

GRETCHEN WHITMER
GOVERNOR

## STATE OF MICHIGAN MICHIGAN GAMING CONTROL BOARD LANSING

HENRY L. WILLIAMS, JR. EXECUTIVE DIRECTOR

February 10, 2022

Mr. Adam Greenblatt, CEO BetMGM, LLC Harborside Plaza 3 210 Hudson Street Jersey City, NJ 07302 License No. 007386

Sent via Email

Re: Warning for violation of Michigan Gaming Control Board Internet Gaming Rules 432.632b(2) and 432.641(4) as well as BetMGM Internal Controls 2.17.2.2 and 8.1.1.

Dear Mr. Greenblatt:

This letter is written notification of BetMGM's failure to comply with Michigan Gaming Control Board (Board) Internet Gaming Rules 432.632b(2) and 432.641(4) as well as BetMGM Internal Controls 2.17.2.2 and 8.1.1 between March 24 through April 12, 2021.

On March 24, 2021, BetMGM reportedly confirmed the root cause of a significant malfunction on a game on the BetMGM platform called Luck O' The Roulette. BetMGM emailed the Board three days later, on Saturday, March 27, to report that a malfunction investigation related to the game was underway. The Board was not notified of the reported malfunction immediately as was required by both the Michigan Internet Gaming Rules, Rule 432.632b(2), and the BetMGM Internal Controls, section 2.17.2.2.

Michigan Internet Gaming Rule 432.632b(2) reads in relevant part:

An internet gaming operator, internet gaming operator license applicant, internet gaming platform provider, or internet gaming supplier must **immediately** notify the Board, in writing, of any defects or malfunctions of the internet gaming platform, any component of the internet gaming platform, an internet game, or an internet game component that adversely affects the integrity or conduct of internet wagering or proper reporting of adjusted gross receipts, or that materially affects the operation or safety of, or wagering on, any internet gaming platform, any component of the internet gaming platform, any internet game, or any component of an internet game that has been approved by the board and is utilized by the internet gaming operator or internet gaming operator license applicant.

BetMGM Internal Controls, section 2.17.2.2 reads in relevant part:

Between the dates of March 24 through April 12, 2021, BetMGM staff responded to various complaints from an authorized participant, Jaqueline Davis. The final communication from BetMGM to Davis, prior to Davis retaining legal counsel, was from BetMGM Director of Legal Affairs, Jeremy Kolman on April 12. Throughout the complaint related communications between Davis and BetMGM, BetMGM staff never advised Jaqueline Davis of her right to submit her complaint to the Board, as required by Michigan Internet Gaming Rule 432.641(4) as well as BetMGM Internal Control 8.1.1.

Michigan Internet Gaming Rule 432.641(4) reads in relevant part:

In its response, the internet gaming operator or internet gaming platform provider must advise the authorized participant of his or her right to submit the complaint to the board in the form and manner prescribed by the board.

BetMGM Internal Controls, section 8.1.1 reads in relevant part:

While examining the events related to the reported malfunction incident referred to above, Michigan Gaming Control Board Internet Gaming Manager David Hicks sent a variety of questions regarding game integrity and performance to BetMGM on July 23, 2021. The response letter received from BetMGM on August 2, 2021 did not provide thorough responses to the inquiry and did not provide the detailed information which had been requested. In order to complete the examination, an extensive follow-up request had to be sent to BetMGM on September 27, 2021. Michigan Internet Gaming Rules require platform providers to cooperate with Board investigations and inquiries. Rule 432.632a states that "The internet gaming platform provider or internet gaming supplier must provide all information the board requests..." BetMGM must provide more extensive cooperation with all future Board inquiries and investigations.

The Board has decided not to pursue formal disciplinary action at this time. Please be advised that any further violation of the Lawful Internet Gaming Act or Michigan Internet Gaming Rules may result in formal disciplinary action.

If you have any questions, please contact David Hicks, Internet Gaming Manager, at Hicksd8@michigan.gov or 517-512-0373.

Sincerely,

David Murley

Deputy Director of Online Gaming and Legal Affairs

Michigan Gaming Control Board

cc: Cindy Bliss, Compliance Director, MGM Grand Detroit
Sarah Brennan, Director of Compliance, BetMGM
Todd Nelson, Director of Technical Compliance, BetMGM
Noreen Fierro, Chief Compliance Officer, BetMGM
David Hicks, Internet Gaming Manager
Eric Jungel, Regulation Officer
File IG-2021-009