



PENNSYLVANIA GAMING CONTROL BOARD
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Sent via Electronic Mail

Interactive Gaming Certificate Holders
Interactive Gaming Operators
Sports Wagering Certificate Holders
Online Sports Wagering Operators

RE: Guidance on Monitoring Accounts for Proxy Wagering

Dear Operators:

To ensure the continued growth and integrity of the gaming industry in Pennsylvania, the Pennsylvania Gaming Control Board ("PGCB") is requiring operators to develop or update their procedures for monitoring interactive gaming accounts for proxy wagering. Proxy wagering is a practice where one person, often referred to as a proxy, places wagers on behalf of another individual who is typically the actual gambler. Proxy wagering in online gaming can be used to bypass geolocation restrictions by allowing individuals from a restricted area to place wagers through a proxy in a permitted jurisdiction.

Interactive gaming operators are provided weekly Suspected Proxy Betting Reports from their geolocation service provider that provide information about registered player accounts that have been accessed from different devices in distant locations over a short period of time. To ensure operators are effectively utilizing those reports to detect proxy wagering and other fraudulent activity, operators must update their internal control for regulation § 809a.7 (relating to geolocation requirements), describing their procedures for reviewing, evaluating and taking action on accounts identified in those reports.

Additionally, operators must explain in their terms and conditions (internal control section § 811a.3) that proxy wagering is prohibited and include penalties for engaging in such activity, including the suspension or closure of user accounts, voiding of impacted wagers and possible forfeiture of winnings. Operators must review their terms and conditions to ensure they include a clear prohibition from allowing any individual other than the registered account holder to access the account. Operators are advised to ensure the terms and conditions make it clear that logging into the account, depositing or withdrawing funds, placing sports wagers or playing interactive games are among the prohibited activities.

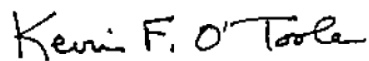
In addition, regulation § 1401a.7 (relating to prohibited and restricted sports wagering activities) prohibits wagering on the account of or on behalf of any other person, or any other form of proxy wagering. A sports wagering certificate holder or sports wagering operator is prohibited from knowingly accepting a wager from or making payment to a person acting on behalf of any other person, knowingly allowing a person to make a wager utilizing the account of another person, or any other form of proxy wagering.

In addition to reviewing weekly Suspected Proxy Betting Reports, operators must implement continuous monitoring systems to detect suspicious or unusual wagering patterns that may indicate proxy wagering in both the retail and online sports wagering environment. To ensure sports wagering certificate holders and sports wagering operators develop and implement appropriate measures and procedures, sports wagering certificate holders and sports wagering operators must update their internal controls for regulations § 1408a.3 (relating to internal controls), § 1408a.8 (relating to risk management), and § 1408a.9 (relating to integrity monitoring). These revisions must include detailed procedures utilized to identify and prevent potential proxy wagering and measures to be taken when identified as described above. Any confirmed incidents of proxy wagering must be reported to the Office of Sports Wagering Operations via the PGCB Sports Wagering Portal.

Operators must amend their internal controls for the above referenced sections by November 30, 2023.

If you have any questions or would like additional information, please contact Lee Copello, Director of iGaming Compliance, via email at lcopello@pa.gov or Kevin Kile, Director of the Office of Sports Wagering Operations, via email at kkile@pa.gov.

Sincerely,



Kevin F. O'Toole
Executive Director

KFO:pr/kk

cc: Steve Cook, Chief Counsel, PGCB
Cyrus Pitre, Chief Enforcement Counsel, PGCB
Claire Yantis, Administrative Director, PGCB
Paul Mauro, Director, Bureau of Investigations & Enforcement, PGCB
Paul Resch, Director, Bureau of Gaming Operations, PGCB
Lee Copello, Director of iGaming Compliance Operations, PGCB
Kevin Kile, Director of Sports Wagering Operations, PGCB
Heather Worner, Director, Bureau of Gaming Laboratory Operations, PGCB