

**STATE OF ILLINOIS
ILLINOIS GAMING BOARD**

RULE 1900.1170(j) ORDER

NOVEMBER 27, 2023

*In re Casino Queen, Inc.
October 24, 2023, Lakers v. Nuggets*

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

Beginning on October 25, 2023, multiple sports wagering patrons (“Patrons”) submitted Sports Wagering Rule 1900.1170(j) Requests seeking Administrator review of voided wagers the Patrons placed on or about October 24, 2023 through Crown IL Gaming LLC (“DraftKings”).¹ On October 25, 2023, DraftKings voided the wagers pursuant to Sports Wagering Rule 1900.1170(k) on the grounds of obvious error that due to a supplier data feed mistake, the DraftKings sports wagering system made wagers available at incorrect odds.

For the reasons discussed below, a reasonable basis exists to believe there was obvious error in the placement or acceptance of the Patrons’ wagers. Accordingly, the Patrons’ Requests are denied and the subject wagers remain void for the reasons discussed below.

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. DraftKings offered a variety of proposition bets (“prop bets”) on NBA games, including as part of single game parlays (“SGP”). A parlay is a bet where multiple separate outcomes must all occur for a patron to win. A SGP is a parlay in which each outcome occurs in the same single sporting event.

On October 24, 2023, DraftKings intended to offer wagers, including SGPs, on player performances in the NBA contest that evening between the Los Angeles Lakers and the Denver Nuggets. DraftKings contracts with a third-party data provider, Sportcast Pty Ltd (“Sportcast”),

¹ DraftKings accepts Illinois sports wagers on behalf of Casino Queen, Inc. d/b/a DraftKings at Casino Queen (“Casino Queen”) in East St. Louis, Illinois.

to establish betting lines for its SGP offerings. As of October 24, 2023, the DraftKings sports wagering system only supported full game markets for SGPs and did not support individual quarter markets for SGPs. As such, Patrons could only wager on whether an outcome would occur in an entire game, as opposed to whether an outcome would occur in a single quarter. Notably, betting lines for single quarter markets are significantly lower than those offered for an entire game.

On October 23, 2024, Sportcast advised DraftKings that it intended to offer first quarter market odds for NBA prop bets. On the morning of October 24, 2023, DraftKings informed Sportcast that the DraftKings system was not prepared to receive and use first quarter lines to offer first quarter wagers. Later that day, at 3:22 PM CDT, Sportcast began feeding first quarter lines to the DraftKings system. The DraftKings system incorrectly interpreted the data feed as being intended for offer as full game wagers. Resultingly, Patrons were able to wager on whether NBA players would, over the course of an entire game, achieve a statistical result that was intended to only apply to a single quarter of that game. Eleven minutes later, at 3:33 PM CDT, DraftKings staff identified the erroneous lines being offered through the DraftKings system and notified Sportcast. At 3:35 PM CDT, Sportcast disabled the first quarter prop data feed and DraftKings suspend further wagering.

On October 25, 2023, DraftKings notified the IGB about the data feed supplier mistake and incorrect pricing. DraftKings identified 301 SGP wagers placed at incorrect odds due to the Sportcast feed error. DraftKings elected to void the affected wagers pursuant to Rule 1170(k)(1). The total combined stake of all impacted Illinois Patron wagers was \$19,048.60.

Beginning on October 25, 2023, multiple Patrons submitted Rule 1170(j) Requests for Administrator review of DraftKings' determination to void the subject wagers.

III. DISCUSSION

Our analysis begins with Sports Wagering Rule 1170(k). Under the Rule, a sports wagering operator may void a wager 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

Sports Wagering Rule 1170(j) allows a Patron to ask the Administrator to review any wager voided 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. To evaluate the pending Patrons' Rule 1170(j) Requests, IGB staff instructed DraftKings to provide contemporaneous documentation of its communications with Sportcast. DraftKings cooperated with all IGB directives.

In this case, the evidence demonstrates that a misunderstanding between DraftKings and Sportcast as to the capabilities of the DraftKings system led to full game SGP wagers being offered at prices intended for single quarter wagers. Because of close monitoring by the DraftKings team, DraftKings was able to identify the erroneous lines and the root cause within 11 minutes and suspend further trading. Review of the communications between DraftKings and Sportcast confirm the exact nature of the error, its discovery, and resolution.

Not all sports wagering operators will necessarily offer the exact same odds on any given wager, and some variation among operators is expected. However, accurate pricing of wagers based on correctly considered data sources is a fundamental aspect of maintaining the integrity and fairness of sports wagering.

Publicly available information on various social media sites suggests at least some unidentified DraftKings Patrons were aware, or at least suspected that the prices offered were in fact errors at the time their wagers were placed. However, it is unnecessary to examine the Patrons' behavior in this case for any inferences as to whether the Patrons were aware of the erroneously priced wagers, or intentionally sought to take advantage of the error for their own benefit. Accordingly, this Order draws no conclusions and makes no judgment in that regard.

IV. CONCLUSION

For the reasons discussed above, there is reasonable basis to believe there was obvious error in DraftKings' SGP pricing of the in the October 24, 2023 game between the Los Angeles Lakers and the Denver Nuggets. Therefore, the Patrons' Requests under 11 Ill. Admin. Code 1900.1170(j) are hereby **DENIED**.

Entered: November 27, 2023



**Marcus D. Fruchter
Administrator
Illinois Gaming Board**