

STATE OF NEW JERSEY  
Office of the Attorney General  
Department of Law and Public Safety  
Division of Gaming Enforcement  
File No. D-01-18-149  
Docket No. 19-0288-VC

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IN THE MATTER OF DRAFTKINGS INC.

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Civil Action

**ORDER AND CONSENT DECREE**

DraftKings Inc. ("DraftKings"), having discovered on November 16, 2018 that patrons in cool-off status were performing normal account activities; and

DraftKings having investigated this issue and identified an error in a software release which was deployed on October 24, 2018; and

This defect having caused the cool-off duration to be set to zero days, thereby negating the cool-off status and allowing patrons to resume normal account activity immediately after requesting such status; and

DraftKings having deployed an emergency release with proper notification to the New Jersey Division of Gaming Enforcement ("Division") on November 16, 2018 to fix this error; and

Thirteen of the fifty-four patrons that were in cool-off status between October 24, 2018 and November 16, 2018 having deposited funds and placed wagers totaling \$28,887.82; and

Eleven of these patrons having lost a combined total of \$3,277.36; and

DraftKings having violated *N.J.A.C. 13:69D-2.3(d)*, which provides that a casino licensee “shall ensure all software utilized works as intended and functions properly in compliance with the Division’s rules prior to installation”; and

DraftKings having violated *N.J.A.C. 13:69O-1.4(j)1*, which provides that “Internet and mobile gaming systems shall employ a mechanism that places an Internet or mobile gaming account in a suspended mode [w]hen requested by the patron for a specified period of time . . .” ; and

DraftKings having violated *N.J.A.C. 13:69O-1.4(k)*, which requires that when an Internet gaming account is in a suspended mode, the system must prevent a patron from wagering or depositing funds into his or her account; and

Having considered the relevant provisions of the Casino Control Act, *N.J.S.A. 5:12-1 et seq.*, and the regulations promulgated thereunder, specifically for violations of the regulations referenced above; and

Having considered that DraftKings self-reported this unintentional issue, resolved it the same day, and no patron complaints regarding the issue were received; and

DraftKings having consented to the imposition of a \$5,000 civil penalty as an appropriate sanction for the above-referenced violations; and

DraftKings having also consented to the disgorgement of \$3,277.36, the amount lost by eleven patrons in cool-off status;

I hereby **ORDER** that a total penalty in the amount of \$8,277.36, as agreed by the parties, consisting of a \$5,000 civil penalty plus the vacating of \$3,277.36 in funds won from patrons who should have been prevented from playing via their cool-off status, be imposed upon DraftKings, payable upon receipt of an invoice from the Division.

Dated: June 6, 2019

  
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DAVID REBUCK  
DIRECTOR