

**CHAPTER 1408a. SPORTS WAGERING ACCOUNTING AND
INTERNAL CONTROLS**

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Authority

The provisions of this Chapter 1408a added under 4 Pa.C.S. §§ 1202(b)(30) and 13C02, unless otherwise noted.

Source

The provisions of this Chapter 1408a added September 10, 2021, effective September 11, 2021, 51 Pa.B. 5973, unless otherwise noted.

Cross References

This chapter cited in 58 Pa. Code § 1401a.6 (relating to permitted sports wagering activities).

§ 1408a.1. Scope.

To ensure the integrity and security of sports wagering operations in this Commonwealth, the requirements of this chapter apply to all sports wagering certificate holders and sports wagering operators seeking to offer sports wagering to patrons in this Commonwealth. The requirements in this chapter supplement, where not in conflict with and where applicable, existing Board regulations in Subparts E and L (relating to slot machine, table game and associated equipment testing and control; accounting and internal controls; and interactive gaming) and Chapter 465a (relating to accounting and internal controls) applicable to slot machine licensees, interactive gaming certificate holders and interactive gaming operators unless the context clearly indicates otherwise.

§ 1408a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

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Integrity monitoring—Observing sports wagering to identify suspicious wagering activity or unusual wagering activity to then report the activities to required parties.

Personal identifiable information—Any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a player or registered player, including a player's or registered player's name, address, date of birth and social security number.

Risk management—Processes and tools that sports wagering certificate holders or sports wagering operators use to manage the risk and liabilities associated with sports wagering.

Sports wagering device and associated equipment—Self-service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in this Commonwealth by the Board.

Sports wagering system—Sports wagering devices, equipment, communication technology, software and hardware approved by the Board to conduct sports wagering in this Commonwealth.

Suspicious wagering activity—Unusual wagering activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information or other prohibited activity.

Unusual wagering activity—Abnormal wagering activity exhibited by patrons and deemed by the sports wagering certificate holder or sports wagering operator as a potential indicator of suspicious activity which may include the size of a patron's wager or increased wagering volume on a particular event or wager type.

§ 1408a.3. Internal controls.

(a) At least 90 days prior to commencing sports wagering under this subpart, a sports wagering certificate holder or sports wagering operator shall submit to the Board for approval internal controls for all aspects of sports wagering, including retail sportsbooks, interactive sportsbook operations through a web site or mobile application and nonprimary location sportsbook operations, prior to implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, accounting, and other information as required by the Board.

(b) Notwithstanding subsection (a), the procedures and controls may be implemented by a sports wagering certificate holder or sports wagering operator upon the filing of the procedures and controls with the Board and written approval to commence operations by the Executive Director. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized and shall include the following:

- (1) Provide for reliable accounting controls, including the standardization of forms and definition of terms to be utilized in the retail sports wagering and interactive or mobile sports wagering operations.

(2) Procedures, forms and, where appropriate, details as to the reconciliation of assets and documents contained in the retail sports wagering cashier drawers. These procedures shall provide for the reporting of any overage or shortage.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in sports wagering operations, including employees of a sports wagering operator and identifying primary and secondary management and supervisory positions for areas of responsibility.

(4) Procedures for the registration of players and establishment of sports wagering accounts, including a procedure for authenticating the age, identity and physical address of an applicant for a sports wagering account and whether the applicant is a person prohibited from establishing or maintaining an account under applicable laws or regulations.

(5) Procedures for terminating a registered player's sports wagering account and the return of any funds remaining in the sports wagering account to the registered player.

(6) Procedures for suspending or terminating a dormant sports wagering account and the return of any funds remaining in the dormant sports wagering account to the registered player.

(7) Procedures for the logging in and authentication of a registered player to enable the player to commence sports wagering and the logging off of the registered player when the registered player has completed play, including a procedure to automatically log a registered player out of the registered player's sports wagering account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered player's sports wagering account.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming cash equivalents.

(10) Procedures for withdrawing funds from a sports wagering account by the registered player.

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the sports wagering certificate holder or sports wagering operator.

(12) Procedures for recording transactions pertaining to sports wagering.

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in a sports wagering account and other information as required by the Board. The procedures shall include the means by which a sports wagering certificate holder or sports wagering operator will provide notice to a registered player related to the sharing of personal identifiable information.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of the sports wagering platform, sports wagering interactive system, sports wagering devices and associated equipment.

(16) Procedures and security standards as to receipt, handling and storage of sports wagering devices and associated equipment.

(17) Procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person with the sports wagering certificate holder's or sports wagering operator's interactive sports wagering web site, mobile application and sports wagering devices and associated equipment.

(18) Procedures to verify each registered player's physical location each time a registered player logs into his or her sports wagering account and at appropriate intervals thereafter as determined by the Board.

(19) Procedures and appropriate measures implemented to deter, detect and, to the extent possible, to prevent cheating, including collusion and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(20) Procedures to govern emergencies, including suspected or actual cyber-attacks, hacking or tampering with the sports wagering certificate holder's or sport wagering operator's interactive sports wagering platform, interactive sports wagering web site or mobile application and sports wagering devices and associated equipment. The procedures shall include the process for the reconciliation or repayment of a registered player's sports wagering account.

(21) If any athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in sporting event, as fully described in § 1401a.7(c) (relating to prohibited and restricted sports wagering activities) of this subpart, has less than 10% direct or indirect ownership interest in or control of a sports wagering certificate holder or a sports wagering operator, procedures for the following shall be included:

(i) Providing notice to the Board of the identity of the owner, and if known, the ownership interest in the sports wagering certificate holder or sports wagering operator.

(ii) Implementing appropriate measures to prevent an athlete or a person from participating in the management or operations of sports wagering activities of a sports wagering certificate holder or a sports wagering operator.

(iii) Obtaining a certification from the owner acknowledging that the less than 10% direct or indirect owner is not permitted to be a customer of the sports wagering certificate holder or operator under § 1401a.7(b)(2), not permitted participate in the management or operations of the sports wagering certificate holder or sports wagering operator, and in the instance of an owner of an athletic team, not permitted to engage in sports wagering activity on any team in the league as that in which he has an ownership interest.

(c) The submission required under subsections (a) and (b) shall include a detailed description of the sports wagering certificate holder's or sports wagering operator's administrative and accounting procedures related to sports wagering, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the sports wagering certificate holder or sports wagering operator.

(4) The procedure to be utilized to ensure that money generated from the conduct of sports wagering is safeguarded and accounted for.

(5) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(6) Procedures to be utilized by an employee of a sports wagering certificate holder or sports wagering operator in the event of a malfunction of a sports wagering certificate holder's interactive sports wagering platform, interactive sports wagering web site or mobile application and sports wagering devices and associated equipment used in the conduct of sports wagering.

(7) Procedures to be utilized by the sports wagering certificate holder or sports wagering operator to prevent persons under 21 years of age, self-excluded or involuntary excluded individuals, individuals who are prohibited from wagering in accordance with § 1401a.8 (relating to persons prohibited from engaging in sports wagering activities) and players outside this Commonwealth from engaging in sports wagering.

(8) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing a sports wagering certificate holder or sports wagering operator to commence the conduct of sports wagering, the Board shall review and approve the system of internal controls, security protocols and audit protocols submitted under this chapter to determine whether they conform to the requirements of this chapter and whether they provide adequate and effective controls for the conduct of sports wagering.

(e) If a sports wagering certificate holder or sports wagering operator intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering operator may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the sports wagering certificate holder or sports wagering operator

receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in this chapter, the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of sports wagering or the control of revenue generated from sports wagering, the Bureau of Gaming Operations, by written notice to the sports wagering certificate holder or sports wagering operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in this chapter to be tolled and that any internal controls at issue not be implemented until approved under this chapter.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of sports wagering may include any of the following:

(1) Submissions that fail to provide information sufficient to permit the review of sports wagering activities by the Board.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this subpart.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this subpart.

(h) Whenever a change or amendment has been tolled under this chapter, the sports wagering certificate holder or sports wagering operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering operator may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the sports wagering certificate holder or sports wagering operator receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(i) A sports wagering certificate holder or sports wagering operator shall submit to the Board for approval a Catalog of Events and Wagers, which shall include a description of the events and wagers intended to be offered and shall include the following:

(1) Sport.

(2) Competition or league.

(3) Governing body.

- (4) Games or matches.
- (5) Description of the type of events that it intends to accept wagers on as well as the type of wagers it intends to accept.
- (j) A sports wagering certificate holder or sports wagering operator shall submit for approval any revision to the Catalog of Events and Wagers at least 72 hours in advance of implementation of these changes. A sports wagering certificate holder or sports wagering operator must maintain a catalog of all prior and current events and the types of wagers it offered on the events.
- (k) The Board reserves the right to prohibit the acceptance of wagers and may order the cancellation or discontinuation of wagering, and require refunds on any event which may have an impact on the public or the integrity of sports wagering operations.
- (l) A sports wagering certificate holder or sports wagering operator shall only accept wagers on sporting events for which:
 - (1) The outcome can be verified.
 - (2) The outcome can be generated by a reliable and independent process.
 - (3) The outcome is not affected by any wagers placed.
 - (4) The event is conducted in conformity with all applicable laws or regulations.
- (m) A sports wagering certificate holder or sports wagering operator shall not unilaterally rescind or cancel any wager made under this chapter without prior approval of the Board.
- (n) The available wagers, including the event number, odds and a brief description of the event, shall be displayed to the public, the sports wagering certificate holder or sports wagering operator's closed circuit television system, interactive sports wagering web site and mobile application.
- (o) Winning sports wagering tickets shall be redeemed through the sports wagering system, and a ticket writer or self-service kiosk shall cause the winning ticket to be reflected as claimed or redeemed in the sports wagering system upon redemption.

Cross References

This section cited in 58 Pa. Code § 1407.5 (relating to self-service kiosks and point of sale system requirements); 58 Pa. Code § 1407a.6 (relating to ticket/voucher requirements); 58 Pa. Code § 1407a.9 (relating to sports wagering system general requirements); 58 Pa. Code § 1408a.5 (relating to information to be displayed/provided); and 58 Pa. Code § 1409a.2 (relating to sports wagering contests, tournaments, pools or other organized events).

§ 1408a.4. Terms and conditions.

- (a) A sports wagering certificate holder or sports wagering operator shall develop terms and conditions for sports wagering which shall be included in the internal controls. The terms and conditions and any changes thereto must be acknowledged by the player and the acknowledgment must be date and time-stamped by the sports wagering system.

(b) The terms and conditions must address all aspects of the sports wagering operation, including all of the following:

(1) Name of the party or parties with whom the player is entering into a contractual relationship, including any sports wagering certificate holder or sports wagering operator.

(2) Player's consent to have the sports wagering certificate holder or sports wagering operator confirm the player's age, identity and, for purposes of interactive sports wagering, location.

(3) Rules and obligations applicable to the player other than rules of sports wagering including all of the following:

(i) Prohibition from allowing any other person to access or use his or her sports wagering account.

(ii) Prohibition from engaging in sports wagering activity, unless the player is physically located in this Commonwealth.

(iii) Consent to the monitoring and recording by the sports wagering certificate holder, the sports wagering operator or the Board, or both, of any wagering communications and geographic location information.

(iv) Consent to the jurisdiction of this Commonwealth to resolve any disputes arising out of sports wagering.

(v) Prohibition against utilizing automated computerized software or other equivalent mechanism to engage in sports wagering.

(4) Full explanation of fees and charges imposed upon a player related to sports wagering transactions.

(5) Availability of account statements detailing sports wagering account activity.

(6) Privacy policies, including information access and use of customer data.

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under 21 years of age to participate in sports wagering and a player who does so shall be prohibited from participating in sports wagering.

(8) Notification that if the player's sports wagering account remains dormant for a period of 2 years any funds remaining on deposit and any pending wagers may be forfeited under applicable State and Federal laws.

(9) Player's right to set responsible gaming limits and self-exclude.

(10) Player's right to suspend his or her sports wagering account for a period of no less than 72 hours.

(11) Actions that will be taken in the event a player becomes disconnected from the sports wagering system during active betting.

(12) Notice that a malfunction voids all transactions.

(13) Estimated time-period for withdrawal of funds from the sports wagering account.

(14) Detailed information regarding compulsive and problem gaming and self-exclusion to be displayed on a player protection page.

(15) Method for changing or retrieving a password or other approved access security feature and the ability to choose “strong authentication” log in protection.

(16) Method for filing a complaint with the sports wagering certificate holder or sports wagering operator and method for filing with the Board an unresolved complaint after all reasonable means to resolve the complaint with the sports wagering certificate holder or sports wagering operator have been exhausted.

(17) Method for obtaining a copy of the terms and conditions agreed to when establishing a sports wagering account.

(18) Method for the player to obtain account and wagering history from the sports wagering certificate holder or sports wagering operator.

(19) Notification of Federal prohibitions and restrictions regarding sports wagering activity, specifically, any limitations upon sports wagering activity as set forth in The Wire Act (18 U.S.C.A. §§ 1081—1084) and the Unlawful Internet Gaming Enforcement Act (31 U.S.C.A. §§ 5361—5367). The notice shall explicitly state that it is a Federal offense for persons physically located outside of this Commonwealth to engage in sports wagering activity through a sports wagering certificate holder or sports wagering operator, unless explicitly authorized by State or Federal law.

(20) Any other information as required by the Board.

§ 1408a.5. Information to be displayed/provided.

A sports wagering certificate holder or sports wagering operator shall provide for the prominent display of the following information at the certificate holder’s retail sportsbook and on a page which, by virtue of the construction of the web site or mobile application, registered players must access before beginning a sports wagering session:

(1) The full name of the sports wagering certificate holder and, as applicable, the sports wagering operator and address from which it carries on business.

(2) A logo, to be provided by the Board for display on the certificate holder’s or licensee’s online sportsbook, indicating that the sports wagering certificate holder, and as applicable, the sports wagering operator is authorized to operate sports wagering in this Commonwealth.

(3) The license number of the sports wagering certificate holder, and as applicable, the sports wagering operator.

(4) A statement that persons under 21 years of age are not permitted to engage in sports wagering.

(5) Readily available information at the certificate holder's retail sports-book or active links on the sports wagering certificate holder's or sports wagering operator's sports wagering web site or mobile application that contains all of the following:

- (i) Information explaining how disputes are resolved.
- (ii) Problem gaming information that is designed to offer information pertaining to responsible gaming.
- (iii) Board's contact information.
- (iv) Information that allows for a patron to choose to be excluded from engaging in sports wagering.
- (v) Comprehensive house rules governing wagering transactions with patrons. The house rules must be immediately available to patrons at a licensed facility's retail and interactive or mobile application sportsbooks, and must be included in a sports wagering certificate holder's or sports wagering operator's internal controls required under § 1408a.3 (relating to internal controls). The rules must include all of the following:
 - (A) Method for calculation and payment of winning wagers.
 - (B) Description of the process for handling incorrectly posted events, odds, wagers or results.
 - (C) Effect of schedule changes.
 - (D) Method of notifying patrons of odds or proposition changes.
 - (E) Acceptance of wagers at other than posted terms.
 - (F) Expiration of any winning ticket.
 - (G) Method of contacting the operator for questions and complaints.
 - (H) Description of person prohibited from engaging in sports wagering.
 - (I) A statement regarding the policy and methods for limiting the maximum amount that a patron can win on any particular wager; however, the policy will not preclude a patron from collecting a payout in excess of the purported amount if the system allows the patron to place a valid wager that pays more than the stated maximum amount.
 - (J) Methods of funding a sports wager.

§ 1408a.6. Segregation of bank accounts.

(a) A sports wagering certificate holder or sports wagering operator shall maintain a domestic bank account for player's funds separate from all other operating accounts to ensure the security of funds held in the player's sports wagering accounts.

(b) The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all player sports wagering accounts and unpaid wagers.

(c) A sports wagering certificate holder or sports wagering operator shall have unfettered access to all player sports wagering account and transaction data to ensure the amount of funds held in its independent account is sufficient. A

sports wagering certificate holder's or sports wagering operator's Chief Financial Officer shall file a quarterly attestation with the Board, unless otherwise directed by the Board, that the funds have been safeguarded under this section.

§ 1408a.7. Sports wagering certificate holder's or sports wagering operator's organization.

(a) A sports wagering certificate holder's or sports wagering operator's systems of internal controls must include organization charts depicting segregation of functions and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. Sports wagering certificate holder or sports wagering operator shall be permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. A sports wagering certificate holder's or sports wagering operator's organization charts must provide for:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(b) In addition to other positions required as part of a sports wagering certificate holder's or sports wagering operator's internal controls, a sports wagering certificate holder or sports wagering operator must maintain an information technology department supervised by an individual and licensed as a key employee who functions, for regulatory purposes, as the information technology director. A sports wagering certificate holder or sports wagering operator shall employ an information technology security officer and, if the certificate holder or licensee offers interactive or mobile sports wagering, an interactive gaming manager, both of whom shall be licensed as a key employee.

(c) The information technology director shall be responsible for the integrity of all data, the quality, reliability and accuracy of all computer systems and software used by the sports wagering certificate holder or sports wagering operator in the conduct of sports wagering activities, whether the data and software are located within or outside the certificate holder's or operator's facility, including, without limitation, specification of appropriate computer software, hardware, and procedures for security, physical integrity, audit and maintenance of:

(1) Access codes and other computer security controls used to insure appropriately limited access to computer software and data.

- (2) Monitoring logs of user access, security incidents and unusual transactions.
 - (3) Logs used to document and maintain the details of any hardware and software modifications.
 - (4) Computer tapes, disks or other electronic storage media containing data relevant to sports wagering operations.
 - (5) Computer hardware, communications equipment and software used in the conduct of sports wagering.
- (d) The information technology security officer shall report to the information technology director and be responsible for:
- (1) Maintaining access codes and other computer security controls used to insure appropriately limited access to computer software and data.
 - (2) Reviewing logs of user access, security incidents and unusual transactions.
 - (3) Coordinating the development of the sports wagering certificate holder's or sports wagering operator's information security policies, standards and procedures.
 - (4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users.
 - (5) Ensuring compliance with all State and Federal information security policies and rules.
 - (6) Preparing and maintaining security-related reports and data.
 - (7) Working with internal and external audit personnel to ensure all findings are addressed in a timely and effective manner.
 - (8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations and complaints from external parties.
 - (9) Serving as the official contact for information security and data privacy issues, including reporting to law enforcement.
 - (10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.
 - (11) Remaining current with the latest information technology security and privacy legislation, rules, advisories, alerts, and vulnerabilities to ensure the sports wagering certificate holder's security program and security software is effective.
- (e) The interactive gaming manager shall report to the information technology director, or other department manager as approved by the Board, and be responsible for ensuring the proper operation and integrity of interactive or mobile sports wagering and reviewing all reports of suspicious behavior. The

interactive gaming manager shall immediately notify the Bureau upon detecting any person participating in interactive or mobile sports wagering who is:

- (1) Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.
- (2) A self-excluded person.
- (3) A person that is prohibited by the sports wagering certificate holder or sports wagering operator from sports wagering.

§ 1408a.8. Risk management.

(a) A sports wagering certificate holder or sports wagering operator must implement risk management procedures. These procedures may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties, or by an independent third party certified by the Board as required under § 1405a.4(a)(4) (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(b) A sports wagering certificate holder's or sports wagering operator's internal controls must contain a description of its risk management framework including all of the following:

- (1) Automated and manual risk management procedures.
- (2) User access controls for all sportsbook personnel.
- (3) Information regarding segregation of duties.
- (4) Information regarding fraud detection.
- (5) Controls ensuring regulatory compliance.
- (6) Description of anti-money laundering compliance standards.
- (7) Description of all software applications that comprise the sports wagering system.
- (8) Description of all types of wagers available to be offered by the sports wagering system.
- (9) Description of all integrated third-party systems.
- (10) Description of the policies and procedures to be followed in the event that an error occurs in the offering of an event or wager, including cancellation of the wagers placed due to error, which shall be subject to Board approval.
- (11) Any other information required by the Board.

(c) A sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering, in a manner and form developed by the Board, a report of any error that occurs in offering an event or wager or if an unapproved event or wager is offered to the public.

- (1) Reports shall be filed no later than 5 calendar days after a sports wagering certificate holder or sports wagering operator initially detects or discovers facts that constitute the basis of filing a report.

(2) In situations involving activity that requires immediate attention, a sports wagering certificate holder or sports wagering operator shall immediately notify the Office of Sports Wagering in addition to the timely filing of a report.

(d) A sports wagering certificate holder or sports wagering operator shall maintain a copy of any report filed with the Board and the original or business record equivalent of any supporting documentation for a period of 5 years from the date the report was filed.

(1) Supporting documentation shall be identified and maintained by a sports wagering certificate holder or sports wagering operator as such, and shall be deemed to have been filed with the report.

(2) A sports wagering certificate holder or sports wagering operator shall make all supporting documentation available to the Board upon request.

Cross References

This section cited in 58 Pa. Code § 1401a.5 (relating to conduct of sports wagering generally); and 58 Pa. Code § 1407a.4 (relating to wagering device requirements generally).

§ 1408a.9. Integrity monitoring.

(a) A sports wagering certificate holder or sports wagering operator must implement integrity monitoring procedures. These procedures may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties or by an independent third party certified by the Board as required under § 1405a.1(a)(4) (relating to general sports wagering gaming service provider requirements).

(b) A sports wagering certificate holder or sports wagering operator must share information of unusual wagering activity or other suspicious wagering activity regarding sports wagering in this Commonwealth with:

- (1) Other sports wagering certificate holders or sports wagering operators.
- (2) The Board.

(c) A sports wagering certificate holder or sports wagering operator must submit a yearly report to the Board detailing its integrity monitoring services and summarizing any unusual wagering activity or other suspicious wagering activity notifications issued during that time period.

(d) A sports wagering certificate holder or sports wagering operator receiving a report of unusual wagering activity or suspicious wagering activity is permitted to suspend wagering on events related to the report and may only cancel related wagers under procedures previously approved by the Board.

(e) A sports wagering certificate holder or sports wagering operator must provide the Board with remote access to its integrity monitoring system which shall provide at a minimum:

- (1) Reports of unusual wagering activity.
- (2) If the activity was determined to be suspicious.

(3) The actions taken by the sports wagering certificate holder or sports wagering operator.

(f) A sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering, in a manner and form developed by the Board, a report of any unusual wagering activity or suspicious wagering activity.

(1) Reports shall be filed no later than 5 calendar days after a sports wagering certificate holder or sports wagering operator initially detects or discovers facts that constitute the basis of filing a report.

(2) In situations involving activity that requires immediate attention, a sports wagering certificate holder or sports wagering operator shall immediately notify the Office of Sports Wagering in addition to the timely filing of a report.

(g) A sports wagering certificate holder or sports wagering operator shall maintain a copy of any report filed with the Board and the original or business record equivalent of any supporting documentation for a period of 5 years from the date the report was filed.

(1) Supporting documentation shall be identified and maintained by a sports wagering certificate holder or sports wagering operator as such, and shall be deemed to have been filed with the report.

(2) A sports wagering certificate holder or sports wagering operator shall make all supporting documentation available to the Board upon request.

Cross References

This section cited in 58 Pa. Code § 1401a.5 (relating to conduct of sports wagering generally).

§ 1408a.10. Mandatory logging.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the mandatory logging requirements in Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408a.11. Records/data retention requirements.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the record/data retention requirements in Chapter 465a (relating to accounting and internal controls) and Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408a.12. Required reports.

(a) Nothing in this section shall be interpreted to prohibit a retail sportsbook from accepting anonymous sports wagers at self-service kiosks or point of sale terminals. These wagers should be included in the required reports detailed in this section and identified as "anonymous player" or a similar identifier.

(b) A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the reporting requirements in Subpart L

(relating to interactive gaming) of the Board's regulations as it pertains to interactive sports wagering through a web site or mobile application.

(c) A sports wagering certificate holder or sports wagering operator must generate reports specific to its sports wagering operations as specified by the Board that shall include, at a minimum:

- (1) The report title.
- (2) The date or time period of activity, or description "as of" a point in time.
- (3) The date and time the report was generated.
- (4) Page numbering, indicating the current page and total number of pages.
- (5) Subtotals and grand totals as required by the Board.
- (6) A description of any filters applied to the data presented in the document.
- (7) Column and row titles, if applicable.
- (8) The name of the sports wagering certificate holder or sports wagering operator.

(d) All required reports shall be generated by the sports wagering certificate holder or sports wagering operator, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(e) The sports wagering certificate holder or sports wagering operator shall provide a mechanism to export the data generated for any report to a format approved by the Board and as often as required by the Board.

(f) For retail sports wagering operations, a sports wagering system shall generate, at a minimum, all of the following daily reports:

- (1) A "Sports Wagering Intake Summary Report" which shall include:
 - (i) Tickets sold.
 - (ii) Tickets paid.
 - (iii) Tickets voided.
 - (iv) Each ticket cancelled.
 - (v) Sports wagering voucher issued.
 - (vi) Sports wagering voucher redeemed.
 - (vii) Over or short amount to writer's drawer.
 - (viii) Grand total of each transaction type for all writers.
- (2) A "Sports Wagering Results Summary Report" which shall include for each event type (that is, NFL, NHL, MLB, NCCA by sports, parlay, and the like):
 - (i) Ticket sales.
 - (ii) Tickets paid.
 - (iii) Tickets voided.
 - (iv) Tickets cancelled.
 - (v) Expired tickets.

- (vi) Net sports wagering gross revenue.
 - (vii) Grand total of each transaction type for all events.
- (3) A “Sports Wagering Ticket Expiration Detail Report” which shall include:
- (i) Ticket identification number.
 - (ii) Date and time of issuance.
 - (iii) Event.
 - (iv) Wager description.
 - (v) Bet amount.
 - (vi) Payout amount.
- (4) A “Sports Wagering Voided Ticket Report” which shall include:
- (i) Ticket number.
 - (ii) Date and time of issuance.
 - (iii) Event.
 - (iv) Wager description.
 - (v) Bet amount.
 - (vi) Writer name or identification number.
 - (vii) Reason for void.
- (5) A “Sports Wagering Cancelled Ticket Report” which shall include all of the following:
- (i) Ticket number.
 - (ii) Date and time of issuance.
 - (iii) Event.
 - (iv) Wager description.
 - (v) Bet amount.
 - (vi) Reason for cancelation.
- (6) A “Sports Wagering Ticket Liability Report” which shall include all of the following:
- (i) Ticket number.
 - (ii) Date and time of issuance.
 - (iii) Event.
 - (iv) Wager description.
 - (v) Amount.
 - (vi) Status (pending or complete).
- (7) A “Sports Wagering Voucher Liability Report” which shall include all of the following:
- (i) Voucher number.
 - (ii) Date and time of issuance.
 - (iii) Amount.
- (g) The Sports Wagering Results Summary Report shall be reconciled with the Sports Wagering Intake Summary Report, and any discrepancy shall be reported to the Board.

(h) For retail sports wagering and interactive or mobile sports wagering, a sports wagering system shall generate, at a minimum, all of the following daily reports:

(1) A “Sports Wagering Detail Report” which shall include all of the following:

- (i) Transaction time.
- (ii) Patron account identifier, for interactive or mobile sports wagering.
- (iii) Wager identification number.
- (iv) Event type.
- (v) Wager description.
- (vi) Event date.
- (vii) Wager placed amount.
- (viii) Wager paid amount.
- (ix) Voided wager amount.
- (x) Cancelled wager amount.
- (xi) Resettled wager adjustment amount.
- (xii) Transaction impact on sports wagering revenue.

(2) A “Sports Wagering Voided Wager Report” which shall include all of the following:

- (i) Transaction time.
- (ii) Patron account identifier, for interactive or mobile sports wagering.
- (iii) Ticket wager identification number.
- (iv) Date and time of issuance.
- (v) Time of void.
- (vi) Event type.
- (vii) Wager description.
- (viii) Event date.
- (ix) Wager amount.
- (x) Cashier employee name or identification number.
- (xi) Reason for void.

(3) A “Sports Wagering Cancelled Wager Report” which shall include all of the following:

- (i) Transaction time.
- (ii) Patron account identifier, for interactive or mobile sports wagering.
- (iii) Ticket wager identification number.
- (iv) Date and time of issuance.
- (v) Event type.
- (vi) Wager description.
- (vii) Event date.
- (viii) Wager amount.
- (ix) Reason for cancellation.

(4) A “Sports Wagering Resettlement Report” which shall include all of the following:

- (i) Patron account identifier, for interactive or mobile sports wagering.
- (ii) Wager identification number.
- (iii) Event type.
- (iv) Wager description.
- (v) Date and time of initial settlement.
- (vi) Date and time of resettlement.
- (vii) Unsettled amount.
- (viii) Resettlement amount.
- (ix) Net adjustment.

(i) For retail sports wagering and interactive or mobile sports wagering, a sports wagering system shall generate on a monthly basis on the last day of each calendar month a “Retail Sports Wagering Liability Report” and an “Interactive or Mobile Sports Wagering Liability Report” which shall include all of the following:

- (1) Date generated.
- (2) Patron account identifier, for interactive or mobile sports wagering.
- (3) Wager identification number.
- (4) Event type.
- (5) Wager description.
- (6) Date and time of issuance.
- (7) Event date.
- (8) Amount.
- (9) Status (that is, pending or complete).

§ 1408a.13. Accounting controls for the sports wagering area.

(a) The assets for which each ticket writer is responsible shall be maintained on an imprest basis. A ticket writer shall not permit any other person to access his or her imprest inventory.

(b) A ticket writer shall begin a shift with an imprest amount of currency and coin to be known as the “sports wagering inventory.” No funds shall be added to or removed from the sports wagering inventory during the shift, except:

- (1) In collection of sports wagering wagers.
- (2) To make change for a patron buying a sports wagering ticket.
- (3) In collection for the issuance of sports wagering vouchers.
- (4) In payment of winning or properly cancelled or refunded sports wagering tickets.
- (5) In payment of sports wagering vouchers.
- (6) In exchanges with the cage, a satellite cage or sports wagering area vault supported by proper documentation, which documentation shall be sufficient for accounting reconciliation purposes.

(c) A “sports wagering count sheet” shall be completed and signed by the sports wagering shift supervisor, and the following information, at a minimum, shall be recorded thereon at the commencement of shift:

- (1) The date, time and shift of preparation.
 - (2) The denomination of currency of coin in the sports wagering inventory issued to the ticket writer.
 - (3) The total amount of each denomination in the sports wagering inventory issued to the ticket writer.
 - (4) The sports wagering window number to which the ticket writer has been assigned.
 - (5) The signature of the sports wagering shift supervisor.
- (d) A ticket writer assigned to a ticket window shall count and verify the sports wagering inventory in an area out of view of the public, and shall agree the count to the sports wagering count sheet. The ticket writer shall sign the count sheet attesting to the accuracy of the information recorded thereon. The sports wagering inventory shall be placed in the ticket writer's drawer and transported directly to the appropriate sports wagering area window by the ticket writer.
- (e) At the conclusion of a ticket writer's shift, the ticket writer's drawer and its contents shall be transported to an area out of view of the public, where the ticket writer shall perform a blind count of the contents of the drawer and record the following information, at a minimum, on the sports wagering count sheet:
- (1) The date, time and shift of preparation.
 - (2) The denomination of cash or cash equivalents in the drawer.
 - (3) The total amount of each denomination of cash or cash equivalents in the drawer.
 - (4) The signature of the ticket writer.
- (f) A sports wagering supervisor, or above, shall compare the ticket writer net for the shift generated by the terminal and if it agrees with the sports wagering count sheet total plus the sports wagering inventory, shall agree the count to the sports wagering count sheet and shall sign the sports wagering count sheet attesting to the accuracy.
- (g) If the sports wagering window net for the shift as generated by the system does not agree with the sports wagering count sheet total plus the sports wagering inventory, the sports wagering supervisor, or above, shall record any overage or shortage. If the count does not agree, the ticket writer and the sports wagering supervisor, or above, shall attempt to determine the cause of the discrepancy with the count.
- (h) If the discrepancy cannot be resolved by the ticket writer and sports wagering supervisor, or above, the discrepancy shall be reported in writing to the sports wagering manager or department supervisor in charge at the time. Any discrepancy in excess of \$500 shall be reported to the Office of Sports Wagering and Bureau of Casino Compliance, with a report that shall include the following:
- (1) Date.
 - (2) Shift.
 - (3) Name of the ticket writer.
 - (4) Name of the sports wagering supervisor, or above.

- (5) Window number.
- (6) Amount of the discrepancy.

§ 1408a.14. Sports wagering accounts.

A sports wagering certificate holder's or sports wagering operator's sports wagering system shall comply with the player account requirements in Subpart L (relating to interactive gaming) of the Board's regulations as it pertains to sports wagering accounts used by a patron to participate in interactive or mobile sports wagering.

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(406842) No. 565 Dec. 21

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