

# Tribal Gaming Regulatory Authority Standards

TGRA 3 version 1.0

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## Standards for Sportsbook Wagering

Note: These standards are not intended to serve as a legal basis for game classification within the context of Class II or Class III gaming pursuant to IGRA or within the context of skill. Such classifications will be subject to interpretation by the jurisdictional regulatory authority.

### I. Definitions

- A. *Account wagering system* means a system of wagering using telephone, computer or other method of wagering communication as approved by the jurisdictional regulatory authority whose components shall be located on Tribal Lands. The components shall include, but not be limited to, the systems operator, permanent information databases, system monitoring equipment, writers, and patron service representatives.
- B. *Book* means a sports pool approved by the jurisdictional regulatory authority pursuant to these standards.
- C. *Central site book* means a book which, for the purpose of wagering communications, may allow other books to establish wagering or credit accounts, accept deposits on accounts and return funds or close out accounts for the central site. Such other books:
  - 1. Must be outstation or satellite books of the central site or must be affiliates of the central site; and
  - 2. Must have on-line, real-time access to the appropriate functions of the central site's computerized bookmaking system.
- D. *Communications technology* means the methods used and the components employed to facilitate the transmission of information including, but not limited to, transmission and reception systems based on wire, cable, radio, microwave, light, optics, or computer data networks. The term does not include the Internet.
- E. *Internet* means the international computer network of both Federal and non-Federal interoperable packet switched data networks.
- F. *Messenger bettor* means a person who places a sports pool wager for the benefit of another for compensation.
- G. *Outstation book* means a book, other than a satellite book, that shares the computerized bookmaking system and certain management or administrative functions of a book.
- H. *Sports pool* means a business that accepts wagers on sporting events or other events. The term includes, but is not limited to, a business that accepts sports parlay card wagers. The term "other events" includes, but is not limited to, virtual events which are not prohibited.
- I. *Wagering communication* means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

## **II. Reserve requirements**

- A. Each book shall comply with the following to calculate the minimum reserve requirements:
  - 1. Each book shall at all times maintain a reserve of not less than the greater of \$25,000 or the sum of the amounts held by the book for the account of patrons, amounts accepted by the book as wagers on contingencies whose outcomes have not been determined; and amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers.
  - 2. Before beginning operations, each new book shall establish a reserve of at least \$25,000. After the end of the first week of the book's operation, the book's reserve must comply with paragraph A.1.
- B. The reserve described in paragraph A.1 may be combined as a single amount for a book and its satellite books.

## **III. Acceptance of wagers**

- A. Immediately upon accepting a wager, other than an account wager, the book shall create a betting ticket on which the terms of the wager are written. Betting tickets must bear the name and address of the book.
- B. Books may not accept wagers unless made with cash, chips, or other representatives of value, or against credits made to a wagering account.
- C. A book shall accept wagers only on its premises, and only at betting stations approved by the jurisdictional regulatory authority or through an account wagering system that has been approved by the jurisdictional regulatory authority.
- D. A book shall not knowingly accept money or its equivalent ostensibly as a wager upon an event whose outcome has already been determined. A sports pool shall not accept a wager on an event unless the date and time at which the outcome of the event is determined can be confirmed from reliable sources or from records created and maintained by the book.
- E. Sports pools may accept wagers, including parlay card wagers, as to which of the participating contestants will win specified sports events and as to whether the total points scored in a specified game, match, or similar sports event will be higher or lower than a number specified for that event. Sports pools shall not accept wagers, including parlay card wagers, on other contingencies unless their outcomes are reported in newspapers of general circulation or in official, public records maintained by the appropriate league or other governing body, or unless the pertinent sports events are televised live at the book and a book employee other than a betting ticket writer monitors the telecast, records the occurrence of the pertinent events and contingencies simultaneously with their occurrence, and records the time of their occurrence.
- F. No book or employee of a book may accept a wager from a person who the book or employee knows or reasonably should know is a messenger bettor or is placing the wager in violation of tribal, state or federal law.
- G. No book may hold a patron's money or its equivalent on the understanding that the book will accept the money as a wager only upon the occurrence of a specified, future contingency, unless a betting ticket documenting the wager and contingency is issued immediately when the book receives the money or its equivalent.

- H. A sports pool may not accept wagers on a sporting event unless the wagering proposition is posted. Propositions may be posted by electronic or manual means, including printed media. If posted propositions are not updated simultaneously with actual changes to the propositions, an announcement, audible throughout the sports pool, must be made simultaneously with the actual changes followed by updating the posted propositions within a time specified in the house rules.

#### **IV. Wagers and payouts in excess of \$10,000**

- A. Prior to accepting any wager in excess of \$10,000 or making a payout in excess of \$10,000 on a winning wager the book shall:
1. Obtain the patron's name;
  2. Obtain or reasonably attempt to obtain the patron's permanent address and social security number;
  3. Obtain one of the following identification credentials from the patron;
    - a. Driver's license;
    - b. Passport;
    - c. Non-resident alien identification card;
    - d. Other reliable Government Issue identification credentials; or
    - e. Other picture identification credential normally acceptable as a means of identification when cashing checks.
  4. Examine the identification credential obtained to verify the patron's name, and to the extent possible, to verify the accuracy of the information obtained pursuant to paragraph A.2.
- B. Prior to accepting a wager in excess of \$10,000 or making a payout in excess of \$10,000 on a winning wager, if a book knows a person is placing a wager or receiving a payout allowed by these standards on behalf of another person, the book shall obtain and record the information required by paragraph A with respect to all persons placing the wager or receiving the payout, and the book shall reasonably attempt to obtain and, to the extent obtained, shall record the information required by paragraph A with respect to all persons for whom the wager was placed or the payout received.
- C. Subsequent to accepting a wager in excess of \$10,000 or making a payout in excess of \$10,000 on a winning wager the book shall record or maintain records that include, at a minimum:
1. The patron's name and, if applicable, the agent's name;
  2. The patron's address and, if applicable, the agent's address;
  3. The patron's social security number and, if applicable, the agent's social security number;
  4. A description including any document number of the identification credential examined (or credential information on file for known patrons) and, if applicable, for the agent;
  5. The amounts of the wager and payout on the wager;
  6. Window numbers or other identification of the locations where the wager and payout on the wager occurred;
  7. The times and dates of the wager and payout on the wager; and
  8. The names and signatures of the book employees accepting or approving the wager and payout on the wager.
- D. As used in this section, a "known patron" means an individual patron known to the book employees accepting the wager and paying the winning wager, for whom the book has previously obtained the patron's name and identification credential, and with respect to whom the book has on file and

updates, at least every three years, all the information required to be recorded.

- E. Each book shall report the wagers and payments on winning wagers required to be recorded, on a form that includes, but is not limited to:
1. The patron's and agent's (if applicable) name;
  2. The patron's and agent's (if applicable) identity credential information;
  3. The patron's and agent's (if applicable) social security number;
  4. Wager and payout amounts; and
  5. Date of transactions.

Reports shall be completed no later than 15 days after the end of the month of the occurrence of the transaction and shall be made available to the jurisdictional regulatory authority upon request. The book shall amend the report if the book obtains information to correct or complete a previous report, and the amended report shall reference to such previous report. The book shall retain a copy of each report for at least 5 years.

## **V. Multiple wagers**

- A. A book and its employees shall not knowingly allow, and the book shall take reasonable steps to prevent, the circumvention of Section IV. by multiple wagers within its designated 24-hour period with a patron or a patron's agent or by the use of a series of wagers that are designed to accomplish indirectly that which could not be accomplished directly. As part of a book's efforts to prevent such circumventions a book shall establish and implement multiple transaction logs.
- B. Each book shall record in a multiple transaction log all wagers in excess of \$5,000, or in smaller amounts that aggregate in excess of \$5,000 when any single officer or employee of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent. This record shall be made for wagers occurring during a designated 24-hour period.
- C. Each log entry in a multiple transaction log shall be made by the employee accepting or approving the wager, immediately after accepting the wager, and shall include at a minimum:
1. Description of the patron (or agent), which may include such identifiers as age, sex, race, eye color, hair, weight, height and attire, if the person is present when the wager is accepted;
  2. Patron's name and agent's name, if known;
  3. Window number or other identification of the location where the wager occurred;
  4. Time and date of the wager;
  5. Dollar amount of the wager; and
  6. Signature or electronic signature of person accepting or approving the wager.
- One log shall be maintained for each designated 24-hour period. A log is completed for each 24-hour period regardless of whether any wagers occurred. At the conclusion of each 24-hour period, the last entry on the log shall be an indication that the end of the 24-hour period has occurred.
- D. Each book shall aggregate all wagers in excess of \$5,000 or smaller amounts when any single officer or employee of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent during a designated 24-hour period.

- E. Before completing a wager that, when aggregated with other wagers pursuant to paragraph D, will aggregate to an amount that will exceed \$10,000, the book shall complete the identification and recordkeeping requirements described in Section IV.A. When aggregated wagers exceed \$10,000, the book shall complete the recording and reporting requirements of Section IV.
- F. If a patron places a wager that is to be aggregated with previous wagers for which a record has been completed, the book shall complete the identification, recordation and reporting procedures for any additional wager regardless of amount occurring during a designated 24-hour period.
- G. Designated 24-hour period means the 24-hour period ending at midnight each day unless otherwise determined by the book, as approved by the jurisdictional regulatory authority.

## **VI. Structured wagers**

- A. A book, its officers or employees shall not encourage or instruct the patron to structure or attempt to structure wagers. This section does not prohibit a book from informing a patron of the regulatory requirements imposed upon the book, including the definition of structured wagers.
- B. A book, its officers or employees shall not knowingly assist a patron in structuring or attempting to structure wagers.
- C. As used in this section, “structuring wagers” means to willfully conduct or attempt to conduct a series of wagers in any amount, at one or more books, on one or more days in any manner as to willfully evade or circumvent the recording and reporting requirements of Section IV. The wager or wagers need not exceed the dollar thresholds in Section IV. at any single book in any single day in order to constitute structuring within the meaning of this definition.

## **VII. Payment of winning wagers**

- A. Except as otherwise provided in this section, books shall make payment on a winning wager to the person who presents the patron’s copy of the betting ticket representing the wager. A book need not make payment to a person who the book or employee of the book knows is not the person to whom the patron’s copy was issued. A book shall not make payment on a winning wager to a person who the book or its employee knows or reasonably should know is collecting the payment on behalf of another for monetary consideration or in violation of federal law. A book may withhold payment of a winning wager if the patron refuses to supply identification or any other documentation required by tribal, state or federal law.
- B. Presentment of the betting ticket and payment of the winning wager may be made at an affiliated book provided that an adequate accounting of the payment is kept for 5 years by both books; and the payout is properly included in the computation of gross revenue of the book that initially accepted the wager.
- C. Books shall honor winning betting tickets for at least 30 days after the conclusion of the event wagered upon. The book shall state the redemption period on each betting ticket, in house rules and on notices conspicuously placed about the premises. Payment by mail may be made only after presentment of the betting ticket and all required identification information and documentation, and shall be made not later than 10 days after presentment.

## **VIII. Parlay card wagers**

- A. As used in this section, “parlay card wager” means a wager on the outcome of a series of 3 or more

games, matches, or similar sports events or on a series of 3 or more contingencies incident to particular games, matches or similar sports events.

- B. Each sports pool that offers to accept parlay card wagers shall fully, accurately, and unambiguously disclose on all parlay card wagering forms:
1. The amounts to be paid to winners or the method by which such amounts are to be determined and, if the sports pool limits payouts to an aggregate amount under paragraph C.
  2. The effect of ties.
  3. The minimum and maximum betting limits, if any.
  4. The procedure for claiming winnings, including but not limited to the documentation players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail.
  5. The effects of an event wagered on not being played on the date specified and of other events that will cause selections to be invalid.
  6. The requirement that a parlay card wager must consist of at least three selections that have not become invalid under applicable house rules or the wager will be void and the money wagered will be refunded.
  7. The rights, if any, reserved by the sports pool, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the parlay card has been determined.
  8. The requirement that the point spreads printed on the parlay card wagering form when the wager is accepted will be used to determine the outcomes of the wagers.
  9. That the sports pool's house rules apply to parlay cards unless otherwise stated on the parlay card wagering form.
- C. As used in this section, "parlay card" means a wagering form offering exactly the same propositions on exactly the same terms.
1. A sports pool may limit the aggregate amount to be paid to winners on a parlay card in proportion to the amounts won, provided that the aggregate limit must not be less than the amount disclosed on the parlay card ("base amount") plus twice the amount wagered on the parlay card at all establishments to which the aggregate limit applies.
  2. When a sports pool knows or reasonably should know that actual payouts on a parlay card will be limited by an aggregate amount, the sports pool shall cease accepting wagers and making payouts on the parlay card. After the outcome of the final game, match, or event covered by the parlay card has been determined, the sports pool shall pay each winner at least that proportion of the payout amount stated on the parlay card that the aggregate limit bears to total payouts (including payouts made prior to the suspension of payouts) that would otherwise have been made but for the limit.
  3. When a book ceases accepting wagers and making payouts on a parlay card, the book may accept wagers on the parlay card on those propositions whose outcomes have not been determined if the parlay card, patron receipts, and related documentation are distinguishable from the card, receipts, and documentation as to which the book has ceased accepting wagers, in which case the parlay card shall be considered a different parlay card.
  4. If a book pays the winner of a parlay card wager more than 10 percent of the base amount before the outcome of every proposition offered by the parlay card has been determined, the

book must pay every winner of a wager on that parlay card the proper payout amount stated on the parlay card in full and without regard to any aggregate limit.

5. In specific cases the jurisdictional regulatory authority may waive or impose requirements more restrictive than the requirements of this section.
- D. Prior to adopting or amending parlay card rules, a book shall submit such rules to the jurisdictional regulatory authority for approval.

#### **IX. Computerized bookmaking systems**

Before beginning operations, each book shall install and thereafter maintain a computerized bookmaking system meeting the specifications approved by the jurisdictional regulatory authority.

#### **X. Layoff bets**

- A. Books may accept wagers placed by other books. Books may place wagers only with other books. A book that places a wager shall inform the book accepting the wager that the wager is being placed by a book and shall disclose its identity.
- B. A book may not unilaterally rescind any wager without the prior written approval of the jurisdictional regulatory authority.

#### **XI. Prohibited wagers; exception for an event other than an athletic sports event**

- A. No wagers may be accepted or paid by any book on:
  1. Any amateur sport or athletic event other than;
    - a. Olympic sporting or athletic events sanctioned by the International Olympic Committee, subject to limitation by the jurisdictional regulatory authority, and
    - b. Collegiate sporting or athletic events;
  2. Any collegiate sport or athletic event which the book knows or reasonably should know, is being placed by, or on behalf of a coach or participant in that collegiate event. Each book shall take reasonable steps to prevent the circumvention of this regulation;
  3. The outcome of any election for any public office;
  4. Any virtual event unless:
    - a. An approved gaming device is used to determine the outcome(s) and display an accurate representation of the outcome(s) of the virtual event;
    - b. A live display of the virtual event is offered to all approved sports pools; and
    - c. The virtual event is approved by the jurisdictional regulatory authority.
  5. Any event other than an athletic sports event, unless such event is approved by the jurisdictional regulatory authority.
- B. A request for approval to accept wagers on an event other than an athletic sports event shall be made by a book in writing to the jurisdictional regulatory authority, and shall include:
  1. A full description of the event and the manner in which wagers would be placed and winning wagers would be determined.
  2. A full description of any technology which would be utilized to offer the event.
  3. Such other information or documentation which demonstrates that:
    - a. The event could be effectively supervised;
    - b. The outcome of the event would be verifiable;
    - c. The outcome of the event would be generated by a reliable and independent process;

- d. The outcome of the event would be unlikely to be affected by any wager placed;
    - e. The event could be conducted in compliance with any applicable laws.
  - 4. Such additional information as the jurisdictional regulatory authority may require.
- C. The decision whether to grant approval to accept wagers on an event other than an athletic sports event shall be based on all relevant information of this section. The jurisdictional regulatory authority may subject any technology that would be utilized to offer the event to such testing, investigation and approval process as deemed appropriate.

## **XII. Reports of suspicious wagers**

- A. As used in this section, *suspicious wager* means a wager which a book knows or, in the judgment of it or its directors, officers and employees has reason to suspect, is being attempted or was placed:
- 1. In violation of or as part of a plan to violate or evade any law or regulation prohibiting wagering on any amateur non collegiate or collegiate sport or athletic event;
  - 2. In violation of or as part of a plan to violate or evade any law or regulation prohibiting wagering by, or on behalf of, a coach or participant in a collegiate sport or athletic event; or
  - 3. Has no business or apparent lawful purpose or is not the sort of wager which the particular patron would normally be expected to place, and the book knows of no reasonable explanation for the wager after examining the available facts.
- B. A book:
- 1. Shall file with the jurisdictional regulatory authority a report of any suspicious wager, if it involves or aggregates to more than \$5,000 in funds or other assets; and
  - 2. May file a report of any suspicious wager, regardless of the amount if the book believes it is relevant to the possible violation of any law or regulation.
- C. The report in paragraph B.1 shall be filed no later than 7 calendar days after the initial detection by the book of facts that may constitute a basis for filing such a report. If no suspect was identified on the date of the detection of the incident requiring the filing, a book may delay filing a report for an additional 7 calendar days to identify a suspect. In situations involving violations that require immediate attention, the book shall immediately notify, by telephone, the jurisdictional regulatory authority in addition to timely filing a report.
- D. A book shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report.
- E. A book and its directors, officers or employees who file a report pursuant to this standard shall not notify any person involved in the transaction that the transaction has been reported.

## **XIII. Wagers; terms and conditions**

- A. A book shall disclose its betting limits in its house rules and obtain approval from the jurisdictional regulatory authority before changing those limits or modifying its house rules.
- B. A book shall adopt, conspicuously display at its premises, and adhere to written, comprehensive house rules governing wagering transactions with patrons. The rules must specify the amounts to be paid on winning wagers, the effect of schedule changes, the redemption period for winning tickets, and the method of noticing odds or line changes to patrons. Prior to adopting or amending house rules, a book shall submit such rules to the jurisdictional regulatory authority for approval.



- C. A book shall not set lines or odds, or offer wagering propositions, designed for the purposes of ensuring that a patron will win a wager or series of wagers.
- D. The amounts of wagers placed by a book and the amounts received by the book as payments on such wagers shall not affect the computation of the book's gross gaming revenue.
- E. A book may register and create wagering accounts for patrons, including inspecting a patron's government issued picture identification credential to confirm their identity, but only at physical locations established by the book, as approved by the jurisdictional regulatory authority.
  - 1. All wagering account applications or amendments thereto for active accounts must be retained by the book.
  - 2. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application.
  - 3. All wagering account applications or amendments thereto for closed accounts shall be retained by the book for no less than one year following the closure of the related wagering account.

**XIV. Account wagering systems** Account wagering systems shall:

- A. Provide for the patron's review and confirmation of all wagering information before the wagering communication is accepted by the book. The system record of the confirmation of the wager shall be deemed to be the actual transaction of record;
- B. Prohibit wagers from being changed after the patron has reviewed and confirmed the wagering information, and the specific wagering communication transaction has been completed;
- C. Prohibit a book from accepting an account wager in an amount in excess of the available balance of the wagering account;
- D. Prohibit a book from accepting sports wagers from a physical location where such wager is illegal by the laws of that jurisdiction;
- E. Post payment on winning account wagers as a credit to the patron's wagering account as soon as reasonably practicable after the event is declared official; and
- F. Maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account.

**XV. Records and forms**

A book shall create and maintain the records and reports required by these standards in such manner and using such forms as the jurisdictional regulatory authority may require or approve. Except as otherwise provided in these standards, books shall preserve the records for at least 5 years after they are made. The jurisdictional regulatory authority may at any time examine and copy the records of any book. The book shall comply with all other applicable rules and standards of the jurisdictional regulatory authority.

**XVI. Shared Risk Management**

- A. A book engaging in shared risk management may provide direction, management, consultation, and/or instruction to the operator of a book located in a permissible jurisdiction concerning:
  - 1. The management of risks associated with a wagering pool for a sporting event or any other event for which the wagering pool is permitted to accept wagers;
  - 2. The determination of where lines, point spreads, odds, or other activity relating to betting are

initially set and the determination of whether to change such lines, point spreads, odds, or other activity relating to betting;

3. Whether or not to accept or reject wagers, to pool wagers, or to lay off wagers; and
4. The use, transmittal, and accumulation of information and data for the purpose of providing shared risk management.

B. A book which intends to provide shared risk management shall:

1. Enter into a written agreement to provide shared risk management with an operator of a book located in a permissible jurisdiction to which the book proposes to provide shared risk management. A copy of such agreement with an operator of a book located in a permissible jurisdiction shall be submitted to the jurisdictional regulatory authority for approval prior to execution of the agreement;
2. No later than the date on which a book commences shared risk management, submit the book's systems of accounting and internal control utilized for shared risk management to the jurisdictional regulatory authority. Such systems must include provisions for complying with all applicable federal laws and regulations; and
3. Provide such other information as the jurisdictional regulatory authority may require concerning shared risk management.