

# Colorado Division of Gaming

## Sports Betting

### Rule 7.5 Internal Control Procedures

*Internal Controls Guideline Document*



**CO L O R A D O**

**Department of Revenue**

Enforcement Division – Gaming

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# Internal Controls Guideline Document

The following provides guidance for implementing the Internal Control Procedures (ICMPs) listed in **Rule 7.5**. Although there are additional requirements listed, this specifically addresses technical aspects of the ICMPs addressed in **Rule 7.5**.

**(1) In the event of a failure of the sports betting system's ability to pay winning wagers, the Sports Betting Operation shall have internal controls detailing the method of paying winning wagers. The Sports Betting Operation shall also file an incident report for each system failure and document the date, time, and reason for the failure along with the date and time the system is restored with the Division;**

When an unanticipated incident occurs that causes a disruption in the collection, accuracy, integrity, or availability of the sports betting system, the Licensee must notify the Division as soon as possible. The fix must be filed in an incident report and documented in the change log. The Division must also be notified of the resolution within 48 business hours of resuming normal operations.

**(2) User access controls for all sports betting personnel;**

Access controls for sports betting personnel must include strong passphrases. The phrases must include letters, numbers and special characters. The pass phrase should be no shorter than 8 characters, but 15 are recommended. Pass phrases must expire at defined intervals and new pass phrases that have not been used within the 5 previous pass phrases must be enforced. Any default passwords created by the sports betting system must be changed before the system is made available to the public.

- Written procedures in place to ensure confidentiality and restrict access to individuals with job duties that require access.
- Employees may not share sign-ons or passwords.
- Designated system administrators to manage which employees have access and ensure terminated employees are removed from the system within 72 hours.

**(3) Segregation of duties;**

- Submit org chart with positions and job descriptions (or equivalent procedures which would indicate that proper segregation of duties is ensured in sports betting operations)
- Understanding the permissions assigned to sports betting system permission groups and accounts are vital in maintaining segregation of duties. A casino employee should not have a level of access to the sports betting system that enables him/her to perform transactions across an entire process.
- Documentation must clearly demonstrate that all permissions within the sports betting system are identified and explained. A process must be in place that documents all employee access is approved by management before they are given the access.
- The casino must maintain documentation that includes full name, title, Colorado gaming license number, and reporting structure for all IT employees, corporate IT, out of state IT personnel, and IT contractors who have access to the sports betting system. Employees with IT functions are generally given elevated privileges within the system. Tight controls must be in place for these accounts.

- The ICO or IT Management must review changes made to IT Staff permissions relating to fixes and maintenance and compare the changes to the RAMP log every month. The review is performed to ensure that all permission changes are logged. The review should also ensure that all permissions that are no longer needed are removed.
- Standards must be in place which ensures appropriate controls segregate revenue reporting functions from revenue generating functions. Users involved with the collection of revenue are prohibited from having access to any revenue or reporting capabilities in the system.

**(4) Automated and manual risk management procedures;**

- Automated and manual risk management procedures must be documented. The documentation must be up to date and accurately reflect all technical and procedural elements of risk mitigation for the sports betting system.
- Manual risk management procedures must exist for elements that fall outside the scope of the sports betting system as well as procedures in the event of a system failure or outage.

**(5) Procedures for identifying and reporting fraud and suspicious conduct, including identifying unusual betting activity and reporting such activity to an Independent Integrity Monitoring Provider;**

- Written procedures which ensure patrons establishing accounts meet the required criteria, and any fraudulent activity or unauthorized patron accounts are suspended or terminated as appropriate. These requirements should be part of the systems testing.
- Refer to Rule 7.11
  - (2) Age and identify verification.
    - (e) The operator must have a documented policy for the handling of patrons discovered to be using an account in a fraudulent manner, including but not limited to:
      - (i) The maintenance of information about any patron’s activity, such that if fraudulent activity is detected, the regulatory body has all of the necessary information to take appropriate action;
      - (ii) The suspension of any patron account discovered to be providing access to fraudulent patrons; and
      - (iii) The treatment of deposits, wagers, and wins associated with a fraudulent patron’s account.
  - (5) Account funding.
  - A patron’s sports betting account for sports betting may be funded through the use of:
    - (g) ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;
  - (6) Failed ACH deposits.
  - A failed ACH deposit attempt shall not be considered fraudulent if the patron has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the operator shall:
    - (a) Temporarily block the patron’s account for investigation of fraud after five (5) consecutive failed ACH deposit attempts within a

- 10-minute time period. If there is no evidence of fraud, the block may be vacated; and
      - (b) Suspend the patron's account after five (5) additional consecutive failed ACH deposit attempts within a 10-minute period.
    - (11) Patron account withdrawal.
      - (c) The Sports Betting Operation may decline to honor a patron request to withdraw funds only if the Sports Betting Operator believes in good faith that the patron engaged in either fraudulent conduct or other conduct that would put the Sports Betting Operator in violation of the law. In such cases, the Sports Betting Operator shall:
        - (i) Provide notice to the patron of the nature of the investigation of the account; and
        - (ii) Conduct its investigation in a reasonable and expedient fashion, providing the patron additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the patron.

**(6) Procedures to prevent betting by prohibited sports betting participants;**

- Written Procedures which would exclude the following (as detailed in Rule 6.11):
  - (1) Prohibited sports betting participants include any person who is prohibited pursuant to 44-30-1506, C.R.S., any individual whose participation may undermine the integrity of the betting or the sports event, or any person who is prohibited for other good cause, including, but not limited to:
    - (a) Any individual placing a wager as an agent or proxy, other than those individuals involved in contests and/or weekly picks approved by the Division pursuant to Rule 6.20;
    - (b) Any person who is an athlete, coach, referee, player, in, or on, any sports event overseen by that person's sports governing body based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the division;
    - (c) A person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including, but not limited to, coaches, managers, handlers, or athletic trainers based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the division;
    - (d) A person under the age of 21;
    - (e) A person with access to certain types of exclusive information on any sports event overseen by that person's sports governing body based on publicly available information, or based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the Division
    - (f) A list provided to the Division by a sports governing body shall be in a format and contain data fields designated by the Director or the Director's designee. When a list or updated list is provided, the Division will direct that list to all Sports Betting Operations. This list shall be deemed confidential and only be used for compliance with this rule.
  - (2) A prohibited sports betting participant must refrain from engaging in sports betting in the state of Colorado and must disclose his or her status as a

prohibited sports betting participant to all relevant persons and/or governing bodies. Failure to comply with the provisions of this rule may result in disciplinary action up to and including criminal prosecution.

- (3) A Sports Betting Operation shall make commercially reasonable efforts to confirm that the patron is not a prohibited sports betting participant.

**(7) Procedures for Sports Betting Operation-imposed exclusion of patrons, including the following:**

- (a) Providing a notification containing operator-imposed exclusion status and general instructions for resolution;
- (b) Ensuring that immediately upon executing the operator-imposed exclusion order, no new wagers or deposits are accepted from the patron, until such time as the operator-imposed exclusion has been revoked; and
- (c) Ensuring that the patron is not prevented from withdrawing any or all of their account balance, provided that the Sports Betting Operation acknowledges that the funds have cleared, and that the reason(s) for exclusion would not prohibit a withdrawal.

**(8) Description of anti-money laundering compliance standards, which shall include limitations placed on anonymous betting at the sports betting kiosks;**

- Licensee shall maintain a log as required by 31 CFR 103.36
  - Per the IRS, a “Currency Transaction Report (CTR), must be filed by (master licensees) to report each transaction in currency involving cash-in and cash-out of more than \$10,000 in a gaming day (31 CFR 1021.311).” [IRS ITG FAQ #8](#)
  - A CTR must include: patron’s name, permanent address and SSN
  - “Multiple currency transactions shall be treated as a single transaction if the master licensee has knowledge that they are by, or on behalf of, any person and result in either cash in or cash-out totaling more than \$10,000 during any gaming day (31 CFR 1021.313).” [IRS ITG FAQ #8](#)
  - “Cash-in and cash-out are to be aggregated separately.” [IRS ITG FAQ #8](#)
  - “A CTR must be electronically filed within 15 calendar days following the day the reportable transaction occurs (31 CFR 1010.306(a)(1)).” [IRS ITG FAQ #8](#)
  - The (master licensee) must retain copies of all filed Currency Transaction Report (CTR’s) for five years from the date of the report. For additional records to be made and retained by casinos, refer to 31 CFR 1010.306(a)(2).” [IRS ITG FAQ #8](#)
  - “A Suspicious Activity Report (SAR), must be filed for any suspicious transaction that may be relevant to the possible violation of any law or regulation and involves or aggregates at least \$5,000 in funds or other assets.” [IRS ITG FAQ #8](#)

**(9) Process for submitting or receiving approval of all types of wagers available to be offered by the system;**

- Refer to Rule 5.2
- Application to authorize new Sports Events
  - (1) Sports betting licensees may request the Commission authorize sports events, leagues or bets not already authorized and included on the Authorized Sports Betting Events and Leagues and Bets List. Licensees must apply prior to

- offering the new event or wager to the public. Licensees must submit the application at least 72 hours prior to any new scheduled event requested.
- (2) The application shall be in a form as specified by the Division, including:
    - (a) The name of the sports governing body; and
    - (b) A description of its policies and procedures regarding event integrity.
  - (3) Where a sports betting licensee wishes to authorize a sports event conducted by an approved sports league, of a type not generally conducted by that sports league, the Division may contact the sports governing body for input.
  - (4) The Director or Director's designee will consider the following factors prior to authorizing a sports event, league or portion of a sport or athletic event:
    - (a) Any relevant input from the sports governing body or conductor of the sports event;
    - (b) Whether the outcome is determined solely by chance;
    - (c) Whether the outcome can be verified;
    - (d) Whether the event generating the outcome is conducted in a manner that ensures sufficient integrity controls exist so the outcome can be trusted;
    - (e) That the outcome is not affected by any bet placed; and
    - (f) Whether the event is conducted in conformity with all applicable laws.

**(10) Description of process for accepting wagers and issuing pay outs, plus any additional controls for accepting wagers and issuing pay outs in excess of \$10,000;**

- Written procedures for Cage/Cashier specific to Sports Betting
  - Should include proper segregation of duties
  - Including compliance with Title 31 standards
    - Licensee shall maintain a log as required by 31 CFR 103.36
      - Per the IRS, a "Currency Transaction Report (CTR), must be filed by (master licensees) to report each transaction in currency involving cash-in and cash-out of more than \$10,000 in a gaming day (31 CFR 1021.311)." [IRS ITG FAQ #8](#)
      - A CTR must include: patron's name, permanent address and SSN
      - "Multiple currency transactions shall be treated as a single transaction if the (master licensee) has knowledge that they are by, or on behalf of, any person and result in either cash in or cash-out totaling more than \$10,000 during any gaming day (31 CFR 1021.313)." [IRS ITG FAQ #8](#)
      - "Cash-in and cash-out are to be aggregated separately." [IRS ITG FAQ #8](#)
      - "A CTR must be electronically filed within 15 calendar days following the day the reportable transaction occurs (31 CFR 1010.306(a)(1))." [IRS ITG FAQ #8](#)
      - "The (master licensee) must retain copies of all filed Currency Transaction Report (CTR's) for five years from the date of the report. For additional records to be made and retained by casinos, refer to 31 CFR 1010.306(a)(2)." [IRS ITG FAQ #8](#)

- “A Suspicious Activity Report (SAR), must be filed for any suspicious transaction that may be relevant to the possible violation of any law or regulation and involves or aggregates at least \$5,000 in funds or other assets.” [IRS ITG FAQ #8](#)

**(11) Description of a process for accepting multiple wagers from one patron in a twenty-four (24) hour cycle, including a process to identify patron structuring of wagers to circumvent recording and reporting requirements;**

- Written procedures for Cage/Cashier specific to Sports Betting
  - Licensee shall maintain a log as required by 31 CFR 103.36
    - Per the IRS, a “Currency Transaction Report (CTR), must be filed by (master licensees) to report each transaction in currency involving cash-in and cash-out of more than \$10,000 in a gaming day (31 CFR 1021.311).” [IRS ITG FAQ #8](#)
    - A CTR must include: patron's name, permanent address and SSN
    - “Multiple currency transactions shall be treated as a single transaction if the (master licensee) has knowledge that they are by, or on behalf of, any person and result in either cash in or cash-out totaling more than \$10,000 during any gaming day (31 CFR 1021.313).” [IRS ITG FAQ #8](#)
    - “Cash-in and cash-out are to be aggregated separately.” [IRS ITG FAQ #8](#)
    - “A CTR must be electronically filed within 15 calendar days following the day the reportable transaction occurs (31 CFR 1010.306(a)(1)).” [IRS ITG FAQ #8](#)
    - “The master licensee must retain copies of all filed Currency Transaction Report (CTR's) for five years from the date of the report. For additional records to be made and retained by casinos, refer to 31 CFR 1010.306(a)(2).” [IRS ITG FAQ #8](#)
    - “A Suspicious Activity Report (SAR), must be filed for any suspicious transaction that may be relevant to the possible violation of any law or regulation and involves or aggregates at least \$5,000 in funds or other assets.” [IRS ITG FAQ #8](#)

**(12) Detail the procedure for reconciliation of assets and documents contained in a sports betting wagering area cashier's drawer, sports betting kiosks, and online sports betting, which shall include the drop and count procedures for sports betting kiosks;**

- Submit Written Accounting Plan
  - Should include:
    - Written procedures
    - Job positions and responsibilities
    - List of source documents
    - Variance thresholds for investigation
    - Adequate explanation criteria
    - Secondary level of review



**(13) Procedures for cashing winning tickets at the cage after the sports betting wagering area has closed, if applicable;**

- Written procedures for Cage/Cashier specific to Sports Betting
  - Should include:
    - Written procedures
    - Job positions and responsibilities
    - List of source documents
    - Variance thresholds for investigation
    - Adequate explanation criteria
    - Secondary level of review

**(14) Procedures for accepting value game chips for sports wagers, if applicable;**

- Written procedures for Cage/Cashier specific to Sports Betting
  - If chips will be accepted for sports wagers
  - Method of redemption/exchange
  - If winning bets can or will be paid out in chips as well
  - Procedures for keeping funds segregated from gaming funds

**(15) Procedures for issuance and acceptance of promotional funds and free bets for sports betting;**

- Written Procedures for promotional funds and free bets consistent with Rule 7.6 (16)
  - Patrons must be able to access information pertaining to any promotions or bonuses available to them. This information must be clear and unambiguous, especially where promotions or bonuses are limited to certain events, markets, or when other specific conditions apply.
  - A Sports Betting Operation shall comply with Commission rules regarding complimentary play or any promotional event related to the conduct of sports betting.

**(16) Description of all integrated third-party systems;**

- A complete list of all 3rd parties that interface with the sports betting system must be maintained. The documentation must explain how the 3rd party interfaces with the sport betting system and what the 3rd party system does within the sports betting environment. A diagram mapping the sports betting system and all 3rd parties must be included in the documentation. Examples of the 3rd party systems include but are not limited to geo-location, integrity monitoring, marketing feeds, and any other data feeds.

**(17) Identifying and restricting prohibited sports betting participants;**

- Written Procedures which would exclude the following (as detailed in Rule 6.11):
  - (1) Prohibited sports betting participants include any person who is prohibited pursuant to 44-30-1506, C.R.S., any individual whose participation may undermine the integrity of the betting or the sports event, or any person who is prohibited for other good cause, including, but not limited to:
    - (a) Any individual placing a wager as an agent or proxy, other than those individuals involved in contests and/or weekly picks approved by the Division pursuant to Rule 6.20;

- (b) Any person who is an athlete, coach, referee, player, in, or on, any sports event overseen by that person's sports governing body based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the division;
- (c) A person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including, but not limited to, coaches, managers, handlers, or athletic trainers based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the division;
- (d) A person under the age of 21;
- (e) A person with access to certain types of exclusive information on any sports event overseen by that person's sports governing body based on publicly available information, or based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the Division
- (f) A list provided to the Division by a sports governing body shall be in a format and contain data fields designated by the Director or the Director's designee. When a list or updated list is provided, the Division will direct that list to all Sports Betting Operations. This list shall be deemed confidential and only be used for compliance with this rule.
- (2) A prohibited sports betting participant must refrain from engaging in sports betting in the state of Colorado and must disclose his or her status as a prohibited sports betting participant to all relevant persons and/or governing bodies. Failure to comply with the provisions of this rule may result in disciplinary action up to and including criminal prosecution.
- (3) A Sports Betting Operation shall make commercially reasonable efforts to confirm that the patron is not a prohibited sports betting participant.

**(18) Instituting a process to close out dormant accounts;**

- Written procedures for Patron accounts
  - Refer to Rule 7.11 (12) Dormant patron accounts. A Sports Betting Operation shall consider a patron account to be dormant if the patron has not logged into the account for at least three (3) years. A dormant account shall be closed by the Sports Betting Operation.

**(19) Detail procedures for making adjustments to a patron's account, providing a method for a patron to close out an account, and detail how a patron will be refunded after the closure of an account;**

- Written procedures for Patron accounts
  - Refer to Rule 7.11 (8) All adjustments to patron accounts for amounts of \$500.00 or under shall be periodically reviewed by supervisory personnel as set forth in the Sports Betting Operator's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.
  - Refer to Rule 7.11 (10) A sports betting system shall provide a conspicuous and readily accessible method for a patron to close his or her account through the account management or similar page or through the sports betting system's customer support team. Any balance remaining in a patron's sports betting

account closed by a patron shall be refunded pursuant to the operator's internal controls.

- Include procedures for and method of refunding patron funds

**(20) If the sports betting system allows online betting, a method for verifying geolocation systems to establish patrons' geographic locations;**

- The documentation must include a complete description and explanation of how the geo-location service interfaces with the sports betting system to validate a patron's location and allow/deny the placement of a bet.

**(21) Maintaining the security of identity and financial information of patrons;**

- Documents for maintaining the security of identity and financial information must include data at rest, data in transit, and archived data such as a tape drive or online storage area. All processes and procedures must include physical as well as logical security. The documents must also include processes for changing passwords when an administrator or someone with detailed knowledge of the system leaves the company.

**(22) Detailed problem gambling program procedures;**

- Written Problem Gambling Program procedures
  - Refer to Rule 9.1
  - (1) Each sports betting website, mobile application, and self-service gaming device (kiosk) shall display a responsible gaming logo in a manner approved by the Director or Director's designee to direct a patron to the Sports Betting Operator's responsible gaming webpage. Master, Sports Betting Operator, and Internet Sports Betting Operator licensees shall operate under the same responsible gaming guidelines as detailed in these Rules, where applicable. The responsible gaming webpage shall be accessible to a patron during a sports betting patron session and shall contain, at a minimum, the following:
    - (a) A prominent message, which states, "Gambling problem? Call 1-800-522-4700";
    - (b) A direct link to the website and other internet resources dedicated to helping people with potential gambling problems as directed by the Commission;
    - (c) A clear statement of the Sports Betting Operations policy and commitment to responsible gaming along with a link to the Sports Betting Operator's specific self-exclusion program.
  - (2) Sports Betting Operations with brick and mortar locations must have a policy in effect for all of its properties providing opportunities for patrons to request in writing the revocation of their privileges for specific services such as:
    - (a) Direct sports betting promotions;
    - (b) Player club/card privileges related to sports betting;
    - (c) On-site check-cashing; and,
    - (d) Complimentaries.
  - (3) Sports Betting Operations with brick and mortar locations must make information available promoting responsible gaming and where to find

assistance, including a toll-free help line number. This information shall be available and visible in sports betting areas and at cash access devices.

**(23) Secure method for implementing an online and on location responsible gaming and self-exclusion program, including what account limits may be set by patrons;**

- Written Problem Gambling Program procedures
  - Refer to Rule 9.2
    - “Each Sports Betting Operation shall establish and maintain a self-exclusion program for patrons specific to that Sports Betting Operator.”

**(24) Method for securely issuing, modifying, and resetting a patron’s account password, Personal Identification Number (PIN), biometric login, or other approved security feature, when applicable;**

- The method(s) for resetting and modifying a patron’s credentials must be completely documented and kept up to date. The documentation must include the procedures for resetting or modifying the patron’s account including password, pin, biometrics, 2 factor authentication or any other account management elements used by the sports betting system.

**(25) Methods of patron notification including any password or security modification via electronic or regular mail, text message, or other manner approved by the Director or Director’s designee. Such methods shall include at a minimum:**

- (a) Proof of identity, if in person;
- (b) The correct response to two or more challenge questions;
- (c) Strong authentication; or
- (d) cTwo factor authentication.

**(26) Procedures for receiving, investigating and responding to all patron complaints and submitting any unresolved patron complaint reports to the Division;**

- Written procedures for patron complaints/disputes.  
Refer to Rule 6.13  
Patron disputes.
  - (1) A Sports Betting Operation shall attempt to resolve all patron disputes with the patron. A Sports Betting Operation shall investigate each patron complaint and provide a response to the patron within ten (10) business days.
  - (2) In a patron dispute, the licensee who accepted, and is charged with settling the wager must notify the disputing patron that the patron has a right to contact the Division regarding the dispute.
  - (3) If a licensee refuses payment of alleged winnings to a patron, the licensee and the patron are unable to resolve the dispute, and the dispute involves at least \$1250, the licensee to whom the wager was

made must immediately notify the Division. The Director shall conduct whatever investigation is necessary and must determine whether or not payment should be made. An agent of the Division may investigate the dispute and may report either to the Commission or to the Director for a decision.

- (4) For complaints related to patron accounts, settlements of wagers (involving at least \$1250) and illegal activity that cannot be resolved to the satisfaction of the patron, a copy of the complaint and the Sports Betting Operation's response including all relevant documentation, shall be provided to the Division, as applicable.
- (5) The Director must notify the licensee and the patron in writing of the Director's decision regarding the dispute, within ten business days after the completion of the investigation.
- (6) Failure to immediately notify the Division of a dispute, or to notify a patron of the patron's rights, or failure to pay after an adverse decision, is a violation by the licensee charged with providing notice who accepted, and is charged with settling the wager.

**(27) Detail the location of the sports betting servers, including any third party remote location servers, and what controls will be in place to ensure security of the sports betting servers;**

- Documents listing the location of the sports betting and 3rd party servers must include:
  - Name of the company
  - Name of the software
  - Address of the company
  - Address of the servers (if different than the company)
- Controls ensuring security must be organized by location and must include logical controls as well as physical controls.

**(28) Terms and conditions for sports betting shall be included as an appendix;**

**(29) Description of the process for line setting and line moving;**

- Written procedures for Line Setting and Moving
  - Whether operator or casino will set their own lines or use a third party
  - If setting their own - what factors and processes are involved
  - Relation to risk management procedures

**(30) If allowed, method of redeeming lost tickets;**

- Written procedures for Lost Tickets
  - Must prevent ticket being redeemed twice (by original owner and potential finder) and must include verifying identity of person filing lost ticket claim as the original patron who made the bet
  - Examples could include:
    - Lost ticket form
    - Bet ""locked"" out in system so ticket can't be accepted

- Only redeemed with proof of identity (players card associated with bet, etc.)
- Ticket only paid after expiration period

**(31) Method by which the Sports Betting Operator will identify and cancel wagers in accordance with Rule 7.6 (12), including defining “obvious error”;**

- Written procedures/House Rules
  - Must include definition and examples of "obvious error"
  - Refer to Rule 7.6 (12)
    - Cancellation of wagers. A Sports Betting Operation may, in its discretion, cancel an accepted wager for obvious error or in the case of a change in circumstance that makes grading the wager an impossibility. “Obvious error” shall be defined in the Sports Betting Operator’s house rules. Any cancellation of wagers shall be reported to the Division

**(32) A process for voiding wagers.**

- Written procedures/House Rules
  - Refer to Rule 7.6
    - (10) Cancelled events and markets. The house rules and information available to the patron through the sports betting device, or upon request at a licensed facility, must clearly state what is to occur when an event or market is cancelled, including the handling of wagers with multiple events, such as parlays, where one or more of these legs are cancelled. If a single event or market is cancelled for any reason, all wagers are to be refunded in full as soon as reasonably possible.
    - (11) Cancellation of wagers; prohibited sports betting participants. A Sports Betting Operation shall cancel a wager made by a prohibited sports betting participant and refund the amount wagered. A Sports Betting Operation must cancel a wager under this rule at the time the Sports Betting Operation becomes aware or should have been aware that the patron is a prohibited sports betting participant.
    - (12) Cancellation of wagers. A Sports Betting Operation may, in its discretion, cancel an accepted wager for obvious error or in the case of a change in circumstance that makes grading the wager an impossibility. Obvious error shall be defined in the Sports Betting Operator’s house rules. Any cancellation of wagers shall be reported to the Division.
    - (13) Cashier cancelled wagers. A cashier may not cancel a wager for which the cashier wrote the ticket and must instead call a supervisor to cancel the wager.

**(33) A process for implementing the change management process detailed in these Rules; and**

- Change control minimizes the risk of changes impacting the IT environment in a negative or unanticipated way. Change requests are typically application, hardware, software network or regulation based changes. Although each request is unique they are typically handled through the change management process.

- The first step in the process is identifying the need for change. Typically the business will identify a need for a change and have to go to the internal IT group to start the process. The process must include documenting who requested the change, the exact change, management sign off and notification. The process must be documented and the documentation made available at the Division's request.
- The matrix below gives examples of notification:

Notification						
Change Description	Notify	Approval	Testing	Documentation	Notes	
1	Changes to Graphics	Internal Stake holders/Mgmt.	Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log	Notification will be provided by the licensee through a change log once per (time interval)
2	Changes to Skins	Internal Stake holders/Mgmt.	Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log	Notification will be provided by the licensee through a change log once per (time interval)
3	Data Imports	Internal Stake holders/Mgmt.	Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log	Notification will be provided by the licensee through a change log once per (time interval)
4	Software that does not interface with the production environment.	Internal Stake holders/Mgmt.	Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log	Notification will be provided by the licensee through a change log once per (time interval)
5	Updates to the Geo-Fence	Internal Stake holders/Mgmt.	Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log	Notification will be provided by the licensee through a change log once per (time interval)
Notification and Division Approval						
Change Description	Notify	Approval	Testing	Documentation	Notes	
1	Player Registration	Internal Stake holders/Mgmt. /Division	Division, Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log / Support documentation	Notification will be provided by licensee using a form provided

						by the Division and sent to an email address provided by the Division. The Division will indicate acknowledgment/approval on the form and send back via email to the licensee
2	Accounting Transaction process	Internal Stake holders/Mgmt. /Division	Division, Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log / Support documentation	Notification will be provided by licensee using a form provided by the Division and sent to an email address provided by the Division. The Division will indicate acknowledgment/approval on the form and send back via email to the licensee
3	3 <sup>rd</sup> Party Software that Directly Accesses the SB Database	Internal Stake holders/Mgmt. /Division	Division, Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log / Support documentation	Notification will be provided by licensee using a form provided by the Division and sent to an email address provided by the Division. The Division will indicate acknowledgment/approval on the form and send back via email to the licensee



4	Changes to Reports Required by the Division	Internal Stake holders/Mgmt. /Division	Division, Internal Stakeholders/Mgmt.	Vendor/ Internal IT/ SMEs.	Change Log / Support documentation	Notification will be provided by licensee using a form provided by the Division and sent to an email address provided by the Division. The Division will indicate acknowledgment/approval on the form and send back via email to the licensee
<b>Notification, ITL Cert., Division Approval</b>						

			Mgmt./ITL		ITL certification letter	provided by the Division and sent to an email address provided by the Division. The Division will affirm/indicate that the software will have to go through the ITL certification process and receive Division approval afterwards. All required certifications and approvals must be completed before the licensee can install
3	3 <sup>rd</sup> Party Software that Changes SB data by directly accessing the SB database	Internal Stake holders/Mgmt. /Division	Division, Internal Stake holders/Mgmt./ITL	ITL/Vendor/ Internal IT/ SMEs.	Change Log / Support documentation/ ITL certification letter	Notification will be provided by the licensee using a form provided by the Division and sent to an email address provided by the Division. The Division will affirm/indicate that the software will have to go through the ITL certification process and receive Division approval afterwards. All required certifications and approvals must be completed before the

						licensee can install
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- After the change has been approved by management, the change enters the development cycle. During this phase all aspects of the change are developed or implemented in a restricted environment that only allows the IT staff that is developing the change to have access. Typical examples include, identifying resources needed, software deployment, hardware configuration, application development, and network compatibility checks. The licensee must document all processes and procedures for the development phase and make them available at the Division’s request.
- **Testing**
  - The testing phase begins after all development points have been met. During this phase stakeholders will validate the change through a series of predefined tests. The tests are unique to the change and must be kept as supporting documentation throughout the change control process. Test can include validation of functionality, successful integration, and quality assurance. After the stakeholders, SMEs and management have signed off the change can move into the implementation phase and be deployed to the production environment. The processes and procedures for the testing phase must be documented and made available to the Division upon request.
- **Implementation**
  - The Implementation phase must include notification to the stakeholders of the change being moved into this phase, a schedule of when the change is to take place, a project plan to implement the change and a back out or recovery plan. The processes and procedures for the implementation phase must be documented and made available to the Division upon request.

**(34) Any other internal control deemed necessary by the Director or the Director’s designee.**

- The Sports Betting Operator shall stamp or otherwise mark each page of the internal control procedures submitted to the Commission with the word “CONFIDENTIAL” if the material submitted is not subject to disclosure under 44-30-1507, C.R.S., and this Rule 7.