

**STATE OF ILLINOIS
ILLINOIS GAMING BOARD**

RULE 1900.1170(j) ORDER

JANUARY 12, 2022

*In re Casino Queen, Inc.
October 18 2021 Milwaukee-Brooklyn*

ORDER

This matter comes before the Illinois Gaming Board (the “Board” or “IGB”) under Section 1900.1170 (“Cancelled or Void Wagers”) of the Board’s Adopted Rules for Sports Wagering (the “Rules”). 11 Ill. Adm. Code 1900.1170. This Order issues under Rule 1170(j). 11 Ill. Adm. Code 1900.1170(j).

I. SUMMARY

On October 21, 2021, sports wagering patron Eden Llewellyn (“Llewellyn”) submitted a request pursuant to Sports Wagering Rule 1900.1170(j), asking the Administrator to review the voiding of 97 wagers Llewellyn placed on October 18, 2021 through Crown IL Gaming LLC (“DraftKings”), on behalf of Casino Queen, Inc. (“DraftKings at Casino Queen” or “Casino Queen”). On October 20, 2021, DraftKings voided all 97 wagers pursuant to Sports Wagering Rule 1900.1170(k) on the grounds of obvious technical error and incorrect odds.

For the reasons discussed below, I find a reasonable basis exists to believe there was obvious error in the placement or acceptance of Llewellyn’s 97 wagers. Accordingly, Llewellyn’s request is denied and the subject wagers remain void.

II. RELEVANT FACTUAL BACKGROUND

DraftKings is a Management Services Provider Temporary Operating Permit Holder, conducting the sports wagering operation on behalf of Master Sports Wagering Licensee Casino Queen. During all relevant times, DraftKings offered wagering on National Basketball Association (“NBA”) games. In addition to wagering on the final outcome of the games, DraftKings offered a variety of proposition bets (“prop bets”) on NBA games, including weather a player would achieve a “double-double” by achieving a double-digit total in two of the five major statistical categories.

DraftKings offers a “cash-out” feature that permits a patron to either mitigate risk or realize gains by causing the bet to be settled before the games is completed. The amount of money that a patron can cash-out differs according to the probability of the bet winning.

Prior to the commencement of the 2021-2022 NBA season, DraftKings identified a technical error in how its sports wagering system calculated the cash-out value of NBA double-double prop bets. Simply stated, the error allowed patrons to cash-out prop bets at over-inflated values relative to the correct posted betting odds for the game. DraftKings intended to disable the cash-out feature for NBA prop bets prior to the commencement of the current season until it could correct the error and make the feature available for patron use.

On October 19, 2021, DraftKings realized the cash-out feature was not correctly disabled for the NBA player double-double prop bet. On October 18, 2021, the day prior to the first game of the NBA season, 15 patrons placed 458 wagers and cashed-out using the erroneous calculations. DraftKings notified the IGB of the incident, disabled the feature, and voided all of the affected 458 wagers.

On October 21, 2021, Llewellyn submitted a request pursuant to Rule 1170(j) for the Administrator to review the voids of 97 double-double wagers she placed and cashed-out on October 18, 2021.

III. DISCUSSION

Our analysis begins with Sports Wagering Rule 1170(k). Under the Rule, a sports wagering operator may declare a wager to be void where there was obvious error in the placement or acceptance of the wager. Specifically, Rule 1170(k) provides as follows:

A master sports wagering licensee may declare a wager to be void if the licensee has reasonable basis to believe there was obvious error in the placement or acceptance of the wager. Those errors include, but are not limited to:

1. The wager was placed with incorrect odds;
2. Human error in the placement of the wager;
3. The ticket does not correctly reflect the wager; or
4. Equipment failure rendering a ticket unreadable

11 Ill. Adm. Code 1900.1170(k)

Pursuant to Sports Wagering Rule 1170(j), a patron may ask the Administrator to review any void by a sports wagering operator. If the Administrator concludes there is no reasonable basis to believe there was obvious error in the placement or acceptance of the wager, the Administrator may order the master sports wagering operator to honor the wager.

Multiple errors occurred in this case, each of which would be sufficient to void the wagers. First, there was a known error in the calculation of cash-out values for the NBA player prop wagers. Second, there was an error in making the feature available to the public prior to the calculation being fixed.

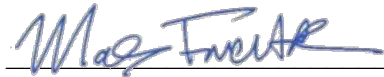
In her request, Llewellyn argues in part that the cash-out feature is itself not a wager, and therefore not subject to Rule 1170(k). I disagree and decline to adopt this argument. The Act defines “wager” as “a sum of money or thing of value risked on an uncertain occurrence.” 230 ILCS 45/25-10. In the case of exercising the cash-out option, a patron is still risking the loss of unrealized gains had the patron’s original wager been successful. As such, adoption of Llewellyn’s proposed definition of “wager” is inconsistent with the plain language and intent of both the Sports Wagering Act and Board Rules.

It is unnecessary to examine a patron’s behavior to draw inferences as to whether the patron was aware of the error, or intentionally sought to take advantage of the error for their own benefit. Accordingly, this Order draws no conclusions and makes no judgment about Llewellyn’s knowledge or intent.

IV. CONCLUSION

For the reasons set forth above, I find there is reasonable basis to believe an obvious error existed in the implementation of the cash-out feature for the 97 wagers at issue in this matter. Therefore, Llewellyn’s Request under 11 Ill. Admin. Code 1900.1170(j) is hereby **DENIED**.

Entered: January 12, 2021



Marcus D. Fruchter
Administrator
Illinois Gaming Board