



FOR IMMEDIATE RELEASE

November 20, 2024

DraftKings Fined for Compliance Violations

Sports Gaming Operator Allowed Proposition Wagers on Student Athletes' Performance and Allowed Deposit-Enabled Sports Gaming Accounts to be Funded Through an Unapproved Method

COLUMBUS – The Ohio Casino Control Commission today voted to accept a settlement agreement with DraftKings regarding compliance violations by offering prohibited wagers and permitting sports gaming accounts to be funded through an unapproved method. The agreement includes a \$425,000 fine.

The Commission discovered that DraftKings offered proposition wagers on student athletes' performance in violation of the Ohio Administrative Code. DraftKings also permitted deposit-enabled accounts to be funded through an unapproved method.

"The Commission is steadfast in its efforts to ensure Ohio's sportsbooks are in compliance with all gaming-related laws, and we will not hesitate to take administrative action when necessary in order to maintain the integrity of gaming and to protect Ohio's citizens," said Thomas J. Stickrath, Chair of the Ohio Casino Control Commission.

DraftKings is also required to ensure that its personnel are trained on all laws, policies and procedures, and Commission-approved internal controls relevant to each employee's individual function, as it relates to the violations.

All fines levied by the Commission are deposited into the State's Sports Gaming Revenue Fund.

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The Ohio Casino Control Commission is the regulatory body with oversight of casino gaming, sports gaming, fantasy contests, and skill-based amusement machines. It has the responsibility to ensure the integrity of gaming by licensing, regulating, investigating and enforcing state laws. Learn more at <http://casinocontrol.ohio.gov>.

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June 14, 2024

Crown OH Gaming, LLC

Via email to: Jen Aguiar, Chief Compliance Officer, [REDACTED]

Kevin Cochran, Chief Legal Officer, [REDACTED]

Re: Case No. 2024-SGR-001
Notice of Violation and Opportunity for Hearing

Dear Crown OH Gaming, LLC:

In accordance with R.C. 3772.04, 3775.02, 119.07, Ohio Adm.Code 3775-1-07 or 3775-1-08, the Ohio Casino Control Commission (“Commission”) is notifying you that it intends to take administrative action (including but not limited to, sanctioning and/or imposing a monetary fine and/or civil penalty) against Crown OH Gaming, LLC (“DraftKings”), a sports gaming mobile management services provider and management services provider licensee for the following reasons:

I. Administrative Charges

A. DraftKings accepted proposition bets on collegiate players on or after March 1, 2024, in violation of Ohio Adm.Code 3775-11-01(A).

Ohio Adm.Code 3775-11-01(A) requires that sports gaming proprietors only offer wagers on sporting events or wager types listed in the approved catalogue. Further, the Commission gave notice on February 23, 2024, to all sports gaming licensees to no longer accept wagers and void all impacted wagers on individual college players by March 1, 2024, pursuant to its authority in R.C. 3775.02(C).

After March 1, 2024, DraftKings violated this provision by offering wagers on individual college athlete performance, a wager type that is no longer in the approved catalogue.

B. DraftKings allowed deposit-enabled accounts to be funded through an unapproved method, in violation of Ohio Adm.Code 3775-16-03(E)(1).

Ohio Adm.Code 3775-16-03(E)(1) sets forth the methods in which a sports gaming operator may allow a deposit-enabled sports gaming account to be funded. Other methods not contained in this rule may be utilized if approved by the executive director.

DraftKings allowed deposit-enabled accounts to be funded through cash deposits at non-gaming retail locations that allowed individuals to fund their DraftKings accounts through a method not approved by the executive director. In total, 40,985 deposits were

made in Ohio comprising \$2,545,927.76 deposited into DraftKings patron accounts from January 1, 2023, through March 5, 2024.

II. Administrative Sanctions

DraftKings' conduct warrants the issuance of sanctions.

Ohio law allows the Commission to impose civil penalties, including sanctions, to discipline DraftKings a sports gaming mobile management services provider and management services provider licensee, if the Commission finds that DraftKings fails or has failed to meet any requirement prescribed by R.C. Chapter 3775 and Ohio Adm. Ohio Agency 3775. *See* R.C. 3775.02 and Ohio Adm. Code 3775-1-08. In determining the appropriate kind and level of discipline, the Commission may consider the risk to the public and to the integrity of sports gaming in this state, any factors or criteria provided under R.C. Chapters 3772 or 3775 and the rules adopted thereunder, and any other relevant factors. Ohio Adm. Code 3775-1-08(C).

The laws governing approved sports gaming events and wager types are fundamental to the Commission's responsibility of regulating sports gaming. The Commission communicated with the regulated community, including providing an opportunity for comment prior to deciding whether to prohibit NCAA player proposition wagers in Ohio. DraftKings participated in the comment period and was provided notification of the wagering catalogue change in advance of the March 1, 2024 implementation date.

DraftKings has also been aware of the Commission's rules surrounding deposit-enabled accounts, which have never permitted the type of cash deposit method utilized by DraftKings in Ohio. The funding of deposit-enabled accounts, and restrictions on the funding methods, directly impacts the integrity of sports gaming accounts in Ohio.

Further, it is imperative that DraftKings remain in compliance with Commission rules so that the integrity of sports gaming is not unnecessarily threatened.

WHEREFORE, the Commission seeks imposition of the following administrative sanctions upon DraftKings:

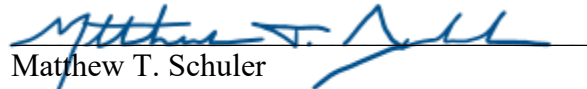
- 1) A monetary fine in an amount not less than \$425,000.00;
- 2) Requiring DraftKings to ensure that its personnel are trained in all laws, policies, and procedures relevant to accepting wagers on collegiate sports and permissible methods to fund deposit-enabled accounts to conduct sports gaming in compliance with Ohio laws; and
- 3) Any other sanction or remedy permitted by R.C. Chapter 3775 and the rules adopted thereunder.

Pursuant to R.C. 3772.04, 3775.02, and R.C. 119.07, you are entitled to a hearing on this matter. **If you wish to request a hearing, the request must be received by the Commission within 30 days of the date of service of this notice.** A request may be emailed to the Commission's Hearing Administrator at Lara.Thomas@casinocontrol.ohio.gov. Alternatively, a request may be mailed to:

Ohio Casino Control Commission
ATTN: Hearing Administrator
100 E. Broad St., 20th Floor
Columbus, OH 43215

In the event you request a hearing, you may appear in person and represent yourself or be represented by an attorney or by such other representative as is permitted to practice before the Commission; or you may present your position, arguments, or contentions in writing. At the hearing, you may present evidence and examine witnesses appearing for and against you.

Sincerely,


Matthew T. Schuler
Executive Director