

May 8, 2019

New York State Senate Hearing, Standing Committee on Racing, Gaming & Wagering
Van Buren Hearing Room A, Legislative Office Building, 2nd floor, Albany, NY

Testimony of Lindsay Slader, VP Regulatory Affairs, GeoComply

Mr. Chairman and members of the Committee, thank you for inviting me to testify today. My name is Lindsay Slader and I'm the VP of Regulatory Affairs for GeoComply, a global leader in geolocation technology. GeoComply currently supports regulated online sports betting, casino, poker, iLottery, advanced deposit horse wagering, and daily fantasy sports operators in 42 US states to ensure compliance with federal and state regulations.

GeoComply is an approved geolocation service provider in New Jersey, Nevada, Delaware, Mississippi, and West Virginia, and our software is validated by both government and independent gaming testing laboratories. Each day, we process upwards of 10 million geolocation transactions.

Our company was founded solely for the purpose of delivering a geolocation system to support the US internet gaming market. From the company's inception, we recognized the challenge facing US Intra-State iGaming and the need for high caliber technology to act as the legal enabler and safety net for intra-state gaming. We exist to ringfence virtual state borders. Our technology enables online operators and regulators. Our technology can meet the demands of federal law such as the Wire Act, Unlawful Internet Gambling Enforcement Act (UIGEA), and the sovereignty of states that choose to opt in or out of online wagering.

Without reinventing the wheel, the everyday location sources that we are familiar with - the same GPS, wifi, and cell tower data used to power our phones' Google Maps or place a mobile order at the closest Starbucks - can be used to locate online users. The main difference between these open-door tools and compliance grade geolocation, is the way in which we interrogate that location data to ensure it is trusted and secure.

We cannot simply rely on IP data to determine a player's location. We dig far deeper. Our technology analyzes data sources based on a combination of WiFi, GPS, IP, Bluetooth, & Mobile Device to verify a player's location.

GeoComply's technology detects and blocks the use of proxies, VPNs, remote desktop software, virtual machines, jailbroken devices, mock location settings, developer tools;

the list goes on. We employ a full-time team that keeps up to date in the latest spoofing technologies available and we regularly adjust our systems to detect them. By the time GeoComply's system approves or denies a transaction it will have been subjected to over 350 analytical checks to verify that only legal bets are permitted.

I would like to provide the committee with a live demonstration of how geolocation works.

[See in-person demonstration of live New Jersey geolocations occurring in real-time]

This live map shows real-time geolocation checks occurring in New Jersey where GeoComply supports 100% of the online gaming market. Approximately 82% of New Jersey's current online sports betting, poker, and casino traffic originates from within 10 miles of the border, thus highlighting both the importance but also effectiveness of pinpoint accurate geolocation technologies. Almost half of traffic originates from within 2 miles of the border. Furthermore, today we see that the activity from approximately 8% of all New Jersey registered accounts in fact originating from a New York location.

Each of those pin drops is a user on a PC, Mac, iPhone, Android device and/or tablet being securely located to either allow play within state borders, right up the state line, or to block access for unauthorized users in close proximity to the border areas. These checks occur throughout the duration of an online session, where checking frequency is determined based on proximity to border.

It is worth pointing out that this system is flexible and dynamic enough to cope with the fact that users can and do place bets as they move from place to place, traveling between home, work, or school; across borders in neighboring states. We see such cases thousands of times a day through our data. It will be particularly relevant here in New York where we approximate that over 80% of expected users will be within 10 miles of the state's borders. The ability to validate these users as in-state but very close to the border will affect the commercial viability of the online business model.

GeoComply has built strong partnerships with iGaming operators and regulators in every state where our geolocation technologies are used. We are excited about the opportunity to extend our work to New York and to ensure that future mobile sports wagering is fully compliant with the demands of the law.

Thank you very much for your time and consideration, and I am also happy to address any questions you may have about the live demonstration.

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