



OKTO Response to IGB Request for Public Comments

January 13, 2025

Oktopay LTD (OKTO) is pleased to submit our present response to the IGB, that is seeking stakeholder input, public comments and proposals on a potential future rule for implementation and regulation of cashless technology and a Self-Exclusion Program in video gaming, including ideas about how to develop and implement both topics.

OKTO trusts that our input will provide valuable information to the IGB to explore the feasibility of regulating, designing and implementing both Cashless technology with external digital payments as well as a coordinated Self-Exclusion program.

Our experience, being a leading electronic payment services provider with a special focus in the gaming industry, has allowed us to achieve the following unique benefits that differentiate us from the wider open banking market in gaming space:

- We are market leaders internationally and a trusted partner - we are a reliable and mature player in the open banking space with a substantial market share of ecosystem activity in numerous gaming markets across Europe and South America.
- We have strong professional relationships with multiple banks and regulators – OKTO employs a dedicated public policy team that maintains a close relationship with the banks and regulators, engaging directly with the UK government, EU Commission, European Banking Authority and OBIE.
- We are genuine, open banking innovators - We were first to market with many innovative open banking use cases, from the first open banking acquiring solution in Europe that allows instant pay-ins and pay-outs via API, to Variable Recurring Payments in the UK, and SignUp+, our latest onboarding solution.
- We are expanding in North America - We have incorporated OKTO Payments USA Inc. and OKTO Payments Canada Corp. and we are members of the AGA and the iGSA, having a pivotal role in the Payments Committee of iGSA. We have already established working relations with financial institutions as well as with major gaming technology system providers in the USA.
- We have a good knowledge and expertise of land-based casino and distributed gaming, including of the Illinois VGT gaming - Many of the executives of OKTO have a long tenure in the gaming industry, supplying and operating large scale monitoring systems and Pre-commitment (Self Exclusion) systems internationally.



To provide a well-structured response to the IGB, we thought that it is best to submit a series of documents/presentations. These documents contain industry standard information, optimised flows, security and regulatory compliance information, standard requirements, technology aspects and user experience examples.

This submission includes:

- a corporate profile and Year 2024 major achievements,
- a products suite presentation, including OKTO Wallet, OKTO Direct, OKTO Cash and Embedded Financial Services,
- a presentation on the required standard integration of OKTO with CMS systems,
- AML Compliance,
- Responsible Gambling features, and
- a set of Requirements as issued by a regulator in Australia that could become a standard internationally, and to which requirements OKTO is compliant.

These documents are hereby uploaded as a single zip file. In addition, a couple of videos depicting the user experience for OKTO Wallet and OKTO Direct can be accessed at

<https://we.tl/t-RKfmUTcp12>

For purposes of submission redundancy, all files in the zip have also been included in the linked file. Please note that this link will remain open for the next 3 days and will expire on 1/16/25.

Last but not least, general information and usage videos can be found in www.oktopayments.com , www.oktowallet.com , www.oktodemo.com (password 1245).

OKTO is pleased to confirm that we look forward to working with IGB, in its endeavor to put together rules and regulations for Cashless Gaming and Self Exclusion Program in the VGT network of Illinois. We can commit to supporting IGB throughout the process, either by becoming a member of any working group that may be established, or an external advisor, to the best of our ability.

We remain at your disposal and happy to respond to any queries and comments you may have. We would appreciate acknowledgment of reception of our submission.

With kind regards

Theodosios Engelis

Director

OKTO Payments USA Inc.

engel@oktopayments.com

From: [Elizabeth Thielen](#)
To: [IGB.RuleComments](#)
Subject: [External] comments for the rule-making
Date: Thursday, November 7, 2024 2:54:54 PM

I appreciate the opportunity to share my thoughts as some rules are reviewed. Please know my thoughts come from my experience as a certified gambling counselor, person with lived experience with gambling-harm, and collaborator with all community stakeholders (including the gambling industry, regulators, treatment providers, self-help community, etc.).

- helpline information needs to be shared in a meaningful way. The American Gaming Association uses the word "conspicuous" with regards to how helpline information should be displayed (for reference: <https://www.americangaming.org/responsible-marketing-code-for-sports-wagering/>) Not to call anyone in particular out, but I have not seen one billboard for a casino or sportsbook in recent months that actually displays the helpline in a way that can actually be viewed by drivers. Literally, only the people installing the billboard would be able to see it. This is not only not a good faith adherence to the rule related to displaying help for gambling, to me, it is exactly the opposite. I am inserting one image (again, not calling anyone out in particular, this is just near where I live) that demonstrates this lack of a genuine attempt to share helpline info. This is very consistent with what I have seen from other operators around the state.

billboard no visible helpline.jpg



- The Federal Trade Commission has voluntary self-regulated guidelines about advertising of alcohol products. These codes direct that no more than 28.4% of the audience for an ad may consist of people under 21, based on reliable audience data; and that ad content should not appeal primarily to people under 21. I see no such limitations when it comes to gambling advertising, despite research showing that young people ARE impacted by gambling advertising (This is just one such finding: <https://www.sciencedirect.com/science/article/pii/S2352853222000347>).
- I don't know if there is any work in the rules review process as it relates to self-exclusion for VGT's, but I emphatically endorse an option for self-exclusion for VGT's. Our program is in Lake County, with the second highest concentration of terminals in

the state. We have one client who reports losing over \$500,000 on machines since they were brought into Lake County. She has been anxiously waiting for a self-exclusion option. A client just came in yesterday morning, also expressing frustration at not being able to exclude. He makes a very good living, except he is currently living in his car. We're about to go into the winter. Emergency shelter in Lake County is no longer available for single individuals. They are handing out tents. The consequences when gambling goes wrong are tremendous. The VSEP for casino gambling and sports wagering has been an incredibly helpful tool for those who have tried other strategies, but keep going back to gambling. I am so hopeful this will come to pass very soon.

Respectfully submitted,

Elizabeth Thielen, LPC, PCGC
Senior Director

Nicasa Behavioral Health Services

31979 N. Fish Lake Road
Round Lake, IL 60073

[REDACTED]

[REDACTED]

[REDACTED]

ethielen@nicasa.org



From: AEMPortal@illinois.gov
To: [IGB.RuleComments](#)
Subject: Cashless Technology
Date: Tuesday, December 31, 2024 11:28:58 PM

Category: Public Comments on IGB Rules

First Name: Kathleen

Last Name: Gilroy



Message: I oppose the implementation of cashless technology for video gaming because I believe that removing cash from any form of gambling removes the reality check of losing real money. Cashless technology would make becoming addicted to gambling more likely to occur.

From: AEMPortal@illinois.gov
To: [IGB.RuleComments](#)
Subject: Comments regarding benefits of Cashless Gaming for IL VGT Route Market
Date: Friday, January 10, 2025 6:25:55 AM

Category: Public Comments on IGB Rules

First Name: Brittany

Last Name: Patete

Message: In the IL VGT Market, there is estimated to be around \$360,000,000 on the street sitting in Redemption Terminal machines. Cashless systems eliminate the need for large amounts of physical cash on-site, making establishments less attractive targets for robberies. With no cash to steal, operators and employees feel safer, and the financial risk to businesses decreases significantly. Cashless systems enable faster and more accurate transactions, reducing manual cash handling and reconciliation. Operators save time by not needing to count, store, and deposit cash regularly. Cashless systems reduce the potential for human error in cash handling, ensuring more accurate accounting. With Cashless and mobile wallet functionality, you will bring in a new generation and age of gamblers who are more prone to using digital payment methods. Thus, this is in line with generating incremental revenue for the state, operators, and locations. Cashless gaming provides precise tracking of transactions, making it easier to ensure accurate tax reporting. Digital systems leave an auditable trail, reducing the potential for underreporting revenue. The state benefits from reduced costs in cash handling and auditing for compliance. Cashless systems can offer budgeting tools or limits, promoting responsible gaming. They already do this in some Canadian Provinces. Embracing cashless gaming and mobile wallet functionality for the ever-growing Illinois VGT market would be necessary to keep in line with industry trends. Allowing this functionality to exist could be ran at a state level, or each TO can choose whether they want the participate. I don't think it would make sense to eliminate cash completely, but it would make sense to allow the TO's to opt in and out of whether they want to provide cashless solutions at their locations. As a sales representative in the game manufacturing space, I believe it makes far more sense to implement digital wallets and cashless gaming in route operations compared to casinos.

Are your cashless and digital wallets Title 31 compliant?

5 ways enhanced geolocation protects
you from fraud and BSA enforcement fines



Executive summary

Penalties for breaching the US Federal Bank Secrecy Act (Title 31), including anti-money laundering (AML) regulations and adherence to the Office of Foreign Asset Control (OFAC), are on the rise. In 2023, OFAC imposed penalties exceeding \$1.5 billion. Casinos, racinos, pari-mutuel facilities, advance deposit wagering services, and other licensed gaming operations generating over \$1 million in gross revenue annually (collectively referred to as Gaming Enterprises) are obligated to meet the stringent detection and reporting mandates of Title 31.

To effectively comply with Title 31 and mitigate the risk of fraud and financial crime, Gaming Enterprises incorporating cashless wallets on their gaming floor or digital wallets to their mobile wagering apps must accurately determine a user's true location. After all, according to the Department of Treasury, Title 31 **compliance requires Gaming Enterprises to know both the geographic location of the player, as well as the origin and source of funds.**

GeoComply's enhanced geolocation technology, which harnesses device-based signals from GPS, Wi-Fi triangulation and other sources to determine a user's location within meters, is critical for ensuring Title 31 compliance. This technology is in use in the tightly regulated U.S. iGaming and sports betting

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We've been highlighting the importance of using geolocation tools as an effective internal control both in our sanctions compliance guidance ...but also through our enforcement actions.

Andrea Gacki
OFAC Director @ the ACAMS Sanctions Space Summit, Feb. 3, 2022

sectors enables Gaming Enterprises to integrate stringent geolocation checks into their mobile wagering applications. Enhanced Geolocation integration, applied during customer registration, and throughout the deposit and withdrawal processes, is essential for maintaining Title 31 compliance with both cashless systems and mobile wagering applications.

GeoComply helps Title 31 compliance for cashless and digital wallets in 5 key ways:



Blocks users in high-risk or sanctioned jurisdictions with verified location data from a user's device



Identifies VPNs, proxies, fraudulent IP addresses and other methods of location spoofing, which are considered regulatory "red flags"



Verifies location data to detect but also to report suspicious activities and transactions blocked due to OFAC sanctions



Prevent financial crimes by ensuring transactions are conducted within compliant and monitored environments



Protect against unauthorized access and account takeovers

Introduction

The emergence of cashless and digital wallets is a significant evolution in the gaming industry, bringing with it a dynamic regulatory landscape. State gaming regulators and legislative bodies are actively developing and refining frameworks to ensure proper oversight and governance. Title 31 empowers two agencies in the U.S. Treasury Department to enforce the **Bank Secrecy Act**. These agencies remain vigilant in detecting and deterring money laundering activities and the flow of terrorist funds through Gaming Enterprises.

Financial Crimes Enforcement Network (FinCEN): administers and enforces the Bank Secrecy Act (BSA), a federal anti-money laundering (AML) and counter-terrorist financing (CFT) statute. It also serves as the financial intelligence unit for the United States.

Office of Foreign Assets Control (OFAC): is the sanctions arm of the U.S. government, administering and enforcing trade and economic sanctions that support U.S. foreign policy and national security interests. In 2023, OFAC issued more than \$1.5 billion in penalties.

The BSA mandates that Gaming Enterprises report any suspicious activity or suspected money laundering activity to **FinCEN**. Additionally, OFAC requires Gaming Enterprises to identify, block, and report any financial transactions originating from OFAC-sanctioned countries within a **10-day** timeframe. Disregarding the requirements outlined in Title 31 is not only illegal, but it carries severe penalties, including hefty fines (\$1.5 billion in 2023 imposed by OFAC alone) and potential jail time.

This regulatory landscape introduces substantial risk for Gaming Enterprises transitioning to cashless and digital wallets, a significant departure from traditional cash-based transactions at gaming tables, slot machines, betting windows, and cashier desks, which are closely monitored through surveillance systems.

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...strong sanctions compliance programs should be able to use geolocation tools to identify and prevent IP addresses that originate in sanctioned jurisdictions from accessing a company’s website and services for activity that is prohibited by OFAC’s regulations.

Sanctions Compliance Guidance for the Virtual Currency Industry, U.S. Department of the Treasury **Office of Foreign Assets Control (OFAC), Oct. 2021**

To navigate this challenge and ensure compliance within the evolving digital framework, Gaming Enterprises must adapt and enhance their Title 31 compliance programs.

Achieving Title 31 compliance for cashless and digital wallets can be straightforward with the right approach: By integrating advanced geolocation verification at key transaction points — registration, login, deposit, and withdrawal — within their cashless and mobile gaming apps, Gaming Enterprises can effectively monitor for and identify suspicious activities. Implementing this enhanced geolocation check ensures that Gaming Enterprises not only comply with regulatory requirements but also bolster their defenses against potential financial crimes. Adopting this strategic measure, Gaming Enterprises can seamlessly achieve compliance with Title 31 and ensure their operations are both secure and lawful.



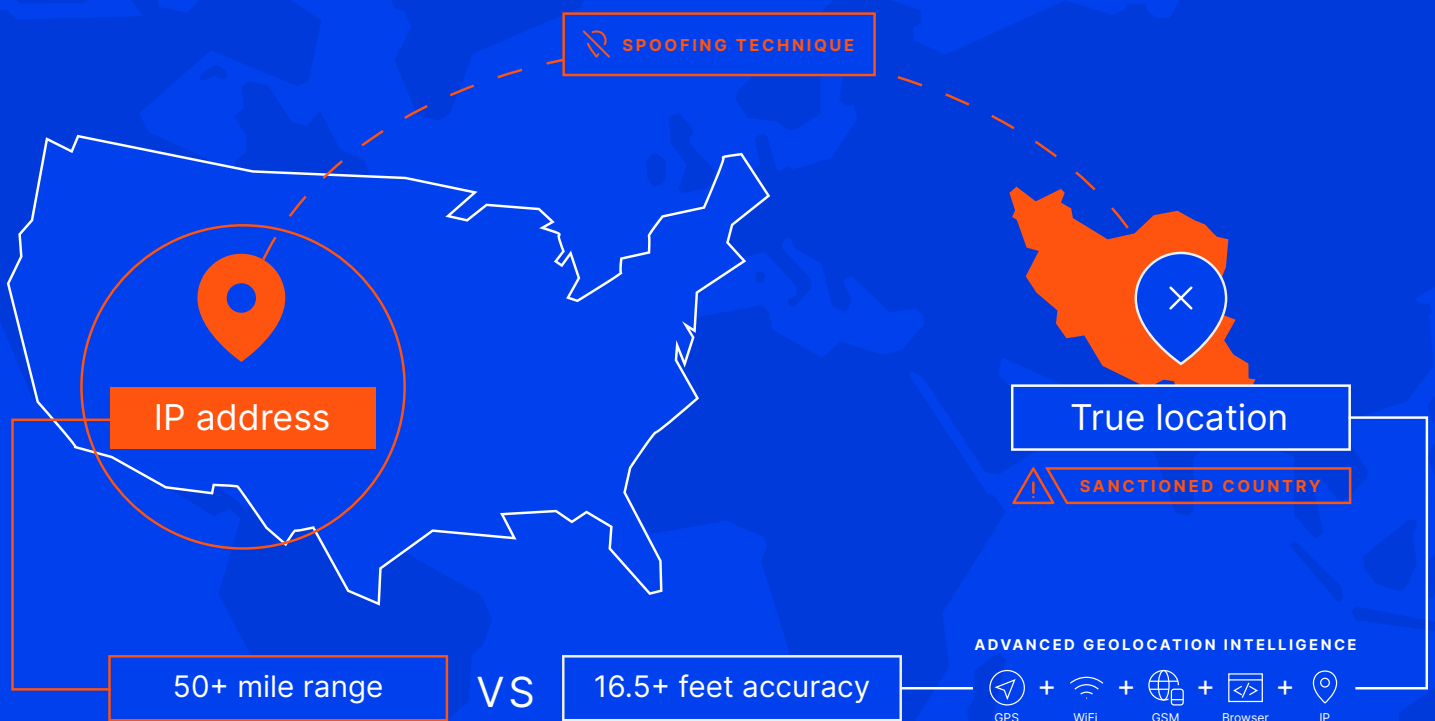
IP Addresses: the main roadblock to ensure Title 31 compliance

For cashless and digital wallets, Title 31 compliance starts with location. **Gaming Enterprises must be able to identify their customers' true location – the jurisdiction in which they reside or where their funds are being transferred.** Without this critical data point, making informed decisions on whether to permit or deny cashless transactions becomes impossible.

However, the geolocation standard in the financial services industry is antiquated, primarily relying on IP addresses. This method of determining location is vulnerable to manipulation and lacks precision. Bad actors have access to an arsenal of inexpensive location manipulation and spoofing tools – including virtual private networks (VPNs), proxies, and a host of other anonymizers. These tools make desktop and mobile IP addresses the easiest location data point to manipulate.

For example, in only six months, GeoComply detected 15 million attempted transactions where IP addresses were manipulated to appear falsely indicate users' locations were in the United States. In reality, these users were located elsewhere, including sanctioned jurisdictions like Iran and Cuba.

The gap between a user's location as indicated by an IP address and their actual location creates a significant risk to a cashless wallet and its banking and payments partners. It adds another layer of anonymity behind which bad actors can mask their true identity so they can more easily commit financial crimes. **It also raises a regulatory red flag that Gaming Enterprises offering cashless or digital wallets while aiming for AML and OFAC compliance should avoid.**

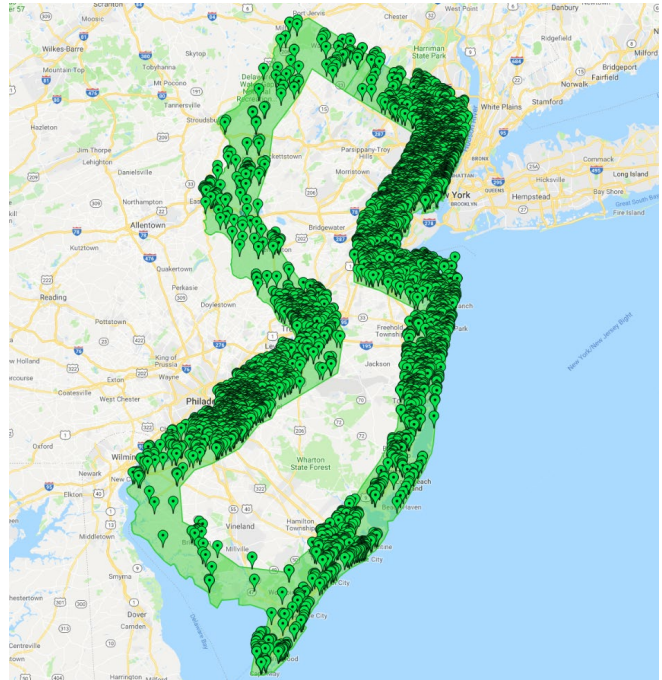


Enhanced geolocation is the critical element to Title 31 compliance

Regulators recognize the insufficiency of IP addresses for geolocation. They're calling for financial institutions – as outlined in the recent [OFAC guidance](#) – to improve their geolocation strategy to better identify and stop bad actors from exploiting the U.S. financial system.

The opportunity is now for Gaming Enterprises to blaze a new trail of compliance innovation by launching enhanced geolocation security within their cashless or digital wallets rather than wait for such guidance to become law.

By tapping into device-based geolocation data signals from multiple sources Gaming Enterprises are able to verify their off-property customer's true location. This is the same enhanced geolocation used in the highly regulated U.S. iGaming and sports betting industry, with its strict, state-specific requirements.



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Advanced location signaling provides another critical data point that gives insight into the legitimacy and validity of transactions.

Jarod Koopman
Director, IRS – Criminal Investigations (CI)

For example, more than 82 percent of all of New Jersey iGaming traffic is within 10 miles of the border, and approximately 44 percent is within two miles – enhanced geolocation ensures betting remains within the permitted jurisdiction (see figure above).

This enhanced accuracy is crucial to cashless and digital wallets, which also face a complex web of regulations from OFAC, FinCEN, and state regulatory agencies. Device-based geolocation security helps lift the heavy burden of Title 31 compliance by ensuring that each cashless or digital funding transaction occurs only where permitted and that the deposited funds do not originate from sanctioned countries. In turn, this ensures that their cashless and digital funds processing doesn't run afoul of Title 31 compliance.



2 Detect VPN use, a regulatory “Red Flag”

Both FinCEN and OFAC have highlighted inherent risks with illicit VPN use. As a result, in its virtual currency guidance, OFAC listed the following as a risk indicator of individuals who attempt to access a virtual currency exchange from an IP address or VPN connected to a sanctioned jurisdiction.

In addition, FinCEN and the CFTC jointly fined [BitMEX](#) \$100 million for “willfully” violating the Bank Secrecy Act. Despite BitMEX’s claims it did not transact with U.S. customers, FinCEN found the exchange did not screen for customers using a VPN to access its services and circumvent IP monitoring. In addition, BitMEX changed some U.S. customers’ information to hide their true location. With other financial markets acknowledging the power of geolocation intelligence, it’s imperative for Gaming Enterprises and gaming regulators to recognize the protections other markets are putting in place to safeguard the integrity of digital transactions.

Enhanced geolocation security analyzes IP addresses to:

- **Determine their source and potential association with malware**
- **Identify anonymizers such as VPNs and proxies**
- **Assess links to high-risk jurisdictions and activity**

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Analytic tools can identify IP misattribution, for example, by screening IP addresses against known virtual private network (VPN) IP addresses and identifying improbable logins (such as the same user logging in with an IP address in the United States, and then shortly after with an IP address in Japan).

OFAC Sanctions Compliance Guidance for the Virtual Currency Industry, Oct. 2021

Enhanced geolocation security helps to determine the legitimacy of an IP address potentially associated with criminal activity. The gaming industry can raise the regulatory standard by proactively adopting geolocation security tools that detect VPNs and are able to pinpoint a user’s true location.

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OFAC listed as a risk indicator, individuals who attempt to access a virtual currency exchange from an IP address or VPN connected to a sanctioned jurisdiction.



3 Detect and report suspicious activity and block OFAC transactions

Utilizing a robust “Know Your Customer” program strengthens the ability of Gaming Enterprises to create a true digital identity for their cashless or digital customers. It also enhances the ability of Gaming Enterprises to evaluate risk, understand their cashless or mobile gaming customer’s behavior, and detect potentially suspicious activity.

Yet, even if a cashless or mobile gaming customer is properly verified, their later behavior may subsequently flag their transactions as “suspicious.” For example, a verified cashless customer may use a VPN to mask their true location while depositing funds from a US bank while they are actually located in an OFAC-sanctioned country.

Gaming Enterprises need to analyze all data and behavior related to their cashless or digital wallet customers and their funding transactions – and enhanced geolocation security helps by:

- **Excluding users who are trying to login from certain countries**
- **Providing additional information about running processes and who may be using VPNs, virtual machines or remote desktop protocols**
- **Validating the exact location of a user at the time of a funding transaction. For instance, casinos can analyze incoming deposits to help them comply with AML and OFAC mandates**



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The recent growth of gaming activity at brick-and-mortar casinos and online gaming platforms has raised the risk profile for U.S. casinos and gaming activity in the United States... There are also continuing challenges with AML/CFT supervision of some gaming operators - including online platforms, firms offering “games of skill” (as opposed to “games of chance”), and third-party operators that may engage in casino-like activities but that are not necessarily subject to BSA obligations because they are not licensed as casinos.... The risks in this sector involve not only compliance issues by casinos and card clubs regarding their respective AML/CFT obligations under the BSA, but also the misuse of casinos by foreign illicit actors...Law enforcement reporting and criminal prosecutions suggest continuing money laundering risks associated with placing illicit proceeds in casinos...There are continuing concerns regarding covered casinos’ and card clubs’ compliance with relevant AML/CFT obligations. Federal and state law enforcement underscored the extent to which covered casinos and card clubs may be fulfilling their required obligations, including SAR and CTR filing, but not taking other forms of proactive risk-based action against suspected money laundering.

2024 National Money Laundering Risk Assessment

4 Prevent financial crime

Financial crimes include money laundering and terrorist financing, which trigger regulatory reporting and increased FinCEN and OFAC scrutiny. Recently, OFAC [sanctioned a prepaid rewards program](#) for its role in allowing reward cards to be redeemed from persons residing in sanctioned jurisdictions.

Strong geofencing capabilities, combined with pinpoint location accuracy, help Gaming Enterprises detect and prevent, in real-time, suspicious activity that may be associated with terrorist financing or other crimes. In addition, Gaming Enterprises can analyze historical geolocation transactions to detect and flag high-risk behaviors, such as location jumping.

5 Protect cashless and digital wallets from account takeovers

Cyber criminals are using sophisticated methods to obtain a customer's account information which can then lead to theft of the customer's funds within their cashless wallet. In 2011, OFAC saw this as a serious financial crime that required financial institutions (including Gaming Enterprises) to report this activity in a [Suspicious Activity Report](#) (SAR).

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In an account takeover, the target is the cashless customer's cashless or digital wallet, and the ultimate goal is to remove and steal all funds within that digital wallet.

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This enforcement action underscores the importance of obtaining and using all available information to verify a customer's identity or residency, including by using location-related data....

da Vinci Payments – OFAC
Enforcement Release:
November 6, 2023

By performing a geolocation check at the time of login, deposit, and withdrawal, Gaming Enterprises would be able to detect the device fingerprint, location, and block access and/or withdrawal of player account funds when suspicious activity is detected. Additionally, this activity and all the location and device data detected would be included in the necessary SAR that would be submitted to OFAC.

By using highly accurate, enhanced geolocation solutions, Gaming Enterprises can demonstrate to regulators that compliance is not a standard checklist most financial institutions follow. Rather, they prove that compliance is a commitment to empowering the future of digital trust by making their cashless or digital wallets a safe and secure place to do business inside AND outside of their gaming premises.



GeoComply: enhanced geolocation provides Title 31 compliance

Backed by Blackstone, the world's largest private equity firm, GeoComply offers a trusted and accurate solution, processing more than 10 billion transactions a year and is installed on more than 400 million devices worldwide. Since launching in the highly regulated U.S. gaming market in 2013, GeoComply has honed its technology using device-based data (accurate up to 16.5 feet).

GeoComply uses zero-friction geolocation security to deliver enhanced geolocation accuracy to the largest brands in highly regulated markets – such as DraftKings, MGM, FanDuel, Caesars and others. GeoComply's enhance geolocation SDKs can be easily integrated into a mobile gaming application or casino mobile application that has a cashless wallet.



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analyzed transactions per
year and growing

98%

tested accuracy in VPN
detection

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worldwide

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reduce your regulatory risk and combat financial crime.

solutions@geocomply.com



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January 13, 2025

VIA E-MAIL

Daniel Gerber
General Counsel
Illinois Gaming Board
160 North LaSalle, Suite 300
Chicago, Illinois 60601

Marcus Fruchter
Administrator
Illinois Gaming Board
160 North LaSalle Street, Suite 300
Chicago, Illinois 60601

Re: Comments Related to SEP and Cashless Technology

Dear Mr. Gerber and Mr. Fruchter:

This correspondence is submitted on behalf of the Illinois Gaming Machine Operators Association (the “IGMOA”) to address the Illinois Gaming Board’s (the “IGB”) request for comments or suggestions related to: (1) a rulemaking that would incorporate video gaming into the IGB’s Self-Exclusion Program for Problem Gamblers (the “SEP”); and (2) a separate rulemaking that would implement and regulate cashless technology in video gaming.

The IGMOA would like to thank the Board and staff for continuing to work with the video gaming industry. We appreciate the opportunity to submit comments and believe industry input is a critical component to the rulemaking process.

Self-Exclusion Program

As a founding member of the Illinois Alliance on Problem Gambling, the IGMOA supports the IGB’s efforts to reduce problem gambling in Illinois and to promote responsible gambling. The IGMOA does, however, have concerns with the ability to integrate video gaming into the IGB’s SEP, as it currently functions, as further detailed below. In order to best opine on a practical and effective solution, it seems necessary for the industry to first understand the scope of problem gambling in the video gaming industry. Accordingly, we respectfully request that prior to proposing any rules or regulations regarding SEP, that an assessment of problem gambling in the video gaming industry be completed, and shared with the industry. Without understanding the underlying issues, it is difficult for anyone to suggest meaningful solutions.

The IGMOA raises the following concerns regarding the integration of the video gaming industry into the SEP:

- **Distribution.** Currently, the IGB’s rules provide that the Board is required to maintain and keep current the Self-Exclusion List and that such list is “updated and distributed in its entirety to each riverboat casino on a regular basis.” To whom will the IGB distribute the list in the video gaming industry and what obligations will that licensee have regarding the further distribution and maintenance of such information? Will every employee of a video gaming location (bartender, server, clerk) be required to be familiar with the Self-Exclusion List despite not otherwise holding a license with the IGB?
- **Confidentiality.** The Self-Exclusion List contains the name and “other identifying information” of the participants. What steps will be taken to protect the information of the participant? Given the nature of video gaming locations, it is unlikely that most licensees have privacy policies or other protections in place to maintain such information. What are the risks to the video gaming locations and other licensees of a breach of such information?
- **Enforcement.** How would players on the SEP be identified? In Illinois, due to the Biometric Information Privacy Act, our understanding is that facial recognition on security system cannot be utilized. What would the Licensed Establishment’s obligations be to prevent VGT play by an individual on the SEP? Who is responsible for training such individuals regarding this interaction? Would they be obligated to call a designated IGB Agent or the police if the individuals enrolled in the SEP does not leave the video gaming area? How does local law enforcement feel about this role?
- **Accessibility.** Would integration of the SEP require that Terminal Operators utilize player tracking systems? If so, there are costs that should be considered. Player tracking systems, including the required software, hardware, and card readers, are very expensive. This would provide large Terminal Operators, who are better suited to front these costs, a material advantage.

The distributed gaming industry presents unique circumstances to consider with respect to self-exclusion and the effectiveness of such an approach. It would be unfortunate if an individual that is willing to visit an IGB sanctioned location and spend 30-45 minutes enrolling in SEP, and likely believes such a program will be effective at keeping them from playing a VGT, is then able to continue playing VGTs because the industry is unable to effectively implement the SEP. To reiterate, while the IGMOA has concerns, it fully supports the reduction of problem gambling and the promotion of responsible gambling in the video gaming industry. The IGMOA is hopeful to work with the IGB to develop an effective solution.

Daniel Gerber
Marcus Fruchter
January 13, 2025
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Cashless Technology

Like many aspects of the video gaming industry, the redemption process continues to evolve and the IGMOA supports efforts to find innovative ways to advance the underlying goals and legislative intent of the Video Gaming Act while also maintaining and preserving the integrity and security of the video gaming industry. As such, the IGMOA has been a staunch supporter of implementing TITO since 2013 when the Video Gaming Act was amended to allow for TITO and has also voiced support in finding a solution to possibly eliminate coin in the ticket redemption process, as evidenced by its September 19, 2024 correspondence supporting M3T's Proposal regarding a coinless option.

The Illinois video gaming industry has long believed that the implementation of TITO and the reduction of "cash on the streets" would promote a greater degree of safety for the industry. Moreover, TITO will help reduce the amount of cash float that Terminal Operators must provide to allow for video gaming to occur efficiently in licensed video gaming locations. The IGMOA believes that the successful implementation of TITO and the elimination of coin are important stepping stones prior to considering an entirely cashless option.

Moreover, the IGMOA believes it is necessary for there to be an assessment on the possible impact of cashless technology on the distributed gaming industry, as compared to the casino or sports wagering industry, including on the amount of overall revenue generated, the amount of tax revenue generated, the cost of implementing such technology, the elimination of anonymity, changes in patron gambling behavior, as well as its link to player tracking or player rewards, and any other unintended consequences. Moreover, the IGMOA would like to better understand the goals associated with implementing cashless technology, such as, for example, convenience to the patron, safety in the industry, and responsible gaming. As always, the IGMOA remains open to working with other industry participants and the IGB to evaluate innovative ways to advance the Illinois video gaming industry and we look forward to future discussions on this topic.

Sincerely,

Taft Stettinius & Hollister LLP



Erin Lynch Cordier

ELC



January 13, 2025

Subject: Comments Self Exclusion - Cashless

A. Self-Exclusion Program:

SUMMARY:

Based on the structure of the distributed gaming model and learnings from other jurisdictions, implementing a traditional self-exclusion solution would be very difficult. In line with the findings of a Nova Scotia study (below), we believe a more effective way to execute a self-exclusion solution are alternative methods further discussed below. It is our understanding no Distributed Gaming jurisdictions currently offer a traditional self-exclusion solution. As mentioned earlier, Nova Scotia, Canada, tested a proposed solution in 2004, but it was never implemented. The test results indicated that relying on retail staff to subjectively detect and accurately report on the gaming activity of an “excluded” player is ineffective. Instead, we believe the potential alternatives further discussed below would be a more effective way to achieve the intended play protections.

NOVA SCOTIA MODEL:

Recommendations and link to the Nova Scotia test are below:

Nova Scotia Recommendations: In the Video Lottery Self-Exclusion Process Test the retail monitoring component of the Program proposed for multi-site Video Lottery was not sufficient to support program objectives or expectations. The results indicate that reliance on the ability of retail staff to subjectively detect and accurately report on the gaming activity of an “excluded” player is neither reasonable nor appropriate. Changes identified to improve retail Program compliance and detection rates are likely to be too cumbersome, expensive, and impractical to be consistently administered across sites and, moreover, are unlikely to assure the required improvements in retailer performance. While there is a demonstrated need for reliable self-exclusion for video lottery gambling in Nova Scotia, under the current Process Test it appears that players seeking abstinence assistance may be better served by informally approaching specific, familiar sites for cooperation on an ad hoc basis until such time a method of reliable on-site screening is implemented that is independent from subjective detection of “excluded” players through staff recognition. The Video Lottery Self-Exclusion Pilot Working Committee is advised to

explore other options for player monitoring, such as player card technology or “restricted access” gaming areas, in order to meet “duty of care” program standards.¹

Ultimately, Nova Scotia instituted the following as a replacement for Self-Exclusion in VLTs. [Home | Gaming NS](#) and [PlayWise](#).

Here are two items from the Nova Scotia program for discussion, that could be considered for Illinois, as detailed further below:

1. Video Lottery Retailer Responsible Gambling Training Program (See #1 Lattner suggestion below for similar concept)

- Nova Scotia Gaming created the Video Lottery Retailer Responsible Gambling Training Program in 1999-2000 and updated it in 2008-09. The program educates video lottery retailers and their staff about responsible gambling and how to support players in making informed decisions when playing video lottery.
- In 2013-14, Nova Scotia Gaming transferred the daily management of this training program to Atlantic Lottery.
- In 2022-23, 100% of video lottery retailers completed the training as required.

2 Healthy Play (formerly called RG) Features on VLTs (See #2 Lattner suggestion below for similar concept)

- VLTs in Nova Scotia offer the following healthy play features on the machines and in sites:
 - Pop-up reminder – This advises the player how long they have been playing and asks the player if they wish to continue.
 - Displaying amount wagered in dollars – The amount wagered shows as an actual dollar amount instead of credits.
 - Mandatory cash out.
 - Maximum Bet.
 - Permanent clock – This clock is always available on the player screen and reminds the player of the time of day.

¹ See conclusion “Recommendation” Section on page xx, <https://www.focalresearch.com/shared-files/7449/NS-VLSEP-Final-Summary-Report- Jan-11 -1.pdf>

POTENTIAL ALTERNATIVES:

We have the following suggestions for consideration that may effectively provide information on resources for problem gamblers and achieve similar objectives:

1. Introduction of New IGB Rule Requiring Licensed Video Gaming Locations to Provide Problem Gambling Training to Bar and Restaurant Staff.

- **Description:** Train location staff to identify signs of problem gambling and assist in providing information on resources available for individuals who may have a gambling problem (e.g., Problem Gambling Hotline). This can be achieved by incorporated training into the Illinois Basset training for employees of liquor pouring establishments.

<https://www.illinoisbassetcertification.com/alcohol-laws-in-illinois/>

- **Implementation Steps:**

- Pass IGB Rule.
- Offer training as part of Illinois Basset Training.
- Provide access to resources like local gambling support services.
- Include information on how to discreetly provide information regarding resources to individuals that may be problem gamblers.

2. Player Tracking Initiative - Machine-Level Technology

- **Description:** Equip gaming machines with (***Non-Mandatory***) Player Tracking, which will include information on resources for problem gambling.
- **Implementation Steps:**
 - Pass IGB Rule.
 - Allow players to access Player Tracking (e.g., with a player card or PIN).
 - Offer Voluntary Spending Limits, allowing individuals to set pre-defined spending or gaming time limits. Set alerts when limits are approached or exceeded.

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3. Additional Awareness Campaign

- **Description:** Promote problem gambling resources.
- **Implementation Steps:**
 - Use screensavers and/or idle displays on machines to show awareness messages.
 - Include the problem gambling hotline number for immediate help.

We believe these alternatives will be a more effective way to address potential problem gambling in the distributed gaming space.

B. Cashless Option:

We appreciate and support the IGB's pursuit of cashless wagering solutions for Video Gaming and Commercial Casinos in Illinois. If cashless wagering would not permit patrons to directly use typical payment options, such as credit and debit cards or payment applications such as Apple or Google pay, we offer the following as a potential alternative solution for cashless wagering. We could implement a cashless technology option in which there would be a centralized, cashless wallet/wagering account that could be funded from a bank account/ACH transfer and other optional sources including debit card, credit card and PayPal.

The architecture for this cashless technology option would include:

- A small hardware device that connects directly to the SAS port of each EGM that creates the ability to directly deposit or withdraw credits from the EGM meter.
- A cashless application that would run on the customer's mobile device, accessible from the soon-to-be-launched Lattner Loyalty App.
- Centralized middleware software and systems that would allow the cashless app to connect and interact with the firmware in the EGM device.

Funds in the cashless wallet would centrally be available for use at any Lattner location within the state.

- Customers would be able to enroll and establish a cashless account through the Loyalty app, without having to apply in person, using industry-standard KYC processing.

- Firmware and app/middleware components would need to be submitted to IGB for approval as a single cashless ecosystem; firmware would be submitted separately for approval by manufacturer prior to entire solution being submitted.

Sincerely,

Bobby Walsh

Bobby Walsh
President

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January 13, 2025

Mr. Daniel Gerber
General Counsel
Illinois Gaming Board
160 N. LaSalle Street, Suite 300
Chicago, Illinois 60601

Submitted Via Online Inquiry & Submission Form

Dear Mr. Gerber,

Below please find comments submitted on behalf of Illinois & Café Service Company, LLC and Laredo Hospitality Ventures, LLC regarding several proposed IGB video gaming rules. After you have had an opportunity to review our submission, we would be happy to speak with you about the views and concerns expressed herein.

A. SELF-EXCLUSION PROGRAM/SELF-EXCLUDED PLAYERS (SEP)

We support the IGB's efforts to seek to implement a SEP for video gaming. However, we note that any such implementation would need to take into consideration a number of significant concerns regarding implementation, enforcement and privacy. Because this issue is still in the conceptual stage, we set forth below some of the questions/concerns that in our view would need to be addressed in any proposed rulemaking.

1. Identification of Self-Excluded Players

- **List Access & Privacy:**
 - How would SEP players be identified at the gaming location? Would establishments be provided with a list of SEP individuals?
 - Would there be technology required to keep the SEP list confidential? How would the list be securely accessed and checked by staff to ensure compliance?
- **ID Scanning Requirement at VGTs:**
 - If the IGB mandates scanning a player's ID at the Video Gaming Terminal (VGT) before play, what forms of identification would be acceptable?
 - Requiring all players to scan their IDs before playing may deter non-SEP patrons, as many guests may be uncomfortable with having their IDs electronically captured. Is there a legal or regulatory precedent for this requirement?
- **Impact of ID Scanning:**
 - If a SEP player scans their ID and the VGT is automatically shut down to prevent play, how long would the VGT remain inactive?
 - How would the VGT be reactivated once a SEP's ID has been scanned and the VGT shuts down? What safeguards would be in place to prevent a SEP from scanning their ID at multiple machines, effectively shutting down all VGTs in the establishment?

2. Consequences and Responsibilities for SEP Violations

- **SEP Violations:**
 - What are the legal ramifications for a SEP player if they are identified attempting to play slots or engaging in gambling activities? Who would be responsible for enforcing those consequences? Would an authority (e.g., law enforcement) need to be involved, or would a report be required to be filed with the IGB or other regulatory bodies?
- **Employee Handling and Confidentiality:**
 - If an SEP player is caught playing slots or attempting to play, how should staff handle the situation? What is the expected dialogue with the SEP player, and how can their privacy be protected during the process?
 - Another concern is that if a SEP player scans their ID and causes the VGT to shut down, employees and other patrons may deduce the individual's status on the self-exclusion list. How can we safeguard the SEP player's privacy and avoid potential public embarrassment or friction within the establishment?
 - Once an employee or business owner becomes aware that a player is on the SEP list, how can, or should, this information be kept confidential within the organization?
- **Prevention of Fraud:**
 - What measures will be in place to prevent a SEP from using another player's ID to access a VGT, or from asking an employee to scan their ID for them in order to circumvent the system?

3. Comparison to Casino Self-Exclusion Practices

- **Casino ID Scanning vs. VGT ID Scanning:**
 - In a casino setting, our understanding is that a SEP player is only identified when attempting to collect a jackpot, typically at which point they need to show ID and fill out a W2G form. Would it be reasonable to implement a similar system for VGTs, such as requiring an ID scan only when a player attempts to cash out or collect a ticket over a certain threshold amount (e.g., greater than \$XXX)?

4. Data Privacy and Security Concerns

- **Storage of Non-SEP Data:**
 - Where is the scanned data for non-SEP players stored? Would this data be held by Scientific Games, the Terminal Operator (TO), or another entity?
 - Who would have access to this data, and who would control it? Is there a risk that this information could be sold or used by competitors?
 - Is non-SEP play data being tracked through ID scanning (e.g., amount played, time spent on device, frequency of visits)? If so, what specific data is being collected, and what are the potential risks to player privacy and the security of this data?
 - If the collection of data is an option, we would not want that data shared with the TO, and would propose this would roll into a player reward card/platform, for players who are not on the self-exclusion list.
- **Transfer of Customer Data:**
 - If we decide to end our relationship with the Terminal Operator (TO), could they retain and use the customer data collected (including non-SEP play information)

for marketing purposes at competing establishments? What legal protections or agreements would need to be in place to prevent this?

B. CASHLESS WAGERING

1. Payment Methods and Options

It is our strong belief that if cashless payment systems are implemented, they should be **one optional method** alongside the implementation of Ticket In Ticket Out (TITO) and traditional cash. The VGT industry should first look to implement TITO as is used in casinos today. Players should also still have the choice to use physical cash for their transactions. This is important for player autonomy and inclusivity.

- **TO Branded Apps:** Many casinos use proprietary mobile apps linked to players' bank accounts or credit cards for digital transactions. However, for VGT locations hosted by different Operators (TOs), players would likely need multiple apps and digital wallets. This fragmentation could be cumbersome and unfeasible for the VGT market, which often involves numerous independent operators.
- **Third-Party Payment Services:** Using third-party payment processors like PayPal, Apple Pay, Google Pay, or Play+ would require players to sign up for accounts they may not want or need. This could create friction for players who are not familiar with or do not trust such platforms. A state-mandated unified processor for cashless payments would reduce choice and could alienate players who are not comfortable with specific processors.
- **Digital Wallets:** These could offer a seamless solution, allowing funds to be stored and used across multiple locations. However, digital wallets still require players to create and link accounts, raising concerns about privacy, data security, and additional layers of complexity. Additionally, funds in digital wallets would require a withdrawal method that is not currently supported by most VGT locations (i.e., they don't have cash on hand to pay out digital winnings), therefore players would have to transfer winnings to their bank accounts or the M3T would have to have the capability to pay out digital winnings. The M3T would need to support any processor or multiple ones to accommodate most users. How would players who do not have phones that support App use be able to use the technology?

2. Benefits of Cashless Gaming

- **Convenience:** Cashless payments offer a more streamlined experience for players, eliminating the need to carry physical cash and speeding up transactions.
- **Enhanced Security:** Digital payments can reduce the risks of theft, fraud, and counterfeit money. Operators would also benefit from less cash handling and security around cash management.
- **Integrated Loyalty Programs:** Many cashless systems are integrated with player loyalty programs, which automatically award points, rewards, or bonuses based on digital transactions. However, it is essential that loyalty programs be **ownership or location-specific** (i.e., limited to the company or establishment where the player is gaming) and not

automatically transferable between different brands or Operators. This would avoid confusion and potential conflicts, especially if the digital wallet could be used across multiple VGT locations.

3. Concerns of Cashless Gaming

While the potential advantages of cashless gaming are clear, such as faster transactions and increased security, it's important to address the potential risks outlined below.

- **Privacy and Data Security:**
 - **Personal and Financial Information:** Cashless gaming systems require players to input sensitive data such as credit card or bank account details. This raises concerns about hacking, data breaches, and misuse of information. Players may also worry about how their personal data is used and who has access to it.
 - **Data Tracking and Profiling:** Cashless systems inherently track player spending habits and gameplay behavior. This can lead to concerns about data profiling and the potential for this data to be sold or shared with third parties without player consent.
- **Lack of Transparency and Control:**
 - **Unclear Balances:** Some players may struggle to monitor their digital balances, as the lack of physical currency can make it harder to gauge how much money they have left. This could cause confusion or a false sense of security or unnecessary withdrawals/reloads.
 - **Complicated Withdrawals:** Digital systems can sometimes complicate withdrawals. Players may face delays or additional steps in withdrawing funds, which could frustrate them. Unlike cash transactions, which provide immediate payouts, digital withdrawals often involve third-party processing that may not be as quick or transparent.
- **Accessibility:**
 - **Technological Barriers:** Not all players, especially those less familiar with technology, will be comfortable navigating digital wallets, apps, or QR codes. Access to mobile banking or the required technology may also be limited for certain demographics. Therefore, it's essential to provide players with the option to continue using cash as a payment method, ensuring inclusivity and access for all.
- **Tactile Experience:** For many players, the act of physically exchanging cash is a key part of the gambling experience. It provides a sense of involvement and excitement. A fully digital experience may feel less engaging or satisfying for those who enjoy the tactile aspects of gaming.
- **Potential for Hidden Fees:**
 - **Transaction Fees:** Players may face transaction fees when using digital payment systems for deposits or withdrawals. This could create confusion or dissatisfaction, particularly if these fees are not transparent or disclosed up front.
 - **Inactive Account Fees:** Some digital wallet providers charge maintenance or inactivity fees if an account is not used for a specified period. This could lead to frustration and dissatisfaction, especially among players who infrequently use the system.

4. Compliance and Regulatory Risks

The implementation of cashless systems will require robust oversight and regulatory frameworks to mitigate potential risks:

- **Security:** Ensuring the encryption and protection of player data will be crucial. Systems must comply with best practices to prevent fraud and data breaches.
- **Transparency:** Cashless systems must provide players with easy access to transaction histories, account balances, and withdrawal options. Lack of transparency could lead to mistrust and a negative player experience.
- **Handling Disputes:** Digital transactions can complicate dispute resolution. If players believe they were incorrectly charged or didn't receive their winnings, resolving such issues digitally may take longer and could be more complex than with cash transactions, where issues can be handled with the TO.

5. Conclusion

While cashless gaming offers clear advantages such as convenience and enhanced security, it also raises significant concerns regarding privacy, accessibility, addiction risks, and technical challenges. To ensure a balanced approach, we recommend the following:

- **Maintain Cash as an Option:** Cashless systems should be offered as an **optional method** alongside traditional cash to ensure all players have access to the gaming experience.
- **Address Security and Privacy Concerns:** Any system should ensure player data is fully protected, encrypted, and used transparently.
- **Ensure Accessibility:** Provide alternatives for players who are not comfortable or familiar with digital wallets and apps.
- **Provide Clear Dispute Resolution Processes:** Cashless systems must have clear, accessible, and quick resolution processes for transaction issues and disputes.

C. PROPOSED RULE 1800.156 – NO ACTION LETTERS

We welcome the IGB's proposal to provide No Action letters. However, a couple of the provisions of the proposed Rule raise concerns that we believe should be addressed before the Rule is finalized and implemented.

1. 1800.156(i) – Confidentiality and Proprietary Information Concerns

As currently drafted, the Rule provides that, "All No Action Letter Requests (including supporting materials) and No Action Letters shall be deemed non-confidential and subject to publication and public inspection." We believe this provision should be amended to address issues of confidentiality, proprietary information, and potentially adverse business consequences. More specifically, No Action Letter Requests ("Requests") are almost always likely to pertain to sensitive business decisions involving a licensee. Because the Rule requires the disclosure of "specific facts and circumstances," they will often include specific information of a proprietary or confidential

nature. The potential adverse consequences of such information becoming public are self-evident. Moreover, the threat of public disclosure of such information will undoubtedly have a severe chilling effect on licensees who might find themselves in an uncertain situation regarding "a particular action, arrangement or undertaking," i.e. in precisely the types circumstances that the Rule is designed to address.

For these reasons, we recommend that the Rule provide for (1) the de-identification of the licensee making the Request and (2) a mechanism to protect proprietary information contained within the Request, provided the licensee reasonably identifies any such proprietary information in its Request. We believe providing these protections will not impede the reasons behind publication of Requests and No Action Letters, which we understand to be both the provision of guidance to the specific licensee making the request and informing/educating other licensees regarding important IGB positions on sensitive issues implicating disciplinary concerns.

De-identification of the requestor(s) would have no impact on the substantive policy and interpretative matters addressed in the No Action Letter, but would protect the requestor(s) from potentially adverse business consequences. Simply put, in a competitive business environment, public disclosure of a licensee's business initiatives has the potential to result in serious disadvantageous business consequences to the licensee(s). Similarly, the public disclosure of proprietary information could have similar adverse consequences. If the non-disclosure of proprietary information would undermine the IGB's ability to issue a No Action Letter, then the Request could be denied or the requestor could be given an opportunity to withdraw the request. Even where a Request does not result in the issuance of a No Action Letter, protecting the identity of the requestor and its proprietary information avoids potentially undue harm to the requestor and encourages full disclosure and candor with the IGB.

2. 1800.1566(k) – Exception For Good Cause Shown

Subsection (k) of the proposed Rule limits licensees to one No Action Letter Request during a 12-month period. We believe this is unduly harsh and that provision should be made for licensees to seek more than one No Action Letter when good cause exists for seeking a second letter. We understand that the one-Request limit exists in large measure due to the IGB staff's limited resources and the likelihood that some licensees might seek to abuse the system by submitting numerous Requests. Inserting "except for good cause shown" would permit licensees to file a second Request, but only where good cause is shown, as determined within the sole discretion of the IGB. We believe this change would recognize that exceptional circumstances could arise, while also the legitimate resource concerns of the IGB.

Again, we are grateful for the opportunity to provide these comments and look forward to further engaging with you regarding these important issues.

Very Truly Yours,

/s/ Charity Johns

Charity Johns

CEO – Illinois Café & Service Company

Kimberly M. Copp
312.836.4068
kcopp@taftlaw.com

January 13, 2025

Via Online Inquiry & Submission Form

Mr. Marcus Fruchter, Administrator
Illinois Gaming Board
160 N. LaSalle Street, Suite 300
Chicago, IL 60601

Re: Public Comment – Potential rulemaking regarding cashless technology in video gaming

Dear Marcus:

In response to the Illinois Gaming Board's solicitation for public comment regarding potential future rulemaking regarding cashless technology in video gaming, please accept this letter and the attached comments on behalf of M3t and Sightline Payments.

If you have any questions or need additional information, please let me know. Thank you for your consideration.

Sincerely,

Taft Stettinius & Hollister LLP

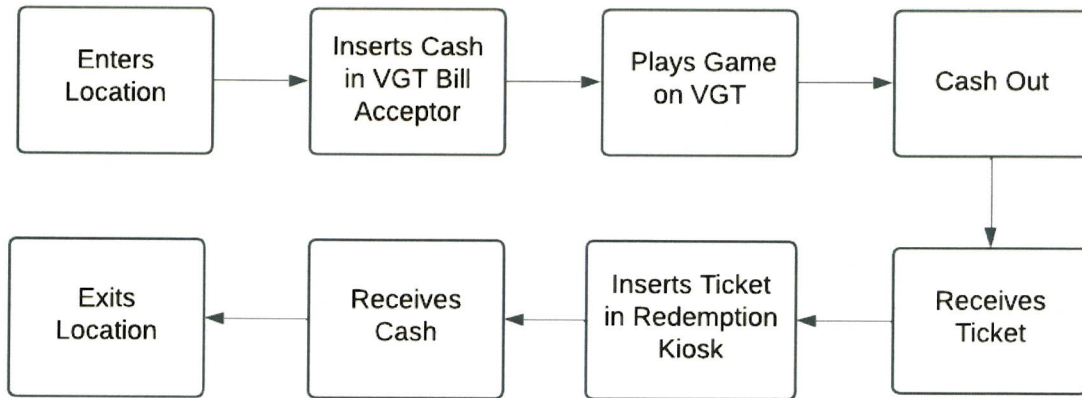


Kimberly M. Copp

Enclosure

**M3t & Sightline Payments
Comments on Cashless Gaming Functionality
for the Illinois Gaming Board**

I. Current Customer VGT Wagering Experience



As depicted above, a VGT customer must have cash to play. After playing, the customer cashes out with a ticket and must redeem the ticket at a redemption kiosk to receive cash. There are obvious drawbacks to an entirely cash-based system of play such as the inability to provide meaningful responsible gaming tools to a customer, customer and establishment security because of the need to possess cash, customer fees associated with cash access, and the lack of anti-money laundering controls.

II. Customer Benefits of Cashless Wagering

A. Security

Customers want to be safe and secure. With a cashless ecosystem, there is a reduced risk of theft or loss since no cash is involved. Further, a customer's money is secure because cashless systems include fraud protection features providing the same level of security for customer funds as any other banking product a customer uses.

B. Access

Customers want access to their money on demand, whether physical or digital, on or off property. With cashless wagering, customers can efficiently wager and collect their winnings.

C. Loyalty Rewards

Customers want to be rewarded when they frequent a business or consistently use a product. With cashless wagering, VGT Establishments and/or Terminal Operators can create loyalty programs strengthening their relationship with their patrons, encouraging repeat visits and increasing engagement through personalized rewards and incentives.

D. Convenience

With cashless wagering, players can fund their accounts digitally, eliminating the need to carry cash or visit ATMs. As such, VGT transactions are quicker, making it easier to focus on the gaming experience.

E. Access to Information

Customers like having information about their play, their loyalty points, their habits and their status. With cashless wagering, patrons are able to easily track their gambling activity in a single application and, if desired, set spending or wagering limits.

III. **VGT Establishment/Terminal Operator Benefits of Cashless Wagering**

A. Operational Efficiency

Cashless wagering reduces the need for cash handling, lowering costs for security, transportation, and labor. Additionally, cashless wagering streamlines transaction processes, reducing wait times and improving customer service.

B. Enhanced Analytics

With cashless wagering, VGT Establishments and Terminal Operators can collect valuable data on customer behavior and preferences, enabling personalized promotions and more effective marketing strategies.

C. Ability to Promote Responsible Gambling

Tools can be integrated into cashless systems to encourage responsible gambling, improving regulatory compliance and customer well-being.

D. Increased Customer Engagement

Cashless wagering systems integrate seamlessly with customer loyalty programs, increasing customer engagement.

E. Improved Compliance and Transparency

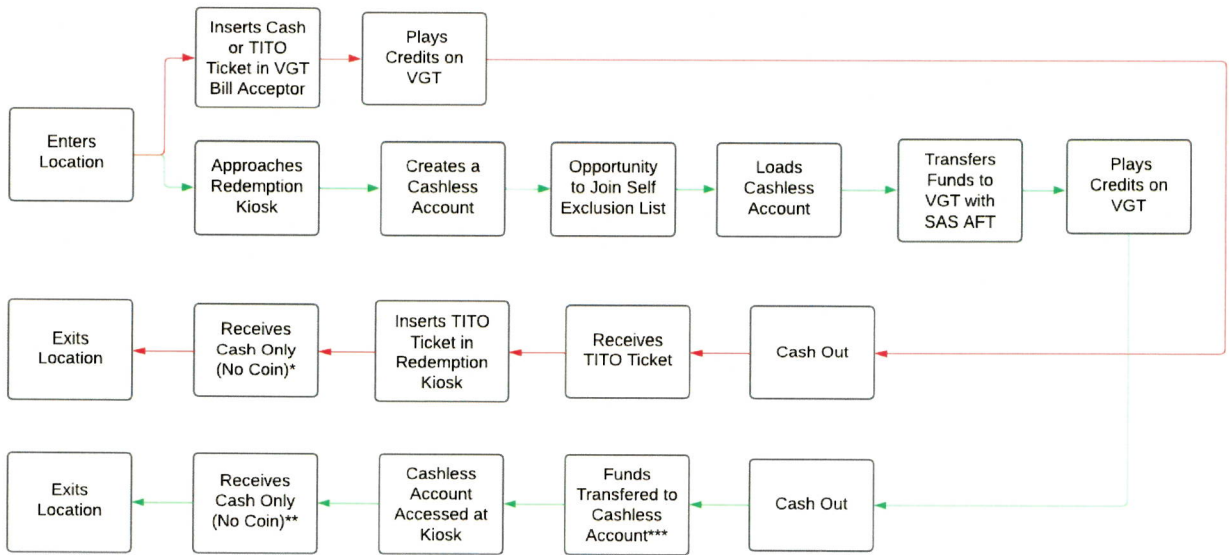
Cashless wagering creates digital records of transactions that can aid in meeting regulatory requirements. Additionally, with cashless wagering there is reduced risk of fraud and money laundering associated with cash handling.

IV. **Cashless Wagering Process**

- A. Customer Enrollment: A customer can create an account in person at a VGT kiosk. To create an account, the customer will need to provide information to confirm his or her name, age and any other information required by the Illinois Gaming Board (the “**IGB**”) to create an account. If remote or mobile accounts are authorized by the IGB, geolocation and ID verification and authentication should be a prerequisite.

- B. Depositing Funds: Once enrolled and verified, a customer can deposit funds into their account using deposit methods authorized by the IGB. All deposit sources should be verifiable to the customer. As Illinois has a robust menu of funding options for mobile sports betting that has been very successful, cashless gaming deposit methods should ideally mirror those currently offered for online play.
- C. Transfer funds to/from VGT: A customer can transfer funds into a VGT via a dynamic QR code, Bluetooth connection, or near field communications (NFC) connection. A similar process would occur when a customer removes funds from a VGT, where he or she would have the option of putting winnings back into the cashless account or being issued a ticket.
- D. VGT Establishments/Terminal Operators could offer customers account-based tools to enhance their VGT experience, including loyalty programs, promotions, responsible gaming information and other personalized data.
- E. VGT Establishments/Terminal Operators are able to customize programs and promotions based on customer play, including management of progressive jackpots, creating a better experience for the patron.
- F. The establishment of a gaming account provides the customer an opportunity to set limits and track their overall gaming. There could also be links to self-exclusion programs or responsible gaming information, to assist the customer in self-identifying harmful behaviors or habits.

Below is a diagram of the customer experience if cashless wagering is permitted:



*Coin to TITO Ticket or Charity Donation
 **Coin Remains on Cashless Account
 ***Alleviates Cash Related Security Issues

These consumer tracks are not meant to be mutually exclusive.

V. Current State of Cashless Gaming

As of January 2025, 15 states have casinos with cashless gaming technologies. Since 2020, gaming regulators nationwide have amended regulations or enacted emergency regulations to allow for cashless gaming at casinos in their states. For example, Colorado and Nevada have enacted permanent regulations, while Indiana has authorized cashless wagering pursuant to emergency regulations but has yet to adopt permanent regulations. Importantly, in all jurisdictions, cash play remains an option for players and should remain so to provide consumers with options on how they want to pay.



Daniel Gerber, General Counsel
Illinois Gaming Board
160 N. LaSalle, Suite 300
Chicago, IL 60601

January 13, 2025

Dear Mr. Gerber:

PENN Entertainment, Inc. (“PENN”) writes to comment on two of the Illinois Gaming Board (“IGB”)’s potential future video gaming rulemakings: (1) a rulemaking that would incorporate video gaming into the IGB’s Self-Exclusion Program for Problem Gamblers; and (2) a future rule for implementation and regulation of cashless technology in video gaming. At the outset, PENN supports the IGB undertaking the rulemaking process on these important topics and believes that both proposals would be beneficial to supporting responsible gaming in the state of Illinois.

PENN has always supported the availability of responsible gaming protections for video gaming patrons, including the requirement to post problem gambling signage in Video Gaming Terminal (“VGT”) establishments. Both of the proposals the IGB is considering today will enhance the responsible gaming protections afforded to VGT patrons.

PENN would be happy to assist the IGB with the implementation of both proposals in a way that will maximize responsible gaming protections for Illinois patrons. PENN’s cashless wagering system, currently live at 21 properties in nine jurisdictions, includes several responsible gaming features, including the ability to set deposit limits, links to responsible gaming help, and the ability to review transaction history. PENN would be happy to provide further information on these features, should the IGB request.

Please do not hesitate to reach out should you have any questions or concerns.

Respectfully,

A handwritten signature in cursive script that reads 'Samantha Haggerty'.

Samantha Haggerty

Deputy Chief Compliance Officer, Regulatory Affairs Counsel

From: AEMPortal@illinois.gov
To: [IGB.RuleComments](#)
Subject: Self-Exclusion Program for Video Gaming
Date: Tuesday, December 31, 2024 11:23:25 PM

Category: Public Comments on IGB Rules

First Name: Kathleen

Last Name: Gilroy



Message: I am in favor of implementing the Self-Exclusion Program for video gaming. There is no reason why there should be any difference in the options available for those participating in video gaming than for any other forms of gambling. I believe that the Self-Exclusion Program helps addicted gamblers to help themselves to stop gambling, at least for a while.

idPair, Inc.
12 Schoolhouse Ln.
Morristown, NJ 07960

Illinois Gaming Board
801 S. 7th St., Suite 400 – South
Springfield, IL 62703

January 13, 2025

To whom It May Concern:

Thank you for the opportunity to provide a public comment on the the incorporation of video gaming into the Illinois Gaming Board’s self-exclusion program. As operators of the National Voluntary Self-Exclusion Program (NVSEP), we are encouraged to hear that the IGB recognizes the importance of self-exclusion for people who need to take a formal step back from gambling and is seeking comments on expanding the existing program.

idPair is a Safer Gaming Technology Company and operator of the National Voluntary Self-Exclusion Program currently supporting self-exclusion across several states and multiple gaming products. As a leading voice in self-exclusion that works with regulators, universities, legislators, and problem gambling councils and organizations to improve self-exclusion nationwide, we are uniquely equipped to provide a response that encompasses perspectives from ongoing dialogues we maintain with people from community, industry, academic, and consumer backgrounds.

From the inception of NVSEP, the program’s objective has been to provide a means for protection from *all* forms of gaming in a seamless self-exclusion process that is not just “window-dressing,” but effective in helping individuals limit their harmful gaming. This objective includes providing self-exclusion across Sports Wagering, Casinos, iGaming, Lottery, iLottery, Fantasy Sports, Tribal Gaming, Horseracing, Video Lottery Terminals (VLTs), Video Gaming Terminals (VGTs) and more. With current Illinois self-exclusion covering the areas of sports wagering and casino gambling (and a separate program for the lottery), the potential addition of VGTs to the program is a great step forward.

In the research of these various forms of gaming, we have discovered what makes some programs more effective than others, as well as the limitations of currently deployed technology and what new technologies can improve outcomes for VSE programs and players, alike.

Like casino gaming, Video Gaming Terminals are almost entirely anonymously played. This means that despite taking the positive step to formally self-exclude and regain control, an individual may continue to play and suffer harm from their behavior because no one at a gaming location is aware they are on the list. While we have found that some people do take the act of just submitting self-exclusion documentation to heart and stay away from gaming, a large percentage of individuals understand that they are anonymous in a brick-and-mortar establishment until a taxable event occurs. Anecdotally, we have heard stories of individuals on the self-excluded list walking away from large wins in order to remain undetected, showing that

even with the absence of the possibility of winning a jackpot, some individuals may continue to play knowing that they cannot win. An effective self-exclusion program must have ways of preventing both losses and wins from individuals by preventing harmful play from occurring in the first place.

In a similar effort to stop gambling by another group, several states have begun to incorporate age verification into machines that dispense lottery products. These machines are not only anonymous, but they are located in places like convenience stores, with high foot traffic of underage people who are there to purchase food or other non-gambling products. These machines have been accomplishing their goal by requiring an ID scan to get a ticket.

This age verification screen shares multiple key considerations with a VGT self-exclusion program. Namely, that the burden for enforcement should not fall on the manager or owner of a retail establishment, and that play is typically anonymous.

Below we will consider the perspectives of three key groups in this potential program and give insights from conversations we have had with players, suppliers, and operators. Strong attention must be paid to personal privacy and data protection of the players.

1. The Consumer

Within this group there are three types of players: (a) those who are recreational players who have not self-excluded, (b) those who are having issues and have self-excluded, and (c) those who are having issues but do not self-exclude because they think the program is ineffective because they will just continue playing as if they did not exclude.

When we consider an effective solution, it must not be disruptive to (a), while preventing play from (b) and encouraging more participation in the program by (c).

2. The Supplier

Our conversations with suppliers show a strong commitment to many responsible gaming initiatives, but stop short of going above and beyond requirements set out by regulators with respect to self-exclusion. Technologically speaking, VGT self-exclusion is not only possible, but fairly straightforward to implement. This has already been proven in a real-world setting via age verification on lottery machines. An ID swipe can verify the absence of an individual on a state or national self-exclusion list prior to currency entering the machine. The takeaway from several conversations with suppliers is that they need to be mandated by a regulator to incorporate this functionality and will happily and quickly do so once this occurs.

3. The Regulator

Having spoken with dozens of state gaming regulators, we can confidently say that no two are alike in their regulation of gaming. While many regulators take the approach that they should be active in directing operators and suppliers about what protections and accompanying technology need to be in place, others look to gaming suppliers to lead the way by innovating and bringing new ideas to the table. The latter leads to a chicken-and-egg situation when it comes to introducing innovating safer-gaming technology, as the suppliers do not want to deliver more than the scope of the project.

With respect to a technical solution to achieve the stated goal of preventing harmful play, we have found that the most effective solution is to prevent money from entering the gambling machine until the player confirms they are not self-excluded. This can occur in under one second via an ID scanner on each machine that can either be retrofitted or introduce as a smarter bill validator, or depending on the layout of the establishment and machines involved, this check can be performed at a central location or via a mobile device.

Importantly, no data on gameplay or any personal information needs to be recorded during this check. Using data privacy algorithms such as the ones idPair employs in other self-exclusion programs, it is possible to check if a player is on the self-exclusion list without ever knowing the identity of the player. Without strict data privacy, some recreational players may stop playing for fear their activity is being recorded. With clear communication on machines, this will put players at ease about the need for an ID scan.

In closing, to launch a successful VGT self-exclusion program, we firmly believe that the IGB must not limit the program to jackpot prevention, but instead prevent harmful play from self-excluded individuals from occurring altogether by incorporating an ID scan which screens against the VSE list (protecting the player), and does not store any data (protecting individual privacy). The technology is simple to achieve this, and there will be minimal effect on players who are not self-excluded. This will also increase public trust in the effectiveness of the program and lead to better outcomes for all involved.

Thank you again for considering this important addition to the program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan Aiwazian', with a long horizontal flourish extending to the right.

Jonathan Aiwazian
CEO, idPair, Inc.

From: AEMPortal@illinois.gov
To: [IGB.RuleComments](#)
Subject: Video Game Terminals
Date: Friday, December 20, 2024 11:08:06 AM

Category: Public Comments on IGB Rules

First Name: Emma

Last Name: Bowen



Message: Hello and thank you for reading my comment. I am deeply concerned with the lack of regulation and safety around Video Game Terminal use. Users of video game terminals should be required to be ID'd for VGT use like any other safety-restricted purchase. This would help protect youth, as well as Self-Exclusion Program participants. The game distributors or businesses should have a responsibility to ensure that VGT use is only occurring among legally allowed participants. A simple ID check can increase VGT safety immensely. Thank you for your time!