

**ORDER 2021-172  
IN RE SETTLEMENT AGREEMENT**

**CROWN IN GAMING LLC  
d/b/a DRAFTKINGS  
21-DK-03**

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

**APPROVED**

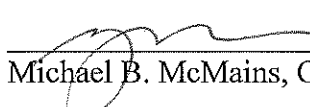
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APPROVES OR DISAPPROVES

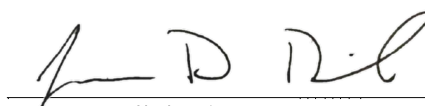
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 29<sup>th</sup> DAY OF SEPTEMBER, 2021.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Michael B. McMains, Chair

ATTEST:

  
\_\_\_\_\_  
Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

|                             |   |                   |
|-----------------------------|---|-------------------|
| <b>IN RE THE MATTER OF:</b> | ) |                   |
|                             | ) | <b>SETTLEMENT</b> |
| <b>CROWN IN GAMING LLC</b>  | ) | <b>21-DK-03</b>   |
| <b>d/b/a DRAFTKINGS</b>     | ) |                   |

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small 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**

1. 68 IAC 27-9-1 provides (a) the sports wagering system shall be required to generate those reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as deemed necessary by the executive director or as required by internal controls. Such reporting shall be done using cash basis accounting. (b) To determine the daily win amount, the sports wagering operator's accounting department shall compare a win report from the sports wagering system to the reconciliation of the sports wagering drawers. The operator shall be required to calculate and report adjusted gross sports wagering receipts using the higher amount identified in such comparison, unless otherwise authorized by the commission in its internal controls. (c) The sports wagering operator shall permit duly authorized representatives of the commission's audit department to examine the operator's accounts and records for the purpose of certifying total gross revenue receipts and adjusted gross revenue receipts. (d) Such information shall be entered on forms prescribed by the commission.
2. 68 IAC 27-9-2 provides (a) remittance of wagering taxes shall be the sole responsibility of the certificate holder. (b) If the amount of adjusted gross receipts on a gaming day is a negative figure, the certificate holder shall remit no sports wagering tax for that gaming day. Any negative adjusted gross receipts shall be carried over and calculated as a deduction on Form RG-1 on the subsequent gaming days until the negative figure has been brought to a zero (0) balance.
3. 68 IAC 15-5-2(a)(4)(d) provides the casino licensee shall be required to file a Form RG-1 and remit the tax imposed by IC 4-33-13 to the department before the close of the business day following the day the wagers are made.
4. On August 7, 2019, a Tax Remittance Directive for Sports Wagering was issued by the Commission that requires, in relevant part, that sports wagering revenue must be reported daily on a cash basis through the electronic tax system on the state form RG-1.

5. DraftKings' approved internal controls procedures describe the procedures for daily reporting.
6. On August 1, 2021, Ameristar filed an RG-1 without the DraftKings numbers. The missing amounts were added on the RG-1 for August 2, 2021.
7. The RG-1 for September 4, 2021 was missing the DraftKings numbers. The missing amounts were added on the RG-1 for September 7, 2021.
8. The RG-1 for September 5, 2021 was missing the DraftKings numbers. The missing amounts were added on the RG-1 for September 7, 2021.
9. The RG-1 for September 6, 2021 was missing the DraftKings numbers. The missing amounts were added on the RG-1 for September 7, 2021.

#### **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, 68 IAC, and/or DraftKings' approved internal control procedures. 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 \$10,000 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 \$10,000 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.



\_\_\_\_\_  
Greg Small, Executive Director  
Indiana Gaming Commission

9/28/21

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Date



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

09/24/2021

\_\_\_\_\_  
Date