



Implementing Successful Sports Betting

by Blaine Preston

Even before the coronavirus started to wreak havoc on tribal casinos, regulators and operators were eyeing new technologies, such as sports betting. The pathway to sports betting was made much clearer with the PASPA ruling that removed the federal roadblock to sports betting. Now more than ever before, tribes are looking at how to implement sports betting, and how to do it securely and quickly. Similarly, suppliers and operators are looking to work with tribes as these potential emerging jurisdictions consider the technologies.

Navigating the uncharted and shifting waters of sports betting and its evolving technology can seem daunting. However, the good news is there is a wealth of global experience tribes can draw from to successfully traverse this exciting part of the global gaming industry. One way to think about sports betting that will help to ease the minds of regulators, operators, and tribal council members is to remember ‘you’ve done this before and very successfully.’ Sports betting is driven by systems, just like the systems currently driving the casino floor. And just like those other systems, with proper regulations, rules, and minimal internal controls, tribes can successfully implement sports betting systems. Ultimately, sports betting is another item on the menu to offer guests, and systems expertise can be carried over to this area. That being said, a good place to start the journey into sports betting is by thinking of the broad category questions of what, how, and who.

What types of sports betting do you want to consider? Are you interested in event wagering, Esports, virtual sports, or a combination? There is validity and player demand for each, so what are your casino’s players most interested in? What tools will you and the marketing team use to make that determination? What do you want sports betting to look like at your operation? Will it be wireless, and will that wireless be in-venue only? Will you have a retail set up with windows and cashiers? Will you install self-service betting terminals? Or are you interested in a combination? The good news is, the world is filled with examples of each of these executions, so with some research and consultation, you will be able to find the application that works best for your property and players.

How will you address the need for standards and minimal internal controls in the arena of sports betting systems? There are standards in place which have been broadly adopted by jurisdictions worldwide, and suppliers have built, tested, and certified numerous applications to these standards. Adopting standards will provide a solid footing on which to build other rules and internal controls, just as other standards have done for other systems and devices currently in operation on the casino floor. How are you going to set, limit, and test for

geolocation? What parameters are you willing to set for geolocation, and how will internal controls help to enforce those parameters? With the coronavirus also came an increased intensity in the discussion about cashless wagering. As regulators and operators consider sports betting, they will also want to think about how cashless comes into play. Will you have a mobile app on the player’s phone where they can load dollars? Will you set maximum dollar amounts in a certain time period? Will payouts go directly to that same mobile device? Finally, how will regulatory and casino staff be trained on the rules, regulations, and internal controls? Keep in mind, the best time to train on these and other systems is prior to implementation.

Who do you want for a vendor, and what types of bets do different vendors offer that as a regulator you want to allow? Again, there are reputable vendors who have been supplying sports betting solutions to operators of all sizes and types all over the world, so with some research and consultation, you will find the right solutions that work for your jurisdiction. In that same vein is the question of who will test and certify the systems you choose. Just like the other systems and devices on the gaming floor, regulators will want to ensure sports betting systems are properly tested and certified.

There have been cases where some vendors have told regulators that because their system is tested for this state or for that jurisdiction, then the new regulator doesn’t need to have something tested and certified. That isn’t the best way forward, however, because without your own letter, how would you know if something goes wrong with the system? That other jurisdiction certainly is under no obligation to know who else has purchased the system they had tested, so they are under no obligation to inform those other jurisdictions of any issues. The best solution is to require your own testing and certification, just like you would for other systems and devices. Because of its online nature, sports betting comes with inherent technological challenges, such as continuous compliance and the constantly shifting world of cybersecurity. It is important to consider who is overseeing your cybersecurity, including penetration testing, web and mobile application testing, wireless network assessments, and firewall and device audits.

The world has shifted and is continuing to shift. That means the best time to prepare for the future is now. When you start your journey into the arena of sports betting, asking the tough questions of what, how, and who will help you navigate your path successfully. ♣

Blaine Preston is Director of Client Services for State Government, Lottery, and Tribal Operations. He can be reached by calling (702) 914-2220 or email b.preston@gaminglabs.com.