

The Virginia Lottery

In the Matter of Unibet Interactive, Inc.

Docket No. 2023-09-05

SETTLEMENT AGREEMENT

Pursuant to Article 2 of Chapter 40 of Title 58.1 of the Code of Virginia (“Va. Code”), § 58.1-4030, *et seq.* (“Sports Betting Law”), and Virginia Administrative Code 11VAC5-70-120H, the Executive Director (“Director”) of the Virginia Lottery (“Lottery”) and Unibet Interactive, Inc. (“Unibet”), wish to resolve this matter without a formal administrative hearing. Accordingly, the parties recite the following facts and make the following agreements:

BACKGROUND

The Director and Lottery staff, through regulations adopted by the Virginia Lottery Board (“Board”), regulate the operation of Virginia’s legal sports betting program, and are responsible for authorizing qualified persons to offer legal sports betting within the Commonwealth of Virginia and for ensuring that the operation of sports betting platforms is conducted legally. Va. Code §§ 58.1-4007, 58.1-4031; 11VAC5-70.

If a permit holder or licensee violates a provision of the Sports Betting Law, a regulation promulgated by the Board, or a directive of the Lottery or the Director, the Director is authorized to, after a hearing, take action against the permit holder or licensee that may include suspension or revocation of the sports betting permit or license and levying a civil penalty for each violation. Va. Code § 58.1-4035; 11VAC5-70-120B. The Director may impose these sanctions on a permit holder for violations committed by the permit holder’s principals, suppliers, vendors, or employees. 11VAC5-70-120D. The Director may also

determine that is in the best interest of the Commonwealth of Virginia to reach an agreed-upon settlement with a permit holder to resolve a violation. 11VAC5-70-120H.

On April 21, 2021, the Director issued a sports betting permit to Unibet. Unibet's platform began accepting wagers in Virginia the following month.

As a result of an audit performed by its Gaming Compliance staff, the Lottery discovered that Unibet had failed earlier in 2023 to ensure that an individual on the Lottery's Voluntary Exclusion List was prohibited from placing wagers on Unibet's platform in violation of 11VAC5-60-40.A.2, 11VAC5-60-40.A.4, and 11VAC5-80-70.A.2. In a memorandum dated September 6, 2023, the Lottery informed Unibet of the Lottery's belief that these facts constituted alleged violations of the Sports Betting Law and the Lottery's related regulations and that these actions were sanctionable. The Lottery specified the violations for which the Director is proposing a settlement amount. Unibet has taken corrective measures to ensure future compliance with the Sports Betting Law and its related regulations.

The parties agree to the following terms and conditions as a means of resolving the captioned alleged violations.

TERMS AND CONDITIONS

1. This Settlement Agreement is being entered into as a means of settling the alleged violations and avoiding the potential expense and inconvenience of a formal hearing.
2. There has not been a formal finding as to the merits of the allegations. This Settlement Agreement does not constitute an allegation, an admission, or a denial by either party that a violation of law or regulation has occurred.
3. Upon execution of this Settlement Agreement by both parties and no later than 10 days after, Unibet shall remit payment of \$12,500 to the Lottery for deposit into the

Commonwealth's General Fund, and shall donate \$12,500 to the Virginia Council on Problem Gambling or other responsible gambling program that has been approved for this donation by the Department.

4. Upon receipt of payment from Unibet and evidence of its donation, the Director will close these matters.
5. Unibet will continue to take appropriate measures to ensure future compliance with the Sports Betting Law and its related regulations.
6. If Unibet violates a term of this Settlement Agreement, the Director may impose a sanction or penalty on Unibet for violating the Agreement or for the underlying violations, or both.
7. By entering into this Settlement Agreement, Unibet waives all rights to administrative or judicial review of these alleged violations pursuant to 11VAC5-70-120H.
8. This Settlement Agreement extends only to those alleged violations that were referenced in the Lottery's discussions with Unibet. If the Lottery subsequently discovers additional facts of a material and substantial nature involving any of those incidents, and said facts constitute additional alleged violations, the Lottery may pursue such additional alleged violations. Unibet may dispute such additional alleged violations.
9. This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, that are not specified or referenced within this document will be valid provisions of this Settlement Agreement.

10. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by the parties.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement as set forth below:

Date: 9/28/23

Tony R. Russell
Tony R. Russell
Interim Executive Director
Virginia Lottery

Date: 27-Sep-2023 | 2:15 PM PDT

DocuSigned by:
Cristian Manuel Stan
D7A2A0587987482
Cristian Manuel Stan, Director
Unibet Interactive, Inc.