

**ORDER 2022-162
IN RE SETTLEMENT AGREEMENT**

**AMERICAN WAGERING, INC.
d/b/a CAESARS SPORTSBOOK
22-AW-03**

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 27th DAY OF SEPTEMBER, 2022.

THE INDIANA GAMING COMMISSION:


Milton Thompson, Chair

ATTEST:


Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
AMERICAN WAGERING, INC.)	22-AW-03
d/b/a CAESARS SPORTSBOOK)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and American Wagering, Inc. d/b/a Caesars Sportsbook ("Caesars Sportsbook"), (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 that the following facts are true:

FINDINGS OF FACT

COUNT I

1. 68 IAC 27-7-9 provides wagers and payouts made under this document shall be subject to the requirements described in 68 IAC 15-2.
2. 68 IAC 15-2-3(a), (b) & (c)(8) provides that the casino licensee shall be required to maintain a log for the purpose of recording aggregated cash transactions in excess of three thousand dollars (\$3,000). The casino licensee shall require coordination between the pits, slots, cashiers, cages, redemption centers, and other appropriate areas to ensure all transactions in excess of three thousand dollars (\$3,000) are recorded. The employee witnessing the transaction is responsible for completing the log. The log shall include a photograph of the patron to be taken during the first transaction of the day involving that patron.
3. Bally's Evansville's approved internal control procedures, N-13, describe the procedure for AML-MTL reporting and include the procedures for multiple transaction logs (MTL).
4. On May 20, 2022, Bally's Evansville's Director of Compliance notified Gaming Agents that a Sportsbook Supervisor did not log a \$3,000 cash deposit at the retail sportsbook for a mobile sports wagering account in the Everi MTL system. The violation occurred on May 18, 2022, and was not discovered until May 20, 2022, during his MTL audit.

COUNT II

5. 68 IAC 11-7-1(b) provides for the purposes of this rule, "sensitive keys" means keys that either management or the commission considers sensitive to the casino licensee's operation and therefore require strict control over custody and issuance.

6. 68 IAC 11-7-3(b) provides that sensitive keys shall be returned to custody and signed in by the same occupational licensee they were issued to unless there is a documented change of shift.
7. 68 IAC 27-10-3 (a) provides a cashier shall begin a shift with an imprecise amount of sports wagering inventory, consisting of currency and coin. No funds shall be added to or removed from the sports wagering inventory during such shift except: (1) in collection of sports wagers; (2) in order to make change for a patron buying a sports wagering ticket; (3) in collection for the issuance of sports wagering vouchers; (4) in payment of winning or properly canceled or refunded sports wagering tickets; (5) in payment of sports wagering vouchers; or (6) in exchanges with the cashier's cage, a satellite cage, or sports wagering lounge booth vault supported by proper documentation, and which documentation shall be sufficient for accounting reconciliation purposes.
8. 68 IAC 27-10-3(b) provides a sports wagering count sheet shall be completed and signed by a supervisor, and the following information, at a minimum, shall be recorded thereon at the commencement of a shift: (1) The date, time, and shift of preparation. (2) The denomination of currency and coin in the sports wagering inventory issued to the cashier. (3) The total amount of each denomination of currency and coin in the sports wagering inventory issued to the cashier. (4) The sports wagering window number to which the cashier is assigned. (5) The signature of the sports wagering shift supervisor.
9. 68 IAC 27-10-3(c) provides a cashier assigned to a cashier window shall count and verify the sports wagering inventory at the sports wagering vault, and shall agree the count to the sports wagering count sheet. The cashier shall sign the count sheet attesting to the accuracy of the information recorded thereon. The sports wagering inventory shall be placed in a cashier's drawer and transported directly to the appropriate sports wagering lounge booth window by the cashier.
10. Bally's Evansville's approved internal control procedures, N-3, describe the segregation of duties for sports wagering and provide that transfers from the safe to the ticket writer and vice versa are approved by a Supervisor or above.
11. On June 8, 2022, a Gaming Agent was conducting a review of the opening operations of the sportsbook at Bally's Evansville and discovered that there had been a sensitive key violation, accounting controls violation for counting of funds and a segregation of duties violation. A review of surveillance coverage identified the following.
12. The Sportsbook Manager was observed in the sportsbook office/vault preparing individual sports wagering inventory bags for the cash drawers. The Sportsbook Manager was then escorted by Security to the ticket booth, where the Sportsbook Manager pressed a security code and unlocked a safe located under the counter. The Sportsbook Manager transferred all the sports wagering inventory bags, as well as an emergency overflow amount for large payouts, into the safe and locked it.

13. A Sportsbook Supervisor entered the ticket booth, pressed a combination code, and accessed the safe. The Sportsbook Supervisor withdrew one (1) cash drawer bag and placed it on the back countertop, opposite of the worker's station. The Sportsbook Supervisor opened the bag and verified the money, utilizing a currency counter located on the countertop. Upon completion, the Sportsbook Supervisor unlocked the cash drawer for his station and transferred the money inside, leaving a sensitive key set dangling in the lock.
14. The Sportsbook Manager took a phone call and exited the ticket booth. The Sportsbook Supervisor followed behind him, leaving the door to the booth, the sensitive key and the cash drawer unsecured. The Sportsbook Supervisor exited the sportsbook area and entered an adjacent secure hallway for approximately one (1) minute.
15. A Sportsbook Ticket Writer ("Ticket Writer") entered the ticket booth to report for duty. The Ticket Writer was observed pressing a combination code and accessing the safe without supervision. The Ticket Writer withdrew one (1) cash drawer bag and placed it on the back countertop. The Ticket Writer verified the money, utilizing a second currency counter located on the countertop. Upon completion, the Ticket Writer unlocked a cash drawer and transferred the money inside.
16. Approximately five (5) hours later, another Ticket Writer entered the ticket booth to report for duty. This Ticket Writer was also observed pressing a combination code and accessing the safe without supervision. The Ticket Writer withdrew one (1) cash drawer bag and placed it on the back countertop. The Ticket Writer verified the money utilizing a currency counter located on the countertop. Upon completion, the Ticket Writer unlocked a cash drawer and transferred the money inside.
17. The Gaming Agent reviewed the above violations with the Sportsbook Manager who advised that he was unaware that the money could not be counted and verified inside the ticket booth. The Sportsbook Manager also confirmed that all sportsbook employees use the same code to access the safe which violates the segregation of duties internal control.

COUNT III

18. 68 IAC 27-2-16(d) provides except as outlined in this section, occupational licensing of an employee, independent contractor, agent or subagent of a sports wagering operator shall be governed by IC 4-33-8 and 68 IAC 2-3. .-
19. 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.
20. 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.
21. On July 27, 2022, the Commission received a separation from service notification through the occupational licensing system from Caesars Sportsbook for a Customer

Support Specialist, showing a separation date of February 2, 2022. The Commission was not notified in a timely manner.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Caesars Sportsbook by and through its agents as described herein constitute a breach of IC 4-38, 68 IAC, and/or Caesars Sportsbook's approved internal control procedures. The Commission and Caesars Sportsbook hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Caesars Sportsbook.

Caesars Sportsbook shall pay to the Commission a total of \$11,000 (\$3,000 for Count I, \$7,500 for Count II and \$500 for Count III) and submit a remediation plan to the Commission for Count II in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in 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.

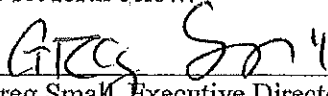
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Caesars Sportsbook agrees to promptly: 1) remit payment in the amount of \$11,000, 2) submit a remediation plan for Count II and 3) 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 Caesars Sportsbook.

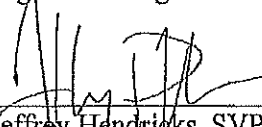
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Greg Small, Executive Director
Indiana Gaming Commission

9/26/2022

Date



Jeffrey Hendricks, SVP & Assistant General
Counsel, Regulatory & Compliance
American Wagering, Inc. d/b/a Caesars
Sportsbook

9/13/22

Date