

Background

- Founder & CEO, CyberArts

Technology suppliers to government-regulated gaming operators. Founded 2002.

- CEO, Trading Technologies

Real-time platform for electronic futures trading.

- Founder & CTO, ePeople

Dot-com era enterprise software for large scale collaboration.

- Chief Architect of MacOS, Apple Computer

Technology Milestones

- Jan 1998— First real-money Internet poker sites operational
- Mar 2003— TV advertising during World Poker Tour generates unprecedented player volume
- Oct 2006— UIGEA signed
- Jan 2008— Ultimate Bet multi-year cheating scandal exposed
- Sep 2008— Gioco Digitale launches in Italy

Trends

- Growth of regulated Internet gaming and decline of “.com”-type operators
- Ring fenced operations serving single jurisdictions
- Strong controls to ensure fairness, compliance, and transparency
- Emphasis on responsible gaming, consumer protection, and “know your customer”

Operating Intra-state

- Players' Internet IP addresses are known when each and every wager is placed
- IP addresses can be mapped to physical locations (geo-location) using services from various providers
- Proximity to wireless towers and WiFi routers can be used for additional accuracy
- State-level geo-location accuracy is > 96%*

**As reported by Quova of Mountain View, CA and confirmed by PriceWaterhouseCoopers*

Compliance & Transparency

- Fairness and accuracy are confirmed through source code audits by independent testing labs
- All game results and all money transactions are captured for subsequent audit
- Regulators have access to near-real-time reports and analysis tools
- Being a 100% technological solution, complete transparency at any level of detail is possible

Know Your Customer

- Both technical and manual processes for customer validation are common
- Technical solutions can verify identity and confirm birth date using, e.g. credit reporting agency data
- Fallback procedures include having the customer fax driver's license or passport
- Ability to deposit, withdraw, and play can be independently allowed based on each customer's verification status

Responsible Gaming

- A wide variety of responsible gaming tools are available
 - Smart choices about the games & stakes offered
 - Customer self-exclusion
 - Deposit limits & automatic withdrawals
 - Loss limits & daily wager maximums
 - Time warnings, time limits, and enforced breaks
 - Player behavior trend analysis
- Emphasizing responsible gaming promotes a healthy, sustainable online poker ecosystem
- Self regulation of responsible gaming in the online industry exists in the form of ecogra.org

Consumer Protection

- Software certification, player identity verification, and complete records enable strong consumer protection
- Human judgment is essential, but can be aided by software tools
- Mitigating collusion involves
 - Smart game and stake selection
 - Analysis of player correlation
 - Identification of questionable play
 - Responsive customer support

Security

- Internet poker uses the same physical and IT security as online banking
 - Restricted entry to data centers
 - Encrypted passwords and consumer data
 - Reliable data transactions
 - Secure communications (SSL) between players and servers
- Best practices also include logging of all administrative operations

Illegal Operators

- Blocking illegal poker sites is possible in theory, but unrealistic in practice
- A technical solution to exclude illegal operators may never exist
- Non-technical avenues to explore include
 - Consumer education
 - Advertising prohibitions; the “.net” loophole
 - Enforcement against operators