GOVERNMENT OF THE DISTRICT OF COLUMBIA OFFICE OF LOTTERY AND GAMING

IN THE MATTER OF American Wagering, Inc., d/b/a Caesars Sportsbook Class A Sports Wagering Operator License No. SW20CLA0003

Matter No. 22-0039

AGREED UPON FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER

I. INTRODUCTION

The Office of Lottery and Gaming ("Office") has determined, and American Wagering, Inc., d/b/a Caesars Sportsbook ("AWI") agrees, that grounds exist to assess a fine against AWI, pursuant to the Sports Wagering Lottery Amendment Act of 2018 ("Sports Wagering Act").

II. JURISDICTION

The Executive Director of the Office has jurisdiction over this matter pursuant to D.C. Official Code § 36-601.03, 36-601.06, 36-321.02, 36-621.14 and Tit. 30, D.C. MUN. REGS., § 2132.

III. FINDINGS OF FACT

- (1) AWI holds a valid Class A Sports Wagering Operator License (License No. SW20CLA0003) issued by the Office.
- (2) At all times since its initial licensure on July 31, 2020, AWI has been subject to the District of Columbia's sports wagering laws, administrative rules and other requirements imposed by the Office.

(3) Incident 1:

(a) On or about November 13, 2021, AWI accepted 126 wagers amounting to

\$6,035.65 in handle on a National Colligate Athletic Association (NCAA) basketball game that

took place in the District of Columbia ("District") at the St. Elizabeth's Entertainment and Sports

Arena located at 1100 Oak Drive SE, Washington, DC 20032.

(b) The Office's administrative rules require that Sports Wagering Operators

promptly, but no longer than twenty-four (24) hours, report to the Office facts or circumstances

related to its operation that may constitute a violation of District or federal law.

(c) AWI became aware they accepted prohibited wagers on November 13, 2021 but

did not report it to the Office until three days beyond the 24-hour period.

(4) Incident 2:

(a) On or about November 16, 2021, AWI accepted 145 prohibited wagers amounting

to \$5,847.65 in handle on two NCAA basketball events that involved a collegiate team based in the

District.

(b) The Office's administrative rules require that Sports Wagering Operators

promptly, but no longer than twenty-four (24) hours, report to the Office facts or circumstances

related to its operation that may constitute a violation of District or federal law.

(c) On November 17, 2021, AWI became aware they accepted prohibited wagers on

November 16, 2021 but did not report it to the Office until one day beyond the 24-hour period.

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(5) Incident 3:

- (a) On or about February 6, 2022, AWI accepted 72 prohibited amounting to \$4,836.50 on a NCAA basketball game that took place in the District at Capital One Arena located at 601 F St., Washington, DC and involved a collegiate team that is based in the District.
- (b) AWI reported accepting the prohibited wagers within 24-hours after becoming aware of facts or circumstances related to its operation that may constitute a violation of District or federal law.

(6) Remediation Efforts:

- (a) The Office recognizes that AWI is making efforts to replace its current sports wagering system to a more robust system that has been implemented in several other jurisdictions and that has safeguards to lessen the risk of prohibited wagers from occurring.
- (b) AWI anticipates implementing the new sports wagering system in early September 2022.
- (c) AWI has provided the Office with remedial measures it will take to prevent further violations of District law and administrative rules pending conversion to its new sports wagering system.
- (d) The Office also notes AWI's cooperation during the Office's investigation into the prohibited wager violations.

IV. Conclusions of Law

(1) Based upon Findings of Fact 3(a), AWI violated Tit. 30, D.C. Mun. REGS., §§ 2108.8 and 2127.1(b), which prohibits Sports Wagering Operators from accepting wagers on any collegiate sports or athletic event that takes place in the District.

(2) Based upon Findings of Fact 3(b) and (c), AWI violated Tit. 30, Mun. Regs., § 2108.1(c),

which requires Sports Wagering Operators to promptly, but no longer than twenty-four (24) hours, report

to the Office facts or circumstances related to the operation of a sports wagering Licensee that may

constitute a violation of District or federal law.

(3) Based upon Findings of Fact 4(a), AWI violated Tit. 30, D.C. MUN. REGS., §§ 2108.8 and

2127.1(a), which prohibits Sports Wagering Operators from accepting wagers on any collegiate sports or

athletic event in which any District of Columbia based college or university team participates regardless of

where the event takes place.

(4) Based upon Findings of Fact 4(b) and (c), AWI violated Tit. 30, D.C. MUN. REGS., §

2108.1(c), which requires Sports Wagering Operators to promptly, but no longer than twenty-four (24)

hours, report to the Office facts or circumstances related to the operation of a sports wagering Licensee that

may constitute a violation of District or federal law.

(5) Based upon Findings of Fact 5(a), AWI violated Tit. 30, D.C. MUN. REGS., §§ 2108.8 and

2127.1(a), which prohibits Sports Wagering Operators from accepting wagers on any collegiate sports or

athletic event in which any District of Columbia based college or university team participates regardless of

where the event takes place.

(6) Based upon Findings of Fact 5(a), AWI violated Tit. 30, D.C. MUN. REGS., §§ 2108.8 and

2127(b), which prohibits Sports Wagering Operators from accepting wagers on any collegiate sports or

athletic event that takes place in the District.

V. CONSENT ORDER

Based upon the forgoing Findings of Fact and Conclusions of Law

(1) It is **ORDERED** that AWI pay a fine of \$50,000.

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- (2) It is further **ORDERED** that AWI pay the \$50,000 fine to the Office within 15 business days of the date of issuance of this Order in a manner prescribed by the Office.
- (3) It is further **ORDERED** that in consenting to the fine, AWI agrees to waive its rights to request a hearing with the Office of General Counsel pursuant to D.C. MUN. REGS., § 2135 or to appeal this Order pursuant to D.C. Official Code § 36-621.14(b).
 - (4) It is further **ORDERED** that this matter is now **CLOSED**.

ISSUED this 3rd day of May, 2022

Frank Suarez
Executive Director

AGREED AS TO FORM AND SUBSTANCE:

American Wagering, Inc.
By:
(signature)
Printed Name: Jeff Hendricks
Title: SVP and Assistant General Counsel
Date: 05/02/2022
Office of Lottery and Gaming
Diget & Peter:

Peter S Alvarado

By:

(Signature)

Title: __Director of Regulation and Oversight_

Printed Name: Peter S. Alvarado

Printed Name: Ridgely C. Bennet

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6/3/2022

Date: 5/2/2022

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