From: Brittney Martino
Sent: Friday, July 14, 2023 1:54 PM
To: Knight, Wendy
Cc: Lindsay Slader
Subject: KYC and Fraud Prevention Enhanced Procedures Feedback

Hi Wendy,

We are following up to provide feedback on the VT proposed sports betting procedures. We are seeking consideration of the following recommendations to enhance KYC integrity and fraud prevention.

Robust KYC and fraud prevention standards are critical to identity verification, and ultimately fraud detection and prevention. Implementing comprehensive, yet reasonable, identity verification protocols and procedures are paramount in ensuring industry and product integrity and consumer protection.

We recommend adding another option to Section 2.0, Age and Identity Verification, 2.4. We believe this addition will provide operators with greater range of technical options in order to meet the user authentication requirement.

2.4. Reasonable measures must be taken to ensure the person providing the identity information is truly the owner of the identity before a players can initiate any activity, including deposits, withdrawals, and wagering. One of the options below is required:
> (a) Correctly answer three dynamic knowledge-based questions compiled from public and private data such as public records, credit reports, marketing data, and other recorded facts;
> (b) Verification that the player's phone number and email address match the information provided by the player
> (c) Valid government issued identification credential; or
> (d) Historical behavioral account, device, and location verification; or
> (d) (e) Other methods approved by the Department.

This approach is a highly effective method of strengthening the account creation process and is being considered by multiple gaming jurisdictions. It also seeks to eliminate unnecessary customer friction that often occurs with other authentication methods, such as dynamic knowledge-based questions, also known as KBA. When compared to KBA, this approach performs better at detecting stolen identities and known fraud rings and includes the following assessments as part of the verification process:

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- Check against Known Fraud Devices
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- Check against Known Fraud Users
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- Check for Known Fraud Locations / Patterns
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- Check for High-Risk / OFAC locations (i.e. Russia, Indonesia, Belarus,
- etc)
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- Check for evidence of spoofing / known attacker tools (Advanced VM, Wifi
- Injection, Rooted devices, etc)
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- Check for known or emerging fraud behavioral patterns
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- Check for multiple accounts created/attempted to be created on the device
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- Conduct a geolocation for investigative and risk mitigation
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We understand that you are near the end of your process but hope this is something you will consider adding to your enhanced sports wagering procedures. We are happy to answer any questions you may have. We look forward to your comments and feedback.

Sincerely,

Brittney Martino

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