

OHIO CASINO CONTROL COMMISSION



SUMMARY OF PROPOSED RULES FOR FILING

These rules are being filed as part of the Commission's third batch of sports gaming rules and relate to independent integrity monitoring. The rules are adopted pursuant to House Bill 29 of the 134th General Assembly ("HB 29"). HB 29 set a comprehensive licensing and regulatory framework for sports gaming, under the jurisdiction and broad rulemaking authority of the Commission. The bill also requires that this business sector start by January 1, 2023, under the Commission's regulation. To implement HB 29 in a timely manner, the Commission is advancing the below rules for approval.

- **3775-14-01 (new), titled, "Independent integrity monitor certification."** This rule governs the certification process for integrity monitors in sports gaming. The rule states integrity monitors must request certification, undergo a compliance investigation, and pay a fee of five thousand dollars to the Commission. The certification period is five years and the results from a compliance investigation completed within the year prior to a renewal request may be applied to the renewal certification request at the executive director's discretion. The purpose of this rule is to implement R.C. 3775.02's requirement that the Commission, or an independent integrity monitor, observe sports gaming activity to identify unusual betting patterns and to give prospective integrity monitors an overview of the certification process.
- **3775-14-02 (new), titled, "Compliance investigation of an independent integrity monitor."** This rule governs the compliance investigation that independent integrity monitors must undergo to verify compliance with Chapter 3775. The rule states integrity monitors should clearly identify those portions of information submitted that it deems to be confidential or trade secrets as some of the non-confidential information submitted could be open to public inspection under the Public Records Act. Additionally, this rule describes the integrity monitor's information that may be reviewed as a part of the investigation, including, the business structure, policies related to conflicts of interest, sufficient staff and equipment, and financial viability to conduct all required monitoring. The purpose of this rule is to provide transparency of the compliance investigation and ensure only qualified integrity monitors are certified to monitor sports gaming in the state, in accordance with R.C. 3775.02.
- **3775-14-03 (new), titled, "Requirements of certification."** This rule governs the requirements for an independent integrity monitor to be certified in the state, including being independent of any entity being monitored. The rule also provides that integrity monitors must maintain IT security, and make available to the Commission all policies, procedures, equipment, and analysis methods. The independent integrity monitor must

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notify the executive director immediately if it fails to maintain compliance with these requirements. The purpose of this rule ensure only qualified integrity monitors are certified and to clearly lay out all requirements to meet R.C. 3775.02.

- **3775-14-04 (new), titled, “Duties of a certified independent integrity monitor.”** This rule states the duties and responsibilities of independent integrity monitors in sports gaming. The integrity monitor must analyze reports of unusual sports gaming activity it receives to identify any suspicious sports gaming activity. This rule provides that certified integrity monitors must provide reports of any suspicious sports gaming activity to its contracted sports gaming proprietors, all certified independent integrity monitors, and appropriate sports governing bodies. The rule also spells out record retention requirements and that integrity monitors must maintain a training program for its employees. The purpose of this rule is to clearly lay out the responsibilities for certified independent integrity monitors and ensure that the appropriate parties are notified if there is any suspicious sports gaming activity—ensuing R.C. 3775.02’s requirements related to integrity monitoring.
- **3775-16-10 (new), titled, “Integrity monitoring.”** This rule provides that each sports gaming proprietor must contract with a certified independent integrity monitor for the purposes of monitoring sports gaming conducted in this state. The sports gaming proprietor must have procedures in place to identify unusual sports gaming activity, including when it receives reports of unusual reports regarding other proprietors from its certified integrity monitor. Moreover, the rule spells out a requirement that certain employees conducting monitoring activities must hold a sports gaming employee license—echoing statutory language regarding required occupational licensure. This rule also clarifies and lists the specific information that each sports gaming proprietor must provide to its contracted integrity monitor, including, time, odds, location, wager amount, wager type, and team the wager was placed upon in reporting unusual activity. Lastly, this rule allows sports gaming proprietors to suspend their related offerings if they receive a report of suspicious betting activity. Proprietors may not cancel previously accepted wagers unless the cancellation is approved by the executive director. The purpose of this rule is to implement R.C. 3775.02’s requirements regarding sports gaming proprietor duties and required procedures and to ensure the prompt identification of suspicious sports gaming activity, as well as R.C. 3775.10’s required sports gaming proprietor duty to ensure sports gaming is monitored in accordance with R.C. 3772.02.