

24 NCAC 06A .0418 INTEGRITY MONITORING AND SUSPICIOUS BEHAVIOR

(a) An Operator shall implement and maintain an effective Integrity Monitoring system. This solution may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties, or by a Supplier.

(b) The Internal Controls shall include provisions for an Operator, or an Integrity Monitoring Supplier acting on an Operator's behalf and direction, to report to the Director as soon as practicable, but in no event longer than 72 hours after discovery:

- (1) information regarding irregularities in volume or changes in odds identified as Abnormal Wagering Activity;
- (2) information relating to the following which shall also be reported to the relevant Sports Governing Body, racing regulatory body, or equivalent:
 - (A) Abnormal Wagering Activities or other patterns that may indicate a concern with the integrity of a Wagering Event or Events;
 - (B) potential breaches of the internal rules and codes of conduct pertaining to Wagering of a relevant Sports Governing Body, racing regulatory body, or the equivalent, to the extent the Operator has actual knowledge of the potential breach; and
 - (C) other conduct that corrupts a Wagering outcome of a Wagering Event or events for purposes of financial gain, including Event Corruption; and
- (3) information relating to Suspicious or Illegal Wagering Activities, including the use of funds derived from illegal activity, the placement of Wagers to conceal or launder funds derived from illegal activity, the use of agents to place Wagers, and the use of false identification in placing Wagers.

(c) An Operator shall maintain the confidentiality of information provided by a Sports Governing Body, racing regulatory body, or the equivalent for purposes of investigating or preventing the conduct described in Paragraph (b) of this Rule, unless disclosure is required by the Act, the Commission, or other law or court order, or unless the Sports Governing Body, racing regulatory body, or equivalent consents to disclosure.

(d) An Operator receiving a report of Suspicious or Illegal Wagering Activity shall be permitted to suspend Wagering on Wagering Events or Wager Types related to the report and may place a hold on suspicious Wagers while investigating, but may only cancel or void Wagers related to the report after receiving approval from the Commission or Director.

(e) On request by the Commission or Director and following reasonable notice, an Operator or an Integrity Monitoring Supplier acting on an Operator's behalf and direction shall provide remote, read-only access and the required software and hardware for the Commission to evaluate or monitor the systems used for Wagering. If requested, the Operator shall provide the Commission with remote access or other approved mechanism that shall provide at a minimum:

- (1) all reports of Abnormal Wagering Activity;
- (2) if the Abnormal Wagering Activity was subsequently determined to be Suspicious or Illegal Wagering Activity;
- (3) all reports considered at the outset to be Suspicious or Illegal Wagering Activity; and
- (4) the actions taken by the Operator according to its Integrity Monitoring system.

(f) Nothing in this Rule shall require an Operator to provide information that is prohibited from being shared pursuant to federal, state, local law, or regulation, including, but not limited to, laws and regulations relating to privacy and Personal Information.

(g) An Operator shall maintain records of Integrity Monitoring services and activities, including reports and Suspicious or Illegal Wagering Activity and supporting documentation, for a minimum of five years after a Wagering Event occurs or for a longer period required by law for inspection by agents or officials of the State or federal government. If a litigation, claim, or audit is started before the expiration of the five-year period, the records shall be retained until litigation, claims, or audit findings involving the records have been resolved.

(h) The Operator shall disclose these records to the Commission on request.

(i) The Commission may require an Operator to provide access to hardware or software to the Commission, or to an Independent Testing Laboratory, for evaluation of its Wagering offering or to conduct further monitoring of Wagering data.

*History Note: Authority G.S. 18C-114(a)(14);
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