



Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission

July 7, 2021

Mr. Considine:

Thank you and your team for working with American Wagering, Inc. (doing business as William Hill) and Caesars Entertainment to create regulations that will protect the public and allow the industry to meet its full potential in Washington. Please find below some suggestions for minor, yet important, changes to the existing draft regulations.

William Hill currently operates sports betting in 18 U.S. jurisdictions, the most of any company in the industry. We offer these suggestions based on our experience in these jurisdictions and in the spirit of helping Washington to implement best practices.

Rule Reference

WAC 230-19-045

Existing Rule Language

(5) No substantive modifications to a sports wagering system may be made after an independent test laboratory has certified a sports wagering system without the modification being certified by the independent test laboratory.

Comment

We request a definition of “substantive modifications” be included in the regulations.

Some examples of “substantive modifications” we believe should require recertification include those that have a high impact on regulated components or reporting of the platform, such as:

- 1) Implementation of a new gambling feature or a change to any logic impacting wagering or game logic;
- 2) A change impacting required regulatory reports or data used for financial reconciliation;
- 3) If applicable, a change impacting the handling or storage of personally identifiable information;
- 4) If applicable, a change implemented by the platform provider that substantially impacts geolocation services; or
- 5) A change to accommodate updated regulatory requirements

Reason for Change

Minor or technical changes outside of the ones listed below do not create a risk to the integrity of the system and are routine. Those changes should be permitted without certification by an independent testing lab.

Rule Reference

WAC 230-19-045

Existing Rule Language

(8) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities, as specified in the applicable tribal-state sports wagering compact amendment, must be located in our state.

Comment

We suggest deleting the requirement for backup cloud storage to be located in Washington.

Reason for Change

We have not seen a requirement in other jurisdictions for back up cloud storage systems to be confined to the jurisdiction. Allowing cloud storage to be located anywhere in the U.S., but in a facility licensed as a mid-level vendor by the WSGC, would provide sufficient safeguards while lowering expenses for operators.

Rule Reference

WAC 230-19-045

Existing Rule Language

(9) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by us, a tribal gaming agency, or internal controls. These reports include, but are not limited to:

- (a) Gaming operation revenue;*
- (b) Gaming operation liability;*
- (c) Future event;*
- (d) Significant events and alterations;*
- (e) Wager record information;*
- (f) Market information;*
- (g) Contest or tournament information;*
- (h) Sports wagering account information;*
- (i) Sports wagering system information;*
- (j) Significant event information;*
- (k) User access information;*
- (l) Wagering device information;*
- (m) Promotion or bonus information;*
- (n) Event game play;*
- (o) Expired ticket; and*
- (p) Any other reports required by us or a tribal gaming agency.*

Comment

We suggest replacing the above list with the GLI-33 §2.9 list of minimum reports.

Reason for Change

The GLI list is widely used and operators are already familiar with issuing these reports. As it is written above, the WSGC would need to craft detailed criteria for each of the above reports and

operators may have varying interpretations of how to comply. Using the GLI list allows for consistent reporting and less regulatory burden for the WSGC.

Rule Reference

WAC 230-19-060

Existing Rule Language

Records retention for sports wagering vendors.

Where applicable, sports wagering vendors must retain the following records:

- (1) For at least five years:
 - (a) Suspicious wagering activity; and*
 - (b) Unusual wagering activity.**
- (2) For at least three years at the end of their fiscal year:
 - (a) All required accounting records;*
 - (b) Sales invoices;*
 - (c) Sales journals; and*
 - (d) Credit memos.**
- (3) For at least two years:
 - (a) Data feeds;*
 - (b) Sports wagering account information;*
 - (c) Mobile wagering account information; and*
 - (d) Geofence or geolocation information.**

Comment

We suggest this retention requirement be placed on licensed data providers, not the operators who use the data.

Reason for Change

Operators may archive some, but not all, of the data provided. Placing the onus on the data providers would be more appropriate as they create and send the data, and less burdensome to the end users of the data, the operators.

Thank you to you, Ms. Laydon, and the Commission for considering our comments on these draft regulations.

Regards,

s/Trevor Hayes

cc: Ashlie Laydon, rules coordinator Washington State Gambling Commission