



February 8, 2019

Arkansas Racing Commission
1515 West 7th Street, Suite 505
Little Rock, Arkansas 72201

Re: Public Comments on Arkansas Racing Commission's Sports Wagering Regulations

Dear Commissioners:

As Division I collegiate athletic program leaders within this state, and on behalf of the universities, coaches, administrators, student athletes and athletic programs that we represent, we respectfully write to offer input with respect to the proposed rulemaking by the Arkansas Racing Commission ("Commission") relating to sports wagering, enacted by adopted and promulgated by the Arkansas Racing Commission pursuant to Amendment No. 100 of the Constitution of the State of Arkansas of 1874, also known as the *Arkansas Casino Gaming Amendment of 2018*.

Our collective goal is to ensure that the sports wagering framework adopted by the Commission not only protects fans and safeguards the integrity of the collegiate sporting events that serve as the foundation of lawful sports wagering in Arkansas, but also protects our coaches, staff and student athletes from exploitation, corruption, and improper influence.

No one can deny the tremendous financial and reputational harm that a sports betting scandal would cause to our state universities and student athletes, along with the millions of fans, alumni and donors who support them. The loss of confidence in the integrity of our events (and the State's gaming licensees) would be irreparable. Given such risks, we believe the Commission's regulations must reflect the important role that our colleges, universities, and their sports governing bodies play in any lawful sports wagering framework. It is our sincere hope that the regulatory structure adopted will reflect and encourage genuine partnership among all parties involved, and that its implementation will strengthen the relationship between the Commission and this states' colleges and universities.

To this end, we have identified two key areas of concern that we believe must be addressed by the Commission in its promulgation of sports wagering regulations in order to maintain the integrity of our collegiate sporting events.

1. Protections that restrict certain persons and types of wagers that carry a greater risk of student-athlete exploitation and collegiate game integrity; and
2. Enhanced communications and information sharing among casino licensees, sports books, the Commission, in-state colleges and universities and their governing bodies.

Accordingly, we propose the following language to address these concerns:

20.010 Definitions

21. "Sports pool" means a business that accepts wagers on sporting events or other events, other than horse or other animal races.

22. "Sporting event" means any athletic event, game, scrimmage, practice, match, tournament, meet, competition, race, or contest by a team, individual, or other group of individuals.

23. "Wagering account" means a wagering account as that term is defined in Rule 4.225.

234. "Wagering communication" means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology, including computers or mobile application on mobile devices or other approved interactive devices approved by the Commission.

245. "Wagering instructions" means the instructions given to an operator of a call center by a patron who maintains a wagering account at a book to effect a wagering communication to the book.

20.120 Prohibited wagers; exception for an event other than a horse race, greyhound race, or an athletic sports event.

1. No wagers may be accepted or paid by any book on:

(a) Any amateur sport or athletic event other than;

(1) Olympic sporting ~~or athletic~~ events sanctioned by the International Olympic Committee, subject to limitation by the Commission or the Commission's designee in the Commission's sole and absolute discretion, and

(2) Collegiate sporting ~~or athletic~~ events;

(b) Any collegiate sporting ~~or athletic~~ event which a Licensee, sports book, their directors, officers, employees, subcontractors, or agents know or reasonably should know, is being placed by, or on behalf of:

(1) a coach or participant in that collegiate sporting event. Each licensee shall take reasonable steps to prevent the circumvention of this Rule; or

(2) a person placing a wager as a proxy or agent for a participant in that collegiate sporting event; or

(c) wagers related to an individual action, event, statistic, occurrence, or non-occurrence to be determined during a collegiate sporting event, including but not limited to, in-game proposition bets on the performance or non-performance of a team or an individual participant during a collegiate sporting event; or

(d) The outcome of any election for any public office both within and without the State of Arkansas; or

(e) Any event, regardless of where it is held, involving a professional team whose home field, a court, or base is in Arkansas, or any event played in Arkansas involving a professional team, if, not later than 30 days before an event or the beginning of a series of events, the team's governing body files with the Commission a written request that wagers on the event or series of events be prohibited, and the Commission approves the request; or

(e) Any virtual event unless: (1) An approved gaming device is used to determine the outcome(s) and to display an accurate representation of the outcome(s) of the virtual event; (2) A live display of the virtual event is offered to all approved sports pools; and (3) The virtual event is approved pursuant to the procedures set forth in subsection 1(f); ~~or and~~

(f) Any event other than a horse race, greyhound race, or an athletic-sportsing event, unless such event is:

(1) Administratively approved by the Commission in writing in accordance with subsection 3; (2) After referral from the Commission, approved by the Commission in accordance with subsection 5; or (3) Approved by the Commission after review pursuant to Regulation 4.190 or, if applicable, approved by the Commission after review pursuant to Regulation 4.195.

(g) Each licensee shall take commercially reasonable steps to prevent the circumvention of these Rules by its owners, officers, board members, agents, employees, race books, sports pools, and subcontractors. (i) No person identified in (a) through (f) of this subsection is permitted to wager or collect any winnings or recoup any losses from a licensee as a result of engaging in wagering on a sporting event in violation of this section. (j) Winnings of a person prohibited from engaging in wagering on a under this section shall be forfeited to the Arkansas Racing Commission.

9. For the purposes of these Rules, "participant" means any (a) coach, contestant, athlete, player, trainer, manager, analyst, graduate assistant, athletic staff or volunteer, referee, umpire, linesman, judge, score keeper, or other official associated with a sporting event, and the governing body overseeing the sporting event; and (b) person identified by a sports or athletic team or its governing body who is in a position sufficient to exert authority or influence over a participant related to a sporting event, or who may have access to non-public confidential information regarding a participant or a team related to a sporting event, which may include without limitation, a medical or healthcare provider, relative, guardian, trustee, administrator, supervisor, investigator, teacher, instructor, tutor, agent, creditor, financial planner, attorney, handler, caretaker, adviser, counselor, security official, mentor, tutor, clergy, or other confidant.

10. In determining which persons are participants excluded from placing wagers under this section, licensees shall use publicly available information and any lists of such persons that the sports or athletic team and/or its governing body may provide to the Commission. A collegiate sports or athletic team located in the State of Arkansas and its governing body or league, may provide to the Arkansas Racing Commission a list of all persons within the teams' organization, as well as all league officials or referees prohibited from engaging in sports wagering under this section, along with the specific type of collegiate sporting events from which the person is prohibited from participating in sports wagering activities. The Commission shall provide that list of persons identified by the in-state collegiate sports or athletic team and its governing body or league to Licensees to facilitate the sports wagering prohibitions of this section.

20.121 Reports of suspicious transactions.

1. As used in this section, "suspicious transaction" means a transaction which a book knows or, in the judgment of it or its directors, officers, employees or agents, has reason to suspect: (a) Is, or would be if completed, in violation of, or is part of a plan to violate or evade, any federal, state or local law or regulation; (b) Is, or would be if completed, wagering by, or on behalf of, a ~~coach or~~ participant in a sporting event or other event on such event; (c) abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; (d) any potential breach of the relevant sports governing body's

internal rules and codes or conduct pertaining to sports wagering; (e) any other conduct that may improperly influence a betting outcome of a sporting event or events for purposes of financial gain, including without limitation "match fixing" and "point shaving"; or (f) Has no business or apparent lawful purpose or is not the sort of transaction the particular patron would normally be expected to perform, and the book knows of no reasonable explanation for the transaction after examining the available facts, including the background of the transaction.

2. A book: (a) Shall file with the Commission, by using a form developed by the Commission, a report of any suspicious transaction, if it involves or aggregates to more than \$5,000 in funds or other assets or involves a collegiate sporting or athletic event regardless of the amount; and (b) May file a report of any suspicious transaction, regardless of the amount if the licensee believes it is relevant to the possible violation of any law or regulation.

3. The report in subsection 2(a) shall be filed no later than 30 calendar days after the initial detection by the licensee of facts that may constitute a basis for filing such a report. In situations involving violations that require immediate attention, the licensee shall immediately notify, by telephone, the Commission in addition to timely filing a report.

4. A licensee shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report. Supporting documentation shall be identified, and maintained by the licensee as such, and shall be deemed to have been filed with the report. A licensee shall cooperate fully with any investigation conducted by the Commission and any appropriate law enforcement agencies and make all supporting documentation available to the Commission and any appropriate law enforcement agencies upon request.

5. The Commission and Licensees shall also cooperate with any investigations conducted by sports governing bodies and in-state colleges and universities related to their sporting events, including but not limited to facilitating the provision of account-level betting information and audio or video relating to prohibited persons placing wagers upon written request of a governing body or institution.


6. A licensee and its directors, officers, employees, or agents who file a report pursuant to this Rule shall not notify any person involved in the transaction that the transaction has been reported. Any report filed with the Commission under this subsection, as well as any information provided or received by a sports governing body or an in-state college or university related to an investigation under this Rule, is confidential and is privileged and may be disclosed only by the Commission in the necessary administration of their duties and responsibilities under the Amendment, unless disclosure is required by the Commission, court order or other applicable law. Any report, whether written or oral, is absolutely privileged and does not impose liability for defamation or constitute a ground for recovery in any civil action.


7. Licensees shall maintain records of all bets and wagers placed, including personally identifiable information of the bettor, amount and type of bet, time the bet was placed, location of the bet, the outcome of the bet, records of abnormal betting activity, and video camera recordings in the case of in-person wagers for at least three (3) years after the sporting event occurs and make such data available for inspection upon request of the Commission, or as required by court order or other applicable law.

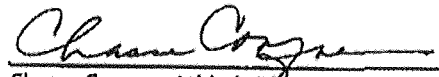
8. If a sports governing body or in-state college or university has notified the Commission that real-time information sharing for wagers placed on its sporting events is necessary and desirable, Licensees shall share, at no cost and in real time the information required to be retained under subsection 7 of this section (excluding video files which may be provided later, but within a reasonable time) with the sport's governing body, in-state college or university, or their respective designees related to wagers on their sporting events.

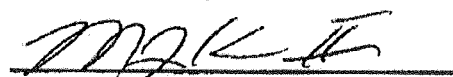
Thank you for providing us the opportunity to submit our comments. We sincerely believe these proposed regulations will not only help to protect our student athletes, coaches, and the integrity of the underlying sporting events, but will also lead to a more secure and sustainable environment for sports wagering in Arkansas. We look forward to further opportunities to work together and discuss any questions you or your staff may have regarding these comments.

Respectfully submitted,


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