

**ORDER 2020-120
IN RE SETTLEMENT AGREEMENT**

**IGT
20-IGT-02**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 23rd DAY OF NOVEMBER, 2020.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
IGT) **20-IGT-02**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and IGT (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree to the following:

FINDINGS OF FACT

COUNT I

1. 68 IAC 2-2-6.1(d) provides that occupational licensing of an employee, independent contractor, agent, or subagent of a supplier licensee shall be governed by 68 IAC 2-3.
2. 68 IAC 2-3-9.2(b)(1) requires the occupational licensee to notify the Commission of separation on a form prescribed or approved by the Commission.
3. 68 IAC 2-3-9.2(c) requires the notification must be submitted to the Commission within fifteen (15) days of the occurrence of the change or action.
4. On August 13, 2020, the Commission’s Gaming Administrator was notified that a Project Manager III separated from IGT on June 16, 2020 and the Commission had not been notified in a timely manner.

COUNT II

5. Chapter 2 Section 16(b)(2) of the Emergency Rules for Sports Wagering provides an employee, independent contractor, agent, or subagent of a sports wagering operator shall obtain a Level 2 occupational license under 68 IAC 2-3 if the executive director or the executive director's designee determines it is necessary. In making that determination, the executive director or the executive director's designee shall consider the tasks that the individual will perform as part of the individual's job duties in a licensed facility or while accessing the sports wagering system that relate to the conduct or integrity of sports wagering.
6. Chapter 2, Section 11(b)(2) of the Emergency Rules for Sports Wagering provides the sports wagering operators, sports wagering service providers, and registrant applicants are responsible for the acts of its employees and agents in the course of their employment.

7. On July 15, 2020, the Commission's Sports Wagering Division was notified by FanDuel that FanDuel had offered markets with pricing errors. A patron in Indiana placed several wagers at a sports wagering kiosk at Blue Chip Casino on the subject markets.
8. FanDuel's Director of Risk and Trading notified the Commission that FanDuel was trialing a new wager type, Asian Handicap, which is primarily offered in soccer. FanDuel instructed IGT, Fan Duel's platform provider, to release the wager to the test environment; however, on July 9, 2020, IGT pushed the release out in the production environment in error. The impact of the error was that the wager type was released to FanDuel's live environment prior to being passed fit for purpose and resulted in multiple obviously erroneous lines being offered on soccer leagues including, but not limited to, MLS, La Liga, EPL and Serie A. The games with erroneous lines were offered at 9:30 p.m. on July 11, 2020 until the afternoon of July 14, 2020.
9. On July 14, 2020, the patron wagered \$19,142.50 which would have paid out \$79,500. FanDuel cancelled this wager due to obvious error and complied with the Commission's regulations in doing so.
10. On August 24, 2020, IGT's Regional Manager of Product Compliance responded to an inquiry made by the Commission's Sports Wagering Investigator and advised the name of the employee who had pushed the release to the live environment. This employee did not hold an Indiana occupational license, which is required for employees pushing updates to the sports wagering system.

COUNT III

11. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.
12. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
13. On March 25, 2020, the Commission advised IGT that the Executive Vice President/Chief Financial Officer (EVP/CFO) and the Independent Director would be required to submit a Level 1 license application within sixty (60) days. Due to the Covid-19 pandemic, the Commission provided IGT with an additional thirty (30) days for the submission.

14. On May 21, 2020, IGT's Senior Manager of Licensing Compliance requested a thirty (30) day application submission extension. The Commission granted the extension but advised IGT that no other extensions would be granted.
15. On June 23, 2020, the applications were received by the Commission; however, the applications were incomplete and deficient. Both applications were missing the required exhibits for bank statements, IRA, Personal Brokerage Accounts, Year End Mortgage and Credit Card Statements.
16. On July 10, 2020, the Commission advised IGT of the deficiencies with the applications. IGT did not respond.
17. On July 31, 2020, the Commission followed up with IGT. IGT provided that they were working on the documents and would forward them to the Commission the following week.
18. On August 12, 2020, IGT submitted the remaining documents for the Independent Director's application which was fifty (50) days overdue.
19. On September 7, 2020, IGT submitted the remaining documents for the EVP/CFO application which was seventy-six (76) days overdue.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of IGT by and through its agents as described herein constitute a breach of IC 4-33, IC 4-35, IC 4-38, the Emergency Rules for Sports Wagering, and/or 68 IAC. The Commission and IGT hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against IGT.

IGT shall pay to the Commission a total of \$11,000 (\$1,000 for Count I, \$5,000 for Count II and \$5,000 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in in the Findings of this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the Findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the Findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, IGT agrees to promptly remit payment in the amount of \$11,000 and shall waive all rights to further administrative or judicial review.

This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement

may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and IGT.

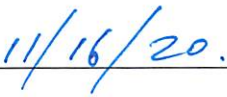
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Sara Gonso Tait, Executive Director
Indiana Gaming Commission



Luke Orchard, SVP, Chief Compliance
& Risk Management Officer
IGT

Date



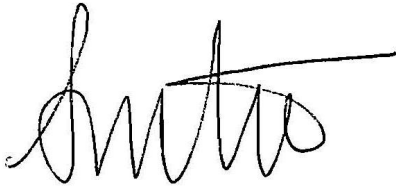
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This Agreement shall be binding upon the Commission and IGT.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

11/20/20

Date

Luke Orchard, SVP, Chief Compliance
& Risk Management Officer
IGT

Date