205 CMR 248.00: SPORTS WAGERING ACCOUNT MANAGEMENT

Section

248.01: General Account Wagering
248.02: Account Refusals
248.03: Account Registration
248:04: Age and Identity Verification
248.05: Limitation to One Account per Patron
248.06: Terms and Conditions and Privacy Policies
248.07: Account Access
248.08: Sufficient Account Balance
248.09: Financial Transactions
248.10: Account Deposits
248.11: Failed Electronic Funds Transfers (EFTs)
248.12: Account Withdrawals
248.13: Account Adjustments
248.14: Account Credits
248.15: Account Records and Statements
248.16: Responsible Gaming Limits
248.17: Account Suspension and Restoration
248.18: Account Closure
248.19: Abandoned Funds and Dormant Accounts

248.01: General Account Wagering

(1) A Sports Wagering Operator may offer a system of account wagering to its patrons whereby Wagers are debited from and pay outs credited to a sum of money, deposited in a Sports Wagering Account by the patron held by the Sports Wagering Operator.

(2) A Sports Wagering Account may only be established in the name of a patron and is not transferable.

(3) A Person may only place a Wager through a mobile application or other digital platform using funds from a Sports Wagering Account.

(4) No Sports Wagering Operator may charge any fee to maintain or administer any Sports Wagering Account.

248.02: Account Refusals

A Sports Wagering Operator may reserve the right to, at any time, refuse to open a Sports Wagering Account, accept a wager, or accept a deposit. The Sports Wagering Operator shall not establish or maintain an account for any Person who has self-excluded or otherwise been excluded from Sports Wagering pursuant to M.G.L. c. 23N, § 13(e) or 205 CMR.

248.03: Account Registration

(1) Any Person registering for a Sports Wagering Account shall provide Personally Identifiable Information to the Sports Wagering Operator. That information shall include, at a minimum, the following:

(a) Full legal name;
(b) Date of birth;
(c) Physical address of the Person's principal residence, which address shall not be a post office box;
(d) Social Security Number, or the last four digits of the Social Security Number, or an equivalent Federal Identification Number for a noncitizen patron, such as a passport or taxpayer identification number;
(e) A telephone number for the patron; and
(f) Any other information sufficient to verify the registrant's identity and to prove the registrant is at least 21 years old.

248.03: continued

(2) During the registration process, the registrant shall:

(a) Not be permitted to register for a Sports Wagering Account if they submit a birth date which indicates that they are younger than 21 years old;

(b) Be informed on the account application which information fields are "required," which are not, and the consequences of not filling in the "required" fields;

(c) Be required to agree to the terms and conditions and privacy policies of the Sports Wagering Operator;

(d) Be required to acknowledge that they are prohibited from allowing any other person to access or use their Sports Wagering Account;

(e) Be required to consent to the monitoring and recording of the use of their Sports Wagering Account by the Sports Wagering Operator and the Commission; and

(f) Be required to affirm that the Personally Identifiable Information provided in accordance with 205 CMR 248.03(1) is accurate.

(3) For each Sports Wagering Account, the Sports Wagering Operator must establish and maintain an electronic patron file, which must, at a minimum, include the following for each patron:

(a) Unique patron ID and, if different from the patron ID, the patron's username;

(b) The information provided in accordance with 205 CMR 248.03(1) to register the patron and create the Sports Wagering Account;

(c) The date and method of identity verification, including, where applicable, the document number of the government issued identification credential examined and its date of expiration, if applicable, or, if a government issued identification credential is not required for registration, the electronic record documenting the process used to confirm the patron's identity;

(d) The date of the patron's agreements to the terms and conditions and privacy policies, including those in 205 CMR 248.06, and the date of the patron's agreement, acknowledgment, consent, and affirmation in accordance with 205 CMR 248.03(2)(c) through (f);

(e) Account details and current balance, including any incentive credits, provided, that all restricted wagering credits and unrestricted funds that may expire shall be maintained separately;

(f) The date on, and method by which, the Sports Wagering Account was registered;

(g) Every date on, time at which, and IP address from which the Sports Wagering Account is accessed;

(h) If the account is active, the debit instrument used to fund the account, the accountholder's name, and whether the debit instrument accountholder's name matches that of the patron, unless impossible; and

(i) The current status of the Sports Wagering Account (*e.g.*, active, dormant, closed, suspended, excluded, *etc*.).

(4) The following information maintained as part of the electronic patron file shall be stored in encrypted form and protected in accordance with all provisions of 205 CMR regarding data privacy and security:

(a) The patron's social security number, taxpayer identification number, passport number, other government identification number(s), or portion(s) thereof;

(b) The patron's password(s), PIN(s), or other authentication credential(s); and

(c) The patron's debit instrument number(s), debit card number(s), bank account number(s) or other personal financial information.

248.04: Age and Identity Verification

(1) No Sports Wagering Operator shall allow any individual who is either younger than 21 years old, or is a prohibited person, as defined in 205 CMR 238.33(1), to create a Sports Wagering Account. 205 CMR 248.04 shall not be construed to prevent a restricted patron, as defined in 205 CMR 238.32, from creating a Sports Wagering Account and depositing funds to such an account.

248.04: continued

(2) The Sports Wagering Operator shall employ electronic verification at the time of account establishment with respect to each patron's name, date of birth and Social Security number, or the last four digits of the Social Security number, or other Federal Identification Number, by a Commission-approved national independent reference company or another independent technology approved by the Commission which meets or exceeds the reliability, security, accuracy, privacy and timeliness provided by individual reference service companies.

(3) The Sports Wagering Operator shall refuse to establish an account if it finds that any of the information supplied is untrue or incomplete.

(4) The Sports Wagering Operator shall at the time of account establishment, utilize identity authentication questions that require a patron to provide information known only to the patron through security questions, unless an alternate method of authentication is approved by the Commission.

(5) A Sports Wagering Operator must document and use commercially reasonable standards to confirm that an individual attempting to create a Sports Wagering Account is not a prohibited Person.

(6) Upon developing reasonable suspicion that the patron's identification has been compromised, a Sports Wagering Operator must re-verify the patron's identification immediately.

248.05: Limitation to One Account per Patron

(1) No Sports Wagering Operator shall allow a patron to establish more than one username or more than one Sports Wagering Account with the Operator.

(2) The system of internal controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.00: *Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering* 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. Such procedures may allow a patron that establishes or seeks to establish more than one username or more than one account to retain one account provided that the Sports Wagering Operator investigates and makes a good-faith determination that the patron's conduct was not intended to obtain a competitive advantage.

248.06: Terms and Conditions and Privacy Policies

(1) All terms and conditions and privacy policies for Sports Wagering Accounts shall be readily accessible to the patron before and after registration. Sports Wagering Operators shall inform patrons of any material changes or updates to said terms and conditions or privacy policies.

(2) All terms and conditions for Sports Wagering Accounts must address all aspects of the Sports Wagering operation including, but not limited to, all of the following:

(a) A statement that only individuals over the age of 21 and located in the authorized geographic boundaries within the Commonwealth may participate in Sports Wagering;

(b) Advice to the patron to keep their authentication credentials secure;

(c) All processes for dealing with lost authentication credentials, forced password changes, password strength and other related items as required by the Commission;

(d) Full explanation of all rules applicable to dormant Sports Wagering Accounts, including the conditions under which an account may be declared dormant and what actions will be undertaken on the account once this declaration is made;

(e) Actions that will be taken on the patron's pending wagers placed prior to any exclusion or suspension, including the return of all wagers, or settling all wagers, as appropriate;

(f) Information about timeframes and limits regarding deposits to, or withdrawals from, the Sports Wagering Account, including a clear and concise explanation of all fees, if applicable; and

(g) Statements indicating that the Sports Wagering Operator has the right to:

1. Refuse to establish a Sports Wagering Account for what it deems good and sufficient reason;

248.06: continued

2. Refuse deposits to, or withdrawals from, Sports Wagering Accounts for what it deems good and sufficient reason; and

3. Unless there is a pending investigation or patron dispute, suspend or close any Sports Wagering Account at any time, provided such suspension or closure is in accordance with the terms and conditions between the Sports Wagering Operator and the patron, M.G.L. c. 23N, and 205 CMR.

(3) All privacy policies for Sports Wagering Accounts must address all aspects of Confidential Information and Personally Identifiable Information protection, including, at a minimum any measures required by 205 CMR, M.G.L. c. 93H, M.G.L. c. 93I, 201 CMR 17.00: *Standards for the Protection of Personal Information of Residents of the Commonwealth*, and any other applicable law, regulation or order of a governmental body.

(a) The Confidential Information and Personally Identifiable Information required to be collected;

(b) The purpose and legal basis for Confidential Information and Personally Identifiable Information collection and of every processing activity for which consent is being sought;

(c) The period in which the Confidential Information and Personally Identifiable Information is stored, or, if no period can be possibly set, the criteria used to set this. It is not sufficient for the Sports Wagering Operator to state that the Confidential Information and Personally Identifiable Information will be kept for as long as necessary for the legitimate purposes of the processing;

(d) The conditions under which the Confidential Information and Personally Identifiable Information may be disclosed;

(e) An affirmation that measures are in place to prevent the unauthorized or unnecessary disclosure of the Confidential Information and Personally Identifiable Information; and

(f) The identity and contact details on the Sports Wagering Operator who is seeking the consent, including any Sports Wagering Vendor(s) which may access and or use this Confidential Information and Personally Identifiable Information;

(g) That the patron has certain rights with respect to their Confidential Information and Personally Identifiable Information pursuant to 205 CMR, M.G.L. chs. 93H and 93I and 201 CMR 17.00: *Standards for the Protection of Personal Information of Residents of the Commonwealth*.

(h) The rights of a patron to file a complaint concerning the use or storage of the patron's Confidential Information and Personally Identifiable Information to the Commission, the Office of Consumer Affairs and Business Regulation, the Office of the Attorney General, or any other law enforcement entity regarding the use of the patron's Confidential Information and Personally Identifiable Information;

(i) For Confidential Information and Personally Identifiable Information collected directly from the patron, whether there is a legal or contractual obligation to provide the Confidential Information and Personally Identifiable Information and the consequences of not providing that information;

(j) Where applicable, information on the Sports Wagering Operator's use of automated decision-making, including profiling, and at least in those cases, without hindering compliance with other legal obligations:

1. Sufficient insight into the logic of the automated decision-making;

2. The significance and the envisaged consequences of such processing for the patron; and

3. Safeguards in place around solely automated decision-making, including information for a patron on how to contest the decision and to require direct human review or intervention.

248.07: Account Access

(1) Upon opening a Sports Wagering Account, the Sports Wagering Operator shall allow each patron to establish a password to be used in conjunction with a username, or an alternative secure authentication credential, for use by the patron to assure that only the patron has access to the Sports Wagering Account. The Operator may make more than one permitted method of authentication available for a patron to access their account.

248.07: continued

(2) If the system does not recognize the authentication credentials when entered, an explanatory message shall be displayed to the patron which prompts the patron to try again. The error message shall be the same regardless of which authentication credential is incorrect.

(3) Patrons must be given the option to use a multi-factor authentication process when accessing their account. In addition, a multi-authentication process shall be employed for the retrieval or reset of a patron's forgotten or lost authentication credentials.

(4) Current account balance information, including any restricted wagering credits and unrestricted funds, and transaction options shall be available to the patron once the patron has been authenticated. All restricted wagering credits and unrestricted funds that may expire shall be identified separately.

(5) The Operator shall employ a mechanism allowing for an account to be locked in the event that suspicious authentication activity is detected including, but not limited to, three consecutive failed access attempts in a 30-minute period. A multi-factor authentication process shall be employed for the account to be unlocked.

248.08: Sufficient Account Balance

Wagers and withdrawals will not be accepted which would cause the available balance of a Sports Wagering Account to fall below $0. Any account not updated when a transaction is completed shall be inoperable until the transaction is posted and the account balance updated.

248.09: Financial Transactions

Operators shall provide a patron written confirmation or denial of every financial transaction initiated using the patron's Sports Wagering Account, including:

(a) The type of transaction (deposit/withdrawal);
(b) The transaction value; and
(c) For denied transactions, a descriptive message as to why the transaction did not complete as initiated.

248.10: Account Deposits

(1) A Sports Wagering Account may be funded using approved methods which shall produce a sufficient audit trail for verification of the source of the wagers.

(2) Approved methods for funding Sports Wagering Accounts include:

(a) Cash or cash equivalents;
(b) Foreign currency and coin converted to U.S. currency;
(c) Electronic funds transfers (EFTs), including online and mobile payment systems;
(d) Debit instruments, including debit cards and prepaid access instruments, excluding those that can be purchased or loaded with a credit card;
(e) Promotional Gaming Credits;
(f) Sports Wager Payouts;
(g) Adjustments made by the Sports Wagering Operator with documented notification to the patron; and
(h) Any other means approved by the Commission or its designee.

(3) No deposits may be made by credit card, either directly or indirectly, including without limitation through an account funded by credit card, and no Wagering on credit is allowed.

(4) The Sports Wagering Account shall be credited for any deposit in accordance with the system of internal controls submitted by a Sports Wagering Operator in accordance with 205 CMR 238.00: *Additional Uniform Standards of Accounting Procedures and Internal Controls for Sports Wagering*.

(5) The proceeds of a check may first need banker's clearance. Holding periods will be determined by the Sports Wagering Operator and communicated to the patron.

248.10: continued

(6) For debit cards and EFTs, the patron may be liable for any charges imposed by the transmitting or receiving Sports Wagering Operator. Such charges may be deducted from the patron's Sports Wagering Account.

248.11: Failed Electronic Funds Transfers (EFTs)

(1) The Sports Wagering Operator shall have security measures and controls to prevent EFT fraud where financial transactions are conducted through EFT. A failed EFT attempt is not considered fraudulent if the patron has successfully performed an EFT on a previous occasion and has no outstanding chargebacks. Otherwise, the Sports Wagering Operator shall:

(a) Temporarily block the patron's Sports Wagering Account for investigation of fraud after five consecutive failed EFT attempts within a ten-minute period. If there is no evidence of fraud, the block may be vacated; and

(b) Suspend the patron's Sports Wagering Account after five additional consecutive failed EFT attempts within any subsequent ten-minute period.

248.12: Account Withdrawals

(1) The Sports Wagering Operator shall implement procedures that:

(a) Prevent unauthorized withdrawals from Sports Wagering Accounts by the Sports Wagering Operator or others;

(b) Establish a protocol by which patrons can withdraw funds maintained in their Sports Wagering Accounts, whether such accounts are open or closed, except as otherwise provided in 205 CMR, or any other applicable state, local or federal law.

(2) Pursuant to M.G.L. c. 23N, § 4(d)(2)(vi), a patron must be allowed to withdraw the funds maintained in his or her Sports Wagering Account, without further solicitation or promotion in the manner in which the funds were deposited, to the extent technologically feasible. In the event that withdrawal of the funds in the same manner in which the funds were deposited is not technologically feasible they shall be returned to the patron *via* another approved withdrawal method or *via* check.

Upon a request from a patron to withdraw funds from their Sports Wagering Account, the Sports Wagering Operator shall immediately freeze the amount requested and ensure the funds cannot be used for any other purpose until the withdrawal is complete.

(3) A Sports Wagering Operator must employ a mechanism that can detect and prevent any withdrawal activity initiated by a patron that would result in a negative balance of the Sports Wagering Account.

(4) A Sports Wagering Operator shall not allow a Sports Wagering Account to be overdrawn unless caused by payment processing issues outside the control of the Sports Wagering Operator.

(5) Except as otherwise provided in 205 CMR 248.12(5)(a), requests for withdrawals must be honored by the later of five business days of the request or ten business days of submission of any tax reporting paperwork required by law.

(a) If the Sports Wagering Operator believes in good faith that the patron engaged in either fraudulent conduct or other conduct that violate or would put the Sports Wagering Operator in violation of 205 CMR, the Sports Wagering Operator may decline to honor the request for withdrawal for a reasonable investigatory period until its investigation is resolved if it provides notice of the nature of the investigation to the patron.

(b) For purposes of the timing requirements of 205 CMR 248.12(5), a request for withdrawal will be considered honored if it is processed by the Sports Wagering Operator but delayed by a payment processor, debit card issuer or by the custodian of a financial account.

(6) The Sports Wagering Operator shall not be liable for any unauthorized withdrawal of funds from a Sports Wagering Account where such unauthorized withdrawal is not caused by the negligence or misconduct of the Sports Wagering Operator. It is the patron's responsibility to protect deposits in the account by keeping their authentication credentials strictly confidential.

248.13: Account Adjustments

The Sports Wagering Operator shall perform periodic reviews of all adjustments to Sports Wagering Accounts for amounts of five hundred dollars or less by supervisory personnel. All adjustments of more than five hundred dollars must be authorized by supervisory personnel before being entered.

248.14: Account Credits

When a Sports Wagering Account is entitled to a payout or refund, said monies will be credited to the respective account, thus increasing the credit balance. It is the responsibility of the patron to verify their balance and notify the Sports Wagering Operator of any discrepancy or dispute within the time frame specified in the terms and conditions. Unresolved disputes may be forwarded to the Commission by the Sports Wagering Operator or the patron. The Commission will consider no such claim unless submitted in writing and accompanied by supporting evidence.

248.15: Account Records and Statements

The Sports Wagering Operator must maintain complete records of every deposit, withdrawal, wager, and payout for each Sports Wagering Account. In accordance with M.G.L. c. 23N, § 4(d)(2)(iv), upon request of the patron, the Sports Wagering Operator shall offer patrons access to a statement detailing their account history and account details for the past year.

248.16: Responsible Gaming Limits

(1) In accordance with M.G.L. c. 23N, § 13(e)(3), a Category 3 Sports Wagering Operator shall allow the patron to set self-imposed limitations on sports wagering at any time, including when the patron signs up for a Sports Wagering Account. Such limitations must include the following and must be clearly and conspicuously displayed prior to allowing registration of a new account, the first time a patron makes a deposit into an account, and the first time the patron places a wager from an account:

(a) The Operator must offer daily, weekly and monthly deposit limits, which shall specify the maximum amount of money a patron may deposit into their Sports Wagering Account during a particular period of time.

(b) The Operator must offer daily, weekly and monthly wager limits, which shall specify the maximum amount of patron funds that may be put at risk during a particular period of time.

(2) A change to make these limits more restrictive shall be effective immediately. A change to make these limits less restrictive shall become effective the next business day after the time period of the previous limit has expired, and the patron reaffirms the requested increase.

248.17: Account Suspension and Restoration

(1) 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 72 hours;

(b) When required by the Commission;

(c) When a Sports Wagering Operator determines that the patron is a prohibited Person; or

(d) When a Sports Wagering Operator has evidence that indicates any of the following:

1. That the account has been used for illegal activity;
2. That the account has a negative balance; or
3. That the patron has violated the account's terms and conditions.

(2) When a Sports Wagering Account is suspended, the Sports Wagering 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 Sports Wagering Account balance, but only to the extent the account balance is brought back to zero dollars;

(c) Prevent the patron from withdrawing funds from a Sports Wagering Account, unless the Sports Wagering Operator determines that the funds have cleared, and that the reason(s) for suspension would not prohibit a withdrawal;

248.17: continued

(d) Prevent the patron from making changes to his or her Sports Wagering Account;
(e) Prevent the patron from permanently closing their Sports Wagering Account; and
(f) Prominently display to the patron that the Sports Wagering Account is suspended, the restrictions placed on the Sports Wagering Account, any further course of action needed to lift the suspension, a notification of the Patron's rights under the Operator's House Rules and Internal Controls to submit a complaint, and directions on how to file such a complaint.

(3) 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 Commission;
(c) When the patron is no longer a prohibited Person; or
(d) When the Sports Wagering 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.

(4) Each Sports Wagering Operator shall, on a monthly basis, provide the Commission with a list of suspended accounts, including the reasons why the account is in suspended mode, and an explanation of the lifting of any suspension under 205 CMR 248.17(3)(d).

248.18: Account Closure

The Sports Wagering Operator shall permit a patron to permanently close a Sports Wagering Account registered to the patron on any or all platforms owned or operated by the Sports Wagering Operator at any time and for any reason unless the account is in suspended mode pursuant to 205 CMR 248.17. The Sports Wagering Operator may also close a Sports Wagering Account when the patron makes repeated attempts to operate with an insufficient balance. Upon closing an account, the Sports Wagering Operator shall refund the remaining balance to the patron within five business days, provided that the Sports Wagering Operator acknowledges that the funds have cleared.

248.19: Abandoned Funds and Dormant Accounts

(1) Subject to the provisions of M.G.L. c. 200A, §§ 7 and 8A, and 960 CMR 4.00: *Procedures for the Administration of Abandoned Property*, the Sports Wagering Operator shall presume that the funds in any account without any activity for a period of three years after the balance in that account became payable or deliverable to the patron to have been abandoned. For purposes of this 205 CMR 248.19(1), the term "activity" means Sports Wagers, customer-generated deposits, or customer-generated withdrawals.

(2) The Sports Wagering Operator shall report and deliver all Sports Wagering Accounts presumed abandoned to the Treasurer of the Commonwealth as provided for by M.G.L. c. 200A, §§ 7 and 8A, and 960 CMR 4.03: *Reporting Abandoned Property*.

(3) Subject to M.G.L. c. 200A, § 7A and 960 CMR 4.03: *Reporting Abandoned Property*, at least 60 days prior to reporting any Sports Wagering Accounts to the Treasurer, the Sports Wagering Operator shall provide notice to the patron's last known address and conduct reasonable due diligence to locate the patron. During this time period the account shall be deemed dormant. In addition, the Operator shall:
(a) Allow access to a dormant account only after performing additional identity verifications; and
(b) Protect dormant accounts that contain funds from unauthorized access, changes or removal.

REGULATORY AUTHORITY

205 CMR 248.00: M.G.L. 23N, §§ 4, 11 and 13; M.G.L. c. 200A, §§ 7 and 8A.