

For Immediate Release - November 19, 2015

AG Healey Proposes Strong Consumer Protection Regulations for Daily Fantasy Sports Operations in Massachusetts

First-of-Their-Kind Rules Protect Minors, Target Advertising, Level Field for All Players

BOSTON – Attorney General Maura Healey today proposed first-of-their-kind consumer protection regulations for the new and rapidly evolving Daily Fantasy Sports (DFS) industry to ensure that players are protected and that minors can't access the sites.

The draft regulations, to be filed with the Secretary of State's Office Friday, lay out a significant number of consumer protections that include prohibiting play by minors, ensuring more truthful advertising, and an increase in transparency. The regulations also require protection of players' deposits and robust data and security measures, address problem gamblers, and require changes to games to provide a more level playing field for all consumers.

The AG's Office began its review of the industry earlier this year, and continues that investigation. The regulations proposed today are an immediate response to some of the concerns the Office has uncovered in the course of its review to protect consumers immediately.

"These regulations are a first of their kind for the Daily Fantasy Sports industry, and they focus on protecting minors, ensuring truthful advertising, bringing more transparency to the industry, and leveling the playing field for all consumers," AG Healey said. "This is a first step, but an important step, as we continue to evaluate this new industry and make sure our laws keep up with these evolving technologies."

The AG's Office has met several times with representatives from DFS companies, requested and analyzed extensive information, and uncovered a number of concerns about their business practices and the ability of consumers to have a fair shot while playing these games.

Today's proposed regulations set forth a number of requirements for all DFS operators with players in Massachusetts to adhere to in order stay in compliance with state consumer protection laws. The proposed rules include:

Protecting minors:

- Minors under the age of 21 will not be able to participate in any DFS contest.
- DFS operators cannot advertise or run promotional activities at schools or on college campuses.

- DFS operators cannot advertise or run promotional activities at amateur, school or college sporting venues.
- DFS operators cannot offer contests that are based on the performance of college or high school athletes.
- Advertisements cannot portray minors or market endorsements from colleges or college athletes.

Leveling the playing field:

- Professional athletes, agents, employees or others connected to a particular sport will not be allowed to enter DFS contests in their sport.
- Company employees and others with access to insider information will not be allowed to participate in DFS contests.
- Less than two percent of all players win 90 percent of all prizes. These professional and other highly-experienced players will be easily identifiable to other players.
- Games limited to beginners will exclude experienced players from participating.

Advertising and marketing:

- Advertisements must include information on available assistance to problem gamblers or direct consumers to a reputable source.
- Advertisements mentioning average individual winnings must also disclose average net winnings of all players.

Financial protections:

- Deposits will be limited to no more than \$1,000 each month, unless the DFS operator obtains verification from the player that establishes the player's ability to sustain losses at a higher limit.
- Operators must provide options for players to exclude themselves from all contests, set self-imposed deposit or loss limits, or limit the amount of contest entered per week.
- DFS companies cannot extend credit to players.

The draft regulations also detail entry limits, reinforce the obligation to comply with tax laws and to disclose tax liabilities for players, provide protection from unauthorized withdrawals, and layout a complaint procedure for consumers. Violations of any of these regulations will be actionable under the state's consumer protection laws.

For more information on the proposed regulations, along with next steps, [visit the AG's website](#). Members of the public can submit comments until Jan. 22, 2016 at 5 p.m. Comments or written testimony can be submitted by emailing DFSRegs@state.ma.us or at a public hearing to be scheduled for Jan. 12, 2016 at 10 a.m.

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