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State of New Jersey  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF GAMING ENFORCEMENT  
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July 22, 2024

Robert Moncrief, Esq.  
Legal and Regulatory Counsel  
Hillside (New Jersey) LLC  
d/b/a bet365  
9000 Lincoln Dr. East Suite 200  
Marlton, NJ 08053

Re: Action in Lieu of Complaint

Dear Robert Moncrief:

The Division of Gaming Enforcement (“Division”) brings this Action in Lieu of Complaint against Hillside (New Jersey) LLC d/b/a bet365 (“bet365”) concerning its failure to comply with *N.J.A.C. 13:69D-2.3* and *N.J.A.C. 13:69N-1.9(q)* and accepting wagers on what bet365 claimed were “incorrect odds.”

While *N.J.A.C. 13:69D-2.3* provides, in pertinent part, that a “casino licensee shall ensure all software utilized works as intended and functions properly in compliance with the Division’s rules prior to installation...,” *N.J.A.C. 13:69N-1.9(q)* also requires licensees to have “controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers.”

### Background

During a routine audit conducted by the Division in April 2022, it was determined that bet365 unilaterally revised odds for a significant number of wagers over an extended period of time that it had accepted based on what it claimed were “incorrect odds” during 13 sporting events, without Division approval.

On December 25, 2020, bet365 accepted nine wagers with alleged incorrect odds from one patron on a Table Tennis match between Vyacheslav Tsvetkov vs. Sergey Skotnikov. As indicated, one patron placed all nine winning wagers. bet365 unilaterally revised the odds for these wagers after they had already been paid out to the one winning patron, without Division approval.

On December 30, 2020, bet365 accepted wagers on a National Football League (“NFL”) game, New York Jets vs. New England Patriots, on what it claimed were incorrect odds. bet365 accepted 21 wagers from 18 patrons, with nine patrons placing 13 winning wagers on the event. bet365 unilaterally



revised the odds for these wagers after they had already been paid out to the patrons, without Division approval.

On May 11, 2021, bet365 accepted wagers on a mixed-martial arts event between Sean Soriano vs. Christos Giagos, on what it claimed were incorrect odds. bet365 accepted six wagers from four patrons. One patron placed one winning wager on the event. bet365 unilaterally revised the odds for these wagers after the patrons had been paid, without Division approval.

On November 17, 2021, bet365 accepted 63 wagers from 18 patrons on a National Collegiate Athletic Association ("NCAA") basketball game, Brigham Young University vs. University of Oregon, on what it claimed were incorrect odds; 18 patrons placed 59 winning wagers on the event. bet365 had unilaterally revised the odds for these wagers after they had been paid out to patrons, without Division approval.

On November 20, 2021, bet365 accepted 23 wagers from 10 patrons on a NCAA basketball game, University of North Carolina vs. Purdue University, ("Purdue Game"), and 50 wagers from nine patrons on the NCAA basketball game, University of Delaware vs. Delaware State University, ("Delaware State Game"), on what it claimed were incorrect odds. Nine patrons placed 22 winning wagers on the Purdue Game. Seven patrons placed 47 winning wagers on the Delaware State Game. bet365 had unilaterally revised the odds for these wagers after the patrons had been paid, without Division approval.

On November 24, and 29, 2021, bet365 accepted eight wagers from seven patrons on a NCAA basketball game, University of Southern Utah vs. Yale University, ("Yale Game"), and 11 wagers from one patron on a NCAA basketball game, University of Massachusetts vs. Iowa State University, ("Iowa State Game"), on what it again claimed were incorrect odds. Seven patrons placed eight winning wagers on the Yale Game. One patron placed 10 winning wagers on the Iowa State Game. bet365 had unilaterally revised the odds for these wagers after they had been paid out to the patrons, without Division approval.

On February 4, 2022, bet365 accepted 12 wagers from three patrons on a NCAA basketball game, University of Louisiana at Lafayette vs. University of Arkansas at Little Rock, on what it claimed were incorrect odds. Three patrons placed 12 winning wagers on the event, there were no losing wagers placed on the event. bet365 had unilaterally revised the odds for these wagers after they had been paid out to the patrons, without Division approval.

On March 14, 2022, bet365 accepted eight wagers from two patrons on a NCAA basketball tournament market, "Gonzaga To Win Regional," on what it claimed were incorrect odds. One patron placed one winning wager on the market. bet365 had unilaterally revised the odds for these wagers after the patron had been paid, without Division approval.

On April 10, 2022, bet365 accepted eight wagers from one patron on the U.S. Masters Golf Tournament, on what it claimed were incorrect odds. One patron placed eight winning wagers on the event. bet365 had unilaterally revised the odds for these wagers after the patron had been paid, without Division approval.

On June 5, 2022, bet365 accepted nine wagers from three patrons on a NCAA baseball event, University of Georgia vs. University of North Carolina, on what it claimed were incorrect odds. Three patrons placed nine winning wagers on the event. bet365 had unilaterally revised the odds for these wagers after they had paid the patrons, without Division approval.

On November 18, 2022, bet365 accepted eight wagers on an NFL game, Tennessee Titans vs. Green Bay Packers, on what it claimed were incorrect odds. While bet365 had honored seven winning wagers that had been placed by four patrons, it claimed that an eighth winning wager should not be honored because the incorrect odds were egregious and should have been considered an “obvious error.” bet365 has not yet honored the eighth winning wager from this event.

### Review of legal requirements

bet365 claimed that it had been permitted to unilaterally revise the odds that had already been offered on wagers for these events because they were posted in an “obvious error.” bet365 maintained that these actions were permissible because its House Rules state:

bet365 seeks to ensure that all odds displayed on the site are correct at the time of publishing. On occasions, there may however be incorrect prices published due to human or technical error or issues outside our control (“Obvious Error”).

bet365 failed, in all instances, to recognize that although bet365’s House Rules were approved by the Division, it was with an express statement and caveat that bet365 was prohibited from voiding any wager without prior Division approval, as is the standard course in Division approvals of House Rules and as is set forth in Division regulation *N.J.A.C. 13:69N-1.11(d)*. Moreover, as a sports wagering provider participating in New Jersey’s gaming industry, bet365 is charged with knowledge of the gaming laws, including the Division’s regulation barring unilateral voiding of wagers by operators without the express authorization of the Division. Once bet365 accepted the wagers, even using odds it considered to be “incorrect,” its only recourse was to seek Division permission to alter or void the wagers.

Based upon these incidents, bet365 failed to comply with *N.J.A.C. 13:69D-2.3* and *N.J.A.C. 13:69N-1.9(q)*. Furthermore, bet365 violated Division regulations by unilaterally revising odds on accepted wagers without prior Division approval. The failure of bet365’s internal software coupled with its manual trading errors caused its system to be unable to ensure the accuracy of its data feeds. These failures are both problematic as to bet365’s business ability to conduct online gaming and the integrity and reliability of its operational systems and, therefore, unacceptable as they resulted in misleading wagering information that was relied upon by its patrons and ultimately lead to incorrect payouts for numerous patrons. These violations by bet365 evidence a prolonged and unacceptable course of conduct, which is violative and contrary to the policies of the Casino Control Act, *N.J.S.A. 5:12-1 et. seq.* and will not be tolerated by the Division.

The Division acknowledges that on April 26, 2023, bet365 advised the Division that it had accepted 101 wagers from 47 patrons on a National Basketball Association game, New York Knicks vs. Cleveland Cavaliers, on what it claimed were incorrect odds. Again, bet365 failed to comply with *N.J.A.C. 13:69D-2.3* and *N.J.A.C. 13:69N-1.9(q)*. Seven wagers were winning wagers placed on player specific proposition wagering markets. The 94 losing wagers were also placed on player specific proposition wagering markets. After initially refusing to honor the seven winning wagers at the originally posted odds, bet365 later confirmed that it had paid the three patrons on seven winning wagers for a total of \$13,776.25 based on the originally posted odds, therefore addressing and not continuing its further violative conduct.

**Conclusion**

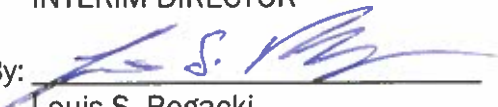
bet365 shall honor all 199 winning wagers owed to patrons described above at the original posted odds, not at bet365's suggested revised odds as originally paid. The aggregate total to be paid is \$519,323.32. This amount shall be paid within 10 days of the date of this letter with confirmation of payment provided to the undersigned. Moreover, bet365 shall submit to the Division a full report of all efforts to identify and rectify the failures of its internal software systems and as to its manual trading errors and the corrections and steps implemented to eliminate those inadequacies, as well as to ensure the accuracy of its data feeds going forward, to the undersigned within 20 days of the date of this letter for consideration by the Division and shall represent in such submission the efficacy of same, providing assurances regarding the reliability of the improved systems and procedures.

These types of multiple and serious violations cannot be tolerated in the New Jersey gaming regulatory system. They impact adversely upon bet365's business abilities and casino experience and evidence impermissible conduct in dealing with regulations, with significant adverse impact upon patrons. As set forth throughout this Action in Lieu of Complaint, the actions of bet365 by which it unilaterally voided wagers have been totally unacceptable. No further such violations related to the unilateral voiding of wagers will be tolerated. In the event of any further such violations by bet365, the Division will take action to impose penalties warranted by the nature and extent of that conduct, and such imposition will reflect fully the prior course of violative conduct detailed herein. While the Division has agreed that it will not institute further regulatory action beyond this Action in Lieu of Complaint which resolves the outstanding amounts owed to and wrongfully withheld to date from patrons in all of the above-described matters, any additional violations of *N.J.A.C. 13:69D-2.3* and *N.J.A.C. 13:69N-1.9(q)*, no matter how de minimis, will result in further disciplinary action by the Division.

Sincerely,

MARY JO FLAHERTY  
INTERIM DIRECTOR

By: \_\_\_\_\_

  
Louis S. Rogacki  
Deputy Director