (Short Form).
 - B) All other applicants shall submit a Supplier's License Application Form, and must include Business Entity Disclosure Forms or Individual Key Person Personal Disclosure Forms for each of the applicant's key persons.
- 3) Occupational License
 - A) Applicants for a level 1 occupational license shall submit a Personal Disclosure Form 1.
 - B) Applicants for a level 2 occupational license shall submit a Personal Disclosure Form 2.

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- C) Applicants for a level 3 occupational license shall submit a Personal Disclosure Form 3.
 - D) All applicants for occupational licenses shall be photographed and fingerprinted.
- c) Additional Forms. To be considered complete, an application must also include any additional forms as identified in Sections 1900.715 and 1900.720.
 - d) The Board may require further materials in addition to those identified in subsection (b) if after review of the submitted materials the Board determines additional information is necessary to determine the applicant's suitability for licensure.
 - e) Application Process
 - 1) Each individual applicant or key person shall submit with the application, on forms prescribed by the Board, two sets of his or her fingerprints. Each individual applicant and key person shall be photographed and fingerprinted at the time of application at a place designated by the Administrator.
 - 2) An application shall be deemed filed when the completed application form, including all required documents, materials, necessary fingerprinting, and the application fee, if any, have been submitted to the Board.
 - f) Amendments and Incorporation by Reference. Upon written request, the Administrator may allow information, documents, or other materials submitted by an applicant to be incorporated by reference into a subsequent application.

Section 1900.715 Disclosure of Ownership and Control

- a) As part of its application, each applicant for or holder of a master sports wagering, supplier, management services provider, or tier 2 official league data provider license shall provide to the Board and maintain on a current basis a Table of Organization, Ownership and Control. That table shall contain the information required by this Section, in sufficient detail to identify the hierarchy of individuals and business entities that, through direct or indirect means, manage, own or control the interests and assets of the applicant or license holder.

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- b) Direct Ownership or Control. The Table of Organization, Ownership and Control shall identify the following information concerning the direct management, ownership and control of the applicant or license holder:
- 1) The name and percentage of ownership of each individual or business entity with an ownership interest in the applicant or licensee. If the licensee or applicant is a business entity whose stock is traded publicly, the identification of ownership shall be provided as required in subsection (d);
 - 2) A table of organization reflecting the management and governance structure of the licensee or applicant, including the name and office or position of each individual serving as an officer, director or member of an executive committee or similar governing body and identifying each managerial position and each managerial employee reporting directly to an officer of the company or its board of directors;
 - 3) For each trust holding ownership interest, and for each voting trust, the name of the grantors, trustees and beneficiaries of the trust; and
 - 4) For each business entity with an ownership interest, the name and position of each officer, director and all persons reporting to the chief executive officer or the board of directors of the business entity and, in the case of each privately held business entity, the names of all persons with an ownership interest.
- c) Intermediary Entities and Ultimate Ownership. To the extent that ownership of, or control over, the applicant or licensed entity is exercised through intermediary business entities, the Table of Organization, Ownership and Control must identify, in hierarchical fashion, all intermediary entities and their officers, directors, trustees, shareholders or other persons reporting to the chief executive officer or board of directors, and provide similar information on any parent business entity. If the intermediary entity or ultimate parent is a publicly traded company, the ownership identification requirements for this business entity shall be provided as required in subsection (d).
- d) Publicly Traded Company Ownership. If a business entity identified in subsection (b) or (c) is a publicly traded company, the following information shall be provided in the Table of Organization, Ownership and Control:

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- 1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent that information is known or contained in 13D or 13G Securities and Exchange Commission (SEC) filings.
- 2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together (as individuals or through trusts) exercise control over or own more than 10% of the voting shares of the entity.
- 3) Any trust holding a more than 5% ownership or voting interest in the company, to the extent that information is known or contained in 13D or 13G SEC filings.

Section 1900.720 Other Required Forms

- a) Institutional Investor Disclosure Form. Any business entity that meets the definition of an institutional investor and that would otherwise be required to submit a Business Entity Disclosure Form may instead submit the Institutional Investor Disclosure Form.
- b) Trust Registration and Disclosure Form. Level 1 occupational licensees and key persons of any other applicant or licensee shall submit a Trust Registration and Disclosure Form for any trust that holds a direct or indirect interest in any gaming entity that is subject to regulation by a gaming jurisdiction for which they are a grantor, trustee or beneficiary, or for any other trust in which they have an interest, if so requested by the Board. These disclosures are material information for the purposes of Section 1900.220 (b).

Section 1900.730 Licensing Procedures

- a) Applicants for licensure under the Act shall be subject to the following procedures prior to licensing:
 - 1) Application;
 - 2) Investigation of the applicant; and
 - 3) Action of the Board.

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- b) An applicant is responsible for compliance with all requests for information, documents, or other materials relating to the applicant and the applicant's application.
- c) An applicant must satisfy the Board by clear and convincing evidence that the applicant is suitable for licensure under the Act and this Part.
- d) Action of the Board
 - 1) If the Board finds the applicant suitable for licensing, it shall direct the Administrator to issue the applicant a license upon payment of the applicant's license fee, if any, required by the Act.
 - 2) If the Board finds the applicant not suitable for licensing, it shall issue the applicant a Notice of Denial. The Notice of Denial shall be served upon the applicant in accordance with Section 1900.160.
- e) Request for Hearing
 - 1) An applicant who is served with a Notice of Denial may request a hearing in accordance with Subpart H.
 - 2) If a hearing is not requested, the Notice of Denial becomes the final order of the Board denying the applicant's license application.

Section 1900.735 Issuance of License

- a) The Board may only issue a license after the background investigation is complete, the Board determines the applicant is suitable for licensure, and the applicant has paid the required initial license fee, if any.
- b) Initial License Fees
 - 1) For a master sports wagering license issued to an organization licensee under the Illinois Horse Racing Act of 1975 [230 ILCS 5] prior to June 28, 2019, the initial license fee shall be equal to 5% of its handle from the 2018 calendar year, or \$2,341,976.20, whichever is greater, but not to exceed \$10,000,000.

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- 2) For a master sports wagering license issued to an organization licensee under the Illinois Horse Racing Act of 1975 after June 28, 2019, the initial license fee due at licensure shall be \$5,000,000 or 5% of its handle from its first 12 months of racing operations, whichever is greater, but not to exceed \$10,000,000.
 - 3) For a master sports wagering license issued to an owners licensee under the Illinois Gambling Act prior to June 28, 2019, the initial license fee shall be equal to 5% of its adjusted gross receipts from the 2018 calendar year. No initial license fee shall exceed \$10,000,000.
 - 4) For a master sports wagering license issued to an owners licensee under the Illinois Gambling Act after June 28, 2019, the initial license fee shall be equal to \$5,000,000 or 5% of its adjusted gross receipts from its first 12 months of gambling operations, whichever is greater, but not to exceed \$10,000,000.
 - 5) The initial license fee for a tier 2 official league data provider license is payable to the Board 13 months after the date of initial licensure.
- c) If an applicant is denied a license, the applicant may not reapply for a license for one year from the date on which the final order of denial was voted upon by the Board, unless granted leave of the Board.
- d) Initial Term of Licenses
- 1) Master sports wagering, supplier, and management services provider licenses issued by the Board shall be for an initial term of four years. Prior to the expiration of the four year initial license, the licensee may apply for a license renewal in accordance with the Act and this Part.
 - 2) Tier 2 official league data provider licenses issued by the Board shall be for an initial term of three years. Prior to the expiration of the three year initial license, the licensee may apply for a license renewal in accordance with the Act and this Part.
 - 3) Occupational licenses issued by the Board shall be for a term of one year. Prior to the expiration of the license, the licensee may apply for a license renewal in accordance with the Act and this Part.

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Section 1900.740 Renewal of Licenses

- a) The Board may only renew a license upon receipt of any completed renewal forms required by the Board and the applicable renewal fee, except in the case of tier 2 official league data provider licenses. The renewal fee for a tier 2 league data provider license shall be due 30 days after the date of renewal.
- b) A license other than a tier 2 official league data provider license shall expire if the renewal fee is not received by the Board prior to the first regular Board meeting held in or after the month in which the license was issued. A tier 2 league data provider license shall expire if the renewal fee is not received by the Board within 30 days after the first day of the month in which the license was issued, regardless of any Board action decision to otherwise renew the license.
- c) The Board shall only renew a license if the licensee continues to meet all qualifications for licensure set forth in the Act and this Part.
- d) Upon the expiration of an initial license, a license may be renewed for the following terms:
 - 1) A master sports wagering or management services provider license may be renewed for a term of four years.
 - 2) A tier 2 official league data provider license may be renewed for a term of three years.
 - 3) A supplier or occupational license may be renewed for a term of one year.
- e) Applications for Renewal
 - 1) Applicants for renewal of master sports wagering, management services provider, supplier, and tier 2 official league data provider licenses shall submit a renewal application on forms promulgated by the Board.
 - 2) Applications for renewal shall include Business Entity or Personal Disclosure forms from each key person or level 1 occupational licensee.
 - 3) Applications for renewal shall be electronically submitted, in a manner designated by the Administrator, no less than 90 days prior to the first day

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of the month in which the license was issued unless a later date is authorized in writing by the Administrator.

- 4) Applications for renewal of a license, except a tier 2 official league data provider license, must be accompanied by any renewal fee required by the Act.
- f) Exceptions
- 1) A master sports wagering licensee that holds an owners license or organization gaming license under the Illinois Gambling Act is not required to submit an application for renewal, but must submit the required renewal fee no less than 90 days prior to the first day of the month in which the license was issued, unless a later date is authorized in writing by the Administrator.
 - 2) Occupational licensees are not required to submit an application for renewal, but must submit the required annual license fee no less than 30 days prior to the first day of the month in which the license was issued, unless a later date is authorized in writing by the Administrator.
- g) Applicants for renewal shall submit, at a minimum, the following information:
- 1) An updated organizational chart of the licensee showing parent and subsidiary entities in relation to the licensee, including a separate listing of all key persons of the licensee;
 - 2) Key person and level 1 occupational licensee disclosure updates;
 - 3) The most recent year-end financial statements, including the most recent Form 10K and 10Q filed with the SEC by the licensee and its parent company, if they are publicly held corporations;
 - 4) A list of revenues derived from Illinois sports wagering operations during the previous licensing period, categorized according to date and licensee;
 - 5) Any and all fees received from management agreements or consulting services with a holder of a master sports wagering license, and the basis for the calculation of fees received;

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- 6) Any specific plans for changes in the financing, ownership or organization of the licensed entity;
 - 7) Disclosure of any past or pending disciplinary action taken against the licensee or its affiliated entities in any other jurisdictions;
 - 8) Disclosure of any past or pending material litigation involving the licensee, its parent corporation and subsidiaries, and any key person;
 - 9) If applicable, any and all equipment, devices and supplies offered for sale or lease in connection with sports wagering authorized under the Act and this Part; and
 - 10) An affidavit certifying the licensee is in compliance with required payment of all applicable federal and State taxes.
- h) The Board shall base its decision on an application for renewal upon the same qualifications required for initial licensure under Subpart E. The Board may consider any additional relevant information, including but not limited to:
- 1) The timeliness and responsiveness of the information submitted by the licensee under this Section;
 - 2) The Board's analysis of the licensee's operations, including the nature, frequency, extent and any pattern of past violations of the Act and this Part;
 - 3) The financial status and the current and projected financial viability of the entity;
 - 4) The owner licensee's pattern of compliance exhibited through quarterly, special and annual compliance reviews or audits performed by the Board staff or contract audit firms; and
 - 5) The overall adherence of the licensee to all requirements of the Act and this Part.
- i) Action of the Board
- 1) The Board shall act on the renewal of a license at a public meeting.

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- 2) If the Board decides to deny license renewal, it shall issue the applicant a Notice of Denial. The Notice of Denial shall be served upon the applicant in accordance with Section 1900.160.
- j) Request for Hearing
- 1) An applicant who is served with a Notice of Denial may request a hearing in accordance with Subpart H.
 - 2) If a hearing is not requested, the Notice of Denial becomes the final order of the Board denying the applicant's license application.

Section 1900.750 Withdrawal of Applications and Surrender of Licenses

- a) Withdrawal of Applications
- 1) An applicant does not have a right to withdraw a submitted application.
 - 2) An applicant may submit a request to withdraw an application to the Administrator.
 - 3) A request to withdraw an application shall not be considered unless received by the Administrator prior to Board action on the application.
 - 4) The Administrator shall deny a request to withdraw an application if he or she finds that doing so is in the best interests of the State or the Illinois sports wagering industry.
 - 5) If the Administrator denies a request to withdraw an application, the applicant shall be notified in writing.
 - 6) If the Administrator denies a request to withdraw an application, the Board shall not deny the pending application until at least 14 days after the request is denied.
 - 7) An applicant whose request to withdraw has been denied by the Administrator may request leave of the Board to withdraw the application.
- b) Surrender of License

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- 1) A licensee does not have a right to surrender a license.
- 2) A licensee may submit a request to surrender its license at any point after licensure.
- 3) A request to surrender a license shall not be considered if a disciplinary action seeking suspension or revocation of the license is pending.
- 4) The Administrator shall deny a request to surrender a license if he or she finds that doing so is in the best interests of the State or the Illinois sports wagering industry.
- 5) If the Administrator denies a request to surrender a licensee, the licensee shall be notified in writing.
- 6) A licensee whose request to surrender has been denied by the Administrator may request leave of the Board to surrender the license.

Section 1900.755 Sports Facility Designees

A master sports wagering license under Section 25-40 of the Act may be applied for and be issued in the name of a designee of a sports facility. When a master sports wagering license is applied for or issued in the name of a designee, the provisions of this Section apply.

- a) Any rights a designee has to apply for or hold a master sports wagering license under Section 25-40 of the Act are exclusively based on a contract with the qualifying sports facility.
- b) The owners of the respective sports facility shall be key persons of a designee for the purposes of any master sports wagering license issued under Section 25-40 of the Act.
- c) A sports facility shall notify the Board of any termination of a designee relationship. Upon the effective date of the termination, the master sports wagering license shall immediately expire.
- d) If a master sports wagering license in the name of a designee under Section 25-40 of the Act is denied, revoked, not renewed, or expires, the sports facility shall have a 180-day period during which its owners or a newly named designee may apply for a master sports wagering license. If the 180-day period expires without

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a new application, or if the sports facility notifies the Board of its intent not to pursue a new license, the Administrator may begin a new application process under Section 25-40(c) of the Act.

Section 1900.760 Transferability of Ownership Interest

- a) An ownership interest in an entity holding a master sports wagering license or a management services provider license may only be transferred with leave of the Board. An ownership interest in a business entity, other than a publicly traded corporation, that has an interest in an entity holding a master sports wagering license or a management services provider license may only be transferred with leave of the Board.
 - 1) Any individual or entity filing an application for transfer of any ownership interest under this Section must submit a Business Entity Form or Personal Disclosure Form, as appropriate, and any other information specifically requested by the Board. All costs associated with Board investigation of the applicant for transfer will be borne by the licensee in which the transfer of ownership interest is being sought.
 - 2) The Board shall determine suitability for transfer based on the same criteria as for a finding of suitability for licensure (see Section 1900.510).
 - 3) If the Board denies the application for transfer, it shall issue the applicant a Notice of Denial. An applicant served with a Notice of Denial may request a hearing under Subpart H. If a hearing is not requested, the Notice of Denial becomes the final order of the Board denying the application for transfer.
- b) An ownership interest in an entity holding a master sports wagering license or a management services provider license may only be pledged as collateral with leave of the Board.
- c) **Transferability of Ownership in Publicly Traded Parent Corporation.** The Board shall investigate the suitability for transfer of any person who, individually or in association with others, acquires directly, indirectly or beneficially, ownership of more than 5% of any class of voting or non-voting with conversion rights securities of a publicly traded corporation that holds an ownership interest in an entity holding a master sports wagering license or a management services provider license.

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- 1) Any such person must submit a Business Entity Form or Personal Disclosure Form, as appropriate, and any other information specifically requested by the Board. All costs associated with Board investigation of the applicant for transfer will be borne by the licensee in which the publicly traded corporation holds an interest.
- 2) Board decision as to suitability for transfer will be based on the criteria for a finding of preliminary suitability for licensure (see Section 1900.510).
- 3) If the Board denies the application for transfer, it shall issue the applicant a Notice of Denial. An applicant served with a Notice of Denial may request a hearing under Subpart H. If a hearing is not requested, the Notice of Denial becomes the final order of the Board denying the application for transfer.
- 4) Commencing as of the date the Board issues a Notice of Denial, it shall be unlawful for the applicant served with the Notice:
 - A) To receive any dividends or interest upon any such securities;
 - B) To exercise, directly or indirectly, any right conferred by the securities; or
 - C) To receive any remuneration in any form from any person or entity holding any license under the Act for services rendered or otherwise.
- 5) Within 30 calendar days after the earlier of either the failure of an applicant served with a Notice of Denial to request a hearing or the issuance of a final order pursuant to Subpart H:
 - A) The holder of the affected license shall purchase all of the interests in the holder of the owner's license from the disqualified person or entity; and
 - B) The disqualified person or entity shall sell all of the subject interest in the holder of the license to the licensee at the lesser of the market price or purchase price of those interests in the holder of the license.

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Section 1900.770 Annual Updates

- a) A holder of a master sports wagering, management services provider, supplier, or tier 2 official league data provider license shall be required to submit an annual update to the Board during any year in which the license is not due to expire or be renewed.
- b) Annual updates shall be electronically submitted, on forms and in a manner designated by the Administrator, no less than 90 days prior to the first day of the month in which the license was issued.
- c) Annual updates shall include, at a minimum, the following information:
 - 1) An updated organizational chart of the licensee showing parent and subsidiary entities in relation to the licensee, including a separate listing of all key persons of the licensee;
 - 2) Key person and level 1 occupational licensee disclosure updates;
 - 3) The most recent year-end financial statements, including the most recent Form 10K and 10Q filings with the SEC by the licensee and its parent company, if they are publicly held corporations;
 - 4) A list of revenues derived from Illinois sports wagering operations during the previous licensing period, categorized according to date and licensee;
 - 5) Any and all fees received from management agreements or consulting services with a holder of a master sports wagering license, and the basis for the calculation of fees received;
 - 6) Any specific plans for changes in the financing, ownership or organization of the licensed entity;
 - 7) Disclosure of any past or pending disciplinary action taken against the licensee or its affiliated entities in any other jurisdictions;
 - 8) Disclosure of any past or pending material litigation involving the licensee, its parent corporation and subsidiaries, and any key person;

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- 9) If applicable, any and all equipment, devices and supplies offered for sale or lease in connection with sports wagering authorized under the Act and this Part; and
- 10) An affidavit certifying the licensee is in compliance with required payment of all applicable federal and State taxes.

Section 1900.780 Recognition of Existing Board Licenses

- a) An applicant for a supplier license under the Sports Wagering Act that holds a valid supplier license under the Illinois Gambling Act shall be granted a supplier license by the Board, providing the following requirements have been met:
 - 1) The Administrator has deemed the application to be complete;
 - 2) The applicant has updated its description of products or services provided; and
 - 3) The applicant has paid its nonrefundable application fee.
- b) An applicant for an occupational license under the Sports Wagering Act who holds a valid occupational license of the same or higher level under the Illinois Gambling Act shall be granted an occupational license by the Board, providing the following requirements have been met:
 - 1) The Administrator has deemed the application to be complete; and
 - 2) The applicant has paid his or her initial annual license fee.

Section 1900.790 Temporary Operating Permits

The Administrator may issue a temporary operating permit to an applicant for a supplier, tier 2 official league data supplier, management service provider, or master sports wagering license issued under Section 25-30 or 25-35 of the Act.

- a) To qualify for any temporary operating permit, an applicant must have:
 - 1) Already submitted an application that has been deemed complete by the Administrator; and

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- 2) Already paid any required application fee.
- b) Any applicant requesting a master sports wagering temporary operating permit must:
 - 1) Possess a valid organization gaming license or owners license; or
 - 2) Be an affiliated entity of the holder of a valid organization gaming license, owners license, master sports wagering license, or management service provider license.
- c) Any applicant requesting a supplier or tier 2 official league data supplier temporary operating permit must possess a valid license in another jurisdiction with respect to the same goods or services the applicant will supply in Illinois.
- d) Any applicant requesting a management service provider temporary operating permit must be an affiliated entity of an owners licensee or organization gaming licensee under the Illinois Gambling Act, or a master sports wagering licensee.
- e) In determining whether to grant a temporary operating permit, the Administrator shall consider any relevant factor, including, but not limited to:
 - 1) Facts that suggest an applicant may not be suitable for licensure under the Act and this Part;
 - 2) Any past or pending disciplinary action against the applicant in any jurisdiction;
 - 3) The best interests and needs of the Illinois sports wagering industry; and
 - 4) Whether issuing a temporary operating permit would pose a threat to public confidence and trust in the Illinois sports wagering industry, or to the integrity and security of the Illinois sports wagering industry.
- f) The Administrator may rescind a temporary operating permit at any time for any just cause, including, but not limited to, the factors identified in Sections 1900.310 and 1900.510(a), and in subsection (e) of this Section.
- g) Rescission of a temporary operating permit by the Administrator is not a final ruling on the merits of an application.

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- h) A temporary operating permit shall be rescinded upon issuance of a Notice of Denial of Application.

Section 1900.795 Temporary Identification Badge

The Administrator may issue a temporary identification badge to an applicant for an occupational license. The holder of a temporary identification badge may be employed in a designated gaming area or may perform duties that would otherwise require an occupational license.

- a) To qualify for a temporary identification badge, an applicant must have already submitted an application that has been deemed complete by the Administrator, including fingerprinting and a photograph.
- b) In determining whether to grant a temporary identification badge, the Administrator shall consider any relevant factor, including but not limited to:
 - 1) Facts that suggest an applicant may not be suitable for licensure under the Act and this Part; and
 - 2) Any past or pending disciplinary action against the applicant in any jurisdiction.
- c) Temporary identification badges are valid for up to one year from the date of the application unless extended by the Administrator.
- d) A temporary identification badge is not transferable and, upon resignation or termination of employment, must be returned by the applicant to the master sports wagering licensee or to the Board. A master sports wagering licensee shall return any such badge to the Board.
- e) The Administrator may rescind a temporary identification badge at any time for any just cause, including, but not limited to, the factors identified in Sections 1900.310 and 1900.510(a), and in subsection (b) of this Section.
- f) Rescission of a temporary identification badge by the Administrator is not a final ruling on the merits of an application.
- g) A temporary identification badge shall be rescinded upon issuance of a Notice of Denial of Application.

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SUBPART H: DENIALS OF APPLICATIONS

Section 1900.810 Coverage of Subpart

- a) This Subpart governs all hearings requested upon issuance of a Notice of Denial of Application for licensure. Hearings under this Subpart are de novo proceedings for the creation of a record regarding an applicant's suitability for licensure. A hearing under this Subpart is not an appeal of Board action.
- b) Section 1900.110(b) is not applicable to any requests under this Subpart.

Section 1900.815 Requests for Hearing

- a) If the Board finds that an applicant is not suitable for licensure, it shall issue the applicant a Notice of Denial.
- b) The Board shall serve notice on the applicant by e-mail pursuant to Section 1900.160, personal service, or certified U.S. Mail to the last known address of the applicant. Service is complete upon transmission of the e-mail, date of personal service, or four days after mailing.
- c) Should an applicant wish to contest the action the Board has taken regarding his or her application, the applicant must submit a request for hearing to the Board.
- d) All requests for hearing shall be in writing. If a request for hearing is mailed, it shall include an original and one copy. The request shall contain the following:
 - 1) The name, current address and current telephone number of the petitioner (the applicant);
 - 2) Detailed reasons why, and the facts upon which the petitioner will rely to show that, the petitioner is suitable for licensure, including specific responses to any facts enumerated in the Board's Notice of Denial;
 - 3) A signature of the petitioner;
 - 4) A verification of the petition in the following form:

"The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information

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and belief and as to such matters the undersigned certifies as aforesaid that he/she verily believes the same to be true."; and

- 5) The request must be notarized.
- e) A request for hearing must be made within 10 days after service of Notice of Denial from the Board. A request shall be deemed filed on the date the e-mail was transmitted or on which it is postmarked.
- f) If a request for hearing is not filed within 10 days of the date of service, then the Notice of Denial becomes the final order of the Board denying the applicant's license application.
- g) A request for hearing shall be deemed granted unless denied. The Board may deny a request for hearing if the statement of the reasons and facts that it contains does not establish a prima facie case or fails to comply with any of the other requirements of this Section. The Board's denial of a request for hearing is a final decision and the denial of licensure becomes a final order on the date the Board denies the request for hearing.
- h) A request for hearing may be withdrawn or voluntarily dismissed through written notification to the Board unless objected to by the Administrator. If the Administrator objects, the request for hearing may not be withdrawn or voluntarily dismissed without leave of the Board.
- i) The petitioner may submit a request for hearing by:
 - 1) personal delivery;
 - 2) certified U.S. Mail, postage prepaid;
 - 3) overnight express mail, postage prepaid; or
 - 4) e-mail.
- j) All personally delivered or mailed requests must be submitted to the Administrator at the address provided in the Notice of Denial. All requests sent by email must be submitted to the email address provided in the Notice of Denial.

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- k) If a request is granted, an Administrative Law Judge will be appointed to conduct a hearing.

Section 1900.820 Appearances

- a) All petitioners may be represented by an attorney who is licensed to practice in Illinois. All attorneys who appear in a representative capacity on behalf of a petitioner must file a written appearance setting forth:
 - 1) The name, address, telephone number, and e-mail address of the attorney;
 - 2) The name and address of the petitioner the attorney represents; and
 - 3) An affirmative statement that the attorney is licensed to practice in Illinois.
- b) Only individual attorneys may file appearances. Any petitioner's attorney who has not filed an appearance may not address the Administrative Law Judge or sign pleadings.
- c) An attorney may only withdraw his or her appearance upon written notice to the Administrative Law Judge, the petitioner, and the Board.
- d) An individual or sole proprietorship may appear on his or her own behalf.
- e) A partner may appear on behalf of a partnership.
- f) Any other business entity must be represented by an attorney.

Section 1900.825 Appointment of Administrative Law Judge

- a) The Chairman of the Board may provide for or appoint an attorney admitted to the practice of law by, and in good standing with, the Illinois Supreme Court as an Administrative Law Judge (ALJ) to conduct a hearing in accordance with this Subpart. If designated, the Administrator may provide for the appointment of an ALJ to conduct a hearing in accordance with this Subpart. The petitioner will be copied on the letter of appointment and the letter will serve as notice of the pendency of the hearing. The ALJ shall establish a status date and notify the parties of that date.

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- b) If the petitioner believes the ALJ is biased or has a conflict of interest, the petitioner may file with the Board a motion to disqualify the ALJ from conducting the hearing. The motion must be in writing, accompanied by an affidavit signed and dated by the petitioner setting forth the specific grounds for disqualification. The petitioner shall serve a copy of the motion on the ALJ. Prior adverse rulings against the petitioner or its attorney in other matters shall not, in and of themselves, constitute grounds for disqualification. On satisfactory evidence submitted by the petitioner in support of the motion to disqualify, the Board shall remove the ALJ and provide for the reassignment of the case to another ALJ to continue the hearing. Any ALJ may voluntarily disqualify himself or herself upon determining that bias or conflict of interest exists. Grounds for disqualification of an ALJ shall include but not be limited to:
- 1) Financial interest or pecuniary benefit derived from the gaming industry;
 - 2) Personal friendship with any of the parties, witnesses or attorneys involved;
 - 3) Past representation of any of the parties or witnesses involved; or
 - 4) Demonstrable pre-disposition on the issues.
- c) If the motion to disqualify an ALJ is denied, the Board shall set forth in writing the reasons for the denial and the ALJ will proceed with the hearing. The motion to disqualify the ALJ and the reasons for the denial of the motion will be part of the administrative record.

Section 1900.830 Discovery

- a) Upon written request served on the opposing party, a party shall be entitled to:
- 1) The name and address of any witness who may be reasonably expected to testify on behalf of the opposing party;
 - 2) All documents or other materials in the possession or control of the opposing party that the opposing party reasonably expects will be necessary to introduce into evidence. Each party's burden of production includes those documents the party reasonably expects to introduce into evidence either in its case-in-chief or in rebuttal. To the extent that they are not immediately identifiable, rebuttal documents shall be tendered to

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the opposing party within 14 days after receipt of documents tendered to that party unless additional time is granted by the ALJ.

- b) Discovery may be obtained only through written requests to produce witness lists, documents or other materials, as specified in subsection (a). Witnesses and documents responsive to a proper request for production that were not produced shall be excluded from the hearing and additional sanctions or penalties may be imposed.

Section 1900.835 Subpoenas

- a) Subpoenas for the attendance of witnesses at hearing may be served by the petitioner only upon application to the ALJ.
 - 1) The petitioner must show good cause, state the testimony to be elicited from a witness, state why the evidence to which the testimony relates cannot otherwise be obtained, and state the reasons why the testimony is necessary and relevant.
 - 2) An agent or employee of the Board may not be required by the petitioner to appear except under the procedures provided in this Section.
- b) The General Counsel of the Board or the Administrator may issue subpoenas for the attendance of witnesses or subpoenas duces tecum for the production of relevant documents, records or other material at a proceeding conducted under this Subpart.

Section 1900.840 Motions for Summary Judgment

The ALJ may recommend the granting or denying summary judgment upon the filing of an appropriate motion by any party. A recommendation to deny summary judgment shall not be considered by the Board until the completion of the proceedings pursuant to Section 1900.850.

Section 1900.850 Proceedings

- a) All testimony shall be given under oath or affirmation.
- b) Both parties may present opening statements. Petitioner shall proceed first.
- c) Petitioner shall then present petitioner's case-in-chief.

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- d) The burden of proof is at all times on petitioner. Petitioner shall have the affirmative responsibility of establishing by clear and convincing evidence that Petitioner is suitable for licensure.
- e) Upon the conclusion of petitioner's case-in-chief, the Board may move for a directed finding. The ALJ may hear arguments on the motion or may grant, deny or reserve decision, without argument.
- f) If no motion for directed finding is made, or if the motion is denied or decision reserved, the Board may present its case.
- g) Each party may conduct cross-examination of adverse witnesses.
- h) Upon the conclusion of the Board's case, petitioner may present evidence in rebuttal.
- i) If petitioner presents rebuttal evidence, the Board may present additional, non-cumulative, evidence in surrebuttal.
- j) Both parties may present closing arguments. Petitioner proceeds first, then the Board, and then the Petitioner may present rebuttal argument.

Section 1900.860 Evidence

- a) The hearing need not be conducted according to the technical rules of evidence. Any relevant evidence may be admitted and shall be sufficient in itself to support a finding if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statute that might make improper the admission of evidence over objection in a civil action. Hearsay may support a finding of the ALJ if it has sufficient indicia of trustworthiness and reliability and is of the type reasonably and customarily relied on in the regular course of business.
 - 1) Official Board records or certified copies of the records shall be admissible into evidence if the records tend to prove or disprove an allegation contained in the complaint.
 - 2) Official Board records are documents either prepared by or provided to the Board for the purpose of conducting its regular business.

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- 3) The Board shall have an opportunity to investigate and verify information Petitioner intends to offer in support of his case. Petitioner shall fully cooperate with any such investigation or verification of Petitioner's information by the Board. Petitioner shall not introduce into evidence any information that the Board has not been afforded the opportunity to investigate and verify.
- b) To the fullest extent possible, the parties should stipulate to all matters that are not or fairly should not be in dispute.
- c) The parties may make objections to evidentiary offers. When an objection is made, the ALJ may receive the disputed evidence subject to a ruling at a later time.
- d) The ALJ may take official notice of any generally accepted information or technical or scientific matter within the field of sports wagering, and any other fact that may be judicially noticed by courts of this State. The parties shall be informed of any information, matter or facts so noticed, including any staff memoranda or data, and shall be given reasonable opportunity to refute that information.

Section 1900.870 Prohibition on Ex Parte Communication

A party or its representative shall not communicate directly or indirectly with the ALJ or a member of the Board regarding any pending matter under this Subpart, except upon notice to and opportunity for all parties to participate. This prohibition does not include communication by the Board with its staff in the ordinary course of business.

Section 1900.880 Sanctions and Penalties

- a) The ALJ may impose sanctions and penalties if the ALJ finds that a party has acted in bad faith, for the purpose of delay, or has otherwise abused the hearing process. Sanctions and penalties include, but are not limited to, default judgment or directed finding on one or more issues.
- b) If Petitioner, or an owner or key person of Petitioner, fails to testify on his or her own behalf with respect to any question propounded, the ALJ may infer that the testimony or answer would have been adverse to Petitioner's case.

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- c) Failure of Petitioner to appear at a hearing or scheduled proceeding shall constitute an admission of all matters and facts contained in the Notice of Denial. In those cases the ALJ may take action based upon that admission or upon any other evidence, including affidavits, without any further notice to the petitioner.

Section 1900.890 Transmittal of Record and Recommendation to the Board

- a) The record shall consist of the following:
 - 1) The Notice of Denial, the Request for Hearing and all motions and rulings on the Notice or Request;
 - 2) All evidence received;
 - 3) A statement of matters officially noticed;
 - 4) Offers of proof, objections and rulings; and
 - 5) The recommendation, any findings of fact, and any conclusions of law made by the ALJ.
- b) Oral proceedings or any part of those proceedings involving contested facts shall be recorded by stenographic or other appropriate means as to adequately ensure the preservation of such testimony or oral proceedings and shall be transcribed on request of any party. The transcript shall be paid for by the requesting party.
- c) Upon conclusion of the hearing, the ALJ shall issue to the Board written findings of fact and conclusions of law and his or her recommendations. Findings of fact shall be based exclusively on the evidence and on matters officially noticed.
- d) Any party to the hearing may file exceptions to the recommendations of the ALJ with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions.
- e) Final Board Order
 - 1) The Board shall review the entire record, including any exceptions filed, and shall render a written order including the bases for its decision.

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- 2) Copies of the final Board order shall be served on Petitioner by e-mail pursuant to Section 1900.160, personal delivery, certified mail, or overnight express mail to Petitioner's last known address.
- 3) A final Board order shall become effective upon transmission of the e-mail, personal delivery to a party, or upon posting by certified U.S. Mail or overnight express mail to Petitioner's last known address.

Section 1900.895 Status of Applicant for Licensure Upon Filing Request for Hearing

An applicant who has been denied a license and who has requested a hearing under this Subpart shall be considered an applicant for purposes of compliance with applicable statutory provisions and this Part until a final Board order is issued.

SUBPART I: DISCIPLINARY PROCEEDINGS

Section 1900.910 Coverage of Subpart

The rules contained in this Subpart shall govern all disciplinary actions against licensees or key persons including, but not limited to, fines or suspension and revocation of a license. For purposes of this Subpart, "disciplinary actions" shall include orders of economic disassociation under Section 1900.320.

Section 1900.915 Notice of Proposed Disciplinary Action

- a) When notified of facts sufficient to support disciplinary action against a licensee or key person, the Administrator shall notify the Board and the respondent licensee or key person of the proposed disciplinary action. The notice will include the following:
 - 1) A statement of the facts supporting the proposed disciplinary action;
 - 2) A description of the rule or statutory Section the respondent has violated;
 - 3) A statement or description of the matters asserted and the consequences of the failure to respond; and
 - 4) The mailing address and e-mail address of the Board.

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- b) If the Administrator finds that the public interest, safety, or welfare imperatively requires emergency action, the Administrator may order the summary suspension of a license during the pendency of disciplinary proceedings.
 - 1) If the Administrator makes such a finding, it shall be incorporated into the notice of proposed disciplinary action.
 - 2) Summary suspension shall be effective immediately upon service of the notice of disciplinary action.
 - 3) A licensee may submit a written request to the Board to modify or rescind the summary suspension. The request must be submitted no later than 14 days prior to a regularly scheduled Board meeting. The request is not subject to Section 1900.110(b).
 - 4) A master sports wagering licensee subject to summary suspension shall still be obligated to redeem wagers placed prior to the summary suspension.
- c) The Administrator shall serve the notice of proposed disciplinary action on the licensee by e-mail pursuant to Section 1900.160, personal service, or certified or regular U.S. Mail to the last known address of the licensee. Service is complete upon transmission of the e-mail, date of personal service, or four days after mailing.

Section 1900.920 Hearings in Disciplinary Actions

- a) Should a respondent wish to contest the proposed disciplinary action, the licensee must submit a response to the notice of proposed disciplinary action described in Section 1900.915 to the Administrator.
- b) All responses shall be in writing. The response shall contain the following:
 - 1) The name, current address and current telephone number of the licensee;
 - 2) A clear and concise statement admitting or denying each of the factual allegations set forth in the notice of proposed disciplinary action, with each admission or denial being shown in separately numbered paragraphs corresponding to the separately numbered paragraphs in the notice of proposed disciplinary action;

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- 3) For all factual allegations that the licensee denies, a clear and concise statement of facts upon which the licensee relies or will rely on at a hearing;
- 4) A signature of the licensee;
- 5) A verification of the licensee in the following form:

"The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he or she verily believes the same to be true."; and
- 6) The response must be notarized.
- c) The response must be filed within 21 days after the date of service of the notice of proposed disciplinary action. A response shall be deemed filed on the date the e-mail is transmitted or on which it is postmarked.
- d) If a response is not filed within 21 days after service of the notice of proposed disciplinary action then the proposed disciplinary action becomes effective and final immediately.
- e) No response shall be deemed filed if it fails to comply with any of the requirements of this Section.
- f) The licensee may submit a response by:
 - 1) Personal delivery;
 - 2) Certified U.S. Mail, postage prepaid;
 - 3) Overnight express mail, postage prepaid; or
 - 4) E-mail.
- g) All personally delivered or mailed responses must be submitted to the Administrator at the address provided in the notice of proposed discipline. All responses sent by email must be submitted to the email address provided in the notice of proposed discipline.

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- h) If a response is properly filed, an ALJ will be appointed to conduct a hearing.

Section 1900.925 Appearances

- a) All respondents may be represented by an attorney who is licensed to practice in Illinois. All attorneys who appear in a representative capacity on behalf of a respondent must file a written appearance setting forth:
 - 1) The name, address, telephone number, and e-mail address of the attorney;
 - 2) The name and address of the respondent the attorney represents; and
 - 3) An affirmative statement that the attorney is licensed to practice in Illinois.
- b) Only individual attorneys may file appearances. Any respondent's attorney who has not filed an appearance may not address the ALJ or sign pleadings.
- c) An attorney may only withdraw his appearance upon written notice to the ALJ, the respondent, and the Board.
- d) An individual or sole proprietorship may appear on his or her own behalf.
- e) A partner may appear on behalf of a partnership.
- f) Any other business entity must be represented by an attorney.

Section 1900.930 Appointment of Administrative Law Judge

- a) The Chairman of the Board may provide for or appoint an attorney admitted to the practice of law by, and in good standing with, the Illinois Supreme Court as an ALJ to conduct a hearing in accordance with this Subpart. If designated, the Administrator may provide for the appointment of an ALJ to conduct a hearing in accordance with this Subpart. The respondent will be copied on the letter of appointment and the letter will serve as notice of the pendency of the hearing. The ALJ shall establish a status date and notify the parties of that date.
- b) If the respondent believes the ALJ is biased or has a conflict of interest, the respondent may file with the Board a motion to disqualify the ALJ from conducting the hearing. The motion must be in writing, accompanied by an affidavit signed and dated by the respondent setting forth the specific grounds for

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disqualification. The respondent shall serve a copy of the motion on the ALJ. Prior adverse rulings against the respondent or its attorney in other matters shall not, in and of themselves, constitute grounds for disqualification. On satisfactory evidence submitted by the respondent in support of the motion to disqualify, the Board shall remove the ALJ and provide for the reassignment of the case to another ALJ to continue the hearing. Any ALJ may voluntarily disqualify himself or herself upon determining that bias or conflict of interest exists. Grounds for disqualification of ALJ shall include but not be limited to:

- 1) Financial interest or pecuniary benefit derived from the gaming industry;
 - 2) Personal friendship with any of the parties, witnesses or attorneys involved;
 - 3) Past representation of any of the parties or witnesses involved; or
 - 4) Demonstrable pre-disposition on the issues.
- c) If the motion to disqualify an ALJ is denied, the Board shall set forth in writing the reasons for the denial and the ALJ will proceed with the hearing. The motion to disqualify the ALJ and the reasons for the denial of the motion will be part of the administrative record.

Section 1900.935 Discovery

- a) Upon written request served on the opposing party, a party shall be entitled to:
 - 1) The name and address of any witness who may be reasonably expected to testify on behalf of the opposing party;
 - 2) All documents or other materials in the possession or control of the opposing party that the opposing party reasonably expects will be necessary to introduce into evidence. Each party's burden of production includes those documents the party reasonably expects to introduce into evidence either in its case-in-chief or in rebuttal. To the extent that they are not immediately identifiable, rebuttal documents shall be tendered to the opposing party within 14 days after receipt of documents tendered to party unless additional time is granted by the ALJ.

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- b) Discovery may be obtained only through written requests to produce witness lists, documents or other materials, as specified in subsection (a). Witnesses and documents responsive to a proper request for production that were not produced shall be excluded from the hearing and additional sanctions or penalties may be imposed.

Section 1900.940 Subpoenas

- a) Subpoenas for the attendance of witnesses at hearing may be served by the respondent only upon application to the ALJ.
 - 1) The respondent must show good cause, state the testimony to be elicited from a witness, state why the evidence to which the testimony relates cannot otherwise be obtained, and state the reasons why the testimony is necessary and relevant.
 - 2) An agent or employee of the Board may not be required by the respondent to appear except under the procedures provided in this Section.
- b) The General Counsel of the Board or the Administrator may issue subpoenas for the attendance of witnesses or subpoenas duces tecum for the production of relevant documents, records or other material at a proceeding conducted under this Subpart I.

Section 1900.945 Motions for Summary Judgment

The ALJ may recommend the granting or denying summary judgment upon the filing of an appropriate motion by any party. A recommendation to deny summary judgment shall not be considered by the Board until the completion of the proceedings pursuant to Section 1900.950.

Section 1900.950 Proceedings

- a) All testimony shall be given under oath or affirmation.
- b) Both parties may present opening statements. The Board will proceed first.
- c) The Board shall then present its case. The Board shall establish the charges contained in the notice of proposed disciplinary action by a preponderance of the evidence.

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- d) Upon the conclusion of the Board's case, the respondent may move for a directed finding. The ALJ may hear arguments on the motion or may grant, deny or reserve decision on the motion, without argument.
- e) If no motion for directed finding is made, or if that motion is denied or decision reserved, the respondent may present its case.
- f) The respondent bears the burden of rebutting the charges contained in the notice of proposed disciplinary action by clear and convincing evidence.
- g) Each party may conduct cross-examination of adverse witnesses.
- h) Upon the conclusion of the respondent's case, the Board may present evidence in rebuttal.
- i) If the Board presents rebuttal evidence, the respondent may present additional, non-cumulative, evidence in surrebuttal.
- j) Both parties may present closing arguments. The respondent proceeds first, then the Board and thereafter the respondent may present rebuttal argument.

Section 1900.960 Evidence

- a) The hearing need not be conducted according to the technical rules of evidence. Any relevant evidence may be admitted and shall be sufficient in itself to support a finding if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statute that might make improper the admission of evidence over objection in a civil action. Hearsay may support a finding of the ALJ if it is the best evidence available, has sufficient indicia of trustworthiness and reliability and is of the type reasonably and customarily relied on in the regular course of business.
 - 1) Official Board records or certified copies of the records shall be admissible into evidence if the records tend to prove or disprove an allegation contained in the complaint.
 - 2) Official Board records are documents either prepared by or provided to the Board for the purpose of conducting its regular business.

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- b) To the fullest extent possible, the parties should stipulate to all matters that are not or fairly should not be in dispute.
- c) The parties may make objections to evidentiary offers. When an objection is made, the ALJ may receive the disputed evidence subject to a ruling at a later time.
- d) The ALJ may take official notice of any generally accepted information or technical or scientific matter within the field of sports wagering, and any other fact that may be judicially noticed by courts of this State. The parties shall be informed of any information, matter or facts so noticed, including any staff memoranda or data, and shall be given reasonable opportunity to refute that information.

Section 1900.970 Prohibition on Ex Parte Communication

A party or its representative shall not communicate directly or indirectly with the ALJ or a member of the Board regarding any pending matter under this Subpart, except upon notice to and opportunity for all parties to participate. This prohibition does not include communication by the Board with its staff in the ordinary course of business.

Section 1900.980 Sanctions and Penalties

- a) The ALJ may impose sanctions and penalties if the ALJ finds that a party has acted in bad faith, for the purpose of delay, or has otherwise abused the hearing process. The sanctions and penalties include, but are not limited to, default judgment or directed finding on one or more issues.
- b) If the respondent, or an owner or key person of the respondent, fails to testify on his or her own behalf with respect to any question propounded to him or her, the ALJ may infer that the testimony or answer would have been adverse to the licensee's case.
- c) Failure of the respondent to appear at a hearing or scheduled proceeding shall constitute an admission of all matters and facts contained in the complaint. In such cases the ALJ may take action based upon that admission or upon any other evidence, including affidavits, without any further notice to the licensee.

Section 1900.990 Transmittal of Record and Recommendation to the Board

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- a) The record shall consist of the following:
 - 1) The notice of proposed disciplinary action, the response and all motions and rulings on motions;
 - 2) All evidence received;
 - 3) A statement of matters officially noticed;
 - 4) Offers of proof, objections and rulings on those offers and objections; and
 - 5) The recommendation, any findings of fact, and any conclusions of law made by the ALJ.
- b) Oral proceedings or any part of those proceedings involving contested facts shall be recorded by stenographic or other appropriate means as to adequately ensure the preservation of the testimony or oral proceedings and shall be transcribed on request of any party. The transcript shall be paid for by the requesting party.
- c) Upon conclusion of the hearing, the ALJ shall issue to the Board written findings of fact and conclusions of law and his or her recommendations. Findings of fact shall be based exclusively on the evidence and on matters officially noticed.
- d) Any party to the hearing may file exceptions to the recommendations of the ALJ with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions.
- e) Board Order
 - 1) The Board shall review the entire record, including any exceptions filed, and shall render a written order including the bases for its decision.
 - 2) Copies of the final Board order shall be served on Respondent by e-mail pursuant to Section 1900.160, personal delivery or certified or overnight express U.S. Mail to the licensee's last known address.
 - 3) A final Board order shall become effective upon transmission of the e-mail, personal delivery to a party, or upon posting by certified or overnight express U.S. Mail to Respondent's last known address.

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Section 1900.995 Persons Subject to Proposed Orders of Economic Disassociation

Persons subject to a proposed order of economic disassociation under Section 1900.320 may request a hearing on the order under this Subpart. Both the licensee and the person subject to the proposed order of economic disassociation shall be parties to the proceeding. A person requesting a hearing under this Section shall have the same procedural rights and obligations and shall be subject to the same notice requirements and deadlines as a licensee under this Subpart.

SUBPART J: ACCOUNTING, RECORDS, AND DATA

Section 1900.1000 Ownership Records

A holder of a master sports wagering license or management services provider license shall keep on a permanent basis, and provide to the Board upon request, the following records:

- a) If a corporation:
 - 1) A certified copy of the articles of incorporation and any amendments;
 - 2) A certified copy of the bylaws and any amendments;
 - 3) A certificate of good standing from the state of its incorporation;
 - 4) A certificate of authority from the Illinois Secretary of State authorizing it to do business in Illinois, if the corporation is operating as a foreign corporation in Illinois;
 - 5) A list of all current and former officers and directors, including the dates each individual held those titles;
 - 6) A certified copy of minutes of all meetings of the stockholders and directors;
 - 7) A current list of all stockholders including the names of beneficial owners of shares held in street or other names;
 - 8) The name of any business entity and a current list of all stockholders in such entity, including the names of beneficial owners of shares held in street or other names, in which such corporation has a direct, indirect or attributed interest;

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- 9) A copy of the stock certificate ledger;
 - 10) A complete record of all transfers of stock;
 - 11) A schedule of amounts paid to the corporation for issuance of stock and other capital contributions and the dates of those payments;
 - 12) A schedule of all dividends distributed by the corporation; and
 - 13) A schedule of all salaries, wages, and other remuneration (including perquisites), direct or indirect, paid during the calendar or fiscal year, by the corporation, to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to or greater than 5% of the outstanding capital stock of any class of stock.
- b) If a limited liability company (LLC):
- 1) A certified copy of the Articles of Formation;
 - 2) A certificate of authority from the Illinois Secretary of State authorizing it to do business in Illinois, if the LLC is operating as a foreign organization in Illinois;
 - 3) A certified copy of the Operating Agreement and any amendments to that Agreement;
 - 4) The name and address of each member; and
 - 5) A detailed description of the organization of the LLC, including whether the LLC is managed by an outside manager;
- c) If a partnership:
- 1) A certified copy of the partnership agreement;
 - 2) A certificate of limited partnership of its domicile;
 - 3) A list of the partners, including names, addresses, the percentage of interest in net assets, profits and losses held by each, the amount and date

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of each capital contribution of each partner, and the date the interest was acquired;

- 4) A schedule of all withdrawals of partnership funds or assets;
 - 5) A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each partner during the calendar or fiscal year; and
 - 6) A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each member, manager, or employee during the calendar or fiscal year.
- d) If a sole proprietorship:
- 1) A schedule showing the name and address of the proprietor and the amount and date of his or her original investment;
 - 2) A schedule of dates and amounts of subsequent additions to the original investment and any withdrawals; and
 - 3) A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

Section 190.1010 Accounting Records

A master sports wagering licensee or its designee shall keep, in accordance with the retention schedule, and provide to the Board upon request, the following records specific to sports wagering activity.

- a) The accounting records shall be maintained in a format defined in its internal control system as approved by the Administrator, with transactions recorded on the accrual basis and supported by detailed and subsidiary records.
- b) The Administrator shall prescribe a summary level chart of accounts to insure consistency, comparability, and appropriate disclosure of financial information.
- c) The detailed subsidiary records shall include as a minimum the following:

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- 1) Detailed general ledger accounts identifying all revenue sources, expenses, assets, liabilities and equity for the holder of a master sports wagering license;
- 2) Records of all investments, advances, loans and receivable balances, other than patron checks, due to the establishment;
- 3) Records of all loans and other amounts payable by the holder of a master sports wagering license;
- 4) Records of all patron checks initially accepted by the holder of a master sports wagering license, deposited by the licensee, returned to the licensee as "uncollected" and ultimately written-off as uncollectible by the holder of a master sports wagering license;
- 5) Journal entries prepared by the holder of a master sports wagering license and an independent accountant;
- 6) Tax workpapers used in preparation of any State or federal tax return;
- 7) Records that identify by sporting contest or event, gross sports wagering receipts, winnings paid to wagerers, tier 1 sports wagers, tier 2 sports wagers, ticket redemption and such other information relating to sports wagering as deemed necessary by the Board or required by its internal control system;
- 8) Records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to patrons in the normal course of a licensee's business shall be recorded at an amount based upon the full retail price normally charged for that service or item;
- 9) Records required to fully comply with all the federal financial record-keeping requirements as enumerated in 31 CFR 103;
- 10) Records required by the holder of a master sports wagering licensee's internal control system;
- 11) Workpapers supporting the daily reconciliation of cash accountability;

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- 12) Records concerning the acquisition or construction of a proposed or existing facility; and
- 13) Any other records that the Administrator requires to be maintained.
- d) If a holder of a master sports wagering license or its designee fails to maintain the records used in order to calculate the adjusted gross sports wagering receipts, the Administrator may compute and determine the amount of the adjusted gross sports wager receipts upon the basis of an audit conducted by the Board based upon available information.

Section 1900.1020 Standard Financial and Statistical Records

- a) The master sports wagering licensee, unless specifically exempted by the Administrator, shall file daily, monthly, quarterly and annual reports of financial and statistical data.
- b) The Administrator shall periodically prescribe a set of standard reporting forms and instructions to be used in filing daily, monthly, quarterly and annual reports.
- c) Annual reports shall be based on a calendar year beginning January 1 and ending December 31. All reports shall start and end at midnight, Central Time. Quarterly reports shall be based on the calendar quarters ending March 31, June 30, September 30 and December 31. Monthly reports shall be based on calendar months. Quarterly and monthly reports shall contain a cumulative year-to-date column to facilitate analysis.
- d) Reports required to be filed pursuant to this Section shall be submitted electronically in accordance with the form instructions and received no later than the required filing date. The required filing date for monthly reports shall be the last calendar day of the following month.
- e) In the event of a termination or suspension of a master sports wagering license, voluntary or involuntary change in business entity or material change in ownership, the master sports wagering licensee shall file an interim quarterly report as of the date of occurrence of the event, unless the event has already been disclosed in a regular quarterly report or unless exempted by the Administrator. The filing date shall be 30 calendar days after the date of occurrence of the event.

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- f) Any adjustments resulting from the quarterly and annual audits shall be recorded in the accounting records. In the event that the adjustments were not reflected in the master sports wagering licensee's quarterly or annual reports and the Administrator concludes the adjustments are significant, a revised report may be required. The revised filing shall be due within 30 calendar days after written notification to the master sports wagering licensee.

Section 1900.1030 Annual and Special Audits and Other Reporting Requirements

- a) Annual and Special Audits and Other Reports
 - 1) The Administrator shall direct an audit to be performed of the annual financial statements of the Illinois sports wagering operation of a holder of a master sports wagering license, including a report on the internal control system communicating any reportable conditions and material weaknesses noted in the course of the audit. Upon written notice by the Administrator other procedures or reports may be required. The annual audit shall be performed by an independent certified public accountant who is or whose firm is licensed in the State of Illinois. The independent certified public accountant who performs the annual audit shall be approved by the Administrator and may be based on the recommendation of the licensee.
 - 2) The annual audit and internal control report procedures shall be performed in accordance with generally accepted auditing standards. The annual audit report is to be presented in accordance with generally accepted accounting principles and contain the opinion of the independent certified public accountant as to its fair presentation in accordance with the generally accepted accounting principles.
 - 3) To ensure the integrity of gaming and compliance with the Act and the rules of the Board, the Administrator may require at any time a special audit of a holder of a master sports wagering license to be conducted by Board personnel or an independent certified public accountant who is, or whose firm is, licensed in Illinois. The Administrator shall establish the scope, procedures and reporting requirements of any special audit.
- b) Quarterly compliance reports by independent certified public accountants or personnel. The Administrator shall require quarterly compliance reports to be prepared and procedures performed by independent certified public accountants or Board personnel covering the following:

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- 1) Quarterly agreed-upon procedures to ascertain that adjusted gross sports wagering receipts are determined in conformity with the Act and this Part;
 - 2) Semiannual agreed-upon procedures relating to internal controls;
 - 3) Semiannual "unannounced" observation of the sports wagering activity and accounting procedures. For purposes of these procedures, "unannounced" means that no officers, directors or employees of the holder of a master sports wagering license or its designee are given advance information regarding the dates or times of the observations;
 - 4) Review of purchasing functions and contractual agreements, both oral and written, on a sample basis, in order to report on compliance with the licensee's internal control system and to determine that those purchases and contractual agreements are not in excess of their fair market value. This review shall be conducted at least annually at the direction of the Administrator; and
 - 5) Quarterly reports on deviations from the licensee's approved internal control system based on procedures performed in the reports of adjusted gross sports wagering receipts, procedures relating to internal controls, purchasing and contracting functions or "unannounced" observations.
- c) Independent certified public accountants performing annual audits shall not perform compliance services on behalf of the Administrator for the same licensees.
 - d) Independent certified public accountants who perform compliance services to a licensee on behalf of the Administrator shall not perform an annual audit or any other service for the licensee during the terms of their engagement and for a period of two years following termination of the engagement.
 - e) The holder of master sports wagering license shall prepare a written response relating to findings noted in the independent certified public accountant's or Board's reports as required by subsections (a) and (b). The response shall indicate in detail the corrective actions taken and shall be incorporated in the independent certified public accountant's or Board's reports.

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- f) The reports required under this Section shall be submitted electronically in a manner prescribed by the Administrator and the reports shall be received by the Administrator no later than the required filing date.
 - 1) Quarterly reports for procedures performed in the first three fiscal quarters of a licensee's approved fiscal year shall be due not later than two months after the last day of the quarter.
 - 2) Quarterly reports for the procedures performed in the fourth fiscal quarter of the licensee's approved fiscal year and the annual reports shall be due not later than three months after the last day of the calendar or fiscal year.
- g) Master sports wagering licensees who are public reporting companies under the Securities Act of 1933 or the Securities Exchange Act of 1934 shall submit electronic copies of all reports required by the Securities and Exchange Commission to the Administrator. These reports shall be due on the same filing dates as required by the Securities and Exchange Commission.
- h) All of the audits and reports required by this Section that are performed by independent certified public accountants shall be prepared at the sole expense of the master sports wagering licensee.
- i) The reporting year end of the master sports wagering licensee shall be December 31.

Section 1900.1040 Wagering Tax

- a) For the purposes of this Section, "wagering tax" means the tax assessment due pursuant to Section 25-90(a) of the Act. Each holder of a master sports wagering license is subject to tax and fee liability assessment under the Act.
- b) Wagering taxes shall be paid via an electronic funds transfer system employing an Automated Clearinghouse Debit method (ACH-Debit). Each master sports wagering licensee shall maintain an account with sufficient funds to pay, in a timely fashion, all tax and fee liabilities due under the Act. The account shall be maintained at a financial institution capable of making payments to the State under the electronic funds transfer requirements imposed by the State.
- c) The Administrator shall prescribe and make available to each master sports wagering licensee and manager forms, instructions and reporting requirements for

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taxes. Forms may be provided by the Administrator to master sports wagering licensees in computer-based format and include a computer program that, upon input by the licensee of requisite data, provides for the calculation of tax and fee reporting information and tax and fee liability.

- d) The Tax and Fee Schedules must be filed with the Board no later than 12:00 noon on the due date. Wagering tax payments shall be transferred electronically on the due date to the Board's designated financial institution by the end of that financial institution's business day. For purposes of tax and fee schedules and tax and fee payments, the due date shall be defined as the last day of the month following the calendar month in which the adjusted gross sports wagering receipts were received and the wagering tax obligation was accrued.
- e) The wagering tax imposed on the master sports wagering licensee shall be based on adjusted gross sports wagering receipts from sports wagering. Adjusted gross sports wagering receipts for a given month equal the total value of placed wagers the outcome of which are determined during that month, less the value of all winning wagers the outcome of which are determined that month, regardless of when the wager was placed or when the winning wager was redeemed, plus or minus any adjustments made. The wagering tax imposed on the master sports wagering licensee shall be 15% of adjusted gross sports wagering receipts.
- f) Pursuant to Section 25-90(a-5) of the Act, the State shall impose and collect a tax of 2% of the adjusted gross receipts from sports wagers that are placed within a home rule county with a population of over 3,000,000 inhabitants. For the purposes of this tax, a wager is considered placed within the county if the patron is physically located within the county at the time the wager is placed.
- g) Monthly Tax and Fee Schedules shall include all information necessary for adjustments and reconciliation of tax and fee liability and shall be subject to audit by the Board and its audit agents. Adjustments to previously reported tax and fee information shall be made by the master sports wagering licensee, except that no adjustment of \$25,000 or more shall be made to previously reported adjusted gross sports wagering receipts without the prior written approval of the Administrator or the Administrator's designee.
- h) In the event that a Tax and Fee Schedule properly reflects a net loss experienced by the master sports wagering licensee, an adjustment for the amount of any remaining net wagering loss (negative adjusted gross sports wagering receipts)

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shall be carried forward on the subsequent Tax and Fee Schedules until the loss is offset by net win (positive adjusted gross sports wagering receipts).

- i) All Wagering Taxes paid pursuant to the requirements of the Act shall be deposited by the Board into the Sports Wagering Fund. On the 25th of each month, the Board shall transfer excess funds in the Sports Gaming Fund to the Capital Projects Fund.
- j) Failure to Comply
 - 1) A master sports wagering licensee's failure to comply with the provisions of this Section may subject the master sports wagering licensee to penalty and interest amounts pursuant to the Uniform Penalty and Interest Act [35 ILCS 735].
 - 2) The Administrator is authorized to waive any penalty and interest for the late filing of a tax schedule or late tax payment, if the master sports wagering licensee can show good cause. "Good cause" shall include, but not be limited to, detection and correction of a deficiency in filing or payment that resulted from a documented inadvertent or unintentional error that was corrected within one business day after the applicable due date.
 - 3) The master sports wagering licensee shall be notified by the Administrator in writing of any penalty or interest payable because of a late tax schedule filing or late tax payment.
 - 4) The master sports wagering licensee may, within 10 business days after receiving the notice, file with the Administrator a written request for a waiver of any penalty or interest. The Administrator shall act on the request for waiver and notify the master sports wagering licensee in writing of the decision within 15 calendar days after receiving the request. If the Administrator fails to act within the 15 day period, the waiver is deemed granted.
 - 5) If the Administrator denies the request for waiver, the master sports wagering licensee may ask the Board for a hearing. The request for hearing must be in writing and filed not later than 15 calendar days after receipt of the notice of denial. Section 1900.110(b) does not apply to such a request.

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- 6) Except as provided in this subsection (j), the provisions for hearings under Subpart H shall apply to any hearing conducted under this Section. The licensee has the burden of showing good cause by clear and convincing evidence

Section 1900.1050 Reserve Requirements

A master sports wagering licensee shall maintain certain cash reserves or other means sufficient to protect wagerers against defaults on gaming debts owed by the master sports wagering licensee.

- a) For the purposes of this Subpart J, "cash equivalents" means all highly liquid investments with an original maturity of 3 months or less.
- b) A master sports wagering licensee shall maintain a cash reserve equal to at least 20% of the total of all amounts in all sports wagering accounts, and cash equivalents equal or greater to the remaining amounts in all sports wagering accounts.
- c) A master sports wagering licensee shall maintain a cash reserve equal to or greater than the amount of unredeemed or cancelled wagers that have been placed on all events whose outcome have already been determined and have not expired.
- d) A master sports wagering licensee shall establish a method to determine the estimated theoretical maximum exposure at a frequency no less than monthly. A master sports wagering licensee shall maintain guarantees equal to its theoretical maximum exposure. These guarantees may be in the form of cash, cash equivalents, insurance, or other commercially reasonable means. Other means may include, but are not limited to, layoff bets between master sports wagering licensees or personal guarantees by key persons.
- e) Any cash, cash equivalent, or other means used for any purpose in this Section may not be applied to other purposes, including other purposes within this Section.

SUBPART K: CONDUCT OF WAGERING

Section 1900.1100 Commencement of Wagering

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- a) No master sports wagering licensee shall commence its sports wagering operation without requesting and obtaining the approval of the Administrator.
- b) The Administrator shall grant approval to commence sports wagering when the Administrator concludes that the master sports wagering licensee is in compliance with the Act and this Part, including the adoption of an approved internal control system in accordance with Section 1900.1510.
- c) If the Administrator concludes that the master sports wagering licensee is not in compliance with the Act and this Part, the Administrator shall notify the licensee in writing, and identify the manner in which the licensee is deficient.
- d) A master sports wagering licensee may request that the Administrator grant provisional approval to commence sports wagering while the licensee is not fully compliant with the Act and this Part. The request must be in writing, and include the following:
 - 1) An itemized description of the provisions of the Act or this Part with which the licensee is not in compliance;
 - 2) A detailed explanation of the licensee's plans to come into compliance with each provision identified under subsection (d)(1), including dates certain by which compliance will occur; and
 - 3) A description of what steps the licensee shall take to minimize the risks to the integrity of the sports wagering operation during the period of time in which the licensee is not in compliance.
- e) The Administrator may rescind provisional approval to commence sports wagering for any just cause, including but not limited to:
 - 1) Failure by the licensee to come into compliance by the dates identified by the licensee;
 - 2) Failure by the licensee to comply with its stated risk mitigation plans;
 - 3) Discovery of any other non-compliance by the licensee that was not disclosed in its request for provisional approval;

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- 4) Discovery of any fact sufficient to support a disciplinary action against the licensee or one or more of its key persons; or
- 5) A determination by the Administrator that continued operation is or may be injurious to the health, safety, morals, good order, or general welfare of the people of the State of Illinois.

Section 1900.1110 Temporary Suspension of Wagering

- a) The Administrator may order a master sports wagering licensee to temporarily suspend sports wagering operations without prior notice or hearing if the Administrator:
 - 1) Determines that the continuing operation of the sports wagering operation jeopardizes the safety or health of patrons or employees; or
 - 2) Determines that the continuing operation of the sports wagering operation poses a significant, imminent danger to the integrity of sports wagering in Illinois.
- b) The Administrator shall notify the master sports wagering licensee in writing of a temporary suspension. The notification shall include the following:
 - 1) A detailed description of the facts and circumstances relied upon by the Administrator supporting the decision to suspend sports wagering operations;
 - 2) Identification of any violations of provisions of the Act or this Part implicated by the described facts; and
 - 3) Proposed corrective actions that, if undertaken by the licensee, would be sufficient to correct the conditions which necessitated the temporary suspension.
- c) Notification of temporary suspension shall be served pursuant to Section 1900.160.
- d) A licensee may submit a written request to the Board to modify or rescind the order of temporary suspension. The request must be submitted no later than 14

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days prior to a regularly scheduled Board meeting. The request is not subject to Section 1900.110(b).

- e) A licensee subject to an order of temporary suspension shall accept no wagers during the suspension period.
- f) A licensee subject to an order of temporary suspension shall redeem wagers during the suspension period if so ordered by the Administrator.
- g) An order of temporary suspension is for the protection of the public interest and is not disciplinary in nature. The issuance of an order of temporary suspension is not a final determination as to the merits of the alleged facts in the notice of suspension.
- h) The Administrator shall rescind the order of temporary suspension upon determination that the licensee has taken sufficient corrective action that the continuing operation of the sports wagering operation no longer jeopardizes the safety or health of patrons or employees, nor poses a significant, imminent danger to the integrity of sports wagering in Illinois.
- i) Rescission of an order of temporary suspension is not a final determination as to the merits of the alleged facts in the notice of suspension. A licensee may still be subject to discipline related to any alleged facts.

Section 1900.1120 Prohibited Wagering Activity

- a) Persons Prohibited from Wagering
 - 1) No person under 21 years of age may place or redeem a wager.
 - 2) No person not physically located in the State of Illinois may place a wager.
 - 3) No person located outside a 5-block radius from a sports facility may place a wager with that sports facility or its designee.
 - 4) No person enrolled in the self-exclusion program may place or redeem a wager.

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- 5) No athlete, competitor, referee, official, coach, manager, medical professional or athletic trainer or employee or contractor of a team or athletic organization who has access to nonpublic information concerning an athlete or team may engage in sports wagering on an event or the performance of an individual in an event in which the person is participating or otherwise has access to nonpublic or exclusive information.
 - 6) No key person or employee of a master sports wagering licensee or management services provider licensee may place a wager with that master sports wagering licensee or a master sports wagering licensee for which the management services provider licensee is a designee.
- b) The following wagers are prohibited:
- 1) Wagering on a minor league sports event;
 - 2) Wagering on a sports event involving an Illinois collegiate team or individual competing through an Illinois collegiate program.
 - A) This prohibition includes any combination wager the outcome of which may be determined by the performance of an Illinois participant, including but not limited to:
 - i) Parlay bets in which a component contest involves an Illinois collegiate team or individual competing through an Illinois collegiate program; and
 - ii) Fantasy sports in which individuals competing through an Illinois collegiate program may be selected.
 - B) This prohibition does not include wagering on the final outcome of a series or combination of sports events such as a tournament or season outcome that includes both Illinois and non-Illinois collegiate teams or individuals, so long as no wager is accepted on the Illinois participant.
- c) Wagering on any school-sponsored or affiliated sports event other than a collegiate event.

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- d) Wagering on any sports event or portion thereof where the majority of the participants are under 18 years of age.
- e) Wagering on any sports event or portion of a sports event, or wagering by type or form, prohibited by the Board under Section 1900.1130.
- f) Wagering on behalf of a third party who is otherwise prohibited from wagering pursuant to the Act or this Part.
- g) No master sports wagering licensee shall knowingly accept or redeem a prohibited wager.
- h) A master sports wagering licensee shall not accept any wager the operator knows, or reasonably should know, is being placed by or on behalf of a prohibited person.
- i) A master sports wagering licensee has an affirmative duty to actively prevent the placement or redemption of a wager by individuals under the age of 21 years or enrolled in the self-exclusion program.
- j) If a master sports wagering licensee discovers it has accepted a prohibited wager, it shall immediately notify the Administrator or his or her designee, and take commercially reasonable steps to notify the wagerer.
- k) Any wager that was prohibited at the time it was made shall be deemed void.
- l) If a wager is identified as void under this Section prior to the commencement of any event or series of events on which the outcome of the wager is dependent, the amount of the wager shall be refunded by the master sports wagering licensee and deducted from the adjusted gross sports wagering receipts. If the void wager is not refunded prior to the expiration date of the wager, the amount of the wager shall be remitted to the Sports Wagering Fund and deducted from the adjusted gross sports wagering receipts.
- m) If a wager is identified as void under this Section after the commencement of any event or series of events on which the outcome of the wager is dependent, the amount of the wager shall be deducted from the adjusted gross sports wagering receipts and remitted to the Sports Wagering Fund, except for those wagers placed by an individual enrolled in the self-exclusion program.

Section 1900.1130 Requests to Prohibit

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Pursuant to Section 25-15(g) of the Act, the Board may prohibit a type or form of wagering, or wagering on a specific sport, event, league, or competition, that would otherwise be permitted under the Act and this Part, if it concludes the wagering in question would be contrary to public policy, unfair to consumers, or affects the integrity of a particular sport or the sports wagering industry.

- a) A master sports wagering licensee, professional sports team, league, or association, sports governing body, institution of higher education, or the Administrator may submit to the Board a request to prohibit a type or form of wagering, or wagering on a specific sport, event, league or competition.
- b) The request must be in writing, and shall include the following:
 - 1) A detailed description of the type or form of wagering, or the sport, event, league, or competition; and
 - 2) A detailed description of how the wagering in question is contrary to public policy, unfair to consumers, or affects the integrity of a particular sport or the sports wagering industry.
- c) The Board shall post a copy of the request to its website for public review.
- d) Licensees may submit comments or responses in writing to be considered by the Board. Any such comments or responses shall be submitted to the Board not later than 14 days after the request is posted.
- e) All requests pursuant to this Section shall be exempt from Section 1900.110(b).
- f) If a request is for prohibition of wagering on a specific event, the Board shall decide upon the request prior to that event, unless the first regularly scheduled Board meeting after the conclusion of the comment period is scheduled to occur after the start of the event. In that case, the Board shall decide upon the request at the first regularly scheduled Board meeting after the conclusion of the comment period.
- g) If the Board grants the request, the type or form of wagering shall be deemed a prohibited wager, subject to the provisions of Section 1900.1120(b).
- h) If the Board grants the request, any unredeemed wagers placed prior to the Board's decision shall be cancelled.

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- i) Temporary Suspension
 - 1) On the date the request is posted or at any time thereafter, the Administrator may temporarily suspend wagering of the type or form of wagering identified in the request if the Administrator determines that the wagering poses a significant likelihood of serious risk to the integrity of sports wagering in Illinois or the public health, safety, morals, good order or general welfare of the people of the State of Illinois.
 - 2) During the period of temporary suspension, no wagers of the type or form subject to the request may be placed or redeemed.
 - 3) The Administrator may rescind the temporary suspension at any time.
 - 4) The temporary suspension shall be rescinded upon issuance of a final Board order.

- j) A master sports wagering licensee, professional sports team, league, association, sports governing body, institution of higher education, or the Administrator may request that a prohibition previously instituted pursuant to this Section be removed.
 - 1) The Board shall post a copy of the request to its website for public review.
 - 2) The Board shall not vote to lift any prohibition until at least 30 days after the public posting of the request.

Section 1900.1140 Authorized Events and Competitions

Pursuant to the Act, sports wagering may be permitted on *any other event or competition of relative skill authorized by the Board* [230 ILCS 45/25-10].

- a) A master sports wagering licensee may submit to the Administrator in writing a request to permit wagering on a specific sport, event, league or competition of relative skill.

- b) Prior to making a request to the Administrator, the master sports wagering licensee shall notify the organizer or governing body of the event or competition, if any, of the licensee's intent to make the request. The notification shall include the address and phone number of the Illinois Gaming Board.

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- c) The request to the Board must be in writing, and shall include the following:
 - 1) A detailed description of the sport, event, league, or competition;
 - 2) Identification of any known or possible risks to integrity of the event or competition, and what steps the organizer or governing body of the event or competition has taken or will take to minimize those risks; and
 - 3) A description of any communication or cooperation made or attempted between the master sports wagering licensee and the organizer or governing body, including a copy of any written response from the organizer or governing body to the notification by the licensee.
- d) The Administrator shall not grant a request to permit wagering less than 30 days after receiving the request.
- e) In determining whether to grant a request, the Administrator shall consider any relevant factor, including but not limited to:
 - 1) The best interests and needs of the Illinois sports wagering industry;
 - 2) Any known or possible risks to the integrity of the event or competition; and
 - 3) Whether granting the request would pose a threat to public confidence and trust in the Illinois sports wagering industry.
- f) Upon approval of a request, any master sports wagering licensee may offer wagering on the subject event, sport, league, or competition.

Section 1900.1150 Placement of Wagers

- a) A master sports wagering licensee shall not accept any wager on any sports event, or of any type or kind, unless the type or kind of wager and subject of the wager has been documented in its internal control system.
- b) A master sports wagering licensee shall always have the right to decline to accept any wager a patron attempts to place.

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- c) A master sports wagering licensee shall only accept wagers placed in United States currency. Sources of currency accepted by a master sports wagering licensee shall be documented in its internal control system.
- d) A master sports wagering licensee bears the risk of ACH transfer or check insufficient funds, credit chargebacks, acceptance of counterfeit currency, or any other similar incident.
- e) When a wager is placed in person through either a wagering kiosk or cashier, the patron shall be issued a ticket that meets all requirements of Section 1900.1420.
- f) Master sports wagering licensees shall implement methods and procedures to detect and document abnormal or suspicious wagering activity. Those methods and procedures shall be documented in the internal control system.
- g) Master sports wagering licensees shall not offer a loan, credit, or advancement of anything of value to any person to take part in sports wagering either directly or through a third party, unless the licensee holds an organization gaming license or owners license and is acting in accordance with 86 Ill. Adm. Code 3000.1050.

Section 1900.1160 Redemption of Wagers

- a) A master sports wagering licensee shall redeem any winning ticket it has issued that has not expired.
- b) A ticket shall expire one year after the date of the conclusion of the sports event or combination of sports events that is the subject of the wager.
- c) The proceeds of any winning ticket that expires shall be deposited into the Sports Wagering Fund and deducted from the adjusted gross sports wagering receipts in the same manner as a redeemed wager, pursuant to Section 1900.1040.
- d) A master sports wagering licensee, other than one holding a license pursuant to Section 25-45 of the Act, shall provide for in-person redemption of winning wagers at least eight hours per day, five days per week.
- e) All wagers shall be redeemed in United States currency. The currency amount may be provided to the patron in any form that has been documented in the internal control system, subject to the following minimum requirements:

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- 1) Any wager redeemed in person for an amount of \$1,000 or less shall provide the patron the option of receiving cash or chips issued by the master sports wagering licensee pursuant to an owners license or organizational gaming license.
 - 2) Any wager redeemed in person for an amount greater than \$1,000 shall provide the patron the option of receiving a check issued at the time of redemption.
- f) A master sports wagering licensee may provide for redemption of winning tickets or refund of void or canceled wagers by U.S. Mail. In that case, the licensee must document methods in its internal control system to provide for compliance with all other rules, including but not limited to:
- 1) Age verification;
 - 2) Compliance with the self-exclusion program; and
 - 3) Identification of illegal or suspicious activity.

Section 1900.1170 Cancelled or Void Wagers

- a) A master sports wagering licensee shall not cancel any wager except in accordance with this Section.
- b) A master sports wagering licensee shall cancel a wager under the following circumstances:
 - 1) Any wager where a sports event that is the subject of the wager is cancelled, or postponed or rescheduled to a different date prior to completion of the sports event;
 - A) In the case of a wager on a portion of a sports event, that wager shall be valid when the event is canceled, postponed, or rescheduled if the outcome of the affected portion was determined prior to the cancelation, postponement or rescheduling.
 - B) A master sports wagering licensee may establish a timeframe in which an event may be rescheduled or postponed without canceling the wager. This timeframe shall be tied to specific sports

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events, subject to the approval of the Administrator, and documented in the internal control system.

- 2) Any tier 1 wager in a non-team event when an individual athlete or competitor fails to participate in a sports event and the outcome of the wager is solely based upon that one individual's performance;
 - 3) Any tier 2 wager when an individual athlete or competitor fails to participate in a sports event and the outcome of the wager is solely based upon that one individual's performance; or
 - 4) When ordered by the Administrator pursuant to this Section.
- c) A master sports wagering licensee may request the Administrator to order the cancellation of all wagers of a specific type, kind, or subject. A request to cancel shall be in writing, and contain the following:
- 1) A description of the type, kind, or subject of wager the licensee is requesting to cancel;
 - 2) A description of any facts relevant to the request; and
 - 3) An explanation why cancelling the wagers is in the best interests of the State of Illinois or ensures the integrity of the Illinois sports wagering industry.
- d) The Administrator shall issue an order in writing granting or denying the request to cancel. In determining whether to grant or deny the request, the Administrator shall consider any relevant factors, including, but not limited to, the following:
- 1) Whether the alleged facts implicate the integrity of the sports event subject to the wager or the Illinois sports wagering industry;
 - 2) Whether the alleged facts implicate possible illegal activity relating to the sports event or the Illinois sports wagering industry;
 - 3) Whether allowing the wager would be unfair to wagering patrons; or
 - 4) Whether allowing the wager is contrary to public policy.

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- e) No wager subject to the request to cancel shall be redeemed until the Administrator issues an order granting or denying the request to cancel.
- f) If the Administrator grants the request to cancel, the master sports wagering licensee shall make commercially reasonable efforts to notify patrons of the cancellation.
- g) The Administrator has discretion to order all master sports wagering licensees to cancel all wagers on a specific sports event or wagers of a specific type or kind on a specific sports event. In exercising his or her discretion, the Administrator shall apply the same factors described in subsection (b).
- h) Any cancelled wager shall be refunded upon request by a patron. The request must be made prior to the expiration of the original redemption period, and shall be deducted from adjusted gross sports wagering receipts.
- i) At the expiration of any outstanding cancelled wager which has not been refunded, the original amount of the outstanding wager shall be deducted from adjusted sports wagering receipts and remitted to the Sports Wagering Fund.
- j) A wagerer may request that the Administrator or his or her designee review any wager declared void by a master sports wagering licensee. If the Administrator or his or her designee concludes there is no reasonable basis to believe there was obvious error in the placement or acceptance of the wager, the Administrator or his or her designee may order the master sports wagering licensee to honor the wager.
- k) A master sports wagering licensee may declare a wager to be void if the licensee has reasonable basis to believe there was obvious error in the placement or acceptance of the wager. Those errors include, but are not limited to:
 - 1) The wager was placed with incorrect odds;
 - 2) Human error in the placement of the wager;
 - 3) The ticket does not correctly reflect the wager; or
 - 4) Equipment failure rendering a ticket unreadable.

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- l) If a wager is declared void pursuant to subsection (g), the wager shall be refunded to the patron and that amount shall be deducted from the adjusted gross sports wagering receipts.
- m) A wager shall not be declared void pursuant to subsection (g) without the approval of a supervisory employee of the master sports wagering licensee.
- n) All voided or cancelled wagers and all refunds of any voided or cancelled wager pursuant to this Part shall be logged at the time they occur.
- o) A master sports wagering licensee shall provide a monthly summary report to the Board of all cancelled, voided, and refunded wagers in a manner or on the form as prescribed by the Administrator.

Section 1900.1180 General Conduct of Wagering

- a) A wager placed pursuant to the Act is not transferrable between patrons, regardless of whether for value.
 - 1) If a master sports wagering licensee has reason to believe a wager ticket has transferred, the licensee shall report it to the Administrator or his or her designee.
 - 2) Prior to the redemption of a wager, if the Administrator or his or her designee determines that a wager ticket has been transferred, the Administrator or his or her designee may order that the specific wager be cancelled.
- b) No employee or key person of any licensee shall advise or encourage an individual patron to place a specific wager of any specific type, kind, subject, or amount. This restriction does not prohibit general advertising or promotional activities.
- c) Master sports wagering licensees must offer both sides of any wager when there are only two possible outcomes, including but not limited to:
 - 1) Any tier 1 wager based on the final score or final outcome of a contest in which there are only two participating teams or individuals; or

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- 2) Any tier 2 wager on whether a specific individual or team achieves a specific statistical outcome.

Section 1900.1190 House Rules

- a) House rules are a non-authoritative document compiled by the master sports wagering licensee for the purpose of summarizing portions of the internal control system and certain other information necessary to inform patrons of the functionality of the sports wagering operation.
- b) Each master sports wagering licensee shall provide upon request a copy of its house rules to any patron.
- c) Each master sports wagering licensee shall conspicuously post a notice within view of any in-person betting location that copies of the house rules are available.
- d) The house rules shall include, but not be limited to:
 - 1) A description of each type of wager;
 - 2) A description of how winning wagers are determined, including data sources relied upon by the master sports wagering licensee;
 - 3) An explanation of how to redeem winning wagers, and the expiration period for winning wagers;
 - 4) A description of how and when wagers may be cancelled or voided, and the consequences of the cancellation or voiding;
 - 5) A list of all forms of currency the master sports licensee accepts for placement of wagers;
 - 6) A list of all forms of payment in which a patron may have a winning wager redeemed;
 - 7) Description of means by which a patron may submit a complaint to the master sports wagering licensee;
 - 8) Instructions on how to commence enrollment in the self-exclusion program; and

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- 9) Instructions on how to report prohibited conduct to the Board pursuant to Section 1900.410.
- e) Each master sports wagering licensee shall submit a copy of its house rules document or any revision to its house rules to the Administrator at least 30 days prior to making them available to patrons.

SUBPART L: CONDUCT OF ONLINE WAGERING

Section 1900.1210 Internet Wagering – General

- a) Internet wagering shall only be conducted between a master sports wagering licensee and a patron with a sports wagering account.
- b) Internet wagering conducted by the holder of a master sports wagering license issued pursuant to Section 25-40 of the Act or its designee shall not occur greater than 3,300 feet from the nearest property line of the contiguous property on which the relevant sports facility is located.
- c) A master sports wagering licensee shall implement methods or systems in the internet wagering system to detect unauthorized access to sports wagering accounts, fraud, theft, suspicious wagering activity, or other prohibited activity. Those methods shall be documented in the internal control system.
- d) Proceeds of a winning wager shall be promptly deposited and reflected in the balance of a sports wagering account.

Section 1900.1220 Sports Wagering Accounts

- a) Internet wagering shall only be engaged in by a patron through a sports wagering account established with a master sports wagering licensee.
- b) In order to establish a sports wagering account, a master sports wagering licensee shall:
 - 1) Create an electronic patron file, which shall include at a minimum:
 - A) Patron's legal name;
 - B) Patron's date of birth;

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- C) Entire or last four digits of the patron's Social Security number, if voluntarily provided, or equivalent for a foreign patron such as a passport or taxpayer identification number;
 - D) Account number;
 - E) Patron's residential address;
 - F) Patron's electronic mail address;
 - G) Patron's telephone number;
 - H) Any other information collected from the patron used to verify his or her identity;
 - I) Method used to verify the patron's identity;
 - J) Date of identity verification;
 - K) Patron's disclosure whether or not he or she is an athlete, competitor, referee, official, coach, manager, medical professional or athletic trainer or employee or contractor of a team or athletic organization.
- 2) Encrypt all of the following information contained in an electronic patron file:
- A) Patron's Social Security Number or equivalent for a foreign patron such as a passport or taxpayer identification number;
 - B) Patron's passwords, answers to security questions, or similar; and
 - C) Patron's debit or credit card numbers, bank account numbers, or other personal financial information.
- 3) Patron Information
- A) Verify the patron's identity either:

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- i) In person, by recording a signature and examining one government-issued photographic identification credential; or
 - ii) Other methodology for remote multi-sourced authentication, which may include third-party or governmental databases, as described in the master sports wagering licensee's internal control system and approved by the Administrator;
 - B) Provide the option to establish a password and means of two-factor authentication, and provide a patron with the option to always require two-factor authentication;
 - C) Verify the patron is at least 21 years of age, not enrolled in the self-exclusion program, or otherwise prohibited from wagering with the master sports wagering licensee;
 - D) Record the patron's acceptance of any terms and conditions, which shall at minimum include the patron's acknowledgment of the Act and this Part;
 - E) Record the patron's certification that the information provided to the master sports wagering licensee by the patron is accurate;
 - F) Record the patron's acknowledgement that the legal age for sports wagering is 21 and that he or she is prohibited from allowing any other person to access or use his or her sports wagering account; and
 - G) Notify the patron of the establishment of the account via electronic or regular mail.
- c) A patron shall have only one sports wagering account with each master sports wagering licensee. A sports wagering account shall be:
- 1) Non-transferable;
 - 2) Unique to the patron who established the account; and

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- 3) Distinct from any other account number that the patron may have established with the master sports wagering licensee.
- d) A sports wagering account may only be funded through:
- 1) A patron's credit or debit card in the name of the patron;
 - 2) Deposit of United States currency by the patron at an in-person wagering location, including both cashiers or self-service kiosks;
 - 3) When the master sports wagering licensee is also an organization gaming licensee or owners licensee, the deposit of chips or other cash value vouchers issued pursuant to the organization gaming or owners license by the patron with a cashier at an in-person wagering location, if that practice is documented in both the master sports wagering license and owners license or organization gaming license internal controls;
 - 4) Reloadable prepaid card if it has been verified by the master sports wagering licensee as being issued to the patron and non-transferrable;
 - 5) ACH transfer;
 - 6) Deposit of United States currency through a money transmitter licensed under the Transmitters of Money Act [205 ILCS 657];
 - 7) Complimentary, reward, or promotional amounts; or
 - 8) Adjustments or refunds pursuant to this Part.
- e) Funds may be withdrawn from a sports wagering account for the following:
- 1) The placement of wagers;
 - 2) Cash withdrawal from a cashier at an in-person wagering location;
 - 3) Cash transfer to a patron's reloadable prepaid cash card, which has been verified by the master sports wagering licensee as being issued to the patron and is non-transferrable;

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- 4) Cash transfer to a patron's individual account with a bank or other financial institution;
 - 5) Cash withdrawal from a redemption kiosk up to \$3,000;
 - 6) Adjustments made pursuant to the this Part; or
 - 7) Any other means in the approved internal control system.
- f) Upon any deposit, withdrawal, or adjustment, the master sports wagering licensee shall send a confirmation email to the patron's registered address, and shall provide a means through which a patron may contest any transaction.
- g) Adjustments shall only be made:
- 1) To correct an overpayment or underpayment to a sports wagering account due to error, regardless of whether the error was human or technological in nature; or
 - 2) Due to a wager being canceled or deemed void.
- h) All adjustments under \$500 shall be periodically reviewed by supervisory personnel as set forth in the internal control system. All other adjustments shall be authorized by supervisory personnel prior to being entered.
- i) The internet wagering system shall provide an account statement to patrons on demand, which shall include detailed account activity for at least the six months preceding 24 hours prior to the request.
- j) The internet wagering system shall, both every six months and upon request, provide a summary statement of all of a patron's activity during at least the prior six months. When a statement is requested, it shall be transmitted no later than 24 hours after the request is made. The statement shall include, at minimum:
- 1) Deposits to the sports wagering account;
 - 2) Withdrawals from the sports wagering account;
 - 3) Win or loss statistics;

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- 4) Beginning and ending account balances;
 - 5) Responsible gaming limit history, if applicable; and
 - 6) A statement regarding obtaining assistance with gambling problems, the text of which shall be determined under Department of Human Services rules (see 77 Ill. Adm. Code 2059.103).
- k) A master sports wagering licensee shall periodically verify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.
- l) An internet wagering system shall provide a conspicuous and readily accessible method for a patron to close his or her sports wagering account. Any remaining balance in the sports wagering account shall be refunded pursuant to the master sports wagering licensee's internal control system.

Section 1900.1230 Client Requirements

- a) Client software shall not retain patron account data when not logged in and connected to the internet wagering system, including but not limited to, client identity, login information, financial data, or wagering information.
- b) Prior to login by a patron, client software shall prominently display a statement regarding obtaining assistance with gambling problems, the text of which shall be determined under Department of Human Services rules (see 77 Ill. Adm. Code 2059.103).
- c) The client shall require two-factor authentication when sports wagering account logs in through a specific device for the first time.
- d) Client software shall give a patron prominent and convenient access to a support page, screen, menu, or equivalent, which at minimum contains access to the following:
 - 1) Name and contact information of the master sports wagering licensee or designee, including at minimum a phone number, email address, and physical address;

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- 2) Complete explanation of all wager types a patron may place through the internet wagering system;
 - 3) Responsible gaming limit functionality pursuant to Section 1900.1250;
 - 4) Means by which a patron can submit a complaint to the licensee;
 - 5) Contact information for the Board, including at minimum a link to the Board website;
 - 6) Terms of service; and
 - 7) Instructions and means to close a sports wagering account.
- e) When terms of service or rules for a type of wager change, the client shall require a patron to acknowledge acceptance of the change.

Section 1900.1240 Account Suspension

- a) Internet wagering systems shall employ a mechanism to suspend sports wagering accounts.
- b) A sports wagering account shall be suspended by a master sports wagering licensee:
 - 1) When ordered by the Administrator or his or her designee during the pendency of any investigation;
 - 2) Upon determination that a patron is prohibited from placing any wagers with that master sports wagering licensee pursuant to Section 1900.1120;
 - 3) When a sports wagering account has a negative account balance; and
 - 4) When a master sports wagering licensee has reasonable suspicion of illegal activity or suspicious wagering activity.
- c) When a sports wagering account is suspended, the internet wagering system shall:
 - 1) Prevent the patron from wagering;

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- 2) Prevent the patron from depositing funds, unless for the purpose of remedying a negative balance;
 - 3) Prevent the patron from withdrawing or transferring funds, except when the only reason for suspension is that the patron is a prohibited person pursuant to Section 1900.1120;
 - 4) Prevent the patron from making changes to the sports wagering account information;
 - 5) Prevent the closure of the sports wagering account; and
 - 6) Prominently display to the patron that the sports wagering account is suspended, the restrictions in place, and any further course of action needed to remove the suspension.
- d) When a sports wagering account is suspended, the master sports wagering licensee shall notify the patron by email of the suspension. The notification shall include the restrictions placed on the sports wagering account and any further course of action needed to remove the suspension.
- e) A suspension may only be lifted:
- 1) By order of the Administrator or his or her designee;
 - 2) If the patron is no longer a prohibited person; or
 - 3) If any negative balance has been remedied.

Section 1900.1250 Responsible Gaming Limits

- a) An internet wagering system shall permit a patron to voluntarily impose limitations or restrictions on wagers that can be placed through the internet wagering system.
- b) The internet wagering system must allow a patron to implement prohibitions including, at minimum, prohibitions on:
 - 1) Dollar amount of wager;

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- 2) Prohibiting new deposits; or
- 3) All wagering.
- c) Patrons shall be permitted to determine the length of time of the limitation, but no limitation shall be imposed for less than 72 hours or greater than one year.
- d) Limitations or restrictions imposed under this Section shall not be lifted prior to their expiration.
- e) Upon the expiration of a limitation or restriction, the client shall notify the patron. The internet wagering system shall not accept wagers from the patron until the patron has acknowledged the notification. The notification shall give the patron the option to renew or extend the limitation.
- f) The existence of any limitation or restriction shall not prevent a patron from withdrawing money from a sports wagering account or closing a sports wagering account.
- g) If a patron has imposed any limitations or restrictions under this Section, a master sports wagering licensee shall not send sports wagering related direct digital marketing or promotional materials to the patron, including but not limited to electronic mail or push notifications.

SUBPART M: TIER 2 WAGERING

Section 1900.1310 General

- a) A master sports wagering licensee must document its sources for tier 2 data in its internal controls.
- b) A master sports wagering licensee must document all types and kinds of tier 2 wagers offered in its internal control system.
- c) The following tier 2 wagers are prohibited:
 - 1) Any wager on the individual performance of a minor; and
 - 2) Any wager on the injury of a competitor.

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Section 1900.1320 Official League Data

- a) For the purposes of this Subpart, "governing body" means any sports governing body, sports league, organization, or association headquartered in the United States.
- b) A governing body shall notify the Board in writing of its intent to supply official league data to master sports wagering licensees pursuant to Section 25-25(g) of the Act only after the governing body or a vendor authorized by the governing body has been issued a tier 2 official league data provider license.
- c) Notification by the governing body shall include:
 - 1) Identification and contact information for at least one specific individual who will be the primary point of contact for issues related to provision of official league data and compliance;
 - 2) If the governing body is not a licensee, identity of the vendor holding a tier 2 official league data provider license;
 - 3) If the governing body is not a licensee, any contract between the governing body and the vendor holding a tier 2 official league data provider license;
 - 4) If the governing body is a tier 2 official league data provider licensee, all contracts with master sports wagering licensees or applicants; and
 - 5) A description of the data provided.
- d) Upon receipt of notification, the Board shall electronically inform all master sports wagering licensees of the notification, including the date upon which all master sports wagering licensees are required to use official league data.
- e) The Board shall maintain and publish a list of all governing bodies that provide official league data.
- f) A governing body may rescind its notice at any time. The rescission must be in writing to the Board and all master sports wagering licensees to whom the governing body or its vendor is currently providing official league data.

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Section 1900.1330 Commercial Reasonableness

- a) Governing bodies or their vendors providing official league data must do so on commercially reasonable terms.
- b) A master sports wagering licensee may petition the Board for a determination that the terms under which official league data is being provided are not commercially reasonable.
- c) Any petition under this Subpart shall be submitted electronically to the Board and to the tier 2 official league data provider licensee. The petition shall:
 - 1) Identify the petitioning master sports wagering licensee, including name, address, and contact information for any legal counsel;
 - 2) Identify the respondent tier 2 official league data provider licensee;
 - 3) Include a complete copy of the contract or offer sheet the petitioner alleges to include the unreasonable terms;
 - 4) Include any facts upon which the petitioner will rely to show that the terms of the contract or offer are not commercially reasonable;
 - 5) Include a summary of the petitioner's argument as to why the terms of the contract or offer are not commercially reasonable;
 - 6) Contain the verification in the following form:

"The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he/she verily believes the same to be true."; and
 - 7) Be notarized.
- d) If the Administrator determines that a petition does not meet all requirements of subsection (c), that petition shall be rejected and he or she shall notify the petitioner and respondent.

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- e) The respondent tier 2 official league data provider shall submit an answer electronically to the Board and to the petitioner within 21 days after submission of the petition.
- f) Respondent's answer shall:
 - 1) Identify the respondent, including name, address, and contact information of any legal counsel;
 - 2) Include specific responses to any factual allegations made in the petition;
 - 3) Include any additional facts upon which the respondent will rely;
 - 4) Include a summary of the respondent's argument as to why the terms of the contract or offer are commercially reasonable;
 - 5) Contain the verification in the following form:

"The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he/she verily believes the same to be true."; and
 - 6) Be notarized.
- g) Failure to submit an answer within 21 days, or failure to submit an answer that complies with all requirements of this Section shall constitute an admission of all facts in the petition.
- h) Upon receipt of a petition and answer that meet all requirements of this Section, the Board shall appoint an Administrative Law Judge pursuant to Section 1900.825 to conduct a hearing.
- i) All hearings shall be conducted under the same procedures as those under Subpart H, with the following exceptions:
 - 1) The burden of proof is on the petitioner to show by a preponderance of the evidence that terms of the contract or offer are not commercially reasonable;

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- 2) Any party may move that the Administrative Law Judge make a recommendation on the pleadings. In any such motion, all facts will be strictly construed against the movant. A recommendation to grant a motion on the pleadings shall be considered by the Board prior to any other proceedings on the merits;
- 3) Any oral argument of any substantive motion and any oral proceeding involving contested facts shall be recorded stenographically;
- 4) The Administrative Law Judge shall tender any recommendation to both parties electronically and simultaneously;
- 5) The petitioner shall compile the record. The record shall consist of the following:
 - A) The petition;
 - B) The answer;
 - C) All evidence tendered to the Administrative Law Judge;
 - D) A statement of matters officially noticed;
 - E) Any substantive motions, responses, and rulings;
 - F) All offers of proof, objections, and rulings;
 - G) All transcripts; and
 - H) The recommendation, any findings of fact, and any conclusions of law made by the Administrative Law Judge;
- 6) Within 5 days after receipt of any recommendation of the Administrative Law Judge, the petitioner shall compile the record and tender it electronically to the respondent and the Board;
- 7) Each party may file exceptions to the recommendation of the Administrative Law Judge with the Board, with a copy to the opposing party, no later than 14 days after the receipt of the recommendation of the Administrative Law Judge; and

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- 8) The non-prevailing party shall be liable for the costs of transcription and to the Board for administrative costs, unless the Board makes a finding in its final Board order that the non-prevailing party acted in good faith, in which case the costs shall be shared by both parties.

- j) The Administrative Law Judge and the Board shall consider the following factors when determining whether the terms of a contract or offer are commercially reasonable:
 - 1) Whether and to what extent the terms of the contract or offer are anticompetitive in nature;
 - 2) Whether and to what extent the terms of the contract or offer are not economically feasible; and
 - 3) Whether and to what extent the terms of the contract or offer are against the public interest of the State of Illinois.

SUBPART N: EQUIPMENT AND TESTING

Section 1900.1400 Technology Fee

As deemed necessary by the Administrator, an applicant or licensee for a Master Sports Wagering license, Supplier license, Management Services Provider license, or Tier 2 Official League Data Provider license may be billed directly or be required to reimburse the Board for any expenses, including any third party expenses, associated with the testing, certification, installation, training, review, or approval of sports wagering-related technology or technological enhancements to a sports wagering operation.

Section 1900.1410 Testing and Certification of Wagering Equipment

- a) All wagering equipment must be tested by an independent outside testing laboratory licensed pursuant to the Illinois Gambling Act and 86 Ill. Adm. Code 3000.287 prior to sale or distribution by a supplier licensee.

- b) The Administrator may develop and publish technical standards against which all independent outside testing laboratories must test any wagering equipment for compliance.

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- c) All wagering equipment shall be tested by the independent outside testing laboratory in accordance with 86 Ill. Adm. Code 3000.288. In addition to the requirements of 86 Ill. Adm. Code 3000.288, the report issued by the independent outside testing laboratory shall include:
 - 1) The extent to which the wagering equipment meets the published technical standards, if any;
 - 2) Whether the wagering equipment meets the requirements of the Act and this Part; and
 - 3) Any additional information the Administrator needs in order to certify wagering equipment.
- d) The Administrator shall review all wagering equipment for proper mechanical and electronic functioning, and consider the written test reports submitted by the independent outside testing laboratory.
- e) After completing evaluations of the wagering equipment, the Administrator may certify the wagering equipment for use in Illinois.
- f) Wagering equipment must be certified by the Administrator prior to use by a sports wagering operation.
- g) The Administrator may suspend or revoke the certification of any wagering equipment without notice if the Administrator has good cause to believe the continued operation of the wagering equipment poses a threat to the security and integrity of the Illinois sports wagering industry.
- h) The Administrator may issue temporary certification to any wagering equipment that has been previously tested and approved for operation in another jurisdiction similar to Illinois.
- i) In determining whether to issue temporary certification, the Administrator shall consider any relevant factor, including but not limited to:
 - 1) Wagering equipment standards and testing in the other jurisdiction;
 - 2) Date of the most recent testing;

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- 3) Professional reputation and history of the supplier;
 - 4) The best interests and needs of the Illinois sports wagering industry; and
 - 5) Whether issuing temporary certification would pose a threat to public confidence and trust in the Illinois sports wagering industry, or to the integrity and security of the Illinois sports wagering industry.
- j) The Administrator may rescind temporary certification at any time for any just cause, including but not limited to the factors identified in subsection (h).
 - k) Temporary certification shall expire after 90 days. The Administrator may renew any temporary certification for good cause shown.
 - l) The Administrator may waive any technical requirement of any wagering equipment, including the sports wagering system and internet wagering system, established in this Part upon written request by a licensee. Waiver shall only be granted if the Administrator determines that other features or characteristics of the wagering equipment sufficiently meet the policy goals of the requirement that is being waived.
 - m) The Administrator may rescind a waiver granted under subsection (l) at any time if the Administrator has reason to believe that the wagering equipment no longer sufficiently meets the policy goals of the waived requirement.

Section 1900.1420 Wagering Equipment Requirements

- a) General
 - 1) Wagering equipment software shall contain sufficient information to identify the software and revision level of the information stored on the wagering equipment.
 - 2) Wagering equipment able to accept or redeem wagers shall have the ability to authenticate that all critical components being used are valid upon installation of the software, each time the software is loaded for use, and upon manual request. Critical components include wagering data, elements that control communication with a sports wagering system, and any component necessary to conduct wagering or redemption through the device.

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- 3) In the event of a failed authentication or other error, the wagering equipment shall cease accepting or redeeming wagers and display an appropriate error message.
 - 4) Any wagering equipment shall electronically record all of the following information for each wager accepted:
 - A) Description of event;
 - B) Event identifying number;
 - C) Wager selection;
 - D) Type of wager;
 - E) Amount of wager;
 - F) Odds and payout of wager;
 - G) Date and time of wager; and
 - H) Unique wager identifier.
- b) Kiosk and Point of Sale System Requirements
- 1) Kiosks and point of sale devices shall have an identification badge affixed to the exterior of the device by the licensed supplier. The badge shall not be removable without evidence of tampering. The badge shall include the following minimum information:
 - A) The name and license number of the supplier;
 - B) A unique serial number; and
 - C) Model number.
 - 2) Hardware Requirements
 - A) Any circuit board, including modifications, switches, or jumpers, shall be documented prior to certification by the Administrator.

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- B) Any reconfiguration of a circuit board, switch, or jumper shall constitute a different version of the wagering equipment.
 - C) Power and data cables shall be routed so that they are not accessible to the general public.
 - D) Wired communication ports shall be clearly labelled and must be securely housed within the device to prevent unauthorized access to ports or cable connectors.
 - E) Devices shall not be adversely affected, other than resets, by surges or dips of 20% or less of supply voltage.
 - F) Device power supplies shall be appropriately protected by fuses or circuit breakers.
 - G) Devices shall resist liquid spills.
- 3) Security Requirements
- A) Kiosks and point of sale devices shall be robust enough to resist forced entry into any secured doors, areas, or compartments without extreme force.
 - B) External doors shall be manufactured of materials that are suitable for allowing only legitimate access to the inside of the kiosk or device, and capable of withstanding determined and unauthorized efforts to gain access to the interior of the device.
 - C) The seal of the door of any locked area of a device shall be designed to resist the entry of objects.
 - D) Doors that provide access to secure areas of a kiosk or point of sale device shall be monitored by a door access detection system.
 - E) Any kiosk or point of sale device shall cease wagering operations when any secured area door is open.
- 4) Memory Requirements

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- A) Nonvolatile memory shall be used to store all data elements that are considered vital to the continued operation of the kiosk or point of sale device, including device configuration and state of operations unless that information can be automatically recovered from the sports wagering system.
 - B) Nonvolatile memory shall not retain sensitive information outside of kiosk and point of sale device operations.
 - C) All devices shall have backup or archive capability for the recovery of nonvolatile memory should a failure occur.
 - D) Nonvolatile memory storage shall be maintained by a methodology that enables errors to be identified. Acceptable methodology includes, but is not limited to, signatures, check sums, redundant copies, database error checks or other methods.
 - E) Comprehensive checks of critical nonvolatile memory data elements shall be made on startup.
 - F) An unrecoverable corruption of critical nonvolatile memory shall result in an error. Upon detection, the device software shall cease to function. Additionally, the critical nonvolatile memory error shall cause any communication external to the device to cease.
- 5) Software Errors
- A) After a program interruption, a point of sale device shall recover to the state it was in immediately prior to the interruption occurring.
 - B) After a program interruption, a kiosk shall recover to the state it was in immediately prior to the interruption, but shall not allow any further action by a patron without intervention by an attendant unless the kiosk is able to recover and complete any interrupted operation without loss or corruption of any locally stored nonvolatile memory or installed software.
 - C) Any communications to an external device shall not begin until the program resumption routine, including any self-test, is completed successfully.

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- D) Any program interruption or recovery shall be electronically logged by either the affected wagering equipment or the sports wagering system.
- c) Tickets generated by a kiosk or point of sale device shall include all of the following information:
- 1) Name and address of the master sports wagering licensee;
 - 2) A barcode or similar machine readable marking corresponding to a unique wager identifier;
 - 3) Identification of the kiosk or point of sale device that dispensed the ticket;
 - 4) If generated by a point of sale device, identification of the cashier;
 - 5) Identification of the event and wager;
 - 6) Amount of the wager;
 - 7) Odds and payout upon winning;
 - 8) Date and time of the generation of the ticket; and
 - 9) Expiration date of the ticket.
- d) Redemption Requirements
- 1) Winning tickets shall be redeemed by a cashier through a point of sale device or by a redemption kiosk after verifying the validity of the ticket.
 - 2) The point of sale device or kiosk shall electronically document the redemption of the wager, and record the following information:
 - A) Date and time of redemption; and
 - B) Serial number of the device or kiosk.
 - 3) If a ticket is unreadable or otherwise cannot be validated by a redemption kiosk, the kiosk shall return the ticket to the patron.

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- e) Error Detection
- 1) A kiosk shall be capable of recognizing limitations or errors that render the kiosk not capable of operation or not capable of operation in accordance with this Part, including but not limited to:
 - A) Printer failure or jam;
 - B) Bill dispenser or acceptor jams;
 - C) Insufficient funds; or
 - D) Communications failure. The redemption kiosk shall electronically record the error and issue an error receipt.
 - 2) A kiosk that detects any error shall be automatically rendered inoperable until intervention by an attendant.
 - 3) If any error occurs during the processing of a transaction of any kind, the kiosk shall electronically record the error and issue an error receipt. The electronic record and error receipt shall include, at minimum, the date and time of error and nature of error:
 - A) Date and time of the attempted redemption;
 - B) Serial number of the redemption kiosk;
 - C) The nature of the error; and
 - D) In the case of a redemption error, the amount of the redemption and amount of any currency dispensed.
 - 4) A master sports wagering licensee shall retain a record of all logged errors for no less than one year.
 - 5) A master sports wagering licensee shall provide the Board a weekly summary of all logged errors, including the total number of errors logged and subtotals based on the nature of the error.

Section 1900.1430 Internet Wagering System Requirements

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- a) A master sports wagering licensee conducting sports wagering over the internet shall use an internet wagering system, all the integral components of which have been tested and certified pursuant to Section 1900.1410.
- b) An internet wagering system shall employ a mechanism to detect the physical location of a patron upon logging into the client, or prior to placement of the first wager after logging in, and at a frequency to be specified in the master sports wagering licensee's internal control system.
- c) An internet wagering system must have methods to detect and prevent efforts to defeat or circumvent the location detection mechanisms.
- d) An internet wagering system shall not permit placement of wagers if it detects attempts to defeat or circumvent the location detection mechanisms.
- e) Client software shall not engage in any other data collection other than that necessary for compliance with the Act and this Part, without the express approval of the Administrator.
- f) Any data collected by the internet wagering system shall be considered confidential and shall not be disclosed except in accordance with this Part.
- g) Data collected by client software shall not be used for any purpose other than compliance with the Act and this Part, and shall not be disclosed to any third party other than the Board, a licensed supplier of any component of the internet wagering system that collected the data, or a management services provider licensee acting as the designee of the master sports wagering licensee that collected the data, unless:
 - 1) Approved by the Administrator when the Administrator concludes that doing so would further the public interests of the people of the State of Illinois; or
 - 2) As required pursuant to Section 1900.130.
- h) Any data disclosed pursuant to this Part shall not include personally identifying information of wagering patrons unless deemed necessary for law enforcement or investigative purposes by the Administrator. The determination shall be in writing.

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- i) Each master sports wagering licensee shall maintain modern best practices to ensure the security and integrity of the internet wagering system, including but not limited to:
 - 1) Network security;
 - 2) Patron identity authentication;
 - 3) Location detection;
 - 4) Error detection; and
 - 5) Data security.

- j) If a master sports wagering licensee becomes aware of a reproducible error in the internet wagering system that relates to network security, data security, location detection, or otherwise calls into question the security and integrity of the internet wagering system, the licensee shall notify the Board immediately. The notification shall include:
 - 1) A description of the error;
 - 2) Risks created or imposed by the error; and
 - 3) Efforts being taken by the master sports wagering licensee to prevent any impact to the security and integrity of the internet wagering system or sports wagering system.

Section 1900.1440 Transfer, Maintenance and Disposal of Wagering Equipment

- a) No supplier licensee shall sell, distribute, transfer or supply wagering equipment to any person in the State of Illinois other than the holder of a master sports wagering license, management services provider license, or supplier license.

- b) No master sports wagering licensee or management services provider licensee shall sell, distribute, transfer or supply wagering equipment to any person in the State of Illinois other than an affiliated entity that holds a master sports wagering or management services provider license, or a holder of a supplier license.

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- c) Wagering equipment shall only be serviced or maintained by employees of a master sports wagering licensee, management services provider licensee, or supplier licensee.
- d) The holder of a master sports wagering license or management services provider license shall only dispose of wagering equipment in a manner as prescribed in its approved internal control system, ensuring no critical or confidential data is retrievable after disposal.

Section 1900.1450 Sports Wagering System Requirements

- a) Each master sports wagering licensee shall operate a single sports wagering system through which all sports wagering activity is conducted and recorded.
- b) At no cost to the Board, each master sports wagering licensee shall provide the Board remote, read only, real time access to the sports wagering system. That access shall include, at minimum:
 - 1) Complete access to all records of wagers, including canceled, voided, pending, and redeemed wagers;
 - 2) Ability to query or sort wagering data; and
 - 3) Ability to export wagering data in a non-proprietary format.
- c) The sports wagering system shall have the capability to provide to a sports governing body real-time information regarding wagers placed on that sports governing body's events, when required under a request for cooperation pursuant to Section 1900.130. That information shall include:
 - 1) A record of all wagers placed;
 - 2) Amount and type of wager;
 - 3) Location the wager was placed if it was placed in person;
 - 4) If the wager was placed via the internet wagering system, the internet protocol address;

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- 5) If the wager was placed via the internet wagering system and geolocation data exists, geolocation data shall be provided but it shall not be more detailed than the nearest quarter mile;
 - 6) If the wager was placed via a sports wagering account, a unique, non-personally identifying account number; and
 - 7) Any records of abnormal wagering activity identified by the master sports wagering licensee.
- d) The Board may develop and implement a central sports wagering monitoring system for the purpose of compiling all sports wagering activity data from all master sports wagering licensees. In such event, each master sports wagering licensee shall provide all sports wagering activity data in a format compatible with the central sports wagering monitoring system.
 - e) All servers necessary to the placement or resolution of wagers, other than backup servers, shall be physically located in the State of Illinois.
 - f) Each master sports wagering licensee shall maintain modern best practices to ensure the security and integrity of the sports wagering system, including, but not limited to:
 - 1) Physical security;
 - 2) Access control;
 - 3) Network security;
 - 4) Resistance to manipulation;
 - 5) Redundancy; and
 - 6) Error detection.
 - g) A sports wagering system shall maintain records of all wagers for a period of not less than 10 years.
 - h) A sports wagering system shall record at minimum the following information for each wager:

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- 1) Description of event or contest;
 - 2) Unique identifier for the event or contest;
 - 3) Wager selection;
 - 4) Type of wager;
 - 5) Amount of wager;
 - 6) Odds and amount of potential payout;
 - 7) Date and time of wager;
 - 8) Unique identifier for the wager;
 - 9) Unique identifier of the sports wagering account or patron, if applicable;
 - 10) Internet protocol address and geolocation information, if the wager is placed through a mobile device;
 - 11) Unique identifier of the kiosk or point of sale device through which the wager was placed, if applicable;
 - 12) Unique identifier of the kiosk or point of sale device through which the wager was redeemed, if applicable; and
 - 13) Whether a wager was cancelled or voided, and the reason, if applicable.
- i) A sports wagering system shall perform, at least once every 24 hours, 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, a master sports wagering licensee shall immediately notify the Board. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than 90 days.
 - j) A master sports wagering licensee shall have internal controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs that results in a loss of communication with data feeds used to offer or redeem wagers, that error shall be recorded in a log

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capturing the date and time of the error, the nature of the error and a description of its impact on the system's performance. That information shall be maintained for a period of not less than six months.

- k) If a master sports wagering licensee becomes aware of a reproducible error in the sports wagering system that relates to network security, data security, accurate placement, or recording or redemption of wagers, or otherwise calls into question the security and integrity of the internet wagering system, the licensee shall notify the Board immediately. The notification shall include:
 - 1) A description of the error;
 - 2) Risks created or imposed by the error; and
 - 3) Efforts being taken by the master sports wagering licensee to prevent any impact to the security and integrity of the sports wagering system.
 - 4)
- l) If an active sports wagering system ever fails, crashes, or becomes inoperable for any reason, the master sports wagering licensee shall notify the Board immediately.

SUBPART O: INTERNAL CONTROLS

Section 1900.1500 General Requirements – Internal Control System

The holder of a master sports wagering license shall establish, maintain and update an internal control system, the purposes and the procedures of which shall be designed to reasonably ensure that:

- a) Assets are safeguarded;
- b) Financial records are accurate and reliable;
- c) Transactions are performed only in accordance with the specific or general authorization of the holder of a master sports wagering license;
- d) Transactions are recorded adequately to permit proper reporting of adjusted gross sports wagering receipts and of fees and taxes, to maintain accountability for assets, and in conformity with generally accepted accounting principles;

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- e) Access to assets is permitted only by authorized personnel;
- f) Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies;
- g) Functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel;
- h) Sports wagering is conducted with integrity; and
- i) The requirements of the Act and this Part are followed.

Section 1900.1510 Approval of Internal Control System

- a) The Board has delegated to the Administrator responsibility for approving, on behalf of the Board, the internal control systems of master sports wagering licensees if the Administrator finds that the internal control system meets the requirements of Sections 1900.1500 and 1900.1520.
- b) The internal control system of an applicant or licensee must be initially approved by the Administrator prior to the commencement of sports wagering operations.
- c) Proposed changes to the internal control system must be submitted in writing to the Administrator for approval. No internal control system change may be implemented by the master sports wagering licensee unless approved by the Administrator.
- d) A master sports wagering licensee that holds an organization gaming license or owners license may incorporate by reference any internal control system that has been approved pursuant to the Illinois Gambling Act and its adopted rules.
- e) The holder of a master sports wagering license or management services provider license is subject to disciplinary action for violations of its internal control system.
- f) Occupational licensees are subject to disciplinary action for the violation of a master sports wagering licensee's internal control system.
- g) The internal control system of each master sports wagering licensee may be reviewed for compliance with the requirements of this Part by an independent

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certified public accountant selected by the Administrator. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act [225 ILCS 450].

Section 1900.1520 Minimum Standards for Internal Control Systems

- a) The internal control system shall include a detailed narrative description of the master sports wagering licensee's sports wagering, administrative and accounting procedures, including without limitation separate sections comprehensively describing the specific procedures that the licensee will follow in meeting the requirements of Section 1900.1500. The procedures shall discuss at a minimum, when applicable, the topics listed in subsection (c).
- b) The Administrator shall develop and publish, with input from master sports wagering licensees, Minimum Internal Control Standards (MICS) necessary to address the requirements in Section 1900.1500. All internal control systems shall address all topics covered in the MICS.
- c) The MICS shall cover, without limitation, the following topics:
 - 1) Submission, Approval, and Amendment of the Internal Control System;
 - 2) General and Administrative;
 - 3) Access Control
 - A) General – Location and Access;
 - B) Key Procedures; and
 - C) Data Access;
 - 4) Conduct of Wagering, including:
 - A) Wagering and Payout Procedures; and
 - B) Statistics;
 - 5) Rules of Wagering, including:

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- A) What May be Wagered Upon;
- B) Types of Wagers Offered; and
- C) Establishing Lines or Payout Odds;
- 6) Wagering Equipment, including:
 - A) Access and Computer Monitoring Procedures;
 - B) Point of Sale Devices;
 - C) Kiosks;
 - D) Location, Conversion and Movement of Kiosks; and
 - E) Suspected Defective or Malfunctioning Equipment;
- 7) Kiosk Fill and Counts, including:
 - A) Transportation of Fills/Collections; and
 - B) Counting and Recording Drops;
- 8) Cashiering, including:
 - A) Fills and Payouts;
 - B) Cage Accountability; and
 - C) Main Bank/Vault Accountability;
- 9) Internet Wagering, including:
 - A) Sports Wagering Accounts;
 - B) Identity Verification;
 - C) Internet Wagering System Description, including:

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- i) Structural Overview;
- ii) Security and Integrity; and
- iii) Upgrade and Improvement Plans;
- D) Identity Protection;
- E) Fraud Prevention;
- F) Contested Transaction Procedures; and
- G) Patron Terms and Conditions;
- 10) Accounting, including:
 - A) Accounting Records;
 - B) Controls over Locked Accounting Box;
 - C) Procedures for Monitoring and Reviewing Wagering Operations; and
 - D) Monthly Reporting Requirements;
- 11) Suspicious Activity Reporting, including:
 - A) Financial Activity; and
 - B) Wagering Activity;
- 12) Internal Audit, including:
 - A) Required Internal Audits; and
 - B) Reporting Guidelines;
- 13) Surveillance, including:
 - A) Surveillance Room Access and Control; and

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- B) Surveillance System Description;
- 14) Security, including:
 - A) Case Number System/Incident Reports;
 - B) Lost Badges/Temporary Badges;
 - C) Power Failure/Camera Outage;
 - D) Enforcement of Wagering Restrictions/21 Years Old Minimum;
and
 - E) Handling of Emergencies.

SUBPART P: FACILITIES AND OPERATIONS

Section 1900.1610 Wagering Locations

- a) Sports wagers may be placed or redeemed at:
 - 1) One or more fixed windows or counters through a clerk, cashier, or other employee; or
 - 2) Self-service kiosks.
- b) Fixed Windows or Counters. Fixed windows or counters with cashiers may be operated at any location within a gaming operation, racetrack facility, or sports facility operated by a master sports wagering licensee.
- c) Kiosks
 - 1) Kiosks may be operated at any location within a gaming operation, racetrack facility, or sports facility operated by a master sports wagering licensee.
 - 2) Kiosks must be supervised by an attendant at all times unless:
 - A) located inside the admissions turnstiles of a gaming operation or organization gaming facility; or

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- B) located inside a portion of a facility restricted to persons age 21 or over.
- 3) When kiosks are not located inside the admissions turnstiles of a gaming operation or organization gaming facility, or within a portion of a facility restricted to persons age 21 or over, the attendant shall be responsible for verifying the age of wagerers.
- 4) Kiosks shall not accept wagers greater than \$500 without intervention of an attendant, unless located within the admissions turnstiles of a gaming operation or organization gaming facility.
- 5) Kiosks shall not redeem wagers for currency in an amount greater than \$2,000 without intervention of an attendant.

Section 1900.1620 Sports Facilities

Sports wagering conducted by the holder of a master sports wagering license issued pursuant to Section 25-40 of the Act may occur in person at or within a 5-block radius of a sports facility.

- a) For the purposes of the Act, a 5-block radius" is defined as 3,300 feet.
 - 1) For the purposes of in-person wagering, the distance shall be measured along public rights of way from the nearest property line of the contiguous property on which the sports facility is located to the farthest outside edge of any structure, building, facility, or business in which sports wagering is occurring.
 - 2) Where in-person wagering is occurring within one unit of a multi-unit building, the distance shall be measured to the farthest outside edge of the unit.
 - 3) For the purposes of mobile online wagering, the distance shall be measured as a straight line to the nearest property line of the contiguous property on which the sports facility is located.
- b) A master sports wagering licensee licensed pursuant to Section 25-40 of the Act may conduct in-person sports wagering at or within a 5-block radius of the sports facility only if any and all professional sports teams that play their home contests at that sports facility provide written authorization. The home facility for a

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professional sports team shall be defined by the applicable sports governing body, but not to include temporary or special arrangements.

- c) A master sports wagering licensee licensed pursuant to Section 25-40 of the Act may place sports wagering windows, counters, or kiosks at any location within the 5-block radius.
- d) Any entity with which a master sports wagering licensee enters into an agreement related to in-person wagering within a 5-block radius of a sports facility shall be considered a key person under Section 1900.530, except in the case of a commercial real estate lessor.
- e) All portions of a sports wagering operation conducted outside of the sports facility are still subject to all requirements and restrictions of those within the sports facility, including but not limited to:
 - 1) Use of occupational licensees;
 - 2) Security of the operation and the designated gaming area; and
 - 3) Surveillance and monitoring requirements.
- f) All in-person sports wagering conducted within the 5-block radius shall comply with local zoning restrictions and regulations.

Section 1900.1630 Inter-track Wagering Locations

- a) A master sports wagering licensee licensed pursuant to Section 25-30 of the Act that also holds an inter-track wagering location license may conduct in-person sports wagering at up to three inter-track wagering locations associated with its inter-track wagering location license.
- b) Any sports wagering windows, counters, or kiosks operated pursuant to this Section shall be located entirely within an inter-track wagering location.
- c) A master sports wagering licensee that conducts or intends to conduct sports wagering operations at an inter-track wagering location shall disclose any contracts or agreements with the inter-track wagering location prior to commencing sports wagering operations at that location.

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- d) An inter-track wagering location at which a master sports wagering licensee conducts sports wagering operations shall be considered a key person under Section 1900.530.
- e) All portions of a sports wagering operation conducted at an inter-track wagering location are subject to all requirements and restrictions of this Part, including but not limited to:
 - 1) Use of occupational licensees;
 - 2) Security of the operation and the designated gaming area; and
 - 3) Surveillance and monitoring requirements.
- f) All in-person sports wagering conducted at an inter-track wagering location shall comply with local zoning restrictions and regulations.

Section 1900.1640 Surveillance Requirements

- a) All equipment that is used to monitor or record must remain solely accessible to the surveillance personnel and be exclusively for sports wagering operation surveillance, except when that equipment is being repaired or replaced.
- b) The interior of the surveillance room shall not be visible to the public.
- c) Each surveillance room shall have a minimum of four monitors, with appropriate switching capability to ensure that all surveillance cameras are accessible.
- d) The Board and its agents shall at all times be afforded immediate access to the surveillance room and all records relating to that surveillance.
- e) The master sports wagering licensee shall provide to the Board real time remote access to the surveillance system.
- f) A master sports wagering licensee shall maintain a surveillance log of all surveillance activities in the surveillance room. The log shall be maintained by surveillance room personnel and shall include the following:
 - 1) All persons entering and exiting the surveillance room;

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- 2) Summary, including date, time and duration, of the surveillance; and
 - 3) Record of any equipment or camera malfunctions.
- g) All recordings shall be retained as provided in the records retention schedule pursuant to Section 1900.330 and shall be listed on a log by surveillance personnel with the date, times, and identification of the person monitoring the recording. Original recordings will be released to the Board upon demand.
- h) Any recording that records illegal or suspected illegal activity or suspicious wagering activity shall, upon completion of the recording, be transferred to a read-only, non-erasable format approved by the Administrator. The recording shall be placed in a separate, secure area and notification given to the Administrator or his or her designee.
- i) Unless specifically approved by the Administrator or his or her designee or pursuant to a lawful subpoena, the viewing of any surveillance recording is prohibited other than by:
- 1) Illinois Gaming Board staff;
 - 2) Designated surveillance employees of a master sports wagering licensee or management services provider licensee; or
 - 3) The General Manager, Chief of Security, or Sports Wagering Manager of a sports wagering operation, or their equivalents.
- j) At various times, all surveillance equipment shall be subject to Board testing of minimum standards of resolution and operation. Any malfunction of surveillance equipment shall necessitate the immediate replacement or repair.
- k) Any master sports wagering licensee that also holds an organization gaming license or owners license may integrate its surveillance system with the surveillance system required by the Illinois Gambling Act and the associated rule provisions (see Subpart H of 86 Ill. Adm. Code 3000), provided the surveillance system meets the standards of this Subpart P.
- l) Remote access to the surveillance system is permitted by individuals other than Illinois Gaming Board staff if all of the following criteria are satisfied:

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- 1) Access is limited to individualized unique log in credentials;
- 2) All access is logged, including, at minimum, the date and time of each access identity of the user and information identifying the sources of the remote access; and
- 3) The master sports wagering licensee establishes approved internal controls designed to prevent unauthorized access to the surveillance system.

Section 1900.1650 Required Surveillance Equipment

A master sports wagering licensee shall install and maintain a closed circuit television system in accord with the specifications herein and shall provide access to the system or its signal by the Board upon request. The closed circuit television must meet or exceed the following specifications:

- a) Solid state, color cameras, $\frac{2}{3}$, $\frac{1}{2}$, $\frac{1}{3}$ or $\frac{1}{4}$ format, with minimum 400 plus line resolution, installed in fixed positions with matrix control and/or with pan, tilt and zoom capabilities, secreted from public and non-surveillance personnel view to effectively and clandestinely monitor in detail, from various vantage points, the following:
 - 1) All sports wagering transactions occurring at counters, windows, or kiosks;
 - 2) The count processes conducted in any count rooms;
 - 3) All portions of the designated gaming areas and any portions of the facility immediately adjoining the designated gaming area;
 - 4) The area immediately surrounding any kiosk or redemption machine;
 - 5) The movement of cash or cash equivalents within the designated gaming area or between the designated gaming area and any kiosk or redemption machine;
 - 6) The entrance and exits to any designated gaming area; and
 - 7) Other areas as the Administrator designates.

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- b) All closed circuit cameras equipped with lenses of sufficient magnification to allow the operator to clearly distinguish the value of cash used in any transaction.
- c) Video monitors that meet or exceed the resolution requirement for video cameras with solid state circuitry, and time and date insertion capabilities for recording what is being viewed by any camera in the system. Each video monitor screen must measure diagonally at least 12 inches.
- d) Video printers capable of adjustment and possessing the capability to generate instantaneously, upon command, a clear, color copy of the image depicted on the recording.
- e) Date and time generators based on a synchronized, central or master clock, and visible on any monitor and when recorded.
- f) Wiring to prevent tampering. The system must be supplemented with a back-up gas/diesel generator power source that is automatically engaged in case of a power outage and capable of returning to full power within seven to ten seconds.
- g) An additional uninterrupted power supply system so that time and date generators remain active and accurate, and switching gear memory and video surveillance is continuous.
- h) Video switchers capable of both manual and automatic sequential switching for the appropriate cameras.
- i) Licensees shall utilize digitally recorded channels and must provide the IGB with the necessary software to review digitally recorded information.
- j) All digital channels record at a minimum of 10 per second, or 30 frames per second when recording transactions. The systems must allow the secure and audited export of video files at the resolution originally recorded, including the capability of providing watermarked recordings or non-editable formatting to insure the integrity of the recorded images.
- k) All digital recording systems shall be on a secure network independent and separated from any sports wagering systems or related information technology.
- l) Audio capability in areas where transactions involving cashiers occur.

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- m) Adequate lighting in all areas where camera coverage is required. The lighting shall be of sufficient intensity to produce clear recording and still picture production, and correct color correction. The video must demonstrate a clear picture in existing light under normal operating conditions.

Section 1900.1660 Signage

- a) Problem Gambling
 - 1) Each master sports wagering licensee shall post signs with a statement regarding obtaining assistance with problem gambling.
 - 2) The text of the signs shall be submitted to the Administrator for approval.
 - 3) The text must at minimum include text materially consistent with Department of Human Services rules (see 77 Ill. Adm. Code 2059.103).
 - 4) The text must include instruction on accessing the Illinois Gaming Board self-exclusion program.
 - 5) The signs must be conspicuously posted and visible from any kiosk or wagering location not located within the admissions turnstiles of a gambling facility or organization gaming facility.
- b) Under 21
 - 1) Each master sports wagering licensee shall post signs stating individuals must be aged 21 years or older to place sports wagers.
 - 2) The text of the signs shall be submitted to the Administrator for approval.
 - 3) The signs must be conspicuously posted and visible from any kiosk or wagering location not located within the admissions turnstiles of a gambling facility or organization gaming facility.

Section 1900.1670 Occupational License Badges

- a) All master sports wagering licensees and management services provider licensees shall provide the Board with the necessary equipment to produce temporary and permanent identification badges for occupational licensees and applicants.

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- b) Master sports wagering licensees and management services provider licensees shall be responsible for the costs of producing badges, including a fee of \$10 to be paid to the Board for any replacement of an identification badge.
- c) Badges Are Not Transferable. Upon resignation or termination of employment, badges must be returned to the master sports wagering licensee or management services provider licensee or the Board. If returned to the master sports wagering licensee or management services provider licensee, the master sports wagering licensee or management services provider licensee shall return the badge to the Board.
- d) Badges shall meet the following requirements:
 - 1) Be of a color selected by the master sports wagering licensee for use on all identification badges used by its occupational licensees;
 - 2) Be visually distinct, to the naked eye and surveillance, from any occupational license badges issued pursuant to Section 9 of the Illinois Gambling Act;
 - 3) When an individual is issued occupation licenses pursuant to both the Illinois Gambling Act and Section 25-15(e) of the Sports Wagering Act, the licensee may be issued a single badge;
 - 4) Bear the name and logo of the sports wagering operation;
 - 5) Provide a space for a photograph with a minimum size of 1" by 1¼";
 - 6) Provide a space for a 12-digit number;
 - 7) Display the employee's first name and job title;
 - 8) Provide a space for the Administrator's signature;
 - 9) Provide a space for the dates of issuance and expiration of occupational license; and
 - 10) Provide on the reverse side of the card a line for the employee's last name, signature and date of birth.

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- e) An occupational license badge issued pursuant to this Part may also act as a badge for an occupational license issued pursuant to the Illinois Gambling Act, so long as it meets the requirements of both this Part and 86 Ill. Adm. Code 3000.245.

SUBPART Q: SELF-EXCLUSION

Section 1900.1710 Self-Exclusion Program

- a) For the purposes of this Part, "Self-Exclusion List" means the list established pursuant to 86 Ill. Adm. Code 3000.750 and governed by 86 Ill. Adm. Code 3000.Subpart G.
- b) Any individual who acknowledges that he or she has a gambling problem may request of the Board that he or she be excluded from participation in sports wagering in Illinois by placing himself or herself on the Self-Exclusion List.
- c) Any individual on the Self-Exclusion List shall be subject to this Subpart Q.

Section 1900.1720 Distribution and Availability of Confidential Self-Exclusion List

- a) Upon placement on the Self-Exclusion List by the Administrator, the name and identifying information of the self-excluded person shall be distributed to each master sports wagering licensee and management services provider licensee.
- b) No licensee may disclose the name of any person on the Self-Exclusion List to any third party unless specifically authorized by rule or required by a court order specifically requiring the release of mental health records and information.
- c) No licensee, applicant, or key person who obtains identifying information about a person on the Self-Exclusion List from any source may disclose the name or identifying information of the self-excluded person, except as necessary to effectuate, or as specifically permitted by this Part.
- d) Any licensee, applicant, or key person who knowingly discloses, authorizes disclosure, permits a disclosure, or otherwise assists in the disclosure of the identity of a person on the Self-Exclusion List shall be subject to discipline for each disclosure, including but not limited to any disclosure by any of its officers, directors, employees, attorneys, agents and contractors, unless the disclosure complies with the following provisions:

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- 1) The disclosure is made on the same need to know basis restriction applicable to mental health information to staff for the sole purpose of effectuating the approved internal control responsibilities.
 - 2) The disclosure is made for the sole purpose of effectuating the Self-Exclusion program and this Part as to any customer tracking system, customer identification system, sports wagering system, internet wagering system, or any other financial transactions system.
 - 3) The disclosure is made in compliance with the approved internal controls.
- e) Disclosure may be made to affiliate gaming entities with the prior written approval of the Administrator. A licensee seeking such approval must provide to the Administrator an explanation of the manner in which the identity of the self-excluded persons will be maintained confidentially by the affiliate gaming operations.
 - f) Nothing in this Section prohibits disclosure of the name of a person on the Self-Exclusion List to the Board or its staff or to a person authorized in writing by the self-excluded person on the Self-Exclusion List to receive that information.

Section 1900.1730 Duties of Licensees Regarding Self-Excluded Persons

- a) A master sports wagering licensee shall cause the name, address, and birthdate of any person on the Self-Exclusion List to be flagged on all mailing, marketing or promotional lists or databases.
- b) A master sports wagering licensee shall not send marketing or promotional materials to any person placed on the Self-Exclusion List.
- c) A master sports wagering licensee shall maintain a system designed to detect persons on the Self-Exclusion List so as to enforce this Part.
- d) A master sports wagering licensee shall not cash checks for, extend credit to, or otherwise assist a person on the Self-Exclusion List to obtain funds for gambling purposes.
- e) A master sports wagering licensee shall not accept a wager of greater than \$500 without first verifying the identity of the patron against the Self-Exclusion List,

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unless the wager is placed within the admissions turnstiles of a gaming operation or organization gaming facility.

- f) A master sports wagering licensee shall not redeem a wager for currency in an amount of greater than \$2,000 without first verifying the identity of the patron against the Self-Exclusion List, unless the wager is placed within the admissions turnstiles of a gaming operation or organization gaming facility.
- g) A master sports wagering licensee that holds an owners license or organization gaming license shall provide a means by which an individual on the Self-Exclusion List may turn in unredeemed tickets prior to the commencement of a sports event to obtain refunds pursuant to Section 1900.1740.
- h) For any master sports wagering licensee that conducts internet wagering:
 - 1) The licensee shall not allow an individual on the Self-Exclusion List to open a new sports wagering account;
 - 2) The licensee shall identify and suspend any sports wagering account of any individual on the Self-Exclusion List;
 - 3) The licensee shall void all outstanding wagers in accordance with Section 1900.1740; and
 - 4) The licensee shall refund any remaining balance to the patron in a manner consistent with the licensee's internal control system.

Section 1900.1740 Effect of Enrollment

- a) An individual on the Self-Exclusion List shall be prohibited from placing or redeeming wagers.
- b) Any wager placed by an individual on the Self-Exclusion List prior to enrollment in the self-exclusion program shall be deemed void.
- c) An individual who enrolls in the self-exclusion program may, at the time of enrollment or any time thereafter, return any in-person wagering ticket to the master sports wagering licensee that issued it to obtain a refund of the original wager amount, provided the refund occurs prior to the commencement of any event or series of events on which the outcome of the wager is dependent.

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- d) If, after the commencement of any event or series of events on which the outcome of the wager is dependent, a wager is identified as having been placed by an individual on the Self-Exclusion list, that wager shall be deemed void. The original amount of the wager shall be deducted from the adjusted gross sports wagering receipts and forfeited by the individual, to be donated to the charitable or government agency identified by the individual at the time of his or her placement on the Self-Exclusion List.

- e) An individual on the Self-Exclusion List may not open a new sports wagering account.