

**ORDER 2022-91  
IN RE SETTLEMENT AGREEMENT  
CHURCHILL DOWNS INTERACTIVE  
GAMING, LLC d/b/a TWINSPIRES  
22-CDIG-02**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

**APPROVED**


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APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 30<sup>th</sup> DAY OF JUNE, 2022.**

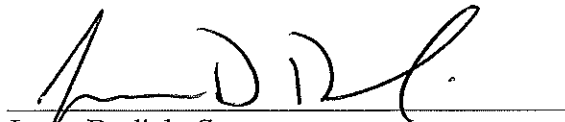
**THE INDIANA GAMING COMMISSION:**



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Milton O. Thompson, Chair

ATTEST:



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Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>CHURCHILL DOWNS INTERACTIVE</b>	)	<b>22-CDIG-02</b>
<b>GAMING, LLC d/b/a TWINSPIRES</b>	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Churchill Downs Interactive Gaming, LLC d/b/a TwinSpires (“CDIG”), (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**

1. 68 IAC 27-8-3 provides that the sports wagering operator's accounting department shall reconcile the sports wagering kiosks on a daily basis pursuant to internal controls. Any variance of five hundred dollars (\$500) or more shall be documented by the accounting department and reported in writing to the commission's audit department within seventy-two (72) hours of the end of the gaming day during which the variance was discovered. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.
2. The Commission’s Sports Wagering Division notified Gaming Agents that CDIG self-reported that a variance had been discovered for gaming day January 1, 2022. The notification provided that there was an error from a patron’s account that created a gross gaming revenue variance of \$500 between a patron’s account summary report (PASR) and the gross wagering summary report (GWSR). The GWSR reported a total of \$3,280.54 but the PASR showed a total of \$2,780.54. The variance was created because the specific patron was a Michigan resident who registered through the Indiana site. The patron had Indiana wagers settled on January 1, 2022, but then placed additional wagers in Michigan on the same day. The betting activity was placed on the Michigan reports rather than the Indiana reports.
3. On January 31, 2022, the Commission’s Sports Wagering Division notified Gaming Agents that CDIG self-reported that a variance had been discovered for gaming days January 28, 2022, and January 30, 2022. The notification provided that there was an error on two (2) patron’s accounts that created a gross gaming revenue variance of \$500 between a patron’s account summary report (PASR) and the gross wagering summary report (GWSR).
4. On January 28, 2022, there was a variance of \$1,000 involving a patron that was a multi-state player. This patron was an Illinois resident who was registered through Michigan.

The patron made their first wager in Indiana, however, the betting activity was placed on the Michigan reports.

5. On January 30, 2022, there was a variance of \$1,937.50 involving a patron that was multi-state player. The patron was an Illinois resident who was registered through Indiana. The player's most recent transaction was placed in Arizona and had two (2) wagers settled in Indiana. The player's activity was placed on the Arizona reports rather than Indiana's.
6. On February 18, 2022, the Commission's Sports Wagering Division notified Gaming Agents that CDIG self-reported that a variance had been discovered for gaming day February 16, 2022. The notification provided that there was an error on a patron's accounts that created a gross gaming revenue variance of \$992 between a patron's account summary report (PASR) and the gross wagering summary report (GWSR). This variance involved a patron that was a multi-state player. The patron was a New York resident who was registered in Indiana. The player placed a wager in Indiana at 10:13 a.m. and subsequently placed a wager in Michigan at 6:22 p.m., however, the betting activity was placed on the Michigan reports.
7. On February 24, 2022, the Commission's Sports Wagering Division notified Gaming Agents that CDIG self-reported that a variance had been discovered for gaming days February 21, 2022, and February 22, 2022.
8. On February 21, 2022, there was a variance of \$557.
9. On February 22, 2022, there was a variance of \$9,164.98.
10. CDIG's accounting department noted there was an error with the Patron Summary Report and the Wagering Summary Report and was due to an unclassified sportsbook return. GAN was able to identify an issue that lead to wagers being stuck in an unclassified state for an extended period of time in the unclassified sportsbook return balance column. The return went to the player but the reports were unbalanced while the return remained unclassified. GAN planned an emergency fix that would correctly classify future bets.
11. On April 18, 2022, the Commission's Sports Wagering Division notified Gaming Agents that CDIG self-reported that a variance had been discovered for gaming day April 15, 2022. The notification provided that there was an error on a patron's accounts that created a gross gaming revenue variance of \$3,400 between a patron's account summary report (PASR) and the gross wagering summary report (GWSR). This variance involved a patron that was a multi-state player. The patron was an Indiana resident who was registered in Michigan. The player placed a wager in Michigan and in Indiana, however, the betting activity was placed on the Michigan reports.

## TERMS AND CONDITIONS

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

CDIG shall pay to the Commission a total of \$3,500 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.

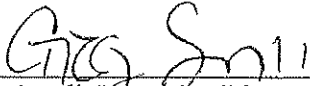
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, CDIG agrees to promptly remit payment in the amount of \$3,500 and shall waive all rights to further administrative or judicial review.

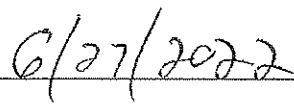
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

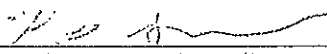
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by 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.

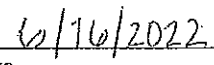
This Agreement shall be binding upon the Commission and CDIG.

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

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Katrina Gross, Compliance Analyst  
CDIG Interactive Gaming, LLC. d/b/a  
Twinspires

  
\_\_\_\_\_  
Date