

**ORDER 2022-164
IN RE SETTLEMENT AGREEMENT**

**BETFAIR INTERACTIVE US, LLC
d/b/a FANDUEL SPORTSBOOK
22-FD-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
BETFAIR INTERACTIVE US, LLC)	22-FD-03
d/b/a FANDUEL SPORTSBOOK)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Betfair Interactive US, LLC d/b/a FanDuel Sportsbook (“FanDuel”), (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 27-2-16(a) provides all key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.
2. 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.
3. 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.
4. 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.
5. The Commission’s Gaming Entity Licensing Guidance provides that applications must be submitted to the IGC within thirty (30) days of the appointment to or transfer to position that requires licensure.
6. On April 26, 2022, FanDuel’s State Regulatory Compliance Manager notified the Commission that their current Chief Financial Officer (“CFO”) would be leaving and would be replaced. FanDuel provided that the new CFO license application would be submitted in the coming days. As a result, the PD1 application would be due on May 26, 2022.

7. On June 6, 2022, the Commission reached out to the original email group, requesting the status of the PD1 application as the due date had past and FanDuel had not requested an extension. FanDuel responded and apologized for the delay. They also provided that the CFO's PD1 application would be submitted within the week.
8. On June 15, 2022, the PD1 application was submitted to the Commission and was twenty (20) days late. The PD1 application was determined to be incomplete by Commission staff.
9. On June 16, 2022, the Commission followed up requesting additional information on the PD1 application. FanDuel responded that they had already requested the missing information and would provide it upon receipt. The Commission requested a copy of the request, as such would meet the minimum standards for issuing a temporary license for this specific exhibit.
10. On July 6, 2022, FanDuel responded and apologized for the delay. FanDuel advised that the information had not yet been requested even though they thought it was. A copy of the request was added to the folder for the exhibit in question.
11. On July 7, 2022, the CFO was issued a temporary level one (1) license by the Commission.
12. The incomplete PD1 application was delivered twenty (20) days late, then the additional information to make it complete took an additional twenty (20) days. Therefore, the application was forty (40) days late.
13. On May 25, 2022, FanDuel's State Regulatory Compliance Senior Manager notified the Commission that a new individual was appointed to be the Chief Technology Officer (CTO) and his application would be submitted.
14. On May 26, 2022, after confirming the appointment date, the Commission advised FanDuel that the application was due on June 16, 2022, unless an extension was requested on or before the due date of the application.
15. On June 26, 2022, the Commission requested the status of the application.
16. On June 30, 2022, FanDuel offered to submit the PD1 application, but not the attachments. The Commission advised FanDuel that the applications and exhibits should all be submitted together and noted that the PD1 application was already late. The Commission does not accept incomplete applications.
17. On July 8, 2022, FanDuel submitted the PD1 application. The PD1 application was submitted twenty-three (23) days past the due date.
18. On July 14, 2022, the Commission advised FanDuel that the applicant's job title was not in LAM, the Commission's occupational licensing database. Having the job title in LAM

is a requirement for Sports Wagering Vendors. The LAM user manual requires that job descriptions be entered into LAM for any incoming application that does not have an approved job description on the "Job Description Status" page before the application is submitted to the Commission for review.

19. On July 20, 2022, FanDuel advised the Commission that the title was added to LAM.
20. On July 21, 2022, the Commission issued the temporary license for the CTO.
21. Fan Duel failed to timely submit the PD1 application. The PD1 application and requirements for LAM input were not met by FanDuel until thirty (30) days after the due date.

COUNT II

22. 68 IAC 27-2-16(c) provides if a sports wagering operator experiences an unexpected vacancy in a position that requires a Level 1 license, the executive director or the executive director's designee may grant emergency relief by permitting the licensee to fill the vacancy, for up to thirty (30) days, with an individual who has not submitted a license application, which may be extended for good cause. For the executive director to grant emergency relief, the following must occur: (1) The licensee must submit a written request that includes, at a minimum: (A) the name of the replacement; (B) the professional qualifications of the replacement; (C) the gaming licensure history of the replacement, including a detailed description of any disciplinary actions or investigations in another jurisdiction; and (D) a detailed explanation of why the replacement must begin the replacement's job duties prior to submitting an application. (2) The executive director shall determine whether: (A) continued vacancy of the position is likely to have a significant detrimental effect on the: (i) profitability of; (ii) integrity of; or (iii) tax revenues gained from; sports wagering; and (B) based on the information available at the time, the replacement is likely to be deemed suitable for licensure following submission of an application and a full investigation. (d) 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.
23. On May 20, 2022, the Outside Counsel for FanDuel notified the Commission that a retail sportsbook level one (1) licensee would be going on leave and wanted approval for a level two (2) licensee to fill in. The Commission requested the relevant job titles for the level one (1) and level two (2) employees involved. The Outside Counsel provided that the sportsbook General Manager would be going on leave and the sportsbook Assistant General Manager would fill in. Commission staff subsequently requested employee names for these positions, which were provided.
24. On May 23, 2022, the Commission requested that the Outside Counsel confirm the identity of the employee being asked to fill-in, as this person was not licensed with the Commission.

25. On June 6, 2022, the Outside Counsel confirmed that the individual was not licensed with the Commission but had been used by FanDuel at other properties. The individual would be a new employee at the Belterra casino location and would fill the Supervisor position. The Outside Counsel provided that he had filed a PD2 application with the Commission for this role.
26. On June 7, 2022, the Commission confirmed that the individual had not filed a PD2 application. Commission staff relayed this information to the Outside Counsel. The Commission also inquired when the General Manager's leave started. The Outside Counsel confirmed the General Manager went on leave starting on May 16, 2022. The Commission confirmed again that there was still no PD2 application on file for the individual they wanted to fill in.
27. On June 8, 2022, the Commission requested to know who was completing the General Manager duties since May 16, 2022, and who the Belterra Sportsbook Lead Supervisor had been reporting to for three (3) weeks. Commission staff also requested to know why approval of a fill-in was requested four (4) days after the leave began. The Outside Counsel provided that the leave was unexpected and FanDuel was doing the best they could on daily operation until they could find a temporary replacement through proper channels.
28. On June 10, 2022, the Outside Counsel confirmed that the Belterra sportsbook staff had been reporting to the Midwest Sportsbook Regional Manager, a level one (1) licensee, and the General Manager's Supervisor. FanDuel confirmed they wanted the fill-in to stay on as a licensee.
29. On June 28, 2022, the Commission received the PD2 application for the fill-in and the Commission issued a temporary license as a Sportsbook Supervisor.
30. Belterra's sportsbook did not have level one coverage from May 16, 2022, to June 28, 2022.

COUNT III

31. 68 IAC 27-1-2(16) defines a prohibited sports wagering participant as an individual listed on the commission's exclusion list kept under 68 IAC 6-1, that has a voluntarily excluded person (VEP) status as defined under 68 IAC 6-3 or has signed up for the statewide internet self-restriction program (ISRP).
32. 68 IAC 27-13-2(d) provides that sports wagering operators must restrict wagering by statewide Internet self-restriction participants and may not market to statewide Internet self-restricted participants.
33. 68 IAC 6-3-4(a) provides each casino licensee and casino license applicant shall establish internal control procedures for compliance with this rule, which shall be submitted and approved under 68 IAC 11.

34. 68 IAC 6-3-4(b)(3) provides the internal controls must, at a minimum, address that the casino licensee must refuse wagers from and deny gaming privileges to any voluntarily excluded person.
35. FanDuel's approved internal control procedures, Section 11, describes the procedures for prohibited participants.
36. A Gaming Agent performed the 2nd quarter prohibited participant audit for FanDuel. The results of this audit found thirty-two (32) errors: twenty-four (24) omissions and eight (8) discrepancies. FanDuel was able to provide that the discrepancies would have been caught through their "fuzzy logic" algorithm process and has confirmed that none of the individuals identified in the Commission's audit placed wagers on FanDuel in Indiana during their exclusion periods.

TERMS AND CONDITIONS

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

FanDuel shall pay to the Commission a total of \$16,750 (\$6,000 for Count I, \$2,500 for Count II and \$8,250 for Count III) and ensure all discrepancies and omissions referenced in Count III have been resolved 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, FanDuel agrees to promptly: 1) remit payment in the amount of \$16,750, 2) ensure all discrepancies and omissions referenced in Count III have been resolved 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,

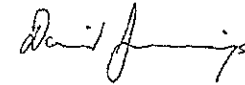
or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and FanDuel.

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



David Jennings
Chief Financial Officer
Betfair Interactive US, LLC d/b/a FanDuel
Sportsbook

9/26/2022

Date

09/22/2022

Date