

**STATE OF ILLINOIS
ILLINOIS GAMING BOARD**

RULE 1900.1170(d) ORDER

APRIL 4, 2022

*In re BetMGM, LLC.
April 1, 2022 Professional Fighters
League*

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(d). 11 Ill. Adm. Code 1900.1170(d).

I. SUMMARY

On April 2, 2022, BetMGM, LLC (“BetMGM”), on behalf of Par-A-Dice Gaming Corporation (“Par-A-Dice”), submitted a Rule 1170(c) request to cancel all wagers placed on the Professional Fighters League (“PFL”) 2022 Challenger Series week #7 matches (“CS#7”). The PFL filmed the CS#7 matches approximately one week before publicly broadcasting the event for the first time on April 1, 2022, thereby making it possible that Illinois sports wagering patrons could have placed wagers after the results of the event were already known.

For the reasons discussed below, cancellation of the subject wagers is in the best interests of the State of Illinois and ensures the integrity of the Illinois sports wagering industry. Accordingly, BetMGM’s request is granted, and all wagers accepted by any Illinois master sports wagering licensee on the event are hereby cancelled.

II. RELEVANT FACTUAL BACKGROUND

The PFL is an American mixed martial arts league in which individual athletes compete in a regular season, post-season, and championship. According to the PFL website, “PFL events are live in primetime on ESPN2, ESPN+ & ESPN Deportes.”¹ In addition to its primary league, the PFL also conducts the Challenger Series, which is a series of events where fighters can earn a PFL contract and an opportunity to compete in the PFL Regular Season.² On March 9, 2022, the PFL announced that the Challenger Series would debut on April 1, 2022 on FuboTV. The PFL release did not indicate that the April 1 broadcast would be pre-recorded or that the outcome of the event would be determined before public disclosure of the results.

¹ Professional Fighters League, <https://www.pflmma.com/about> (last visited Apr. 4, 2022).

² Professional Fighters League Challenger Series “MMA Debut” Roster and Matchups Announced for April 1 on FuboTV (Mar. 9, 2022), <https://www.pflmma.com/news/professional-fighters-league-challenger-series-mma-debut-roster-and-matchups-announced-for-april-1-on-fubotv>.

BetMGM is one of multiple Illinois sports wagering operators that offers wagering on PFL events and accepted wagers on the PFL's April 1, 2022 CS#7 event. Between April 2 and April 4, 2022, IGB staff determined that the PFL did not conduct the CS#7 event live on April 1 but had instead taped it a week earlier on March 25, 2022. BetMGM was the first of multiple Illinois sports wagering operators to report this information to the IGB and request cancellation of CS#7 wagers in accord with Rule 1170.

III. DISCUSSION

Under Rule 1170(c), a sports wagering operator may ask the Administrator to order the cancellation of certain wagers. Specifically, Rule 1170(c) provides as follows:

A master sports wagering licensee may request the Administrator to order the cancellation of all wagers of a specific type, kind, or subject. A request to cancel shall be in writing, and contain the following:

1. A description of the type, kind, or subject of wager the licensee is requesting to cancel;
2. A description of any facts relevant to the request; and
3. An explanation why cancelling the wagers is in the best interests of the State of Illinois or ensures the integrity of the Illinois sports wagering industry.

11 Ill. Adm. Code 1900.1170(c)

BetMGM submitted a request to cancel on April 2, 2022. The Administrator's decision to grant a Rule 1170(c) request is governed by Rule 1170(d) as follows:

In determining whether to grant or deny the request, the Administrator shall consider any relevant factors, including, but not limited to the following:

1. Whether the alleged facts implicate the integrity of the sports event subject to the wager or the Illinois sports wagering industry;
2. Whether the alleged facts implicate possible illegal activity relating to the sports event or the Illinois sports wagering industry;
3. Whether allowing the wager would be unfair to wagering patrons; and
4. Whether allowing the wager is contrary to public policy.

11 Ill. Adm. Code 1900.1170(d).

The first factor, integrity of Illinois' sports wagering industry, is of paramount importance. Legalized gambling in Illinois will succeed so long as public confidence and trust in the

credibility and integrity of the gambling operations and the regulatory process are maintained. *See* 230 ILCS 10/2 (legislative intent of the Illinois Gambling Act). Sports wagering by definition includes some risk for each participant, including those offering the wagers. *See* 230 ILCS 45/25-10. The fact that BetMGM and other operators were unknowingly accepting wagers on an event that had already concluded before the results were broadcast and publicly disseminated undercuts fundamental tenets of fairness that govern sports wagering. Requiring any operator to accept and honor wagers placed under such circumstances would undermine the integrity of the Illinois sports wagering industry and invite future manipulation of betting markets. Thus, the first factor weighs in favor of cancellation.

For similar reasons, the fourth factor – whether allowing the wagers to stand would be contrary to public policy – also favors cancellation in this instance. Public policy in Illinois prohibits the misuse or abuse of nonpublic information in connection with sports wagering. *See e.g.*, 230 ILCS 10/18(d)(7) (criminalizing betting where a person has inside information about the outcome of a wager); 11 Adm. Code 1900.1120(a)(5) (prohibiting persons with access to nonpublic information about events from wagering on those events). While the IGB does not know whether any particular patrons wagered on the CS#7 event with nonpublic knowledge of the outcome, the mere possibility that such wagers could have been placed is problematic. Indeed, permitting patrons to place any wagers on an event after it actually occurred but before the outcome is publicly announced creates significant integrity risks that the IGB cannot permit. Such past posting is contrary to effective gaming regulation and offensive to public policy.

Analysis of the second and third factors also support cancellation here. The second factor considers whether the facts implicate any illegal activity, including intentionally taking advantage of nonpublic information. The third factor considers fairness to wagering patrons, such as offering unwinnable bets since the outcome of the event was already determined. The IGB has no information that any specific bettor illegally placed wagers with inside knowledge of the CS#7 outcomes. Nor is the IGB aware of any evidence that an Illinois sports wagering operator knowingly or intentionally offered unwinnable bets to its patrons. Regardless, the fact that such acts are actions are within the realm of possibility with relation to wagers on the CS#7 matches reinforces the necessity of cancellation.

For these reasons, allowing the wagers at issue to stand would directly harm the integrity of the Illinois sports wagering industry and would be contrary to public policy.

IV. CONCLUSION

BetMGM's Rule 1170(c) request on behalf of Par-A-Dice to cancel all wagers on the April 1, 2022 PFL Challenger Series events is hereby **GRANTED**.

Pursuant to my authority under Rule 1170(g), and for the reasons discussed above, all master sports wagering licensees and their respective management services provider designees are ordered to cancel all wagers placed on the Professional Fighters League April 1, 2022 Challenger Series events. All licensees shall immediately refund all such wagers regardless of outcome to affected Illinois patron sports wagering accounts and take commercially reasonable efforts to notify affected retail patrons as required by Rule 1170(f).

Entered: April 4, 2022



Marcus D. Fruchter
Administrator
Illinois Gaming Board