



State of New Jersey

Philip D. Murphy
Governor

Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
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Director

February 21, 2020

Carolyn Renzin
Vice President Legal and Regulatory Compliance
FanDuel Group
290 Park Avenue
15th Floor
New York, New York 10017

Re: NOTICE OF VIOLATION; N.J.A.C. 13:69B-2.9

Underage Wagering;

N.J.S.A. 5:12-119(a-b); N.J.A.C. 13:69C-16.1(a); N.J.A.C. 13:69D-1.11(b)(1);
N.J.A.C. 13:69D-1.11(b)(6); N.J.A.C. 13:69G-3.2(b)(2); N.J.A.C. 13:69N-1.1

Dear Ms. Portman:

The Division of Gaming Enforcement ("Division") recently completed a series of investigations regarding FanDuel Group's ("FanDuel") failure to detect underage patrons.

N.J.S.A. 5:12-119(a-b), N.J.A.C. 13:69C-16.1(a), N.J.A.C. 13:69D-1.11(b)(1), N.J.A.C. 13:69D-1.11(b)(6) and N.J.A.C. 13:69N-1.1, not only prohibit persons under the age of twenty-one from entering and/or wagering in "a licensed casino or simulcasting facility" and Sports Book, but they also explain in great detail the Sports Book's, "casino licensee[s]," "agent[s] or employee[s]" responsibilities to identify, detect, remove and/or prohibit all persons "under the age...authorized to purchase and consume alcoholic beverages" from entering, wagering or remaining in a casino or simulcast facility.

On May 25, 2019, the Division initiated an investigation after a review of FanDuel's surveillance log and subsequent incident report indicated that an underage patron, nineteen year old, S.G., had been evicted for underage gambling. The Division reviewed FanDuel's surveillance incident report and discovered that S.G. had



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attempted to place a wager at Window 15 in the Victory Lounge; however, a review of her New Jersey's driver's license revealed that she was only nineteen years old. S.G.'s wager was refused. S.G. was advised that she was unable to wager because she was under twenty-one years old.

S.G. was observed to vacate the building, but she re-entered through the simulcast entrance. When the simulcast teller requested identification, S.G. presented a Connecticut driver's licence in the name of M.P.A. with a birth date of February 21, 1997. S.G. wagered \$225. A FanDuel supervisor recognized S.G. when she exited the simulcast room. S.G. was intercepted and escorted to the simulcast room. Her wager was voided and FanDuel improperly refunded her \$225. Instead, the funds should have been confiscated and forfeited to the Division in accordance with N.J.A.C 13:69G-3.2(b)(2). FanDuel failed to notify its Security/Surveillance department of the incident.

On August 18, 2019, the Division investigated another incident regarding an underage patron at FanDuel. The Division reviewed FanDuel's surveillance log and incident report. FanDuel reported that an underage patron, J.A., was discovered after he had placed two wagers at a self-serve kiosk in the Simulcast Sportsbook.

The Division's investigation revealed that after J.A. had placed two wagers at a self-service Kiosk, he was approached by FanDuel personnel and asked to produce identification. FanDuel discovered that J.A. was underage, voided his wagers and confiscated the funds.

As a result of these two incidents, FanDuel implemented the following changes: (1) installed signs and video displays throughout the Victory Sportsbook, Simulcast facility and at the entrances stating that the "Legal Sports Gambling age is 21 - All ID's will be checked"; (2) Assigned FanDuel Supervisors and security personnel to all entrance points from "open to close" to scan identification in accordance with FanDuel's "CHALLENGE 30" policies and procedures; (3) Restricted access to the Simulcast Room to patrons twenty-one years old and older; (4) Assigned Security and FanDuel supervisor to be posted at the self-serve kiosks to enforce "CHALLENGE 30" and scan identification; (5) installed signs at the self-serve kiosks stating that all patrons must be at least twenty-one years old to wager.

Based upon these incidents, it appears that FanDuel has experienced noncompliance in prohibiting underage gambling on two occasions. Therefore, pursuant to N.J.A.C. 13:69B-2.9, the Division is exercising its authority to impose a civil penalty to address the above referenced episodes of noncompliance. Upon receipt of a Notice of Violation, a licensee shall respond to the Division and either acknowledge the violations and agree to the proposed penalty or deny the allegation and/or proposed penalty within 30 days. If the allegation is denied or the penalty is disputed, the matter shall proceed as a contested case. See N.J.A.C. 13:69B-2.9(c). Alternatively, failure to

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respond within 30 days will also result in the matter proceeding as a contested case. See N.J.A.C. 13:69B-2.9(d).

Based upon the facts set forth above, the Division has determined that a civil penalty in the amount of **\$2,000** is appropriate. If FanDuel 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 civil penalty will be issued. However, if FanDuel disputes the Division's determination please advise the undersigned so appropriate proceedings may be scheduled.

Lastly, FanDuel is hereby advised that continued noncompliance, no matter how de minimis, regarding underage gambling may result in more formal regulatory action.

Sincerely,



Jennifer K. Russo-Belles
Deputy Attorney General

cc: David L. Rebeck, Director
Louis S. Rogacki, Deputy Director
Don Errera, Chief
File Numbers: O-05-19-019; O-05-19-022

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FanDuel agrees with the Division's determination that a civil penalty in the amount of **\$2,000** is appropriate to resolve the above described violations.

Carolyn Renzin, Vice President
Legal and Regulatory Compliance
FanDuel Group