

### **3774-3-06 Inspection and audits.**

(A) Fantasy contest operators shall contract with a third party to perform an independent audit to ensure compliance with fantasy contest law. The audit shall be performed and a copy of the report provided to the commission at least once every licensure period, unless otherwise instructed by the executive director.

(B) Fantasy contest operators shall contract with a third party to perform an independent financial audit. The audit shall be performed and a copy of the report provided to the commission at least once every twelve-month period, unless otherwise instructed by the executive director.

(C) Any third party contracted to perform an audit under this rule must be a certified public accountant or, when appropriate, an independent registered certified public accounting firm licensed to practice in this state and shall be approved by the executive director prior to the audit engagement.

(D) The fantasy contest operator shall ensure the qualifications, good standing, and independence of any third party prior to engagement. The executive director may deny, restrict, or condition any request for approval of any third party and may require documentation regarding the qualifications, good standing, and independence of the third party, as well as any other documentation needed to process the request for approval, from the fantasy contest operator or the third party.

(E) Any audit conducted under this rule shall be in accordance with fantasy contest law, generally accepted auditing standards, and, when applicable, the standards of the accountancy board.

(F) The third party approved to conduct any audit under this rule shall submit the audit results in the manner prescribed by the executive director no later than such results have been made available to the fantasy contest operator.

(G) Audit requirements under this rule may be waived by the executive director pursuant to rule 3774-1-05 of the Administrative Code. These waiver requests should contain documentary support as to why the waiver is justified based upon risk, audits that have been or will be conducted by the commission, or other good cause. Any waiver based upon audits conducted by the Commission may result in the cost of the audit being charged to the fantasy contest operator. The waiver shall remain pending until the audit has been completed and any cost charged to the fantasy contest operator has been paid, as notified by the executive director.

(H) The executive director may do the following:

- (1) Require the production of and inspect and audit the documents of all persons that conduct or participate in conducting fantasy contests, including those that at one time conducted or participated in the conduct of fantasy contests in this state but have ceased doing so; and

(2) Perform all other things necessary to ensure the integrity of fantasy contests and for the effective licensing, regulating, investigating, and penalizing of all persons conducting or participating in the conduct of fantasy contests authorized by fantasy contest law.

(I) A person shall cooperate at all times with the direction of the commission and shall not interfere or hinder an inspection, audit, or investigation or allow others to interfere or hinder an inspection, audit, or investigation.

(J) All applicants and licensees consent to inspections, searches, and seizures and to the disclosure to the commission of non-privileged confidential records, including tax records, held by any federal, state, or local agency, credit bureau, or financial institution and to provide handwriting exemplars, photographs, fingerprints, and any other information requested.