

IN THE MATTER OF	*	BEFORE THE
Crown MD Online Gaming LLC	*	MARYLAND LOTTERY
d/b/a/ DraftKings	*	AND GAMING CONTROL
	*	COMMISSION
Respondent	*	April 2023 Mobile Sport Wagering Violation

* * * * *

CONSENT AGREEMENT

Pursuant to the Annotated Code of Maryland, State Government Article (“SG”), §§ 9-1E-01, *et seq.* (“Sports Wagering Law”), and Code of Maryland Regulations (“COMAR”) 36.10.08.05, the Maryland Lottery and Gaming Control Commission (“Commission”) and Crown MD Online Gaming LLC d/b/a/ DraftKings (“DraftKings”) (collectively the “parties”) desire to resolve this matter without a formal administrative hearing. Accordingly, the parties recite the following facts and make the following agreements:

BACKGROUND

The Commission, with the assistance of the Maryland Lottery and Gaming Control Agency (“Agency”), regulates the operation of the State’s sports wagering program, and is responsible for qualifying sports wagering license applicants, issuing licenses to qualified applicants, regulating sports wagering licensees, and ensuring that sports wagering operations are conducted legally. SG §§ 9-1E-03(a), 9-1E-04.

If a licensee violates a provision of the Sports Wagering Law, a regulation promulgated by the Commission, or a directive of the Commission or the Director of the Agency, the Commission is authorized to, after a hearing, take action against a licensee that may include suspension or revocation of a license, and levying a civil penalty for each violation. SG §§ 9-1E-03(a),-08; §§

9-1A-04(a)(3) – (8); COMAR 36.10.08. The Commission may also take other enforcement action, such as a corrective action plan, a reprimand, or imposition of a condition on a license. SG §§ 9-1A-04(a)(3) – (8), 9-1E-03(a), -08; COMAR 36.10.08. The Commission may also agree with a licensee to reach a settlement to resolve a violation. COMAR 36.10.08.05.

DraftKings is licensed by the Commission as an online sports wagering operator licensee in the State of Maryland.

On May 30, 2023, the Agency provided DraftKings with the monthly audit report for the audit period April 1, 2023 through April 30, 2023 (the “Audit Report”). The Audit Report identified a regulatory and internal control violation of the Sports Wagering Law. DraftKings agreed to remediate the condition.

By a Notice of Alleged Violations dated July 17, 2023 (the “Notice”), the Agency notified DraftKings that it was recommending an enforcement action for the alleged violation of the Sports Wagering Law identified in the Audit Report. The Agency included the Audit Report indicating the violation(s) for which the Agency is proposing a monetary penalty with the Notice. The Notice asserted that DraftKings violated the Sports Wagering Law and regulations promulgated thereunder, and that this action was sanctionable.

DraftKings has taken corrective measures to ensure future compliance with the regulations that are the subject of the Notice.

The parties agree to the following terms and conditions as a means of resolving the captioned alleged violations.

TERMS AND CONDITIONS

1. This Consent Agreement is being entered into as a means of settling the alleged violations and avoiding the potential expense and inconvenience of a formal hearing.

2. There has not been a formal finding as to the merits of the allegations in the Notice. This Consent Agreement does not constitute an admission or denial by either party that a violation of law or regulation has occurred.
3. Upon the parties' execution of this Consent Agreement, Commission staff shall submit this Consent Agreement to the Commission for review and final approval at its next meeting.
4. Upon the Commission's final approval of this Consent Agreement, and no later than 10 days after, DraftKings shall remit payment of \$5,000.00 to the Commission.
5. Upon receipt of payment from DraftKings, the Commission will close these matters.
6. DraftKings will continue to take appropriate measures to ensure future compliance with the regulations that are the subject of the Notice.
7. If DraftKings violates a term of this Consent Agreement, the Commission may impose a sanction or penalty on DraftKings for violating the Agreement or for the underlying violations. COMAR 36.10.08.05C.
8. By entering into this Consent Agreement, DraftKings waives all rights to administrative or judicial review of the alleged violations.
9. This Consent Agreement extends only to those alleged violations referenced in the Notice. If the Commission subsequently discovers additional facts of a material and substantial nature involving any of the incidents cited in the Notice, and such facts constitute additional violations, the Commission may investigate and take any enforcement action it deems necessary as a result of the additional violations. This Consent Agreement does not prohibit DraftKings from disputing any enforcement action brought based on such alleged violations.

10. This Consent Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written that are not specified or referenced within this document will be valid provisions of this Consent Agreement.

11. This Consent Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by the parties.

12. This Consent Agreement is not final and binding until it is approved by the Commission. COMAR 36.10.08.05.B(2).

IN WITNESS WHEREOF, the parties have signed this Consent Agreement as set forth below:

Jen Aguiar (date)
Chief Compliance Officer
DraftKings

John Martin (date)
Director
Maryland Lottery and Gaming Control Agency

APPROVED:

E. Randolph Marriner (date)
Chair, Maryland Lottery and Gaming Control Commission