

**16**            **DEPARTMENT OF PUBLIC SAFETY**

**633**            **GAMBLING CONTROL UNIT**

**Chapter 50: INTRODUCTION**

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The Act to establish additional duties of the Director of the Gambling Control Unit to license and regulate sports wagering was enacted by the Legislature and made law with the Governor's signature on May 2, 2022. This portion of the Public Law is codified at Maine Revised Statutes, Title 8, Chapter 35, and charges the Director of the Gambling Control Unit, with the responsibility of adopting rules necessary to administer and enforce the laws applicable to sports wagering.

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STATUTORY AUTHORITY: M.R.S.A. Title 8 Chapter 35

EFFECTIVE DATE:

**Chapter 51: DEFINITIONS**

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1. The following words and terms shall have the following meanings unless the context indicates otherwise:
  1. “ACH” means the Automated Clearing House Network maintained by Nacha that is a nationwide electronic fund transfer (EFT) system that provides for the inter-bank clearing of electronic credit and debit transactions and for the exchange of payment-related information among participating financial institutions.
  2. “Adjusted gross sports wagering receipts” has the same meaning as set forth in 8 M.R.S. §1202
  3. “Adverse action” includes, but is not limited to:
    - A. A condition placed upon an applicant’s license, or the operation of an applicant’s gambling or gambling-related business resulting from a finding of an administrative, civil or criminal violation by any licensing or administrative agency, or a court, in any jurisdiction in the United States or Canada;
    - B. A suspension or revocation of an applicant or Operator’s license, by a licensing or administrative agency, or a court in any jurisdiction in the United States or Canada, or
    - C. A voluntary surrender of a license by an applicant or Operator to avoid or resolve any civil, criminal, or other pending administrative disciplinary action in any jurisdiction in the United States or Canada.
  4. “Affiliate” means an individual or entity that promotes sport wagering websites in exchange for a commission or fee.
  5. “Age and identity verification” means a method, system, or device used by a sports wagering operator to verify the validity of a patron’s age and the patron’s identity.
  6. “AML” means anti-money laundering.
  7. “Authentication process” means a method used by a system to verify the validity of software.
  8. “Bond” means a bond held in escrow for the purpose of maintaining adequate reserves to account for losses suffered by a Operator and owed to patrons and which cannot be released without consent of the Director.

9. "Cancelled wager" means a wager that has been cancelled due to any issue with an event that prevents its occurrence or completion, or that otherwise causes the wager to be unredeemable., or otherwise approved by the Director.
10. "Card" means the list of Sports Events from which a patron can make selections for a given pool.
11. "Cheating" means:
  - A. Any action taken by any individual, group of two or more individuals, entity, or group of entities that improves the chances of winning or that alters or improves the chances of altering the outcome of a wager or sporting event by deception, interference, or manipulation or use of non-public information.
  - B. Any action taken by any individual, group of two or more individuals entity, or group of entities that improves the chances of winning or that alters the outcome or improves the chances of altering the outcome or payout on a wager by use of any equipment, including software pertaining to or used in relation to a sports wagering gaming system's equipment, used for or in connection with a wager or sporting event on which wagers are placed or are invited.
12. "Collegiate sports or athletic event" has the same meaning as set forth in 8 M.R.S. §1202(2).
13. "Combo license" means a license combining a casino employee and a sports wagering employee license.
14. "Commissioner" has the same meaning as set forth in 8 M.R.S. §1202(3).
15. "Counter" means an area specified for the use of wagering cashiers to accept and payout wagers.
16. "Department" has the same meaning as set forth in 8 M.R.S. §1202(4).
17. "Director" has the same meaning as set forth in 8 M.R.S. §1202(5).
18. "Dormant account" means a sports wagering account, which has had no patron-initiated activity for a period of one year.
19. "Electronic sports" or "e-sports" means competitions in which the players compete at video games in organized events, at the professional or collegiate level.
20. "Event number" means a set of alphabetical and/or numerical characters that correspond to a sports event or an event ancillary to a sports event.

21. “Exchange wagering” means a form of wagering in which two or more persons place identically opposing wagers in a given market, allowing patrons to wager on both winning and non-winning outcomes in the same event.
22. “Facility Operator” has the same meaning as set forth in 8 M.R.S. §1202(6).
23. “Free bet” means a bet made by patrons using non-cashable vouchers, coupons, electronic credits or electronic promotions provided by Sports wagering operators.
24. “Geolocation system” means a process or system to detect the physical, geographical location of a patron when said patron is attempting to access the wagering system and place a wager.
25. "Incompatible function" means a function, for accounting control purposes that places any person or department 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 shall be deemed to have incompatible functions if such persons are members of departments that have supervisors not independent of each other.
26. "Institutional investor" means (a) a bank as defined in Section 3(a)(6) of the Federal Securities Exchange Act; (b) an insurance company as defined in Section 2(a)(17) of the Investment Company Act of 1940, as amended; (c) an investment company registered under Section 8 of the Investment Company Act of 1940, as amended; (d) an Investment advisor registered under Section 203 of the Investment Advisors Act of 1940, as amended, (e) collective trust funds as defined in Section 3(c)(11) of the Investment Company Act of 1940, amended (f) an employee benefit plan or pension fund that is subject to the Employee Retirement Income Security Act of 1974, as amended, excluding an employee benefit plan or pension fund sponsored by a publicly traded corporation affiliated with a Operator; (g) a state or federal government pension plan; (h) a group comprised entirely of persons specified in (a) through (g); or (i) such other Persons as the Director may determine for reasons consistent with the public policies of the State of Maine.
27. "Integrity monitoring provider or system" means an independent individual, entity or system licensed or approved by the Director through which an operator identifies and reports suspicious wagering activity.
28. “Internal Controls” mean the internal procedures, administration, and accounting controls designed by the Operator to conduct sports wagering operations.
29. "Key personnel" has the same meaning as set forth in 8 M.R.S. §1204 (2)C.

"Layoff wager" means a wager placed by a facility operator with another facility operator for the purpose of offsetting patron wagers made pursuant to this chapter.

30. "License" has the same meaning as set forth in 8 M.R.S. §1202(7).
31. "Management Services Provider" has the same meaning as set forth in 8 M.R.S. §1202(7)(D).
32. "Mobile sports wagering" means a sports wagering operation in which wagers on sports events are made through computers, mobile devices or other approved interactive devices accepted through a wagering system approved by the Director to operate mobile sports wagering.
33. "Mobile operator" has the same meaning as set forth in 8 M.R.S. §1202(8).
34. "Multi-factor authentication" means a type of authentication that uses two of the following to verify a patron's identity:
  - A. Information known only to the patron, such as a password, pattern or answers to challenge questions;
  - B. An item possessed by a patron such as an electronic token, physical token or an identification card; or
  - C. A patron's biometric data, such as fingerprints, facial or voice recognition.
35. "Official League Data" means statistics, results, outcomes, and other data related to a Sporting Event obtained pursuant to an agreement between the sports wagering operator and the relevant governing body of a sport or sports league, organization, or association whose corporate headquarters are based In the United States, or an entity expressly authorized by such governing body to provide such information to operators for purposes of live wagering.
36. "Operator" has the same meaning as set forth in 8 M.R.S. §1202(9).
37. "Parlay wager" means a single wager that incorporates two (2) or more individual bets for purposes of earning a higher payout if each bet incorporated within the wager wins.
38. "Patron" means a person who is:
  - A. Twenty-one (21) years of age or older;
  - B. Physically present in the state of Maine when placing a Wager;
  - C. Not prohibited from placing a Wager under the Maine Statute; and
  - D. Not a prohibited sports wagering participant.

39. "Patron session" means a period of time when a patron is logged on to a mobile sports wagering system.
40. "Person" or "Persons" means an individual, a group of individuals, a trust, corporation, or other business entity.
41. "Pending wager account" means the account maintained by a sports wagering system that holds the total balance of all wagers pending disposition and all other funds attributable to future events.
42. "Pool" means a wagering or promotional offering where patrons may make selections of outcomes on a set number of Sports Events on a Card in order to enter for a chance to win all or a portion of the Prize Pool.
43. "Prize pool" means the prizing available for an individual pool.
44. "Professional sports or athletic event" has the same meaning as set forth in 8 M.R.S. §1202(10).
45. "Prohibited sports event" has the same meaning as set forth in 8 M.R.S. §1202(11).
46. "Prohibited sports wagering participant" means any individual who is prohibited from making wagers as set forth in 8 M.R.S. §1213, in addition to:
  - A. Any individual whose participation may undermine the integrity of the wagering or the sports event or any person who is prohibited from participating in sports wagering by the Director for good cause shown;
  - B. Any individual placing a wager as an agent or proxy;
  - C. Any individuals on the "unauthorized persons" list under these sports wagering rules;
  - D. Any person who is an athlete, coach, referee, player, or a referee personnel member, in, or on, any sports event overseen by that person's sports governing body based on publicly available information;
  - E. A person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including, but not limited to, coaches, managers, handlers, and athletic trainers; a person with access to certain types of exclusive information on any sports event overseen by that person's sports governing body based on publicly available information; and
  - F. Any employee of the Gambling Control Unit or a licensed facility or mobile operator.

47. "Prohibited wager" means a wager or an attempted wager on any sporting event or occurrence by any prohibited sports wagering participant which is not permitted under Maine Statute or by these Sports Wagering rules.
48. "Promotional credit" means free plays, deposit matches, odds boosts, risk-free bets, and any other bonus that an operator offers or gives to a player as an incentive to open an account or wager that shall not be accounted for against taxable revenue.
49. "Proposition (Prop) bet" means a wager made regarding the occurrence or nonoccurrence of an event or circumstance during a sporting event that is not dependent on the final outcome of the sporting event.
50. "Rake" means the fee that is deducted by a sports wagering operator from entry fees paid by patrons who participate in a pool.
51. "Rake Adjustment" means an adjustment made by the sports wagering operator to account for any shortfall in connection with a pool.
52. "Secure transaction file" means a file that contains data, which cannot be modified without detection.
53. "Shared Liquidity Pool" means a wagering or promotional offering in Maine and at least one other jurisdiction where patrons may make selections of outcomes on a set number of sports events on a card in order to enter for a chance to win all or a portion of the Prize Pool.
54. "SOC-2 Type II" means an audit completed by an independent accounting and auditing firm to review and examine an organization's control objectives and activities and tested those controls to ensure that they are operating effectively. SOC 2 Type II is based on internal controls, policies and procedures, communications and monitoring to achieve security, availability, integrity, confidentiality and privacy.
55. "Sports event" has the same meaning as set forth in 8 M.R.S. §1202(12) which does not include horse racing.
56. "Sports governing body" has the same meaning as set forth in 8 M.R.S. §1202(13).
57. "Sports wagering" has the same meaning as set forth in 8 M.R.S. §1202(14).
58. "Sports wagering account" means an account established by a mobile operator or a patron with a mobile operator for an individual patron to use for mobile sports wagering.
59. "Sports wagering area" means an area(s), as designated by an operator and

approved by the Director, in which sports wagering is conducted by a licensed facility operator.

60. “Sports wagering kiosk” means an automated device used by patrons to make wagers on sporting events; the kiosk may also be used to obtain wagering information, process sports wagering vouchers and wagering tickets, and any other automated functions approved by the Director. All self-service wagering devices must be located in an approved designated sports wagering area or other location as approved by the Director.
61. "Sports wagering manager" means a qualified management employee of the facility operator, or a qualified management employee of a licensed management services provider that has the power to exercise authority or direct management or policies and procedures of a person or having power to exercise a significant influence over decisions concerning the operations of sports wagering and final approval of all odds established on any wager made pursuant to this chapter.
62. "Sports wagering system" means all equipment and software used in conjunction with the sports wagering operation, including, but not limited to, the following:
  - A. Sports wagering interactive components, including all hardware, software, and associated equipment that comprise the sports wagering system for the purpose of authorizing sports wagering and online and mobile sports wagering;
  - B. Self-service sports wagering kiosks;
  - C. Ticket or voucher redemption devices; or
  - D. Any other device, service, or system that the commission determines to be related to the sports wagering system.
63. "Sports wagering ticket” means a printed record issued, or an electronic record maintained, by the sports wagering system that evidences a wager.
64. “Sports wagering voucher" means a printed record issued by a sports wagering system that may be used to fund a sports wager or may be redeemable for cash according to house rules.
65. "Supplier(s)" means a type of person or entity, as defined in 8 M.R.S. §1202(7)(C) and has obtained a license under 8 M.R.S. §1208 and that provides goods and/or services, directly or indirectly, to an operator in connection with sports wagering, but does not accept wagers, including but are not limited to the following types of suppliers:
  - A. Bookmakers;
  - B. Geolocation providers;
  - C. Identity and/or age verification service providers;
  - D. Risk management providers or odds management providers;

- E. Integrity monitoring providers;
- F. League data providers;
- G. Marketing affiliates; and
- H. Payment processors.

Has direct interface or interaction with sports wagering accounts or sports wagering systems and receives payment or compensation based on a revenue sharing agreement in which the supplier receives a percentage of the adjusted gross income of any Operator; or that

Provides any similar services that are material to conducting sports wagering, as determined by the Director.

- 66. "Suspicious wagering activity" means unusual or abnormal wagering activity which cannot be explained, made or attempted to be made by an agent or proxy (i.e., messenger wagering) or is indicative of match fixing, the manipulation of an event, misuse of inside information, sports corruption or other prohibited activity.
- 67. "Unit" means the Gambling Control Unit within the Department of Public Safety.
- 68. "Voided wager" means a wager voided by a ticket writer with supervisor approval for a specified event within the operator's system of internal controls.
- 69. "Wager" has the same meaning as set forth in 8 M.R.S. §1202.

**Chapter 52: LICENSE APPLICATION, FEE AND RENEWAL**

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**SUMMARY:** All sports wagering facility operators, mobile sports wagering operators, and all persons participating in offering sports wagering to bettors within a facility or through a mobile operation, or as a management, supplier or as an employee must apply for and be granted the appropriate license as specified by 8 M.R.S.A. § 1204-1210.

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**1. Sports Wagering Operators, Management Services providers, Suppliers and Key personnel**

1. A person or entity may not engage in any sports wagering activities in this State that require a license or any activities ancillary to activities for which a person or entity must hold a license under this chapter unless that person or entity has obtained all necessary licenses in accordance with Title 8, chapter 35 and these sports wagering rules.

2. An application for any type of license under these rules shall be submitted on forms issued by the Director and available on the Gambling Control Unit's website, in accordance with the requirements of Maine statute. The version of the application form on the Gambling Control Unit's website is the current form. Any applications submitted on any other version of the form will be deemed incomplete. The most current forms shall be used or returned as an incomplete application.

3. An eligible person or entity may submit an application provided by the Director for sports wagering activities. In addition to the information required by 8 M.R.S. §§ 1204-1210, all applicants must provide the following information:

A. The physical address of the applicant's principal place of business and the designated contact person for the applicant including an address, telephone number and email address for that contact;

B. Disclosure of ownership interests. A disclosure of the true ownership interests of the applicant as follows:

(1) The names, addresses, phone numbers, email addresses and dates of birth of the applicant's Board of Directors, Corporate Executives, Directors, Officers, key personnel and Managers having the power to exercise influence over decisions concerning any part of the applicant's or Operator's sports wagering or related business operations;

(2) The percentages of shares of stock, if any, held by each person named in paragraph (a.) above;

- (3) For limited liability companies (hereinafter, "LLC"), including professional LLCs, provide the full name, address, date of birth and telephone number of each member of the LLC having an ownership interest of ten percent (10%) or more of the LLC. If the member is not a natural person, disclose the true ownership of the member (and successive levels of ownership, if necessary) until a natural person or another corporate entity is disclosed. If another corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary);
  - (4) For general, limited, or limited liability partnerships, provide the full name, address, date of birth and telephone number of each partner having an ownership interest of ten percent (10%) or more of the partnership. If the partner is not a natural person, disclose the true ownership of the partner (and successive levels of ownership if necessary) until a natural person, or another corporate entity, is disclosed. If another corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary);
  - (5) For a corporation, provide the full name, address, date of birth and telephone number of any natural person or entity having an ownership interest of ten percent (10%) or more of the outstanding shares of the corporation. If a corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary);
  - (6) Any institutional investor having a (10%) or more ownership interest in the applicant shall provide to the Director a sworn-to affidavit executed by an Institutional Officer who can bind the entity that the institutional investor has no influence over the day-to-day sports wagering operations of the applicant;  
and
  - (7) The names, addresses, employer identification numbers, social security numbers, and dates of birth, as applicable, of each individual, group of individuals, trust or business entity associated with an Applicant, including, but not limited to, a holding company, parent company, or subsidiary company of the Applicant that has the ability to control the activities of the Applicant or elect a majority of the board of directors or select the manager or general partner of the Applicant.
- C. A notarized affirmation and consent and authorization to release information about the applicant necessary to complete a background check;
- D. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as of the close of the most recent fiscal quarter by a certified Public Accountant in accordance with generally accepted accounting principles and applicable state and federal law. If an Applicant has audited financial statements prepared at the parent

- company level, the Applicant shall include with its audited consolidated financial statements a supplement I schedule (either audited or unaudited) of the Operator Applicant's sports wagering operations and an attestation from the Operator Applicant's Certified Public Accountant that the Applicant has implemented procedures to accurately report its Adjusted Gross Income from sports wagering operations in Maine;
- E. A copy of the Certificate of Authority to do business in the State of Maine, if the applicant is incorporated outside of Maine;
- F. Copies of any trade name registrations filed by or under which the applicant conducts any business activities.
- G. Copies of applicant's State and Federal returns for a period of three (3) fiscal years.
- H. Copies of declaration pages of all insurance policies insuring the applicant and/or premises in Maine.
- I. If the applicant is a corporation, annual reports and SEC filings, if any, for the past three (3) years.
- J. A list of all jurisdictions where the applicant has:
- (1) Applied for a sports wagering or any other gaming license;
  - (2) Been issued a sports wagering or any other gaming license;
  - (3) Been the subject of a law enforcement or government subpoena, cease and desist letter, attorney general or government legal opinion, or other correspondence regarding any non-routine law enforcement or government investigation concerning conduct related to gambling operations (including casino gaming, horse racing, dog racing, pari-mutuel pools, lottery, sports wagering, fantasy contests, esports, igaming, etc.);
  - (4) Had any sports wagering or gaming license denied, suspended, or revoked; and
  - (5) The current status of any such adverse actions and copies of such documents relating to (3) or (4);
- K. A copy of the final order all civil judgments rendered against the applicant, any person identified in (B) above, or others individually described by subparagraphs J (2).(3), or (4) above, including those judgments pertaining to antitrust or security regulation laws of the federal government, of the State of Maine or of any other state, jurisdiction, province, or country;
- L. A full copy of the applicant's most recent SOC-2 Type II audit authenticated by the entity that performed the assessment; and verification that a SOC 2 Type II audit shall be completed on an annual basis and results shall be submitted to the Director within 10 days of completion. An assessment must be completed as part of the initial application;

- M. The applicant's minimum internal controls as required under chapter 53 herein for approval by the director;
  - N. An organizational chart listing all sports wagering employee positions and their job descriptions. Members of the board of directors are not required to be included on the organizational chart;
  - O. A completed Gambling Control Unit form MGCU-8100 with notarized affirmation and consent and authorization to release information to complete a criminal background check on: any officer or Director of the applicant; and any partner or shareholder who has the ability to control the activities of the applicant in the sports wagering facility or mobile operator, management service provider, supplier;
  - P. Management service providers provide information, resumes, documentation, references, written testimony and other assurances required to establish that the applicant has sufficient business ability and sports wagering experience to create and maintain a successful and efficient sports wagering operation in Maine;
  - Q. Any other information the Director requests in order to determine the suitability, honesty and integrity of the applicant.
5. The application, and all other documents submitted to the Director or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of the attorney's knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.
6. A management service provider may enter into a contract with an operator only upon meeting the following requirements:
- A. Be licensed by the Director as a management service provider;
  - B. It's contract with the operator has been approved by the director prior to the conduct of sports wagering;
  - C. If the management services provider contracts with more than one operator, it's contracts with those operators must include a method for separately accounting for each sports wagering operator's gross receipts from sports wagering and adjusted gross sports wagering receipts. This condition must be approved by the Director; and
  - D. Its contract with an operator does not authorize the person providing management services to receive more than 30% of the operator's adjusted gross sports wagering receipts; except that the director may approve a contract under the criteria of chapter 65 authorizing the management services provider to receive up to 40% of the operator's adjusted gross sports wagering receipts.

7. In addition to the requirements of 8 M.R.S. § 1204(4), to the extent the applicant becomes aware that information of a material nature supplied in the application or otherwise supplied to the Director in support of its application by the applicant or on the applicant's behalf, becomes outdated, inaccurate or incomplete, the applicant shall so notify the Director in writing within 30 calendar days and shall at that time supply the information necessary to supplement or correct the inaccuracy or incompleteness of the information.
8. The applicant shall cooperate fully with the Director, the Department, the Gambling Control Unit and any 3<sup>rd</sup> party contractor under contract with the Department to perform any investigation with respect to the background investigation of the applicant. Failure to cooperate or provide information necessary for licensure may result in denial of the applicant's license application.
9. Mobile Operators shall provide the Director with certificates of insurance prior to approval of the license and with each renewal application. The company issuing the insurance shall be financially rated A or better by a nationally recognized rating entity and duly licensed, admitted, and authorized to transact business in the State of Maine. Subject to (1 and 2) below, Mobile Operators shall maintain the following types and amounts of insurance while they are an approved operator to conduct sports wagering activities in Maine.
  - A. Mobile Operators who anticipate, during the upcoming year of licensure, having less than 100,000 player accounts and \$15,000,000 in revenue shall maintain the following types and amounts of insurance:
    - 1) Cyber liability insurance in the amount of five million dollars (\$5,000,000.); and
    - 2) Errors and Omissions insurance in the amount of Five Million Dollars (\$5,000,000).
  - B. Mobile Operators who anticipate, during the upcoming year of licensure, having more than 100,000 player accounts and \$15,000,000 in revenue, shall maintain the following types of insurance
    - 1) Cyber liability insurance in the amount of ten million dollars (\$10,000,000.); and
    - 2) Errors and Omissions insurance in the amount of Ten Million Dollars (\$10,000,000).
10. Mobile Operators that are unable to obtain the coverage amounts specified in 8 .A or B above must maintain coverage in the maximum amounts allowable by the issuing insurance company. Such operators must provide a notarized statement or letter from their insurance agent or broker stating that the operator was unable to obtain required insurance coverage after a diligent effort and the reason for the deficiency. Such operator shall provide the Director with a detailed plan of how it intends to compensate for the deficiency in insurance coverage, which must be approved by the

Director prior to Licensure.

## **2. Fees**

1. The initial non-refundable fee for background investigation shall be \$5,000.00 for a facility operator license and \$10,000.00 for a mobile operator, management service or supplier license. The hourly rate shall be no more than \$250.00. If the cost surpasses the initial deposit amount, the applicant shall be invoiced for the actual remaining balance due which shall be paid before issuance of a license.
2. All applicants for licenses shall pay all costs of investigations into their backgrounds, suitability, and qualifications for licensure which may include, but are not limited to:
  - A. Transportation;
  - B. Lodging;
  - C. Meals;
  - D. Other expenses associated with traveling;
  - E. Significant office expense;
  - F. Document reproduction costs;
  - G. Preparation time;
  - H. 3<sup>rd</sup> party independent contractors to the department;
  - I. Time necessary for administration of the investigation (including additional staffing on a temporary basis); and
  - J. Other similar expenses incurred until the conclusion of the investigation.
3. Applications shall include the initial license fee of \$4,000.00 for a facility license, \$200,000.00 for a mobile license, \$40,000.00 for a management services license, \$40,000.00 for a supplier license and \$250.00 for an occupational license.
4. The fee for a criminal history record check is fifty-one dollars \$51.00 for occupational applications only.
5. Each license shall expire (4) years from issuance and a renewal must be submitted 60 days before the expiration date including the same fee as the initial fee stated in 3. above, except the occupational license.

## **3. Temporary License**

1. Upon receipt of a completed application, internal controls and all fees, the Director shall review the request and may approve a temporary license. A temporary license shall be good for one (1) year from the date of issuance or until a final determination on the application is made, whichever is sooner.
2. An applicant may be eligible to receive a temporary license to conduct sports wagering activities prior to receiving a permanent license if the applicant has:

- A. Submitted a complete application;
  - B. Included a SOC II, Type 2 audit on the system that will be used to operate all software, hardware and systems which was completed within the 2 years prior to application;
  - C. Any adverse actions taken against a gambling or gambling-related license the applicant holds in any other jurisdiction that could call into question suitability in order to be licensed;
  - D. Any litigation, past or present involving business practices that could call into question suitability in order to be licensed; and
  - E. Paid the initial fees associated with the license and background investigation.
3. Any sports wagering operation or mobile sports wagering operation not permanently licensed within that one year or:
- A. Whose license application has been denied pursuant to 8 M.R.S. §1205;
  - B. Who has failed to establish its qualifications for licensure;
  - C. Failed to submit any materials required by the Director to evaluate an application,

shall immediately cease operations upon either the expiration of its temporary license or upon receipt of the Director's written denial of its license application, whichever is sooner.

4. All sports wagering conducted under authority of a temporary license shall comply with all Maine sports wagering laws and rules. A temporary operator, management service or supplier shall be subject to all the same disciplinary sanctions as a permanent operator, management service or supplier.

#### **4. Occupational License**

- 1. In addition to the requirements of 8 M.R.S. §1202(7)(E) any person whose job description includes those persons considered to have power to exercise sufficient influence over decisions concerning any part of the applicants or licensees' relevant business operation according to section 1204(c).
- 2. Occupational operators, after a one-year initial license may renew for one year for a fee of \$25.00 or for three years for a fee of \$50.00.
- 3. An individual who is actively licensed under section 1015 as an employee of a casino that has a facility sport wagering license may apply for and renew a combination "combo" license on Gambling Control Unit form MGCU-8300 without paying a separate initial license fee or a renewal license fee for the sport wagering occupational license.
- 4. A combo license will be valid for the duration of the employee's current casino gaming license and after renewal for the same duration as the renewed employee license.

5. Any person or entity seeking to renew its application to be a licensed facility or mobile operator, management services provider, supplier or occupational employee shall submit a renewal application at least 60 days prior to the expiration of their current license.

Chapter 53: INTERNAL CONTROLS

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1. Operators shall develop, implement and follow internal control procedures to ensure compliance with Title 8 M.R.S. Chapter 35.
2. Operators shall submit to the Director for approval a written description of internal controls procedures that demonstrate compliance with the rules adopted under this chapter and incorporate administrative and accounting controls with its application and shall obtain the Director's approval before commencing sports wagering.
3. Each operator's internal controls shall include a detailed diagram or description of the operator's organizational structure. The proposed organizational structure shall provide for:
  - A. A system of personnel and chain of command which holds management and supervisory personnel accountable for actions or omissions that violate Maine sports wagering laws or rules 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 sufficiently limited in scope that the responsibilities can practically be performed or monitored by one person.
4. The internal controls shall address the following items regarding the sports wagering operations, at a minimum:
  - A. User access controls for all wagering systems for all sports wagering department or licensed employee personnel;
  - B. Segregation of duties;
  - C. Automated and manual integrity management general authorization procedures;
  - D. Risk management procedures, including procedures to govern emergencies such as suspected or actual cyber-attacks on, hacking of, or tampering with the sports wagering system and associated equipment. The procedures shall include the process for the reconciliation or repayment of a sports wagering account;
  - E. Procedures for identifying and reporting fraud, suspicious wagering activity and suspicious conduct which have as their primary objective rapid identification, effective analysis, and prompt reporting of any potential conduct listed above;
  - F. Procedures for promptly sharing reporting information required Section (4)(D).

above with each operator and disseminating all reports of suspicious activity to all management service providers. All sports wagering operators shall review such reports and notify other operators of whether or not they have experienced similar activity;

- G. Procedures that prevent wagering by patrons prohibited from wagering.
- H. Procedures that ensure a refund of any prohibited wager placed and reporting of the transaction to the Unit within seven (7) business days of the placement of the prohibited wager;
- I. Detailed description of all types of wagers that will be offered by the applicant or the wagering system;
- J. Description of federal and state anti-money laundering “AML” compliance standards, to include;

- (1) Process for accepting wagers and issuing pay outs in excess of \$10,000, and the measures in this system that prevent the system from being used in money-laundering;
- (2) A process for creating and maintaining a log of wagers of \$5,000 or more;
- (3) Methods within the system that identify and prevent the use of structured multiple-wagers within a 24-hour period that patrons might use to circumvent reporting and recording requirements; and
- (4) Reporting to the appropriate authorities.

- K. The following requirements for facility sports wagering Operators, where applicable;

- (1) A detailed procedure for reconciliation of assets and documents contained in a sports wagering area cashier’s drawer or sports wagering kiosks, which shall include the drop and count procedures for sports wagering kiosks;
- (2) A procedure requiring cashiers assigned to an outgoing shift to record on a daily cashier’s shift form the face value of each cashier inventory item counted and the total of the opening and closing cashier inventories;
- (3) A procedure to reconcile the total closing inventory with the total opening inventory;
- (4) Systems sufficient to ensure an auditable trail that permits the review of wagers or reconstruction of transactions;
- (5) A process for maintaining and tracking the custody of inventory, forms, tickets, documents, records and the exchange of currency and coin, utilized by wagering cashiers;
- (6) A detailed description of the process and system for clandestine and continual video surveillance recording of all areas of sports wagering-related activities and the retention or electronic filing of those recordings for a period of no less than 14 calendar days;
- (7) Be capable of processing expired wagering tickets within the sports wagering operator’s system;
- (8) A Method of redeeming tickets (lost, damaged, torn, etc.);
- (9) Procedures for cashing winning tickets at the cage after the sports wagering area has

- closed, if applicable; and
- (10) Procedures for accepting value chips at licensed casinos for sports wagers.
- L. Procedures for issuance and acceptance of promotional funds and free bets for sports wagering in conjunction with requirements in chapter 64 of these rules;
- M. Procedures for the interception of sports wagering winnings according to 8 M.R.S. §1217;
- N. Description of all integrated third-party systems;
- O. Description of all software applications that comprise the system;
- P. Description of all types of wagers available to be offered by the system;
- Q. The process for identifying and restricting prohibited sports wagering participants;
- R. Descriptions of the method to prevent past posting;
- S. Description for the retention of all transactional wagering data for sports pool systems for a period of five (5) years;
- T. A process to close out dormant accounts after one year of no activity;
- U. Detailed procedures that describe how a patron may make adjustments to their sports wagering account, the method they can close out their account, and how patrons will be refunded after the closure of an account;
- V. The method for verifying geolocation systems to reliably establish patrons' geographic locations are within the State of Maine;
- W. Process and systems for using commercially reasonable methods for maintaining the security of patrons' identity and financial information, wagering data and other confidential information from unauthorized access and dissemination;
- X. Detailed responsible wagering program according to Chapter 63;
- Y. A method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), biometric login, two factor authentication or other approved security feature, when applicable;
- Z. Methods of patron notification including any password or security modification via electronic or regular mail, text message, or other manner approved by the Director. Such methods shall include at a minimum:
- (1) Proof of identity, if in person;
  - (2) The correct response to two or more challenge questions;
  - (3) Strong authentication using a combination of upper-case and lower-case letters, numbers and symbols; or
  - (4) Two-factor authentication.
- AA. System to guarantee all adjustments over \$250.00 must be authorized by supervisory personnel prior to being entered and for reporting such activity to the Director on a monthly basis from the wagering system;
- BB. Detail the location of the sports wagering servers, including any third-party remote location servers, and what controls ensure the physical security and access to the sports wagering servers;
- CC. Terms and conditions for sports wagering shall be included as an appendix;
- DD. Description of the process for line setting and line moving;

- EE. Method by which the sports wagering operator will identify and cancel wagers, including defining “obvious error”;
  - FF. A process for voiding wagers;
  - GG. Include copies of all reports, forms or documents used or referenced in the internal controls or produced by the sports wagering system with a brief description of the report;
  - II. Any other internal controls ensuring regulatory compliance with Maine sports wagering or gambling statutes, Gambling Control;
  - JJ. Description of the process for handling incorrectly posted events, odds, wagers, or results;
  - KK. Effect of schedule changes; and
  - LL. Method of contacting the operator for questions and complaints.
5. In the event of a failure of the sports wagering system's ability to pay winning wagers, the operator shall have internal controls detailing the method of paying winning wagers.
  6. The operator shall also file an incident report for each system failure and document the date, time and reason for the failure along with the date and time the system was restored with the Director.
  7. An operator’s system of internal controls shall include the investigation of any patron complaint and provide a response to the patron within ten (10) calendar days. For complaints that cannot be resolved to the satisfaction of the patron, related to sports wagering accounts, settlement of wagers, and/or illegal activity, a copy of the complaint and Operator's response, including all relevant documentation, shall be provided to the Director as applicable for a formal investigation by the unit.
  8. No operator shall alter its internal controls unless and until such changes are approved in writing by the Director.
  9. Amendments to previously approved internal controls must be filed in writing on form MGCU-8400 with the Director for approval prior to implementation, highlighting the amendment(s) with strike through for deletions and underlining for additions.
    - A. The Director and his/her designated personnel shall review the request. After the review is completed, the Director shall communicate to the operator, in writing, the result of the review and:
      - (1) Shall accept the change as submitted;
      - (2) Reject the submission as not in the best interest of the State of Maine; or
      - (3) Propose a revision. In this case, the Director will communicate in writing to the Operator about further changes that will have to be made to the submission before final approval.

- B. If the Operator accepts the Director's recommended changes, the Operator shall make the changes as suggested by the Director and re-submit the request for change document. If the Operator does not accept the suggested changes, the request shall be denied.
  - C. Step A shall be repeated until the Director is completely satisfied with the request for change document.
  - D. The Director shall send to the Operator an accepted version of the submitted request for change with date and signature signifying approval.
  - E. The Director will make every effort to make a determination concerning a submission for change no later than 30 days following receipt of the proposed change unless the Director and the Operator agree to extend the period for making such a determination. No Operator shall alter its internal controls unless and until such changes are approved in writing by the Director.
10. An Operator shall inform the unit of any action that the applicant or operator believes would constitute a violation of statute, rules or internal controls. A person who so informs the unit may not be discriminated against by another applicant or operator because of the supplying of such information.

**Chapter 54: FACILITY OPERATOR OPERATIONAL REQUIREMENTS**

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1. A facility operator shall include, at a minimum, the following departments and/or positions where a sports wagering lounge is utilized. Each of these departments and/or positions shall be required to cooperate with, yet perform independently of, all other departments or positions. Mandatory departments or positions are as follows:
  - A. A sport wagering department or position(s) that during times of operation report to an owner, supervisor or highest-ranking position for the operator of the facility. The sports wagering department shall be responsible for all sports wagering activity including the use and operation of sports wagering kiosks.
  - B. A surveillance department or position(s) that during times of operation report to an owner or highest-ranking position for the operator at the facility.
    - (1) The surveillance department or positions shall be responsible for, without limitation, the following:
      - (a) The clandestine and continual video surveillance and recording of all areas where sports wagering, and sports wagering-related activities is occurring. These video surveillance recordings must be retained or electronically filed for a period of no fewer than 14 calendar days;
      - (b) The detection of cheating, theft, embezzlement, and other illegal activities in the vault, count room, wagering cashiers' counter or windows and the notification of the appropriate owners, supervisors and the Unit upon the detection of listed activities; and
      - (c) Identify, record and report any potential violations of statute, rules or internal controls.
    - (2) The video surveillance system must include components that meet or exceed the following requirements or listed features:
      - (a) Installation which prevents obstruction, tampering, or disabling;
      - (b) Data storage redundancy to prevent the loss of any data;
      - (c) Date and time stamps on all digital recordings that are visible on all monitors based on a synchronized and accurate clock;
      - (d) The ability to provide exported copies of video, audio (if applicable), and image recordings. The system must include a mechanism for authenticating exported recordings;
      - (e) Audible and visual notification of any failure of recording;
      - (f) Secure and separated from other systems, either entirely or by appropriate

- firewalls, so that access to the surveillance system is restricted only to appropriately designated persons;
- (g) Reformat and erase capabilities must be restricted to appropriate personnel and all actions taken to reformat or erase digital recordings must be documented to a permanent and auditable file;
  - (h) Access must be limited to unit personnel and users authorized by the operator and must be secured by unique user identification and a confidential password; and
  - (i) Passwords must be specific to each user and must be changed at least annually.
- (3) The surveillance system must monitor and record the following:
- (a) General activities in the sports wagering area;
  - (b) The entrances and exits to the sports wagering facility or designated area with enough clarity to identify all persons entering or leaving the sports wagering facility or designated area;
  - (c) Each cashier station or window, covering all activity, with enough clarity to identify the employees performing the different functions, patrons conducting transactions, and the values of cash or other instruments presented by or returned to patrons;
  - (d) An overview of each kiosk or self-service sports wagering terminal with enough clarity to identify all persons accessing the kiosk, and to determine if an individual is participating in sports wagering;
  - (e) Wagers be embedded or stamped into the monitoring and recording; and,
  - (f) All areas where cash or cash equivalents may be stored or counted.
- (4) All images and video and audio recordings of activities perceived by sports wagering employees to be suspicious, suspected criminal activity, or in violation of Title 8 M.R.S., Chapter 35 or the rules adopted thereunder, or recorded at the request of the unit, must be retained until the Director or his/her designee gives approval to delete or destroy the recordings, or as required to by law, including upon issuance of a valid subpoena, court order, or other similar document.
- (5) Sports wagering activity will cease in any area of the sports wagering facility where an outage or other malfunction of the surveillance system prevents the operator from maintaining, monitoring, and recording the area, as required by this chapter.
- (6) The sports wagering facility must report to the Unit and Director by phone and email, when surveillance equipment no longer meets the standards set forth in these rules.
- (7) The sports wagering facility must keep its surveillance system, including any stations used to access the system, in secured areas that are effectively restricted to authorized personnel.

- (8) The sports wagering facility must provide “real time live” remote access, meeting ONVIF Profile S and Profile G standards to permit IP based cameras, networks and video encoders to transmit video data over an IP network to the Unit at its main offices in Augusta Maine.
  - (9) The sports wagering facility system shall retain over-ride capabilities.
  - (10) Images captured from or video or audio recordings made by the facility’s surveillance system shall not be transferred to anyone other than the Unit unless the transfer is approved in writing by the Director and the facility’s owner or highest-ranking employee or officer. Violation of this requirement may lead to discipline imposed on the individual or facility.
  - (11) The sports wagering operator must notify the Unit within 12 hours by email or phone of all events that are suspicious, depict suspected criminal activity, are in violation of Title 8 M.R.S., chapter 35 or the rules adopted and submit surveillance reports within 72 hours.
  - (12) Surveillance reports must be maintained and stored electronically, organized chronologically, and include the following information:
    - (a) The date and time of each entry;
    - (b) The identity of the employee making the entry;
    - (c) A narrative summary of the event recorded;
    - (d) Details of the result of any surveillance monitoring;
    - (e) Details of any copies made of recordings of the activity;
    - (f) The details of steps or procedures undertaken to investigate the incident and the results of those investigative steps or procedures; and
    - (g) Any additional information deemed necessary by the sports wagering operator or its employees.
  - (13) The unit shall have complete access to all surveillance reports upon request.
  - (14) The sports wagering facility must maintain the surveillance system and equipment to ensure its operation and security continue to function as designed and remain compliant with the requirements of this rule. Routine and emergency maintenance of any and all surveillance equipment must be completed without compromising any of the required surveillance coverage under this chapter.
- C. A security department or position(s) during times of operation who report to an owner or highest-ranking position for the operator at the facility.
- (1) The security department or position(s) shall be responsible for, without limitation, the following:
    - (a) The physical safety of personnel employed by the operator;

- (b) The physical safeguarding of assets transported to and from the sports wagering kiosks;
  - (c) The protection the operator's property;
  - (d) The maintenance of a security log of all routine and non-routine security department assignments and/or incidents.
  - (e) The means by which access to assets, sports wagering equipment, or the sensitive areas will be controlled;
  - (f) Security training; and
  - (g) Security staffing.
- (2) Sports wagering facilities must have at least one sports wagering occupational licensed security officer stationed in the sports wagering facility whenever the sports wagering facility is open for business, where applicable.
  - (3) Occupational licensed security officers shall be responsible for not allowing those under the age of 21 to wager on sporting events.
- D. An accounting department or position(s) during times of operation who report to an owner or highest-ranking position for the operator at the facility. The accounting department shall be responsible for, without limitation, the following:
- (a) Accounting controls;
  - (b) The preparation and control of records and data;
  - (c) The control of stored data, the supply of unused forms, and the accounting for and comparing of forms used in operations;
  - (d) The operation of the count rooms.
  - (e) The operation of a vault or money room other than a count room; and
  - (f) The custody of currency, coin, tickets, documents and records normally associated with the operation of the sports wagering department.
- 2. A mobile operator or management services shall only accept mobile wagers from patrons that have been affirmatively located as being physically present in the State of Maine at the time of their wager.
  - 3. Sports wagering transactions in a sports wagering facility shall be conducted from a sports wagering cashier window that accepts wagers, kiosks or when a window is closed, a designated area for redemption of winning tickets as approved by the Director.
  - 4. Vaults shall be under the control of the accounting department. The storage or removal of currency from vaults shall be documented, and the amount of currency in each vault shall be reconciled daily.
  - 5. The cashiers assigned to an outgoing shift shall record on a daily cashier's shift form the face value of each cashier inventory item counted and the total of the opening and closing cashier inventories and shall reconcile the total closing inventory with the total opening inventory.
  - 6. At the end of the operator's hours of operation for each day, a copy of the cashier's shift forms and related documentation shall be forwarded to the accounting department for

agreement with opening and closing inventories and transactions.

7. An Operator shall inform the unit of any action that the applicant or operator believes would constitute a violation of statute, rules or internal controls. A person who so informs the unit may not be discriminated against by another applicant or operator because of the supplying of such information.

Chapter 55: PHYSICAL PREMISE REQUIREMENTS

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1. A sports wagering facility must submit a design plan including a detailed description and 8 ½” x 14” drawing to scale of the proposed sports wagering facility to the Director for approval prior to the initial opening of the sports wagering facility.
2. The design plan must show the proposed placement of the following features, as applicable:
  - A. A designated wagering area where the facility operator shall permit authorized persons to conduct or participate in sports wagering.
  - B. A counter which shall be located in or immediately adjacent to the designated sports wagering area to house the wagering cashiers and to serve as the central location for the following:
    - (1) The custody of inventory, forms, tickets, documents, records and the exchange of currency and coin, utilized by wagering cashiers;
    - (2) The responsibility for the overall reconciliation of all documentation generated by wagering cashiers; and
    - (3) The receipt of currency, tickets or vouchers from the count room in conformity with these documents.
  - C. The counter shall be designed and constructed to provide security for the materials housed therein and the activities performed therein; such design and construction shall provide for the following:
    - (1) Manually triggered silent alarm systems for the counter, its ancillary office space and any related vault, that are connected directly to local law enforcement or surveillance or security departments that are manned during operating hours;
    - (2) Any entrance to the counter area, count room, and vault areas (known as “sensitive areas”) that is not a double door entry and exit system shall have badge access controls and/or a single key entry with push bar emergency exit when an access system is malfunctioning or not working.
  - D. The operator shall have within its facility a count room used for counting of sports wagering funds which shall be performed at separate times and independent of counts from any other operation or business within the facility.
    - (1) The count room shall have:
      - (a) Metal doors equipped with badge access control or single key access:

- (b) Tables constructed of clear lexan or similar material to clearly identify currency, coin, tickets or vouchers; and,
  - (c) Video surveillance equipment to capture any and all movement, equipment and documentation used within the room.
  
- E. The operator shall have within its facility a vault used exclusively for storing currency and coin, accepting funds from the count, deliveries of funds and preparing deposits which shall be separate from any other operation or business within the facility.
  - (1) Each vault shall include the following:
    - (a) A metal door with one key or electronic access control that shall be maintained by the operator; and
    - (b) Surveillance cameras approved by the Director to cover all activity within the vault.
  
- 3. All keys shall be secured within the security department that shall be distributed to pre-authorized employees electronically or manually by signing keys out and back in on a bounded book provided by the Operator.
  
- 4. Any changes to the design plan must be approved by the Director in writing before any changes may be made.
  
- 5. If the sports wagering facility is located within a casino operator facility, then the design plan required by this section may use features also used in a casino facility when the sports wagering area is adjacent to the area in the casino where similar features will be utilized as approved by the Director.
  
- 6. The location of self service sports wagering kiosks and cash containers not in use.
  
- 7. Access to assets or restricted areas of sports wagering equipment must be restricted to occupational licensed personnel only.
  
- 8. All persons licensed as a Facility Sports Wagering Operator, or Management Service provider must display their licenses, in a manner plainly visible to the public, on the premises.
  
- 9. Every person licensed as a sports wagering occupational employee must wear in plain view identification issued by the Director.
  
- 10. A person holding a license under Title 8 M.R.S., chapter 35 shall permit the Director or a designee of the unit or the department unrestricted access, during regular business hours, including access to locked or secured areas, to inspect any facility and any equipment, prizes, records or items and materials used or to be used in the operation of any sports wagering or wagering equipment owned, distributed or operated by that person. A person holding a license under this chapter shall consent in writing to the examination of all the Operator's books and records related to operations licensed under this chapter and shall authorize all 3rd

parties in possession or in control of those books and records to allow the Director or the Director's designee to examine such books and records as the Director determines necessary.

Chapter 56: HOUSE RULES

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1. Operators shall adopt comprehensive house rules governing sports wagering to be approved by the Director prior to implementation and must include, at minimum, the following:
  - A. Method for calculation and payment of winning wagers;
  - B. Effect of schedule changes and/or cancelled events;
  - C. Method of notifying patrons of odds or proposition changes;
  - D. A description of all types of wagers that may be accepted;
  - E. Acceptance of wagers at terms other than those posted;
  - F. Expiration of any winning ticket or 183 days after the date of the event;
  - G. Lost, torn, or damaged ticket policy;
  - H. Method of contacting the operator for questions and complaints;
  - I. Description of prohibited sports wagering participants;
  - J. Availability of the unauthorized list and restriction programs;
  - K. Method of funding a sports wager;
  - L. Maximum payouts;
  - M. A provision prohibiting the structuring of wagers to avoid federal currency transactional reporting thresholds;
  - N. A policy by which the Sports Wagering Operator can cancel or void wagers in accordance with these rules, including defining “obvious error.”; and
  - O. A clear statement that the person who accepts and settles a wager is responsible for being a part of the investigation and response to any patron dispute.
2. The house rules, together with any other information the Director deems appropriate, shall be conspicuously displayed in the sports wagering facility, posted on the operator’s website, mobile applications or other digital systems, included in the terms and conditions and copies shall be made readily available to patrons.
3. Amendments to previously approved house rules must be filed with the Director for approval prior to implementation, highlighting the amendment(s) with strike through for deletions and underlining additions.
4. The Director and his/her designated personnel shall review the request. After the review is completed, the director shall communicate to the operator, in writing, the result of the review and:
  - A. Shall accept the change as submitted, or

- B. Reject the submission as not in the best interest of the State of Maine, or
  - C. Propose a revision. In this case, the Director will communicate in writing to the Operator about further changes that will have to be made to the submission before final approval.
5. If the Operator accepts the Director's recommended changes, the Operator shall make the changes as suggested by the Director and re-submit the request for change document. If the Operator does not accept the suggested changes, the request shall be denied.
  6. Step A shall be repeated until the Director is completely satisfied with the request for change document.
  7. The Director shall send to the Operator an accepted version of the submitted request for change with date and signature signifying approval.
  8. The Director will make every effort to make a determination concerning a submission for change no later than 30 days following receipt of the proposed change unless the Director and the Operator agree to extend the period for making such a determination. No Operator shall alter its house rules unless and until such changes are approved in writing by the Director.
  9. The Director may at any time request additional explanation or modification of any current house rules.

1. Prior to operating sports wagering or mobile sports wagering in the State, all equipment and software used in conjunction with its operation shall be submitted to a Department approved independent testing laboratory recognized by the Director for certification of the use for operation in the State. A Department approved independent testing laboratory must certify that the sports wagering system used in conjunction with the Sports Wagering Operation meets or exceeds the standards approved by the Director, and the standards established by this rule. Sports Wagering Operations are prohibited from offering sports wagering in Maine without such certification.
2. This rule incorporates by reference the State of Maine Sports Wagering or Associated Equipment Standards, 2022 edition consisting of GLI-33 version 1.1, Standards for Event Wagering Systems and its appendices, and GLI-CMP, version 1.0, Change Management Program Guide. Copies of this standard are available through the Maine Department of Public Safety, Gambling Control Unit, 45 Commerce Drive, Augusta, ME 04330.
3. The Director will make available, upon request, those laboratories approved to certify systems for use. A sports wagering operator may seek recognition of an alternative testing laboratory for use in completing the certification by submitting a written request to the Director. The Director will review the qualifications and experience of the testing laboratory and determine whether to recognize that entity as an approved provider. The Director will make available the names of organizations that are approved to complete certifications upon request.
4. All wagers on authorized sporting events shall be initiated, received, and otherwise made within this State unless otherwise determined by the Director in accordance with applicable federal and state laws. Consistent with the intent of the United States Congress as articulated in the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the intermediate routing of electronic data relating to a lawful intrastate wager authorized under this provision shall not determine the location or locations in which such wager is initiated, received, or otherwise made.
5. A Sports Wagering Operator shall document and maintain any system malfunction or deviation from the equipment and software and maintain that data for a minimum period of five (5) years.
6. A sports wagering operator must locate the primary server in the state of Maine. The primary server shall be the server responsible for the acceptance and storage of patron wagers. The

location selected must have adequate security, access controls and the same twenty-four (24) hour surveillance as required of the sports wagering facility. Access to the primary server location by the Director, and all information necessary for the Department to conduct any investigation shall be provided to the Department immediately upon request.

7. A sports wagering system shall maintain all Transactional Wagering Data for a period of five (5) years.
8. The Director may approve the use of cloud storage for duplicate data, or data not related to transactional wagering data upon written request by a Sports Wagering Operation.
9. A sports wagering system shall be capable of recording and maintaining the following information for each wager made, and be capable of transmitting it to the Director upon request:
  - A. Description of event;
  - B. Event number;
  - C. Wager selection;
  - D. Type of wager;
  - E. Amount of wager;
  - F. Date and time of wager;
  - G. Unique wager identifier;
  - H. Player identification number (If applicable);
  - I. Current wager status (active, cancelled, redeemed, pending voided, etc.)
  - J. An indication of when the ticket expires.
  - K. Name and address of the party issuing the ticket;
  - L. Results of wagering;
  - M. Amount won;
  - N. Date and time winning wager was paid to patron; and
  - O. Additional requirements for all tickets generated by a cashier or at a kiosk;
10. If the sports wagering system issues and redeems a sports wagering voucher, the system shall be capable of recording the following information for each voucher:
  - A. Amount of voucher
  - B. Date, time and location of issuance;
  - C. Unique operator/Operator identifier;
  - D. Expiration date of the voucher; and
  - E. Date, time and location of redemption.
11. A sports wagering system that offers in-play wagering or bets placed during a game or event shall be capable of the following:

- A. The accurate and timely update of odds for in-play wagers;
  - B. The ability to notify the patron of any change in odds after a wager is attempted;
  - C. The ability to confirm to the patron the wager after notification of the odds change; and
  - D. The ability to freeze or suspend the offering of wagers when necessary.
12. A sports wagering system shall be configured to allow a sports wagering operator to rescind, void, or cancel a wager, which it may only if one or more of the following conditions is met prior to the time at which the outcome of the related event is known:
- A. Upon approval of the Director;
  - B. In the event that the Wager was placed by a prohibited participant or a person outside of Maine;
  - C. In the case of obvious error, as specified in the sports wagering operator's terms and conditions, house rules or internal controls; or
  - D. In the case of a wager indicating Suspicious Wagering Activity.
13. A sports wagering operator or management service provider receiving a report of Suspicious Activity shall be permitted to suspend wagering on events related to the report but may only cancel related wagers after Director approval.
14. When a sports wager is voided or cancelled, the system shall clearly indicate that the ticket is voided or cancelled, render it nonredeemable and make an entry in the system indicating the void or cancellation and identity of the cashier or automated process with management's specific authorizations. The operator must notify the Unit of any wagers that have been rescinded, voided, or cancelled in accordance with this Rule within 12 hours by email or phone.
15. A sports wagering system shall prevent past posting of wagers and the voiding or cancellation of wagers after the outcome of an event is known.
16. Sports wagering systems shall employ a mechanism capable of maintaining a copy of all the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the sports wagering system can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.
17. A sports wagering system shall, at least once every 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. In the event of an authentication failure, at a minimum, shall immediately notify the operator and Director within 24 hours by email. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than 90 days.
18. A sports wagering system shall have controls in place to review the accuracy and

timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs resulting in a loss of communication with data feeds used to offer or redeem wagers, such error shall be recorded in a log capturing the date and time of the error, the nature of the error and a description of its impact on the system's performance. Such information shall be maintained for a period of not less than two (2) years.

19. The operator or management service operating a sports wagering system shall provide access to wagering transactions and related data as deemed necessary by the Director in the manner required by the Director in real time.

20. A sports wagering system shall be capable of maintaining the following:

- A. Description of the event;
- B. Event number;
- C. Wager selection;
- D. Type of wager;
- E. Amount of wager;
- F. Amount of potential payout;
- G. Date and time of wager;
- H. Identity of the cashier accepting the wager if applicable;
- I. Unique ticket identifier;
- J. Expiration date of ticket;
- K. Patron name, if known;
- L. Date, time, amount, and description of the settlement;
- M. Location where wager was made;
- N. Location of redemption; and
- O. Identity of cashier settling the wager if applicable.

21. No payment of a ticket shall be made unless the ticket meets the following requirements:

- A. It is presented on a fully legible, valid, printed ticket on paper approved by the Director, containing the information as required.
- B. It is not mutilated, altered, unreadable, or tampered with in any manner, or previously paid.
- C. It is not counterfeit in whole or in part.
- D. It is presented by a person authorized to play.

22. If an operator finds Suspicious Activity, they shall immediately notify an Independent Integrity Monitor, who will disseminate the information to all other operators, the Director, and all other regulatory agencies or governing authorities as approved by the Director.

23. Sports wagering systems shall provide the Director with remote access of real time live attempts of transactions and any reports of suspicious wagering activity in Maine.

24. Notwithstanding the other provisions of this section, all information and data received related to Suspicious Wagering Activity shall be considered confidential and shall not be revealed in whole or in part, except upon the lawful order of a court of competent jurisdiction or with any law enforcement entity, or regulatory agency, governing body, independent third-party integrity monitor or auditor or other entity that the Director deems appropriate.
25. A SOC 2 Type II audit that includes all five trust principles shall be completed by licensed operators by June 1 of each year, for the previous calendar year, on any and all sports wagering systems for use in Maine or to support Maine sports wagering activity operated and/or maintained by operators, management service providers or suppliers. A copy of that audit shall be forwarded to the Director by June 30 of each year which must include at a minimum the following:
- A. The scope of review;
  - B. Name and company affiliation of the individual(s) who conducted the audit;
  - C. Date(s) of audit;
  - D. Findings with regard to compliance with the Sports Wagering System requirements set forth in statute, rules and internal controls;
  - E. Recommended corrective action, if any; and
  - F. The operator's response to the findings and recommended corrective action.
26. A sports wagering system shall utilize sufficient security to ensure patron access is appropriately limited to the account holder. Unless otherwise authorized by the Director, security measures shall include at a minimum:
- A. A username; and
  - B. Compliance with NIST Special Publication 800-63-3 "Digital Identity Guidelines for password and access security including requiring two of the three multi-factor identification methods; or
  - C. Other requirements set forth by the Director.
27. A sports wagering system shall be designed to detect and report:
- A. Suspicious behavior, such as cheating, theft, embezzlement, collusion, money laundering, or other illegal activities; and
  - B. The creation of an account by an excluded person or any individual who is prohibited from any form of sports wagering.

16 DEPARTMENT OF PUBLIC SAFETY

633 GAMBLING CONTROL UNIT

Chapter 58: SPORTS WAGERS

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1. An operator or management service provider shall not offer or accept any wager on a sports event unless it has been approved in writing by the Director before the first time that wagering on a category of a wagering event (for example, wagering on a particular type of professional sport) or type of wager (for example an in-play wager or exchange wager) is offered to the public. Written approval from the Director shall be received prior to accepting a wager on any wagering event.
2. An approved list of events and types of wagers shall be maintained on the unit's website.
3. The Director reserves the right to prohibit the acceptance of wagers on any event for which wagering would be contrary to the public policies of the State and may order the cancellation and refund of such wagers.
4. Any Operator may petition the Director for approval of a new sporting event or type of wager upon which wagers may be placed or accepted on form MGCU-8400.
  - A. A petition for approval of a proposed new sporting event must be submitted a minimum of thirty (30) business days or for types of wagers submissions must be submitted within ten (10) business days, prior to being offered.
  - B. A proposed new sporting event or type of wager may be a variation of an authorized sports wagering event or type of wager, a composite of an authorized Sporting Event or wager or any other sporting event or wager compatible with the public interest, by statute and/or rule.
  - C. Form MGCU-8400 shall be submitted for Director approval and shall include the following information:
    - (1) The name of the petitioner;
    - (2) Whether the new Sporting Event or type of wager is a variation of an authorized Sporting Event, a composite of an authorized Sporting Event, or any other Sporting Event compellable with the public interest, by statute and/or rule;
    - (3) A complete and detailed description of the new Sporting Event or type of wager for which approval is sought;
    - (4) Evidence of governing body rules and regulations or independent integrity monitoring of the new Sporting Event or type of wager; and
    - (5) Any other pertinent information or material requested by the Director.
5. Amendments to previously approved sporting events must be filed with the Director for

approval prior to implementation, highlighting the amendment(s) with strike through for deletions and underlining additions.

6. The Director and his/her designated personnel shall review the request. After the review is completed, the director shall communicate to the operator, in writing, the result of the review and:
  - A. Shall accept the change as submitted, or
  - B. Reject the submission as not in the best interest of the State of Maine, or
  - C. Propose a revision. In this case, the Director will communicate in writing to the Operator about further changes that will have to be made to the submission before final approval.
7. If the Operator accepts the Director's recommended changes, the Operator shall make the changes as suggested by the Director and re-submit the request for change document. If the Operator does not accept the suggested changes, the request shall be denied.
8. The Director shall send to the Operator an accepted version of the submitted request for change with date and signature signifying approval.
9. The Director will make every effort to make a determination concerning a submission for change no later than ten (10) business days following receipt of the proposed change unless the Director and the Operator agree to extend the period for making such a determination.
10. An operator or management service provider shall only accept wagers on sports events and other events for which:
  - A. The outcome can be verified;
  - B. The outcome can be generated by a reliable and independent process;
  - C. The outcome cannot be affected by any wager placed; and
  - D. The event is conducted in conformity with all applicable laws.
11. Sports wagers placed in sports wagering lounges or other approved areas within a licensed facility shall be made with:
  - A. Cash;
  - B. Cash equivalent;
  - C. Promotional funds;
  - D. Sports wagering vouchers or tickets;
  - E. Value casino gaming chips; and
  - F. Any other means approved the Director.
12. The events available for wagering shall be displayed in a manner visible to the public, such as odds boards or odds sheets, and the operator's surveillance system. The display shall include the event number, odds, and a brief description of the event.

13. An operator may, in its discretion, accept a layoff wager from another licensed sports wagering operator. A licensed sports wagering operator placing a layoff wager shall disclose its identity to the other licensed sports wagering operator accepting the wager. These wagers shall be reported to the director or his/her designee immediately after the wager has been made. Layoff wagers are prohibited with operators in other jurisdictions.
14. Pool, shared liquidity pool, contest, or weekly pick event means a wagering or promotional offering where patrons may make selections of outcomes on a set number of sports events on a card in order to enter for a chance to win all or a portion of the prize pool.
15. Prior to offering a pool, contest or weekly pick event that will be made available to patrons in Maine, or a shared liquidity pool available to patrons in Maine and other jurisdictions, with the prize pool being comprised of entry fees collected from patrons in multiple jurisdictions, a sports wagering operator must obtain approval from the Director. The request must provide a detailed description of the pool, shared liquidity pool, contest or weekly pick event, and must include the rules, requirements for entry, the rake and winning pay out(s). Once a sports wagering operator receives approval to offer a pool, shared liquidity pool, contest, or weekly pick event the sports wagering operator shall not be required to seek additional approvals from the Director for each subsequent offering that is substantially similar.
16. The sports wagering operator shall be responsible for establishing the rake. The sports wagering operator's rake collected from patrons that enter a pool, shared liquidity pool, contest or weekly pick while located in the State of Maine, less any rake adjustment, if applicable, shall be considered net sports wagering proceeds.
17. At no time shall the calculation resulting from a rake adjustment be negative.
18. The rake rate must be the same for all jurisdictions participating in a shared liquidity pool available to patrons in Maine and other jurisdictions.
19. Agents or proxies shall not be allowed in a wagering offering. A pool, shared liquidity pool, contest or weekly pick event that is offered for promotional or other purpose that do not involve activity that can be characterized as gambling and/or sports wagering in violation of Maine laws and rules must identify any agent and/or proxy acting on behalf of any participant and the name of that individual.
20. Unauthorized sports wagering participants include any individual whose participation may undermine the integrity of the wagering or the sports event, or any person who is prohibited including, but not limited to:
  - a. Any individual placing a wager as an agent or proxy;
  - b. Any person who is an athlete, coach, referee, or player, in any sports event overseen by

- that person's sports governing body based on a list provided to the sports wagering operators by that person's sports governing body through the Director;
- c. A person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including, but not limited to, coaches, managers, handlers, or athletic trainers based on a list provided to the applicable sports wagering operators by that person's sports governing body through the Director;
  - d. A person under the age of 21;
  - e. A person with access to certain types of exclusive information on any sports event overseen by that person's sports governing body based on publicly available information, or based on a list provided to the applicable sports wagering operators by that person's sports governing body through the Director;
  - f. A list provided to the Director by a sports governing body shall be in a format and contain data fields designated by the Director or the Director's designee. When a list or updated list is provided, the Director will direct that list to all sports wagering operators. This list shall be deemed confidential and only be used for compliance with this rule.
21. A prohibited sports wagering participant must refrain from engaging in sports wagering in the state of Maine.
22. A sports wagering operator shall use a commercially reasonable method to confirm that the patron is not a prohibited sports wagering participant.
23. A sports wagering operator shall attempt to resolve all patron disputes with a patron. A sports wagering operator shall investigate each patron complaint and provide a response to the patron within ten (10) business days and provide a copy of the response to the Director. The response shall inform the patron of their right to appeal the decision of the operator to the Director.
24. With a request for appeal from the patron, the Director shall conduct whatever investigation is necessary and must determine whether a different resolution shall be made. A unit inspector may investigate the dispute and shall report to the Director for a decision.
25. The Director must notify the operator and the patron in writing of the Director's decision regarding the dispute, within ten (10) business days after the completion of the investigation.
26. A patron or Operator aggrieved by the decision of the Director may appeal the decision to the Commissioner of Public Safety for a final decision. After review, the commissioner shall issue a decision to uphold, modify or overrule the Director's decision. In the case of appeal to the commissioner, the patron or Operator must be afforded the opportunity for an adjudicatory hearing in accordance with this chapter and the Maine Administrative Procedure Act at the expense of the patron or Operator, if applicable. A person aggrieved by the final decision of the commissioner may appeal the commissioner's decision to the Superior Court in accordance with Title 5, chapter 375, subchapter 7.

1. The facility operator or its management service provider may utilize sports wagering kiosks for wagering transactions in conjunction with an approved sports wagering system in a location within the facility approved by the Director.
2. This rule incorporates by reference the State of Maine Sports Wagering or Associated Equipment Standards, 2022 edition consisting of GLI-20 version 2.0, Standards for Kiosks. Copies of this standard are available through the Maine Department of Public Safety, Gambling Control Unit, 45 Commerce Drive, Augusta, ME 04330.
3. The Director will make available, upon request, those laboratories approved to certify systems for use.
4. When used to redeem sports wagering tickets or vouchers, sports wagering kiosks shall work in conjunction with an approved sports wagering system and shall be designed to:
  - A. Accurately obtain the unique identification number of the item presented for redemption and cause such information to be accurately and securely relayed to the sports wagering system for the purpose of redemption;
  - B. Issue currency or a sports wager voucher or both in exchange for the item presented only if the sports wagering system has authorized and recorded the transaction; and
  - C. Return a sports wager ticket and voucher to the patron when it cannot be validated by the sports wagering system or is otherwise unredeemable.
5. When used to redeem sports wager vouchers, the sports wagering kiosk or sports wagering kiosk computer system shall be capable of generating a voucher redemption report and a voucher issuance report for each gaming day. The reports shall include each voucher's unique identifier, the date and time of redemption or issuance and the value of each voucher
6. When used to redeem sports wager tickets, the sports wagering kiosk or sports wagering kiosk computer system shall be capable of generating a ticket redemption report for each gaming day. The report shall include each ticket's unique identifier, the date and time of redemption or issuance and the value of each ticket.
7. A sports wagering kiosk used in accordance with this section shall not:
  - A. Redeem a sports wagering voucher with a value of more than \$3,000; or
  - B. Issue a ticket with a potential payout of more than \$10,000.
8. An operator of a sports wagering kiosk shall replenish kiosk cassettes

which shall be completed by alternating personnel from the accounting department and escorted by security and monitored and recorded by surveillance on a schedule approved by the Director or his/her designee.

9. An operator of a sports wagering kiosk shall remove the bill validator boxes for counting purposes by personnel from the sports wagering department on a scheduled approved by the Director while escorted by security, monitored and recorded by surveillance to the count room.
10. The counting of boxes shall be completed by at least two alternating personnel with incompatible functions in a count room documented by a bounded log consisting of date, time entered, name and time departed for each entry into the room of which the entire process shall also be monitored and/or recorded by surveillance and kept for (14) fourteen calendar days.
11. Procedures and requirements for conducting the count shall be the following:
  - A. Personal items or any items other than those required to complete the count shall be allowed in any count or vault room;
  - B. Prepare or generate reports that summarizes the total boxes counted by box number, currency, sports wagering tickets, and sports wagering vouchers counted;
  - C. Complete a dual count of which one shall be manually and reconciliation;
  - D. Segregation of bills, tickets, or vouchers and resolving any discrepancies;
  - E. Handling of torn or mutilated bills, tickets, or vouchers;
  - F. Utilization of counting machines;
  - G. The contents of each box shall be emptied on the count table and counted separately;
  - H. The inside of the empty box shall be held up to the full view of a surveillance camera;
  - I. Transfer the currency to the vault for preparing a bank deposit and any reports; and
  - J. Maintain original sports wagering tickets and vouchers in a secured location until approved for destruction by the Director after 2 years.
12. The operators shall reconcile the sports wagering cashiers and kiosks transactions daily by employees with incompatible functions. Any variance of \$ 500.00 or more shall be documented by the accounting department and reported in writing to the Director within 72 hours of the end of the gaming day during which the variance was discovered.
13. The report shall include a surveillance review of all transactions, indicate the cause of the variance, if known, contain any copies of documentation required to support the reason for the variance and the resolve to prevention of the variance taking place in the future, if applicable.
14. All accounting forms shall be forwarded to the accounting or similar department and filed securely for a period of at least 5 years with Director approval to destroy at the end of that period.

1. The following applies only to mobile sports wagering conducted via an individual's sports wagering account:

All sports wagering systems authorized by this chapter shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

2. Sports wagering systems shall provide a mechanism for the Director to query and export all sports wagering system data in a format required by the Director.
3. System specifications and sports wagering system logging requirements shall include all information required by the internal controls.
4. Mobile sports wagering shall be made by patrons who have established a sports wagering account.
5. In order to establish a sports wagering account, an operator or management service provider shall:
  - A. Create an electronic patron file, which shall include at a minimum:
    - (1) Patron's legal name;
    - (2) Patron's date of birth;
    - (3) Entire or last four digits of the patron's Social Security number or equivalent for a foreign patron such as a passport number or taxpayer identification number;
    - (4) Patron's mobile sports wagering account number;
    - (5) Patron's residential address (a post office box is not acceptable);
    - (6) Patron's electronic mail address;
    - (7) Patron's telephone number;
    - (8) Any other information collected from the patron used to verify his or her identity;
    - (9) The method used to verify the patron's identity; and
    - (10) Date of verification.

- B. Encrypt all of the following information contained in an electronic patron file:
    - (1) Patron's Social Security number or equivalent for a foreign patron such as a passport number or taxpayer identification number;
    - (2) Patron's passwords and/or PINs; and
    - (3) Credit or debit card numbers, bank account numbers, or other personal financial information.
  
  - C. Verify the patron's identity in accordance with the document number of the government issued credential examined or other methodology for remote multi-sourced authentication, which may include third-party and governmental databases, as approved by the Director.
  - D. Require the patron to establish a password and multi-factor authentication or other access security feature as approved by the Director and advise the patron of the ability to utilize "strong authentication" login protection;
  - E. Verify that the patron is 21 years old or older, not on the Unauthorized list, or otherwise prohibited from participation in sports wagering;
  - F. Record the patron's acceptance of the operator's terms and conditions to participate in wagering through the mobile application or any authorized digital system accepting wagers online;
  - G. Record the patron's certification that the information provided to the operator by the individual who registered is accurate;
  - H. Record the patron's acknowledgement that the legal age for sports wagering is 21, and that he or she is prohibited from allowing any other person to access or use his or her sports wagering account and will be placed on the involuntary list of excluded patrons, if found in violation of this paragraph; and
  - I. Notify the patron of the establishment of the account via electronic mail or regular mail.
6. A patron shall have only one sports wagering account for each operator or management service provider. Each sports wagering account shall be:
- A. Non-transferable;
  - B. Unique to the patron who establishes the account; and
  - C. Distinct from any other account number that the patron may have established with the operator.
  - D. The operator shall implement procedures to terminate all accounts of any patron that establishes or seeks to establish more than one account, whether directly or by use of another person as proxy. The operator shall also implement capabilities to detect and prevent proxy wagering from occurring on the system.
7. A patron's sports wagering account for mobile sports wagers may be funded using:
- A. A patron's deposit account;

- B. A patron's deposit of cash or gaming chips at a facility lounge;
  - C. Promotional or bonus credit;
  - D. Winnings;
  - E. Adjustments made by the Operator with documented notification to the patron; or
  - F. Any other means approved by the Director.
8. An operator or management service provider shall not permit a patron to transfer funds to another patron.
  9. Sports wagering operators shall establish the minimum and maximum wager a patron may make on a single sports bet.
  10. All adjustments to sports wagering accounts for amounts of \$250.00 or under shall be periodically reviewed by audit personnel. All adjustments over \$250.00 shall be authorized by supervisory personnel prior to being entered and such activity shall be reported to the director monthly.
  11. An operator's sports wagering system must employ a mechanism that can detect and prevent any wagering or withdrawal activity by a patron that would result in a negative balance in that patrons account.
  12. A process to provide players with information about their play. This includes history, money spent, games played, net wins/losses, limits history, and any other relevant information;
  13. A process to provide players with updates during play about time and money spent and account balances in cash;
  14. Providing credit to patron sports wagering accounts is strictly prohibited.
  15. Sports wagering systems shall require a patron after fifteen minutes of user inactivity, as measured by the electronic wagering system, to re-enter his or her username and password manually or through biometric authentication, or any other method approved by the department.
  16. An operator's sports wagering systems shall provide an account statement with account details to a patron on demand, which shall include detailed account activity for at least the six months preceding 24 hours prior to the request. In addition, an operator's sports wagering system shall, upon request, be capable of providing a summary statement of all patron activity during the past year.
  17. The operator shall have specific measures in place to protect their patrons during certain "high risk transactions" on their account, where there is an increased susceptibility to fraud schemes such as Bonus abuse, Account Takeover, Payment Fraud, or Friendly Fraud / First Party Fraud. These high risk transactions shall be mitigated using biometrics, device

fingerprinting, location intelligence and/or other fraud detection techniques. These “high risk transactions” include:

- A. Modification of contact information;
  - B. Addition of a new funding method or modification of an existing funding method;
  - C. Addition or modification of a withdrawal method;
  - D. Withdrawal of a certain amount, however this threshold can be raised for specific players, provided the operator utilizes analytical tools determining an individual patron’s transactional behavior and establish “high-risk” threshold on a individual basis based on historical activity; and
  - E. Activity from an OFAC restricted region
18. An operator shall maintain a segregated account separate from all other operating accounts to ensure the security of funds held in patron sports wagering accounts. The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all patron sports wagering accounts, funds on game, and pending withdrawals. An operator shall have unfettered access to all patron sports wagering account and transaction data to ensure the amount held in its independent account is sufficient. The operator shall file a monthly attestation with the Director that the funds have been safeguarded pursuant to this subsection.
19. An operator or management service provider shall periodically re-verify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.
20. A mobile sports wagering system shall provide a conspicuous and readily accessible method for a patron to close his or her account through the account management or similar page. Any balance remaining in a patron's sports wagering account closed by a patron shall be refunded pursuant to the operator’s approved internal controls.
21. Operators shall obtain a bond in the amount of Five Hundred Thousand Dollars (\$500,000.00) in order to conduct sports wagering In the State of Maine. The bond will be used to fund the reserve. The company issuing the bond shall be financially rated “A” or better by a nationally recognized rating agency and duly licensed, admitted, and authorized to transact business in the State of Maine. Operators shall provide the original bond to the Director. The bond shall be renewable annually and shall list the Director as obligee of the bond. The bond may not be cancelled without prior approval from the Director.
22. Operators shall also maintain a reserve in the form of cash, cash equivalents, irrevocable letter of credit, in addition to the above-referenced bond, of not less than the amount necessary to ensure the ability to cover the outstanding liability related to the sports wagering accounts.

23. The outstanding liability shall be the sum of the following amounts:
- A. Amounts held by the operators for sports wagering accounts;
  - B. Aggregate amounts accepted by the operator as wagers on sporting events with outcomes that have not been determined; and
  - C. Amounts owed but unpaid by the operator on winning wagers.
24. Operators must receive Director approval to remove, release, or withdraw funds that are held in the reserve account that are in excess of the operator's reserve requirement.
25. Operators shall calculate their reserve requirements each day. In the event a operator determines that its reserve is not sufficient to cover the calculated requirement, the Operator, within twenty-four (24) hours, must notify the Unit auditor assigned to sports wagering activity of this occurrence and indicate the steps the operator has taken to remedy any deficiency. All reserve funds must be held with a financial institution that is federally insured by the FDIC or NCUA and lawfully operating in Maine.
26. The Gaming system shall have access to reporting, analytics, and automation capabilities to ensure ongoing prevention and reporting of fraudulent activities, including but not limited to:
- A. Real time monitoring tools and recurring reports detecting all fraud types including Bonus Abuse, Identity Theft, Account takeover, Bot Abuse, Fraudulent Chargebacks, Payment Fraud and Collusion.
  - B. Recurring reports focused on player analytics at the following levels: device, account, and location;
  - C. Detection and cessation of organized fraud groups, fraud rings;
  - D. Provide link analysis between locations, accounts and devices;
  - E. Prevent the victimization of genuine individuals;
  - F. Identify and mitigate locations that are deemed high risk, eg. and/or where rapid account creation is identified and occurring; suspicious activity, fraud rings, etc.
  - G. Suspend devices and accounts when deemed highly suspicious
  - H. Suspicious Activity Report (SARs)
  - I. Prior to conducting internet/mobile gaming, internet/mobile sports wagering or establishing an account, the Operator shall develop and implement a policy for the handling of patrons discovered to be using an account in a fraudulent manner, that includes but is not limited to:
    - (1) The maintenance of information about any patron's activity, such that if fraudulent activity is detected the regulatory authority and/or law enforcement has all of the necessary information to investigate and take appropriate action;
    - (2) The suspension process for any account discovered to be providing access to fraudulent patrons; and
    - (3) The treatment of deposits, wagers, and wins associated with a fraudulent

account.

27. A sports wagering account shall be suspended under the following conditions:
  - A. When requested by the patron for a specified period of time, which must not be less than seventy-two hours;
  - B. When required by the Director;
  - C. When an operator determines that the patron is a prohibited sports wagering participant; or
  - D. When an operator has evidence that indicates that the account has been used for illegal activity; that the account has a negative balance; or that the patron has violated the account's terms and conditions.
28. When a sports wagering account is suspended, the operator must do all of the following:
  - A. Prevent the patron from placing sports wagers;
  - B. Prevent the patron from depositing funds unless the account is suspended due to having a negative balance, but only to the extent the account balance is brought back to zero dollars;
  - C. Prevent the patron from withdrawing funds from their account, unless the operator determines that the funds have cleared, and that the reason(s) for suspension would not prohibit a withdrawal;
  - D. Prevent the patron from making changes to their account;
  - E. Prevent the patron from permanently closing their account; and
  - F. Prominently display to the patron that their account is suspended, the restrictions placed on their account, and any further course of action needed to lift the suspension.
29. A suspension may be lifted for any of the following reasons:
  - A. Upon expiration of the time period established by the patron;
  - B. If authorized by the Director;
  - C. When the patron is no longer a prohibited sports wagering participant; or
  - D. When the operator has investigated the evidence of illegal activity, a negative account balance, or a violation of the account's terms and conditions, and determined that the suspension should be lifted.

Chapter 61: SPORTS WAGERING REVENUE RECONCILIATIONS

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1. Payments due to the state for sports wagering operations shall be due by 5:00 pm EST on April 10<sup>th</sup>, July 10<sup>th</sup>, October 10<sup>th</sup> and January 10<sup>th</sup> for each previous quarter in the calendar year. The tax imposed on the adjusted gross sports wagering receipts is 10% due to the Director for distribution by the Treasurer of State. Late payments shall be charged a 1.5% interest fee on the unpaid balance per month until paid in addition to any monetary disciplinary action for violation of this rule.
2. For calculating gross sports wagering revenue due the state, free play, sign on bonuses or any other marketing promotion shall not be given credit towards the calculation of adjusted gross wagering receipts.
3. A list of all reports available from the system and a brief description shall be part of the internal controls approved by the Director.
4. The sports wagering system shall be required to generate reports of adjusted gross sports wagering receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as deemed necessary by the Director. Such reporting shall be done using cash basis accounting.
5. 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 may contain an indication of "No Activity" or similar message if no data appears for the period specified.
6. All system generated data required by this rule must be available in report image formats as well as database type formats as approved by the Director.
7. A sports wagering system shall, at a minimum, generate the daily reports for each gaming day in order to calculate the taxable revenue or to ensure the integrity of operations related to operating sports wagering.
8. All reports available by any sports wagering system shall be immediately available upon request by the Director and forwarded to the auditor assigned to the sports wagering area.

Chapter 62: GEOLOCATION AND REMOTE ACCESS

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1. In order to prevent unauthorized use of a mobile sports wagering system, the operator or management service provider must utilize a Geolocation System to reasonably detect the physical location of a player attempting to access the mobile sports wagering system; and to monitor and block unauthorized attempts to access the mobile sports wagering system.
2. Geolocation timing and verification frequency:
  - A. To ensure the patron is continually located within the permitted boundary, and that the device maintains compliance to all geolocation and fraud requirements throughout the gaming session, the system must be equipped to dynamically monitor the patron's location and block unauthorized attempts to access the gaming system throughout the duration of the patron session.
  - B. The Internet or mobile gaming system shall trigger:
    - (1) A geolocation check prior to the placement of the first bet or wager;
    - (2) Recurring periodic geolocation checks, if a patron session is longer than a single bet or wager, shall be administered as follows:
      - (a) Static connections: recheck at least every twenty (20) minutes or five (5) minutes if within one (1) mile of the border.
      - (b) Mobile Connections: recheck intervals to be based on a patron's proximity to the border with an assumed travel velocity of 65 miles per hour or a demonstrated average velocity of a roadway/path. This interval shall not exceed twenty (20) minutes.
    - (3) Upon a change of IP address, a geolocation check shall occur prior to placement of the next wager;
    - (4) An immediate recheck if the patron cannot be located due to a momentary absence of location data mid-session (and the immediately preceding geolocation check during the same gaming session was successful). A total of five (5) rechecks within a period of 5 minutes are permitted in this scenario; thereafter, wagering must cease if the patron cannot be successfully located. Exercising this option is acceptable only when the device is accessing the internet utilizing a static (non-mobile) access point.
      - (a) If all required geolocation rechecks have been exhausted, and the location of the patron is still inconclusive, the Internet gaming system may permit the patron to complete their current round of play, including any continuation bets, before their wagering session is terminated.

3. The geolocation supplier shall provide real time geolocation data to the Director.
4. A Geolocation System supplier shall be licensed in the state as a sports wagering supplier.
5. Geolocation systems shall, prior to use, undergo a system certification conducted by an independent testing laboratory, approved by the Director. Specific requirements may also be issued by the Director at times when updates or changes are required.

Chapter 63: RESPONSIBLE WAGERING PROGRAM

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1. Each facility or mobile license applicant shall propose a Responsible Wagering Program as an element of its license application. An Operator shall maintain its plan for as long as the Operator accepts wagers in the State of Maine. An Operator may propose amendments to its Responsible Wagering Program provided it submits the amendment for approval by the Director at least thirty (30) calendar days before the proposed effective date of any changes to the plan.
2. The Responsible Wagering Program shall include, at a minimum, the following unauthorized list requirements:
  - A. A clear statement of policy and commitment, training, procedures, and certification of implementation to begin at time of licensure;
  - B. A process for individuals to make a request to be placed on the unauthorized list on a form(s) approved by the Director, which shall include:
    - (1) Any person may request to be added to the unauthorized list pursuant to these regulations by appearing in person at an office of the State of Maine Gambling Control Unit, a licensed facility operator; or
    - (2) An affiliate office of the Problem Gambling Services Provider of the Maine Center for Disease Control and Prevention; or
    - (3) Links provided by the Gambling Control Unit, mobile operator or management service providers website to the problem gambling service provider for a virtual request to the unauthorized list.
  - C. A procedure to satisfy and or close prior wagers and accounts before being accepted to the unauthorized list;
  - D. A procedure for removing a person from a licensed facility or preventing or cancelling a wager from a mobile operator who is on the unauthorized list;
  - E. Time frames available for placement on the unauthorized list shall be available for terms of one, three or five years initially and shall automatically terminate upon expiration. The expiration will occur on the last day of the month of the original request for placement on the unauthorized list; and
  - F. Upon completion of one of the three terms in (E.) a person may request lifetime and shall be required to complete ten years before being able to request removal from the list which shall be in writing and submitted to the Director.
3. Identify the procedures designed to prevent promotional materials or communications from being directed specifically to individuals who have been added to the unauthorized list, applied a restriction on their account or who have requested that they not receive such materials or communications.
4. The Gambling Control Unit will maintain the official unauthorized list and notify each operator of any addition to or deletion from the list by password protected electronic mail or fax and on a

monthly basis will provide the entire list.

5. The Responsible Wagering Program shall include, at a minimum, the following restriction requirements:

- A. A clear statement of policy and commitment, training, procedures, and certification of implementation to begin at time of licensure;
- B. A process for the Operator to prevent individuals who have requested restrictions from placing wagers. For each individual who makes such a request, Operators shall provide the individual with additional responsible gaming resources;
- C. Restrictions shall be offered at a minimum for the following;

- (1) Amounts wagering;
- (2) Time from wagering,
- (3) Deposit amounts; and
- (4) session-times;

6. A clear and conspicuous display on the Operator's website(s), mobile app(s) or advertisements indicating that it is unlawful for a person under twenty-one (21) years of age to wager on sports in the State of Maine.

7. A plan for making responsible wagering information available and legible on the Operator's website(s), mobile app(s) or advertisements including publication of the 1-800 GAMBLER helpline.

8. The height of the font used for Responsible Gaming Messaging must be at least the same size as the majority of the text used in the webpage or profile page.

9. A plan for providing comprehensive responsible gaming training to employees who may interact with players or mobile operator employees to respond to circumstances in which sports wagering account activity may indicate signs that are consistent with gambling addiction, including annual refresher training.

10. Information furnished to or obtained by the Director pursuant to this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter or as required by statute.

11. Sports wagering licensees, their employees, or agents thereof, may not disclose the unauthorized list or any information about a person who has requested to be on the unauthorized list except as necessary to comply with this chapter or as otherwise required by law.

12. Procedures for the interception of sports wagering winnings to pay child support debt as required in Title 8, Chapter 35, §1217.

Chapter 64: ADVERTISING AND PROMOTIONS

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1. Each Sports Wagering Operator shall retain a copy of all advertising, marketing, branding and other promotional materials promoting or intended to promote any Sports Wagering, including a log of when, how, and with whom, those materials have been published, aired, displayed, or disseminated, for five (5) years. Each Sports Wagering Operator shall provide a complete copy of any sports wagering advertising or marketing materials to the Director, or their designee, upon request. Sports Wagering Operators shall disclose to the Director all social media platforms on which they advertise, or market sports wagering and will provide clear identification of every account the Operator, or someone on the Operator's behalf, uses to advertise or market sports wagering on each social media platform. For all directed or targeted advertising and marketing, a Sports Wagering Operator shall maintain records sufficient to describe all targeting parameters used.
2. All advertising, marketing, branding, and other promotional materials related to Sports Wagering and the log described in subsection (1) shall be made available to the Director or his/her designee upon request.
3. All advertising and promotions by sports wagering operators shall comply with the following standards:
  - A. Inaccurate or misleading statements regarding the likelihood of winning are prohibited;
  - B. Guarantees of success, riches or gambling winnings are prohibited;
  - C. Depictions of the use of alcohol and tobacco are prohibited;
  - D. The use of cartoon characters, professional or Olympic athletes, celebrities, entertainers, images, symbols and or language designed to appeal specifically to those under 21 years old is prohibited;
  - E. Depictions of persons under the age of 21 engaged in sports wagering is prohibited;
  - F. Sports wagering shall not be advertised or marketed in or on any Maine college or university campus that is targeted at or distributed in such a way to reach an audience that is primarily under 21 years of age except via generally available advertising.
  - G. Flyers, handouts or in person account signups shall not be distributed to or used for any person under 21 years of age;
  - H. No sports wagering message or logo, including, trademarks or brand names should be used or licensed for use on clothing, toys, games or game equipment for sale in Maine intended primarily for persons below the legal age of 21;
  - I. Advertising must include a disclaimer as follows: "Persons under 21 years of age may not participate in sports wagering" and the 1-800 GAMBLER hotline phone number for assistance;
  - J. Advertising must not state or imply an endorsement by a minor; and
  - K. Advertising must not specifically target sports wagering players who have a gambling addiction, including sports wagering players who have requested to be restricted from play temporarily or excluded formally from access to sports wagering systems.

4. All Licensees shall be responsible for the content and conduct of any and all Sports Wagering advertising, marketing, or branding done on its behalf or to its benefit whether conducted by the licensee, an employee, or an affiliate.
5. Offer terms and the record of all offers shall include at a minimum:
  - A. The date and time presented;
  - B. The date and time the offer is active and expires;
  - C. Patron eligibility, including any limitations on patron participation;
  - D. Any restriction on withdrawals of funds;
  - E. The ability to unsubscribe from direct marketing (i.e. email, text, regular mail);
  - F. Wagering requirements and limitations;
  - G. The order in which funds are used for wagers;
  - H. Eligible events or wagers; and
  - I. Rules regarding cancellation.
6. All promotions and bonuses must:
  - A. Include terms and conditions that are full, accurate, clear, concise, transparent and do not contain misleading information;
  - B. Ensure advertising materials include material terms and conditions for that promotion or bonus and have those material terms in close proximity to the headline claim of the promotion or bonus;
  - C. Disclose applicable terms if the patron has to risk or lose the patron's own money as part of the promotion or bonus or has conditions attached to the patron's own money as a result of the promotion or bonus;
  - D. Not be described as risk free if the patron needs to incur any loss or risk the patron's own money to use or withdraw winnings from the risk-free bet; and
  - E. Not restrict the patron from withdrawing the patron's own funds or withdrawing winnings from bets placed using the patron's own funds.
7. For calculating gross sports wagering revenue due the state, free play, sign on bonuses or any other marketing promotion shall not be given credit towards the calculation of adjusted gross wagering receipts.

Chapter 65: MANAGEMENT SERVICE CONTRACT CRITERIA

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This rule establishes the criteria that will be used to approve a contract more than 30% but not more than 40% of the operator's adjusted gross wagering receipts if the director determines that the managements services Operator demonstrates that the additional percentage is commercially reasonable in relation to the capital investments and operator's projected adjusted gross sports wagering receipts. The rule ensures transparency and consistency in the deciding factors.

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1. The following words and terms shall have the following meanings unless the context indicates otherwise:
  - A. "Commercially Reasonable" means that the particular arrangement furthers a legitimate business purpose of the parties to the arrangement and is sensible, considering the characteristic of the parties, including their size, type, scope and specialty.
  - B. "Capital Investments" means an expenditure of money or permanent fixed assets to fund a company's long-term growth.
2. Management service providers shall submit in addition to the application for licensure as a management service provider in the State of Maine, the following:
  - A. Up to two contracts with facility or mobile sports operators in other jurisdictions to establish basic services with redactions as necessary for confidentiality;
  - B. Written explanation of any projected adjusted gross sports wagering receipts to warrant the increase above 30%, but not more than 40% and if any of those projections are not met, what the adjustment will be, if any;
  - C. Written explanation of the capital investments of the management service provider to warrant the increase above 30%, but not more than 40%;
  - D. Written explanation of the commercially reasonable arrangement between the management service provider and facility or mobile operator;
  - E. Include that the contract does not exclude the facility operator, mobile operator or management service provider from any disciplinary action under Title 8, Chapter 35 of the Maine Revised Statutes as a result of one or the other's actions.

Chapter 66: COMPLAINTS AND DISCIPLINARY ACTIONS

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This rule establishes procedures for the investigation and resolution of complaints received by the Director. This rule should be read in conjunction with the statutory provisions for adjudicatory proceedings in the *Maine Administrative Procedure Act*. The rule helps to ensure that the investigation and resolution of complaints are handled in an expeditious and procedurally fair manner.

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1. An operator must make contact information for complaints and dispute resolution, as well as a link to the Gambling Control Unit’s website, readily accessible to sports players through the communication channel used to access the sports wagering system and available through brochures and or signage at facility operator locations.
2. Mobile operators shall have a guest service link to resolve inquiries such as “password reset”.
3. Players must be able to lodge complaints and disputes any time of the day and any day of the week. Operators must respond to the complaint within 48 hours of receipt of the initial complaint.
4. An operator must maintain records of all correspondence relating to a player’s complaint and/or dispute for a period of five years.
5. All complaints that are submitted to the Director must be in writing. The Director may initiate a complaint alleging any ground for disciplinary action.
6. The Director may investigate complaints in accordance with 8 M.R.S. §1205(3).
7. The Director may review all complaints and investigative files.
8. Sanctions under 8 M.R.S. §1205(4) may be proposed by the Director or imposed by the commissioner after a hearing.
9. If the Director determines that the complaint is or may be true and the violation is of sufficient gravity to warrant further action, the Director may take appropriate action against an application or license in a written decision that informs the Operator, management service provider, or other licensee of the right to appeal the decision to the commissioner for a final decision in accordance with 8 M.R.S. § 1205(5).
  - A. The written decision shall state the alleged violation, the statute or rule believed to have

- been violated, and the proposed resolution, and shall inform the Operator, management service provider, or other licensee that the Operator, management service provider, or other licensee has the right to request a hearing before the commissioner.
- B. Service of the decision is complete upon mailing to the party or the party's attorney using the last known address, or upon in-hand delivery to the recipient or the recipient's office.
  - C. The Operator, management service provider, or other licensee must file a written request for hearing within 30 days of receipt of the decision that informs the Operator, management service provider, or other licensee of the opportunity for hearing. The request is considered filed when received by the Director by mail, in-hand delivery or electronic mail.
  - D. Failure to make a timely request for hearing shall be a waiver of any right to a hearing and may result in the proposed action becoming final without further hearing, in accordance with 5 M.R.S. §9053(3), if the notice informed the Operator, management service provider, or other licensee of the possibility of default.
10. For each violation of Maine Revised Statutes, Title 8, chapter 35, the rules adopted pursuant to that chapter, or conditions of licensure, the Director may take one or more of the following actions in accordance with Maine Revised Statutes, Title 8, chapter 35:
- A. Deny an application for licensure;
  - B. Refuse to renew a license;
  - C. Suspend a license;
  - D. Revoke a license;
  - E. Impose a civil penalty of up to \$25,000.00 per violation of any provision of this chapter or rule adopted pursuant to this chapter; and
  - F. Impose costs of investigation and hearing.