



August 25, 2025

Dear Sports Gaming Licensees:

The Ohio Casino Control Commission (“Commission”) has jurisdiction over all persons conducting or participating in the conduct of sports gaming in Ohio. R.C. 3775.02(A). The Commission has a continuing statutory responsibility to determine the suitability of its sports gaming licensees. The Commission writes to make you aware of potential actions that could impact your continued suitability to maintain a sports gaming license in Ohio.

The Commission understands that sports gaming licensees may be considering entering the prediction market landscape. Well-known sports books have apparently explored making sporting event contracts available outside of the ambit of their licensure with the Commission. Reports range from sportsbooks planning to enter the prediction marketplace by acquiring an existing Designated Contract Market (“DCM”), becoming a DCM or a Futures Commission Merchant (“FCM”), or associating or partnering with a DCM or FCM directly or indirectly to offer sporting event contracts outside of the regulatory framework of state gaming regulators.¹

Offering “event contracts” on sporting events (“sporting event contracts”) to citizens located within the State of Ohio without a sports gaming license violates Ohio law. *See* R.C. Chapter 3775. “Event contracts” generally provide consumers the ability to purchase a contract corresponding to one of two outcomes for an event. In the sporting event context, a consumer may purchase a contract that reflects which team the consumer believes will win or lose a matchup, or whether a team or player will achieve a certain statistical outcome in a game.² Either way, the ultimate result of these contracts is money being won or lost based on the outcome of the matchup or statistical achievement in the game. Plainly stated, companies that are offering sporting event contracts are operating online sports gaming. Sports gaming cannot be offered in Ohio without a license issued by the Commission. R.C. 3775.03(A). Sports gaming in Ohio must comply with all requirements in R.C. Chapter 3775 and the rules adopted thereunder.

¹ These companies offering sporting event contracts in Ohio cast their offerings as a form of “exchange wagering” versus traditional wagering “of against the house” offered by sportsbooks. In Ohio, though, “exchange wagering” is a statutorily recognized form of sports gaming that can be offered by our licensees. R.C. 3775.01(O). However, offering “exchange wagering” in Ohio directly or indirectly through a DCM or FCM – outside of the four corners of an existing sporting gaming license in Ohio – constitutes unlawful and unlicensed sports gaming.

² *See, e.g.,* https://kalshi-public-docs.s3.amazonaws.com/regulatory/product-certifications/FOOTBALLSPREAD.pdf?utm_source=substack&utm_medium=email.

If an Ohio sports gaming licensee chooses to offer sporting event contracts in Ohio through their own DCM or FCM (or those under common ownership or operated by a related entity),³ or decides to associate, coordinate, or otherwise partner directly or indirectly with entities offering or facilitating the offering of sporting event contracts in Ohio, the Commission will consider these choices as it evaluates the continued suitability of a sports gaming licensee, including key employee licensees, to maintain a license.

Furthermore, even if a sports-gaming licensee in Ohio geofences or takes other actions to restrict Ohioans from accessing sporting event contracts in the prediction markets, that are otherwise offered to their patrons outside Ohio, this may not alleviate the suitability concern if the licensee associates, coordinates, or partners with a company offering or facilitating the offering of these sporting event contracts in Ohio. Any business relationship between an Ohio sports gaming licensee (including its related entities or those under common ownership) with any entit(ies) offering or facilitating the offering of unlicensed sports gaming in Ohio calls into question the reputation of the licensee and the integrity of sports gaming in Ohio. The Commission will consider a licensee's choices to associate with a company operating illegally in this State and may take administrative action against any licensee that does.

Please do not hesitate to contact Deputy Executive Director and General Counsel Andromeda Morrison at Andromeda.Morrison@casinocontrol.ohio.gov if you have any questions.

Sincerely,


Matthew T. Schuler
Executive Director

³ This also includes acting under any designation, including but not limited to an Introducing Broker (“IB”) or as any other entity that connects patrons to sporting event contracts.