



**DISTRICT OF COLUMBIA  
GOVERNMENT**

**Office of Lottery and Gaming**

## **REGULATION AND OVERSIGHT DIVISION**

# **SPORTS WAGERING MINIMUM INTERNAL CONTROL STANDARDS (MICS)**

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**VERSION 3 (REV JUNE 13, 2023)**

**Sports Wagering  
Minimum Internal Control Standards (MICS)  
Version 3 (Effective: June 13, 2023)**



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**Section 1.0 Introduction: Minimum Internal Control Standards (MICS)**

This document contains the Minimum Internal Controls Standards (“MICS”) of the Office of Lottery and Gaming (“OLG”) that apply to licensed Sports Wagering Operator(s) and their Management Service Provider(s) (“Licensee(s)”) established pursuant to **D.C. Code § 36-621.02(b)(1)**. The OLG, under its regulatory authority, requires Licensees to submit and ensure compliance with the MICS. The MICS are designed to provide a basic framework for Licensees to establish and maintain an Internal Control System (internal controls). It is the Licensee's responsibility to assure that their internal controls comply with the MICS. Licensees must establish procedures that meet or exceed the requirements as set forth in the MICS.

The purpose of these MICS is to ensure consistency amongst Licensees applying the same minimum due diligence to their Sports Wagering operations in the District of Columbia, including administration and operational policies, procedures, administration, and accounting controls. Compliance with these MICS is to also ensure that Licensees have appropriate controls in place so that players are not exposed to unnecessary risks when choosing to participate in Sports Wagering.

These MICS shall be included in and made a part of any Licensee’s sports wagering operations. The OLG, from time to time, may amend these MICS including the adoption of new MICS. When this occurs, Licensees shall be advised of these changes. By reference, certain standards contained in GLI-33 Standards for Event Wagering Systems (“GLI-33”) are incorporated into these MICS. GLI-33 is publicly available and can be found at [www.gaminglabs.com](http://www.gaminglabs.com).

In the event of a conflict between the Sports Wagering Lottery Amendment Act (“Act”), Title 30, Chapter 21 of the District of Columbia Municipal Regulations (DCMR) for Privately Operated Sports Wagering (“Regulations”), the MICS, and GLI-33, the Act will govern the Regulations and the Regulations will govern the MICS and GLI-33.

Internal auditors, external auditors, Key Persons and employees of Licensees are required to report violations of the internal controls to management and material violations must also be reported to the OLG. Such violations constituting further violations of the Act or Regulations may result in penalties and other enforcement actions taken by the OLG.

The Director of the OLG’s Regulation and Oversight Division may exempt or grant a waiver to a Licensee or applicant from compliance with any of these MICS. Waivers and exemptions shall be documented in writing.

**Section 2.0 Internal Control Procedures**

**2.1. Internal Controls Required**

- 2.1.1. Pursuant to **Title 30 DCMR § 2115.1**, to provide clarity to all parties, a description of the internal controls (“internal controls”) required for the operation of the Sports Wagering Systems will be required from the Licensee.
- 2.1.2. The Licensee shall develop, maintain, implement and comply with a written description of the internal controls required for sports wagering operations, including performing wagering and financial transactions, pursuant to **Title 30 DCMR § 2115.2**.
- 2.1.3. These internal controls are subject to review and approval by the OLG prior to commencing operations under **Title 30 DCMR § 2115.2**.
- 2.1.4. The Licensee must specify in their internal controls which functions (if any) are performed by a service provider/supplier (licensed or unlicensed). The Licensee remains responsible for the proper design and operational effectiveness of all required MICS, regardless of who is performing the function.

**2.2. Content of Internal Controls**

- 2.2.1. Internal controls shall, at a minimum, include:
  - a. Administrative controls and record keeping that document the authorization of transactions;
  - b. Accounting controls that provide reasonable assurance that:
    - i. Transactions or financial events which occur in connection with the sports wagering operation are:
      - 1) Executed in accordance with the Licensee’s authorization protocols;
      - 2) Recorded to permit preparation of financial statements consistent with Generally Accepted Accounting Principles (GAAP) in the United States, and the requirements of the OLG; and
      - 3) Recorded to permit proper and timely reporting and calculation of proceeds and to maintain accountability for assets;
    - ii. Access to the Licensee’s facility and components thereof permitted only in accordance with the Licensee’s authorization protocols;
    - iii. The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with regard to a discrepancy; and

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- iv. Procedures are submitted that detail the reconciliation of assets and records contained in a Ticket Writer Terminal's ("TWT's") drawer, Self-Service Betting Terminal ("SSBT"), and Online Sports Wagering System, pursuant to **Title 30 DCMR § 2115.4**.
  - c. Procedures and controls for ensuring:
    - i. That Sports Wagering Equipment accurately and timely communicates all required transactions and financial details to the Sports Wagering System;
    - ii. That all functions, duties, and responsibilities are segregated and performed in accordance with sound practices by qualified personnel; and
    - iii. Through the use of surveillance equipment and/or security personnel, that the facility is secure at all times during normal operation and during any emergency due to malfunctioning equipment, loss of power, natural disaster, or any other cause.
  - d. Employee management, including access controls which address, at a minimum:
    - i. Physical and logical access to the Sports Wagering System and/or its components;
    - ii. Content of, and administrative responsibility over, the manual or computerized access control matrix governing employee access to restricted areas;
    - iii. Issuance of a temporary authentication credential/badge; and
    - iv. Comprehensive key controls.
  - e. Sports Wagering System controls which, pursuant to **Title 30 DCMR § 2115.3**, address, at a minimum:
    - i. User access controls for all sports wagering personnel;
    - ii. Segregation of duties;
    - iii. Automated and manual risk management procedures;
    - iv. Procedures for identifying and reporting fraud and suspicious activity;
    - v. Procedures for identifying and preventing persons who are under eighteen (18) years of age from engaging in sports wagering;
    - vi. Procedures to prevent wagering by players prohibited from wagering;
    - vii. Procedures for identifying and preventing intoxicated and impaired persons from engaging in sports wagering;
    - viii. Description of anti-money laundering (AML) compliance program including procedures for detecting structuring to avoid reporting requirements or other suspicious activity;
    - ix. Description of all types of wagers available to be offered by the system; and
    - x. Description of all integrated third-party systems.
  - f. A record retention policy in accordance with **Title 30 DCMR §§ 2119.5**, and **2123.3**;
  - g. Procedures and controls over the movement of cash and the count room, if applicable;
  - h. Procedures and standards for conducting internal audits;
  - i. Other procedures and controls the OLG may require to be included in a Licensee's internal controls.
- 2.2.2. For each of the items above, the internal controls also must establish the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.
- 2.2.3. A Licensee shall make available a current version of its OLG-approved internal controls, in hard copy or through secure computer access, to all key employees and/or mandatory functions.
- 2.2.4. A Licensee shall maintain, in hardcopy or electronic form, all superseded internal controls together with the written representations required under the record retention policy, for at least 5 years subsequent to the date the internal controls were superseded. Any subsequent modifications to the internal controls require a version with tracked changes and a final clean version that clearly indicates effective date.

**2.3. Initial Internal Controls**

- 2.3.1. Each Licensee shall submit to the OLG a description of its internal controls. Such initial submission shall be made at least 60 days before Sports Wagering operations are to commence, unless otherwise directed by the OLG. Each such submission shall contain narrative (and diagrammatic where appropriate) representations of the internal controls to be utilized by the Licensee as required by these MICS.
- 2.3.2. Licensees must designate to the OLG the individual responsible for internal control submissions, including the coordination of communications between the OLG and the Licensee.
- 2.3.3. The OLG shall review all submissions and shall determine whether they conform to the requirements of the Act, Regulations, MICS, and any other requirements imposed by the OLG including whether the internal controls submitted provides adequate and effective controls for the operations of the Licensee. If the OLG finds insufficiencies, it shall specify such insufficiencies in writing to the Licensee, which shall make appropriate alterations.



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When the OLG determines a submission to be adequate in all respects, it shall so notify the Licensee. No Licensee shall commence Sports Wagering operations unless and until its internal controls are approved by the OLG.

**2.4. Changes to Internal Controls**

- 2.4.1. Each Licensee shall submit to the OLG any proposed changes to its previously approved internal controls in accordance with **Title 30 DCMR § 2115.2**.
- 2.4.2. Each proposed change to the internal controls will be classified per category and each category must be submitted under separate cover with tracked changes. The categories are Substantive, Administrative, Deviation, Emergency, and Audit Finding/Recommendation and are defined as follows:
  - a. Substantive: a change to the internal controls which affects the method of complying with the MICS.
  - b. Administrative: a change to the internal controls which is editorial, clarifies procedures or changes position descriptions or titles.
  - c. Deviation: a change to the internal controls that constitutes an exception to or variance from the MICS. A detailed explanation of the necessity to deviate from the MICS and the compensating controls must be included with the submission.
  - d. Emergency: a change to the internal controls that if not approved and implemented by a given date would negatively impact the internal controls or cause serious interruption to gaming activities. Emergency changes to the internal controls should be rare.
  - e. Audit Finding/Recommendation: a change to the internal controls based on an internal/external audit finding or recommendation. A copy of the page(s) relating to the audit finding or recommendation from the applicable final audit report issued by the internal/external auditors must be included with the internal control submission.
- 2.4.3. All added text must be underlined. All deleted text must be lined out (i.e., strike-through). The use of Microsoft Office Word or similar program with track changes functionality that provides the author the ability to insert comments would be preferable and would meet the requirements of sections 2.4.3 through 2.4.9 contained herein.
- 2.4.4. Changes made to any form included in the internal controls must be redlined and explained. It is not necessary to redline the form if it is completely revised, however, a clean copy of the form with an explanation of why the form was revised must be provided.
- 2.4.5. Whenever changes to job titles are requested, a summary of the old position, new position and reason for the change must be provided under separate cover with the submission.
- 2.4.6. If the addition of information on a page causes text to be moved to the next page, that page must also be submitted. The clean pages submitted must be ready for insertion into the Licensee's internal controls.
- 2.4.7. Licensees must maintain a log of all internal control changes. At a minimum, the log must include the page number(s), revision date, effective date and internal controls Revision Number.
- 2.4.8. A MICS cross-reference to any change made to the internal controls must be included with each submission. The internal controls page number and paragraph number must be referenced next to each MICS standard.
- 2.4.9. When moving text, the location of the old text must be lined out and its new location must be noted. Any revision to the moved text must be redlined in the new location.
- 2.4.10. No Licensee may change their internal controls until approved unless such change is classified as an emergency change.
- 2.4.11. Emergency changes may be submitted at any time. Emergency submissions will be reviewed upon receipt and returned to the Licensee if they do not constitute an emergency.
- 2.4.12. Any changes which are submitted as a result of an audit finding or recommendation must be submitted during the Licensee's next scheduled submission period following the issuance of the auditor's final report, with a notation of the audit report date on the internal controls Revision Form.

**2.5. Review and Approval of Internal Controls**

The OLG will make every effort to make a determination concerning a submission for change no later than 60 days following receipt of the change unless the OLG and the Licensee agree to extend the period for making such a determination. No Licensee shall alter its internal controls unless and until such changes are approved in writing by the OLG.

**2.6. Initial and Periodic Audit of Internal Controls**

In accordance with the "**Operations Process and Procedure Audit Requirements**" of **Title 30 DCMR § 2124**, the Licensee shall have their internal controls audited annually by an independent licensed audit agent approved by OLG. Licensee shall forward the results of this audit to the OLG.

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**2.7. Signature Requirements**

- 2.7.1. Unless otherwise authorized by the Executive Director and included in the Licensee's internal controls, whenever a signature is required by the Regulations or by these MICS, the signature shall signify that the signer has prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with the Regulations and the Licensee's system of internal accounting control;
- 2.7.2. Signature records shall be prepared for each person required by the Act and Regulations to sign records and documents and shall include specimens of signatures, titles of signers and the date the signature was obtained. Such signature records shall be filed alphabetically by last name either on a company-wide or functional basis. The signature records shall be adjusted on a timely basis to reflect changes of personnel;
- 2.7.3. All handwritten signatures must include at a minimum, the signer's first initial, last name, and their occupational license number (if one is assigned), written by the signer (The "initials" of the person would not meet the requirement of a "signature"), and be immediately adjacent to or above the clearly printed or preprinted title of the signer; and
- 2.7.4. Electronic signature methods may be used if approved by the OLG. An electronic signature includes a non-handwritten unique means of identifying an individual based upon a system of administrative controls (such as passwords, personal identification codes, and/or bar codes) or biometrics (such as retinal scans, voice prints, handprints, and/or fingerprints). An electronic signature must be the legally binding equivalent of a handwritten signature.
- 2.7.5. If electronic signatures are used, the internal controls must include a description of the electronic signature system and its configuration, including:
  - a. Procedures and controls designed to ensure the authenticity and integrity of electronic signatures and to ensure that the signer cannot readily repudiate the electronic signature as not genuine;
  - b. The ability to generate complete copies of records with electronic signatures in readable format suitable for inspection, review, copying and printing; and
  - c. Establishment of, and adherence to, written policies that hold individuals accountable and responsible for actions initiated under their electronic signature, in order to deter record and signature falsification.
- 2.7.6. Documents that employ electronic signatures must contain information associated with the signing that clearly indicate all of the following:
  - a. The printed name of the signer as described in the internal controls; and
  - b. The date and time when the signature was executed.
- 2.7.7. Electronic signatures and handwritten signatures executed to electronic documents must be linked to their respective electronic documents to ensure that the signatures cannot be removed, copied or otherwise transferred so as to falsify an electronic document.

**Section 3.0 Organization Structure**

**3.1. Segregation of Duties**

There shall be a separation of duties to ensure that no group has overall control without oversight. The Licensee shall set very clear work responsibilities in order to minimize mistakes, limit liabilities, and increase the amount of separation between related duties. Internal controls must ensure that duties are adequately segregated and monitored to detect procedural errors and to prevent the concealment of fraud.

**3.2. Organization Chart – Reporting Structure**

The internal controls shall include tables of organization which meets the following criteria designed to preserve the integrity of the sports wagering operation. Each Licensee shall be permitted, except as otherwise provided in these MICS, to tailor its organizational structure to meet the needs or policies of its own particular management philosophy. The proposed organizational structure of each Licensee shall be approved by the OLG in the absence of a conflict between the organizational structure and the criteria listed below, which criteria are designed to maintain the integrity of operations. Each Licensee's tables of organization shall provide for:

- a. A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.
- b. The segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties.
- c. Primary and secondary supervisory positions which permit the authorization or supervision of necessary transactions at all relevant times.
- d. Areas of responsibility which are not so extensive as to be impractical for one person to monitor.

### **3.3. Mandatory Functions**

#### **3.3.1. Functions and Supervisory Positions**

Each Licensee's internal controls shall include, at a minimum, the following functions and supervisory positions, except that the OLG will retain the discretion to waive any of these requirements based on the channels in which the Licensee accepts wagers.

- a. The Licensee shall be required to employ the personnel herein described in the operation of sports wagering, regardless of the position titles assigned to such personnel by the Licensee in its approved organizational chart. These MICS include general names for positions and forms. Specific titles and form names must be included in the Licensee's internal controls.
- b. Functions described in these MICS shall be performed only by persons having the appropriate knowledge and skill, as well as, holding the appropriate license required by the Licensee's approved organizational chart to perform such functions, or by persons holding the appropriate occupational license required by the Licensee's approved organizational chart to supervise persons performing such functions.
- c. Supervision must be provided as needed for each function by a supervisor with authority equal to or greater than those being supervised. Internal controls must identify the supervisor in the function responsible for ensuring that the function is operating in accordance with established policies and procedures.
- d. Each of these functions and supervisors shall be required to cooperate with, yet perform independently of, all other functions and supervisors.

#### **3.3.2. Information Technology (IT) Function**

The Information Technology (IT) function may consist of the Licensee's IT personnel or an IT service provider.

- a. The IT function shall be supervised by an employee/manager holding an occupational license reporting to the head of accounting/finance or operations. The exception to occupational license if employee/manager is an approved Qualifier.
- b. The IT function shall be responsible for, without limitation, the following activities:
  - i. The quality, reliability and accuracy of all computer systems used by the Licensee in conducting sports wagering operations, including the specifications of appropriate computer software and hardware.
  - ii. Procedures for security, physical integrity, business continuity, and maintenance of:
    - 1) Access codes and other data-related security controls used to ensure appropriately limited access to computers and the system-wide reliability of data;
    - 2) Computer tapes, disks, or other electronic storage media containing data relevant to sports wagering operations;
    - 3) Computer hardware, communications equipment and software used in the conduct of sports wagering operations; and
    - 4) Adequate backup and recovery procedures.
  - iii. The acquisition, installation and maintenance of all hardware, software and data communications resources required to support sports wagering operations;
  - iv. The provision of physical and environment security designed to ensure that access to computer hardware and data communication equipment is limited to authorized personnel and to provide standard environmental components, including reliable electric service and appropriate temperature control;
  - v. The timely back-up of information resources and the development of a business continuity plan;
  - vi. The development and maintenance of access controls that limit the use of all information resources to authorized users and permit access only to the types of transactions and functions that authorized users are permitted to exercise;
  - vii. The development of IT audit procedures and the preservation of audit data that enable the monitoring and investigation of unlawful, unauthorized, or inappropriate information system activity and ensure that these actions can be traced to the user(s) responsible; and
  - viii. The development of an IT Security Plan that outlines anticipated risks and the corresponding strategies employed to mitigate these risks. Written procedures and internal controls shall be developed to address segregation of responsibilities, password administration, implementation of access controls and monitoring intrusions and security violations.
  - ix. Maintaining current documentation with respect to the network topology (e.g., flowchart/diagram), deployment of server(s) housing application and database, and inventory of software and hardware deployed (available upon request by authorized internal and external auditors and by OLG

personnel). The employee responsible for maintaining the current documentation on the network topology is to be delineated in the internal controls.

- c. The IT personnel having access to Sports Wagering Systems may not have signatory authority over financial instruments (currency, winning tickets, vouchers, checks, etc.) and payout forms and must be independent of and restricted from access to:
  - i. Financial instruments;
  - ii. Accounting, audit, and ledger entries; and
  - iii. Payout forms.

### **3.3.3. Accounting Function**

The Accounting function must be separate from the Sports Wagering function.

- a. The Accounting personnel shall be supervised by an employee holding an occupational license (or approved Qualifier) reporting to the senior management or the executive of the Licensee.
- b. The Accounting function shall be responsible for, without limitation, the following:
  - i. Accounting controls;
  - ii. The preparation and control of records and data;
  - iii. The control of stored data, the supply of unused forms, and the accounting for and comparing of forms used in operations.;
  - iv. The preparation of daily financial reports; and
  - v. The reconciliation of accounts with Payment Service Providers (PSPs).
- c. The Accounting function shall be capable of verifying financial transactions and reviewing and controlling accounting forms and data. This function, which is sometimes referred to as “income or revenue audit”, shall be independent of the transactions under review. Among other things, this function shall include, but not be limited to, a daily audit of the sports wagering documentation, a daily audit of the cage accountability, document control and signature verification.

### **3.3.4. Internal Audit Function**

The Licensee shall maintain an Internal Audit function either through a separate on-site function, or through the use of corporate internal audit, or through the outsourcing of this function.

- a. The Internal Audit function shall maintain its independence through an organizational reporting line that is outside the sports wagering operation.
- b. The Internal Audit function must consist of internal auditors independent of the areas subject to audit (auditors internal to the operation, or an outside accredited organization may perform this function).
- c. The Internal Audit functions shall be supervised by an employee having an occupational license (or approved Qualifier) reporting to the audit committee or other independent function.
- d. The Internal Audit function shall be responsible for auditing the compliance with Appendix A of GLI-33, these MICS, as well as to the Act and Regulations provided by the OLG and the prevailing internal controls, including without limitation, the following:
  - i. Reviewing and appraising the adequacy of internal controls.
  - ii. Ensuring compliance with internal controls through observations, interviews and review of accounting documentation.
  - iii. Reporting instances of non-compliance with the internal controls.
  - iv. Reporting of any material weaknesses in the internal controls to the appropriate position in the organization;
  - v. Recommending improvements in the internal controls to eliminate any material weakness in the internal controls;
- e. The method by which the Licensee fulfills its requirements with respect to the Internal Audit function shall be described in the Licensee’s written table of organization.
- f. The Internal Audit function shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the function shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. All such working papers and documentation shall be retained for a minimum of five years.

### **3.3.5. Customer Service Function**

The Customer Service function shall be supervised by an employee holding an occupational license (or approved Qualifier) reporting to the senior management of the Licensee.

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- a. The Customer Service function shall be responsible for, without limitation, the following:
  - i. Assisting players with account enquiries;
  - ii. Assisting players with technical difficulties connecting to or wagering on the Sports Wagering System; and
  - iii. Registering and trying to resolve player complaints and disputes pursuant to **Title 30 DCMR § 2108.4**.
- b. The Customer Service function shall be knowledgeable about the availability of problem gambling treatment or counseling, procedures for self-limitation, self-exclusion, etc., and able to provide that information on request.

**3.3.6. Security Function**

In accordance with **Title 30 DCMR § 2108.1(e)**, the Sports Wagering Facility shall employ licensed Security Officers, if required by the OLG. The Security functions shall be independent of all aspects of Sports Wagering functions, if required by the OLG.

- a. The personnel of the Security function who participate in any aspect of the sports wagering operation shall at all times be employees of the Licensee or be hired through an existing third-party agreement. Nothing in these MICS shall prohibit the Licensee from utilizing outside vendors for unrelated security functions.
- b. The Security Officers shall be supervised by an employee holding an occupational license (or approved Qualifier) endorsed with the position of Head of Security or equivalent reporting to the senior management or the executive of the Licensee. If the personnel providing security is an active police officer, occupational licensing will not be required upon providing documentation of their active police officer status. This exception to occupational licensing only applies to active police officers receiving compensation for providing security services.
- c. The Security function shall be responsible for the overall security of the Licensee including, without limitation, the following:
  - i. Collaboration with law enforcement;
  - ii. The physical safety of players and employees in the Sports Wagering Facility;
  - iii. The physical safeguarding of assets transported to from, or through the Sports Wagering Facility and immediate notification to the OLG of any incident that has compromised the safeguarding of such assets;
  - iv. The protection of the players, employees and Sports Wagering Facility property from identified illegal activity;
  - v. The investigation of any person engaging in, or suspected of having engaged in, any potential illegal activities and the notification of the Metropolitan Police Department and the OLG of such investigation, if deemed appropriate;
  - vi. If required by the OLG, the control and maintenance of a system for the issuance of temporary credentials and authentication of such credentials;
  - vii. The development and implementation of security strategies and action plans;
  - viii. The review of all processes regarding security aspects of the Licensee, including, but not be limited to, the protection of non-automated information, communications, physical infrastructure, and physical wagering processes;
  - ix. The access to all necessary resources to enable the adequate assessment, management, and reduction of risk
  - x. Ensuring the Sports Wagering Facility is constantly secure during normal operations and any emergencies due to malfunctioning equipment, loss of power, any natural disaster or any other cause;
  - xi. The identification, monitoring and removal of any person who is one or more of the following:
    - 1) An individual under the age of 18 years in accordance with **Title 30 DCMR § 2109**;
    - 2) An intoxicated or impaired individual in accordance with **Title 30 DCMR § 2109**;
    - 3) An individual who is involuntarily excluded in accordance with **Title 30 DCMR § 2130**;
    - 4) An individual who is voluntarily excluded in accordance with **Title 30 DCMR § 2129**;
  - xii. The recordation of any and all unusual occurrences including the date, time, nature of the incident, persons involved in the incident, and the assigned Security Department personnel.
  - xiii. The immediate notification of appropriate supervisors and the OLG upon the detection of cheating, theft, embezzlement, or other illegal activities; and
  - xiv. Acting as a “verifier” when required.

**3.3.7. Surveillance Function**

The Surveillance function shall be independent of all aspects of sports wagering operations, if required by the OLG.

- a. The personnel of the Surveillance function shall at all times be employees of the Licensee. Licensees shall not outsource the Surveillance function to any third party, unless approved by the OLG;
- b. The personnel with the Surveillance function shall be reasonably segregated and independent of all other personnel for the sports wagering operation;
- c. The personnel with the Surveillance function shall have prior approval of the OLG before transferring into a position that is not in the Surveillance function the reverse applies as well;
- d. The Surveillance function shall be supervised by an employee holding an occupational license (or approved Qualifier) reporting to the property general manager, or to the license holder, or to a corporate executive outside the immediate property management team, or to another independent reporting line as approved by the OLG;
- e. The Surveillance function shall be responsible for the overall surveillance of the Licensee including, without limitation, the following:
  - i. The sole control of all surveillance cameras;
  - ii. The surveillance of the conduct and operation of the SSBTs, TWTs, and cashier's cage;
  - iii. The movement of currency, player checks, winning tickets and vouchers, and any other Sports Wagering Facility assets;
  - iv. The audio-video recording of activities in the count room;
  - v. Detection of the presence in the Sports Wagering Facility of any person who is one or more of the following:
    - 1) An individual under the age of 18 years in accordance with **Title 30 DCMR § 2109**;
    - 2) An intoxicated or impaired individual in accordance with **Title 30 DCMR § 2109**;
    - 3) An individual who is involuntarily excluded in accordance with **Title 30 DCMR § 2130**;
    - 4) An individual who is voluntarily excluded in accordance with **Title 30 DCMR § 2129**;
  - vi. Detection of cheating, theft, embezzlement, and other illegal activities in the Sports Wagering Facility;
  - vii. The video recording of illegal, suspicious and unusual activities monitored; and
  - viii. The immediate notification of appropriate supervisors and the OLG upon the detection and taping of cheating, theft, embezzlement, or other illegal activities.

**3.3.8. Sports Wagering Function**

The Licensee shall have a Sports Wagering function responsible for the conduct of sports wagering in accordance with the established house rules, as well as the MICS and approved internal controls of the Licensee;

- a. The Sports Wagering function shall be supervised by an employee holding an occupational license endorsed with the position of Sports Wagering Manager or equivalent that is employed by the Licensee;
- b. The Sports Wagering Function must verify that all house rules and disclaimers are displayed at all times or made readily available to the player upon request;
- c. The personnel of the Sports Wagering function shall hold an occupational license and not perform any functions that are not included in their job descriptions submitted to and approved by human resources or equivalent function;
- d. Pursuant to **Title 30 DCMR § 2112.1**, each Sports Wagering Facility shall have a Sports Wagering Manager present at all times when sports wagering is taking place;
- e. The Sports Wagering Manager ensures that there is sufficient supervision, knowledge and training within the function to provide for the proper and fair conduct of sports wagering and is responsible for the operations of sports wagering and final approval of all odds established on any wager made pursuant to these MICS; and
- f. The Sports Wagering Manager shall immediately notify the OLG upon the detection of any person participating in sports wagering who is:
  - i. Engaged in or attempting to engage in or reasonably suspected of cheating, theft, embezzlement, collusion, money laundering, or any other illegal activity;
  - ii. Involuntarily excluded in accordance with **Title 30 DCMR § 2130**; or
  - iii. Voluntarily excluded in accordance with **Title 30 DCMR § 2129**.
- g. Affected Sports Wagering Managers shall be notified of any issues impacting the integrity of sports wagering operations.

**3.3.9. Cage Function**

The Cage function shall be responsible for the control and supervision of the cashier's cage

- a. The Cage function shall be supervised by an employee holding an occupational license endorsed with the position of Cage Supervisor or equivalent reporting to the supervisor of the Accounting Function or equivalent function;
- b. The Cage function may be separated into independent operations for Sports Wagering and other activities;
- c. The Cage function shall be responsible for, without limitation, the following:
  - i. The custody of currency, player checks, winning tickets and vouchers, and documents and records normally associated with the operation of a cashier's cage;
  - ii. The approval, exchange, and redemption of player checks received for the purposes of sports wagering;
  - iii. The control and supervision of all cages, ticket writers, cashiers, and the count room; and
  - iv. Such other functions normally associated with the operation of a cashier's cage.
- d. The count of the revenues from SSBTs shall be separate from the count of revenues from ticket writers.

**3.3.10. Compliance Function**

The Compliance function will be responsible for ensuring the Licensee's ongoing compliance with the Regulations, and the Licensee's approved internal controls, for managing change to the control environment and interacting with the OLG regarding any regulatory matters;

- a. The Compliance function shall be supervised by an employee holding an occupational license (or approved Qualifier) endorsed with the position of Compliance Officer or equivalent reporting to the General Manager or equivalent;
- b. The Compliance function shall be responsible for, at a minimum, the following:
  - i. To monitor, audit and report on compliance with the Act, Regulations, Rules, and the Licensee's internal controls;
  - ii. To co-ordinate operations with the OLG in respect of projects where OLG approvals and certifications are required;
  - iii. To act as custodian over unit internal control manuals and operating methods;
  - iv. Coordinating all amendments of approvals processed by the OLG; and
  - v. Perform such other functions as prescribed by these rules and the Licensee's internal controls.
- c. The Compliance function may be responsible for maintaining the current status of all lists and disclosures addressed in these MICS, including:
  - i. Key Employee certifications by reporting material changes;
  - ii. Notifying the OLG of any material changes to the ownership or structure of the Licensee as the change is contracted, and even if it remains conditional;
  - iii. Notifying the OLG of compliance failures; and
- d. The Compliance function shall be responsible for responding to the OLG on progress with respect to any instructions issued by the OLG to the Licensee.

**3.4. Job Descriptions – Roles and Responsibilities**

3.4.1. The Licensee shall document their management structure, including job responsibilities by providing job descriptions for each management and Key Employee position, containing the following information:

- a. The role/objectives of the position;
- b. Reporting relationships both internally and externally, including immediate supervisor;
- c. Major duties, controls, and responsibilities;
- d. The titles/functions of the position(s), if any, which report to the post-holder;
- e. Access to sensitive assets and areas;
- f. Signatory ability, including alternate procedures in cases in which the required signatory is unable to perform their duty; and
- g. The knowledge, skills, qualifications, and experience required for the position.

3.4.2. As these roles form a critical part of the control environment, each Licensee has a continuing obligation to notify the OLG of any changes to incumbents, job descriptions, and/or the responsibilities attached to a position prior to implementing any change in management or key personnel roles in writing within 24 hours.

3.4.3. The Licensee shall ensure that its employees conduct sports wagering operations in a manner that does not pose a threat to the public health, safety, and welfare of District residents in accordance with **Title 30 DCMR § 2109.1(a)**.

3.4.4. The lowest job title of that function with the authority for that duty must be listed in the internal controls. Employees with higher authority within the same function may perform these duties, except where specifically noted in the internal controls. When a higher job title of that function performs the duties of a lower job title of that function, he/she may not then perform verification of his/her own work. A lower job title may be assigned the job duties of a higher job title within the same function for the gaming day, provided that the assigned job title is within the same OLG Occupational License Badge Level. An employee temporarily working in the higher job title may not perform verification of his/her own work. Once assigned to the higher job title, the employee cannot return to his/her lower job title for the rest of the gaming day. If employees are promoted to a key position in the company, they are deemed as qualifier and must undergo a higher level of due diligence.

### **3.5. Staff Training**

3.5.1. To mitigate the risk that untrained staff may bring to regulated operations by knowing or unknowing acts in violation of regulatory requirements, the personnel of the Licensee shall be trained in all internal controls relevant to each employee's individual function.

- a. Special instructional programs may be developed by the Licensee in addition to any on-the-job instruction sufficient to enable all employees to be thoroughly conversant and knowledgeable with the appropriate and required manner of performance of all activities relating to their functions. The following subjects for training will contribute to an effective control environment:
  - i. Anti-money laundering;
  - ii. Responsible gaming, including but not limited to, definitions of key terms, myths, and facts and where to get help, with content updated as necessary
  - iii. Problem gambling and player protection pursuant to **Title 30 DCMR § 2114.11 and 2128.1(i)**
  - iv. Player verification and identification recognition;
  - v. Fraud and security awareness; and
  - vi. Regulatory controls to which the organization is subject.
- b. A written description of all instructional and on-the-job training to be and being provided shall be made available to the OLG for review upon request. Training program information must include the following:
  - i. The timeframe within which new employees are required to have completed the training;
  - ii. Who is responsible for delivering the training;
  - iii. How often the training is provided;
  - iv. How the training varies depending on the nature of the employees' role; and
  - v. How the effectiveness of the training is assessed.
- c. Records shall be kept of all internal staff training and all employer-sponsored external training undertaken by employees to enable them to fulfill their roles. Training records shall be kept for a minimum of five years.

3.5.2. The training program must be undertaken by new personnel within one month of commencing work with the Licensee.

3.5.3. Employees interacting directly with players should be trained to ensure they can identify problem gambling issues and know how to respond to them. Employee knowledge of responsible gaming should be tested as part of the training.

3.5.4. Existing personnel who have undertaken the approved training program must undertake an annual refresher training course to refresh content knowledge and information on any recent changes in the above subjects, including player protection and/or responsible gaming.

### **3.6. Background Checks**

Prior to submitting an application for occupational license, the Licensee shall conduct background checks on potential employees engaged in activities related to the conducting of sports wagering. The background check must include a search for credit history, criminal history and any charges or convictions involving corruption or manipulation of sports events and any association with organized crime.

### **3.7. External Consultants**

Details of any key external consultants, whose annual compensation or fees exceed \$100,000, must be included as part of the internal controls. This must identify their role within the business and the nature of their contractual relationship with the business where their ongoing involvement is critical to the business. The extent to which due diligence has been performed must also be recorded.



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**3.8. Code of Conduct**

- 3.8.1. The Licensee shall have a suitable code of conduct documented in the internal controls and effectively implemented.
- 3.8.2. A code of conduct shall be issued to all employees when initially employed. All employees shall formally acknowledge acceptance of this code.
- 3.8.3. The code of conduct shall include
  - a. Statements that all policies and procedures are adhered to and that infringement or other breaches of the code could lead to disciplinary action.
  - b. Statements that employees are required to declare conflicts of interest on employment as and when they occur. Specific examples of conflict of interest shall be cited within the code.
  - c. An anti-graft policy given to persons or entities with which the Licensee transacts business.

**3.9. Personnel Protection**

- 3.9.1. The internal controls are to delineate procedures to ensure that personnel working outside the Sports Wagering Facility are receiving and implementing an adequate level of protection.
- 3.9.2. The Licensee shall have an established procedure documented in the internal controls to ensure that personnel working in sensitive areas with public access are receiving an adequate level of protection.

**3.10. Identification Badges**

In accordance with **Title 30 DCMR § 2111**, identification badges issued by the OLG shall be worn by the Licensee or employee, officer, or director of the Licensee in a clearly visible location above the waist, while the Licensee or Licensee's employee, officer or director is present within the Sports Wagering Facility or any facility that houses Sports Wagering Equipment.

**Section 4.0 Systems and Components used for Sports Wagering**

**4.1. Initial Certification**

Pursuant to **Title 30 DCMR § 2119.1** and **2119.2**, the Licensee is responsible for ensuring products deployed within the District of Columbia are certified by an independent testing laboratory in accordance to the standards set forth in GLI-33, these MICS, as well as to the Act and Regulations provided by the OLG and are accompanied by formal certification documentation noting as such. The independent test laboratory shall also evaluate applicable methods, programs, protocols, and security measures implemented by the operator, provider, or an approved third-party service provider for the following:

- a. Player identification and age verification;
- b. Location verification methods utilized by the system;
- c. Detection of proxy server or virtual private network (VPN) use;
- d. Methods to detect suspicious behavior;
- e. Process to detect or prevent unauthorized access to sensitive areas of the system; and
- f. Procedures to prevent unauthorized access to or manipulation of the personally identifiable information (PII) of the player.

**4.2. Change Management Program (CMP)**

- 4.2.1. The Change Management Program (CMP) shall be developed in accordance with the most current version of the "**GLI-CMP Change Management Program Guide**" as posted on the GLI website at [www.gaminglabs.com](http://www.gaminglabs.com)
- 4.2.2. The Licensee's CMP shall be approved by the OLG prior to its deployment and audited at an annual interval by the independent test laboratory.
- 4.2.3. The CMP's procedures and policies shall detail evaluation procedures for all updates and changes to equipment and systems and shall include policies for identifying criticality of updates and determining of submission of updates to an independent test laboratory for evaluation, which shall cover, at a minimum:
  - a. Maintenance of a source code repository of all system source code, containing snapshots of the complete system source code for each approved version of the Sports Wagering System.
  - b. Documentation indicating the process in managing the development or modification of source code (available upon request by authorized internal and external auditors and by OLG personnel), including identification of the employee(s) responsible for said documentation
  - c. Documented method to ensure software is developed securely, following industry standards and/or best practices for coding and incorporating information security throughout the life cycle.
  - d. Processes for requests of new software or software changes. which must be reviewed by IT management. Approvals to begin work on the program are to be documented

- e. Patching policies whether developed and supported by the Licensee or by the Supplier, which meets the GLI-33 requirement for “**Patches**”.

#### **4.3. Annual Re-Certification**

At least once annually, each product operating under a CMP must be fully certified to the standards set forth in GLI-33, these MICS, as well as to the Act and Regulations provided by the OLG and accompanied by formal certification documentation from an independent test laboratory with knowledge of the product. The Licensee shall be allowed to seek approval for extension beyond the annual approval if hardship can be demonstrated. Granting of a hardship waiver is the sole discretion of the OLG.

### **Section 5.0 Security of Sports Wagering Systems**

#### **5.1. Technical Security Controls**

- 5.1.1. The Licensee must adopt, implement, and maintain technical security controls that meet or exceed those prescribed in Appendix B of GLI-33, these MICS, as well as to the Act and Regulations provided by the OLG. These controls must be incorporated into the internal controls submitted to the OLG for approval.
- 5.1.2. The Licensee shall comply with all applicable district and federal requirements for system security and shall implement, maintain, and comply with procedures, protocols, and security measures required by the OLG.
- 5.1.3. The Licensee shall establish procedures to handle violations of system security, which may include security incidents, unusual transactions, system failures, loss of service, breaches of confidentiality, and malicious intrusion. Such procedures shall address:
  - a. Analysis and cause of the violations of system security;
  - b. Containment;
  - c. Planning and implementation of corrective action to prevent recurrence;
  - d. Communication with players affected by or involved with recovery from the violations of system security; and
  - e. Reporting of the action to the OLG.
- 5.1.4. Action to recover from violations of system security and correct system failures shall be carefully and formally controlled. The procedures shall ensure the following:
  - a. Only clearly identified and authorized personnel are allowed access to live systems and data;
  - b. Emergency actions taken are documented in detail;
  - c. Emergency action is reported to management and reviewed in an orderly manner;
  - d. The integrity of the Sports Wagering System and its components are confirmed with minimal delay; and
  - e. Reporting of the action to the OLG.

#### **5.2. System Integrity and Security Audit**

- 5.2.1. In accordance with **Title 30 DCMR § 2125**, an annual system integrity and security audit shall be performed by an independent licensed auditor approved by the OLG to compliment the testing and annual certification designated for the Sports Wagering System. The security audit covers the applications transferring, storing, or processing PII or sensitive information, the underlying operating system, network components, and hardware changes not included in the evaluation of the Sports Wagering System re-baselined. It is the responsibility of the Licensee to coordinate with their Suppliers and Service Providers to ensure all critical components are audited.
  - a. A newly licensed Licensee shall submit a security audit within six (6) months of being licensed and by June 1 of each year after being licensed. This is irrespective of whether they are actively participating in sports wagering or not.
  - b. Compliance with these standards is to ensure that Licensees have appropriate security controls in place so that players are not exposed to unnecessary risks when choosing to participate in sports wagering.
- 5.2.2. The security tests on the production environment shall guarantee that no vulnerabilities putting at risk the security and operation of the Sports Wagering System exist in accordance with **GLI-33’s** specifications for “**Technical Security Testing**”.
- 5.2.3. The Licensee shall describe in the internal controls how annual security testing of the Sports Wagering System will be conducted, including at minimum the following:
  - a. Review of the operational processes that are critical to compliance;
  - b. The processes for performing the vulnerability assessment pursuant to **GLI-33’s** specifications for “**Vulnerability Assessment**”;
  - c. The processes for performing penetration testing pursuant to **GLI-33’s** specifications for “**Penetration Testing**”;

- d. The processes for reviewing the firewall rules on all the perimeter firewalls and the internal firewalls to verify the operating condition of the firewall and the effectiveness of its security configuration and rule sets.
- e. The process for communicating the results of vulnerability assessment and penetration testing to the OLG no later than one month after the date of the scan or penetration test. Once completed, a report on the assessments shall be provided to the Licensee and/or OLG, which shall include:
  - i. Scope of review;
  - ii. Name and company affiliation of the individual(s) who conducted the assessment;
  - iii. The date of the assessment;
  - iv. Findings;
  - v. Recommended corrective action, if applicable; and
  - vi. The Licensee's response to the findings and recommended corrective action.
- f. The process for addressing any recommendations contained in the vulnerability scanning or penetration testing reports.

### **5.3. Information Security Program and Service Provider Audit**

- 5.3.1. The Licensee or IT Service Provider shall implement, maintain, regularly review and revise, and comply with a comprehensive information security program, in accordance with **Title 30 DCMR § 2108.1(f)**, the purpose of which shall be to take reasonable steps to protect the confidentiality, integrity, and availability of personal information of individuals who place a wager with the Licensee, and shall contain administrative, technical, and physical safeguards appropriate to the size, complexity, nature, and scope of the operations and the sensitivity of the personal information owned, licensed, maintained, handled, or otherwise in the possession of the Licensee.
- 5.3.2. The information security program shall also be designed to ensure the confidentiality, integrity and availability of systems and components that perform cybersecurity functions. Functions include identification of cyber risks; implementation of policies and procedures to protect unauthorized access or use or other malicious acts; detection of cybersecurity events; responsiveness to identified cybersecurity events to mitigate any negative events and recovery from cybersecurity events and restoration of normal operation and services.
- 5.3.3. Pursuant to **Title 30 DCMR § 2125.3**, the information security program shall undergo an annual audit against common information security principles in relation to confidentiality, integrity, and availability, as covered within these MICS. It is acceptable to leverage the results of prior audits conducted by appropriately accredited vendors and qualified individuals, within the current audit period (e.g., within the past year), against standards such as ISO/IEC 27001, the NIST Cybersecurity Framework, or equivalent. Such leveraging will be noted in the audit report.
- 5.3.4. A Licensee making use of a Cloud Service Provider (CSP), as allowed by the OLG, to store, transmit or process PII and other sensitive information shall undergo an annual audit against common information security principles in relation to confidentiality, integrity, and availability, as covered within these MICS. It is acceptable to leverage the results of prior audits conducted by appropriately accredited vendors and qualified individuals, within the current audit period (e.g., within the past year), against standards such as ISO/IEC 27017 and ISO/IEC 27018 or equivalent
  - a. If PII and other sensitive information is stored, processed, or transmitted in a cloud environment, the applicable requirements will apply to that environment, and will typically involve validation of both the CSP's infrastructure and the Licensee's usage of that environment.
  - b. The allocation of responsibility between the CSP and the Licensee for managing security controls does not exempt a Licensee from the responsibility of ensuring that PII and other sensitive information is properly secured according to the applicable requirements.
  - c. Clear policies and procedures shall be agreed between the CSP and the Licensee for all security requirements, and responsibilities for operation, management and reporting shall be clearly defined and understood for each applicable requirement.
- 5.3.5. The Licensee or a Payment Service Provider (PSP) used to conduct transactions with financial institutions shall undergo a specific annual audit against common information security principles in relation to the provision and use of payment services, as covered within these MICS. It is acceptable to leverage the results of prior audits conducted by appropriately accredited vendors and qualified individuals, within the current audit period (e.g., within the past year), against standards such as the Payment Card Industry Data Security Standards (PCI-DSS) or equivalent. Such leveraging will be noted in the audit report.

### **5.4. Organization of Information Security Management**

- 5.4.1. The Licensee shall develop an information security policy which shall be in effect to describe internal controls pertaining to managing information security and its implementation. The information security policy shall contain:

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- a. A commitment by management to actively support security and compliance within the organization through clear direction, demonstrated commitment, explicit assignment, and acknowledgement of information security and compliance responsibilities.
  - b. A description of how information security roles and responsibilities of Licensee employees and relevant third parties for the operation, service, and maintenance of the Sports Wagering System and/or its components.
  - c. A reference to the Supplier's policies and procedures which support information security activities within the organization.
  - d. A requirement for review at planned intervals and when changes occur to the Sports Wagering System or the Licensee's processes which alter the risk profile of the system
  - e. A requirement to communicate information security policies to all employees and relevant third parties.
- 5.4.2. The internal controls shall describe how risk assessments are performed to identify, quantify, and prioritize risks against criteria for risk acceptance. The description of risk assessments shall include at a minimum:
- a. The methodology used for risk assessments, including:
    - i. A clearly defined scope for risk assessments; and
    - ii. A systematic approach for risk identification, and risk analysis.
  - b. The manner in which risk assessments of Sports Wagering components and operations are to be recorded and reported to management.
  - c. The process for periodic reviews of the risk assessment.

**5.5. Sports Wagering Asset Management**

- 5.5.1. Internal controls shall be in place to ensure that all assets housing, processing, or communicating sensitive information, including those comprising the operating environment of the Sports Wagering System and/or its components, are accounted for in accordance with GLI-33 requirements for "**Asset Management**".
- 5.5.2. A procedure shall exist to ensure that recorded accountability for assets is compared with actual assets at least annually or at intervals required by the OLG and appropriate action is taken with respect to discrepancies.
- 5.5.3. Assets shall be disposed of securely and safely using documented procedures
- 5.5.4. Prior to disposal or re-use, assets containing storage media shall be checked to ensure that any licensed software, as well as PII and other sensitive information has been removed or securely overwritten (i.e., not just deleted).
- 5.5.5. A record of the disposal of equipment or media shall be kept.

**5.6. System Architecture and Location of Components**

- 5.6.1. The internal controls shall include a Critical Asset Registry (CAR) describing all critical components of the Sports Wagering System including hardware and software, that affect the functionality of the Sports Wagering System or has an influence on how Personally Identifiable Information (PII) and other sensitive information is stored/handled by the system, including the following critical components deployed by the Supplier:
  - a. Sports Wagering System components which record, store, process, share, transmit or retrieve PII and other sensitive information;
  - b. Sports Wagering System components which store the results or the current state of a player's wager;
  - c. Points of entry to and exit from the above systems; and
  - d. Communication networks which transmit PII and other sensitive information.
- 5.6.2. Operators and management service providers must identify those critical components with any functionality capable of receiving wagers and must locate those components within the District, or a location approved by the OLG in accordance with **D.C. Code § 36-621.07(c)(4)** and **Title 30 DCMR § 2108.1(d)** and all other applicable District and federal laws or regulations.
- 5.6.3. The internal controls are to delineate the physical location of each component, including the location of staff (Licensee, service provider, datacenter Licensee if the datacenter is maintained by an independent party) for operation, service, and maintenance of Sports Wagering System and/or its components.
- 5.6.4. Components that perform functions capable of receiving wagers generally include primary or secondary components that facilitate the placement or acceptance of wagers, including, but not limited to:
  - a. Sports Wagering System servers.
  - b. Components that facilitate event or wagering proposition posting and selection.
  - c. Other Sports Wagering layer components.
  - d. Any other components that facilitate the placement or acceptance of wagers.
- 5.6.5. Unless otherwise provided in any applicable District and federal laws or regulations, critical components with no functionality capable of receiving wagers may be located outside of the District, including, but not limited to:

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- a. Account management and wallet type functions that provide a mechanism for individuals or players to create and manage a Sports Wagering Account and perform deposits to and withdrawals from that account.
  - b. Payment processing, geolocation, and individual or player identification functions, whether performed by the Licensee, or a supplier, vendor, or other third-party service provider.
- 5.6.6. Production networks serving the Sports Wagering System and its components shall be segregated into security domains based on a risk assessment of the functions performed on each network. The risk assessment shall consider:
- a. The devices and software deployed on each network, e.g., wireless devices, database servers, VOIP devices, remote desktop capability, etc.
  - b. The accessibility of the network from the public Internet;
  - c. The value and classification of the information stored or processed in the network.
  - d. The access control policy and access requirements for the applications on the network.
- 5.6.7. All domains, points of access, and communication media for sports wagering operations conducted are to be delineated in the internal controls.

**5.7. Physical and Environmental Security of the Sports Wagering System**

- 5.7.1. The Licensee must provide the OLG with information on the location of all critical components. The critical components shall be housed in one or more secure area(s) which may be located locally, within a single Sports Wagering Facility, or may be remotely located outside of the Sports Wagering Facility, at a hosting center with each location selected having adequate security, protections, and controls over the components. The secure area shall meet the GLI-33 specifications for **“Physical Location of Servers”**.
- 5.7.2. The secure areas must include internal controls which delineate the methods, processes and practices used in meeting the following at a minimum:
- a. Redundant power sources to reduce the risk of data loss in case of interruption of power;
  - b. Adequate climate control and fire suppression equipment;
  - c. Adequate security mechanisms, such as traditional key locks, biometrics, combination door lock, or electronic key card system to prevent unauthorized physical access to areas housing critical components of the Sports Wagering System and equipment for sports wagering applications.
- 5.7.3. The administration of the electronic security systems, if used to secure areas housing critical components of the Sports Wagering System and equipment, is performed by personnel independent of the Sports Wagering Function.
- 5.7.4. The administration of the physical access security mechanism used to secure areas housing the sports wagering critical components, such as keys, cards, or fobs, is performed by authorized IT personnel.
- 5.7.5. Physical access shall have a multi-factor authentication process unless the location is staffed at all times;
- 5.7.6. Non-IT personnel, including the Suppliers of the Sports Wagering System’s computer equipment, are allowed access to the areas housing critical components of the Sports Wagering System and equipment for sports wagering applications only when authorized and accompanied by IT personnel and with continuous monitoring by IT personnel during each access by IT personnel or personnel independent of the function using such application.
- 5.7.7. A record of each access by non-IT personnel is maintained and includes at a minimum:
- a. The name of the visitor(s);
  - b. Time and date of arrival;
  - c. Time and date of departure;
  - d. Reason for visit; and
  - e. The name of IT personnel authorizing such access.

**5.8. Communications Security**

- 5.8.1. The Sports Wagering System shall be designed to ensure the integrity and confidentiality of all communications and ensure the proper identification of the sender and receiver of all communications in accordance with **Title 30 DCMR § 2119.20**. If communications between any system components are performed across internet/public or third-party networks, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission. In addition, the GLI-33 requirements for **“Communications”** must be met to assure communications security:
- 5.8.2. All entry and exit points to the network shall be identified, managed, controlled, and monitored on a 24/7 basis.
- 5.8.3. In cloud and virtualized environments, each server instance may perform only one function. Alternative equivalently secure mechanisms will be considered as technology advances.

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- 5.8.4. A formal policy shall be in place, and appropriate security measures shall be adopted to protect against the risks of using mobile computing and communication facilities. Telecommuting shall not be permitted except under circumstances where the security of the endpoint can be guaranteed.
- 5.8.5. If guest networks are offered (such as, networks that provide internet access for players, athletes or participants, or Suppliers), adequate logical segregation is provided of the guest network from the network used to serve access to sports wagering related applications and devices. Traffic on guest networks is non-routable to the network serving sports wagering related applications and devices.

**5.9. Data Security**

- 5.9.1. The Licensee shall provide a layered approach to security within the production environment to ensure secure storage and processing of data.
- 5.9.2. The Sports Wagering System shall provide a logical means for securing the PII and other sensitive information, including accounting, reporting, significant event, or other wagering data, against alteration, tampering, or unauthorized access in accordance with GLI-33's requirements for "**Data Security**".
- 5.9.3. The internal controls shall describe how and where encryption or cryptography is used in the Sports Wagering System to protect PII and other sensitive information, in accordance with GLI-33's requirements for "**Cryptographic Controls**" and "**Encryption Key Management**".
- 5.9.4. The following shall also be included in the internal controls:
  - a. The required level of protection of all PII and other sensitive information based on a risk assessment and information classification.
  - b. The use of encryption for PII and other sensitive information if it traverses a network with a lower level of trust.
  - c. The need for encryption of stored PII and other sensitive information on portable computer systems (laptops, USB devices, etc.).
  - d. Secure encryption keys in a way which limits access.
  - e. Integrity measures for the storage of winning ticket and voucher data and validation information.
  - f. The roles and responsibilities of IT Function personnel for key management and the implementation of the cryptography policy.

**5.10. Domain Name Service (DNS) Requirements**

The servers used to resolve public or external Domain Name Service (DNS) queries used in association with the Sports Wagering System shall meet GLI-33's "**Domain Name Service (DNS) Requirements**".

**5.11. Firewalls**

- 5.11.1. The Sports Wagering System must be equipped with a firewall which meets the **GLI-33** requirements for "**Firewalls**".
- 5.11.2. Firewalls used to protect the production environment shall be able to record the audit information specified in GLI-33 for "**Firewall Audit Logs**" to preserve and secure the information from loss or alteration.

**Section 6.0 Monitoring and Reporting**

**6.1. Logging**

- 6.1.1. Logging facilities and log information shall be protected against tampering and unauthorized access.
- 6.1.2. Event logs recording user activities, exceptions, and information security events shall be generated on each system component in order to monitor and rectify anomalies, flaws, and alerts. All logs shall be stored and regularly reviewed in order to be presented as evidence.
- 6.1.3. Transaction logging shall be enabled on all databases. The alteration of any accounting, reporting or significant event data shall meet the GLI-33 requirements for "**Data Alteration**".

**6.2. Monitoring of Systems**

- 6.2.1. Antivirus software shall be deployed on the Sports Wagering System to mitigate attacks from known viruses. Logs shall be stored of all virus encounters. These programs shall be updated regularly to scan for new strains of viruses.
- 6.2.2. All critical components of the Sports Wagering System are to be operational in order for the Sports Wagering System to operate and commence sports wagering. The Sports Wagering System shall detect and record information regarding the failure or non-operation of any component within the Sports Wagering System. A log of this event shall be generated.

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6.2.3. After a system interruption or shutdown, communication with all components necessary for system operation shall not be established and authenticated until the program resumption routine, including any self-tests, are completed successfully.

**6.3. Exception Reports**

6.3.1. Exception reports shall be generated for significant events or alternations. The internal controls are to indicate the system's capability of producing an exception report (includes listing of specific report[s]) and to what extent this report provides specified information.

6.3.2. Significant events or alternations which shall be tracked include, but are not limited to:

- a. Failed login attempts. If configurable by the system, parameters may be set so that only certain attempts are flagged for review (e.g., failed login attempts exceeding a certain number or failed login attempts to a specific address are flagged for review);
- b. Program error or authentication mismatch;
- c. Significant periods of unavailability of the Sports Wagering System or any critical component of the Sports Wagering System. A significant period may be any length of time when a transaction cannot be performed;
- d. System voids, past-post voids, in-progress voids, past-post write, in-progress write, overrides, and corrections;
- e. Changes to live data files occurring outside of normal program and operating system execution. Databases and operating systems are to be configured to monitor for and record manual edits and modifications made by users (not automatically by programs or operating systems) to data files and database tables belonging to the Sports Wagering System;
- f. Changes that are made to the download data library, including the addition, changing or deletion of software, where supported;
- g. Changes to operating system, database, network, and application policies and parameters. Policies and parameters include, but are not limited to:
  - i. Audit settings (types of events that are monitored and logged);
  - ii. Password complexity settings (minimum length, maximum age, etc.);
  - iii. System security levels (AS/400, QSecurity);
  - iv. Point structure for player loyalty;
- h. Changes to date/time on master time server;
- i. Audit trail of information or initially recorded data changed by administrator accounts. Information logged, if configurable, is to include the events related to the functions described in the definitions of "system administrator" and "user access administrator".
- j. Changes to previously established criteria for a sports event (not including line posting changes for active sports events), such as odds, cut-off times, event data;
- k. Changes to the results of a sports event;
- l. Changes to promotion and/or bonus parameters;
- m. Adjustments to a Sports Wagering Account balance;
- n. Changes made to PII and sensitive information recorded in a Sports Wagering Account;
- o. Deactivation of a Sports Wagering Account;
- p. Negative Sports Wagering Account balance (due to adjustments and/or chargebacks)
- q. Irrecoverable loss of sensitive information;
- r. Any other activity requiring user intervention or supervisory approval and occurring outside of the normal scope of system operation; and
- s. Other significant or unusual events as deemed applicable by the OLG (the internal controls are to delineate what other events are to be logged).

6.3.3. Exception reports produced for the Sports Wagering System for the significant events or alternations listed above shall include at a minimum:

- a. The date and time of the significant event or alteration;
- b. Unique transaction identifier;
- c. Identification of user(s) who performed and/or authorized the significant event or alteration;
- d. Reason/description of the significant event or alteration, including data or parameter altered;
- e. Data or parameter value prior to alteration; and
- f. Data or parameter value after alteration.

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- 6.3.4. The internal controls are to delineate separately for each layer of the system (application, operating system, database, and network, where applicable) whether the system is configurable, and to what extent the system is configurable, in tracking specified events.
- 6.3.5. Exception reports are reviewed on a daily basis for propriety of transactions and unusual occurrences. The review shall be aimed at providing reasonable assurance that:
  - a. Users are only performing activities which have been explicitly authorized; and
  - b. Possible threats facing the Sports Wagering System are being assessed.
- 6.3.6. All noted improper transactions or unusual occurrences noted during the review of exception reports are investigated with the results documented.
- 6.3.7. The employee(s) responsible for reviewing the exception reports is (are) delineated in the internal controls.
- 6.3.8. Evidence of this review (e.g., log, checklist, notation on reports) must be maintained for 18 months following the completion of the review. The evidence is to include:
  - a. The date and time of review;
  - b. Name and title of person performing the review;
  - c. The exception report reviewed;
  - d. Any exceptions noted; and
  - e. Follow-up and resolution of exceptions.
- 6.3.9. Compliance may involve the use of an automated tool that “flags” the events for the Sports Wagering System and provides the person assigned to complete the review with notification.
  - a. A record of the notification must include the date and time of the notification.
  - b. Maintaining the notification for 90 days may serve as evidence of the review, provided that the date, time, name of individual performing the review of the exceptions noted, and any follow-up of the noted exception are documented in the notification or in a separate document maintained as required by this MICS.
- 6.3.10. IT personnel who review the logs are independent of the system administration and user access administration functions and do not have system access to perform any administrative functions in the systems for which the logs are being reviewed. Alternatively, the Licensee may designate an employee outside of the IT Function, provided that the employee is independent of the function using the system for which the logs are being reviewed.
- 6.3.11. If an IT service provider maintains and administers the Sports Wagering System on behalf of the Licensee:
  - a. The review of the logs is to be performed by IT personnel who are employees of the Licensee; or
  - b. If an automated tool is used, the notification is to be provided to IT personnel employed by the Licensee.

**6.4. Incident Management Procedures**

- 6.4.1. Procedures must be implemented within the internal controls for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with the Sports Wagering System.
- 6.4.2. The incident management process shall:
  - a. Include a definition of what constitutes a security incident.
  - b. Document how security incidents are reported through appropriate management channels.
  - c. Address management responsibilities and procedures to ensure a rapid, effective, and orderly response to security incidents, including:
    - i. Procedures to handle different types of security incidents;
    - ii. Procedures for the analysis and identification of the cause of the incident;
    - iii. Communication with those affected by the incident;
    - iv. Reporting of the incident to the appropriate authority;
    - v. Forensic evidence collection; and
    - vi. Controlled recovery from security incidents.
- 6.4.3. All security incidents must be responded to within an established time period approved by the OLG and formally documented.
- 6.4.4. If a 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, location detection, or otherwise calls into question the security and integrity of the Sports Wagering System, the licensee shall notify the OLG immediately. Such notification shall include:
  - a. A description of the error;
  - b. Risks created or imposed by the error; and
  - c. Efforts being taken by the Licensee to prevent any impact to the security and integrity of the Sports Wagering System.



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**Section 7.0 Sports Wagering System Verification**

**7.1. Requirements for System Verification**

- 7.1.1. The internal controls shall include a mechanism for verifying that the components of the Sports Wagering System in the production environment and the Mobile Apps or Sites made available for download by players from the live website are identical to those approved by the OLG.
- 7.1.2. Pursuant to **Title 30 DCMR § 2119.15**, the Sports Wagering System shall, at least once every twenty-four (24) hours, perform a self-authentication process on all software used to offer, record and process wagers to ensure there have been no unauthorized modifications.
- 7.1.3. Provision shall be made for the verification mechanism to be run at the following times:
  - a. On re-start of the Sports Wagering System;
  - b. On the incorporation of changed components to the Sports Wagering System following the CMP;
  - c. On a scheduled period of not more than 24 hours as determined by the Executive Director; and
  - d. At any time at the request of the Executive Director.
- 7.1.4. The authentication mechanism shall include all critical control program components which may affect wagering operations, including but not limited to executables, libraries, wagering or system configurations, operating system files, components that control required system reporting, and database elements that affect system operations;
- 7.1.5. As a minimum, the digital signatures shall employ a cryptographic algorithm which produces a message digest of at least 128 bits;
- 7.1.6. Signatures shall be gathered from the production environment through a process, which shall include one or more analytical steps to compare the current signatures of the critical control program components in the production environment with the signatures of the current approved versions of the critical control program components.

**7.2. Results of Authentication**

- Signatures produced by the authentication mechanism from each verification process must be stored in an unalterable format and shall comprise part of the Sports Wagering System records which must be recovered in the event of a disaster or equipment or software failure. Records of verification processes must be
- a. Recorded by the system in a log or report;
  - b. Maintained for a period of not less than ninety (90) days; and
  - c. Accessible by the OLG in a format which will permit analysis of the verification records by the OLG.

**7.3. Authentication Failure**

A failure of verification of any component of the Sports Wagering System shall result in an alert being communicated to the Information Systems Officer and the OLG within twenty-four (24) hours. There shall be a process in place for responding to authentication failures if the component is determined to be invalid, including determining the cause of the failure and performing the associated corrections or reinstallations needed in a timely manner.

**7.4. Control Program Independent Verification**

Each critical control program component of the Sports Wagering System shall have a method to be verified via an independent third-party verification procedure. The third-party verification process shall operate independently of any process or security software within the system. The independent test laboratory, prior to system approval, shall approve the integrity check method.

**7.5. Control Program Verification Listing**

- 7.5.1. The Licensee shall generate a Control Program Verification Listing of the critical control program components along with their corresponding digital signatures
- 7.5.2. Each item in the Control Program Verification Listing shall have a unique code, version number and identification characteristic sufficient to ensure that the Internal Audit Function will be able to inspect some or all components at any given time and determine whether they have deviated from the approved version.
- 7.5.3. A member of the IT Function will be assigned responsibility for changes to each item in the Control Program Verification Listing.

**Section 8.0 Maintenance of Sports Wagering Systems**

**8.1. System Procedures**

- 8.1.1. System documentation for all in-use components of the Sports Wagering System (versions of application, database, network hardware, and operating system) shall be maintained, including descriptions of both hardware and software (including version numbers), Licensee manuals, etc.

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- 8.1.2. The Licensee shall be responsible for documenting within the internal controls and following the relevant “**System Procedures**” outlined in GLI-33.
- 8.1.3. The internal controls are to delineate appropriate measures to detect, prevent, mitigate, and respond to cyberattacks, including common active and passive attacks.
- 8.1.4. The Licensee shall have an established procedure documented in the internal controls to gather cyber threat intelligence and act on it appropriately.

**8.2. Procedures for Maintenance**

- 8.2.1. Sports Wagering System components shall be provided with adequate primary power which meets the GLI-33 requirement for “**Uninterruptible Power Supply (UPS) Support**”.
- 8.2.2. The Licensee shall document the responsibilities of the IT Function for the maintenance of the components of the Sports Wagering System. The documentation shall include:
  - a. The roles of IT personnel in performing routine and non-routine maintenance on the components of the Sports Wagering System.
  - b. The source of procedures for performing routine maintenance activities.
  - c. The records of the maintenance activities required to be kept.
- 8.2.3. Sports Wagering network equipment shall be correctly maintained to ensure its continued availability and integrity. The logs of all routers, switches, firewalls, and other network appliances should be reviewed on a scheduled basis for any errors, or performance concerns.
- 8.2.4. Sports Wagering communications records covering network lag, connection speeds, and communications outages should be reviewed on a regular basis and corrective action taken if any errors or performance concerns are detected.

**8.3. User Access Controls**

**8.3.1. Access Control Policy**

An access control policy shall be established and documented within the internal controls which shall be periodically reviewed based on business and security requirements for physical and logical access to the Sports Wagering System and/or its components. The access control policy shall ensure that access to the following is restricted and secured:

- a. System software and application programs;
- b. Data associated with sports wagering; and
- c. Communications facilities, systems, and information transmissions associated with the Sports Wagering System.

**8.3.2. Provisioning of Access Privileges**

A formal user registration and de-registration procedure shall be in place for granting and revoking access to the Sports Wagering System and/or its components.

- a. Procedures shall be in place to control the allocation of access rights to components of the Sports Wagering System. The procedures should cover all stages in the lifecycle of user access, from the initial registration of new users to the final de-registration of users who no longer require access to the Sports Wagering System.
- b. The internal control shall describe the assignment of employee access and job responsibilities for various components of the Sports Wagering System. Provisioning for user accounts consist of assigning application functions matching the employee’s current job responsibilities, unless otherwise authorized by management personnel, to ensure adequate separation of duties
  - i. The allocation of access privileges shall be restricted and controlled based on business requirements and the principle of least privilege.
  - ii. Employees shall only be provided with access to the services or facilities that they have been specifically authorized to use.
  - iii. Management shall review user access rights at regular intervals using a formal process.
- c. A system administrator, management personnel, the IT service provider, or persons independent of the function being controlled, establish, or review and approve, user accounts for new employees and employees who transfer to a new function.
- d. The transferred employees must have access appropriate for the new position only when the access for the previous position has been removed or disabled. Any previously assigned application function access for

the employee's user account is changed to inactive (disabled) prior to the employee accessing their new user account for their role or position in a new function.

- e. When multiple user accounts are used for one employee within a single application, only one user account may be active (enabled) at a time if the concurrent use of the multiple accounts by the employee could create a segregation of duties deficiency resulting in noncompliance with one or more MICS. Additionally, the user account has a unique prefix/suffix to easily identify the users with multiple user accounts within one application.
- f. The access provisioning process must be documented; documentation must evidence authorization by the appropriate management personnel, original user access and each subsequent change to user account; documentation must be maintained and made available upon request.

### **8.3.3. Logical Access Control**

The Sports Wagering System, including application software, shall be logically secured against unauthorized access by authentication credentials allowed by the OLG, such as passwords, multi-factor authentication, digital certificates, PINs, biometrics, and other access methods (e.g., magnetic swipe, proximity cards, embedded chip cards). Internal controls shall be in place to ensure the GLI-33 requirements for “**Logical Access Control**” are met.

- a. Any authentication credentials stored on the system shall be either encrypted or hashed to the cryptographic algorithms that meet current industry accepted standards, such as ISO/IEC 19790, FIPS 140-2, or equivalent.
- b. A fallback method for resetting authentication credentials (e.g., forgotten passwords) shall be at least as strong as the primary method. A multi-factor authentication process shall be employed for these purposes.
- c. The system shall allow for system administrator notification and user lockout or audit trail entry, after 3 consecutive failed attempts at authentication. Multi-Factor Authentication shall be required to unlock the account.
- d. Restrictions on connection times such as but not necessarily limited to session timeouts shall be used to provide additional security for high-risk applications, such as remote access.
- e. The Sports Wagering System shall implement the “**Server Programming**” requirements from **GLI-33**.

### **8.3.4. Password Requirements**

Where passwords are used as an authentication credential, security parameters for passwords, if configurable, shall be at least 8 characters in length. The internal controls are to delineate whether the system is configurable for security parameters for passwords, and to what extent the system is configurable in meeting the above Password requirements.

### **8.3.5. User Authorization**

The Sports Wagering System shall implement the “**User Authorization**” requirements from **GLI-33**. Where user sessions are tracked for authorization, the user session authorization information shall always be created randomly, in memory, and shall be removed after the user’s session has ended.

### **8.3.6. Administrative Access**

The internal controls are to delineate the assignment of administrative access and function for various components of the Sports Wagering System.

- a. Access to administer the network, operating system, applications, and database security and system parameters is limited to:
  - i. Supervisory and/or management employees of the IT Function; or
  - ii. IT employees under the supervision of supervisory and/or management employees of the IT Function; or
  - iii. Employees of Licensees under the supervision of supervisory and/or management employees of the IT Function; or
  - iv. Employees of IT service provider.
- b. The Sports Wagering System and its components being administered are enabled to log all administrative account’s activity. Such logs are to be maintained and include time, date, login account name, a description of the event, the value before the change, and the value after the change.
- c. Administrative access at the operating system level for all servers that support or are part of the Sports Wagering System must be reviewed quarterly. Reviews are performed by personnel independent of the IT

Function and include a complete review of all user accounts with administrative access. The reviewer performs the following:

- i. Review all administrative groups and groups with elevated privileges to ensure membership is appropriate.
  - ii. Review the last login date and time for all administrative accounts to determine whether any “stale” accounts exist (e.g., users on extended leave or terminated IT employees remain active in the system).
  - iii. Review administrative accounts to ensure that passwords have been changed at least once every 90 days.
  - iv. Examine user list to determine whether IT personnel utilize normal user accounts for regular use and administrator accounts for administrative functions.
- d. Documentation of the results of the review is retained for a period of 18 months and includes the date, time, and name and title of the person performing the review.
- e. At least annually, the Sports Wagering System is reviewed by personnel independent of the individual who sets up or makes changes to the system parameters. The review is performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization (e.g., verify the accuracy of the commission % or flat fee to collect on wagering activity and the awarding of points based on the dollar amount wagered). The system must also be tested, if possible, to further verify the accuracy of the configuration parameters (e.g., simulate activity to verify the accuracy of the commission % or flat fee and to verify the accuracy of the amount of points awarded). The test results are documented and maintained.

#### **8.3.7. Removal of Access Privileges**

The access rights of employees to the Sports Wagering System and/or its components shall be removed upon termination of their employment, contract, or agreement, or adjusted upon change.

- a. The user access administrator and/or system administrator, as applicable, must be notified immediately, but no less than within 24 hours, when an employee, including one who has a user account with remote access capability, is known to be no longer employed (e.g., voluntary, or involuntary termination of employment). Hostile terminations require immediate notification to the administrator who must promptly disable/remove access rights to the system(s).
- b. Upon notification, the administrator must change the status of the employee’s user account from active to inactive (disabled) status within a reasonable period of time, established in the internal controls. The period of time for notification of the administrator is to be set such that it is unlikely that the terminated employee would gain access, remote or otherwise, within the notification period.
- c. Accounts shall be deactivated after 30 days of inactivity.

#### **8.3.8. Generic Accounts**

Generic accounts at the application level are prohibited unless user access is restricted to inquiry only functions.

- a. The use of generic accounts shall be limited, and where used the reasons for their use shall be formally documented in the internal controls.
- b. Generic accounts at the operating system level, if used, are configured such that:
  - i. The user is automatically brought to the application logon screen immediately upon logging into the operating system, and the user is logged out of the operating system automatically upon exiting the application; or
  - ii. The user is only granted access to the assigned application(s) for the user’s current job responsibilities, and the user is precluded from executing unassigned applications or functions from the terminal desktop and is precluded from interactive access to the operating system through the proper security configurations.
- c. The internal controls are to delineate the method used to secure generic accounts.

#### **8.3.9. Service Accounts**

Service accounts, if used, are utilized in a manner to prevent unauthorized and inappropriate usage to gain logical access to an application and the underlying databases and operating system.

- a. Service account log-in and password information is restricted to a limited number of authorized employees. Suggested methods include:

- i. Service accounts are configured such that the account cannot be used to directly log in to the console of a server or workstation;
- ii. Service account passwords are to be changed at least once every 90 days, and immediately upon termination of system administrators.
- b. The employee responsible for the documentation indicating the method used to prevent unauthorized and inappropriate usage of these service accounts (available upon request by authorized internal and external auditors and by OLG personnel) is to be delineated in the internal controls.

#### **8.3.10. Default Accounts**

User accounts created by default (default accounts) upon installation of any operating system, database or application are configured to minimize the possibility that these accounts may be utilized to gain unauthorized access to system resources and data.

- a. The employee responsible for the documentation indicating the procedures implemented to restrict access through the use of default accounts (available upon request by authorized internal and external auditors and by OLG personnel) is to be delineated in the internal controls.
- b. Any other default accounts that are not administrator, service, or guest accounts must be disabled unless they are necessary for proper operation of the system. If these accounts must remain enabled, the passwords are changed at least once every 90 days.

#### **8.3.11. Test Accounts**

Pursuant to **Title 30 DCMR § 2119.21**, the Licensee shall set up test accounts to be used to test each of the various components and operations of the Sports Wagering System in accordance with internal controls approved by the Licensee, which, at a minimum, shall address the following procedures:

- a. The procedures for authorizing testing activity and assigning each test account for use;
- b. The procedures for the issuance of funds used for testing, including the identification of who is authorized to issue the funds and the maximum amount of funds that may be issued;
- c. The maintenance of a record for all test accounts, to include when they are active and to whom they are issued; and
- d. The procedures for the auditing of testing activity to ensure the accountability of funds used for testing and proper adjustments to reports and records.

#### **8.3.12. List of Accounts**

System administrators maintain a current list of all enabled generic, system, test, and default accounts.

- a. The employee(s) responsible for maintaining the list is to be delineated in the internal controls. The documentation includes, at a minimum, the following:
  - i. Name of system (i.e., the application, operating system, or database);
  - ii. The user account login name;
  - iii. A description of the account's purpose;
  - iv. A record (or reference to a record) of the authorization for the account to remain enabled.
- b. The current list is reviewed by IT management in addition to the system administrator at least once every six months. The internal controls are to delineate the employee(s) responsible for the review. The list is reviewed to perform necessary procedures:
  - i. To identify any unauthorized or outdated accounts;
  - ii. To determine that the method used is a properly designed control process and is effectively operating to secure the generic, service, and default accounts from unauthorized usage.
- c. If an IT service provider is used, the system administrator (the employee[s] delineated in the internal controls) maintains an additional list of all user accounts with system administrative permission which includes at a minimum:
  - i. Name of the system administered by an IT service provider, and
  - ii. The user account(s) login name(s) used by an IT service provider.
- d. The current list required by (c) is reviewed by IT management, in addition to the system administrator, at least once every six months. The internal controls are to delineate the employee(s) responsible for the review. The list is reviewed to ensure that the permissions are appropriate for each user's position.

**8.3.13. User Access Listing**

A “User Access Listing” must be maintained either manually or by systems that automatically record access changes and force authentication credential changes.

- a. The written internal controls are to indicate the system's capability of producing a user access listing and to what extent the system's listing provides specified information.
- b. A “User Access Listing” report must be generated monthly and a copy of each report is to be retained for the most recent five years.
  - i. The “User Access Listing” report shall contain at a minimum, for each user account:
    - 1) Employee name and title or position.
    - 2) User identification.
    - 3) Full list and description of application functions that each group/user account may execute. This list may be available in a separate report if the menu functions are easily referenced between the user access listing report and the menu function report.
    - 4) The date and time account created.
    - 5) The date and time of last login.
    - 6) The date and time of last password change.
    - 7) The date and time account disabled/deactivated.
    - 8) Group membership of user account, if applicable.
  - ii. The “User Access Listing” reports may be archived electronically if the listing is written to unalterable media (secured to preclude alteration). If available, the list of users and user access for a Sports Wagering System must be available in electronic format that can be analyzed by analytical tools (e.g., spreadsheet or database) that may be employed by the OLG.
- c. “User Access Listing” reports produced at the application layer shall be reviewed quarterly by personnel independent of the authorization and user provisioning processes.
  - i. The review consists of examining a sample of at least 10% (with a maximum of 25) of the users included in the listing. For each of the randomly selected users, the reviewer shall determine whether:
    - 1) The assigned system functions are being used as authorized (i.e., system functions are appropriate for user’s job position);
    - 2) The assigned functions provide an adequate segregation of duties;
    - 3) Terminated employees’ user accounts have been changed to inactive (disabled) status within the time period determined by management and delineated in the internal controls. Verification of the time period is not required if the system is not capable of providing a user access listing indicating the date and time of an account being disabled/deactivated. The written internal controls are to delineate this reason for not performing a verification of time period;
    - 4) Passwords have been changed within the last 90 days. The review for password changes within 90 days applies regardless of whether the system parameter has been configured to have the password changed at least once every 90 days. However, the review does not apply when the system is not capable of providing a user access listing indicating the date of the last password change. The internal controls are to delineate this reason for not performing a review for password changes.
    - 5) There are no inappropriate assigned functions for group membership, if applicable. This applies to a review of the assigned functions for the selected user account with group membership.
  - ii. The reviewer must maintain adequate evidence to support the review process for the last four quarterly periods. The evidence is to include at a minimum:
    - 1) The date and time of review;
    - 2) The individual(s) performing the review;
    - 3) The selected user accounts reviewed;
    - 4) Documentation of the results of the review, including any exceptions, follow-up, and resolution of exceptions.

**8.4. Remote Access to the Sports Wagering System**

8.4.1. Remote access allows a user access to the Licensee’s network from outside of this network through some form of a data link. Remote access typically involves the use of the Internet, a dial-up modem, and/or Virtual Private Network

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- (VPN) or similar technology. A procedure for strictly controlled remote access in accordance with GLI-33's requirements for "**Remote Access Security**" shall be established and documented in the internal controls.
- 8.4.2. The range of functions available to each remote access user shall be defined in conjunction with the process owner, the IT Function, and the Security Function.
- 8.4.3. Remote access to any component of the Sports Wagering System shall be configured to prevent the transfer of PII outside of the United States, unless authorized by the OLG.
- 8.4.4. Remote access to the Sports Wagering System components (production servers, operating system, network infrastructure, application, database, and other components) shall be limited to authorized IT Function personnel employed by the Licensee, except in the following cases:
- Remote access by Supplier personnel to any component of the Sports Wagering System is allowed for purposes of support or updates and is enabled only when approved by authorized IT personnel employed by the Licensee. If the remote access to a database is performed by unlicensed Supplier personnel, the remote access must be continuously monitored by IT personnel employed by the Licensee.
  - The Licensee shall provide the OLG remote access to wagering transaction and related data as deemed necessary by and in a manner approved by the OLG pursuant to **Title 30 DCMR § 2119.16**.
- 8.4.5. Remote access may be allowed for non-IT personnel (management personnel or other authorized employees of the Licensee), however:
- Non-IT personnel must be precluded from directly accessing any databases or operating systems of any of the Sports Wagering System and other production environment servers.
  - Additional security methods must be employed beyond passwords for user accounts to ensure that the Sports Wagering System application and data integrity are maintained and secure. These additional security methods are to be delineated in the internal controls
- 8.4.6. Remote access to Sports Wagering Accounts by authorized employees of the Licensee from outside of the United States is allowed for the purposes of providing customer service but must be conducted via a remote desktop application to prevent the transfer of data from the application environment to the remote site. Access must be limited to only the application functions necessary for personnel to perform their job duties.
- 8.4.7. When the Sports Wagering System (or its components) can be accessed remotely for purposes of Supplier support, the internal controls must specifically address "**Remote Access Procedures and Guest Accounts**" as specified in GLI-33.
- 8.4.8. Supplier accounts must be restricted through logical security controls to have the ability to access only the application(s) and/or database(s) that are necessary for the purposes of support or providing updates/upgrades.
- The Licensee must employ security methods in addition to passwords to verify the identity of Supplier personnel prior to authorizing any remote access for that Supplier
  - User accounts used by Suppliers must remain disabled on all operating systems, databases, network devices, and applications until needed by such Supplier.
  - Subsequent to an authorized use by a Supplier, the account is returned to a disabled state.
- 8.4.9. Any instance of remote access to Sports Wagering System components shall be automatically recorded by a device or software which requires the information to be recorded in a "**Remote Access Activity Log**" as specified in GLI-33.
- 8.4.10. For at least one day each quarter, the remote access activity log shall be reviewed by the Internal Audit Function.
- The internal controls are to delineate the procedures and documentation used to perform the review.
  - The review is to reasonably assure:
    - Each remote access session by a Supplier has been appropriately documented;
    - Each remote access by non-Supplier personnel (IT employee, management personnel, or other authorized employee) is performed by an individual who has been authorized to have such access.
  - Evidence of the review of remote access activity logs is to be maintained for the last four quarterly periods. The evidence is to include at a minimum:
    - The date and time of review;
    - Name and title of person performing the review;
    - The remote access activity log reviewed; and
    - Any exceptions, follow-up, and resolution of exceptions.

**8.5. Electronic Storage of Information**

- 8.5.1. Reports and other documents/records may be directly written to an electronic document retention system in a portable document format (PDF) or scanned to an electronic document retention system into either a portable

document format or standard image format provided that the system, meets the GLI-33's requirements for an **"Electronic Document Retention System"**.

- 8.5.2. If scanned, documentation must be verified by at least one additional person when being added to the electronic document storage system to ensure that the scanned version is identical to the original document. The second person must provide an electronic signature or other method of sign-off verification with the date and time to demonstrate that the review was performed prior to the document being added to the system.
- 8.5.3. On a semi-annual basis, internal audit personnel shall review a minimum of 20 documents added to the electronic document retention system.
- a. The review shall assess whether:
    - i. The documents are accurate reproductions of the original and the hash signatures match to the signatures recorded when the documents were added to the system;
    - ii. The documents are readable and version control is functioning properly (i.e., all changes after the original was added are reflected in subsequent versions);
    - iii. Indexing is correct (i.e., all information is accurate, and the document is easily identified);
    - iv. User access to add or modify documents is set to an appropriate level of access to administer the electronic document retention system, and no terminated employees have active user accounts on the system;
    - v. Event recording and reporting is functioning as designed and the logs are being reviewed by the appropriate personnel regularly; and
    - vi. Redundancy exists and is adequately functional to limit the level of risk that an outage or loss of records may occur in the event of hardware failure or other unforeseen event.
  - b. Evidence of the review shall be maintained for five years. The evidence is to include at a minimum:
    - i. The date and time of review;
    - ii. Name and title of person performing the review;
    - iii. The document records reviewed; and
    - iv. Any exceptions, follow-up, and resolution of exceptions.
- 8.5.4. The internal controls must delineate the name and components of the electronic storage system, all procedures used for electronic document retention and the titles for all employees responsible for administering and maintaining the system.

## **8.6. Software Downloads**

- 8.6.1. Downloads must use secure methodologies that will deliver the download data without alteration or modification.
- 8.6.2. Downloads conducted during operational periods must be performed in a manner that will not affect wagering.
- 8.6.3. Downloads must not affect the integrity of locally stored data.
- 8.6.4. The Licensee must be capable of recording for each download:
- a. The time and date of the initiation of the download;
  - b. The time and date of the completion of the download;
  - c. The Sports Wagering System components to which software was downloaded;
  - d. The version(s) of download package and any software downloaded. Logging of the unique software signature will satisfy this requirement;
  - e. The outcome of any software verification following the download (success or failure); and
  - f. The name and identification number, or other unique identifier, of any individual(s) conducting or scheduling a download.

## **8.7. Backup and Recovery Procedures**

- 8.7.1. Daily backup and recovery procedures shall be in place and shall follow a process documented in the internal controls, which shall meet the GLI-33 requirements for the following items:
- a. **"Backup Frequency"**;
  - b. **"Storage Medium Backup"**;
  - c. **"System Failure"**;
  - d. **"Accounting of Master Resets"**; and
  - e. **"Recovery Requirements"**.
- 8.7.2. Backup system logs are reviewed daily by IT personnel or individuals authorized by IT personnel to ensure that backup jobs execute correctly and on schedule. The backup system logs are maintained for the most recent 30 days. The employee(s) responsible for reviewing the backup logs is to be delineated in the internal controls.



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- 8.7.3. Backup data files and data recovery components must be managed with at least the same level of security and access controls as the Sports Wagering System for which they are designed to support.
- 8.7.4. The employee responsible for the documentation indicating the procedures implemented for the backup processes and for restoring data and application files (available upon request by authorized internal and external auditors and by OLG personnel) is to be delineated in the internal controls.

**8.8. Business Continuity and Disaster Recovery Plan**

- 8.8.1. The Licensee shall provide and annually update and test a “**Business Continuity and Disaster Recovery Plan**,” as outlined in GLI-33, to recover wagering operations if the Sports Wagering System’s production environment is rendered inoperable. Such plan shall consider disasters including, but not limited to, those caused by weather, water, flood, fire, environmental spills and accidents, malicious destruction, acts of terrorism or war, and contingencies such as strikes, epidemics, pandemics, etc.
- 8.8.2. Utilization of cloud platforms for this purpose will be evaluated on a case-by-case basis;
- 8.8.3. The Licensee shall include a process for testing the business continuity and disaster recovery plan at least annually. A process for implementing any recommendations for improvement resulting from the annual test shall be documented.

**Section 9.0 General Operating Procedures**

**9.1. Licensee Reserves**

The Licensee shall document in the internal controls a description of procedures used for maintaining and protecting adequate cash reserves, to ensure full compliance with the “**Reserve Requirements**” of **Title 30 DCMR § 2117**, including segregated accounts of funds held for Sports Wagering Accounts and operational funds.

**9.2. Protection of Player Funds**

- 9.2.1. In accordance with **Title 30 DCMR § 2122.18**, the Licensee shall maintain an FDIC insured bank account, separate from all other operating accounts to ensure the security of funds held in Sports Wagering Accounts.
  - a. The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all Sports Wagering Accounts, funds on wagers, and pending withdrawals.
  - b. The Licensee shall have unfettered access to all Sports Wagering Account and transaction data to ensure the amount held in its independent account is sufficient.
- 9.2.2. The Licensee shall have processes in place to meet the “**Protection of Player Funds**” requirements of GLI-33 and to maintain a sufficient cash supply and other supplies within the boundaries of the District in accordance with **D.C. Code § 36-621.07(c)(7)** and **Title 30 DCMR § 2108.1(j)**

**9.3. Protection of Unpaid Funds**

The Licensee shall establish a procedure documented in the internal controls specifically related to the protection of amounts owed but unpaid and data files containing information relating to the payout status of each winning ticket and voucher, the specific winning tickets and vouchers with amounts owed but unpaid and the validation files. The procedure shall cover and confirm:

- a. The entire period for honoring winning wagers and cashing out vouchers as well as the auditing of the final transfers upon wager settlement and voucher redemption;
- b. The rules covering winning ticket and voucher validity time, payout on lost and defaced winning tickets and vouchers, inquiries into the validity of claims and late or last-minute payouts;
- c. That access control be strict and limited to that required in respect of records of unpaid winning tickets and vouchers;
- d. The reporting process in case of unauthorized access attempts;
- e. That unpaid funds for honoring winning tickets and vouchers is secured;
- f. That audit trails are able to identify unusual patterns of late payouts.

**9.4. Requirement for Compliant Resolution Process**

- 9.4.1. The Licensee shall establish procedures delineated in the internal controls on the complaint reporting and resolution process.
- 9.4.2. The Licensee shall provide a method for a player to log complaints during business hours of the sports wagering facility.
- 9.4.3. When a player makes a complaint to a Licensee, the Licensee shall immediately issue a complaint report, setting out:

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- a. Identification of the complainant;
  - b. The date and time of the complaint;
  - c. Nature of the complaint;
  - d. The name of the persons, if any, against whom the complaint was made;
  - e. Measures or steps taken to resolve the complaint;
  - f. Details regarding the resolution or referral of the dispute to the OLG, as the case may be; and
  - g. Identification of the designated employee allocated to this function in the Internal controls.
- 9.4.4. Pursuant to **Title 30 DCMR § 2108.4**, the Licensee shall investigate each player complaint and provide a response to the player within ten (10) business days. For complaints that cannot be resolved to the satisfaction of the player, related to Sports Wagering Accounts, settlement of wagers or potential illegal activity, a copy of the complaint and Licensee's response, including all relevant documentation, shall be provided to the OLG.
- 9.4.5. Records of all correspondence relating to a complaint shall be maintained for a period of five years or as otherwise specified by the OLG.
- 9.5. **Licensee to Player Communications**  
The Licensee shall have internal controls in place for handling communications between them and the player, including maintaining chat logs and email correspondence for a period of ninety days or as required by the OLG.
- 9.6. **Layoff Wagers**
- 9.6.1. The Licensee may, in its discretion, accept a Layoff Wager placed by other Licensees. Licensees may place wagers only with other Licensees. The Licensee placing a Layoff Wager shall disclose its identity to the other licensed Licensee accepting the wager in accordance with **Title 30 DCMR § 2126.8**.
- 9.6.2. The amounts of wagers placed by a Licensee and the amounts received by the Licensee as payments on such wagers shall not affect the computation of the Licensee's Gross Sports Wagering Revenue.
- 9.6.3. Before a Licensee accepts a wager from another Licensee:
- a. The authorized employee of the other Licensee must personally appear at the premises of the Licensee to open a Sports Wagering Account;
  - b. The Licensee employee must record:
    - i. The authorized employee of the other Licensee's name, permanent business address (other than a post office box number), and business telephone number;
    - ii. The documents used to verify the other Licensee is a Licensee, the authorized employee is an employee of the other Licensee and is authorized to open this Sports Wagering Account;
    - iii. The amount of the authorized employee of the other Licensee's initial Sports Wagering Account or front money deposit;
    - iv. The authorized employee of the other Licensee's account number with the Licensee; and
    - v. The date the authorized employee of the other Licensee's account with the Licensee is opened;
  - c. The authorized employee of the other Licensee must sign, in the presence of a supervising employee of the Licensee, statements attesting that the authorized employee of the other Licensee:
    - i. Confirms the accuracy of the information recorded;
    - ii. Has received a copy, or has had a copy made available to them, of the Licensee's rules and procedures for wagering communications;
    - iii. Has been informed and understands that authorized employees of other Licensees that establish a Sports Wagering Account pursuant to these MICS are prohibited by law from placing wagering communications from outside the District and that the Licensee is prohibited by law from accepting them;
    - iv. Consents to the monitoring and recording by the OLG and the Licensee of any wagering communication; and
  - d. The employee who verifies the authorized employee of the other Licensee's information and who obtains and records the information on behalf of the Licensee and the supervising employee described in subparagraph (c), must each sign statements that they witnessed the authorized employee's signature and confirmed the authorized employee of the other Licensee's identity and residence.
- 9.7. **Remote Sports Wagering Systems**  
Each Remote Sports Wagering System that provides content to another Sports Wagering System shall conform to the **Title 30 DCMR § 2121** requirements for "**Remote Sports Wagering Systems**" and GLI-33's requirements for "**External Wagering Systems**".

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**9.8. Advertising**

- 9.8.1. The Licensee shall maintain internal controls which meet the specifications of **Title 30 DCMR § 2131** for “Advertising”.
- 9.8.2. The Licensee shall have a clearly articulated commitment to advertising that does not mislead or target people with gambling problems or vulnerable populations such as minors.
- 9.8.3. Advertising and promotions may not be on any web pages that are geared towards responsible gaming.
- 9.8.4. Advertising shall not be misleading about outcomes of sports wagering and may not misrepresent the odds of winning/losing.
- 9.8.5. All advertising or marketing material shall not specifically target players that have been excluded from play in accordance with **Title 30 DCMR § 2129.31(e)**.
- 9.8.6. All direct marketing to players (e.g., player’s cards) may only be sent to players who provide their express consent to receive this material.
  - a. A player must be able to unsubscribe from receiving direct marketing materials. For direct marketing materials sent electronically, the link to unsubscribe must be functional and easily accessible.
  - b. No further direct marketing materials may be sent to a player from the time their unsubscribe request is received.
  - c. No further direct marketing materials may be sent to a player who is excluded from sports wagering.

**9.9. Responsible Gaming**

- 9.9.1. The Licensee shall submit a Responsible Gaming Plan to the OLG at the time of first application. The plan must be approved by the OLG prior to the commencement of wagering activity. The Plan shall include, at a minimum, the items specified in **Title 30 DCMR § 2128.1**. The Licensee shall resubmit their Responsible Gaming Plan for approval within ten (10) business days of any changes to the plan and at license renewal in accordance with **Title 30 DCMR § 2128.2**
- 9.9.2. The Licensee shall establish procedures within their internal controls to promote responsible gaming.
- 9.9.3. The Licensee shall have clear policies in place:
  - a. To monitor player activity for signs or triggers of problem gambling; and
  - b. For assessing and addressing situations where a player indicates they are in distress or experiencing problems.

**Section 10.0 Authorized Sports Wagering**

**10.1. Wagers on Sports Events**

- 10.1.1. **Title 30 DCMR § 2126.1** requires that a Licensee shall not accept any wager on a sports event unless it has received prior approval from the OLG as indicated in **Executive Order 20-S-003** (and subsequent amendments) pertaining to Approved Sports Events and Wager Types. For items not on this list, the licensee shall not accept any wager on a type of sports wagering unless it has received prior approval from the OLG. The licensees may offer minor variations of an approved wager type without seeking OLG approval.
- 10.1.2. Any Licensee may petition the OLG for approval of a new sports event upon which Wagers may be placed or accepted. If a Licensee would like to offer a new category of sports event or wager type, they must submit a request to the OLG using the Category of Wagering Event Request Form pursuant to **Title 30 DCMR § 2126.2 and 2126.7**. The form is available for download from the OLG’s website.
  - a. A proposed new sports event may be a variation of an authorized sports wagering event, a composite of authorized sports events, or any other sports event compatible with the public interest and suitable for Licensee use.
  - b. A Category of Wagering Event Request Form shall include the following information:
    - i. The name of the petitioner;
    - ii. Whether the new sports event or wager type is a variation of an authorized sports event, a composite of authorized sports event or wager type, or any other sports event or wager type compatible with the public interest and is suitable for Licensees use;
    - iii. The items specified under **Title 30 DCMR § 2126.7**;
    - iv. Information or documentation which demonstrates that the provisions of **Title 30 DCMR § 2126.5** are met; and
    - v. Evidence of governing body rules and regulations or independent integrity monitoring of the new sports event.

- c. Any request for a new sports event or wager type must be submitted to the OLG at least fourteen (14) days in advance of the proposed date of accepting wagers on such category of sports event or wager type in accordance with **Title 30 DCMR § 2126.3**
  - d. Upon approval of the new sports event or wager type, the OLG shall provide public notice of such approval including any conditions and limitations placed on such approval. Such notice shall occur by publication on the OLG's website as close as practicable to the time at which the OLG approves the new sports event or wager type. Thereafter, any Licensee may accept wagers pursuant to the approval and any conditions and limitations placed thereon unless the wager type is subsequently disapproved by the Executive Director for any reason the OLG deems appropriate.
- 10.1.3. Pursuant to **Title 30 DCMR § 2108.8, 2126.9, and 2127.1**, sports wagers may not be accepted or paid by the Licensee in any of the instances outlined within the "**Prohibited Sporting Events**" of **Title 30 DCMR § 2127**. In addition, wagers may not be accepted or paid by the licensee on any Sports Events which:
- a. Are not either sanctioned by a Sports Governing Body or approved by the OLG;
  - b. Are designed for athletes or participants under eighteen (18) years of age (minors) or for teams whose athletes or participants are predominantly minors. For purposes of this regulation, "predominantly" means greater than fifty percent (50%)
  - c. Are offensive, distasteful, unsavory or cause affront to normal public standards, including, but not limited to events involving:
    - i. The death or injury of a living person or animal;
    - ii. Criminal conduct or appears to induce criminal conduct;
    - iii. A risk of inciting an individual to breach the rules of a Sports Governing Body or equivalent; or
    - iv. Discriminatory or derogatory inferences against race, religion, ethnicity, gender, or sexuality.
  - d. Threaten the dignity of people, the right to honor, personal and family privacy and image; or
  - e. Are against the rights of minors or any constitutionally recognized right or freedom.
- 10.1.4. In accordance with **Title 30 DCMR § 2126.4**, the OLG reserves the right to prohibit the acceptance of wagers and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the District of Columbia.
- 10.1.5. The Licensee shall establish the minimum and maximum wagers or winnings that it accepts in accordance with **Title 30 DCMR § 2126.10** and if requested, provide notice of such limits and changes thereto to the OLG. Such limits will be communicated to the player in the house rules.

## **10.2. Information Posting**

### **10.2.1. Multiple Language Information**

The following principles must be followed where information available to the player (house rules, terms and conditions, privacy policy, etc.) is provided in different language versions:

- a. Each language version of the same activity must provide the same odds/payouts and prices as the case may be;
- b. Where one player may elect to participate in multiple different language versions of an activity, they must have the same likelihood of winning regardless of which language version they choose.
- c. Each language version must be consistent with the information for that version,
- d. All information must be provided in the language specified for that version, and
- e. The information must carry the same meaning across all language versions so that no one version is advantaged or disadvantaged.
- f. It will not be mandatory for the common Sports Wagering terms used internationally to be translated.

### **10.2.2. Responsible Gaming Information**

Players shall be provided with highly visible and readily available information to help them make informed decisions about their wagering.

- a. Pursuant to **Title 30 DCMR § 2110** and **2128.1(e)**, the following Responsible Gaming Information shall be displayed in a manner visible to the public, including on Mobile Apps or Sites, near the SSBTs and at the betting windows.
  - i. A statement approved by the OLG referring players to the National Council on Problem Gambling's 24 hour toll-free confidential National Helpline—1- 800-522-4700 (call or text) and helpline chat—[ncpgambling.org/chat](http://ncpgambling.org/chat);
  - ii. Notice that shall include the statement that is similar to "It is unlawful for any individual who is under 18 years of age or is noticeably intoxicated or impaired to engage in sports wagering";

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- iii. The method of contacting the Licensee for questions and complaints;
  - iv. The method of contacting the OLG and/or a link to their website;
  - v. A clear statement of the Licensee's policy and commitment to responsible gaming; and
  - vi. Any other information about available programs to prevent, treat, or monitor compulsive or problem gambling
- b. In addition to the Responsible Gaming Information from MICS 10.2.2(a), the Operator and the name of the Sports Wagering Manager on duty as required by **Title 30 DCMR § 2112.2** shall be conspicuously posted at the Sports Wagering Facility in accordance with **Title 30 DCMR § 2110.1** and **2128.1(e)**.
- c. Pursuant to **Title 30 DCMR § 2110.2(b)** and **2128.1(e)**, Mobile Apps or Sites shall display a responsible gaming logo or information to direct players to the site's OLG-approved responsible gaming page, which shall include, in addition to the Responsible Gaming Information from MICS 10.2.2(a), a notification of Federal prohibitions and restrictions regarding online sports wagering, specifically, any limitations upon online sports wagering as set forth in 18 U.S.C. §§ 1084 et seq. (The Wire Act) and 31 U.S.C. §§ 3163 through 3167 (UIEGA). The notice shall explicitly state that it is a Federal offense for persons physically located outside of District of Columbia to place wagers online.
- d. All links to problem gambling services provided by third parties are to be regularly tested by the Licensee. Sports wagering through Mobile Apps or Sites may not occur where the links used to supply information on player protection are not displayed or are not operational. Where the link is no longer available or not available for a significant period of time, the Licensee shall provide an alternative support service.

**10.2.3. Available Wagering Information**

The Licensee shall make available in written form in conspicuous locations and on display devices within view of the public in the Sports Wagering Facility and on the Mobile Apps or Sites without the need for placing a wager, the information regarding the sports events available for wagering and the current odds/payouts and prices for available sports events, including the accurate and timely update of odds/payouts and prices for in-game wagers, in accordance with **Title 30 DCMR § 2119.10(a)**.

- a. All times shown are Eastern Time (ET) unless otherwise stated
- b. The wager amounts, payouts, and Sports Wagering Account balances shall be displayed as currency, except when in terms of bonus or promotional credits. Bonus or promotional credits appear as restricted player funds in the Sports Wagering Account and may be used to participate as described in the specific rules for the particular bonus or promotion.
- c. This information shall be displayed as accurately as possible within the constraints of communication delays and latencies.

**10.2.4. House Rules**

House Rules refers to any written, graphical, and auditory information provided to the public regarding sports wagering operations.

- a. The requirements for "House Rules" specified in **Title 30 DCMR § 2116** shall be met.
- b. The House Rules shall also contain the "**Wagering Rules and Content**" as specified in GLI-33.
- c. The Licensee shall maintain at its Sports Wagering Facility or some other area accessible to players, a printed copy of the complete text of the House Rules for all authorized Sports Wagering and all other information required to be made available to the public.

**10.2.5. Sports Wagering Guide**

No Sports Wagering Guide shall be issued, displayed, or distributed by a Licensee unless and until a sample thereof has been submitted to and approved by the OLG. No Sports Wagering Facility shall issue, display, or distribute any Sports Wagering Guide that is materially different from the approved sample thereof.

**10.3. Wagering Periods**

- 10.3.1. A Wager can only be placed on a given Sports Event if the wagering period is open. The Licensee has the sole discretion to determine what wagers are available at any given time.
- 10.3.2. Internal Controls shall be in place to provide how the wagering period is controlled. This would include any cases where the wagering period is first opened, when it is closed, or any other time in between where a wager is unable to be placed (e.g., odds/payouts and prices are being updated).
- 10.3.3. Employees authorized to close a wagering period shall be formally defined.

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- 10.3.4. Generally, pre-game wagers must be placed prior to the start time of the sports event. The start time for a sports event is the official start time declared by the Sports Governing Body. For sports events in which an official start time is not declared, the advertised start time of the sports event is considered the start time. At the discretion of the Licensee as indicated in their internal controls, pre-game wagers may be accepted after the start time of the sports event if the final result is not known and no team or participant has achieved a material advantage (such as, but not limited to, scoring a goal or touchdown or expulsion of a player) at the time the wager is placed.
- 10.3.5. The date and time the wagering period started and ended shall be recorded in the Sports Wagering System;
- 10.3.6. Internal Controls shall ensure wagers are only accepted from players during the wagering period.
- 10.3.7. Pursuant to **Title 30 DCMR § 2119.13**, it shall not be possible to place wagers once the wagering period has closed.

**10.4. Wagering Prevention and Restriction**

**10.4.1. Prevention of Wagering by Prohibited Sports Wagering Participants**

In accordance with **Title 30 DCMR § 2119.11(e)** and **2126.12**, the Licensee's internal controls shall describe the method to prevent Prohibited Sports Wagering Participants from placing wagers in or collecting winnings from Sports Wagering,

- a. Prohibited Sports Wagering Participants are defined as:
  - i. Any individual under the age of eighteen (18), pursuant to **D.C. Code § 36-621.07(c)(10)(A)**, **Title 30 DCMR § 2109.1(b)**, **2109.1(c)**, and **2128.1(k)**;
  - ii. Any employee of the OLG, if Licensee is aware of player's employer;
  - iii. Any individual who is listed on the OLG's Self-Exclusion List or Involuntary Exclusion List pursuant to **D.C. Code § 36-621.07(c)(11)(B)**, **Title 30 DCMR § 2114.3**, **2114.6** and **2130.6**;
  - iv. Any individual who is listed on any Sports Wagering Facility Self-Exclusion List or Involuntary Exclusion List pursuant to **Title 30 DCMR § 2122.23**;
  - v. A player who is in a state of intoxication or is otherwise impaired pursuant to **Title 30 DCMR § 2109.1(d)** and **2128.1(l)**. A "state of intoxication" means a state wherein a person's speech, balance, co-ordination or behavior is noticeably affected and there are reasonable grounds for believing this state to be induced by alcohol, narcotics or any intoxicating substance. Once aware that intoxicated or impaired persons are in the Sports Wagering facility, the employee shall immediately notify security to remove them from the Sports Wagering facility in accordance with Title 30 DCMR § 2109.1(g).
  - vi. The Licensee, a director, officer, owner, subcontractor, or employee of the Licensee, or any relative living in the same household, pursuant to **D.C. Code § 36-621.07(b)(1)** and **Title 30 DCMR § 2126.12**;
  - vii. An athlete, coach, manager, handler, athletic trainer, referee, umpire, team employee or owner, official or employee of a Sports Governing Body or its member teams, and player and referee union personnel or any relative living in the same household a may not place a wager on a sports event overseen by their Sports Governing Body, or in which the athlete they represent participates pursuant to **Title 30 DCMR § 2126.12(b)**. In determining which individual, group of individuals or entity is to be excluded from placing a wager in accordance with Title 30 DCMR § 2126.13 and D.C. Code § 36-621.07(b)(2), the internal controls shall describe how the Licensee uses publicly available information and any lists of such individuals, group of individuals or entities that the Sports Governing Body may provide to the OLG, and which the OLG, or Sports Governing Body, has provided to the Licensee.
  - viii. Any agent in the Sport Wagering Facility or other employee involved in sports wagering at that facility; and
  - ix. Any individual, group of individuals, or entity, pursuant to **D.C. Code § 36-621.07(b)(1)** and **Title 30 DCMR § 2126.12**
    - 1) With access to confidential information or insider information held by the Licensee; or
    - 2) Acting as an agent or proxy for others.
- b. For wagering and payouts there shall be procedures for the Sports Wagering Facility documented in the internal controls which shall include verifying the individual's age and identity by examining and validating one government-issued photographic identification credential, including a driver's license, passport, or military ID, that includes the person's name and date of birth.
- c. For Sports Wagering Accounts identity will be verified during the registration process as described in MICS 15.2.2.

- d. In accordance with **Title 30 DCMR § 2114.8**, the Licensee shall establish reasonable procedures designed to discourage entry of a Prohibited Sports Wagering Participant into the Sports Wagering Facility. Once aware that a Prohibited Sports Wagering Participant is at the Sports Wagering Facility, the employees shall refuse such person entry to or notify security to remove them from the Sports Wagering Facility in accordance with **Title 30 DCMR § 2130.5** and **2109.1(g)**;
- e. The internal controls shall detail the following responsibilities for the handling of a person who is identified to be a Prohibited Sports Wagering Participant pursuant to **Title 30 DCMR § 2129.31**:
  - i. The Licensee shall refuse to accept a wager to any individual that the Licensee has identified as a Prohibited Sports Wagering Participant or a person such Licensee suspects of being one.
  - ii. The Licensee shall promptly notify the OLG, or its designee, if a Prohibited Sports Wagering Participant attempts to place or is discovered to have placed a sports wager
  - iii. The Licensee shall deny access to complimentary services or items, check cashing privileges, player reward programs, and other similar benefits to a Prohibited Sports Wagering Participant;
  - iv. The Licensee shall deny a Prohibited Sports Wagering Participant from any winnings derived from sports wagering. Where reasonably possible, the Licensee shall withhold from the individual in a lawful manner or shall refuse to pay any such winnings derived from sports wagering or any money or thing of value that the individual has converted or attempted to convert into a financial instrument whether actually wagered or not. A financial instrument shall include, but not be limited to, tickets, vouchers, prizes, non-complimentary pay vouchers, electronic credits on a Sports Wagering System or any other implement of value representing a prize won from sports wagering. Upon withholding or refusing to pay a Prohibited Sports Wagering Participant, the Licensee shall promptly notify the OLG. The monetary value of the withheld winnings and financial instruments shall be paid to the OLG within forty-five (45) days;
  - v. In cooperation with the OLG, the Licensee shall determine the amount wagered and lost by a Prohibited Sports Wagering Participant. The monetary value of the losses shall be paid to the OLG within forty-five (45) days.

#### **10.4.2. Prevent Extension of Credit or Promotion Thereof**

The Licensee shall have procedures to prohibit a Licensee, director, officer, owner, and employee of the Licensee from extending credit to an individual, group of individuals, or entity that places wagers with the Licensee or seeks to place wagers with the Licensee in accordance with **D.C. Code § 36-621.07(c)(15)** and **Title 30 DCMR § 2128.1(f)**. For purposes of this MICS, credit shall not be deemed to have been extended where, although funds have been deposited into a Sports Wagering Account, the Licensee is awaiting actual receipt of such funds in the ordinary course of business. In addition, individuals using a credit card to deposit funds into their sports wagering account shall not be considered an extension of credit.

- a. Credit providers such as small amount credit contracts (payday lending) must not be advertised or marketed to players.
- b. A player must not be referred to a credit provider to finance their wagering activity.
- c. PII related to a player must not be provided to any credit provider.
- d. The Licensee shall neither extend credit to a player nor allow the deposit of funds into a Sports Wagering Account that are derived from known extensions of credit by credit providers, affiliates or agents of the Licensee.

#### **10.5. Placement of Wagers**

10.5.1. Sports wagering shall be conducted pursuant to **D.C. Code § 36-621.07(c)(6)**, **Title 30 DCMR § 2108.5** and **2108.1(h)** from a TWT located in the Sports Wagering Facility or other window locations as approved by the OLG, SSBTs in locations as approved by the OLG or, in accordance with **Title 30 DCMR § 2120** through the use of OLG approved Mobile Apps or Sites within the physical confines of the Sports Wagering Facility, and for Class A Operators, within two (2) blocks of the Sports Wagering Facility with restrictions as indicated in **Executive Order 20-S-003**.

10.5.2. Wagers pursuant to **Title 30 DCMR § 2126.6** shall be made in cash, cash equivalent, vouchers, promotional funds, or in conjunction with a Sports Wagering Account or any other means approved the OLG

10.5.3. The Licensee may offer wagers and wager types as outlined in Executive Order 20-S-003. The following are further definitions and clarifications of selected wagers and wager types:

- a. Straight Wagers or Single Wagers on a single Sports Event. Winnings are calculated by multiplying the odds

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- of the selection on the ticket;
  - b. Parlay Wagers combining multiple individual wagers into one wager on a single ticket. The total odds in a Parlay Wager are calculated by multiplying the odds of all the individual picks. A Parlay Wager does not pay out anything unless all the selections on the ticket are correct;
  - c. System Wagers requiring at least three or more selections on a single ticket. The main difference between System Wagers and Parlay Wagers is that a System Wager can be won without all selections on the ticket being correct;
  - d. Banker Wagers, available only with System Wagers, requiring the player to choose the wager within a System Wager that they feel has the highest probability of success. A Banker Wager must be correct otherwise the entire Wager fails. The amount of the winnings on a System Wager with a Banker Wager depends on how many of the selections are correct. If the Banker Wager is incorrect or the System Wager criterion is not satisfied, the Player loses the Wager;
  - e. In-Game Wagers being placed after the Sports Event has started and can continue during the course of live play of the Sports Event. Odds for In-Game Wagers change after almost every play or possession throughout the Sports Event;
  - f. Dead Heat Wagers involving the stake money being proportionately divided according to the number of selections which had a Dead Heat, a situation in which two or more competitors achieve the same result and are paid at full odds.
  - g. Money Line Wagers in which the Player predicts the outright winner of the Sports Event by correctly selecting the team to win. There is no Point Spread involved in a Money Line Wager. In the event of a tie, the stake will be returned to the Player;
  - h. Spread/Handicap Wagers when a plus or minus Handicap (line) is assigned to either team and then it is added or subtracted to each final score to determine the winner. The Point Spread represents the margin of points in which the favored team must win by to “cover the spread”;
  - i. Over/Under Wagers placed on a line set by the Licensee that is the total combined score at certain points during the game, including any extra time added if the score was tied at the end of regulation time. The Player predicts the score to be lower or higher than the set line to win the Wager;
  - j. Head to Head Wagers available for games or events in which a direct comparison can be made between two individual athletes or participants in a Sports Event;
  - k. Odd/Even Wagers in which the Player predicts whether the total points scored in a Sports Event will be an odd or even number. This Wager can be offered for an individual athlete or participant separately, or for a specified time period of the game, or for any combination of team and time period in which case the prediction will only involve the score in these specific time periods. In all circumstances, zero (0) is considered to be an even number;
  - l. Proposition “Prop” Wagers on a specific outcome during an event that does not relate to the final score. They may be offered as “Team Props,” “Player Props” and “Special Props.”; and
  - m. Future Wagers placed on a Sports Event typically held far in advance of a sports event taking place such as which team will win a championship or series.
- 10.5.4. All sports wagers must be transacted through the Sports Wagering System and processed in the order they are received. In case of system failure, no tickets may be manually written.
- 10.5.5. The Sports Wagering System shall employ a mechanism that can detect and prevent any player-initiated wagering activity that would result in a negative balance of a Sports Wagering Account in accordance with **Title 30 DCMR § 2122.21**. The wager amount may not exceed the amount in the Sports Wagering Account. When a player places a wager, the wager amount is deducted from the balance and ultimately withdrawn from the Sports Wagering Account as applicable.
- 10.5.6. Pursuant to **Title 30 DCMR § 2119.11**, upon completion of a wagering transaction,
- a. The available player funds are to be debited by the wager amount.
  - b. The player shall have access to a printed or virtual ticket which contains the following information as indicated in **Title 30 DCMR § 2119.6** and **§ 2119.7**:
    - i. The date and time of wager;
    - ii. Any player choices involved in the wager:
      - 1) The type of wager and line postings (e.g., money line bet, point spreads, over/under amounts, win/place/show);
      - 2) A description of the event and wager selection (e.g., athlete or participant name and number);
      - 3) Any special condition(s) applying to the wager;



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- iii. The event number, if applicable;
- iv. The unique wager identifier;
- v. The amount of wager, including any promotional/bonus credits (if applicable);
- vi. The amount of potential payout, including any promotional/bonus credits (if applicable);
- vii. The date and time the event is expected to occur (if known); and
- viii. The following additional requirements are for all tickets generated by a TWT or at a SSBT:
  - 1) A barcode or similar symbol or marking as approved by the OLG, corresponding to the unique wager identifier;
  - 2) User identification of employee or unique Sports Wagering Equipment ID which accepted the wager.
  - 3) It is permissible for this information to be contained on the ticket stock itself, if not generated on the ticket:
    - A) Name and address of the Licensee issuing the ticket;
    - B) An indication that any winning ticket shall be deemed expired and ineligible for payment three hundred sixty-five (365) days from the date of the last event that forms the basis of such wager pursuant to **Title 30 DCMR § 2126.11**;
    - C) The method of redeeming winning ticket by mail, if permitted.
    - D) An indication that any winning ticket of ten thousand dollars (\$10,000) or more must be redeemed in person;

10.5.7. The internal controls shall detail procedures to reprint tickets that fail to print at either a TWT or SSBT. Such procedures shall include a requirement of supervisory authorization for the reprint.

**10.6. Wager Results**

10.6.1. Before publicly announcing results and declaring winners, there shall be a policy for the confirmation of results based on qualified and approved sources of data, unless automated by an external feed.

- a. If an external feed is in use, there shall be procedures in place for cases where access to the external feed is unavailable.
- b. There shall also be a procedure in place to handle changes in results (e.g., due to statistics/line corrections).
- c. A backup record of all results and their changes must be kept and identified as a critical asset.

10.6.2. Results entry shall include the entry of all information which may affect the outcome of all types of wagers offered for that event.

- a. It shall be possible for a player to obtain the results of their wagers on any decided sports event once the results have been confirmed.
- b. Any change of results (e.g., due to statistics/line corrections) shall be made available.

10.6.3. The Licensee determines if a wager is a winning wager based on the official sports event results. The scores and results for a game become the official Sports Event Results when the Licensee enters the results in the Sports Wagering System. Before the results are declared official by the Sports Governing Body, the Licensee may recognize changes to the results and resettle wagers, but once the results are declared official, the Licensee will generally not recognize changes including, but not limited to, the game's final score, or any protests, overturned decisions, or statistical changes made by the Sports Governing Body that changes the final score or call on a particular play.

10.6.4. A "push" means that the official result of a Sports Event ends right on the listed point spread or finishes in a draw or tie. For such wagers, the winnings are equal to the original wager amount and subject to offsets as referenced in these rules.

10.6.5. The internal controls shall delineate how errors involved with wagers and a resettlement of the wager may be handled. Errors for purposes of resettlement include, Licensee errors, the Sports Governing Body changes a call on a particular play or final score or a malfunction may cause winnings to be incorrectly credited to the Sports Wagering Account.

10.6.6. If there is a discrepancy between the wager selection that the player believes they entered or the graphic display of the SSBT, Mobile App or Site and those in the sports wagering system or any of service provider's databases, the selections in the database are considered valid.

**10.7. Winning Wager Payment**

**10.7.1. Payment of Winnings**

A Sports Wagering System shall be configured to pay winning wagers per **Title 30 DCMR § 2119.11(b)**. Winning wagers may be subject to tax withholding and reporting, and other offsets required by law or court order.

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- a. Once the results of the event are entered and confirmed, the player may receive payment for their winning wagers. This does not preclude the ability for the player to perform a Cash Out for an adjusted payout before event conclusion where offered and allowed by the OLG.
- b. Internal controls must be established, and procedures implemented that address the following:
  - i. Identification of the employee authorized (by position) to make a payout;
  - ii. Predetermined payout authorization levels (by position); and
  - iii. Documentation procedures ensuring separate control of the cage accountability functions.
- c. Vouchers issued by the Sports Wagering System (including through SSBTs) must include the following information pursuant to **Title 30 DCMR § 2119.9**
  - i. The date and time of issuance
  - ii. The location of issuance (the unique Sports Wagering Equipment ID which issued the voucher);
  - iii. The numeric amount of the voucher in United States currency;
  - iv. The unique voucher identifier (and which for a printed voucher, must appear on the leading edge of the voucher);
  - v. A barcode or similar symbol or marking as approved by the OLG, corresponding to the unique voucher identifier;
  - vi. if the voucher can be redeemed at a SSBT
    - 1) The alpha amount of the voucher in United States currency;
    - 2) The voucher sequence number, if the voucher can be redeemed at SSBT;
  - vii. For a printed voucher, it is permissible for this information to be contained on the voucher stock itself, if not generated on the voucher:
    - 1) The expiration date of the voucher.
    - 2) The name of the Licensee
  - viii. Indication that the voucher can only be redeemed in exchange for a sports wager or cash; and
  - ix. Indication if the voucher is a "duplicate, assuming duplicate vouchers may be printed by the SSBT;
- d. The internal controls shall detail procedures to reprint vouchers that fail to print at either a TWT or SSBT. Such procedures shall include a requirement of supervisory authorization for the reprint.
- e. To secure funds related to unpaid winning tickets and vouchers before and after the end of the redemption period, the internal controls must be established, and procedures implemented:
  - i. To ensure the validity of winning tickets and or vouchers redeemed and to verify that the player is paid the appropriate amount;
  - ii. To document the payment of a claim on a ticket/voucher that is not physically available or a ticket/voucher that cannot be validated such as a mutilated, expired, lost, or stolen ticket/voucher (see section 10.7.5 for more detailed requirements on lost tickets/vouchers);
  - iii. Ensuring that each redeemed ticket or voucher shall not have the ability to be redeemed again;
  - iv. Specifically related to the protection of funds related to unpaid winning tickets and vouchers and data files containing information relating to the payout status of each winning ticket and voucher yet to be paid and the validation files;
  - v. To handle the redemption of a winning ticket or voucher should the Sports Wagering Facility be closed;
  - vi. To cover the entire redemption period as well as the auditing of the final transfers upon settlement;
  - vii. That ensure the security of redeemed tickets and vouchers and the integrity of records of outstanding tickets;
  - viii. Confirming the rules covering winning ticket and voucher validity time, payout on lost and defaced winning tickets and vouchers, inquiries into the validity of late or last-minute payouts;
  - ix. Confirming that access control be strict and limited to that required in respect of records of unpaid winning tickets and vouchers;
  - x. Confirming a reporting process in case of unauthorized access attempts;
  - xi. Confirming an escalation process for any incident or suspicious activity; and
  - xii. Confirming audit trails are able to identify unusual patterns of late payouts.
- f. Sports Wagering Systems shall be configured to guard against unauthorized access and fraudulent payouts by one person.

**10.7.2. Winning Ticket and Voucher Redemption**

Once presented for redemption at a SSBT or TWT, the ticket or voucher's barcode shall be scanned via an optical reader or equivalent, or the unique ticket/voucher identifier shall be entered manually;

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- a. The Sports Wagering System shall process winning ticket/voucher redemption according to the secure communication protocol implemented.
- b. No winnings are issued to the player prior to confirmation of winning ticket/voucher validity.
- c. The Sports Wagering System shall have the ability to identify and provide a notification in the case of invalid or unredeemable tickets/vouchers for the following conditions:
  - i. Winning Ticket/Voucher cannot be found on file (stale date, forgery, etc.);
  - ii. Ticket is not a winner;
  - iii. Winning ticket/voucher has already been paid; or
  - iv. The amount of winning ticket/voucher differs from amount on file (requirement can be met by display of winning ticket/voucher amount for confirmation during the redemption process).
- d. The Sports Wagering System shall update the ticket/voucher status on the database during each phase of the redemption process accordingly. In other words, whenever the ticket/voucher status changes, the system shall update the database, such as a customer scanning a ticket or voucher at a SSBT and having the total amount transferred to the customer's bet slip/wallet in order for the customer to initiate another wager,
- e. Upon scanning the ticket/voucher, the Sports Wagering System brands the ticket/voucher with a paid designation, the amount of payment and date; or maintains the information regarding the payment status, amount of payment, and date within the Sports Wagering System. Alternatively, if an employee manually enters or scans the ticket/voucher number into the Sports Wagering System, the employee either immediately writes/stamps the date, amount of payment and a paid designation on the player's ticket/voucher or attaches to the player's copy a "paid" ticket which indicates a paid designation, the ticket/voucher number, the amount of payment and date.

**10.7.3. Redemption During System Failure**

The Licensee shall submit to the OLG, for its approval, manual procedures that will be followed during times of system failure.

- a. In the event of a failure of the Sports Wagering System's ability to pay winning wagers, the Licensee shall have internal controls detailing the method of paying these wagers.
- b. In case of Sports Wagering System failure, winning tickets/vouchers may be paid. For all payouts, including payouts for contest/tournament winners, that are made without Sports Wagering System authorization (i.e., system inoperative):
  - i. After the manual grading of the winning ticket/voucher, the date and time must be stamped on the player's copy, and the amount of the payment and a paid designation is written (or stamped) on the player's copy of the winning ticket/voucher by the employee;
  - ii. Before completing the payout, the Sports Wagering Manager or other authorized supervisory personnel reviews the documentation supporting and explaining the payout and signs the ticket/voucher as evidence of review, and
  - iii. An individual, once the Sports Wagering System is operative, immediately enters all manually paid tickets/vouchers into the Sports Wagering System to verify the accuracy of the amount paid for the tickets/vouchers and the manual grading of the tickets.
- c. Any manually paid tickets that had been previously purged from the Sports Wagering System do not need to be entered into the Sports Wagering System.

**10.7.4. Taxation Reporting**

The Licensee shall have a process in place to identify all wins that are subject to taxation (single wins or aggregate wins over a defined period as required) and prepare an IRS Form W-2G ("W-2G") before the winning player is paid, and withhold federal income tax, as required, in compliance with IRS Rules. The Licensee shall include in its submission, procedures for the preparation and distribution of the W-2G which shall include, at a minimum, where and by whom the W-2G is prepared, how copies are distributed and how the winning payout is adjusted, if necessary.

**10.7.5. Lost Tickets and Vouchers**

The internal controls shall detail the procedures to redeem lost tickets or vouchers in accordance with **Title 30 DCMR § 2119.18**, which shall include a supervisor's approval and documentation of the:

- a. The date and time of the redemption;
- b. The employee responsible for redeeming the ticket or voucher;
- c. The supervisor authorizing the redemption;
- d. The name of the player redeeming the wager;

- e. Unique ticket or voucher identifier; and
- f. Location of the redemption.

**10.7.6. Payout Procedures for Mail-In Winning Tickets and Vouchers**

If mail-in redemptions are permitted by the Licensee, the accounting Function personnel or personnel independent of the Sports Wagering Function receive the original winning tickets and vouchers.

- a. Accounting Function personnel or personnel independent of the Sports Wagering Function record the winning tickets and vouchers on a log as a mail pay. The log includes the date received, player's name, and ticket numbers and voucher numbers.
- b. The winning tickets and vouchers are entered into the Sports Wagering System by Sports Wagering Function personnel or Accounting Function personnel for validation and cancellation.
- c. Accounting Function personnel compare the "paid" winning tickets and "paid" vouchers to the mail pay log and the Sports Wagering System report for paid winning tickets and vouchers. Any discrepancies are documented and reviewed with sports wagering and accounting management personnel.
- d. Accounting Function personnel, independent of the individual(s) who processed the mail pay winning tickets and vouchers, reviews the player's correspondence submitted, the winning tickets and vouchers, the mail pay log and the Sports Wagering System report for "paid" winning tickets and "paid" vouchers for any discrepancies. Any discrepancies are documented and resolved prior to remitting the proper payment amount to the player.

**10.8. Additional Features**

**10.8.1. Bonus or Promotional Payouts, Drawings and Giveaway Programs**

The Licensee may offer bonus or promotional payouts, and any other promotion including drawings and giveaway programs.

- a. The rules and conditions for participating in bonus or promotional payouts, and any other promotion including drawings and giveaway programs are available to a registered player on the Mobile App or Site where the bonus or promotion is being conducted and are prominently displayed or available for player review at the Sports Wagering Facility. Bonus or promotion rules require OLG approval and must include the following:
  - i. The rules of play;
  - ii. The nature and value of the associated prize(s);
  - iii. Any restrictions or limitations on participant eligibility;
  - iv. The date(s), time(s), and location(s) the associated promotional activity or activities are presented, is active, and expires;
  - v. Wagering requirements and limitations by type of wager or wagering event, or when other specific conditions apply.
  - vi. Any other restrictions or limitations, including any related to the claim of prizes or withdrawal of funds;
  - vii. How the player is notified when they have won;
  - viii. The announcement date(s), time(s), and location(s) for the winning entry or entries;
  - ix. The order in which funds are used for wagers;
  - x. Rules regarding cancellation; and
  - xi. Rules governing bonuses and promotions offered across multiple Sports Wagering Facilities, third party sponsored promotions, and joint promotions involving third parties.
- b. When bonus or promotional payouts are associated with a Sports Wagering Account the following requirements apply:
  - i. Bonus or promotional payouts initially appear as restricted player funds in the Sports Wagering Account and may be used to wager as described in the specific rules for the particular bonus or promotion. For restricted player funds, delineate in the internal controls how such funds are identified within the Sports Wagering Account and the order in which these are used for wagering;
  - ii. Restricted player funds shall have no cash value and are not eligible for withdrawal. They must be played at least once in order to have the corresponding winnings available for withdrawal;
  - iii. Winnings from restricted player funds must be able to be withdrawn without being subject to any further wagering requirements;
  - iv. Bonus or promotional payouts are not transferable between Sports Wagering Accounts;
  - v. The Licensee shall provide a clear and conspicuous method for a player to cancel their participation in a bonus or promotion that utilizes restricted bonus or promotional payouts;

- vi. Upon request for cancellation, the Licensee shall inform the player of the amount of unrestricted player funds that will be returned upon cancellation and the value of restricted player funds that will be removed from the Sports Wagering Account;
  - vii. If the player elects to proceed with cancellation, unrestricted player funds remaining in a Sports Wagering Account shall be recounted in accordance with the conditions of the promotion or bonus.
  - viii. Closure of the Sports Wagering Account will render a promotion or bonus void; and
  - ix. Pursuant to **Title 30 DCMR § 2122.14**, once a player has met the conditions of the promotion or bonus, the Licensee shall not limit winnings earned while participating in the offer (i.e., the restricted player funds will become unrestricted player funds).
- c. The internal controls in respect of bonus or promotional payouts, including awards as a result of drawings and giveaway programs, and verification of same must include the following:
- i. All bonus or promotional payouts and awards procedures, including verification controls.
  - ii. The form or documentation completed in respect of bonus or promotional payouts and awards must include the following information:
    - 1) The date and time;
    - 2) The amount of payout, or description and value of the prize awarded if not cash (e.g., jacket, toaster, car, etc.), including fair market value;
    - 3) The type of bonus or promotion;
    - 4) The reason for payout (e.g., bonus or promotion name);
    - 5) Player's name and confirmation that identity was verified (drawings only); and
    - 6) Signature(s) of at least two employees verifying, authorizing, and completing the promotional payout with the player. For systems that validate and print the dollar amount of the payout on a computer-generated form, only one employee signature is required on the payout form.
  - iii. The documentation of (ii) may be prepared by an individual who is not a Sports Wagering Function employee as long as the required signatures are those of the employees completing the payout with the player.

#### **10.8.2. Player Loyalty Programs**

The following MICS apply to player loyalty programs where players accumulate points, typically based on the volume of play or revenue received from a player, that are subsequently redeemed by the player for cash, merchandise, etc.

- a. The GLI-33 principles for “**Player Loyalty Programs**” shall apply.
- b. Player loyalty information shall be stored in a database that permits ad hoc inquiry and reporting activities in addition to routine, scheduled reporting.
- c. The addition/deletion of player loyalty points other than through an automated process related to actual wagering must be sufficiently recorded (including substantiation of reasons for increases) in the “Player Loyalty Point Adjustment Report” and authorized/performed by supervisory personnel of the player loyalty, promotions, or Sports Wagering Functions. This MICS does not apply to the deletion of points related to dormant and closed accounts through an automated process.
- d. The Licensee shall remove self-excluded persons from player loyalty programs in accordance with **Title 30 DCMR § 2129.31(d)**
- e. Employees who redeem points for players cannot have access to dormant and closed accounts without supervisory personnel authorization. Documentation of such access and approval is created and maintained.
- f. Player identification is required when redeeming points without a player loyalty card.
- g. Changes to the player loyalty parameters, such as point structures and employee access, must be performed by supervisory personnel independent of the Sports Wagering Function. Alternatively, changes to player loyalty account parameters may be performed by sports wagering supervisory personnel if sufficient documentation is generated and the propriety of the changes is randomly verified by personnel independent of the Sports Wagering Function on a quarterly basis.
- h. All other changes to the player loyalty program must be appropriately documented.
- i. Rules and policies for the player loyalty program including the awarding, redeeming and expiration of points are available to a registered player on the Mobile App or Site and prominently displayed or available for player review at the Sports Wagering Facility where the player loyalty program activity is being conducted.

### **10.8.3. Free Play Mode**

The Licensee may offer free play mode, which allows a player to participate in wagering without paying. Internal controls shall be in place to ensure free play mode does not mislead the player about the odds/payouts available in the paid version. Free play must not be available to the player without first signing into an account. Free play shall have the same payout as paid wagering. Free play shall have the same restrictions and requirements as paid wagering including the prohibition of participation by minors. Free play shall provide the same responsible play information as paid wagering. Wagers, which may be paid with credits received from a bonus or promotional offer are not considered free play.

### **10.8.4. Complimentary Services or Items**

Each Licensee shall establish and include in its approved internal controls, procedures for the authorization, issuance, recording and monitoring of complimentary services or items, including cash and non-cash gifts.

- a. Such procedures shall include all system controls and detail, at a minimum, the following:
  - i. The procedures by which the Licensee delegates to its employees the authority to approve the issuance of complimentary services or items, including levels of authorization
  - ii. The limits and conditions on the approval and issuance of complimentary services or items, if any, which may apply to such authority are established and modified (including limits based on relationships between the authorizer and recipient);
  - iii. Making and documenting changes to conditions or limits on the approval and issuance of complimentary services or items;
  - iv. Documenting and recording the authorization, issuance, and redemption of complimentary services or items, including cash and non-cash gifts; and
  - v. Effective provisions for audit purposes.
- b. At least monthly, accounting, IT, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services equal to or exceeding \$100 or an amount established by the Licensee and approved by the OLG, which shall not be greater than \$100:
  - i. Name of player who received the complimentary service or item;
  - ii. Name(s) of issuer(s) of the complimentary service or item;
  - iii. The actual cash value of the complimentary service or item;
  - iv. The type of complimentary service or item (i.e., food, beverage); and
  - v. The date the complimentary service or item was issued.
- c. The Internal Audit or Accounting function shall review the reports at least monthly. These reports shall be made available to the OLG, audit committee, or other entity designated by the OLG upon request.
- d. Complimentary services and items records must be summarized and reviewed for proper authorization and compliance with established authorization thresholds.
- e. A detailed reporting of complimentary services or items transactions that meet an established threshold approved by the OLG must be prepared at least monthly.
- f. The detailed report must be forwarded to management for review.
- g. The report must be made available to those entities authorized by the OLG or by district law or ordinance.

### **10.8.5. Contests and Tournaments**

A contest/tournament, which permits a player to either purchase or be awarded the opportunity to engage in competitive wagering against other players, may be conducted by Licensees, provided the **GLI-33** rules for “**Contests/Tournaments**” are met.

- a. Contest/tournament rules are available to a registered player on the Mobile App or Site where the contest/tournament is being conducted, included on all entry forms/brochures, and are prominently displayed or available for player review at the Sports Wagering Facility.
- b. The results of each contest/tournament, held during the prior two gaming days, are recorded and available on the Mobile App or Site for the participants to review and are prominently displayed or available for participants review at the Sports Wagering Facility.
- c. The name of each winner is recorded and maintained but not made available to the participants unless authorized by management personnel.
- d. A player is to register prior to being allowed to participate in a contest/tournament and the player is to provide the following information:
  - i. Player’s name;

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- ii. Player's date of birth; and
- iii. E-mail address.
- e. Procedures are to be performed to verify that:
  - i. A player registering to participate in a contest/tournament is 18 years of age or older.
  - ii. Contest/tournament awards are paid to a registered player who is 18 years of age or older.
- f. When contest/tournament entry fees and payouts are transacted, the transactions are recorded on a document which contains:
  - i. Player's name.
  - ii. The date of entry/payout.
  - iii. Dollar amount of entry fee/payout (both alpha and numeric, or unalterable numeric) and/or nature and dollar value of any non-cash payout.
  - iv. Signature of individual completing transaction attesting to the receipt or disbursement of the entry fee/payout with the player and, for contest/tournament winners, the verification through the Sports Wagering System of the winner.
  - v. Name of contest/tournament.
- g. Licensees shall include in their internal controls the procedures to be used to document and account for all funds collected and distributed for contests and tournaments.
- h. The contest/tournament entry fees and payouts are summarized and posted to the accounting records on at least a monthly basis. It is acceptable to post on a monthly basis to the general ledger, one entry, in total, for contest/tournament entry fees and payouts.
- i. For one day each week, two employees, one of whom is independent of the collection of entry fees, will randomly select two contests/tournaments and reconcile the total amount of issuance for the contest/tournament in exchange for entry fees to the final amount at the end of the contest/tournament. The reconciliation is documented and signed by the employees.

**10.8.6. Player Resources/Features**

The Licensee may offer player resources/features such as one that offers advice, hints, or suggestions to a player, or a data stream that may be used to externally facilitate wager selection, if they conform to the requirements for "Player Resources/Features" in GLI-33.

**10.8.7. Automatic Acceptance of Changes in Wagers**

The Sports Wagering System may support a feature that allows a player while placing a wager to auto-accept changes in odds/payouts or price of the wager provided that it conforms to the requirements for "Automatic Acceptance of Changes in Wagers" in GLI-33.

**10.9. Encouragement to Continue**

Players shall not be induced to continue wagering when placing a wager, when the player attempts to log out or exit the SSBT, Mobile Site or App, when the player wins or loses a wager, or when the player attempts to withdraw funds from their account. Communications with players shall not intentionally encourage players to increase the amount they wager with, wager continuously, re-wager winnings, and/or chase losses.

**Section 11.0 Sports Wagering Risks and Controls**

**11.1. Risk Management Procedures**

Each set of internal controls submitted to the OLG for approval shall contain a description of the Licensee's risk management framework, including but not limited to, the items listed in **Title 30 DCMR § 2119.4**:

**11.2. Events Selection and Odds Compiling**

- 11.2.1. A procedure to select events based on the authorized events list must be documented in the internal controls to assure the sports wagering integrity.
- 11.2.2. The process of events selection and odds compilation shall be properly logged and audited periodically
- 11.2.3. Authorized levels for the margin of each wager type must be documented in the internal controls.
- 11.2.4. The Licensee must establish a set of measures in the internal controls to ensure authorized payout levels are not exceeded.

**11.3. Sources of data used to resolve sports wagers**

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- 11.3.1. Pursuant to **Title 30 DCMR § 2108.3**, the Licensee shall document in their internal controls and report to the OLG the sources of data used to resolve sports wagers. The OLG may disapprove of the sources of data for any reason, including but not limited to, the type of wager and method of data collection.
- 11.3.2. There shall be established procedures for setting and updating the odds/payouts and prices including publicly providing the current odds/payouts and prices, changing odds/payouts and prices as necessary to handle exceptions, and properly logging and periodically logging the odds/payouts and prices. These procedures must be documented in the internal controls and involve several levels of authority. Logs and other audit trails must exist to prevent possible misuse of authority.
- 11.3.3. The Sports Wagering System must store a record of all odds/payouts and prices that were available throughout the duration of an event.

**11.4. Suspension of Wagering on Sports Events**

- 11.4.1. There shall be established procedures for suspending wagers on that sports event. These procedures must be documented in the internal controls and involve several levels of authority. Logs and other audit trails must exist to prevent possible misuse of authority.
- 11.4.2. When wagering is suspended for an active sports event, an entry shall be made in an audit log that includes the date and time of suspension and its reason.

**11.5. Monitoring and Managing Risks**

- 11.5.1. Internal or external information about events that may be unfair must be logged and processed in a formal manner to avoid single-person oversight or over-reaction. Logs must be audited periodically and controls in place to ensure their integrity.
- 11.5.2. The Licensee must establish a set of measures in the internal controls to ensure authorized payout levels are not exceeded.
- 11.5.3. Licensees must monitor wagers per event to detect unexpected large sums in unlikely positions, as this could indicate an unfair event or other fraud.
- 11.5.4. Financial liability management must include thresholds for wagers, winnings and payouts globally, per sport, league, per event and/or per wager placed. When these limits are exceeded, relevant action must be taken by authorized personnel. Decisions on these cases must be logged and audited for possible negligence, misuse of authority or even fraud with internal and/or external collaboration.

**11.6. In-Game Wagering**

- 11.6.1. There shall be procedures documented in the internal controls to assure and document the integrity of the in-game wagering to ensure that they are fairly offered.
- 11.6.2. Player protection and fraud/integrity protection must be ensured through the provision of a safety mechanism to account for delay in live pictures.
- 11.6.3. Wager types offered for in-game wagering must be carefully selected to ensure that they are fairly offered.
- 11.6.4. There shall be procedures documented in the internal controls to assure and document the integrity of results during the in-game wagering offering. Indicative areas for consideration are time delay, sources for results, reversal of results, etc.

**11.7. Wager Cancellations and Voids**

- 11.7.1. Procedures shall be delineated in the internal controls for handling cancelled events and withdrawn selections for wagers with multiple events (e.g., parlays), including providing refunds to players who were not refunded automatically by the system (e.g., wagers placed anonymously). If a single event or market is canceled for any reason, all wagers are to be refunded in full as soon as reasonably possible.
- 11.7.2. Wagering transactions cannot be modified except to be voided or cancelled as provided for in the Licensee's published cancellation policy and in their internal controls.
- 11.7.3. A cancellation grace period may be offered to allow players to request a cancellation of wagers placed.
  - a. Player initiated cancellations may be authorized in accordance with the cancellation policy.
  - b. Any cancelled wager shall be refunded upon request by a player.
- 11.7.4. A Sports Wagering System shall be configured to void and cancel wagers. All voided or cancelled wagers and all refunds of any voided or cancelled wager pursuant to these MICS shall be logged at the time they occur pursuant to **Title 30 DCMR § 2119.11** and **2119.12**, indicating the void or cancellation and identity of the employee or automated process.



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- a. A wager shall not be declared void or cancelled in the system without the approval of a supervisory employee of the Licensee, unless void or cancellations is part of documented automated process with appropriate approvals.
  - b. The system shall render the voided or cancelled wager as nonredeemable.
  - c. The voided or cancelled wager shall be refunded to the player and that amount shall be deducted from the Gross Sports Wagering Revenue.
- 11.7.5. The internal controls shall delineate how the Licensee reserves the right to void or cancel any wager and refuse to pay any prizes or recover any prizes already paid at any time for any reason, including if
- a. A player used funds that were incorrectly credited to their Sports Wagering Account to purchase the wager.
  - b. The outcome of the sports event is known or a material advantage has occurred, regardless of its outcome.
  - c. An in-game wager has been placed after the outcome of the event wagered on is known or a team or participant has achieved a material advantage (e.g., scoring a goal or touchdown or expulsion of a player).
  - d. The Licensee cannot satisfactorily determine the official Sports Event Results only as provided in the House Rules.
  - e. The Licensee determines a player placed the wager illegally or otherwise violated the House Rules.
  - f. 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:
    - i. The wager was placed with incorrect odds/payouts or prices;
    - ii. Human error in the placement of the wager;
    - iii. The ticket does not correctly reflect the wager; or
    - iv. Equipment failure rendering a ticket unreadable.
- 11.7.6. The Licensee shall also cancel a wager under the following circumstances:
- a. Any wager where a sports event that the subject of the wager is cancelled, or postponed or rescheduled to a different date prior to completion of the sports event;
    - i. 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 cancellation, postponement or rescheduling.
    - ii. A 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 events, subject to the approval of the OLG, and documented in the internal controls.
  - b. Any wager when an individual athlete or participant fails to participate in a sports event and the outcome of the wager is solely based upon that one individual's performance;
  - c. When ordered by the OLG pursuant to these MICS.
- 11.7.7. Pursuant to **Title 30 DCMR § 2119.13**, the Sports Wagering System shall prevent the voiding or cancellation of wagers after the outcome of an event is known without the prior approval of the OLG. In addition:
- a. The Licensee may request the OLG 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:
    - i. A description of the type, kind, or subject of wager the licensee is requesting to cancel;
    - ii. A description of any facts relevant to the request; and
    - iii. An explanation why cancelling the wagers is in the best interests of the District of Columbia or ensures the integrity of the sports wagering industry.
  - b. No wager subject to the request to cancel shall be redeemed until the OLG issues an order granting or denying the request to cancel.
  - c. If the OLG grants the request to cancel, the Licensee shall make commercially reasonable efforts to notify players of the cancellation along with a reason for cancellation.
- 11.7.8. The Licensee shall cancel a wager made by a prohibited sports wagering participant as described in MICS 10.4.1(a) and refund the amount wagered. The Licensee must cancel a wager at the time the Licensee becomes aware or should have been aware that the player is a prohibited sports wagering participant:
- 11.8. Identifying and Reporting Fraud and Suspicious Conduct**
- 11.8.1. The Licensee shall develop and implement an Integrity Monitoring System utilizing software to monitoring and detecting events and/or irregularities in volume or swings in odds/payouts and prices that could signal Unusual or Suspicious Wagering Activities as well as all changes to odds/payouts and prices and/or suspensions throughout an event that should require further investigation and shall immediately report such findings to the OLG in accordance with **D.C. Code § 36-621.07(c)(1)** and **Title 30 DCMR § 2108.1(a)**
- 11.8.2. The Licensee shall take measures delineated in the internal controls to reduce the risk of collusion or insider abuse,

including having procedures for:

- a. Identifying suspicious wagers which may indicate cheating, manipulation, interference with the regular conduct of an event, or violations of the integrity of any event on which wagers were made;
  - b. Reasonably detecting irregular patterns or series of wagers to prevent player collusion or the unauthorized use of artificial player software; and
  - c. Promptly, but no longer than twenty-four (24) hours, report to the OLG facts or circumstances related to the operation of a Licensee that may constitute a violation of District or federal law, including suspicious sports wagering over a threshold set by the Licensee as approved by the OLG pursuant to **D.C. Code § 36-621.07(c)(3)** and **Title 30 DCMR § 2108.1(c)**.
- 11.8.3. The internal controls shall delineate how the Licensee reserves the right to suspend the Sports Wagering Accounts if it appears that a series of wagers contain duplicative or identical selections made by, or on behalf of, the same person or group of people, or in their favor, until an investigation is completed. These winnings are ineligible for payment until an investigation is completed.
- 11.8.4. The Licensee shall have internal controls and monitoring in place to identify Unusual and Suspicious Wagering Activity and report such activity in accordance with Anti-Money Laundering (AML) program as required under Section 18.4.1 below.
- a. At the request of the OLG, the Licensee shall provide remote access to the OLG for the purpose of evaluating its Sports Wagering operations or for the OLG to conduct further monitoring of the Sports Wagering System.

## **Section 12.0 Sports Wagering Facility**

### **12.1. Sports Wagering Facility Inspections and Audits**

12.1.1. Sports Wagering Facilities and locations with Sports Wagering Equipment are subject to compliance inspections by the OLG at all times pursuant to **Title 30 DCMR § 2108.7**. Authorized OLG employees shall be granted access to all portions of the Sports Wagering Facility or any location where Sports Wagering Equipment is stored at all times for the purposes of conducting compliance inspections or enforcement actions.

### **12.2. Hours of Operation**

- 12.2.1. Specific hours of operation for each Sports Wagering Facility are subject to the approval of the OLG. Each Licensee shall submit to the OLG any changes in its hours of operation at least one week prior to the impending change.
- 12.2.2. If a Sports Wagering Facility has to shut down due to unforeseen circumstances and the closure is unscheduled, the OLG shall be informed immediately.

### **12.3. Betting Counters and Windows**

Each Sports Wagering Facility that includes betting counters and windows shall:

- a. Be designed and constructed to provide maximum security for the materials stored and the activities performed therein;
- b. contain:
  - i. A cashier's drawer and TWT through which financial transactions related to sports wagering are conducted;
  - ii. A physical barrier designed to prevent direct access to the materials stored and activities performed at such betting counter.
- c. If required by the OLG, include manually triggered silent alarm systems, which shall be connected directly to the surveillance monitoring room;
- d. If required by the OLG, have an alarm for each emergency exit door that is not a mantrap; and
- e. Include a secure location for the purpose of storing funds issued by a cage to be used in the operation of sports wagering.

### **12.4. Temporary Betting Counters**

Box office windows (adjacent to sporting event ticket sales) and temporary betting counters are accepted so long as they meet the following MICS:

- a. The OLG recommends one of two options for the box office windows:
  - i. Segregate betting windows from the other box office windows with some type of barrier that would only allow the sports wagering licensed individuals access to TWTs, cash register and/or safe, and other Sports Wagering Equipment; or
  - ii. Require that all individuals assigned to work in the box office obtain an occupational license. Under this option the box office windows would be considered betting space allowing for flexibility to convert

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other windows into “betting windows.” Other individuals assigned to the box office purposes other than sports wagering must also have an occupational license issued by the OLG

- b. When temporary betting counters not in use:
  - i. Physical barriers are to be installed to prevent unauthorized individuals (e.g., members of the public) from direct access to area containing the TWT and safe;
  - ii. Physical security will be available to prevent unauthorized individuals from direct access to the area containing the TWT and safe;
  - iii. All financial instruments shall be removed from the cash register/safe and TWTs shall be locked to prevent unauthorized access; and
  - iv. Surveillance cameras will continue to monitor the area and will be supplemented by physical security personnel, as needed;
- c. A sign will be displayed informing the public when temporary betting counters are closed.

**12.5. Sports Wagering Equipment**

**12.5.1. General Statement**

The Sports Wagering Facility’s equipment used to accept wagers may consists of TWTs, SSBTs and mobile app through which Sports Wagering System servers are accessed.

**12.5.2. Back-Office Platform**

Sports Wagering Equipment shall be connected to a Back-Office Platform, which may be integrated into the Sports Wagering System, that communicates with Sports Wagering Equipment to obtain information, activate mobile apps and SSBTs and deactivate programs.

- a. The Back-Office Platform shall have the ability to monitor, read, and record financial information for Sports Wagering Equipment.
- b. The Back-Office Platform shall allow the monitoring and reading of reports of significant events, in order to guarantee direct scrutiny of conditions detected and reported by the Sports Wagering Equipment, among them the manipulation or alteration of locally stored data, malfunctions, the opening of the SSBT access door to the currency cassettes or cash storage boxes, or the unauthorized opening of the TWT drawer. If the Back-Office Platform or other internal controls are implemented by a licensee and allows for the audit or monitoring of significant events related to the movement of cash, tickets, or vouchers this will also be accepted.
- c. All significant events that occur on Sports Wagering Equipment will be transmitted to Back-Office Platform.
- d. Should an exception or event code, or a combination of both, be reported to Back-Office Platform, the Licensee may, at its discretion, deactivate the Sports Wagering Equipment.

**12.5.3. Shipping and Receiving**

- a. A communication procedure must be established between the Supplier, the Sports Wagering Facility, and the OLG to properly control the shipping and receiving of all software and hardware components. Such procedures must include:
  - i. Notification of pending shipments must be provided to the OLG by the Sports Wagering Facility;
  - ii. Notification from the Supplier to the OLG, or the Sports Wagering Facility as approved by the OLG, of the shipping date and expected date of delivery. The shipping notification must include:
    - 1) Name and address of the Supplier;
    - 2) Description of shipment;
    - 3) For hardware: serial number;
    - 4) For software: software version and description of software;
    - 5) Method of shipment; and
    - 6) Expected date of delivery.
- b. Procedures must be implemented for the software and hardware components for maintenance and replacement.
- c. Software and hardware components must be shipped in a secure manner to deter unauthorized access.
- d. The OLG, or its designee, must be present when a Sports Wagering Facility receives all hardware components e.g., SSBTs to verify the contents against the shipping notification.

#### 12.5.4. Location and Security

The Sports Wagering Facility shall provide a secure location within the District, or a location approved by the OLG in accordance with this **D.C. Code § 36-621.07(c)(4)** and **Title 30 DCMR § 2108.1(d)** and all other applicable District and federal laws for the placement, operation, and usage of Sports Wagering Equipment, including TWTs, SSBTs, displays, and communications equipment. In addition, the **GLI-33** requirements for “**Wagering Equipment**” shall be met.

- a. The Licensee shall submit to the OLG, a current detailed floorplan, drawn to scale, depicting the secure location for the placement, operation, and use of all Sports Wagering Equipment in the Sports Wagering facility. The floorplan shall also include the surveillance camera coverage and the money routes.
- b. Any proposed changes and re-locations of Sports Wagering Equipment shall be submitted on subsequent floorplans in which Sports Wagering Equipment is identified by location number(s).
- c. Unless otherwise authorized by the OLG, Sports Wagering Equipment shall have location numbers affixed to the outside and of sufficient height and size to be clearly visible and readable by the surveillance system;
- d. At a minimum the following tasks should be performed on a scheduled basis:
  - i. Clean out temporary files on hard disk drives;
  - ii. Check hard disk space usage to ensure sufficient space is available for continued operations;
  - iii. Check that all scheduled tasks are running correctly;
  - iv. Check event logs for system, application, security, browser, DNS, and other errors; and
  - v. Check UPS systems.
- e. Internal controls shall be in place to prevent any person from tampering with or interfering with the operation of any wagering or Sports Wagering Equipment pursuant to **D.C. Code § 36-621.07(c)(5)** and **Title 30 DCMR § 2108.1(g)**
- f. The Licensee, subject to the approval of the OLG, must develop and implement physical security controls over the Sports Wagering Equipment. These controls must address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.
- g. The Licensee must develop and implement procedures within the internal controls to ensure that communications between the Sports Wagering Equipment and Sports Wagering System are secure and functioning.

#### 12.5.5. Installation

Testing must be completed during the installation process to verify that the Sports Wagering Equipment components have been properly installed and that the correct version of software is in place. This must include testing of the following, as applicable:

- a. Communication with the Sports Wagering System;
- b. For SSBTs, currency and vouchers to bill validator;
- c. Ticket and voucher printing;
- d. Meter incrimination;
- e. All buttons, to ensure that all are operational and programmed appropriately;
- f. System components, to ensure that they are safely installed at location; and
- g. Locks, to ensure that they are secure and functioning.

#### 12.5.6. Maintenance

There must be effective maintenance plan to service Sports Wagering Equipment, including computer program updates, hardware servicing.

- a. The internal controls for maintenance must include, but not be limited to, the following:
  - i. Maintenance of Sports Wagering Equipment at all Sports Wagering Facilities.
  - ii. Procedures for the detection of Sports Wagering Equipment malfunctions.
- b. Sports Wagering Equipment maintenance must be independent of the Sports Wagering Function.
- c. Maintenance employees must report irregularities to management independent of the Sports Wagering Function.
- d. If the Sports Wagering Equipment utilizes a barcode or microchip reader, the reader must be tested at least annually by employees independent of the Sports Wagering function to determine that it is correctly reading the barcode or microchip.

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**12.5.7. Malfunctions**

Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures shall be delineated in the internal controls and must address the following

- a. Determination of the event causing the malfunction;
- b. Review of relevant records, reports, logs, surveillance records;
- c. Repair or replacement of the Sports Wagering Equipment; and
- d. Verification of the integrity of the Sports Wagering Equipment before restoring it to operation.

**12.5.8. Removal, Retirement and/or Destruction**

When not in use Sports Wagering Equipment shall be stored in a location which is secure and only accessible by authorized personnel staff.

- a. The OLG shall be notified in advance that the machines will be moved to the secure location. The notification must include the location of where the machines will be stored and the serial number or other unique number assigned to each machine that is being moved.
- b. Procedures must be delineated in the internal controls and implemented to retire or remove any or all associated Sports Wagering Equipment or components from operation. Procedures must include the following:
  - i. For Sports Wagering Equipment or components that accept financial instruments:
    - 1) Coordinate with the drop team to perform a final drop;
    - 2) Collect final accounting information such as meter readings, drop and payouts;
    - 3) Remove and/or secure any or all associated equipment such as locks, card reader, or printer from the retired or removed component; and
    - 4) Document removal, retirement, and/or destruction.
  - ii. For removal of software components:
    - 1) Uninstall and/or return the software to the Licensee; and
    - 2) Document the removal.
  - iii. For all components:
    - 1) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation;
    - 2) Coordinate with the Accounting function to properly retire the component in the system records.
- c. Where the OLG authorizes destruction of any Sports Wagering Equipment or components, procedures must be developed to destroy such components. Such procedures must include the following:
  - i. Methods of destruction;
  - ii. Witness or surveillance of destruction;
  - iii. Documentation of all components destroyed; and
  - iv. Signatures of personnel(s) destroying components attesting to destruction.
- d. The internal controls for the commissioning, alteration and de-commissioning of Sports Wagering Equipment must include the following:
  - i. Procedures of the tests that must be performed whenever Sports Wagering Equipment is moved or relocated from their initial locations to new locations.
  - ii. Procedures to ensure that the Sports Wagering System is immediately updated to reflect any commissioning, alteration or de-commissioning of Sports Wagering Equipment at the time of such occurrence.
  - iii. Control measures for the maintenance of significant events and meter test documentation, including system reports of the tests shall be retained for a period of at least five (5) years, for OLG inspection.
  - iv. Completion of full data collection by the Sports Wagering System prior to de-commissioning Sports Wagering Equipment.
  - v. That Sports Wagering Equipment may not be exposed for use before the tests have been successfully completed and the information on the Sports Wagering System has been verified as being correct.

**12.6. Communications Technology**

12.6.1. Before installing or permitting the installation of any communications technology, the Licensee shall notify the OLG in writing of the location and number or other identifier of each communications technology and shall obtain the

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approval of the OLG for each communications technology. The OLG may condition the approval in any manner the OLG considers appropriate.

- 12.6.2. Before a Licensee accepts any wagers, the Licensee must obtain the written approval of the OLG to accept such wagers, and thereafter use only the communications technology approved for that purpose. Upon request, the Licensee must provide the OLG with documentation of their communications technology.
- 12.6.3. As a condition of approving communications technology, the Licensee shall be deemed to have consented to the authority of the OLG to require the immediate removal of any communications technology at any time without prior notice.

**12.7. Power Outages**

- 12.7.1. It is the responsibility of the Licensee's security personnel to ensure that all players, employees and company assets are safeguarded against incidents that may occur during a power outage. At a minimum, security representatives shall be dispatched to the following areas:
  - a. All cages, satellite cages and betting counters;
  - b. Tops and bottoms of escalators, stairwells and elevators;
  - c. Count room(s) if count(s) are in progress; and
  - d. All other sensitive areas.
- 12.7.2. No money escorts of any kind shall be conducted during a complete power outage and any unsecured financial instruments in the Sports Wagering facility shall be immediately returned to a secured area.
- 12.7.3. The OLG shall be informed immediately of any power outage.

**12.8. Key Controls**

- 12.8.1. Sensitive keys, either manual or electronic (e.g., key cards, key fobs etc.), are those keys that either management or the OLG designates sensitive to the Licensee's operation and therefore require strict control over storage, duplication, custody, issuance and return. Sensitive key procedures may be automated and/or manual.
  - a. Sensitive keys which require issuance under security or management escort must be identified as such in the key access list, including:
    - i. Unique identifier for each individual key;
    - ii. Key storage location;
    - iii. Number of keys made, duplicated, and destroyed; and
    - iv. Authorization and access.
  - b. Physical inventories of sensitive keys must be conducted quarterly to ensure that the physical count and the access list count match.
  - c. The internal controls must identify the employee responsible for conducting the physical inventories of sensitive keys.
  - d. The internal controls must identify which management employee has the authority to make changes, deletions and/or additions to the key access list.
- 12.8.2. The Licensee shall establish and include in its approved internal controls, procedures to safeguard the use, access, and security of keys. The internal controls must include the:
  - a. Location of all sensitive key boxes and whether any of the boxes are portable or controlled by dual locks;
  - b. Job titles which have authorized access to the sensitive key box key(s) and how the keys to the sensitive key boxes are issued and controlled;
  - c. Sensitive key name, location, custodian and job titles authorized to sign out each sensitive key;
  - d. Location and custodian of duplicate sensitive keys; and
  - e. Replacement and destruction of damaged sensitive keys.
- 12.8.3. If key rings are used, each key ring and each key on the ring must be individually identified on the key access list maintained at each sensitive key box.
- 12.8.4. Each sensitive key box must be under surveillance coverage.
- 12.8.5. Each sensitive key box custodian must be issued a key access list noting authorized job titles that may access each key.
- 12.8.6. Whenever two sensitive keys are required to access a controlled area, the keys must be independently issued to different employees.
- 12.8.7. Access to and return of keys or equivalents must be documented with the date, time, and signature or other unique identifier of the employee accessing or returning the key(s). Licensee shall ensure that all keys signed out are returned on the same gaming day. OLG should be notified immediately if a sensitive key is missing.
- 12.8.8. The following requirements may apply for keys used in the drop and count process:

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- a. At least two (or more if required by the OLG) drop team employees are required to be present to access and return keys.
- b. At least two (or more if required by the OLG) count team employees are required to be present at the time count room and other count keys are issued for the count.
- c. Custody of all keys involved in the drop and count must be maintained by personnel independent of the count and the drop employees as well as those functions being dropped and counted.
- d. Any use of keys at times other than the scheduled drop and count must be properly authorized and documented.

12.8.9. Emergency manual keys, such as an override key, for computerized, electronic, and alternative key systems must be maintained in accordance with the following (or as otherwise required by the OLG):

- a. Access to the emergency manual key(s) used to access the box containing the SSBT drop and count keys requires the physical involvement of at least two employees from separate functions, including management. The date, time, and reason for access, must be documented with the signatures of all participating persons signing out/in the emergency manual key(s);
- b. The custody of the emergency manual keys requires the presence of two employees from separate functions from the time of their issuance until the time of their return; and
- c. Routine physical maintenance that requires access to the emergency manual key(s) and does not involve accessing the SSBT drop and count keys, only requires the presence of two employees from separate functions. The date, time, and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).

**12.9. Security and Surveillance**

**12.9.1. Security Plan Standards**

In accordance with **D.C. Code § 36-621.07(c)(6)** and **Title 30 DCMR § 2108.1(i)**, the Licensee shall ensure that sports wagering conducted through the use of a SSBT or TWT located in the Sports Wagering Facility or other window locations as approved by the OLG, is conducted within the sight and control of designated employees of the Licensee and under continuous observation by security equipment, as required by the OLG.

- a. The Licensee shall ensure that all approved designated areas for sports wagering at the Sports Wagering Facility are monitored by designated staff and OLG-approved security systems that are operational and regularly maintained in accordance with **Title 30 DCMR § 2109.1(f)**.
- b. Pursuant to **Title 30 DCMR § 2108.6**, a Sports Wagering Facility shall be designed to promote optimum security of the facility and shall include the installation and maintenance of security and surveillance equipment, including closed circuit television equipment, according to specifications approved by the OLG. The OLG shall have direct access to the system and its transmissions. Nothing in these MICS shall preclude the OLG from permitting a Licensee to conduct sports wagering, subject to appropriate terms and conditions, in a location other than a Sports Wagering Facility upon petition of a Licensee. The Licensee shall submit a surveillance plan for OLG approval prior to accepting wagers in any approved Sports Wagering facility. Any changes to the surveillance plan must be approved by the OLG.
- c. Before sports wagering operations are to commence, the Licensee shall submit to the OLG for review and written approval its security plan.
- d. The Licensee may not commence operations until its security plan is approved in writing by the OLG.
- e. The Licensee's security plan shall, at a minimum, include:
  - i. Plans to safeguard the employees during critical situations (e.g., active shooter, armed robbery);
  - ii. Physical security measures to address terror attacks or other threats;
  - iii. A security zone plan for the Sports Wagering Facility, employing (if required by the OLG) fixed security post and roving security officers designed to ensure:
    - 1) The physical safety of employees of and invitees to the Sports Wagering Facility;
    - 2) The safeguarding of assets;
    - 3) Compliance with all applicable Act and Regulations including OLG approved internal controls and operating procedures;
    - 4) That the following individuals are identified and prohibited from entering the Sports Wagering Facility, and, if necessary, immediately removed from the facility:
      - A) An intoxicated individual;
      - B) An individual who is involuntarily excluded in accordance with **Title 30 DCMR § 2130**;

- C) An individual who is voluntarily excluded in accordance with **Title 30 DCMR § 2129**;  
or
  - D) That an individual under the age of 18 years is identified, prohibited from engaging in and/or collecting winnings from sports wagering in accordance with **Title 30 DCMR § 2109.1(c)**
- iv. Procedures and controls for addressing:
- 1) Sports Wagering Facility access controls including:
    - A) An access badge system
    - B) If utilized, specifications pertaining to a computerized access control system; and
    - C) Administrative responsibility over a manual or computerized access control system;
  - 2) A temporary authentication credential;
  - 3) Key controls;
  - 4) Emergency alarm and fire command responsibilities including communication protocols with the surveillance system;
  - 5) Evacuation of the Sports Wagering Facility in the event of a fire, or other emergency;
  - 6) The identification and immediate removal of an intoxicated individual, an individual who is involuntarily excluded, and an individual who is voluntarily excluded;
  - 7) The identification of individuals under the age of 18, and the prohibition of the individuals from collecting winnings from sports wagering;
  - 8) Player complaints in accordance with **Title 30 DCMR § 2108.4**
  - 9) The notice requirements in accordance with **Title 30 DCMR § 2108.1(c)**
  - 10) Facility security during off-hours
- v. Procedures to enable a suitable response to any security issue within the Sports Wagering Facility.
- vi. A security incident log:
- 1) Maintained by security employees in:
    - A) A book with bound numbered pages that cannot be readily removed; or
    - B) An electronic format equipped with software that prevents modification of any entry after it has been initially entered into the system; and
  - 2) Documenting the following:
    - A) Assignment number of the incident
    - B) The date and time;
    - C) Name and Occupational license number of the employee covering the incident;
    - D) Nature of the incident; and
    - E) Resolution of the incident;
- vii. A requirement that a Licensee notify the OLG on detection of:
- 1) An individual possessing a firearm, or dangerous weapon; as defined by **Title 22 DCMR §§ 4504.1, 4514** and according to **Title 22 DCMR §§ 4502.1, 4503.2**; or
  - 2) An individual who is:
    - A) Wagering or attempting to redeem winnings under the age of 18 years;
    - B) Intoxicated while wagering;
    - C) Involuntarily excluded in accordance with **Title 30 DCMR § 2130**
    - D) Voluntary excluded in accordance with **Title 30 DCMR § 2129**

#### 12.9.2. Surveillance System Design Plan Standards

The Licensee shall install, maintain, and operate in its Sports Wagering Facility a surveillance system that meets the “**Surveillance and Recording**” requirements of GLI-33 except for the storage of surveillance footage which shall be retained in accordance with **Title 30 DCMR § 2109.1(f)** and Section 12.9.2(i).

- a. It is the responsibility of each Licensee to ensure that its surveillance system is used to accomplish the stated purpose under **Title 30 DCMR § 2108.6** and is not used in an improper manner which would bring discredit to the industry.
- b. The Licensee’s surveillance system shall be reviewed and approved by the OLG in accordance with **Title 30 DCMR § 2108.6**.
- c. Access to the surveillance system must be limited to surveillance personnel, key employees and other personnel authorized in accordance with the Licensee’s policy as set forth in its written surveillance plan. Immediately upon request and presentation of proper identification presented to any authorized person, any agent of the OLG must be provided access.



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- d. The Licensee's surveillance system shall include:
  - i. Light sensitive cameras enabled by:
    - 1) Lenses of sufficient magnification to read a SSBT screen;
    - 2) Lighting which is continuous and of sufficient quality to produce clear video recording and still pictures; and
    - 3) 360-degree pan, tilt, and zoom capability, without camera stops, configured to clandestinely monitor and record:
      - A) Transactions conducted at SSBTs with sufficient clarity to identify the activity and the individuals performing it, including maintenance, drops or fills, and redemption of vouchers or winning wagering tickets;
      - B) Transactions conducted in the cashier's cage, betting counter, betting window, and any satellite cage with sufficient clarity to identify the face of each individual transacting business with a ticket writer. At minimum, there must be one dedicated surveillance camera for each betting window or counter (including cash register/safe) with sufficient clarity to identify individuals performing wagering transactions;
      - C) General activities in the Sports Wagering facility, to include the ticket writer and cashier areas, with sufficient clarity to identify the employees performing the different functions;
      - D) Transaction conducted at automated teller machines within the Sports Wagering facility;
      - E) Activity in the count room or equivalent with sufficient coverage for a general overview of all areas where financial instruments may be sorted, stacked, counted, verified, or stored during the count process. Coverage of the currency counting machines and currency sorting machines must be sufficiently clear to view the currency input, output and reject areas, and any attempted manipulation of the recorded data. The surveillance system shall provide for monitoring and recording of count room, including all doors to the room, all stackers, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored and recorded by a dedicated camera during the count;
      - F) A general overview of activities occurring in each cage and count room area with sufficient clarity to identify individuals within the cage and players and staff members at the counter areas and to confirm the amount of each cash transaction;
      - G) A general overview of all areas where financial instruments may be stored or counted;
      - H) An overview of cash transactions. This overview should include the player, the employee, and the surrounding area;
      - I) Movement of cash and cash storage boxes within the Sports Wagering Facility;
      - J) Entrances and exits to the Sports Wagering Facility;
      - K) Activities in all other sports wagering restricted areas; and
      - L) Other areas and events designated by the OLG;
  - ii. If required by the OLG, a monitoring room located in the Sports Wagering Facility:
    - 1) During all hours of operation staffed by properly OLG licensed employees of the Sports Wagering Facility at all times with a working knowledge and the ability to operate the surveillance equipment, and who can provide immediate access to the secured location to OLG agents and other authorized persons;
    - 2) Secured to prevent unauthorized entry; and
    - 3) Equipped with:
      - A) Sufficient numbers of monitors and recorders to simultaneously display and record multiple sports wagering activities and record the views of all dedicated cameras and motion activated dedicated cameras.
      - B) For Class A Operators, sufficient number of monitors to simultaneously display Sports Wagering facility and count room activities;
      - C) Equipment with total override capability over all other satellite surveillance equipment;

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- D) A communication system capable of monitoring all security personnel communications;
  - E) Connections, direct or through a documented communication protocol with security personnel, to all Sports Wagering Facility alarm systems;
  - F) A surveillance failure notification system that provides an audible, as well as a visual notification, of any failure in the surveillance system or the digital video recording (DVR) media storage system;
  - G) An emergency power system, tested by the Licensee in the presence of the OLG at least once a year, which can be used to operate the surveillance system in the event of a power failure;
  - H) Computer terminals permitting event notification to, and read only access by authorized employees to, the Sports Wagering System;
  - I) An updated photo library, consisting of photographs that are no more than 5 years old, of all current employees of the Sports Wagering Facility;
  - J) A copy of the Sports Wagering Facility's floor plan;
  - K) A copy of the procedure addressing the evacuation of the Sports Wagering Facility in the event of fire or other emergency; and
  - L) Copies of the surveillance system continuity of operations plans.
- iii. Digital video recording (DVR) capability equipped to:
- 1) Have all camera views displayed on a video monitor and recorded;
  - 2) Superimpose the date and time on all monitoring and recording. The displayed date and time must not significantly obstruct the recorded view;
  - 3) Identify and locate, through the use of a meter, counter, or other device or method a particular event which was recorded;
  - 4) Identify on video recording disks or other storage media the type of media player and software prerequisite to viewing the digital images;
  - 5) Be authenticated through the use of embedded video verification encryption code or watermark, which must be submitted to the OLG, before the OLG's inspection and approval of the system;
  - 6) Have a failure notification system that provides a notification of any failure in the surveillance system of the cameras and/or DVR media storage system; and
  - 7) Have a DVR media storage system that is configured so that a failure of any single component will not result in the loss of any data from the DVR media storage system.
- iv. An access system which:
- 1) Controls:
    - A) Physical and logical access to the surveillance system; and
    - B) Physical access to the surveillance monitor room.
  - 2) Restricts access to the security administration capabilities of the system
- e. Each camera required by these MICS must be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled.
- f. Where a PTZ camera is used to observe sports wagering and sports wagering-related activities, the camera must be placed behind a smoked dome, one-way mirror or similar materials that conceal the camera from view.
- g. The Licensee shall configure its surveillance system to record all areas and transactions enumerated in (d)(i)(3) with sufficient detail to identify any discrepancies with a resolution of 4 common image format at a minimum of:
- i. For a standard definition camera, 30 frames per second; or
  - ii. For a high definition camera, 15 frames per second.
- h. The Licensee may configure its surveillance system to record activity in areas of the Sports Wagering Facility not covered by (h) at a reduced frame rate with a resolution of 4 common image format, as follows:
- i. Public areas shall be recorded at a minimum frame rate of 15 frames per second; and
  - ii. Areas not accessible to the public shall be recorded at a minimum frame rate of 7.5 frames per second.
- i. Internal controls must be established and procedures implemented that include retaining surveillance recordings provided by the cameras required by these MICS:
- i. For a minimum of 7 days for transactions or events in the areas covered under (i).

- ii. For a minimum of 14 days for transactions or events in the areas covered under (h), except for recordings of formal security interviews, detentions and questioning by security personnel used in the investigation of an incident, which must be retained for a minimum of 30 days; and
- iii. For any incidents required to be reported to the OLG, including suspected crimes, suspicious activity, or detentions by security shall be retained for a period of five years.
- j. Upon the request of the OLG or a law enforcement agency that has proper jurisdiction over the Sports Wagering Facility; a recording shall be retained and stored in accordance with the directives of the OLG or law enforcement agency pertaining to that recording. Any security footage shall be made available to the OLG, and the Metropolitan Police Department upon request.
- k. Except as provided in these MICS, the surveillance system shall be under the exclusive control of the Licensee authorized OLG licensed employees. All surveillance agents must be trained in the use of the equipment and house rules.
- l. The Licensee shall provide the OLG with timely and unfettered access to its surveillance monitor room, surveillance system, and all transmissions.
- m. The Licensee shall timely comply with a request from the OLG to:
  - i. Use, as necessary, any monitoring room in the Sports Wagering Facility;
  - ii. Display on the monitors in its monitoring room any event capable of being captured by the surveillance system;
  - iii. Relinquish control of a camera or monitor;
  - iv. Discontinue monitoring a particular camera or recording activity captured by it;
  - v. Make a video recording or photograph of any event capable of being captured by the surveillance system; and
  - vi. Restrict or deny access to a recording or photograph.
- n. A surveillance system may not be remotely accessed from a location outside of the surveillance monitor room without the prior approval of the OLG.
- o. Access, or the ability to access, a surveillance system using DVR's, from any location outside of the surveillance room, must be disclosed in a quarterly report filed with the OLG which sets forth the location and to whom access is being provided, other than surveillance personnel and key employees, and certifies that the transmission is encrypted, fire walled on both ends and password protected.
- p. An entrance to a surveillance monitor room may not be visible from the Sports Wagering gaming area. The entrance to the surveillance monitor room must be located so that it is not readily accessible by either sports wagering employees who work primarily in the Sports Wagering facility.

**12.9.3. Surveillance Plan Operating Standard**

- a. Before sports wagering operations are to commence, the Licensee shall submit to the OLG for review and written approval:
  - i. A surveillance system meeting requirement of MICS 12.9.2 including, at a minimum, details pertaining to:
    - 1) Camera configuration inside and outside of the Sports Wagering Facility;
    - 2) Monitoring room configuration;
    - 3) Video recording format and configuration specifications;
    - 4) Authentication of digital recordings, including OLG access to the systems video verification encryption code or watermark;
    - 5) Audio recording format;
    - 6) System access controls; and
  - ii. Surveillance operating procedures conforming to these MICS.
- b. Licensees may not commence operations until its surveillance system and surveillance operating procedures are approved in writing by the OLG.
- c. Each Licensee must include in its written surveillance system plan and comply with a procedure for the storage and identification of all video recordings it is required to retain.
- d. Licensees surveillance operating procedures shall, at a minimum require:
  - i. Coverage of all areas and transactions enumerated in MICS 12.9.2
  - ii. Continuity of Operations plan addressing:
    - 1) Full and partial failure of the surveillance system including:
      - A) A contact list with telephone numbers for individuals required to be notified in the event of a failure;

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- B) Facility closure protocols; and
  - C) System restoration protocols.
  - 2) Planned shutdown of the surveillance system.
  - iii. A surveillance **incident** log:
    - 1) Maintained by monitoring room employees in:
      - A) A book with bound numbered pages that cannot be readily removed; or
      - B) An electronic format equipped with software that prevents modification of an entry after it has been initially entered into the system; and
    - 2) Documenting the scheduled coverage of all areas and transactions enumerated in MICS 12.9.2, and all other surveillance activity regarding incidents as follows:
      - A) The date and time surveillance commenced;
      - B) Name and Occupational license number of the individual initiating, performing, or supervising the surveillance;
      - C) Reason for the surveillance;
      - D) Whether the suspicious activity involves an alleged regulatory violation or criminal activity;
      - E) Name, if known, alias, or description of an individual being monitored;
      - F) Description of the activity in which the individual being monitored is engaged;
      - G) Reading on a meter, counter, or device that identifies the point on the video recording at which the event was recorded;
      - H) Time at which a video recording commenced and terminated, if different than when surveillance commenced or terminated;
      - I) The date and time surveillance is terminated;
      - J) Summary of the results of the surveillance; and
      - K) Description of the time, date, and cause of any equipment or camera malfunction which occurred during the conduct of surveillance.
  - iv. A surveillance monitoring room entry log (routine procedures):
    - 1) To be signed by an individual entering the surveillance monitoring room who is not surveillance personnel assigned to the monitoring room's work shift at the time of entry.
    - 2) Maintained by monitoring room employees in:
      - A) A book with bound numbered pages that cannot be readily removed; or
      - B) An electronic format equipped with software that prevents modification of an entry after it has been initially entered into the system; and
    - 3) Documenting the following:
      - A) The date and time of entering the monitoring room;
      - B) The entering individual's name and position or affiliation;
      - C) The reason for entering the monitoring room;
      - D) The name of the individual authorizing the individual's entry into the monitoring room; and
      - E) The date and time of exiting the monitoring room;
  - v. That the surveillance monitoring room personnel notify:
    - 1) Security supervisory personnel within 5 minutes if an incident of equipment failure affecting coverage of the sports wagering operation; and
    - 2) The OLG within 1 hour of an incident of equipment failure affecting the coverage of the facility citing:
      - A) The date and time;
      - B) Cause of the malfunction;
      - C) Time the Security personnel was notified of the malfunction; and
      - D) Remedy of the malfunction
  - vi. Surveillance coverage during off-hours;
  - vii. That a Licensee, within 24 hours confirm in writing a notice given verbally to the OLG under (v); and
  - viii. That, on a daily basis, the Licensee synchronize the date and time on the surveillance system to the date and time on the Sports Wagering System.
- e. In the event of power loss to the surveillance system, an auxiliary or backup power source must be available and capable of providing immediate restoration of power to the surveillance system to ensure that surveillance employees can observe all areas covered by dedicated cameras.

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- f. A Licensee shall immediately provide written notification to the OLG if any portion of their surveillance system is changed from an analog to a DVR format, setting forth when the change will occur, and how the change will affect their surveillance system as a whole.
- g. A Licensee may not implement a change or amendment in its surveillance system or surveillance operating procedures approved by the OLG under section 12.9.3(b) without prior written approval of the OLG.
- h. Logs must be maintained and demonstrate the following:
  - i. Compliance with the storage, identification, and retention standards required in these MICS;
  - ii. Each malfunction and repair of the surveillance system as defined in these MICS; and
  - iii. Activities performed by surveillance agents as required by the controls in these MICS.
- i. A periodic inspection of the surveillance systems must be conducted. When a malfunction of the surveillance system is discovered, the malfunction and necessary repairs must be documented, and repairs initiated within 72 hours.
  - i. If a dedicated camera malfunctions, alternative security procedures, such as additional supervisory or security agents, must be implemented immediately.
  - ii. The OLG must be notified of any surveillance system and/or camera(s) that have malfunctioned for more than 24 hours and the alternative security measures being implemented.
- j. Each Licensee must maintain a log that documents each malfunction and repair of the surveillance system. The log must state the time, date and nature of each malfunction, the efforts expended to repair the malfunction and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired and where applicable, any alternative security measures that were taken. The log must also reference, by date and time, any communication with the OLG concerning any malfunction or corrective action. The log must be retained for a minimum of 1 year after the date of the last entry in it.
- k. If required by the OLG, the surveillance system must possess the capability to monitor and record, in both audio and video, the area of any security office or other designated detention room in which persons may be detained by security personnel. A notice must be posted in the security office or other designated detention room advising all persons that the area is under video and audio surveillance. When a person is detained by security personnel in the security office or other designated detention room, the detention and any questioning, must be recorded.

**Section 13.0 Cashier's Cage**

**13.1. Account Controls for a Cashier's Cage**

- 13.1.1. To conduct sports wagering pursuant to **Title 30 DCMR § 2108.5**, a Sports Wagering Facility shall have a cashier's cage that has been approved for the operation by the OLG.
- 13.1.2. Licensees may only conduct in-person transactions with individuals at its cashier's cage, betting counter, betting window, and any satellite cage (collectively referred as cashier's cage) during the hours of operation approved by the OLG.
- 13.1.3. Each betting window and counter shall have a dedicated cash register/safe for the storage of financial instruments. The movement or physical transfer of financial instruments shall be restricted to the count staff and/or security. Records and documentation of deposits and withdraws from cash register/safe shall be maintained and are to include the names of individuals performing said function including dollar amounts of financial instruments, date and time of transactions.
- 13.1.4. A cage supervisor or equivalent must be available at all times during the time sports wagering is taking place. Ticket Writers (i.e., Individuals accepting wagers and making payouts) must have a valid, unexpired, occupational license issued by the OLG.
- 13.1.5. The Licensee shall:
  - a. Provide ticket writers with instructions regarding payouts, winning ticket and voucher validation, winning ticket and voucher handling and storage, reporting of security issues, and the handling of lost and stolen tickets and vouchers;
  - b. Implement procedures to ensure the validity of winning tickets and vouchers;
  - c. Establish a process for payment or transfer of winnings;
  - d. Maintain in its cashier's cage a reserve bankroll sufficient to pay winning wagers;
  - e. Compute its reserve cash bankroll requirement each day; and
  - f. Submit its computation to the OLG:
    - i. At least 30 days prior to the commencement of sports wagering operations;
    - ii. Within 24 hours in the event the Licensee determines that their reserve is not sufficient to cover the calculated requirement; and

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- iii. Annually in which a license is issued.
- 13.1.6. The Ticket Writer Terminal (TWT) shall be secured through password, biometrics or other similar means. Generic passwords for the Sports Wagering System are prohibited for cashiers.:
- 13.1.7. The Licensee shall provide the OLG with the start and end time of each cage shift. The times shall not be changed without prior OLG approval.
- 13.1.8. Whenever a TWT is opened/closed for wagering or turned over to a new ticket writer, the ticket writer signs on/off and the Sports Wagering System creates a record indicating the ticket writer's identity, the date and time, station number, and the fact that the station was opened/closed.

**13.2. Employee Segregation of Duties**

- 13.2.1. The Licensee shall develop and include in the internal controls addressing the segregation of the cashier's cage, and the general conduct of the cashier's cage transactions.
- 13.2.2. Tickets Writers shall be responsible for:
  - a. An individual imprest inventory of cash;
  - b. Receipt and payout of cash, negotiable instruments, vouchers, and other records from and to players subject to limitation imposed under these MICS;
  - c. Preparation of ticket records; and
  - d. Other functions designated by the Licensee which are not incompatible with the functions of a ticket writer.
- 13.2.3. Main bank cashiers or other approved by the OLG shall be responsible for:
  - a. Receipt of cash, negotiable instruments, vouchers, and other records from ticket writers in exchange for cash or documentation;
  - b. Receipt of unsecured cash and unsecured vouchers;
  - c. Receipt of cash and documentation from the count room etc.;
  - d. Preparation of the overall cashier's cage reconciliation;
  - e. Preparation of bank deposits;
  - f. Compliance with reserve bank roll requirements;
  - g. Receipt of original and redemption copies of counter checks;
  - h. Receipt from ticket writers of documentation supporting counter check substitution, consolidation, or redemption; and
  - i. Other functions designated by the Licensee which are not incompatible with the functions of a main bank cashier.
- 13.2.4. Employees who perform the supervisory function of approving ticket voids do not write tickets unless:
  - a. The only supervisory function allowed is approval of ticket voids prior to post time;
  - b. A supervisor, acting as a writer, may not authorize a void for a ticket which they wrote;
  - c. All tickets written by a supervisor which are subsequently voided and all not-in-computer voids must be recorded in a log, used specifically for that purpose, which indicates the supervisor's/writer's name, occupational license number, and the name of the person (including occupational license number) authorizing the void;
  - d. The log is forwarded to a function independent of the Sports Wagering function (i.e., Accounting Function) on a daily basis for a 100% audit of void tickets for the proper signatures (includes occupational license number) on the ticket, a void designation on the ticket, date and time of the void on the ticket (for not-in-computer voids), any indications of past-post voiding, and other appropriate regulation compliance. Any discrepancies noted and investigations performed must be documented in writing and maintained;
  - e. A function independent of the Sports Wagering function (i.e., Accounting Function) must perform a 100% audit of the exception report for any inappropriate use of the supervisory password. Any discrepancies noted and investigations performed must be documented in writing and maintained.
- 13.2.5. Employees, including supervisors, who write or cash tickets are prohibited from accessing the administrative terminal or performing administrative functions, including setting up events, changing event data, and entering results at any time. An employee assigned cashier functions is not allowed to switch for certain shifts or days to having administrative functions. Conversely, an employee assigned administrative functions is not allowed to switch for certain shifts or days to having cashier functions.
- 13.2.6. Pursuant to **Title 30 DCMR § 2109.1(e)**, the Licensee shall prohibit an employee who is serving alcoholic beverages to customers from taking sports wagers during the same work shift.
- 13.2.7. The procedure for employees authorized to destroy redeemed winning tickets and vouchers shall be formally defined. The method and control of redeemed winning tickets and vouchers destruction shall be established.

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**13.3. TWT Reconciliation of Assets and Documents**

- 13.3.1. The assets for which each Ticket Writer is responsible for shall be maintained on an imprest basis. A Ticket Writer shall not permit any other person to access his or her imprest inventory.
- 13.3.2. A Ticket Writer shall begin a shift with an imprest amount of financial instruments to be known as the "Sports Wagering Inventory." The Main Bank shall provide the Sports Wagering inventory to ticket writers for Sports Wagering. No funds shall be added to or removed from the Sports Wagering inventory during such shift except:
- In collection of wagers;
  - In order to make change for a player buying a ticket;
  - In payment of winning or properly cancelled or refunded tickets;
  - In payment for vouchers; or
  - In exchanges with the cashier's cage, a satellite cage, or betting counter supported by proper documentation which documentation shall be sufficient for accounting reconciliation purposes.
- 13.3.3. Whenever a ticket writer requests additional funds or turn in excess funds to the Main Bank, the ticket writer shall prepare a two-part Sports Wagering Inventory Increase/Decrease form. The form shall include at a minimum the following:
- The date and time of preparation;
  - Window location;
  - The amount of inventory increase/decrease being requested (Per denominations and total amount);
  - Signature of the ticket writer preparing the form; and
  - Signature of the main bank cashier or equivalent completing the request.
- 13.3.4. Whenever a ticket writer exchanges funds with the Main Bank, the ticket writer shall prepare a two part Even Exchange form. The form shall include at a minimum the following:
- The date and time of preparation;
  - Window location;
  - Separate areas designating which items are being sent to/received from the Main Bank;
  - The type of items exchanged;
  - The total of the items being exchanged;
  - Signature of the ticket writer preparing the form requesting the exchange; and
  - Signature of the main bank cashier completing the exchange.
- 13.3.5. Each ticket writer and main bank cashier to prepare a "Sports Wagering Count Sheet" on each shift, including:
- Recording the amount of inventory in the betting window or bank;
  - Reconciling the total closing inventory with the total opening inventory;
  - Recording the signature and employee occupational license number of the:
    - Outgoing ticket writer or main bank cashier; and
    - Incoming ticket writer or main bank cashier;
  - Recording the following information:
    - The date, time and shift of preparation;
    - The total amount of each denomination of currency in the drawer;
    - The total of any exchanges;
    - The total amount in the drawer;
    - The value of the sold, voided, and cashed tickets or attach a printout from the system to the count sheet
    - The total amount of financial instruments in the Sports Wagering inventory issued to the Ticket Writer;
    - The betting window number to which the Ticket Writer is assigned; and
    - If the cash is transferred from one Ticket Writer to the next Ticket Writer, the amount of cash turn-in and any variances between the cash turn-in and the amount of net cash that the Sports Wagering System indicates must be in each TWT.
- 13.3.6. A Ticket Writer assigned to a betting window shall count and verify the Sports Wagering inventory and enter the information on the Sports Wagering Count Sheet or similar document. The Sports Wagering inventory shall be placed in a ticket writer's drawer and transported directly to the TWT by the Ticket Writer. Depending on the cash route, OLG may require security escorts.
- 13.3.7. At the end of the gaming day, the cashier's cage is to forward a copy of each ticket writer's "Sports Wagering Count Sheet" and related documentation to the Accounting Function for:
- Agreement of opening and closing inventories; and
  - Comparison of forms or documents.

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- 13.3.8. If the betting window net receipts for the shift, as generated by the system, does not agree with the Sports Wagering Count Sheet total plus the Sports Wagering inventory, the shift supervisor shall record any overage or shortage on a Ticket Writer Variance log. If the count does not agree, the ticket writer and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. If the discrepancy cannot be resolved by the Ticket Writer and the shift supervisor, such discrepancy shall be reported in writing to the Sports Wagering Manager, or supervisor in charge at such time and documentation will be provided to the Accounting Function. Any discrepancy in excess of \$500 shall be reported to the Surveillance function and the OLG within 24 hours of the supervisor's shift ending, utilizing the OLG's incident report form. If the discrepancy is \$5,000 or more, the OLG shall be notified within two hours of the supervisor's shift ending.
- 13.3.9. The shift supervisor shall compare the betting window net receipts for the shift as generated by the system with the Sports Wagering Count Sheet total plus the Sports Wagering inventory, and if the ticket writer net receipts equals the wagering count sheet total plus the wagering inventory, the shift supervisor shall sign the Sports Wagering Count Sheet attesting to its accuracy.
- 13.3.10. Pursuant to **Title 30 DCMR § 2119.25**, the Licensee shall determine the daily win amount by comparing the Win Summary Reports from the Sports Wagering System to the reconciliation of the sports wagering drawers. The Licensee shall be required to report sports wagering revenue as the higher amount unless otherwise authorized by the OLG.

**13.4. Cage Access and Accountability**

- 13.4.1. Internal controls must be established, and procedures implemented to:
  - a. Restrict physical access to the cage to only cage employees, designated staff, and other authorized persons; and
  - b. Limit transportation of extraneous items such as personal belongings, toolboxes, beverage containers, etc., into and out of the cage.
- 13.4.2. The Licensee shall establish policies and procedures to ensure that all transactions that flow through the cashier's cage within the Sports Wagering facility are accounted for. These policies and procedures shall include, but are not limited to, the following:
  - a. All transactions that flow through the cage shall be summarized on a cage accountability form on a per shift basis and shall be supported by documentation;
  - b. Increases and decreases to the total cage inventory must be verified, supported by documentation, and recorded. Documentation must include the date and shift, the purpose of the increase/decrease, the employee(s) completing the transaction, and the person or function receiving the cage funds (for decreases only);
  - c. At the end of a shift, the ticket writers assigned to the outgoing shift shall:
    - i. Record on a cage accountability form, or its equivalent, the face value of each cage inventory item counted and the total of the opening and closing cage inventories;
    - ii. Reconcile the total closing inventory with the total opening inventory;
  - d. At the conclusion of each gaming day, copies of the cage accountability forms and all supporting documentation shall be forwarded to the Accounting function; and
  - e. Signature requirements shall be established for outgoing and incoming ticket writers.
- 13.4.3. The cage inventories shall be counted independently by the oncoming and outgoing ticket writers. These employees shall make individual counts for comparison for accuracy and maintenance of individual accountability. Such counts shall be attested to by signature and recorded at the end of each shift during which activity took place. These employees must make individual counts to compare for accuracy and maintain individual accountability. All variances of more than \$500 must be documented and investigated. Unverified transfers of financial instruments are prohibited.
- 13.4.4. The Licensee shall establish and comply with procedures with a minimum bankroll formula to ensure the Licensee maintains financial instruments (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the Licensee's players as they are incurred.
- 13.4.5. All cage accounting procedures and any follow-up performed shall be documented in the internal controls, maintained for inspection and provided to the OLG upon request.

**13.5. Forms, Records and Documents**

- 13.5.1. All information required by these MICS to be placed on any form, record, or document and in stored data shall be recorded on such form, record, or document and in stored data in ink or other permanent form.
- 13.5.2. Whenever duplicate or triplicate copies are required of a form, record, or document:



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- a. For manual forms, the original, duplicate, and triplicate copies shall be color coded. The forms shall have the name of the recipient originally receiving a copy preprinted on the bottom of that copy so as to differentiate one from the other;
  - b. If the Licensee prepares more copies than required by these MICS and the forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in a locked dispenser, the key to which shall be controlled by the Accounting function; and
  - c. Whenever under these MICS forms or serial numbers are required to be accounted for or copies of forms are required to be compared for agreement and exceptions are noted, such exceptions shall be reported immediately in writing to the Internal Audit Function, and the OLG for investigation.
  - d. Serial numbers on manual forms shall be printed on the form by the supplier; and
  - e. Computerized forms shall be sequentially numbered by the computer system and have the name of the recipient printed on the bottom of the form.
- 13.5.3. Unless otherwise specified in these MICS or exempted by the OLG, all forms, records, documents, and stored data required to be prepared, maintained, and controlled by these MICS shall:
- a. Be in a form prescribed or authorized by the OLG; or
  - b. Have the name of the Sports Wagering Facility and the title of the form, record, document, and stored data imprinted or preprinted thereon or therein.
- 13.5.4. The Accounting function shall be responsible for receipt, control and issuance of all pre-numbered forms. Appropriate documentation shall be maintained to account for the forms.
- 13.5.5. Whenever a pre-numbered form is voided, the original and all copies shall be marked "void" and the person voiding the form shall record the date and time the form was voided and their signature on the voided form.
- 13.5.6. Nothing in these MICS shall be construed as prohibiting or discouraging a Licensee from preparing more copies of any form, record, or document than that prescribed by these MICS.

**Section 14.0 Self-Service Betting Terminals (SSBTs/Kiosk)**

**14.1. SSBTs Permitted**

A Licensee may use a Self-Service Betting Terminal (SSBT) for wagering transactions in conjunction with an approved Sports Wagering System in a Sports Wagering Facility. Before being deployed for use at a Sports Wagering Facility, all SSBTs must be submitted to an independent testing laboratory for testing and receive the required certification. The independent testing laboratory shall certify that the SSBT meets or exceeds the adopted GLI-20 Standards for Kiosks as posted on the GLI website at [www.gaminglabs.com](http://www.gaminglabs.com), and the standards established by these MICS. It is acceptable to test one SSBT model for required certification so long as other SSBTs are of the same model tested.

**14.2. SSBT Restrictions**

The Licensee shall establish procedures that must ensure that SSBTs are configured such that they are unable to:

- a. Process deposits and withdrawals to Sports Wagering Accounts of more than \$10,000;
- b. Issue or redeem a voucher with a value of more than \$3,000; and
- c. Redeem a ticket with a value of more than \$3,000.

**14.3. Access to SSBTs**

The internal controls in respect of access to SSBTs must include, but not be limited to, the following:

- a. Control measures to ensure that only authorized, registered employees of the Licensee, registered employees on a Sports Wagering Facility, and an OLG licensed Supplier, may access the secure area of a SSBT.
- b. The requirement that all doors of the SSBTs are secured at all times.
- c. The requirement of recording of relevant entries in a log each time a SSBT is accessed (MEAL).

**14.4. SSBT Stacker**

Each SSBT with a bill validator shall have contained in it a container known as a "stacker" in which shall be deposited all financial instruments (e.g., U.S. Currency) inserted into the bill validator. Each stacker shall:

- a. Have at least one lock securing the contents of the stacker, the key to which shall be different from the key utilized to secure the SSBT.
- b. Have an opening through which currency can be inserted into the stacker.
- c. Have a mechanical arrangement or device that prohibits removal of financial instruments from the opening at any time.

- d. Be fully enclosed, except for such openings as may be required for the operation of the bill validator or the stacker; provided, however, that the location and size of such openings shall not affect the security of the stacker, its contents, or the bill validator, and shall be approved by the OLG.
- e. Have an asset number permanently imprinted, affixed or impressed on the outside of the stacker, which is sufficient in size to be clearly visible and readable by the surveillance system. This number should correspond to the asset number of the SSBT to which the bill validator has been attached, except that emergency stackers may be maintained without such number, provided the word “emergency” is permanently imprinted, affixed, or impressed thereon, and when put into use, are temporarily marked with the asset number of the SSBT to which the bill validator is attached.

#### **14.5. SSBT Count and Drop**

##### **14.5.1. Collecting Currency Cassettes and Stackers from SSBTs**

Internal controls must be established, and procedures implemented to ensure that currency cassettes and stackers are securely removed from SSBTs on a daily basis, unless otherwise agreed to by the OLG.

- a. Surveillance must be notified prior to the stackers or currency cassettes being accessed in a SSBT. The drop shall be monitored and recorded by surveillance.
- b. The Licensee shall submit the drop schedule to the OLG, which shall include
  - i. The time the drop is scheduled to commence; and
  - ii. The number and locations of SSBTs
- c. At least two employees must be involved in the collection of currency cassettes and/or stackers from SSBTs and at least one employee should be independent of SSBT accountability.
- d. Currency cassettes and stackers must be secured in a manner that restricts access to only authorized employees.
- e. Redeemed vouchers and winning tickets (if applicable) collected from the SSBT must be secured and delivered to the Cage or Accounting for reconciliation or the scanned vouchers and winning tickets must be recorded on the Sports Wagering System for reconciliation.
- f. A Security function member and a Cage function member shall obtain the keys necessary to perform the drop and/or currency cassette replacement, in accordance with the Sports Wagering Facility’s key sign-out and sign-in procedures.
- g. A function member with no incompatible functions shall place empty stackers needed for the drop into a secured cart and prepare a drop form, which shall include the following:
  - i. The date;
  - ii. Identification number of the secured cart;
  - iii. Number of empty stackers placed into the secured cart; and
  - iv. Signature of the Cage function member documenting that the number of stackers boxes equals the number of SSBTs in use.
- h. In the presence of a Security function member, a Cage function member shall complete the drop at each SSBT by:
  - i. Unlocking the cabinet housing the stackers;
  - ii. Removing the stackers and place the removed stackers into a secured cart and insert the empty stackers and reject bins;
  - iii. Locking the cabinets housing the stackers; and
  - iv. Transporting the secured cart to a count room or other location approved by the OLG for the count of the drop.

##### **14.5.2. SSBT Count and Documentation**

SSBTs must be maintained on the cage accountability and must be counted independently by at least two employees, documented, and reconciled for each increase or decrease to the SSBT inventory.

- a. Access to stored full stackers and currency cassettes must be restricted to:
  - i. Authorized employees; and
  - ii. In an emergency, authorized persons for the resolution of a problem.
- b. The SSBT count must be performed in a secure area, such as the cage or count room.
- c. If counts from various revenue centers and SSBTs occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from the SSBTs with any revenue centers.

- d. The stackers and currency cassettes must be individually emptied and counted so as to prevent the commingling of funds between SSBTs until the count of the SSBT contents has been recorded. At least daily, all winning tickets and vouchers in the SSBT are removed by a minimum of two employees.
- e. The contents of the stackers shall be counted by two or more employees with no incompatible function, who shall:
  - i. Document the contents, by item and amount, for each stacker on a balance receipt;
  - ii. Prepare or generate a drop totals report that summarizes the total currency, tickets, and vouchers counted;
  - iii. Verify that the number of stackers counted equals the number of empty stackers initially recorded on the drop form. Any exceptions encountered during the drop and count process shall be documented on this form;
  - iv. Transfer the currency to a main bank cashier with a copy of the drop totals report;
  - v. Transport the tickets and vouchers to a secured location approved by the OLG for storage until permitted to destroy; and
  - vi. Transport the balance receipts, the drop totals report and drop form to the Accounting function.
- f. The contents of each removed currency cassette and currency cassette reject bin shall be counted by two or more employees with no incompatible function, who shall:
  - i. Document the count of each currency cassette and reject bin on a balance receipt, by SSBT;
  - ii. Prepare or generate a currency cassette replenishment totals report that summarizes the total currency counted;
  - iii. Transfer the currency to a main bank cashier with a copy of the currency cassette replenishment totals report; and
  - iv. Transport the balance receipts and currency cassette replenishment totals report to the Accounting function.
- g. Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable, and the original, corrected information remains legible. Corrections must be verified by two employees.

#### 14.5.3. **SSBT Replenishment**

Currency cassettes must be secured with a lock or tamper resistant seal and, if not placed inside a SSBT, must be stored in a secured area of the cage or count room.

- a. On a daily basis or at a greater frequency as needed, a Licensee shall replenish the currency cassettes in the SSBTs. A cashier with no incompatible functions shall prepare the currency cassettes to replenish the SSBTs, which shall be documented on a two-part cassette fill form. The cashier shall retain one copy of such form and the duplicate shall be used to document the completion of the transaction. The form shall include:
  - i. Designation of the SSBT to which the fill is to be performed;
  - ii. For each denomination, the number of bills and total value;
  - iii. The total value of all currency cassettes;
  - iv. The date and time prepared; and
  - v. Signature of the cashier.
- b. An employee with no incompatible function shall place the replacement currency cassettes and empty reject bins into a secured cart. In the presence of a Security function member, the Accounting function employee shall complete the currency cassette replenishment at each SSBT by:
  - i. Unlocking the cabinets housing the currency cassettes and reject bins;
  - ii. Removing all currency cassettes and the reject bin, which shall be placed in a secure cart and generate a credit receipt that, at a minimum, includes:
    - 1) an identification number of the SSBT;
    - 2) the date and time;
    - 3) the denomination of each currency cassette; and
    - 4) the total value of the total number of bills per denomination remaining in each currency cassette being replenished and the reject bin.
  - iii. Inserting the replacement currency cassettes and currency cassette reject bin.
  - iv. Entering data into the SSBT that describes the fill and generating a fill receipt that, at a minimum, includes:
    - 1) An identification number of the SSBT;

- 2) The date and time the fill was performed;
- 3) The denomination of currency for each currency cassette inserted into the machine; and
- 4) The total value of the total number of bills per denomination, for each currency cassette being inserted into the machine.
- v. Locking the cabinet and signing the duplicate copy of the cassette fill attesting that the fill was completed. The fill receipt and the credit receipt shall be deposited in a locked accounting box; and
- vi. Returning all removed currency cassettes and reject bins in a secured cart to the count room or other location approved by the OLG.
- c. Internal controls must be established, and procedures implemented to ensure that currency cassettes contain the correct denominations and have been properly installed.

#### 14.5.4. **Count Room Access**

Internal controls must be established, and procedures implemented to limit physical access to the count room to count team employees, designated staff, and other authorized persons. Such internal controls must include the following:

- a. Count team employees may not exit or enter the count room during the count except for emergencies or scheduled breaks;
- b. Surveillance must be notified whenever count room employees exit or enter the count room during the count; and
- c. The count team policy, at a minimum, must address the transportation of extraneous items such as personal belongings, toolboxes, beverage containers, etc., into or out of the count room.

#### 14.5.5. **Count Team**

Internal controls must be established, and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such internal controls must include the following:

- a. All counts must be performed by at least two employees.
- b. At no time during the count can there be fewer than two count team employees in the count room until the drop proceeds have been accepted into cage accountability.
- c. If a Count team is used, it must be independent of cage function. A cage employee may be used if they are not the sole recorder of the count and do not participate in the transfer of drop proceeds to the cage. An accounting employee may be used if there is an independent audit of all count documentation.

#### 14.6. **SSBT Reconciliation of Assets and Documents**

14.6.1. Whenever employees remove winning tickets or vouchers from a SSBT, or cash is removed from or inserted into a SSBT, reports are generated regarding transactions and accountability.

14.6.2. The Accounting function shall reconcile the SSBTs on a daily basis and whenever employees remove winning tickets, vouchers or cash from a SSBT pursuant to internal controls as follows: all the cash remaining in each SSBT (including cash accepted by the SSBT) to the cash initially loaded into the SSBT (i.e., imprest amount) plus/minus cash transactions.

14.6.3. The following reconciliation reports must be available upon demand for each day, shift, and drop cycle:

- a. Starting balance dollar amount per financial instrument;
- b. Starting balance number of items per financial instrument;
- c. Dollar amount per financial instrument issued;
- d. Number of items per financial instrument issued;
- e. Dollar amount per financial instrument redeemed;
- f. Number of items per financial instrument redeemed;
- g. Dollar amount per financial instrument increases;
- h. Number of items per financial instrument increases;
- i. Dollar amount per financial instrument decreases;
- j. Number of items per financial instrument decreases;
- k. Ending balance dollar amount per financial instrument; and
- l. Ending balance number of items per financial instrument.

14.6.4. These reports are compared to the transactions recorded by the Sports Wagering System, if separate.

14.6.5. Any variance of **\$ 500.00** or more shall be documented by the Accounting function and reported in writing to the OLG within 24 hours of the end of the gaming day during which the variance was discovered. The report shall indicate the

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cause of the variance and shall contain any documentation required to support the stated explanation. Such procedures shall be detailed in the internal controls approved by the OLG.

14.6.6. Winning tickets and vouchers are ultimately delivered to the Accounting function.

**14.7. SSBT Malfunctions**

The internal controls in respect of malfunctions of the SSBTs and Sports Wagering System must include, but not be limited to, the following:

- a. Procedures in the event of a malfunction, which include that the SSBT must be powered down immediately and disabled until repaired;
- b. Procedures in the event of a communication malfunction occurring between the Sports Wagering System and the SSBT which cannot be repaired immediately, and the reporting thereof to the OLG in writing within five (5) days; and
- c. Procedures in the event that a malfunction is detected by the OLG and the SSBT disabled until such time that the malfunction has been repaired.

**Section 15.0 Sports Wagering Account Management**

**15.1. Sports Wagering Account Procedures**

- 15.1.1. Sports wagering using OLG approved Mobile Apps or Sites shall only be engaged in by players who have established a Sports Wagering Account in accordance with **Title 30 DCMR § 2122.1**.
- 15.1.2. The Licensee shall establish procedures for Sports Wagering Accounts pursuant to the requirements of **Title 30 DCMR § 2122** and such procedures are delineated within the internal controls. Procedures to address in the internal controls include, as applicable, but are not limited to:
  - a. The creation and maintenance of documents related to the establishment of Sports Wagering Accounts.
  - b. The acceptance of wagers including, but not limited to:
    - i. Method of wagering communications;
    - ii. Wagering account transactions documentation (creation and maintenance thereof);
- 15.1.3. Within a Sports Wagering Facility, Sports Wagering Accounts must be established, maintained, and accounted for at one designated area (e.g., designated ticket windows). Further, all subsequent deposits/withdrawals and account adjustment transactions must be accounted for through the same designated area.

**15.2. Registration and Verification of Players**

**15.2.1. Registering Players**

To establish a Sports Wagering Account, the Licensee shall collect Personally Identifiable Information (PII) prior to the registration of a Sports Wagering Account pursuant to **Title 30 DCMR § 2122.3**.

- a. The PII used for registration includes, but is not limited to:
  - i. The player's legal name;
  - ii. The player's date of birth;
  - iii. The player's residential address (a post office box is not acceptable); and
  - iv. The player's Social Security number (SSN) or equivalent for a foreign player such as a passport or taxpayer identification number. The player may enter only the last four (4) digits of an SSN if the other factors are sufficient to determine the entire nine-digit SSN within four (4) minutes; if that cannot be done, entry of the nine-digit SSN is required.
- b. The email and/or mobile phone number shall also be provided and validated by the player or verified by the Licensee. These should allow contact and communication between the Licensee and player in a direct and effective manner.
- c. During the registration process, in accordance with **Title 30 DCMR § 2122.6**, the Licensee shall record the player's acceptance of the terms and conditions and privacy policy and acknowledge that:
  - i. They are applying for an account in their own name;
  - ii. They are using their own PII;
  - iii. The information they provided to the Licensee to open the Sports Wagering Account is complete, and accurate to the best of their knowledge;
  - iv. They will keep their username and password confidential;
  - v. They are prohibited from allowing any other person to access or use their Sports Wagering Account;
  - vi. They do not already have an open Sports Wagering Account;
  - vii. They are not on the OLG's Involuntary Exclusion List or Self-Exclusion List established pursuant to **Title 30 DCMR § 2129** and **§ 2130**, or are otherwise prohibited from wagering on sports events;

- viii. They consent to the monitoring and recording of the use of their Sports Wagering Account by the Licensee and the OLG, including the use of any identity verification technology or method the Licensee deems appropriate to validate age and identification; and
- ix. They are not opening the Sports Wagering Account for any illegal purpose.
- d. To apply for a Sports Wagering Account at the Sports Wagering Facility, there shall be a procedure in place to ensure Player provides all information requested on the registration form.
- e. Any person that submits a birth date that indicates they are under eighteen (18) years of age shall be denied the ability to register for a Sports Wagering Account.

#### **15.2.2. Identification and Verification**

By submitting an application for a Sports Wagering Account, a player consents to the Licensee's use of any technical and operational measures, technology or method in place the Licensee deems appropriate which verifies the age and identity of the player to ensure that Sports Wagering Accounts cannot be opened by prohibited sports wagering participants pursuant to **D.C. Code § 36-621.07(c)(10)(B)** and **Title 30 DCMR § 2120.3**.

- a. The Licensee shall have an identity verification process as a part of its registration process which may include requiring the use of a reputable independent Identity Verification Service Provider that is common in the business of verifying an individual's PII in accordance with to **D.C. Code § 36-621.07(c)(10)(C)** and **Title 30 DCMR § 2122.5**.
- b. The Licensee shall provide the OLG information about its procedures or methodology for verifying the identity of a player, including the legal name, physical address and age, and that the player is not on any prohibited sports wagering participant lists held by the Licensee or the OLG in accordance with **Title 30 DCMR § 2122.4(a)**. Such verification procedures, including the method of verification, are delineated within the internal controls.
- c. The Licensee shall notify OLG of any changes to its verification procedures or in the event there is a change of an Identity Verification Service Provider, as applicable, that provides identity verification services to the Licensee.
- d. The verification procedures performed by the Licensee are to be recorded and maintained which is to include the following information in accordance with **Title 30 DCMR § 2122.4(b)**.
- e. The verification procedures are to involve robust identification methods to mitigate the risks of non-face-to-face transactions inherent in sports wagering. However, the Licensee may require a player to provide additional information, provide copies of documents, or appear in person at the Sports Wagering Facility in order to complete the registration process.
- f. A player's application for a Sports Wagering Account shall be denied if the player's age or identity cannot be verified. The Licensee shall establish procedures for handling the unsuccessful verification of the information provided by an individual who is registering as a player. Such procedures are delineated within the internal controls. The Licensee is to record and maintain the following information:
  - i. Unique player ID and player name;
  - ii. The date the account was suspended from further sports wagering by the player;
  - iii. The date the account was closed;
  - iv. The amount of winnings retained which were attributable to the player; and
  - v. Balance of amount refunded to the player.

#### **15.2.3. Account Establishment**

The Sports Wagering Account can only become active once age and identity verification are successfully completed, the player is determined to not be on any exclusion lists or prohibited from establishing or maintaining an account for any other reason, the player has acknowledged the necessary privacy policies and terms and conditions, and the Sports Wagering Account registration is complete.

- a. The Licensee shall notify the player of the establishment of the Sports Wagering Account by email or first-class mail in accordance with **Title 30 DCMR § 2122.7**
- b. The Licensee shall periodically re-verify a player's identification upon reasonable suspicion that the player's identification has been compromised in accordance with **Title 30 DCMR § 2122.19**

#### **15.3. Terms and Conditions**

The terms and conditions agreed upon between a Licensee and any player must be in clear and simple language., The terms and conditions are also to be made available upon request to authorized internal and external auditors and to OLG personnel. The terms and conditions shall:

- a. State that only individuals, within the physical confines of the Sports Wagering Facility, and for Class A Operators, within two (2) blocks of the Sports Wagering Facility with restrictions as indicated in **Executive Order 20-S-003**, can participate in wagering;
- b. Provide a description of the possible repercussions for a player under 18 years of age who circumvents or attempts to circumvent controls to prevent underage play pursuant to **D.C. Code § 36-621.07(c)(10)(D)** and **Title 30 DCMR § 2128.3**, such as immediate stoppage of play, account closure, and confiscation of winnings;
- c. Advise the player to keep their authentication credentials (e.g., password and username) secure;
- d. Disclose all processes for dealing with lost authentication credentials, forced password changes, password strength and other related items;
- e. Include information about bonuses and promotions, deposits, withdrawals and the disposition of player funds
- f. Specify that an account is declared dormant after it has had no player-initiated activity for a period of one (1) year, and explain what actions will be undertaken on the account once this declaration is made;
- g. Clearly define that, pursuant to **Title 30 DCMR § 2119.14**, in the event a player has a pending wager and then self-excludes the wagers are cancelled, and the funds returned to the player according to the internal controls; and
- h. State that the Licensee has the right to:
  - i. Refuse to establish a Sports Wagering Account for what it deems good and sufficient reason;
  - ii. Refuse deposits to and/or withdrawals from Sports Wagering Accounts for what it deems good and sufficient reason; and
  - iii. Unless there is a pending investigation or player dispute, suspend or close any Sports Wagering Account at any time pursuant to the terms and conditions between the Licensee and the player.

#### **15.4. Protection of Sports Wagering Accounts**

- 15.4.1. A player may hold only one Sports Wagering Account with each Licensee. The Licensee shall implement internal controls and procedures to prohibit an individual, group of individuals, or entity that places wagers with the Licensee from establishing more than one active Sports Wagering Account with the Licensee pursuant to **D.C. Code § 36-621.07(c)(16)**, **Title 30 DCMR § 2122.9** and **2128.1(g)**, and to terminate all accounts of any person who establishes or seeks to establish multiple active Sports Wagering Accounts, whether directly or by use of another person as a proxy.
- 15.4.2. Both the PII and the Sports Wagering Account funds shall be considered as critical assets for the purposes of risk assessment.
- 15.4.3. Pursuant to **D.C. Code § 36-621.07(c)(11)(C)** and **Title 30 DCMR § 2114.4**, the Licensee shall implement and maintain reasonable security procedures and practices that are appropriate to ensure the confidentiality and integrity of the PII and to protect the Sports Wagering Account from unauthorized access, use, modification or disclosure. The following internal controls surrounding Sports Wagering Accounts must be present at a minimum:
  - a. Procedures shall be in place to provide establish a secure personal identification for the player authorized to use the Sports Wagering Account that is reasonably designed to prevent the unauthorized access to, or use of, the Sports Wagering Account by any individual other than the player for whom the Sports Wagering Account is established in accordance with **Title 30 DCMR § 2122.8**, and meeting the **GLI-33** requirements for **“Player Access”**.
  - b. Pursuant to **Title 30 DCMR § 2122.22**, the Sports Wagering Account shall be automatically locked-out after three failed access attempts in a thirty-minute period. A multi-factor authentication process shall be employed for the account to be unlocked or to recover or reset a password or username.
  - c. When the terms and conditions and/or privacy policy are materially updated (i.e. beyond any grammatical or other minor changes), the player shall agree to their updates upon account access.
  - d. Internal controls shall be in place to ensure the strength of Player’s passwords;
  - e. Smart cards, if used, cannot maintain the only source of account data.
  - f. Sports Wagering Accounts shall be immediately suspended, and Player’s identification shall be immediately re-verified upon reasonable suspicion that the Player’s identification has been compromised;
  - g. The internal controls shall delineate how the Licensee may require a player to change or update account information at any time, including the Player’s username and password.
  - h. Multi-factor authentication shall be required before allowing a player to change their password, access/update PII, transfer funds, or to remove a player from the Licensee’s self-exclusion list. If e-mail is a component of this process, the procedures for the secure use of e-mail as a medium for communicating secure information must be documented in the internal controls. The Licensee shall develop alternative procedures for use in the event that a player no longer has access to the e-mail address on record.

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- i. A mechanism shall be in place to suspend a Player's Sports Wagering Account in the event that there is suspicion that the Sports Wagering Account has been compromised or used to commit fraud or other illegal activity.
- 15.4.4. Any PII obtained in respect to the Sports Wagering Account shall be done in compliance with the privacy policy and local privacy regulations and standards observed by the OLG. In addition:
- a. Any PII which is not subject to disclosure pursuant to the privacy policy shall be kept confidential, except where the release of that information is required by law. This includes, but is not limited to:
    - i. The amount of money credited to, debited from, or present in any particular Sports Wagering Account;
    - ii. The amount of money wagered by a particular player on any sports event;
    - iii. The account number and authentication credentials that identify the player; and
    - iv. The name, address, and other information in the possession of the Licensee that would identify the player to anyone other than the OLG or the Licensee.
  - b. There shall be procedures delineated in the internal controls for the security and sharing of PII and other sensitive information as required by the OLG, including, but not limited to:
    - i. The designation and identification of one or more employees having primary responsibility for the design, implementation and ongoing evaluation of such procedures and practices;
    - ii. The procedures to be used to determine the nature and scope of all information collected, the locations in which such information is stored, and the storage devices on which such information may be recorded for purposes of storage or transfer;
    - iii. The measures to be utilized to protect information from unauthorized access;
    - iv. The procedures to be used in the event the Licensee determines that a breach of data security has occurred, including required notification to the OLG.
    - v. Notification to players of the privacy policy, which shall state:
      - 1) The personally identifiable information (PII) required to be collected;
      - 2) The purpose and legal basis for PII collection;
      - 3) The period in which the PII is stored, or, if no period can be possibly set, the criteria used to set this. It is not sufficient for the Licensee to state that the PII will be kept for as long as necessary for the legitimate purposes of the processing;
      - 4) The conditions under which PII may be disclosed;
      - 5) An affirmation that measures are in place to prevent the unauthorized or unnecessary disclosure of the PII;
      - 6) The identity and contact details on the Licensee who is seeking the consent, including any third-party service provider(s) which may access and or use this PII;
      - 7) Where required by the OLG, that the player has a right to:
        - A) Access, export, or transfer their PII;
        - B) Rectify, erase, or restrict access to their PII;
        - C) Object to the PII processing;
        - D) Withdraw consent, if the processing is based on consent;
      - 8) The rights of a player to file a complaint to the OLG;
      - 9) For PII collected directly from the player, whether there is a legal or contractual obligation to provide the PII and the consequences of not providing that PII;
  - c. Unauthorized third-party service providers shall be prevented from viewing or altering PII. Where PII is shared with third-party service providers, formal data processing agreements shall be in place that states the rights and obligations of each party concerning the protection of the PII, as well as any other sensitive information. Each data processing agreement shall set out:
    - i. The subject matter and duration of the processing;
    - ii. The nature and purpose of the processing;
    - iii. The type of PII to be processed;
    - iv. How the PII is stored;
    - v. The detail of the security surrounding the PII;
    - vi. The means used to transfer the PII from one organization to another;
    - vii. The means used to retrieve PII about certain individuals;
    - viii. The method for ensuring a retention schedule is adhered to;
    - ix. The means used to delete or dispose of the PII; and
    - x. The categories of PII.



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- d. Players shall be provided with a method to request:
  - i. Access to a copy of their PII as well as other supplementary information about the processing of their PII;
  - ii. Updates to their PII; and
  - iii. Have their PII erased and/or to impose restrictions on processing of PII.
- e. There shall be procedures in place to manage PII update requests from players, including maintaining records of such requests and providing reasons to the player when such requests are denied or rejected.
- f. The Licensee shall be able to provide PII to the player in a format that is:
  - i. Structured (the structural relation between elements is explicit in the way data is stored);
  - ii. Commonly used (the format is widely used and well established); and
  - iii. Machine-readable (the format shall be automatically read and processed by a computer).
- g. There shall be procedures in place to comply with requests from players to have PII erased and/or to prevent or restrict processing of PII, including, in the following circumstances:
  - i. Where the PII is no longer necessary in relation to the purpose for which it was originally collected/processed;
  - ii. When the player withdraws consent;
  - iii. When the player objects to the processing and there is no overriding legitimate interest for continuing the processing;
  - iv. The PII was unlawfully processed; or
  - v. The PII has to be erased in order to comply with a legal obligation.

15.4.5. The Licensee shall have a documented public policy for the treatment of Sports Wagering Accounts discovered to be used in a fraudulent manner.

15.4.6. Funds in Sports Wagering Accounts may not be used as security by the Licensee for any financial transactions.

15.4.7. The Licensee shall establish procedures to protect payment types used in the system from fraudulent use. Such procedures are delineated within the internal controls

- a. Collection of PII and other sensitive information directly related to deposit/withdrawal transactions shall be limited to only the information strictly needed for the transaction.
- b. There shall be processes in place for verifying the protection of the PII or other sensitive information directly related to each deposit/withdrawal transaction.
- c. Any communication channels between the Licensee and the PSP conveying deposit/withdrawal details shall be encrypted and protected against interception.
- d. All financial transactions shall be reconciled between the Licensee and the PSP daily. There shall be established procedures for:
  - i. In calculating amounts paid to or received from a player, considering all payments used by the player or Licensee; and
  - ii. Assuring the match of ownership between the payment type holder and the Sports Wagering Account holder.

**15.5. Player Funds Maintenance**

**15.5.1. Financial Transactions**

Procedures shall be in place to ensure all financial transactions are conducted in accordance with local commerce regulations and requirements mandated by the OLG.

- a. Prior to the player making a deposit or withdrawal from a Sports Wagering Account, the employee or Sports Wagering System must verify the Sports Wagering Account, and the players' identity.
- b. The player shall be provided confirmation/denial of every deposit/withdrawal transaction initiated, including:
  - i. The type of transaction (deposit/withdrawal);
  - ii. The transaction value; and
  - iii. For denied transactions, a reason as to why the transaction did not complete as initiated.
- c. If a player initiates a deposit/withdrawal transaction and that transaction would exceed limits put in place by the Licensee and/or the OLG, this transaction may only be processed provided that the player is clearly notified that they have withdrawn or deposited less than requested.
- d. The Licensee shall describe the sequence of the required signatures attesting to the accuracy of the information contained on the player deposit or withdrawal form ensuring that the form is signed by the cashier.
- e. All player deposits and withdrawal transactions at the cage shall be recorded on a cage accountability form on a per-shift basis.

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- f. The Licensee shall establish and comply with procedures that:
  - i. Maintain a detailed record by Sports Wagering Account and date of all funds on deposit;
  - ii. Maintain a current balance of all player deposits that are in the cage/count room inventory or accountability; and
  - iii. Reconcile this current balance with the deposits and withdrawals at least daily.
- g. Where financial transactions are allowed through the Automated Clearing House (ACH), the Licensee shall have security measures and controls to prevent ACH fraud which meet **Title 30 DCMR § 2122.11**.
- h. If electronic funds transfers are made to or from a Sports Wagering Facility bank account for Sports Wagering Account funds, the bank account must be dedicated and may not be used for any other types of transactions.
- i. The internal controls shall delineate how the Licensee may require players to provide additional information, provide copies of documents, or appear in person at the Sports Wagering Facility before processing a deposit or withdrawal. Players may also be required to complete additional Claim forms and/or certify documentation detailing their deposits, withdrawals, and other Sports Wagering Account transactions.
- j. Procedures shall be performed to not allow a player's Sports Wagering Account to be overdrawn unless caused by payment processing issues outside the control of the Licensee (e.g., chargebacks).
- k. The internal controls shall delineate how the Licensee may withhold incorrectly deposited amounts from any deposit or prize or seek recovery if a player withdraws funds that were incorrectly credited to their Sports Wagering Account.
- l. The Licensee shall not allow the transfer of funds or credits between players in accordance with **Title 30 DCMR § 2122.16**. Procedures are implemented to ensure that funds withdrawn by a player from a Sports Wagering Account are not transferred to any other Sports Wagering Account. Such procedures are delineated within the internal controls.

**15.5.2. Deposits**

Procedures shall be established for the use of a PSP to allow the Licensee to fund a Sports Wagering Account using the deposit methods outlined in **Title 30 DCMR § 2122.10**;

- a. The internal controls shall describe a complete description of the entire process for each deposit method, including situations where additional information must be requested prior to completing the deposit transaction;
- b. A deposit into a Sports Wagering Account may be made via a credit card transaction or other methods which can produce a sufficient audit trail.
- c. Funds shall not be available for wagering until they are received from the issuer or the issuer provides an authorization number indicating that the funds are authorized. The authorization number is to be maintained in an audit log.
- d. The routing procedures for deposits by mail require that the mail deposits are received by a function independent of the Sports Wagering Function.

**15.5.3. Withdrawals**

Procedures shall be established for the use of a PSP to allow the Licensee to remove funds from a Sports Wagering Account using the withdrawal methods outlined in **Title 30 DCMR § 2122.13**;

- a. The internal controls shall describe a complete description of the entire process for each withdrawal method, including situations where additional information must be requested prior to completing the withdrawal transaction;
- b. Payments from an account are to be paid (including funds transfer) directly to an account with a financial institution in the name of the player or made payable to the player and forwarded to the player's address using a secure delivery service or through another method that is not prohibited by the OLG. The name and address are to be the same as held in player registration details.
- c. Prior to any withdrawal in accordance with **Title 30 DCMR § 2122.12**, if a player used a credit or debit card to fund a Sports Wagering Account, any remaining balance in the Sports Wagering Account up to the amount of the deposit shall be refunded to the player's credit or debit card account used to fund the Sports Wagering Account provided that a credit or debit card issuer permits the return of a withdrawal from a Sports Wagering Account funded by the credit or debit card of the issuer.
- d. Sports Wagering Systems shall employ a mechanism that can detect and prevent any player-initiated withdrawal activity that would result in a negative balance of a Sports Wagering Account in accordance with **Title 30 DCMR § 2122.21**

- e. Direct access to a Sports Wagering Account to withdraw funds is restricted to the player who owns the Sports Wagering Account and who is confirmed to be the owner by using positive player identification methods such as a PIN number or password. The Customer Service function may be able to reset the PIN number or password for a Sports Wagering Account in the system to permit a person with legal authority to gain access to the Sports Wagering Account when the owner of the account is incapacitated or deceased. For this occurrence, sufficient records are maintained evidencing the reason for resetting the PIN number or password.
- f. Indirect access (i.e., player is not providing a PIN number or password) to a Sports Wagering Account to withdraw funds involves assisted access by a member of the Customer Service function whether online or by other means. The employee who is assisting with an indirect access is to use challenge questions to identify the person making remote access or employ a sufficient alternative process to ensure that the person is accurately identified as the owner of the Sports Wagering Account. If challenge questions are used, the responses to challenge questions should be obtained during the registration process for a Sports Wagering Account.
- g. A player's request for withdrawal of funds (i.e., deposited and cleared funds and funds won) is completed by the Licensee within a reasonable timeframe in accordance with **Title 30 DCMR § 2122.14** unless there is a pending unresolved player complaint or investigation.
  - i. The internal controls shall delineate how the Licensee may hold any withdrawal if it is suspected that a Player may be engaging in or have engaged in fraudulent, collusive, unlawful or improper activity pending completion of an investigation.
  - ii. Funds for withdrawal may be withheld from withdrawal until the funding transaction clears or the chargeback period ends.
  - iii. Such investigation shall be documented by the Licensee and available for review by the OLG.

#### **15.5.4. Adjustments**

The internal controls in accordance with **Title 30 DCMR § 2122.15** shall delineate how the Licensee may make the appropriate adjustments to a Sports Wagering Account if funds are mistakenly credited to or deducted from the Account.

- a. The Licensee shall have security or authorization procedures in place to ensure that only authorized adjustments can be made to Sports Wagering Accounts, and these changes are auditable.
  - i. All adjustments under \$500 shall be periodically reviewed by supervisory personnel.
  - ii. All other adjustments shall be authorized by supervisory personnel prior to being entered.
  - iii. The internal controls shall identify the job titles of supervisory personnel authorized to perform this function and specify which evidence of supervisory authorization is to be recorded and maintained.
- b. On a daily basis, supervisory personnel may authorize multiple transactions occurring within a gaming day. Evidence of supervisory authorization for multiple transactions is to be recorded and maintained. The internal controls are to delineate the authorization process for multiple transactions rather than authorizing each individual transaction.

#### **15.5.5. Dormant and Closed Accounts**

A Sports Wagering Account is considered to be dormant after it has had no player-initiated activity for a period of one (1) year as specified in the terms and conditions.

- a. Procedures shall be in place to:
  - i. Allow access by player to their dormant account only after re-verifying the information required by **Title 30 DCMR § 2122.3**; Re-verification procedures require supervisory approval and must be documented and maintained.
  - ii. Protect dormant accounts that contain funds from unauthorized access, changes or removal.
  - iii. Deal with unclaimed funds from dormant accounts, including returning any remaining funds to the player where possible.
  - iv. Close a Sports Wagering Account if the player has not logged into the account for eighteen (18) consecutive months.
- b. Access to dormant and closed account information is restricted to those positions which require access and are so authorized by management. Such access is to be delineated within the internal controls.

#### **15.6. Limitations and Exclusions**

#### **15.6.1. Self-Limitation**

The internal controls shall contain procedures for implementation of a self-limitation program in accordance with **Title 30 DCMR § 2128.1(d)**

- a. Pursuant to **D.C. Code § 36-621.07(c)(11)(A)** and **Title 30 DCMR § 2114.1**, players must be provided with a mechanism to impose responsible gaming limits with the Licensee set forth below including, but not limited to:
  - i. A deposit limit, which shall be offered on a daily, weekly and monthly basis and shall specify the maximum amount of money a player may deposit into his or her Sports Wagering Account during a particular period of time;
  - ii. A spending limit, which shall be offered on a daily, weekly and monthly basis and shall specify the maximum amount of player funds that may be put at risk during a particular period of time; and
  - iii. A time-based limit, which shall be offered on a daily basis and shall specify the maximum amount of time, measured hourly from the player's log in to log off, a player may spend playing on a Sports Wagering System.
- b. Upon receiving any self-limitation order, the Licensee must ensure that all specified limits are correctly implemented immediately or at the point in time (e.g., next login, next day) that was clearly indicated to the player;
- c. The self-limitations set by a player must not override more restrictive involuntary limitations. The more restrictive limitations must take priority;
- d. In accordance with **D.C. Code § 36-621.07(c)(11)(B)** and **Title 30 DCMR § 2114.3**, once established by a player and implemented, the Licensee shall prohibit an individual from wagering over the limit they have set.
- e. Pursuant to **D.C. Code § 36-621.07(c)(11)(A)** and **Title 30 DCMR § 2114.2**, the Licensee shall take reasonable steps to prevent individuals from overriding their self-imposed limits, including, at the request of the individual, sharing the requested limitations with the OLG for the sole purpose of disseminating the request to other Licensees.
- f. In accordance with **Title 30 DCMR § 2114.1**, any decrease to these limits shall be effective no later than the player's next log in. Any increase to these limits shall become effective only after the time period of the previous limit has expired and the player reaffirms the requested increase and upon 24 hours' notice, or as required by the OLG;
- g. Self-limitations must not be compromised by internal status events, such as self-exclusion orders and revocations.

#### **15.6.2. Involuntary Limitation**

The Licensee must be capable of applying responsible gaming limits including, but not limited to, deposit limits, spending limits, and time-based limits as required by the OLG.

- a. Players must be notified in advance of any involuntary limits and their effective dates. Once updated, involuntary limits must be consistent with what is disclosed to the player;
- b. Upon receiving any involuntary limitation order, the Licensee must ensure that all specified limits are correctly implemented immediately or at the point in time (e.g., next login, next day) that was clearly indicated to the player;
- c. Involuntary limitations must not be compromised by internal status events, such as self-exclusion orders and revocations.

#### **15.6.3. Self-Exclusion**

The internal controls shall contain procedures for implementation of a self-exclusion program in accordance with **Title 30 DCMR § 2128.1(c)**

- a. In accordance with **Title 30 DCMR § 2122.23**, players must be provided with a mechanism to self-exclude from wagering:
  - i. For a specified period of time, which shall not be less than seventy-two (72) hours; or
  - ii. Indefinitely.
- b. Players who exclude shall be given a notification containing self-exclusion status and general instructions for removal where possible, including
  - i. Length of exclusion
  - ii. The closure process for any accounts opened by the same person during the exclusion
  - iii. Requirements for reinstatement and renewal upon expiration of the exclusion
  - iv. How reward points, scheduled payments and remaining balances are handled

- c. Players who exclude shall also receive information about problem gambling and available help resources and prevention services (e.g., helpline number, blocking software, counseling, Gamblers Anonymous).
- d. In the event a player has a pending wager and then self-excludes pursuant to **Title 30 DCMR § 2119.14**, the wager shall be cancelled, and the funds returned to the player according to the internal controls.
- e. In accordance with **Title 30 DCMR § 2122.24**, immediately upon receiving the self-exclusion order and until such time as the order has been removed, the player shall be prevented from:
  - i. Wagering;
  - ii. Depositing funds;
  - iii. Withdrawing funds, unless the Licensee acknowledges that the funds have cleared;
  - iv. Making changes to their Sports Wagering Account; and
  - v. Removing of the Sports Wagering Account from the system.
- f. Pursuant to **Title 30 DCMR § 2122.25**, the self-exclusion order may be removed:
  - i. Upon expiration of the time period established by the player; or
  - ii. When permission is granted by the OLG
- g. There is a process in place for players to resume wagering once the self-exclusion order has been removed. If a player requests reinstatement, this information is provided to the player along with help resources (e.g., tips on how to keep wagering within safe limits and encouragement to use the Licensee's responsible gaming features).

#### **15.6.4. Involuntary Exclusion**

- The internal controls shall contain procedures for implementation for involuntarily excluding a player from wagering.
- a. In accordance with **Title 30 DCMR § 2122.23**, the Licensee must be capable of excluding a player from wagering:
    - i. When required by the OLG;
    - ii. Upon a determination that a player is a prohibited Sports Wagering Participant; or
    - iii. When initiated by a Licensee that has evidence that indicates illegal activity, a negative account balance, after failed ACH deposit attempts, a violation of the terms and conditions has taken place on a player's Sports Wagering Account.
  - b. Pursuant to **Title 30 DCMR § 2122.24**, immediately upon receiving the involuntary exclusion order and until such time as the order has been removed, the player shall be prevented from:
    - i. Wagering;
    - ii. Depositing funds;
    - iii. Withdrawing funds, unless the reason for the exclusion would not prohibit a withdrawal and the Licensee acknowledges that the funds have cleared;
    - iv. Making changes to their Sports Wagering Account; and
    - v. Removing of the Sports Wagering Account from the system.
  - c. In accordance with **Title 30 DCMR § 2122.25**, the involuntary exclusion order may be removed
    - i. When permission is granted by the OLG;
    - ii. When the player is no longer a prohibited sports wagering participant; or
    - iii. When the Licensee has lifted the suspended status.
  - d. Pursuant to **Title 30 DCMR § 2114.10**, the Licensee shall notify the Sports Wagering Account holder via email, certified or registered mail, or other method approved by the OLG, whenever his or her Account has been closed or placed in a suspended mode. Such notification shall include the restrictions placed on the Account and any further course of action needed to remove the restriction.

#### **15.6.5. Exclusion and Limitation Requests from Third Parties**

In accordance with **D.C. Code § 36-621.07(c)(12)** and **Title 30 DCMR § 2114.5**, the Licensee shall establish procedures for evaluating requests made by third parties to exclude or set limits for players. Such procedures shall include provisions for honoring requests to exclude players for whom the requester provides documentary evidence of sole or joint financial responsibility for the source of any funds wagered on sports events on the Sports Wagering System.

#### **15.6.6. OLG's Exclusion Lists**

In accordance with **Title 30 DCMR § 2129.26**, the OLG's Self-Exclusion List and Involuntary Exclusion List may only be accessed by individuals authorized in accordance with the internal controls. Except as authorized or required by

these MICS in accordance with **Title 30 DCMR § 2129.27**, the OLG's Exclusion Lists shall be kept confidential and the Licensee shall not disclose the names included on these lists.

- a. The OLG's Exclusion Lists shall not be publicly disclosed by a Licensee, employee, affiliate or other person authorized to access the lists pursuant to **Title 30 DCMR § 2129.28**. However, a Licensee may share the lists with other designated Licensees in the District or its affiliates in other jurisdictions for the purpose of assisting in the proper administration of responsible gaming programs operated by affiliated Sports Wagering Facilities.
- b. In accordance with **D.C. Code § 36-621.07(c)(14)**, **Title 30 DCMR § 2130.4** and **§ 2129.11**, the Licensee shall establish procedures to enable the OLG to provide to them their Exclusion Lists to add into their system. If the Licensee utilizes an internal management system to track individuals on the Exclusion Lists, they shall update that system at least every seventy-two (72) hours with names of individuals being added or removed from the Exclusion Lists.
- c. Pursuant to **D.C. Code § 36-621.07(c)(13)**, the Licensee shall establish procedures to allow individuals to self-identify as problem gamers to the OLG and request to be excluded from any wagering regulated by the OLG;
- d. In accordance with **Title 30 DCMR § 2129.30**, any person may request placement on the list of self-excluded persons, and the person during any period of self-exclusion may not collect any winnings or recover any losses resulting from any sports wagering activity, regardless of whether the wager was placed prior to being voluntarily placed on the list of self-excluded persons. All winnings and financial instruments subject to these MICS shall be withheld by the Licensee. The monetary value of the withheld winnings and financial instruments shall be paid to the OLG within forty-five (45) days.

#### **15.7. Account Statement**

The Licensee shall provide an account statement with details to a player on demand in accordance with **Title 30 DCMR § 2122.17**, which shall include account activity for at least the six (6) months preceding twenty-four (24) hours prior to the request. In addition, Licensees shall, upon request, be capable of providing to a player a summary statement of all player activity during the past year. The account statement shall meet the **GLI-33** specifications for a **"Transaction Log or Account Statement"**.

#### **15.8. Account Closure**

The Licensee shall have internal controls in accordance with **D.C. Code § 36-621.07(c)(17)** and **Title 30 DCMR § 2128.1(h)**, which permit an individual, group of individuals, or entity that places wagers with the Licensee to terminate the account at any time and for any reason and without penalty.

- a. The process for account closure must be simple. A player must be able to request the closure of their account through the Mobile App or Site, in addition to via email, telephone, and direct request at the Sports Wagering Facility.
- b. A player must not be encouraged or induced to keep their account open following their request to close their account. However, a Licensee may explain the effects of an account closure and ask the player if they wish to proceed.
- c. Pursuant to **Title 30 DCMR § 2122.20**, the Licensee shall offer a readily accessible method for a player to close his or her account at any time. The account closure process must commence immediately upon receipt of the account closure request
- d. The account may remain in pending closure status if there are outstanding confirmed wagers, such as a wager on a future sports event. The account closure process must result in the account being closed after all wagers have been settled.
- e. Any balance remaining in a Sports Wagering Account closed by a player shall be refunded pursuant to the internal controls, provided that the Licensee acknowledges that the funds have cleared.

### **Section 16.0 Geolocation Requirements**

#### **16.1. Location Detection**

- 16.1.1. Prior to accepting a wager through Mobile Apps or Sites pursuant to **Title 30 DCMR § 2120**, there shall be reasonable assurance that the player is located within the physical confines of the single approved Sports Wagering Facility, or for Class A Operators, within two (2) blocks of the approved Sports Wagering facility; provided, that the Mobile Apps or Sites of one Class A Operator may not function within the physical confines of another Class A Operators' Designated Facility. **The one exception is a shared zone between Audi Field and Nationals Park as stated in**

**Executive Director Order 20-S-004.** A Licensee may use a third-party Location Service Provider (LSP) to provide the location-based services and the Geolocation System.

- 16.1.2. In accordance with **Title 30 DCMR § 2120.4**, the Licensee shall utilize the Geolocation System to reasonably detect the physical and dynamically monitor location of a player attempting to access the Sports Wagering System to place a wager; and to monitor and block unauthorized attempts to access the Sports Wagering System to place a wager. The Geolocation System shall perform “**Location Detection**” as specified within GLI-33 and meet the specifications of **Title 30 DCMR § 2120.5** pursuant to the Enforcement Standards of **Executive Order 20-S-005 (Class A)**
- 16.1.3. The player shall consent to the Licensee transmitting, collecting, maintaining, processing and using their location data to provide and improve location-based services. The player may withdraw this consent at any time by turning off the location settings on their computer or Mobile Device or by notifying the Licensee that they would like to withdraw such consent. However, a player who withdraws consent to providing location data will not be able to place wagers using their computer or Mobile Device.
  - a. In some cases, a player’s location may need to be verified through their browser location services. A player’s location will only be obtained from the browser with additional consent from them. If verification through a player’s browser is required, an interactive message will appear when they try to wager through the sports wagering system
  - b. Internal controls shall delineate how information relating to confirming a player’s location and the location of their computer or Mobile Device may be shared with Licensee contractors, sub-contractors, affiliates and other third parties for a variety of reasons, including but not limited to: providing the product, service or transaction the player requested, legal compliance purposes, and marketing purposes.
- 16.1.4. In accordance with **Title 30 DCMR § 2120.5(d)**, the Geolocation System shall detect and block non-secure devices that have been “jailbroken” (bypass cell phone operating system restrictions) and rooted devices and meet the GLI-33 requirements for “**Location Fraud Prevention**.”
- 16.1.5. The Licensee or LSP shall use commercially available technology to implement reasonable measures to:
  - a. Ensure a player is not utilizing a known virtual private network (VPN), proxy server, spoofing, or other means to disguise their identity or physical location or their computer or mobile device’s physical location when participating in Sports Wagering. Such measures shall include, without limitation, geolocation and geofencing techniques and capability for the detection and restriction of VPNs, proxy servers, spoofing, or other means of disguising one’s location.
  - b. Detect and prevent one player from acting as a proxy for another in order to engage in Sports Wagering. Such measures shall include, without limitation, use of geolocation technologies to prevent simultaneous logins to a single account from geographically inconsistent locations
- 16.1.6. If the Licensee or LSP discovers a player utilizing any means to disguise their identity or physical location or their computer’s or mobile device’s physical location or acting as a proxy for another player, the Licensee shall immediately terminate the player’s participation in any Sports Wagering and follow protocols to restrict the player from future access and account privileges and shall maintain a record of all information, documentation, or evidence of such activity.
- 16.1.7. The Licensee shall, within 24 hours, notify the OLG of any wagers made when the player was located in a prohibited location and shall provide the OLG with all information, documentation, and other evidence of such activity.
- 16.1.8. The Geolocation System shall monitor and flag for investigation any wagers placed by a single Sports Wagering Account from geographically inconsistent locations (e.g., wager placement locations were identified that would be impossible to travel between in the time reported).
- 16.1.9. The Licensee should implement procedures to disable account access if the Licensee receives information that an account is being accessed from a location that indicates that there is a likelihood of unauthorized or improper access.

## **16.2. Geolocation System Audit**

- 16.2.1. The Geolocation System used to provide information for the identification of and the geographic location of players as authorized by the OLG shall undergo a specific audit, where required by the OLG,
- 16.2.2. The integrity of the Geolocation System shall be reviewed regularly by the Licensee pursuant to **Title 30 DCMR § 2120.7** to assess and measure its continued ability to ensure it detects and mitigates existing and emerging location fraud risks, including the controls within these MICS.
- 16.2.3. In accordance with **Title 30 DCMR § 2120.6**, the Licensee shall provide as directed by the OLG at least every ninety (90) days, evidence that the Geolocation system is updated to the latest solution.
- 16.2.4. Given that location fraud shall be assessed on a single geolocation check, as well as cumulative player locations over time, the Geolocation System shall:

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- a. Have procedures to maintain a real-time data feed of all geolocation checks and an up-to-date list of potential location fraud risks (e.g., fake location apps, virtual machines, remote desktop programs, etc.);
  - b. Offer an alert system to identify unauthorized or improper access;
  - c. Facilitate routine, recurrent delivery of supplemental fraud reports pertaining to suspicious or unusual activities, account sharing, malicious players and devices, as well as other high-risk transactional data.
- 16.2.5. In accordance with **Title 30 DCMR § 2120.5(e)**, the Geolocation System shall be kept up to date, and:
- a. Utilize closed-source databases (IP, proxy, VPN, etc.) that are frequently updated and periodically tested for accuracy and reliability; and
  - b. Undergo frequent updates to maintain cutting-edge data collection, device compatibility, and fraud prevention capabilities against location fraud risks, including, remote desktop software, rootkits, virtualization, or any other programs identified by the OLG having the ability to circumvent geolocation measures.

**Section 17.0 Reports and Data Retention**

**17.1. Data Retention**

- 17.1.1. In accordance with **Title 30 DCMR § 2119.19** and **2119.24(c)**, the system shall provide a mechanism for the OLG to query and to export, in report image formats as well as database type formats as approved by the OLG, all transactional betting data for the purposes of data analysis and auditing/verification. The Licensee's internal controls shall include the processes for maintaining the recorded transactional betting data information for a period of five (5) years in accordance with **Title 30 DCMR § 2119.5**, including, but not limited to, as applicable:
- a. Information sufficient to trace the deposits into and withdrawals out of a player's account for at least five (5) years from the date of deposit or withdrawal;
  - b. Data about the winner(s), including identity if known, of each wager and the amount of any prizes awarded to the winner(s) for at least five (5) years from the date of the sports event; and
  - c. Records showing the Gross Sports Wagering Receipts and Adjusted Gross Sports Wagering Receipts of the Licensee pursuant to **D.C. Code § 36-621.07(c)(8)** and **Title 30 DCMR § 2108.1(k)** for each day of the last five (5) years.
- 17.1.2. The following data shall be retained for each Sports Wagering Account in accordance with **Title 30 DCMR § 2122.3**, as applicable:
- a. Unique player ID and username (if different);
  - b. Personally identifiable information (PII) of the player, such as the PII obtained to initially create a Sports Wagering Account in MICS 15.2.1(a) where the player's Social Security number (SSN) or equivalent for a foreign player such as a passport or taxpayer identification number is encrypted, along with other encrypted PII, including the player's Social Security number (SSN) or equivalent for a foreign player such as a passport or taxpayer identification number, and personal financial information (debit instrument numbers, credit card numbers, bank account numbers, etc.);
  - c. The date and method of identity verification, including, where applicable, a description of the identification credential provided by a player to confirm their identity and its date of expiration;
  - d. The date, if different from account registration date, of player agreement to the Licensee's terms and conditions and privacy policy;
  - e. Account details and current balance, including any promotional/bonus credits. All restricted promotional/bonus credits and promotional/bonus credits that have a possible expiration shall be maintained separately;
  - f. Previous accounts, if any, and reason for de-activation;
  - g. The date and method from which the account was registered (e.g., remote vs. on-site);
  - h. The date and time of account is accessed by any person (player or operator), including IP Address;
  - i. The current status of the Sports Wagering Account (e.g., active, inactive, closed, excluded, etc.).
- 17.1.3. The following data shall be retained for each Sports Wagering Account who has exclusions and/or limitations, as applicable:
- a. Unique player ID;
  - b. The date and time of the request;
  - c. Description and reason of exclusion/limitation;
  - d. Type of exclusion/limitation (e.g., involuntary exclusion, self-limitation on deposits per week, etc.);
  - e. The date exclusion/limitation commenced;
  - f. The date exclusion/limitation ended (blank if unknown);
- 17.1.4. The following data shall be retained for each Sports Wagering Account's financial transactions, as applicable:



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- a. Unique player ID;
  - b. Unique transaction ID;
  - c. Type of transaction (e.g., deposit, withdrawal, adjustment);
  - d. The date and time of the transaction;
  - e. Amount of transaction;
  - f. Total account balance before/after transaction;
  - g. User identification of employee or unique Sports Wagering Equipment ID which handled the transaction;
  - h. Transaction status (pending, complete, etc.);
  - i. Method of deposit/withdrawal as indicated in **Title 30 DCMR § 2122.10 and 2122.13**;
  - j. Deposit authorization number;
  - k. Relevant location information;
  - l. For adjustments to the account, the reason for the adjustment;
- 17.1.5. The following data shall be retained for each player's wager on a Sports Event in accordance with **Title 30 DCMR § 2119.6 and 2119.17**, as applicable:
- a. Unique player ID;
  - b. The unique wager identifier;
  - c. The event number, if applicable;
  - d. The date and time of the wager;
  - e. Any player choices involved in the wager:
    - i. The type of wager and line postings (e.g., money line bet, point spreads, over/under amounts, win/place/show);
    - ii. A description of the event and wager selection (e.g., athlete or participant name and number);
    - iii. Any special condition(s) applying to the wager;
  - f. Any event results related to determining the results of the wager (blank until confirmed);
  - g. The results of the wager (blank until confirmed);
  - h. The amount of wager, including any promotional/bonus credits;
  - i. The amount of potential payout, including any promotional/bonus credits;
  - j. Commission or fees collected;
  - k. The date, time, amount, and description of the settlement;
  - l. User identification of employee or unique Sports Wagering Equipment ID which accepted the wager.
  - m. The location where wager was made;
  - n. Current wager status (active, cancelled, unredeemed, pending, void, invalid, redemption in progress, redeemed, etc.);
  - o. The expiration date of the ticket of three hundred sixty-five (365) days from the date of the last event that forms the basis of such wager; and
  - p. Open text field for employee input of player description or picture file;
  - q. The location of redemption; and
  - r. The identity of employee settling the wager.
- 17.1.6. The following data shall be retained for each Sports Event, as applicable:
- a. Unique event ID;
  - b. The type of event (e.g., NFL, NBA, MLB, NCAA by Sports Event, etc.) and description
  - c. Event status (in progress, suspended, etc.);
  - d. The date and time that the event started or is scheduled to start;
  - e. The date and time that the event ended or is scheduled to end (blank if unknown);
  - f. The date and time the results were confirmed (blank until confirmed);
  - g. The number of wagers submitted;
  - h. The results of the event (blank until confirmed);
  - i. The total amount of wagers collected, including separate amounts for promotional/bonus credits
  - j. The total amount of winnings paid to players, including separate amounts for promotional/bonus credits and/or prizes
  - k. The total amount refunded from wagers voided or cancelled, including separate amounts for promotional/bonus credits
  - l. Total amount of commission or fees collected from wagers
  - m. Other amounts and description of other amounts collected by the operator; and
  - n. Event status (in progress, suspended, complete, confirmed, etc.).
- 17.1.7. The following data shall be retained for each Contest/Tournament, as applicable:

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- a. Name or identification of the contest/tournament;
  - b. The date and time the contest/tournament occurred or will occur (if known);
  - c. Participating event ID(s);
  - d. For each registered player:
    - i. Unique player ID;
    - ii. Amount of entry fee collected, including any promotional/bonus credits, and the date collected;
    - iii. Player scorings/rankings;
    - iv. Amount of winnings paid, including any promotional/bonus credits, and the date paid;
  - e. Total amount of entry fees collected, including any promotional/bonus credits;
  - f. Total amount of winnings paid to players, including any promotional/bonus credits;
  - g. Total commission or fees collected; and
  - h. The current status of the contest/tournament (in progress, complete, interrupted, cancelled, etc.).
- 17.1.8. The following data shall be retained for each bonus or promotional offer, as applicable:
- a. Unique bonus or promotional offer ID;
  - b. The date and time the bonus or promotional was made available;
  - c. Current balance for bonus or promotional awards;
  - d. Total amount of bonus or promotional awards issued;
  - e. Total amount of bonus or promotional awards redeemed;
  - f. Total amount of bonus or promotional awards expired;
  - g. Total amount of bonus or promotional award adjustments;
  - h. The current status of the bonus or promotional offer (active, disabled, decommissioned, etc.); and
  - i. The date and time the bonus or promotional offer was or is scheduled to be decommissioned (blank until known).
- 17.1.9. The following data shall be retained for each voucher in accordance with **Title 30 DCMR § 2119.8**, as applicable:
- a. The date and time of issuance;
  - b. The location of issuance (the unique Sports Wagering Equipment ID which issued the voucher);
  - c. The amount of the voucher;
  - d. The unique voucher identifier, only the last four (4) digits may be displayed on all system menus, printed reports, and displays for all unpaid and unexpired vouchers;
  - e. Status of voucher (i.e., valid, unredeemed, pending, void, invalid, redemption in progress, redeemed, etc.);
  - f. The date and time of status change;
  - g. Expiration date of the voucher;
  - h. The location of redemption (the unique Sports Wagering Equipment ID which redeemed the voucher).
- 17.2. Reporting Requirements**
- 17.2.1. The Sports Wagering System shall, in accordance with **Title 30 DCMR § 2119.23**, generate the information needed to compile the following reports on demand, on a daily basis and a monthly basis as deemed necessary by the OLG. Such reports shall distinguish by type and status where applicable and be produced in a format approved by the OLG in accordance with **Title 30 DCMR § 2119.24(a)**:
- a. Wager Summary Reports that contain a summary of wagers on Sports Events, including those completed and those not completed, by event and in total for the period pursuant **D.C. Code § 36-621.07(e)(1)(a)** and **Title 30 DCMR § 2113.1(a)**.
  - b. Win Summary Reports that contain a summary of winning wagers on Sports Events that were completed and confirmed by the end of the period, including completed payouts, and winning tickets not yet redeemed, by event and in total for the period pursuant to **D.C. Code § 36-621.07(e)(1)(b)** and **Title 30 DCMR § 2113.1(b)**.
  - c. Potential Payout Reports that contain a summary of potential payouts for wagers on Sports Events that were not completed and confirmed by the end of the period, by event and in total.
  - d. Account Financial Transaction Reports which contain the unique transaction identifier, the date and time of transaction and the amount of each deposit, withdrawal, or adjustment during the period, by Sports Wagering Account and in total
  - e. Account Wagering Reports which contain the unique wager identifier, the date and time of wager, the amount of each wager, and (if a winner) the amount won during the period, by Sports Wagering Account and in total
  - f. Ticket Wagering Reports which contain the unique wager identifier, the date and time of wager and the amount of each wager placed during the period, by issuing Sports Wagering Equipment and in total

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- g. Winning Ticket Redemption Reports which contain the unique wager identifier, the date and time of redemption and the amount of each winning ticket redeemed during the period, by redeeming Sports Wagering Equipment and in total
  - h. Unredeemed Winning Ticket Reports which contain the unique wager identifier, the date and time of being declared a winner, the expiration date, and the amount of each winning ticket that has not been paid
  - i. Voucher Issuance Reports which contain the unique voucher identifier, the date and time of issuance and the amount of each voucher issued during the period, by issuing Sports Wagering Equipment and in total
  - j. Voucher Redemption Reports which contain the unique voucher identifier, the date and time of redemption and the amount of each voucher redeemed during the period, by redeeming Sports Wagering Equipment and in total
  - k. Unredeemed Voucher Reports which contain the unique voucher identifier, the date and time of issuance, the expiration date, and the amount of each voucher that has not been paid
  - l. Sports Wagering Account Balance Reports that contain, the opening and closing balances, and a summary of financial and wagering transactions during the period affecting those balances, including adjustments, by Sports Wagering Account and in total.
  - m. Sports Event Results Reports that contain lists, for each event the date and starting time of the event, the event (e.g., athlete or participant names and team identifications), and the event results/winners.
  - n. Wagering Liability Reports that contain each amount listed under **Title 30 DCMR § 2117.1** and its total amount
  - o. Gross Sports Wagering Revenue Reports that contain the amounts for wagers, prizes, voids, cancellations, commission or fees, and other expenses pursuant to **D.C. Code § 36-621.07(e)(1)(c)** and **Title 30 DCMR § 2113.1(c)**.
  - p. Sports Wagering Statistical Reports which indicate the total amount of wagers accepted, total amount paid out on winning wagers, the net amount won by the book (i.e., taxable revenue), and the win-to-write percentage for each sport (e.g., baseball, basketball, football, hockey, golf, boxing, etc.) in order to ensure the integrity of operations related to operating a sports wagering pursuant to **Title 30 DCMR § 2119.24(d)**.
  - q. Voluntary Exclusion Reports that contain the total number of persons that requested to exclude themselves from sports wagering including their names pursuant to **D.C. Code § 36-621.07(e)(1)(D)**, **Title 30 DCMR § 2113.1(d)** and **2114.7**
  - r. Involuntary Exclusion Reports that contain a list of names of persons whom the Licensee had excluded from sports wagering including the reasons why the person was excluded pursuant to **Title 30 DCMR § 2130.9**
- 17.2.2. All required reports shall be generated by the Sports Wagering System, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain
- a. The Licensee's name (or other identifier), title of report, the selected interval and the date/time the report was generated; and
  - b. An indication of "No Activity" or similar message if no data appears for the period specified in accordance with **Title 30 DCMR § 2119.24(b)**
  - c. Labeled fields which can be clearly understood in accordance with their function.
- 17.2.3. For these MICS, it is acceptable to maintain non-system generated reports using data exported from the system (e.g., Excel). These reports must be performed by or observed by an employee from a function independent of the Sports Wagering function.
- 17.2.4. The Licensee shall timely file with the OLG records or reports required by these MICS by the fifteenth (15th) of each month in accordance with **D.C. Code § 36-621.07(c)(9)** and **Title 30 DCMR § 2108.1(l)**;

**Section 18.0 Bank Secrecy Act, Title 31, Anti-Money Laundering**

**18.1. Bank Secrecy Act (BSA) Compliance**

The Licensee shall establish and comply with, internal controls for the reporting of cash transactions in excess of \$10,000 as required by the Bank Secrecy Act, Title 31 (31 CFR, part 103) or Title 26 USC §6050I In addition, operator and MSP licensees with annual gross gaming revenue (GGR) in excess of \$1,000,000 are deemed financial institutions and are subject to other BSA requirements. Sections 18.5 and 18.6 below are applicable once an operator or MSP Licensees' GGR exceeds \$1,000,000. The \$1,000,000 GGR threshold includes GGR from all United States operations. For those Licensees whose United States operations have not reached \$1,000,000 GGR threshold, they are still subject to Sections 18.2, 18.3 and 18.4. In addition, they are still required to submit to the OLG their written AML program with their license application and provide AML training to employees as outlined in Section 18.6.1(b). Further, operator or MSP would still be required to notify the OLG of suspicious activity consistent with Section 18.5.1

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below. To clarify, while the operator or MSP may not be required to file a suspicious activity report with FinCEN they would still be required to notify the OLG of suspicious activity.

**18.2. Cash Transaction Report (CTR)**

- 18.2.1. Licensee shall file a Cash Transaction Report (CTR) or IRS Form 8300 (for Licensees not subject to the BSA) with the Financial Crimes Enforcement Network (FinCEN) of each or multiple transaction in currency, involving either cash in or cash out, of more than \$10,000:
- a. Transactions in currency involving cash in include, but are not limited to:
    - i. A cash wager;
    - ii. A Sports Wagering Account cash deposit;
    - iii. Exchanges of currency for currency
  - b. Transactions in currency involving cash out include, but are not limited to:
    - i. A cash payout on a winning wager;
    - ii. A Sports Wagering Account cash withdrawal.
    - iii. A cash pay-out on Sports Wagering vouchers
    - iv. Exchanges of currency for currency;
    - v. Cashing checks or other negotiable instruments;
    - vi. Cash advances on credit and debit cards;
    - vii. Payments of tournament, contest and other promotions.
- 18.2.2. Each type of transaction shall be aggregated separately in order to determine that the reporting threshold is met. The Licensee shall monitor all transactions to ensure players are not circumventing these requirements.
- 18.2.3. Before concluding any transaction where an CTR is required to be filed, the Licensee shall obtain and record the following information
- a. The player's legal name;
  - b. The player's date of birth;
  - c. The player's residential address (a post office box is not acceptable);
  - d. The player's Social Security number or equivalent for a foreign player such as a passport or taxpayer identification number;
- 18.2.4. Licensee shall make reasonable attempt to obtain the following information from the player:
- a. Occupation;
  - b. E-mail Address; and
  - c. Phone number.
- 18.2.5. For Sports Wagering Accounts, the information in MICS 18.2.3 can be pulled automatically, as well as the recorded document number of the government-issued identification credentials examined for player registration, or other methodology for remote, multi-sourced authentication, which may include third-party and governmental databases, as approved by the OLG
- 18.2.6. For Anonymous wagers and payoffs, the information in MICS 18.2.3 will need to be provided by the player to the employee to record along with the document number from one of the valid identification credentials collected from the player, as indicated in **Title 30 DCMR § 2118.2(e)**, to verify their identity.
- 18.2.7. If the player is unable to provide an acceptable form of identification, the transaction must be refused until the necessary information has been obtained, consistent with the Bank Secrecy Act regulations. If a player refuses to provide proper identification, when required by regulation or policy, all financial or wagering transactions will be stopped and the player will be barred from any further wagering activity until satisfactory identification is provided.
- 18.2.8. Subsequent to processing a transaction in excess of \$10,000 the Licensee shall record on the CTR and maintain records that include:
- a. The player's legal name;
  - b. The player's address;
  - c. The player's date of birth;
  - d. The player's social security number;
  - e. The player's occupation, if available;
  - f. The player's e-mail address, if available;
  - g. The player's phone number, if available;
  - h. A description including any document number of the identification credential examined;
  - i. Type of transaction
  - j. The amount of the transaction;

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- k. The Ticket Writer number or other identification of the location where the transaction occurred;
- l. The time and date of the transaction;
- m. The names and signatures of the Licensee employees accepting or approving transaction; and
- n. For anonymous wagers and payoffs, a surveillance photo of the player. Surveillance will be notified prior to the completion of the qualifying transaction and take at least one photograph of the player from the surveillance camera. The photo must include the player's name printed on the back, and the signatures of both the surveillance operator and the employee witnessing the transaction. When a photograph is not obtainable for an after the fact CTR, the employee completing the CTR will attach to the Licensee's copy a written explanation that there was no photograph taken because it is an after the fact CTR.

18.2.9. If CTRs are prepared by sports wagering personnel pursuant to MICS 18.2.7, the completed CTRs are submitted to the Accounting function by no later than 24 hours.

18.2.10. CTRs shall be filed with FinCEN no later than 15 days following the day on which the reportable transaction occurred. The Licensee shall file an amended report if the licensee obtains information to correct or complete a previously submitted report, and the amended report shall reference to the previously submitted report. The Licensee shall retain a copy of each report filed for at least 5 years unless the OLG requires retention for a longer period of time. Due to the sensitive content in these reports, all communication should be sent using an encryption process of encoding messages.

**18.3. Multiple Transactions Log (MTL)**

18.3.1. Before completing a transaction with a player that, when aggregated with others, totals more than \$10,000 during any gaming day, the Licensee shall complete a Multiple Transactions Log (MTL) with identification and record keeping requirements described in MICS 18.2 above.

- a. For Sports Wagering Account transactions, multiple transactions, of the same type or category, shall be treated as single transaction if the Sports Wagering System records the same type of transactions for a player totaling more than \$10,000 during any single gaming day.
- b. For Anonymous transactions, multiple transactions, of the same type or category, shall be treated as single transaction if the Sports Wagering Facility has knowledge that they are by or on behalf of any person and result in either wagers, and winning ticket or voucher redemptions totaling more than \$10,000 during any gaming day. A Sports Wagering Facility shall be deemed to have the knowledge, if: any sole proprietor, partner, officer, director, or employee of the Sports Wagering Facility, acting within the scope of his or her employment, has knowledge that such multiple transactions have occurred, including knowledge from examining the books, records, logs, information retained on magnetic disk, tape or other machine-readable media, or in any manual system, and similar documents and information, which the Sports Wagering Facility maintains pursuant to any law or regulation or within the ordinary course of its business, and which contain information that such multiple transactions have occurred.

18.3.2. The Licensee shall not knowingly allow, and shall take reasonable steps to prevent, the circumvention of reporting requirements through a player making structured transactions, including multiple transactions or a series of transactions that are designed to accomplish indirectly that which could not be accomplished directly. A transaction or transactions need not exceed the dollar thresholds at any single Licensee in any single day in order to constitute prohibited structuring. No Licensee shall encourage or instruct the player to structure or attempt to structure transactions. This does not prohibit a Licensee from informing a player of the regulatory requirements imposed upon the Licensee, including the definition of structured transactions. A Licensee shall not knowingly assist a player in structuring or attempting to structure transactions.

18.3.3. Within 24 hours after the end of a designated 24-hour period, MTLs created pursuant to MICS 18.3.1 are submitted to the Accounting/Compliance function.

**18.4. Negotiable Instrument Log (NIL)**

18.4.1. A separate record containing a list of each transaction between the Licensee and its customers involving the following types of instruments having a face value of \$3,000 or more:

- a. Personal check;
- b. Business checks (including Licensee checks);
- c. Official bank checks;
- d. Cashier's checks;
- e. Third-party checks;
- f. Promissory notes;
- g. Traveler's checks; and

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- h. Money orders.
- 18.4.2. The list will contain the time, date, and amount of the transaction; the name and permanent address of the customer; the type of instrument; the name of the drawee or issuer of the instrument; all reference numbers (e.g., personal check number, etc.); and the name and license number of the employee who conducted the transaction. Applicable transactions will be placed on the list in the chronological order in which they occur.
- 18.5. Suspicious Activity Report (SAR)**
- 18.5.1. The Licensee shall file, with the FinCEN, a Suspicious Activity Report (SAR) of any suspicious transaction or transactions relevant to a possible violation of law or regulation. A Licensee may also file with FinCEN, a SAR, or otherwise, a report of any suspicious transaction that it believes is relevant to the possible violation of any law or regulation but whose reporting is not required by these MICS. The Licensee shall notify the OLG of SAR filings in a manner required by the OLG. Due to the sensitive content in these reports, all communication should be sent using an encryption process of encoding messages.
- 18.5.2. A transaction requires reporting under the terms of these MICS if it is conducted or attempted, by, at, or through a Licensee, and involves or aggregates to at least \$5,000 in funds or other assets, and the Licensee knows, suspects, or has reason to suspect that the transaction or a pattern of transactions of which the transaction is a part:
- Involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any federal law or regulation or to avoid any transaction reporting requirement under federal law or regulation or of the Executive Director.
  - Is designed, whether through structuring or other means, to evade any requirements of these MICS or of any other regulations promulgated under the Bank Secrecy Act;
  - Has no business or apparent lawful purpose or is not the sort in which the particular player would normally be expected to engage, and the Licensee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction; or
  - Involves use of the Licensee to facilitate criminal activity.
- 18.5.3. The SAR shall be filed with FinCEN in a central location, to be determined by FinCEN, as indicated in the instructions to the SAR;
- 18.5.4. The SAR shall be filed no later than 30 calendar days after the date of the initial detection by the Licensee of facts that may constitute a basis for filing a SAR. If no suspect is identified on the date of such initial detection, a Licensee may delay filing a SAR for an additional 30 calendar days to identify a suspect, but in no case shall reporting be delayed more than 60 calendar days after the date of such initial detection. In situations involving violations that require immediate attention, such as ongoing money laundering schemes, the Sports Wagering Facility shall immediately notify by telephone an appropriate law enforcement authority and OLG in addition to filing timely a SAR. Sports Wagering Facilities wishing voluntarily to report suspicious transactions that may relate to terrorist activity may call FinCEN's Financial Institutions Hotline at 1-866-556-3974 in addition to filing timely a SAR if required by these MICS.
- 18.5.5. A Licensee is not required to file a SAR for a robbery or burglary committed or attempted that is reported to appropriate law enforcement authorities.
- 18.5.6. A Licensee shall maintain a copy of any SAR filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the SAR. Supporting documentation shall be identified as such and maintained by the Licensee and shall be deemed to have been filed with the SAR. A Licensee shall make all supporting documentation available to FinCEN, any other appropriate law enforcement agencies or federal, state, local, or Executive Director upon request. If a Suspicious Activity was reviewed and subsequently not filed, Licensee shall document the reason for not filing a SAR.
- 18.5.7. No Licensee, and no Executive Director, officer, employee, or Licensee of any Licensee, who reports a suspicious transaction under these MICS, may notify any person involved in the transaction that the transaction has been reported. Thus, any person subpoenaed or otherwise requested to disclose a SAR or the information contained in a SAR, except where such disclosure is requested by FinCEN or another appropriate law enforcement or regulatory commission, shall decline to produce the SAR or to provide any information that would disclose that a SAR has been prepared or filed, citing the requirements of Title 31 U.S.C. and shall notify FinCEN of any such request and its response thereto. A Licensee, and any Executive Director, officer, employee, or Licensee of such Sports Wagering Facility, that makes a report pursuant to these MICS, whether such report is required or made voluntarily, shall be protected from liability for any disclosure contained in, or for failure to disclose the fact of, such report, or both, to the extent provided by Title 31 U.S.C.
- 18.6. Anti-Money Laundering (AML) Compliance Programs**

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- 18.6.1. The Licensee shall submit to the OLG for approval a description of their AML and regulatory compliance programs, policies, and procedures that adequately address the risks posed by sports wagering for the potential of money laundering and terrorist financing. At a minimum, the AML procedures and policies shall provide for:
- a. Internal controls to assure ongoing compliance with the local AML regulations and standards observed by the OLG which should be documented in writing containing the approval of senior management;
  - b. Up to date training of employees, including training in the identification of unusual or suspicious transactions, to the extent that the reporting of such transactions is required by applicable law or regulation, or by the Licensee's own administrative and compliance policies which includes, but is not limited to, records of: the training curriculum, attendance records, and test results;
  - c. Assigning an individual or individuals to assure day-to-day compliance and to be responsible for all areas of AML by the Licensee including reporting unusual or suspicious transactions;
  - d. The licensee may establish a suspicious activity compliance committee who shall meet periodically for assessment of SARs prepared for determination of filing;
  - e. Monitoring Sports Wagering Accounts for opening and closing in short time frames and for deposits and withdrawals without associated wagering transactions;
  - f. Ensuring that aggregate transactions over a defined period may require further due diligence checks and may be reportable to the relevant organization(s) if they exceed the threshold prescribed by the OLG.
  - g. Use of any automated data processing systems to aid in assuring compliance;
  - h. Procedures for using all available information to determine:
    - i. The name, address, social security number, and other information, and verification of the same, of a person (e.g., Know Your Customer Policy);
    - ii. The occurrence of unusual or suspicious transactions; and
  - i. Annual internal and/or external independent testing for compliance which includes the maintenance of work papers, frequency of testing, scope of testing, results of testing, conclusions and notice to management of testing results. Logs of all tests shall be maintained.
- 18.6.2. Each Licensee shall notify the OLG within 72 hours upon discovery and knowledge of any material violation or non-compliance with the AML compliance program, policies, and procedures (e.g., failure to file a CTR or SAR); AML laws or regulations; any regulatory compliance program, policies, and procedures; or any law or regulation governing the Licensee in any jurisdiction, including the District of Columbia.

**Section 19.0 Accounting and Auditing Procedures**

**19.1. Accounting**

- 19.1.1. Internal controls must be established, and procedures implemented to safeguard assets and ensure the "**Financial Audit Requirements**" listed in **Title 30 DCMR § 2123**, are met including the maintenance of complete, accurate, and legible records of all transactions pertaining to the revenues and expenses of a Sports Wagering Operation.
- 19.1.2. General ledger records shall be maintained on a double entry system of accounting with transactions recorded on a basis consistent with Generally Accepted Accounting Principles (GAAP) in the United States and the requirements of the OLG:
- 19.1.3. Subsidiary ledgers and records supporting general ledger records shall be prepared consistent with GAAP in the United States and the requirements of the OLG.
- 19.1.4. Subsidiary ledgers and records shall include, at a minimum, documents that:
- a. Support the financial statements and all transactions impacting the financial statements including contracts or agreements with Suppliers, contractors, and management companies;
  - b. Pertain to proceeds including generation of, accounting for, and transmission into General/Operating Fund.
  - c. Identify for each TWT's drawer, SSBT, and Online Sports Wagering System on a weekly, monthly, and annual basis:
    - i. Handle;
    - ii. Payout;
    - iii. Win amount;
    - iv. Win percentage; and
    - v. Average payout percentage;
  - d. Summarize the cost, by category of service, of complimentary services issued on a monthly basis.
  - e. Identify all cost and expenses associated with the Sports Wagering operation.
  - f. Subsidiary ledgers, and records supporting general ledger records are prepared in compliance with the internal controls approved by the OLG; and
  - g. Relate to:

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- i. Loans and other amounts payable by a Licensee;
- ii. Player disputes including player complaint forms filed with the OLG;
- iii. Negotiable instruments accepted, deposited, returned as uncollected or ultimately written-off by a Licensee; and
- iv. Investments in property and equipment for the benefit of a Sports Wagering operation (i.e., purchases)

**19.2. Internal Audit Program**

The Licensee must establish policies and procedures in connection with the internal audit program of its wagering operations, which ensures that:

- a. Internal Audit Compliance Checklists are developed and submitted to the OLG for approval, outlining Walk-Through Procedures and Testing Procedures to be performed on a periodic basis, but at least quarterly to determine if internal controls for sports wagering comply with the applicable MICS for the Licensee.
- b. Audit reports are maintained for a minimum of five years and are made available to the OLG upon request. Such audit reports shall include the following information:
  - i. Audit objectives;
  - ii. Audit procedures and scope, which include:
    - 1) Whether the test was performed by inquiry, observation or examination;
    - 2) The scope of each observation, review and test including the sample sizes and dates tested; and
    - 3) The population from which the sample is selected for testing purposes, including all transactions occurring subsequent to the prior period's test dates through the current period's test date. For example, if the test date for the first quarter was February 5, the population for the second quarter's audit must include all transactions from February 6 through June 30;
  - iii. Findings and conclusions. The page number references to internal controls which correspond to findings must be included along with the specific number of exceptions noted. If there are no findings, the report must indicate that no audit findings were noted. All findings relating to the required internal audits must be reported.
  - iv. Recommendations, if applicable. All recommendations must be discussed with management prior to the report being submitted to the OLG;
  - v. Observations. All exceptions noted must be included; and
  - vi. Management's response must include the specific corrective actions to be taken, implementation dates and the employees responsible for implementation and subsequent follow-up. Responses are required for findings. Responses are only required for observations if required by Sports Wagering Facility policy.
- c. The internal audit report shall be delivered to management, the audit committee, the OLG upon request, or any other entity designated by the Licensee.
- d. All material instances of noncompliance identified by internal audit work are investigated and resolved and the results are documented and reported immediately to the OLG.
- e. Follow-up observations and examinations is performed to verify that corrective action has been taken regarding all instances of non-compliance. The verification is performed within six (6) months following the date of notification of non-compliance.
- f. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of sports wagering audit procedures, the exceptions noted and follow-up of all sports wagering audit exceptions as it relates to compliance with these MICS, including all instances of noncompliance.



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**Section 20.0 Definitions**

The following words and terms, when used in these Minimum Internal Control Standards (MICS) shall be in accordance with the Act, the Regulations, and GLI-33, and shall have the following meanings unless the context clearly indicates otherwise.

<b>Access Control</b>	The process of granting or denying specific requests for obtaining and using sensitive information and related services specific to a system; and to enter specific physical facilities which houses critical network or system infrastructure.
<b>Accountability</b>	All financial instruments, receivables, and Sports Wagering Account deposits constituting the total amount for which the bankroll custodian is responsible at a given time.
<b>Act</b>	The Sports Wagering Lottery Amendment Act of 2018, effective May 3, 2019 (D.C. Law 22-312; 66 DCR 1402 (February 1, 2019)).
<b>Adjusted Gross Sports Wagering Receipts</b>	The Licensee's Gross Sports Wagering Receipts less winnings paid to players
<b>Administrative Access</b>	Access that would allow a user (i.e., system administrator) to: <ul style="list-style-type: none"> <li>• Add, change, or delete user accounts and associated user provisioning for database, operating system, and network layers (may also include user access administrator function for an application layer);</li> <li>• Modify operating system, network, database, and application layers' security and policy parameters;</li> <li>• Add, change, or delete system exception logging information; or</li> <li>• Add, change, or delete permissions to data files, folders, libraries, tables, or databases.</li> </ul>
<b>Algorithm</b>	A finite set of unambiguous instructions performed in a prescribed sequence to achieve a goal, especially a mathematical rule or procedure used to compute a desired result. Algorithms are the basis for most computer programming.
<b>Anti-Money Laundering (AML)</b>	The legal controls that require financial institutions and other regulated entities to prevent, detect and report money-laundering activities
<b>Asset Number</b>	A unique number permanently assigned to a SSBT and a stacker for purposes of tracking that machine and storage box while used by a Licensee.
<b>Audit Trail</b>	A record showing who has accessed a system and what operations the user has performed during a given period.
<b>Authentication</b>	Verifying the identity of a user, process, software package, or device, often as a prerequisite to allowing access to resources in a system.
<b>Authentication Process</b>	A method used to verify the validity of software.
<b>Back-Office Platform</b>	A component external to the Sports Wagering Equipment which may govern some or all the regulated operations of the Sports Wagering Equipment, such as metering and communications between the Sports Wagering System and the Sports Wagering Equipment. The Back-Office Platform may be integrated into the Sports Wagering System. For the purposes of these Regulations, the Back-Office Platform is considered a part of the Sports Wagering Equipment.
<b>Backup</b>	A copy of files and programs made to facilitate recovery if necessary.
<b>Backup System Log</b>	An event log, a job log or an activity file created by the program or batch process that performs backups of application and data files. These event logs, job logs or activity files usually provide detail on the type of backup performed, success or failure of the operation, and a list of errors.
<b>Bank Cashier</b>	A cage cashier assigned to work in a bank.
<b>Barcode</b>	An optical machine-readable representation of data. An example is a barcode found on printed tickets or vouchers.
<b>Baseline Envelope</b>	System software, hardware components, and network components that enable the Sports Wagering System to operate in a secure environment
<b>Bill Validator</b>	A SSBT peripheral that accepts paper currency, vouchers, and winning tickets in exchange for credits.
<b>Biometrics</b>	A biological identification input, such as fingerprints or retina patterns.
<b>Bonus or Promotion</b>	Free plays or a similar promotional incentive that is added to the Sports Wagering Account when a Player meets wagering requirements in accordance with the applicable rules for the particular promotion.

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<b>Business Continuity and Disaster Recovery Plan</b>	A plan for processing critical applications and preventing loss of data in the event of a major hardware or software failure or destruction of facilities.
<b>Business Entity</b>	The holder or Applicant for a Sports Wagering Operator License, Management Services Provider License, or Supplier License.
<b>Cage</b>	A secure work area within the Sports Wagering Facility for cashiers, ticket writers, and management officials, which may include a storage area for the Sports Wagering Facility bankroll.
<b>Cage Cashier</b>	Any person whose duties include working in a physical structure known as a main cashiers' cage (cage), a satellite cage, and who has custody of the cage inventory comprising financial instruments, forms, documents, and records normally associated with the operation of a cage and other functions normally associated with a cashier.
<b>Cage Supervisor</b>	Any person whose job requires that person to supervise personnel and functions within the cashiers' cage, but not to perform a role that would result in performing an incompatible function.
<b>Cancelled Wager</b>	A wager that has been cancelled due to any issue with an event that prevents its completion.
<b>Card Reader</b>	A SSBT peripheral that reads data embedded on a magnetic strip, or stored in an integrated circuit chip, for player identification.
<b>Cash Out</b>	A feature which allows a player to cash a wager before all events selected in player's wager are complete.
<b>Cashiers' cage</b>	A physical structure that houses the cage cashiers and serves as the central location for the following: <ul style="list-style-type: none"> <li>• The custody of the cage inventory comprising financial instruments, forms, documents, and records normally associated with the operation of a cage.</li> <li>• Such other functions normally associated with the operation of a cage.</li> </ul>
<b>Class A Operator</b>	A licensed Operator who is authorized to conduct sports wagering in the District of Columbia at one of four Designated Sports Facilities.
<b>Class B Operator</b>	A licensed Operator who is authorized to conduct sports wagering in the District of Columbia and who is prohibited from operating sports wagering within two blocks of the Designated Facilities.
<b>Commission</b>	An amount retained and not distributed by the Licensee from the total amount wagered on an event.
<b>Communications Technology</b>	Any method used, and the components employed, to facilitate the transmission and receipt of information, including transmission and reception by systems using wire, wireless, cable, radio, microwave, light, fiber optics, satellite or computer data networks, including the Internet and intranets.
<b>Complimentary Services</b>	Services provided to a player at the discretion of an employee on behalf of the Sports Wagering Facility or by a third party on behalf of the Sports Wagering Facility. Services may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses.
<b>Confidential Information</b>	All nonpublic proprietary or trade secret information of the Licensee which is marked confidential, restricted, proprietary or with a similar designation.
<b>Confirmed</b>	A Wager was placed by a Player, the system accepted the Wager, the Wager amount was successfully debited from the Sports Wagering Account, the Wager was recorded by the system, and the Player received a printed or virtual ticket.
<b>Control Program</b>	A software program that controls SSBT behaviors relative to any applicable technical standard and/or regulatory requirement.
<b>Count</b>	The act of counting and recording the drop and/or other funds. Also, the total funds counted for a particular SSBT, TWT, cashier, shift, or other period.
<b>Count Room</b>	A secured room where the count is performed in which financial instruments are counted.
<b>Count Team</b>	Personnel that perform the count of the SSBT and TWT drop.
<b>Counter Check</b>	A form provided by the Sports Wagering Facility for the player to use in lieu of a personal check.
<b>Critical Component</b>	Any sub-system for which failure or compromise can lead to loss of player entitlements, government revenue or unauthorized access to data used for generating reports for the OLG. Examples of critical components include:

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	<ul style="list-style-type: none"> <li>• Components which record, store, process, share, transmit or retrieve PII and other sensitive information (e.g., validation numbers, authentication credentials, etc.);</li> <li>• Components which store results or the current state of a player's wager;</li> <li>• Points of entry to and exit from the above components (other systems which communicate directly with core critical systems); and</li> <li>• Communication networks which transmit PII and other sensitive information.</li> </ul>
<b>Critical Control Program</b>	A software program that controls behaviors relative to any applicable technical standard and/or regulatory requirement.
<b>Data Integrity</b>	The property that data is both accurate and consistent and has not been altered in an unauthorized manner in storage, during processing, and while in transit.
<b>Data Processing Agreement</b>	A written contract, or other binding legal document which sets out the subject matter and duration of the processing, the nature and purpose of the processing, the type of personally identifiable information (PII) to be processed, how to store the PII, the detail of the security surrounding the PII, the means used to transfer the PII from one organization to another, the means used to retrieve PII about certain individuals, the method for ensuring a retention schedule is adhered to, the means used to delete or dispose of the data, the categories of data subjects and the obligations and rights of the controller.
<b>Days</b>	Calendar days.
<b>Debit Instrument</b>	A card, code, or other device with which a person may initiate an electronic funds transfer. The term includes, without limitation, a prepaid access instrument.
<b>Dedicated Camera</b>	A video camera required by these MICS to continuously record a specific activity. In lieu of continuous recording, time-lapse recording is acceptable if approved, in advance, by the Executive Director or their designee.
<b>Default Accounts</b>	User accounts with predefined access levels usually created by default at installation for operating systems, databases, and applications. These accounts tend to be used for training purposes.
<b>Deposit</b>	Money a player adds to their Sports Wagering Account and may be used to place wagers.
<b>Designated Facilities</b>	A District establishment where sports wagering Class A Operators may operate a Sports Wagering Facility, including at the following locations: <ul style="list-style-type: none"> <li>• Capital One Arena (601 F Street, N.W., and described as Lot 0047, Square 0455),</li> <li>• Audi Field (100 Potomac Avenue, S.W., and described as Lot 0027, Square 0665);</li> <li>• Nationals Park (1500 South Capitol Street, S.E., and described as Lot 0016, Square 0705);</li> </ul> or <ul style="list-style-type: none"> <li>• St. Elizabeth's East Entertainment and Sports Arena (St. Elizabeth's Campus, 1100 Oak Drive, S.E., and described as Lots 0837 and 0838, Square 5868S).</li> </ul>
<b>Digital Video Recording (DVR)</b>	The visual images of the natural world converted into numbers and stored on tape, digital video disk, or other storage medium, for later reproduction.
<b>Domain Name Service (DNS)</b>	The globally distributed internet database which (amongst other things) maps machine names to IP numbers and vice-versa.
<b>Domain</b>	A group of computers and devices on a network that are administered as a unit with common rules and procedures.
<b>Dormant Account</b>	A Sports Wagering Account which has had no player-initiated activity for a period of one (1) year.
<b>Drop</b>	The amount of financial instruments in a SSBT or TWT, if applicable.
<b>Eastern Time (ET)</b>	Eastern Standard Time or Eastern Daylight Savings Time, as applicable.
<b>Employee</b>	A person employed in a sports wagering operation and determined by the Executive Director to have employment duties and responsibilities involving the security, maintenance, servicing, repair, or operation of Sports Wagering Equipment, or is employed in a position that allows direct access to the internal workings of Sports Wagering Equipment. Such employees shall include, without limitation, Sports Wagering IT staff, security and surveillance employees, and employees responsible for handling assets and proceeds associated with the sports wagering operation.
<b>Encryption</b>	The conversion of data into a form, called a ciphertext, which cannot be easily understood by unauthorized people.

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<b>Encryption Key</b>	A cryptographic key that has been encrypted in order to disguise the value of the underlying plaintext.
<b>Event Number</b>	A set of alpha or numeric characters that correspond to a Sports Event or an event ancillary to a Sports Event.
<b>Executive Director</b>	The Executive Director of the Office of Lottery and Gaming.
<b>Financial Instrument</b>	Any tangible item of value tendered in wagering, including, but not limited to bills, vouchers, and winning wagering tickets.
<b>Firewall</b>	A component of a computer system or network that is designed to block unauthorized access or traffic while still permitting outward communication.
<b>Free Play Mode</b>	A mode that allows a player to participate in wagering without placing any financial wager, principally for the purpose of learning or understanding wagering mechanics.
<b>Future Wagers</b>	Bets on events to be held in the future (e.g., Super bowl).
<b>Gaming Day</b>	The normal business day of a Licensee. For a Sports Wagering Facility that offers 24-hour sports wagering, the term means that 24-hour period (12:00 am – 11:59pm) by which the Sports Wagering Facility keeps its books and records for business, accounting, and tax purposes.
<b>Generic Accounts</b>	User accounts that are shared by multiple users (using the same password) to gain access to any component of a Sports Wagering System: application, database, or operating system. User accounts established by/for and used by Suppliers of the system for Supplier support purposes are not considered to be generic accounts.
<b>Geolocation</b>	Identifying the real-world geographic location of an internet connected mobile device or other computer device.
<b>Gross Sports Wagering Receipts</b>	The total gross receipts received by a Licensee from sports wagering.
<b>Gross Sports Wagering Revenue</b>	The total of cash or cash equivalents received from sports wagering minus the total of: <ul style="list-style-type: none"> <li>• Cash or cash equivalents paid to players as a result of sports wagering;</li> <li>• Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of sports wagering;</li> <li>• The actual cost paid by the license holder for any personal property distributed to a player as a result of sports wagering, excluding travel expenses, food, refreshments, lodging, and services.</li> </ul>
<b>Group Membership</b>	A method of organizing user accounts into a single unit (by job position) whereby access to system functions may be modified at the unit level and the changes take effect for all user accounts assigned to the unit.
<b>Handle</b>	The total amount wagered in sports wagering operations.
<b>Hash Algorithm</b>	A function that converts a data string into an alpha-numeric string output of fixed length.
<b>Hosting Center</b>	An entity unaffiliated with a Licensee and hosting on its premises any part(s) of OLG regulated hardware or software.
<b>House Rules</b>	Any written, graphical, and auditory information compiled by the Licensee for the purpose of summarizing portions of the internal controls and certain other information necessary to inform the public of the functionality of the sports wagering operations. This term is synonymous with “ <i>Wagering Rules</i> ” in GLI-33.
<b>Identity Verification Service Provider</b>	An entity who verifies, or provides information for the verification of, the identification of individuals.
<b>Imprest fund</b>	A specific amount of funds which are replenished from time to time or at the end of a shift in exactly the value of the expenditures made from the funds as documented. A review is made by a higher authority of the propriety of the expenditures before the replenishment.
<b>In-Game Wager</b>	A wager placed during the course of a Sports Event.
<b>Incompatible Function</b>	A function, for accounting control purposes, that places any person or function in a position to both perpetrate and conceal errors or irregularities in the normal course of his/her duties. Anyone recording transactions and having access to assets ordinarily is in a position to perpetrate errors or irregularities. Persons may have incompatible functions if such persons are members of functions that have supervisors not independent of each other.
<b>Incident</b>	Any adverse event that compromises system data, system computer networks, or system security, including but not limited to loss of confidentiality of information, compromise of

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	integrity of information, misuse of service, systems or information, denial of service, damage to systems, theft of systems or data storage components, and any other suspicious activity, event or situation related to security of information or information systems.
<b>Independent</b>	The separation of functions to ensure that the employee or process monitoring, reviewing, or authorizing the controlled activity, function, or transaction is separate from the employees or process performing the controlled activity, function, or transaction.
<b>Individual</b>	Any natural person.
<b>Information Security</b>	Protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, and availability
<b>Information Security Management System (ISMS)</b>	A defined, documented management system that consists of a set of policies, processes, and systems to manage risks to organizational data, with the objective of ensuring acceptable levels of information security risk.
<b>Integrity Monitoring System</b>	A system of policies and procedures approved by the OLG through which a Sports Wagering Operator receives and sends reports from Sports Wagering Operators to assist in identifying suspicious activity.
<b>Internal Audit</b>	Persons who perform an audit function of a Sports Wagering Facility that are independent of the function subject to audit. Independence is obtained through the organizational reporting relationship, as the Internal Audit Function shall not report to management of the Sports Wagering Facility. Internal audit activities must be conducted in a manner that permits objective evaluation of areas examined. Internal audit personnel may provide audit coverage to more than one operation within a Sports Wagering Facility.
<b>Internal Controls</b>	Internal controls are the policies, procedures and processes for assuring the organization's objectives in operational effectiveness, efficiency, reliable financial reporting and compliance with laws and regulations.
<b>Internet</b>	An interconnected system of networks that connects computers around the world via TCP/IP.
<b>Involuntary Exclusion List</b>	The list of persons who are to be excluded or ejected from licensed Sports Wagering Facilities in the District of Columbia. The Involuntary Exclusion List consists of persons who have violated or conspired to violate laws related to gaming, cheats, willful tax evaders, individuals whose presence in a licensed gaming establishment would adversely affect public confidence and trust in the gaming industry, and persons whose presence in a licensed gaming establishment poses the potential of injurious threat to the interests of the District of Columbia.
<b>IT Personnel</b>	Employees of the Licensee or an IT service provider who are independent of the operation of sports wagering; and who have been designated to perform the information technology function for the operation of critical components of the Sports Wagering System. The term is not limited to employees within an IT Function.
<b>IT Service Provider</b>	A person or an entity engaged by the Licensee to provide management, including system administration, user access administration, support, security, or disaster recovery services for OLG regulated hardware or software.
<b>Key</b>	A value used to control cryptographic operations, such as decryption, encryption, signature generation or signature verification.
<b>Key Employee</b>	A person employed in a sports wagering operation and determined by the Executive Director to be acting in a supervisory capacity or empowered to make discretionary decisions with respect to Sports Wagering operations, including, without limitation, the chief executive, financial and operation managers, Sports Wagering Managers, credit executives, or any other employee so designated by the Executive Director. and shall include any officer or any employee of an employee organization who has direct involvement with or who exercises authority, discretion or influence in the representation of employees of a Licensee in collective bargaining, grievance representation, labor disputes, salaries, wages, rates of pay, hours of employment or conditions of work.
<b>Key Management</b>	Activities involving the handling of cryptographic keys and other related security parameters (e.g., passwords) during the entire life cycle of the keys, including their generation, storage, establishment, entry and output, and zeroization.
<b>Layoff Wager</b>	A wager placed by a Sports Wagering Operator or Management Services Provider with another Sports Wagering Operator or Management Services Provider for the purpose of offsetting player wagers made pursuant to these MICS.

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<b>Licensee</b>	An individual, group of individuals or entity that holds a Sports Wagering License in the District of Columbia.
<b>Line Posting</b>	A value that establishes a wager's potential payout (e.g., money line + 175) or the conditions for a wager to be considered a win or loss (e.g., point spread + 2.5).
<b>Location Number</b>	The number assigned to an area of the Sports Wagering Facility which identifies the site where the Sports Wagering Equipment is positioned.
<b>Location Service Provider (LSP)</b>	An entity who identifies, or provides information for the identification of, the geographic location of individuals.
<b>Main Bank</b>	An area providing maximum security for the materials housed therein and for the activities performed therein within the main cashier's cage. It operates on a perpetual inventory and serves as the central location in the Sports Wagering Facility for the custody and accountability of all assets used to fund the operation. The functions of the Main Bank are as follows: <ul style="list-style-type: none"> <li>• The custody of financial instruments, forms, documents, and records normally generated or utilized by main bank cashiers.</li> <li>• The exchange of financial instruments, for supporting documentation.</li> <li>• The responsibility for the overall reconciliation of documentation generated by all cage cashiers.</li> <li>• The receipt of financial instruments from the count rooms.</li> <li>• Such other functions normally associated with the operation of the main bank.</li> </ul>
<b>Main Bank Cashier</b>	A main cage cashier whose duties include working in and performing all the functions normally associated with a main bank.
<b>Malfunction</b>	An error in the functioning of the Sports Wagering System, Sports Wagering Equipment, Mobile App, or Site including, the front-end application not being accessible to Players or Sports Wagering not working.
<b>Malware</b>	A program that is inserted into a system, usually covertly, with the intent of compromising the confidentiality, integrity, or availability of the victim's data, applications, or operating system or of otherwise annoying or disrupting the victim.
<b>Management Services Provider (MSP)</b>	An independent entity affiliated with a licensed Sports Wagering Operator and licensed and approved by the OLG to offer sports wagering activities in a Sports Wagering Facility or through online sports wagering. The Sports Wagering Accounts, of such intermediaries, shall be owned by the licensed Sports Wagering Operator.
<b>Mobile App (aka "Mobile Application")</b>	Any mobile application or digital platform approved by the OLG for the operation of online sports wagering.
<b>Mobile Code</b>	Executable code that moves from computer to computer, including both legitimate code and malicious code such as computer viruses.
<b>Mobile Device</b>	A player-owned device that at a minimum will be used for the execution or formalization of wagers placed by a player directly. Examples of mobile device include a personal computer, mobile phone, tablet, etc.
<b>Motion Activated Dedicated Camera</b>	A video camera which, upon its detection of activity or motion in a specific area, begins to record the activity or area.
<b>Multi-Factor Authentication</b>	A type of strong authentication that uses two (2) of the following to verify a player's identity including, information known only to the player, such as a password, pattern or answers to challenge questions, an item possessed by a player such as an electronic token, physical token or an identification card, or a player's biometric data, such as fingerprints or facial or voice recognition.
<b>Net Winnings</b>	Total Winnings reduced by the amount of the Wager.
<b>Offset</b>	Money that the Licensee is required by to deduct from a Player's Winnings for certain debts owed to the District of Columbia, for delinquent child support obligations or as otherwise required by the applicable Laws and Rules.
<b>OLG</b>	The Office of Lottery and Gaming.
<b>Online Sports Wagering</b>	A sports wagering operation in which wagers on Sports Events are made through computers or mobile application on mobile devices or other approved interactive devices accepted through a Sports Wagering System approved by the OLG to operate online sports wagering.
<b>Online Sports Wagering System</b>	All hardware, software, and communications that comprise a type of Sports Wagering System for the purpose of offering online sports wagering.

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<b>Operator License</b> ( <i>aka "Sports Wagering Operator License"</i> )	A Sports Wagering Operator License issued by the OLG that authorizes the operation of sports wagering, including sports wagering conducted over the internet through Mobile Apps or Sites that is initiated and received, or otherwise made, exclusively within the physical confines of the single approved Sports Wagering Facility or as otherwise authorized by law.
<b>Operator</b> ( <i>aka "Sports Wagering Operator"</i> )	An individual, group of individuals, or entity that holds a Sports Wagering Operator License issued by the OLG.
<b>Parlay</b>	A single wager that links together two or more individual wagers and is dependent on all of those wagers winning together.
<b>Participant</b>	The athlete, team, or other entity that competes in an event.
<b>Password</b>	A string of characters (letters, numbers, and other symbols) used to authenticate an identity or to verify access authorization.
<b>Payment Service Provider (PSP)</b>	An entity who directly facilitates the depositing of funds into or withdrawing of funds from Sports Wagering Accounts.
<b>Peripheral</b>	An internal or external device connected to a machine that supports credit acceptance, credit issuance, player interaction, or other specialized function(s).
<b>Physical Address</b>	For an individual, a residential or business street address; for an individual who does not have a residential or business street address, an Army Post Office, Fleet Post Office box number, the residential or business street address of next of kin, or of another contact individual.
<b>Personally identifiable information (PII)</b>	Sensitive information that could potentially be used to identify a particular player. Examples include a legal name, date of birth, place of birth, social security number (or equivalent government identification number), driver's license number, passport number, residential address, phone number, email address, debit instrument number, credit card number, bank account number, or other personal information if defined by the OLG.
<b>Personal Identification Number (PIN)</b>	A numerical code associated with an individual and which allows secure access to a domain, account, network, system, etc.
<b>Player Loyalty Program</b>	A program that provides incentives for players based on the volume of play or revenue received from a player.
<b>Port</b>	A physical entry or exit point of a module that provides access to the module for physical signals, represented by logical information flows (physically separated ports do not share the same physical pin or wire).
<b>Pre-Game Wager</b>	A Wager placed prior to the start of a Sports Event or match.
<b>Premises</b>	The building or a set of buildings, subsection or subdivision of a single building or structure, or a room or set of rooms within a building or structure subject to the direct control of and actual use by a single licensed Sports Wagering Operator. A patio or deck may extend the premises beyond the interior portion of the building.
<b>Prepaid Access Instrument</b>	A card, code, electronic serial number, mobile identification number, personal identification number or similar device used in conjunction with an Interactive Gaming System that allows player access to funds that have been paid in advance and can be retrieved or transferred at some point in the future through such a device.
<b>Printer</b>	A SSBT or TWT peripheral that prints tickets and/or vouchers.
<b>Privacy Policy</b>	A statement that discloses the type of information the Sports Wagering Operator may collect and how they will secure, use, and disclose information that is periodically updated and published on their website.
<b>Prohibited Sports Wager</b>	Any sports wager not approved by the OLG or that is otherwise unauthorized under these MICS or by law.
<b>Prohibited Sports Wagering Participant</b>	Any individual under the age of eighteen (18); any individual who is prohibited pursuant to any self-exclusion; any individual who is listed on the OLG's Involuntary Exclusion List; any individual who is listed on any Sports Wagering Facility exclusion list; or any individual whose participation may undermine the integrity of the wagering or the Sports Event or for other good cause, including but not limited to, any individual placing a wager as an agent or a proxy, and any employee of the OLG, a Sports Wagering Operator, Management Services Provider or Supplier.
<b>Protocol</b>	A set of rules and conventions that specifies information exchange between devices, through a network or other media.

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<b>PTZ Camera</b>	A video camera which possesses, at a minimum, pan, tilt and zoom capabilities or features comparable thereto.
<b>Remote Access</b>	Any access from outside the system or system network including any access from other networks within the same Sports Wagering Facility.
<b>Remote Sports Wagering System</b>	Hardware and software used to provide a sports wagering to players in conjunction with a Sports Wagering System. A Remote Sports Wagering System may be a standalone system or integrated within another part of the Sports Wagering System. This term is synonymous with “ <i>External Wagering System</i> ” in GLI-33.
<b>Report</b>	Information produced by the System that is viewed via display, printed, or saved to a file depending on the needs of the OLG.
<b>Risk</b>	The likelihood of a threat being successful in its attack against a network or system.
<b>Satellite Cage</b>	A physical structure separate and apart from the main cashier’s cage which is maintained on an imprest basis and may perform some of the functions of the main cashier’s cage.
<b>Satellite Surveillance Equipment</b>	Surveillance monitors, recorders, remote selectors and other ancillary equipment located in an area other than the surveillance room and used for surveillance
<b>Security Policy</b>	A document that delineates the security management structure and clearly assigns security responsibilities and lays the foundation necessary to reliably measure progress and compliance
<b>Self-Exclusion List</b>	The list of persons who have applied for and been placed in the Self-Exclusion Program.
<b>Self-Exclusion Program</b>	The program established by the OLG for the purpose of allowing persons who wish to refrain from sports wagering and other types of gambling offered by the OLG, to notify the OLG that they will accept responsibility for refraining from engaging in sports wagering and other gambling activities offered by the OLG and its Licensees.
<b>Self-Service Betting Terminal (SSBT)</b>	Sports Wagering Equipment that players use to place wagers, redeem winning tickets and/or vouchers, open accounts, make account deposits and/or withdrawals. This term is synonymous with “ <i>Self-Service Wagering Device</i> ” in GLI-33 and “ <i>Kiosk</i> ” in GLI-20.
<b>Sensitive Information</b>	Information such as PII/player data, wagering data, validation numbers, authentication credentials, PINs, passwords, secure seeds and keys, and other data that shall be handled in a secure manner.
<b>Server</b>	A running instance of software that is capable of accepting requests from clients, and the computer that executes such software. Servers operate within a Client-Server Architecture, in which “servers” are computer programs running to serve the requests of other programs (“clients”). In this case the “server” would be the Sports Wagering System and the “clients” would be the Sports Wagering Equipment.
<b>Service Accounts</b>	Accounts on which automated system functions are dependent to execute. A service account does not correspond to an actual person. These are often built-in accounts that an automated system function (service) uses to access resources they need to perform its activities. However, some automated services may require actual user accounts to perform certain functions and may be employed using domain accounts to run services.
<b>Service Provider</b>	The person or business entity authorized by a license issued by the OLG to offer services or any goods that are necessary for the operation of Sports Wagering.
<b>Signature</b>	On a document provides evidence of the person’s involvement and/or authorization of the intentions reflected in this document.
<b>Site</b>	Any website operated by the Licensee through which a player can access their sports wagering account to place wagers online.
<b>Skin</b>	A graphic file used to change the appearance of the user interface to a program or for a Mobile Apps or Sites or digital platform.
<b>Smart Card</b>	A card with embedded integrated circuits that possesses the means to electronically store or retrieve account data.
<b>Source Code</b>	A text listing of commands to be compiled or assembled into an executable computer program.
<b>Source Code Repository</b>	A secured environment that is used to store software source code once it has been approved for introduction into the production (live) environment. The repository is secured such that developers cannot modify code once it has been stored. In this way, the repository provides a history of a given software system ordered by version.



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<b>Sports Event</b>	A game, match, race or similar competitive event associated with a Sports Governing Body in its entirety or a particular in-game, live occurrence such as, but not limited to, a particular play or score. This term is synonymous with “ <i>Event</i> ” or “ <i>Market</i> ” in GLI-33.
<b>Sports Governing Body</b>	The governing body for a sports league that is registered with the OLG, including, but not limited to, if registered, Major League Baseball, Major League Soccer, National Basketball Association, National Football League, National Hockey League, and the Women’s National Basketball Association.
<b>Sports Wagering</b>	Accepting wagers on sports events, or a portion of a sports event, or on the individual performance statistics of an athlete or participant in a sports event or combination of sports events, including single-game bets, teaser bets, parlays, over/under, money line, pools, exchange wagers, in-game wagers, proposition wagers, straight wagers, or other means by a system or method of wagering, including in-person or over the internet through websites or on mobile devices. This term is synonymous with “ <i>Event Wagering</i> ” in GLI-33.
<b>Sports Wagering Account</b>	An account established by a Sports Wagering Operator or Management Services Provider for an individual player to engage in sports wagering where information relative to wagering and financial transactions are recorded on behalf of the player including, but not limited to, deposits, withdrawals, wagers, winnings, and balance adjustments. This term is synonymous with “ <i>Player Account</i> ” in GLI-33.
<b>Sports Wagering Equipment</b>	A mechanical, electronic, or other device, mechanism, or other equipment, and related supplies used or consumed in the operation of sports wagering at a licensed Sports Wagering Facility including, but not limited to, a TWT or SSBT installed to accept sports wagers. This term is synonymous with “ <i>Wagering Device</i> ” in GLI-33.
<b>Sports Wagering Event</b>	A sports event as determined by the Executive Director as a sports event on which a wager may be authorized by the OLG.
<b>Sports Wagering Facility</b>	The Premises approved under a sports wagering license on which a Sports Wagering Operator may offer sports wagering. A Sports Wagering Facility may be a building or a set of buildings, subsection or subdivision of a single building or structure, or a room or set of rooms within a building or structure.
<b>Sports Wagering Manager</b>	A key employee of the Sports Wagering Operator, or a qualified employee of a licensed Management Services Provider that is operating under a contract with a Sports Wagering Operator, responsible for the operations of sports wagering conducted pursuant to these MICS.
<b>Sports Wagering System</b>	All equipment and software used in conjunction with the operation of a Sports Wagering Facility or online sports wagering. This term is synonymous with “ <i>Event Wagering System</i> ” in GLI-33.
<b>Stacker</b>	An electromechanical bill validator component that loads paper currency, vouchers, and winning tickets into a locked container for secure storage within the SSBT.
<b>Structure or Structuring</b>	The process of a person engaging in a transaction or transactions, whether acting alone or in conjunction with others or on behalf of others, who conducts or attempts to conduct one or more transactions in currency, in any amount, at one or more Licensees on one or more days, in any manner, for the purpose of evading the reporting requirements under these MICS.
<b>Sufficient Clarity</b>	The capacity of a surveillance system to record images at a minimum of 20 frames per second or equivalent recording speed and at a resolution sufficient to clearly identify the intended activity, person, object, or location.
<b>Supplier (aka “Sports Wagering Supplier Licensee”)</b>	An individual, group of individuals or entity that seeks to sell or lease Sports Wagering Equipment, software, systems, data or services relating to the conducting of sports wagering, by an Operator or Management Services Provider, as determined by the OLG. The term does not include a Sports Governing Body that supplies its data directly to an Operator or Management Services Provider.
<b>Surveillance</b>	The capability to observe and record activities being conducted in a Sports Wagering Facility
<b>Surveillance Monitor Room</b>	The secured area where surveillance takes place and/or where active surveillance equipment is located.
<b>Surveillance System</b>	A system of video cameras, monitors, recorders, video printers, switches, selectors, and other equipment used for surveillance.
<b>Suspicious Betting Activity</b>	Any unusual betting activity which cannot be explained and is indicative of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.

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<b>System Administrator</b>	The individual(s) responsible for maintaining the stable operation of the Sports Wagering System (including software and hardware infrastructure and application software).
<b>Third-Party Service Provider</b>	An entity who acts on behalf of an operator to provide services used for the overall conduct of interactive gaming.
<b>Threat</b>	Any circumstance or event with the potential to adversely impact network operations (including mission, functions, image, or reputation), assets, or individuals through a system via unauthorized access, destruction, disclosure, modification of information, and/or denial of service. Also, the potential for a threat-source to successfully exploit a system vulnerability.
<b>Ticket</b>	A printed record issued or an electronic record maintained by the Sports Wagering System that evidences a sports wager. This term is synonymous with “ <i>Wager Record</i> ” in GLI-33.
<b>Ticket Writer Terminal’s (“TWT’s”)</b>	A point-of-sale wagering device that at a minimum will be used by a ticket writer for the execution or formalization of wagers placed on behalf of a player.
<b>Time Stamp</b>	A record of the current value of the Sports Wagering System date and time which is added to a message at the time the message is created.
<b>Tournament (aka “Contest/Tournament”)</b>	An organized, measured event that permits a player to engage in competitive play against other players. An out-of-revenue tournament involves only non-wagered play using tournament credits or points that have no cash value. In contrast, an in-revenue tournament allows for wagered play in conjunction with the operation of the tournament.
<b>Transaction Types</b>	Transactions which include, but are not limited to, deposits to Sports Wagering Accounts, withdrawal from Sports Wagering Accounts, wagers, and redemption of winning tickets and vouchers.
<b>Unauthorized Access</b>	A person gains logical or physical access without permission to a network, system, application, data, or other resource.
<b>Unusual Betting Activity</b>	Abnormal wagering activity exhibited by players and deemed by a Sports Wagering Operator, the OLG or another governing body as a potential indicator of suspicious activity. Unusual wagering activity may include the size of a player’s wager or increased wagering volume on a particular event or wager type.
<b>User Access Administrator</b>	The individual(s) responsible for and has system authorization/access to add, change, or delete user accounts and associated user provisioning. User provisioning consists of assigning application functions matching the employee’s current job responsibilities, unless otherwise authorized by management personnel, to ensure adequate separation of duties.
<b>Verifier</b>	Any employee who witnesses and signs a document confirming an approved transaction as permitted in these MICS.
<b>Version Control</b>	The method by which an evolving approved Sports Wagering System is verified to be operating in an approved state.
<b>Virus</b>	A self-replicating program, typically with malicious intent, that runs and spreads by modifying other programs or files.
<b>Voucher</b>	A financial instrument, usually issued for use in a SSBT, with a fixed dollar wagering value and is redeemable for cash. Unpaid vouchers that were issued as payment for winning wagers are included in revenue when the vouchers expire (i.e., purged vouchers are included in gross sports wagering revenue).
<b>Virtual Private Network (VPN)</b>	A logical network that is established over an existing physical network and which typically does not include every node present on the physical network.
<b>Vulnerability</b>	Software, hardware, or other weaknesses in a network or system that can provide a “door” to introducing a threat.
<b>Wager (aka “Bet” or “Stake”)</b>	<p>The betting, staking, or risking by an individual, group of individuals, or entity of something of value upon an agreement or understanding that the individual, group of individuals, or entity or another individual, group of individuals, or entity will receive something of value in the event of a certain outcome. The term wager does not include:</p> <ul style="list-style-type: none"> <li>• An activity governed by the securities laws of the United States or the District of Columbia;</li> <li>• A contract of indemnity or guarantee;</li> <li>• A contract for insurance; or</li> <li>• Participation in a game or contest in which the participants do not stake or risk anything of value other than personal effort in playing the game or contest or obtaining access to the internet, points, or credits that the sponsor of the game or contest provides to participants</li> </ul>

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	free of charge and that can be used or redeemed only for participation in games or contests offered by the sponsor.
<b>Winnings</b>	The prize a player wins, including the amount of the wager in the course of sports wagering.
<b>Withdraw (aka "Withdrawal")</b>	Any request by a Player to transfer funds from the Sports Wagering Account.

**Section 21.0 Class B Waivers to MICS Requirements**

**21.1 Overview**

21.1.1 This section is solely applicable to Class B sports wagering facilities. The MICS waivers contained herein were created in recognition of the differences between Class A and B sports wagering facilities. In this manner they should not be viewed as a reduction in the internal control standards but a modification to what is required given the difference in Class B sports wagering facilities and operations.

**21.2 Applicability**

21.2.1 The waivers contained in this section shall only apply to Class B operators and MSPs. Any section of the MICS not expressly waived by Section 21 shall remain applicable to Class B operators and MSPs. In addition, the OLG, at their discretion, may rescind any waiver covered by this section.

**21.3 Waivers**

21.3.1 The following MICS sections shall be waived or modified as further described:

- a. **Security and Surveillance:** Sections 3.3.6 and 3.3.7 require one person, independent of any other functions to provide security and surveillance services. This requirement is modified so that one qualified, trained, individual may simultaneously perform security and surveillance functions. All other requirements of Sections 3.3.6 and 3.3.7 remain in force.
- b. **Financial Audit:** Section 19.1.1 and 30 DCMR § 2123 require an annual financial audit by a Certified Public Accountant (CPA) in accordance with Generally Accepted Accounting Principles (GAAP). This requirement shall remain in force for initial licensing and license renewal. For the interim periods, the OLG will accept an annual financial **review** by a CPA in accordance with GAAP. If the operator or MSP is a publicly traded company with SEC requirements, the 10K report will satisfy the requirement. All other requirements of Section 19 and 30 DCMR § 2123 remain in force.
- c. **Internal Audit Program:** Section 19.2(a) requires a quarterly internal audit of internal controls. The frequency of internal audit is changed to every 12 months. All other requirements of Section 19 shall remain in force.