



State of New Jersey

Philip D. Murphy
Governor

Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
P.O. Box 047
Trenton, NJ 08625-0047

Gurbir S. Grewal
Attorney General

Sheila Y. Oliver
Lt. Governor

David Rebuck
Director

July 9, 2019

Patrick Mandamba, Jr., Esquire
Vice President and General Counsel
1 Borgata Way
Atlantic City, New Jersey 08401

Re: NOTICE OF VIOLATION; N.J.A.C. 13:69B-2.9
Sports Wager Offered on Unauthorized Sports Event;
N.J.A.C. 13:69N-1.9; N.J.A.C. 13:69N-1.11

Dear Mr. Mandamba:

The Division of Gaming Enforcement ("Division") recently completed an investigation regarding compliance by Borgata Hotel, Casino & Spa ("Borgata") with the regulations of Sports Wagering.

N.J.A.C. 13:69N-1.11 prohibits all Sportsbook operators from accepting wagers on any event prior to submitting a written request and obtaining approval from the Division. Additionally, N.J.A.C. 13:69N-1.9 requires all Sportsbook operators to have a sports pool system with controls to "review the accuracy and timeliness of any data feeds used to offer or settle wagers..."

On February 11, 2019, the Division sent an email to various Sportsbook providers, including Borgata and Bwin. This email advised all recipients that the Division had not authorized the Alliance of America Football ("AAF") for wagering. In addition, the email required all providers to disclose whether AAF had been made available for wagering.

Later that day, [REDACTED], Bwin's President of Operations, advised the Division that Borgata, in conjunction with Bwin, had accepted wagers on AAF. [REDACTED] explained



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that the unauthorized market of AAF had been made available for wagering due to so-called "human error." He further explained that Bwin had created an AAF market in anticipation of the Division's approval, but it should not have been activated. ██████ reported that a Bwin trader opened the market due to the trader's mistaken belief that the market had been approved by the Division.

The AAF market was available for wagering from February 7, 2019 at 7:44PM until February 8, 2019 at 10:28AM. Once discovered, AAF events were removed. Despite this removal, the AAF market was reactivated by a Bwin employee at 11:16PM on February 8, 2019 and remained opened until 8:04AM on February 9, 2019.

██████ reported that seven wagers had been accepted for a total of \$89. Four wagers were parley wagers and the remaining three were straight bets. All of the wagers were voided prior to the event.

During the Division's interview of ██████████, Bwin's Project Manager, it was discovered that prior to these incidents, all traders had been advised by the Lead Traders that the AAF market could not be activated until approved by the Division. ██████ advised that in response to these incidents, Bwin traders would now maintain a SharePoint listing of all markets pending Division approval. Bwin also added a banner to the platform's game center advising traders that AAF was "pending DGE approval - please do not offer markets!!!!!!"

Based upon the incidents of noncompliance discussed above and the prior Violation Complaint for accepting wagers on prohibited events, Borgata has failed to comply with the regulations regarding sports wagering on unauthorized and prohibited sports events.

Therefore, pursuant to N.J.A.C. 13:69B-2.9, the Division is exercising its authority to impose a civil penalty of \$500 to address the above referenced episodes of noncompliance. If Borgata agrees with the civil penalty determination, please sign this letter in the space provided below and return it to the undersigned within 30 days. Upon receipt of the signed letter an Order assessing the suggested civil penalty will be issued. However, if Borgata disagrees with the determination please advise the undersigned so appropriate proceedings may be scheduled. See N.J.A.C. 13:69B-2.9(c-d).

Lastly, Borgata is hereby advised that, continued noncompliance, no matter how de minimis, regarding permitted wagering on prohibited sports events may result in more formal regulatory action.

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Sincerely,

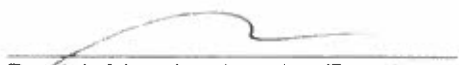
A handwritten signature in black ink, appearing to read "JK Russo-Belles". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jennifer K. Russo-Belles
Deputy Attorney General

cc: David L. Rebeck, Director
Louis S. Rogacki, Deputy Director
Don Errera, Chief
FILE: D-56-19-017

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Borgata agrees with the Division's determination that a civil penalty in the amount of **\$500** is appropriate to resolve the above described violations.



Patrick Mandamba, Jr., Esquire
Vice President and General Counsel
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