

## **eCOGRA COMPLIANCE COMMITTEE REPORT ON JACKPOT FACTORY SEARCH ENGINE ISSUE**

On 28 July 2006 the Compliance Committee of **eCommerce and Online Gaming Regulation and Assurance**, made up of Mr. W. Galston OBE (Chairman) , Mr. F. Catania and Mr. M.Hirst OBE, all independent directors of the organization, considered all the facts regarding an incident in which complaints were received concerning search engine optimisation practices being conducted by the Jackpot Factory group.

The Committee received a report of an independent and on-site investigation which had been carried out by external auditors. This covered the circumstances surrounding the issue, its causes and effects and the remedial actions taken by the company.

The Committee findings are that:

- 1) The nature and tenor of the Jackpot Factory search engine optimisation project was totally unacceptable because of the fictitious and misleading scenarios it portrayed. This had resulted in widespread public disapproval of the campaign.
- 2) However, there was no evidence to show that any individual or group of individuals were harmed or persuaded to indulge in potentially harmful behaviour by the campaign, which represented an important mitigating factor.
- 3) Similarly, there is no evidence to suggest that Jackpot Factory management had any deliberate intention to encourage vulnerable persons to participate in gambling activities at group casinos
- 4) The investigating team report indicates that it is satisfied that the Jackpot Factory claim to have outsourced the project initially is correct. However, the report finds, and Jackpot Factory management conceded that the company's supervision of the project was inadequate.
- 5) The report confirms that internal disciplinary action taken by the company against those responsible was appropriate.
- 6) The Committee also considered the more positive aspects of the case and in particular the actions of Jackpot Factory in the immediate aftermath of the issue coming to public attention. On two occasions the company admitted fault in the matter and offered public apologies. Management backed this up by re-directing company resources and mounting a committed and energetic exercise to track down every element of the campaign that could be found in order to remove it, at the same time urging the public to report any elements discovered so that these could be addressed.
- 7) Jackpot Factory management cooperated fully with the independent investigation team, presenting verbal and documentary evidence without reserve to assist in its investigations.
- 8) Jackpot Factory management has since deployed control improvements in its systems as suggested by the investigation team, which will guard against any repetition of this unfortunate incident. Processes are now in place to ensure that any further material that may surface as a result of this campaign is dealt with on a timely basis.

9) Evidence was produced showing that the damage to business and reputation suffered by Jackpot Factory was substantial, as a consequence of public disapproval and the suspension of the Play It Safe seal.

10) Before the incident, Jackpot Factory had a solid reputation for compliance with all eCOGRA standards and requirements.

Having considered all of the above, the Compliance Committee has made the following ruling:

The suspension of the "Play It Safe" seal is lifted, but Jackpot Factory will be subjected to increased eCOGRA monitoring to ensure compliance with the new content code of practice. This is to ensure that all remaining traces of the campaign are removed wherever this is possible. The Compliance Committee is aware of the existence of inactive search engine links, but is satisfied that these do not provide access to any offensive material. The removal of this type of link is solely under the control of the search engines.

The Committee wishes to thank all those representing players' interests for their comments during the initial complaints and throughout the investigation. It also notes that the investigation team received the full cooperation of the Jackpot Factory management and is satisfied that they have shown their determination that this should not happen again.

The goal of eCOGRA in incidents such as this is to remove the immediate cause and potential for harm as quickly as possible, and then through fair and factual investigation isolate the reasons and ensure that systems are in place to guard against any repetition. These objectives have, in the opinion of this Committee, been met.