



SPORTS GAMING OPERATING STANDARDS

MINIMUM INTERNAL CONTROL STANDARDS

EFFECTIVE DATE: NOVEMBER 7, 2024

OVERVIEW

A type C lottery sports gaming proprietor (LSGP) shall establish and maintain minimum internal control standards (MICS) for their sports gaming, information technology, and financial systems. This document describes those controls and compliance by the proprietor.

REFERENCE DOCUMENTS

Ohio Administrative Code: [3770:3-5-03](#) House Rules

Ohio Administrative Code: [3775-16-21](#) Patron Complaints

Ohio Revised Code [3775.10](#) Duties of Sports Gaming Proprietor

State of Nevada Gaming Control Board Race and Sports Minimum Internal Control Standards, effective April 1, 2023, were used as the basis for Ohio Minimum Internal Control Standards (MICS). Additionally, State of Nevada Gaming control Board Race and Sports Information Technology (IT) Minimum Internal Controls effective April 1, 2023, were used for Ohio IT MICS. Ohio specific additions have been made to the MICS.

STANDARDS

Internal control standards for sports gaming shall comply with the Ohio Sports Gaming Minimum Internal Control Standards and Ohio IT Minimum Internal Control Standards. All applicable LSGP standard operating procedures (SOPs) shall support compliance with the MICS and require Lottery review and approval prior to implementation.

HOUSE RULES

The LSGP shall publish its house rules and shall display the house rules, together with any other information the Lottery considers appropriate, conspicuously in each sports gaming facility and in any other place or manner prescribed by the Lottery.

House rules must be made readily available to patrons at a type C host location and wherever the type C proprietor performs sports gaming operations. These rules must also be published and accessible through an approved website.

The House Rules must specify but are not limited to details on the following:

- Disputes and customer complaints
- Types of wagers
- How winning wagers will be paid
- Event schedule change procedures
- Redemption period for winning wagers
- Method for notification of line changes, odd changes and event changes
- Voids or cancels
- Responsible gambling messaging



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Dispute Resolution – All LSGPs shall maintain a process for the following:

- Information and training on how to resolve customer disputes and complaints
- Approved customer facing material for handling disputes and process for contact
- Contact information, including Toll-Free number for LSGP representatives/call centers
- The LSGP dispute resolution shall include an escalation/appeals process including notification to regulators

RESTRICTED PLAYERS

Time Out Ohio Program (Formally VEP) – The LSGP is responsible for following:

- Process for assisting customers
- Problem gambling and responsible gambling messaging materials
- Information on how a patron may place themselves on the State of Ohio Time Out Ohio program list
- Check for compliance with updated lists at the time mailed in prize claims are processed
- Comply with all reporting requirements

The LSGP shall maintain a listing of restricted players which shall include the following: Participants in the State of Ohio Time Out Ohio Program, individuals on the sports gaming involuntary exclusion list maintained by the Ohio Casino Control Commission, and any individuals prohibited directly by the LSGP.

A sports gaming proprietor shall employ commercially reasonable methods to prevent any person involved in a sporting event with respect to which sports gaming is permitted from engaging in any sports gaming with the sports gaming proprietor, based on publicly available information and any information provided by a sports governing body.

A person is considered to be involved in a sporting event if the person is an athlete, participant, coach, referee, team owner, or sport's governing body with respect to the sporting event; any agent or employee of such an athlete, participant, coach, referee, team owner, or sport's governing body; and any agent or employee of an athlete, participant, or referee union with respect to the sporting event.

The LSGP shall implement a process to deter and detect restricted players as approved by the Director.

COMPLIANCE

Compliance Review – On an annual basis, the Lottery will review LSGP compliance with the published MICS and Operating Standards. The Lottery may also review on an as needed basis and may at any time examine records, files, and other documents maintained by the LSGP. All documents must be made available for review upon Lottery request. In the event a change to sports gaming operations results in a change to the published MICS, the Lottery will review compliance after implementation to ensure that internal controls are in place, are appropriately documented, match approved procedures, and are followed.



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LSGP Internal Audit Standards – A LSGP must maintain one of the following to annually assess compliance with sports gaming law:

- A separate internal audit department which is independent of the sports gaming operation
- A contracted third-party firm licensed in the State of Ohio

If a LSGP utilizes their own internal audit department, they must follow the standards, conventions and rules governing audits in the United States. This standard shall at a minimum require the internal audit department to:

- Work independently of the departments that are subject to audit
- Assess whether the internal controls comply with applicable law and Lottery directives
- Test compliance with its internal controls
- Report a deficiency in, or noncompliance with, internal controls to LSGP Management and the Lottery
- Recommend resolution for eliminating a deficiency in, or noncompliance with, the internal control system
- Prepare an audit report for the internal audit conducted
- Document the audit process and results in an audit report that, at minimum, shall include:
 - Audit objectives
 - Audit procedures and scope
 - Findings and conclusions
 - A recommendation for addressing a deficiency in, or noncompliance with, the facility's internal controls
 - Resolution of all exceptions
 - Management's response
 - Clearly label or watermark as confidential

The Sports Gaming Regulators shall audit at least annually the LSGP functions and operations including but not limited to:

- Revenue Audit Review
- Transaction Audit Review
- LSGP Procedures Review
- Review LSGP Independent Compliance Audits (IT Security, Finance, and Internal)
- Player Account System (if applicable)
- Currency Transaction Reporting

At the direction of the Lottery, additional or more frequent internal audits of specific functions or operations may be required.

CONTACT

For further information contact: sportsgaming@lottery.ohio.gov