

**ORDER 2017-148
IN RE SETTLEMENT AGREEMENT**

**EVERI GAMES, INC.
17-EVERI-01**

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 29th DAY OF SEPTEMBER, 2017.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
EVERI GAMES, INC.)	17-EVERI-01
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Everi Games, Inc. (“Everi”) (collectively, the “Parties”) desire to settle this matter prior to the initiation of a disciplinary proceeding. The Parties stipulate and agree to the following:

FINDINGS OF FACT

COUNT I

1. 68 IAC 2-2-6.1(d) states except as outlined in this section, occupational licensing of an employee, independent contractor, agent, or subagent of a supplier licensee shall be governed by 68 IAC 2-3. 68 IAC 2-3-8(a) and (b) states an occupational license must be renewed annually. An occupational licensee must request renewal of the license on a form prescribed by the commission no less than thirty (30) days before the expiration of the occupational license. The occupational licensee must complete the form and provide the commission with any information or documents, which the commission deems necessary.
2. 68 IAC 2-3-9.2(b)(1) requires the supplier licensee to notify the Commission of separation.
3. On August 8, 2017, the Commission’s Occupational Licensing Coordinator received a Separation from Service or Suspension Form from the Compliance Analyst. The Compliance Specialist separated from the company on March 30, 2017.

COUNT II

4. 68 IAC 2-2-5.3 (a)(4) requires applicants for a supplier license must demonstrate a level of: (A) skill; (B) experience; (C) knowledge; and (D) ability necessary to supply the goods or services that the applicant seeks to provide.
5. 68 IAC 2-2-9(a) states all supplier licensees have a continuing duty to maintain suitability for licensure. A supplier's license does not create a property right, but is

a revocable privilege granted by the state contingent upon continuing suitability for licensure.

6. On March 13, 2017, a Gaming Agent was working with Electronic Gaming Technician (EGT) and Electronic Gaming Technician (EGT) Supervisor at Indiana Grand while they worked on a Poker Pro table that was down. The Poker Pro tables are electronic poker tables. The table had been down since the previous month due to a power outage causing an internal issue.
7. The EGT's had been attempting to repair the table with the assistance of Jackpot Digital who had acquired the Poker Pro system from Everi in August 2015. When the EGT's mentioned to the Gaming Agent that Jackpot Digital may have to remote in to assist with the issue via Everi's license, the Gaming Agent contacted the Commission's EGDS Manager.
8. Prior to reaching out to the EGDS Manager, the Gaming Agent spoke with the Director of IT at Indiana Grand who advised if an entity requested remote access to the Poker Pro system, his staff will enable this ability along with enabling a special Poker Remote Access log-in account. During the remote-in process, a Virtual Private Network (VPN) and a Remote Desktop Protocol (RDP) is used to gain access to the server via the Poker Remote Access account. The Director of IT advised it would be possible for Jackpot Digital to actually be the one remoting in but they would have to get the VPN configuration file and the Poker Pro Account login from Everi. The Director of IT advised that he had never provided this information to Jackpot Digital and only to Everi.
9. The Gaming Agent acquired email communications between Jackpot Digital's Operations Manager and the EGT Supervisor, which initially was to set up a time for remote access through Everi for Jackpot Digital Techs to go through the steps to re-install the hard drive. An appointment time had to be confirmed with Everi since they had remote access capability. In a later email, the Jackpot Digital Operations Manager clarified the remote session would be via WebEx with Everi and Jackpot Digital. Jackpot Digital's techs would join Everi's Agents to assist them with the support session. Jackpot Digital's Operations Manager stated, "this is all done through Everi's license with the IGC. We are essentially providing consulting assistance to Everi to resolve the issue."
10. Later, in email communication between the Commission's General Counsel and Everi's VP of Compliance, the VP of Compliance stated that Jackpot Digital role is for consulting. The VP of Compliance further stated that Everi had first line knowledge of the Poker Pro products but for product issues that required more detailed knowledge, Everi relies on Jackpot Digital consultation. He further advised that Jackpot Digital should not be doing any work and that it should only be verbal support. The VP of Compliance provided a list of remote access sessions with Everi and Jackpot Digital Techs into Indiana Grand's Poker Pro server. The sessions began July 12, 2015 and continue through August 29, 2016

with 21 sessions in total. Each of these sessions of remotoring in to Poker Pro were done with Everi's license and they allowed Jackpot Digital to be present via WebEX during the sessions but the level of assistance by Jackpot Digital is unknown.

COUNT III

11. 68 IAC 2-6-2 (a) requires that the following may not be used for gaming by any casino licensee prior to the executive director, or the executive director's designee, authorizing their inclusion in the commission's online database of approved items and technologies: (1) Electronic gaming devices and any component parts material to gaming activity, including, but not limited to, the following: (A) Random number generators. (B) All game media. (C) Progressive controllers. (D) Bill changers
12. 68 IAC 17 details the regulations for movement of gaming equipment.
13. 68 IAC 17-1-2(a) states at least ten (10) days before transporting electronic gaming devices, the person causing the movement of the electronic gaming device shall notify the executive director, in writing, and provide the following information: (6) the quantity of electronic gaming devices being transported and (7) a brief description of the electronic gaming device being transported.
14. 68 IAC 17-1-3 states a casino licensee, casino license applicant, or supplier licensee shall use the commission's electronic gaming device database as prescribed by the commission.
15. In accordance with 68 IAC 17-1-2(a) and 68 IAC 17-1-3, when shipping an item approved under 68 IAC 2-6-2, the supplier is required to provide the Commission with an accurate inventory of each item to be shipped and delivered, including each item's identification code in the Commission's Electronic Gaming Device System.
16. On July 14, 2017, at Blue Chip Casino, a Gaming Agent arrived at the receiving area for a controlled shipment from Everi. The request approved through the Commission's Electronic Gaming Device System (EGDS) listed eleven (11) items of software. One item listed was not shipped.

TERMS AND CONDITIONS

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

Everi. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Everi shall pay to the Commission a total of \$12,500 (\$1,000 for Count I, \$10,000 in Count II and \$1,500 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count 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 Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Everi agrees to promptly remit payment in the amount of \$12,500 and shall waive all rights to further administrative or judicial review.

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

This Settlement Agreement shall be binding upon the Commission and Everi.

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



Sara Gonso Tait, Executive Director
Indiana Gaming Commission



Juliet A. Lim, EVP, General Counsel,
Secretary & Director
Everi Games, Inc.

9-19-17

Date

9/15/17

Date