

Testimony before the Pennsylvania House Gaming Oversight Committee, Tuesday, October 22, 2024

Introduction:

[Slide 1 & 2: About IC360]

Integrity Compliance 360 (IC360) stands as a prominent global technology and consultancy firm, distinguished for its unwavering commitment to providing cutting-edge integrity and compliance solutions tailored to the intricate landscapes of sports, sports betting, gaming, and iGaming. With a robust portfolio of services and a team of seasoned experts, IC360 empowers organizations to navigate the complex regulatory frameworks, uphold ethical standards, and foster a secure environment.

Matt Heap:

Good morning, esteemed panel members. My name is Matt Heap, Managing Director at ProhiBet, a solution developed by IC360, and I'm here with my colleague, Jason Van't Hof, VP of Investigations. We are honored to speak with you today about a critical aspect of the sports betting industry—integrity and compliance, and how we, at IC360, are addressing these challenges.

At IC360, we specialize in providing integrity solutions for the sports and gaming industries, leveraging cutting-edge technology to ensure compliance and foster trust. Ensuring consumer confidence and protection is the foundation of fostering a thriving legalized sports betting market in the Commonwealth.

I spent over 30 years in law enforcement and gaming regulation in Colorado, and now, with IC360, I'm focused on bringing innovations like ProhiBet to the market.

Jason Van't Hof:

Thank you, Matt. I've been deeply involved in sports integrity during my time with the NFL, where we developed monitoring systems to safeguard the integrity of the game. I've also worked on intelligence operations with the Department of Homeland Security and the Defense Intelligence Agency. Together, Matt and I are here to share insights into how we protect athletes, ensure transparency, and enhance monitoring in sports betting.

[Slide 3: What Makes an Athlete More Vulnerable?]

Matt Heap:

When we think about integrity in sports, one of the key areas of concern is the vulnerability of athletes. There are a number of factors that can increase this vulnerability:

- Increased exposure—Athletes today are under the constant public eye, which can lead to intense pressure.
- Competitiveness—The drive to win at all costs can sometimes cloud judgment.
- Injury and transitioning in or out of sports—Periods of uncertainty in an athlete's career can make them more susceptible to risky behavior.
- Money and ego—Athletes often have significant disposable income, especially with the rise of Name, Image, and Likeness (NIL) deals.

All these factors can contribute to risky decisions, such as gambling, which threatens the integrity of the sport.

Jason Van't Hof:

This is why it's essential to have robust systems in place to monitor and detect vulnerabilities before they turn into major integrity breaches.

[Slide 4: What Sports Betting Data is monitored?]

Jason Van't Hof:

To protect against integrity threats, IC360 monitors a wide range of data points in the wagering market:

- Wagering odds movements on all game and prop markets
- Wagering volumes—Are there unusual spikes?
- Public information releases—Are there key pieces of news affecting a team or player?
- Timing of bets—When did significant shifts occur?

[Slide 5: Real-time Wager Data?]

Jason Van't Hof:

This constant, real-time monitoring enables us to detect any abnormalities that might indicate foul play or suspicious activities.

Matt Heap:

Through these efforts, we are able to flag any integrity risks early, allowing regulators and operators to take action quickly and decisively.

[Slide 6: How is Sports Betting Monitored?]

Matt Heap:

One of the most critical aspects of maintaining integrity in sports betting is understanding who has access to sensitive information. Sportsbook operators and regulators have access to real-time geolocation data when users place bets. This enables us to detect when prohibited individuals—like athletes or coaches—are placing illegal bets near athletic facilities.

Jason Van't Hof:

The implications are significant. We can track illegal betting activities in real time, and in collaboration with authorities, act swiftly to protect the integrity of the sport.

[Slide 7, 8 & 9: Gambling-Related Abuse]

Jason Van't Hof:

Another issue tied to integrity is gambling-related abuse. This includes everything from addiction to manipulation of

results. At IC360, we encourage athletes, teams, and stakeholders to use tools like Alert360 and Anonymous Reporting to identify early warning signs of abuse.

- Look out for each other
- Be honest with yourself and your teammates
- Encourage seeking professional support when needed

The more open we are about addressing these issues, the more we can safeguard the integrity of sports.

[Slide 10: What is ProhiBet?]

Matt Heap:

Now let's talk about ProhiBet—the industry's first and only prohibited bettor solution. ProhiBet is designed to prevent athletes, coaches, and others in the sports world from placing prohibited bets. We do this by using the latest

encryption technology to securely exchange sensitive data while protecting personal privacy.

[Slide 11: ProhiBet - Security and Privacy by Design]

Matt Heap:

ProhiBet ensures that data stays within your control, and through cryptographic hashing, we ensure the highest level of security without compromising accuracy.

Jason Van't Hof:

With over 150 active participants and growing, ProhiBet has become the gold standard for prohibited bettor solutions. It not only meets regulatory requirements but ensures that integrity in sports betting is maintained at the highest level.

[Slide 12: Additional ProhiBet Use Cases?]

Matt Heap:

ProhiBet's applications go beyond just prohibiting bettors. It's a flexible tool that can support:

- Existing regulatory structures —ProhiBet can integrate with self-exclusion frameworks in different jurisdictions.
- Full-scale solutions—We can provide a comprehensive platform for managing self-exclusion, making it easier for regulators to track and enforce compliance.

This is just the beginning. As the sports betting landscape evolves, IC360 and ProhiBet will continue to innovate and provide the tools necessary to maintain integrity and protect the industry.

Closing Remarks:

Matt Heap:

In conclusion, we are committed to ensuring the highest standards of integrity in sports betting. ProhiBet and our

other monitoring solutions are designed to prevent corruption, protect athletes, and maintain the trust of the public.

Jason Van't Hof:

Thank you for your time today. We look forward to answering any questions you may have and working together to continue safeguarding the integrity of sports.





IC360 ON INTEGRITY MONITORING & PROHIBITED BETTOR SOLUTION

PRESENTATION – 2024

www.IC360.io



About IC360



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Matt Heap

Managing Director, Prohibet

Matt previously had a 30-year career with the State of Colorado as a Law Enforcement Administrator and Regulator. Following his tenure with Colorado, he was a Senior Director at GeoComply, overseeing Product Compliance. Matt's experience and relationships in the public and private sector have been instrumental to the successful launch of Prohibet, the industry's first prohibited bettor solution.



Jason Van't Hof

VP, Investigations

Jason was previously involved in the NFL's integrity of the game efforts and helped to develop many of the NFL Security Department's internal monitoring, collection, analysis, and investigative support processes and procedures. He was also a Branch Chief of the Afghanistan Pakistan Task Force at Defense Intelligence Agency (DIA), and was the Senior Intelligence Analyst for a Department of Homeland Security fusion center.

What Makes an Athlete More Vulnerable?

- INCREASED EXPOSURE
- COMPETITIVENESS
- INJURY
- DESIRE TO SUCCEED/FEAR OF FAILURE
- MONEY MAKER/EGO/
ADVANCED KNOWLEDGE
- BUZZ/ADRENALINE REPLICATION
- SOCIALLY ACCEPTED VICE
- TRANSITIONING ATHLETES INTO AND OUT OF
SPORTS
- DISPOSABLE INCOME (NIL)
- PRACTICE MAKES YOU BETTER

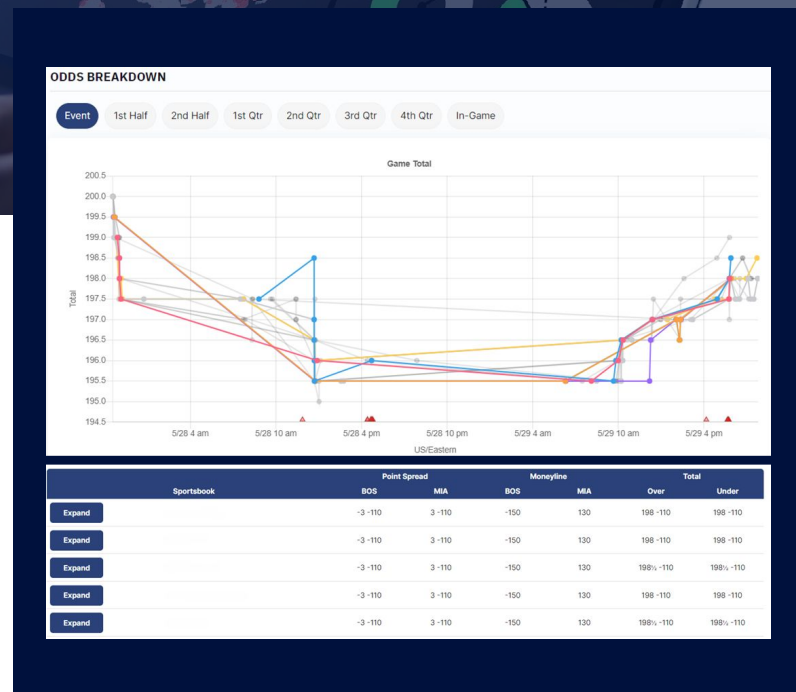


What Sports Betting Data is Monitored?

Wagering Market Monitoring

Some of the data points that IC360 monitors include:

- Wagering Odds movement on all game markets
- Wagering Odds movement on all prop and other markets
- Time of all Wagering Odds movements
- Wagering volumes
- Public Information releases



Real-Time Wager Data

Date	Description	Amount	Win/Calc	Win/Act	Period	Ticket #	Operator	Location	Platform
Jan-8-24, 9:46 a.m. PST	NCAAF, Washington at Michigan, 8JAN24, Spread, Michigan, [-115;-4.50]	\$11,494.00	\$21,493.78	\$21,488.78	GAME	OJ/0000074/6095094256	[REDACTED]	Iowa	Retail
Jan-8-24, 1:24 p.m. PST	CFB, Washington Huskies @ Michigan Wolverines, 8JAN24, Point Spread, Washington Huskies, [-110;4.5]	\$11,000.00	\$21,010.00		FULL GAME	1244351.10	[REDACTED]	North Carolina	Retail

Date	Description	Amount	Win/Calc	Win/Act	Period	Ticket #	Operator	Location	Platform
Jan-8-24, 4:26 p.m. PST	"NCAA Division I, FBS Post Season", Michigan Wolverines vs. Washington Huskies, 8JAN24, Total 58.5 (incl. overtime), under 58.5, [-135;]	\$3,732.75	\$6,494.98		FG	240115460006417	[REDACTED]	Arkansas	Online
Jan-8-24, 7:41 p.m. PST	CFB, Washington Huskies @ Michigan Wolverines, 8JAN24, Total Points, OVER, [-141;42.5]	\$5,000.00	\$8,550.00		INPLAY	1587161.10	[REDACTED]	Wisconsin	Retail
Jan-8-24, 4:20 p.m. PST	CFB, Washington Huskies @ Michigan Wolverines, 8JAN24, Total Points, OVER, [-110;56.5]	\$5,000.00	\$9,550.00		FULL GAME	1245371.10	[REDACTED]	North Carolina	Retail

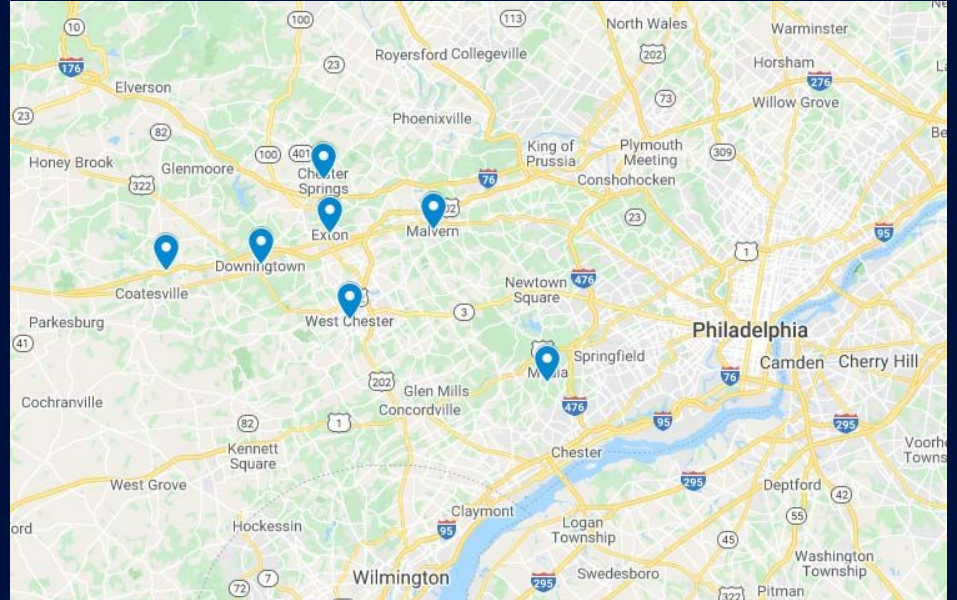
How is Sports Betting Monitored?

Who Has Access?

Sportsbook operators and gaming regulators **have the users' consent** to access their geolocation whenever they use a sportsbook app.

What Are The Implications?

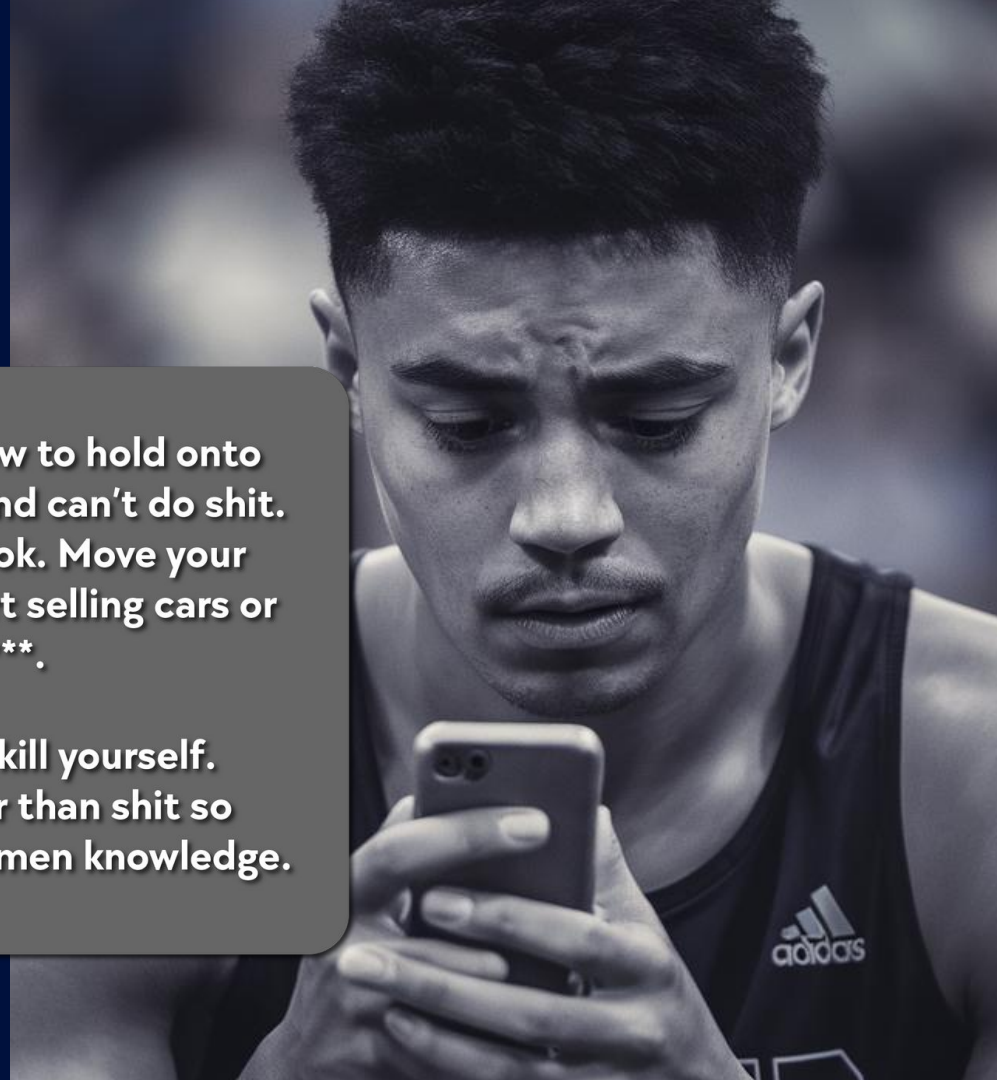
Authorities are utilizing geolocation maps around athletic facilities to detect potential illegal betting activities by prohibited individuals.



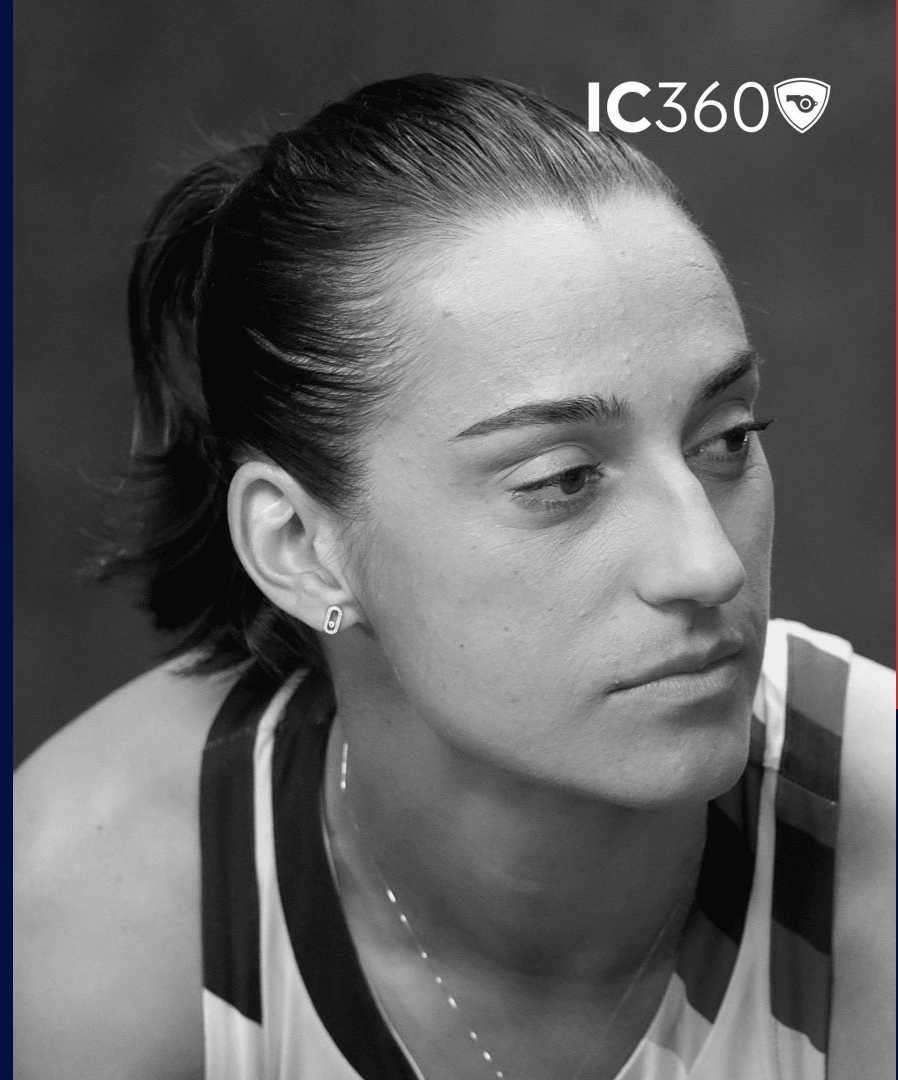
Gambling-Related Abuse

You stupid fu***** c***, learn how to hold onto the ball. You get paid millions and can't do shit. This team is 2-0 with Dalvin Cook. Move your black a** back to boise and start selling cars or some shit you slow, useless ni*****.

If you decide thats not for you, kill yourself. God knows yo black A** dumber than shit so you can't do anything with commen knowledge.



Gambling-Related Abuse



We encourage:

- **Use of tools** at your disposal (Alert360, Anonymous Reporting, coaching staff)
- **Look out for signs** in one another
- **Be honest** with yourself and your teammates
- Encourage people to **seek professional support**

Anonymous

I am aware of a player who is betting on games, including our own.

AUTO-REPLY via RealResponse

Thank you for contacting the Example Alert360 Hotline.

Example Alert360 via RealResponse

Can you please provide additional information so that we can better assist

Anonymous

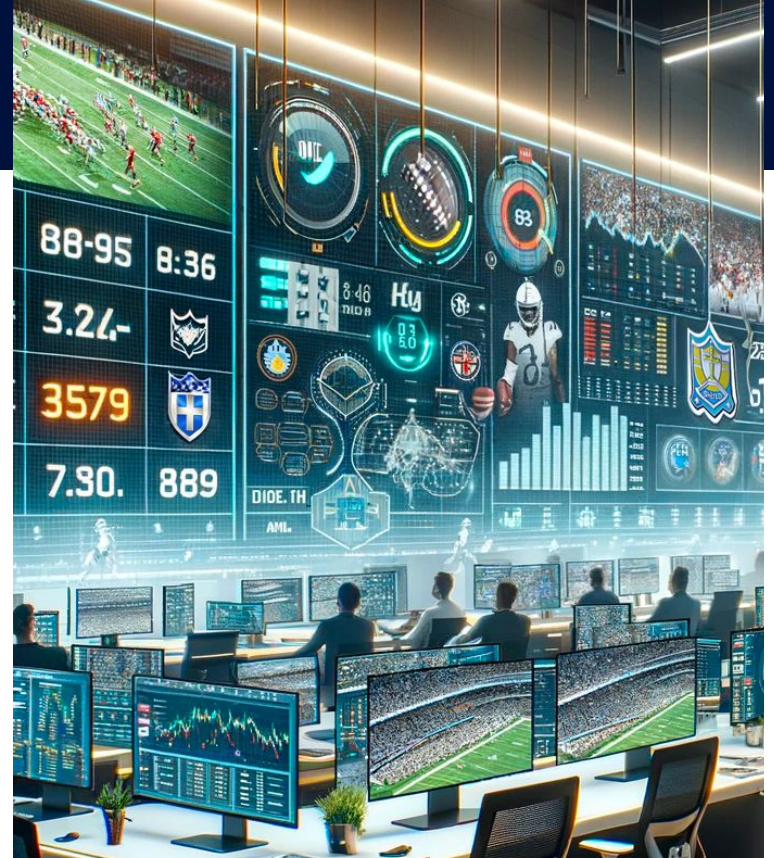
Yes, He plays for EXAMPLE and was also approached about throwing a game.

What is ProhiBet?

ProhiBet is the industry's first and only prohibited bettor solution, designed to prevent athletes, coaches, trainers and others from betting on sports for which they are prohibited.

ProhiBet's design is based on the most-up-to-date **security and encryption technology** to facilitate the secure exchange of sensitive data.

With over **150 (and growing) active participants** in the ProhiBet network, no other viable and secure technology exists to meet the prohibited bettor regulatory mandate.



ProhiBet

Security and Privacy by Design

With ProhiBet, **your data remains your data**. Our technology uses state-of-the-art cryptography to ensure that raw data never leaves your servers. ProhiBet's end-to-end encryption ensures maximum privacy relating to sport property stakeholders' personal information and operators' account databases.

A data breach is not a possibility. Your personal data is never stored on our servers, ensuring that it cannot be compromised through a data breach.

Accuracy remains unaffected. We employ a cryptographic hash, a stand-in for your data, to precisely identify issues – all while ensuring that the security of your sensitive information is **never** compromised.



For additional information detailing our security measures, we encourage you to review [ProhiBet's Security](#) and [Privacy Whitepapers](#).

Additional ProhiBet Use Cases

Existing Regulatory Structure:

ProhiBet can partner with individual jurisdictions to provide a secure and frictionless list manager to supplement the existing self-exclusion and responsible gambling framework.

Full-Scale Solution:

ProhiBet can partner with individual jurisdictions and provide a comprehensive, top-to-bottom self-exclusion technology platform.

