



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

DIVISION OF ECONOMIC JUSTICE
INTERNET BUREAU

October 6, 2015

SENT BY EXPRESS MAIL

Nigel Eccles, CEO
FanDuel Inc.
19 Union Square West
9th Floor
New York, NY 10003

Dear Mr. Eccles:

This letter follows reports indicating that employees or agents of FanDuel, Inc. (“FanDuel”) may have gained an unfair, financial advantage in a contest known as “Daily Fantasy Football” by exploiting their access to nonpublic data. These allegations, and your company’s subsequent statement, raise legal questions relating to the fairness, transparency, and security of FanDuel and the reliability of representations your company has made to customers.

The integrity of FanDuel—one of two dominant players in a daily fantasy sports industry that is estimated to generate approximately \$2.6 billion in entry fees in 2015—and its policies and practices are matters of concern to the public, particularly to the many customers who put money at risk on your site each day. We therefore request detailed responses to the following information requests:¹

1. Within your company, please identify the employee or employees by name, job title, and job description, who:
 - a. Compile and aggregate athletes’ statistical data;
 - b. Determine inputs used to set athletes’ prices for daily fantasy contests;
 - c. Code athlete pricing algorithms (note if and where different from 1b.);
 - d. Compile and aggregate athletes’ ownership percentages for pending contests;
 - e. Compile and aggregate historical ownership percentages for past contests; and
 - f. Compile and aggregate daily fantasy players’ data, including but not limited to win/loss records, types of contests entered, number of entries per contest, and money spent and earned

¹ These questions relate to the period beginning October 1, 2014 through to the present. If the answers to any of the questions varied during the period, please indicate any changes over the time period.

2. Where is the above data stored?
3. Do you limit access to this data, or any part thereof? Please describe any and all measures or policies in place to ensure that unauthorized parties cannot gain access to such data, including but not limited to an internal fraud control system.
4. Please provide copies of FanDuel's:
 - a. Employee handbook;
 - b. Data usage policy;
 - c. Any formal policies or procedures concerning the proper use of company data; and
 - d. Any formal policies or procedures concerning employee participation in fantasy sports.
5. Please explain FanDuel's policies or practices prohibiting or restricting employees, their friends, and/or their relatives from utilizing information collected by FanDuel for any non-company purpose.
6. Please explain FanDuel's policies or practices prohibiting or restricting employees, their friends, and/or their relatives, from playing daily fantasy sports on FanDuel or rival platforms.
7. Please explain any FanDuel's policies limiting the winnings that can be claimed by employees, their friends, and/or their relatives, from playing daily fantasy sports on FanDuel or rival platforms.
8. Please describe in detail the incidents surrounding the use of information by Ethan Haskell and Matthew Boccio, as detailed in Daily Fantasy Sports Report. Additionally, please describe any and all actions by FanDuel to respond to the incidents, including any changes to company policies or practices.
9. Please describe in detail when FanDuel learned that any employee, including but not limited to Matthew Boccio, may have used data from FanDuel to gain a personal advantage in playing daily fantasy sports. Please identify any and all such employees, their job titles, and their job descriptions.

This is a limited, initial inquiry designed to allow your company to provide a reply quickly. Please respond as soon as possible but, in any event, no later than October 15, 2015.

Sincerely,



Kathleen McGee
Bureau Chief