

**ORDER 2020-34
IN RE SETTLEMENT AGREEMENT**

**SG GAMING, INC. d/b/a SCIENTIFIC GAMES
20-SG-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 10th DAY OF JULY, 2020.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
SG GAMING, INC.)	20-SG-01
d/b/a SCIENTIFIC GAMES)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Sara Gonso Tait and SG Gaming, Inc. d/b/a Scientific Games ("Scientific Games") (collectively, the "Parties") desire to settle this matter 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 15-6-4(b) provides that vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.
2. 68 IAC 15-6-4(e) provides that the vendor and visitor log shall contain the following information:
 - (1) The name of the vendor or visitor.
 - (2) The company or organization the vendor or visitor represents.
 - (3) The date and time the vendor or visitor entered the casino.
 - (4) The purpose that necessitates the vendor or visitor entering the casino.
 - (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.
 - (6) If the person is a visitor, the individual who authorized the visitor's presence in the casino.
 - (7) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
3. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses. The memorandum states vendor or visitor badges are not to be utilized by those who hold or should hold an occupational license. Per the memorandum, if individuals who hold or should hold an occupational license attempt to access the gaming floor using a vendor or visitor

badge, casino staff should assist in the matter by refusing entry and directing the individuals to local Gaming Agents for assistance.

4. On September 3, 2019, a Gaming Agent conducted an audit of the vendor log at Blue Chip Casino and identified the following violations.
5. On August 13, 2019 and August 14, 2019, a Tech from Scientific Games was on property to perform services that required an occupational license. The Tech did not hold an occupational license at the time the service was performed and was allowed to perform work on a vendor's badge. The Tech later obtained licensure on August 28, 2019
6. On October 1, 2019, a Gaming Agent performed an inspection of the vendor log at Blue Chip Casino and identified the following violation.
7. On September 5, 2019, despite being an occupational licensee, a Scientific Games Service Tech obtained a vendor's badge. The log did not note his Commission occupational license number and the Scientific Games Service Tech did not obtain and/or wear his Commission issued badge.
8. On December 2, 2019, a Gaming Agent performed an inspection of the vendor log at Blue Chip Casino and identified the following violation.
9. On November 19, 2019, despite being an occupational licensee, a Scientific Games Field Service Tech obtained a vendor's badge. The log did not note the purpose of his visit and the Scientific Games Service Tech did not obtain and/or wear his Commission issued badge.

COUNT II

10. 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 ("EGD") 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.
11. 68 IAC 17-1-3 provides that a casino licensee, casino license applicant, or supplier licensee shall use the commission's electronic gaming device database as prescribed by the commission.
12. 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.

13. On October 15, 2019, a Hollywood Slot Performance Manager notified Gaming Agents that software had been shipped without approval and was already installed on an EGD. A Slot Tech was installing software in EGD's when the Slot Tech discovered that the EGD already had software pre-installed on the EGD.

COUNT III

14. 68 IAC 2-2-6.1(d) provides that 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.
15. 68 IAC 2-3-8 (b) states 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.
16. 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.
17. 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.
18. On August 5, 2019, the following individuals appeared on the August 2019 Commission Licensee Renewal Report: Client Services Consultant (08/07/19 expiration date), Installer (08/07/19 expiration date), Senior Director of System Service (08/11/19 expiration date), Senior Tech Services Manager (08/13/19 expiration date), Senior Software Engineer (09/19/19 expiration date), Software Engineer (09/25/19 expiration date), Software Engineer (09/25/19 expiration date), and Software Engineer (10/01/19 expiration date).
19. On September 3, 2019, these eight (8) individuals appeared on the September 2019 Commission Licensee Renewal report, and the following individuals had expired licenses: Client Services Consultant (08/07/19 expiration date), Installer (08/07/19 expiration date), Senior Director of System Service (08/11/19 expiration date) and Senior Tech Services Manager (08/13/19 expiration date).
20. On September 30, 2019, the Scientific Games' Licensing Analyst sent separation of service forms for the Client Services Consultant (08/07/19 expiration date), Installer (08/07/19 expiration date), Senior Director of System Service (08/11/19 expiration date) and Senior Tech Services Manager (08/13/19 expiration date), however, the forms were not processed as each of the separations were dated for the expiration date of the license rather than the date of their separation.
21. On October 7, 2019, all eight (8) individuals appeared on the October 2019 Commission Licensee Renewal report and all licenses had expired.

22. On October 7, 2019, Scientific Games' Licensing Analyst resent the September 30, 2019 email correspondence and also sent separation of service forms for the following individuals: Senior Software Engineer (09/19/19 expiration date), Software Engineer (09/25/19 expiration date), Software Engineer (09/25/19 expiration date), and Software Engineer (10/01/19 expiration date).
23. On October 7, 2019, upon review of the separation of service forms, the Commission's Gaming Administrator replied to the Scientific Games' Licensing Analyst, inquiring if there had been jurisdiction updates, position changes, and when any changes occurred.
24. On October 8, 2019, the Scientific Games' Licensing Analyst restated their "separation dates", which was also the date the licenses expired. If the dates were to be accurate, each of the separations were at least a month late. The Licensing Analyst also stated their company responsibilities had changed and no longer needed to provide support to Indiana, however, this is licensing determination that should be made by the Commission.
25. On October 8, 2019, the Commission's Gaming Administrator requested when the responsibilities changed for each individual.
26. On October 17, 2019, the Scientific Games' Licensing Analyst responded with insufficient information.
27. On October 17, 2019, the Commission's Gaming Administrator reminded the Scientific Games' Licensing Analyst how the review of such licensing matters are conducted by the Commission and what Scientific Games' role shall be in that process.
28. On October 22, 2019, the Scientific Games' Licensing Analyst responded with more information on each licensee.
29. On September 3, 2019, the Manager of Software Development appeared on the September 2019 Commission Licensee Renewal Report with an expiration date of November 7, 2019.
30. On October 7, 2019, the Manager of Software Development appeared on the October 2019 Commission Licensee Renewal report.
31. On November 4, 2019, the Manager of Software Development appeared on the November 2019 Commission Licensee Renewal report.
32. On December 2, 2019, the Manager of Software Development appeared on the December 2019 Commission Licensee Renewal report and now had an expired license.

33. On December 3, 2019, the Scientific Games' Licensing Analyst submitted separation of services forms for the Manager of Software Development.
34. On November 12, 2019, the Commission received separation of service paperwork for a Lead Engineer. The Lead Engineer separated on October 9, 2019.

TERMS AND CONDITIONS

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

Scientific Games shall pay to the Commission a total of \$16,500 (\$5,000 for Count I, \$1,500 for Count II and \$10,000 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described 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, Scientific Games agrees to promptly remit payment in the amount of \$16,500 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 Scientific Games.

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

Date

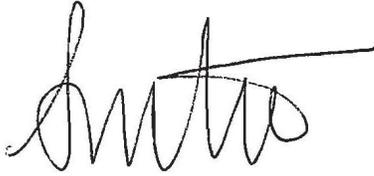


Stephen Richardson
Senior VP/Chief Compliance Officer
SG Gaming, Inc.

5/7/2020

Date

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

6/24/20

Date

Stephen Richardson
Senior VP/Chief Compliance Officer
SG Gaming, Inc.

Date