



April 20, 2020

SPORTS BETTING INDUSTRY BULLETIN 3

RE: Rule 7.10 - Geofence Requirement

The Gaming System operator must utilize a Geolocation System to detect the physical location of a player attempting to access the Sports Betting System. The Geolocation must monitor, and block or authorize attempts to access the Sports Betting System.

1. FREQUENCY

To ensure the player is continually located within the permitted boundary, the Geolocation System must be equipped to monitor the player's location and block unauthorized attempts to access the Gaming System throughout the duration of the gaming session.

- a. The Gaming System shall trigger:
 - i. A geolocation check prior to the placement of the first bet or wager;
 - ii. Recurring periodic geolocation checks if a sports betting session is longer than a single bet or wager (e.g. poker or tournament game session) to ensure out of state access is not possible mid-session;
 - iii. A geolocation check immediately upon a change of IP address mid-session;
- b. The Operator must define the reasons for all trigger instances (e.g. single bet or wager, deposit, etc.); and communicate the trigger reason and an anonymized User ID (i.e. no names, personal data) to the Geolocation System when requesting each geo-location check.

2. LOCATION ACCURACY

- a. To ensure location data is accurate and reliable, the Geolocation System shall:
 - i. Utilize pinpoint accurate location data sources to confirm the player is located within the permitted boundary;
 - ii. Disregard IP location data for devices utilizing mobile internet (3G/4G/LTE) connections;
 - iii. Possess the ability to control whether the accuracy radius of the location data source is permitted to overlap or exceed defined buffer zones or the permitted boundary.
- b. To mitigate and account for discrepancies between mapping sources and variances in geospatial data; and to ensure accuracy of location data, the Geolocation System shall:
 - i. Utilize boundary polygons based on audited maps;
 - ii. Overlay location data onto these boundary polygons.

3. LOCATION DATA INTEGRITY

To ensure the integrity of location data, the Geo-location System shall:

- a. Detect and block location data fraud (e.g. Proxy, Fake Location Apps, Virtual Machines, Remote Desktop Programs, etc.);
- b. Utilize detection and blocking mechanisms verifiable to a source code level;
- c. Follow best practice security measures to stop "man in the middle" attacks and prevent geolocation code manipulation such as replay attacks.

4. DEVICE INTEGRITY

- a. To ensure the integrity of a player's device, the Geolocation System shall detect and block non-secure devices and/or those which indicate system-level tampering (e.g. rooting, jailbreaking).

5. PLAYER INTEGRITY

- a. To ensure the integrity of a player, the Geolocation System shall detect and block players that make repeated unauthorized attempts to access the Gaming System.

6. REPORTING AND ANALYTICS

Given that location fraud must be assessed on a single geolocation check, as well as cumulative player histories over time, the Geolocation System shall:

- a. Display a real-time data feed of all geolocation checks and potential fraud risks;
- b. Offer an alert system to identify unauthorized or improper access;
- c. Facilitate routine, recurrent delivery of supplemental fraud reports pertaining to the following instances:
 - i. Suspicious activities, account sharing, malicious players and devices, as well as other high-risk transactional data.

7. SYSTEM MAINTENANCE

To verify the overall Integrity of the Geolocation System, it shall:

- a. Be reviewed regularly to assess and measure its continued ability to detect and mitigate existing and emerging location fraud risks;
- b. Be updated no more than 90 days after a patch, update, or upgrade becomes available from the vendor;
- c. Undergo frequent updates to maintain cutting-edge data collection, device compatibility, and fraud prevention capabilities;
- d. Utilize databases (IP, proxy, fraud, etc.) that are updated daily at a minimum and are not open-source.

8. DIRECTOR'S EXCEPTIONS TO STATEWIDE COLORADO ALLOWED BETTING AREAS

- a. At this time, Geo-fencing shall occur to exclude the Federally recognized tribal lands of the Southern Ute and Ute Mountain Ute Tribes.