

**ORDER 2021-39
IN RE SETTLEMENT AGREEMENT**

**CROWN IN GAMING LLC d/b/a DRAFTKINGS
21-DK-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 23rd DAY OF MARCH, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CROWN IN GAMING LLC)	21-DK-01
d/b/a DRAFTKINGS)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Crown IN Gaming LLC d/b/a DraftKings (“DraftKings”) (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. Chapter 13, Sections 4(a) and (b) of the Emergency Rules for Sports Wagering provide a sports wagering operator shall make all reasonable attempts to ensure that prohibited sports wagering participants do not receive direct marketing from the sports wagering operator. A sports wagering operator will satisfy this requirement if the sports wagering operator removes the prohibited sports wagering participant's name from the list of patrons to whom direct marketing materials are sent, and the prohibited sports wagering participant does not receive direct marketing materials more than forty-five (45) days after the sports wagering operator receives notice identifying the prohibited sports wagering participant.
2. On December 4, 2020, a DraftKings Regulatory Incident Manager reported to the Commission that they had sent direct mailers to prohibited sports wagering participants. The mailers were sent out on November 2, 2020, by a third party vendor. The mailer was sent to fifteen (15) prohibited sports wagering participants.

COUNT II

3. Chapter 2, Section 16(a) of the Emergency Rules for Sports Wagering provides all key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.
4. Chapter 2, Section 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.
5. 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.

6. 68 IAC 2-2-4(b)(1) states that an applicant must submit one (1) bound and one (1) electronic copy of the supplier's license application and requested attachments. 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.
7. On September 22, 2020, the Director of Licensing for DraftKings reached out to the Commission to provide notice of an addition to the Board of Directors, effective September 23, 2020.
8. On September 23, 2020, the Commission sent an email requesting the new director to submit a Level One (1) Licensing application (PD1) within thirty (30) days of their appointment, or the email, which would place the due date as October 23, 2020.
9. On September 24, 2020, the Director of Licensing confirmed the email sent September 23, 2020, and stated that he would make sure to have the application submitted promptly.
10. On October 23, 2020, the Commission had not received the PD1.
11. On October 28, 2020, the Director of Licensing requested an extension for the PD1 application. The Commission approved a thirty (30) day extension which now placed the due date between November 23, 2020 and November 28, 2020.
12. On December 14, 2020, the Commission requested information on the PD1. The Director of Licensing stated the application would be filed that week.
13. On December 15, 2020, the Director of Licensing requested an extension for the PD1 application through December 31, 2020, which the Commission granted.
14. On January 11, 2021, the Commission received a hard copy of the PD1 application, however, no electronic copy was provided, as required.
15. On January 14, 2021, the Commission received an email from the Vice President, Compliance and Risk for DraftKings, with the electronic copy of the application.
16. On January 15, 2021, the Commission reviewed the application and found it to be incomplete, as it was missing one (1) exhibit, as well as payment.
17. On February 26, 2020, the payment was received for the PD1 application.

COUNT III

18. Chapter 2, Section 16(d) of the Emergency Rules for Sports Wagering provide 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, on a form prescribed or approved by the commission, when a licensed employee is terminated for any reason.
20. 68 IAC 2-3-9.2(c) requires the notification to be submitted to the Commission within fifteen (15) days of the occurrence of the change or action.
21. On February 16, 2021, the Commission received a separation from service form from DraftKings for a Director of Sportsbook Operations, showing a separation date of December 2, 2020, which is more than fifteen days after the occurrence of the separation.

TERMS AND CONDITIONS

As set forth above, Commission staff alleges that the acts or omissions of DraftKings by and through its agents as described herein constitute a breach of IC 4-38, the Emergency Rules for Sports Wagering, and/or 68 IAC 6-3-4(e)(3). The Commission and DraftKings hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against DraftKings.

DraftKings shall pay to the Commission a total of \$6,000 (\$3,000 for Count I, \$2,500 for Count II and \$500 for Count III) 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, DraftKings agrees to promptly remit payment in the amount of \$6,000 and 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 DraftKings.

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

Karl Gambin

Karl Gambin, Director of Regulatory
Operations
Crown IN Gaming LLC d/b/a DraftKings

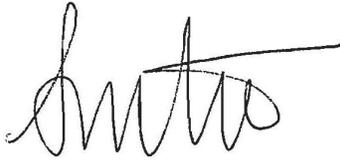
03/16/2021

Date

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Sara Gonso Tait, Executive Director
Indiana Gaming Commission

3/23/21

Date

Karl Gambin, Director of Regulatory
Operations
Crown IN Gaming LLC d/b/a DraftKings

Date