

**ORDER 2021-176  
IN RE SETTLEMENT AGREEMENT**

**BETMGM, LLC  
d/b/a ROAR DIGITAL  
21-ROAR-02**

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

**APPROVED**

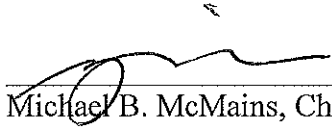
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APPROVES OR DISAPPROVES

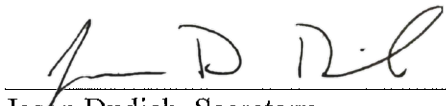
the proposed terms of the Settlement Agreement.

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

**THE INDIANA GAMING COMMISSION:**

  
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Michael B. McMains, Chair

ATTEST:

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

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:**

**BETMGM, LLC**

**d/b/a ROAR DIGITAL**

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**SETTLEMENT**

**21-ROAR-02**

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and BetMGM, LLC d/b/a Roar Digital ("Roar Digital"), (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. On January 21, 2021, Outside Counsel for Roar Digital reached out to the Commission to ask if an individual would be required to file a PD1 application for her new role.
6. On January 22, 2021, the Commission responded that said individual would not be required to file at that time.
7. On March 17, 2021, the same individual's duties were updated to include placement on the Board and submitted to the Commission by the Outside Counsel. The Commission notified Roar Digital that, because of the increased responsibilities, the individual would

- now need to apply for a PD1 within 30 days, or April 11, 2021. The Outside Counsel responded and acknowledged the due date.
8. On May 19, 2021, the Outside Counsel reached out to the Commission apologizing for not submitting the Board Member's PD1 in a timely manner and requested an extension. The PD1 was already thirty-eight (38) days late. The Commission responded and stated that extensions need to be requested before the application is past due. The Commission requested that the complete application be submitted as soon as possible and advised the application would be reviewed for compliance issues upon receipt.
  9. On July 11, 2021, ninety-one (91) days after the due date, the Commission reached out to ask for the status of the application.
  10. On July 12, 2021, a Paralegal for the Outside Counsel advised the PD1 was incomplete, but they expected to be able to submit within the next day, or as mostly complete that day. The Commission elected to wait a day for the completed application.
  11. On July 13, 2021, the Paralegal submitted the PD1 application. Overall, the PD1 was submitted ninety-three (93) days after the due date.

## COUNT II

12. 68 IAC 27-2-11 provides (a) a certificate of authority holder, vendor licensee, sports wagering service provider licensee, and a registrant have a continuing duty to maintain suitability for licensure. A license issued under this rule does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for licensure. (b) The sports wagering operators, sports wagering service providers, and registrant applicants are responsible for the following: (1) Ensuring that all aspects of the sports wagering operation are conducted in accordance with IC 4-33, IC 4-35, IC 4-38, 68 IAC, directives of the commission, applicable internal controls of the sports wagering operator, and all other state, federal, and local laws.
13. On March 5, 2021, the Commission received an email communication from Roar Digital's Training Compliance Manager regarding an incident of past posting. Roar Digital provided an incident report.
14. On February 27, 2021, Roar Digital became aware that a past posting incident occurred during a NCAA basketball event between Santa Barbara and UC Riverside. In researching this incident, Roar Digital discovered a second incident on a UC Irvine vs. UC Riverside NCAA basketball event on February 14, 2021.
15. On February 14, 2021, Roar Digital accepted moneyline wagers on the UC Irvine vs. UC Riverside NCAA basketball game after the results were known. The moneyline market on this game was available to customers for three (3) minutes and seventeen (17) seconds after the game ended, resulting in three (3) wagers being placed for \$236. The total winnings paid was \$261.96. Roar Digital let these wagers stand.

16. On February 27, 2021, Roar Digital accepted moneyline wagers on the Santa Barbara vs. UC Riverside NCAA basketball game after the results were known. The moneyline market on this game was available to customers for seven (7) minutes and fifty-one (51) seconds after the game ended, resulting in fourteen (14) wagers being placed for \$10,283.41. Roar Digital voided these wagers.
17. Roar Digital provided that this incident was due to a change in their sports data provider.

### COUNT III

18. 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 status as defined under 68 IAC 6-3 or has signed up for the statewide internet self-restriction program.
19. 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.
20. 68 IAC 6-3 states (a) 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. (b) The internal controls must, at a minimum, address the following: (3) Refuse wagers from and deny gaming privileges to any voluntarily excluded person.
21. On April 5, 2021, the Commission received an email correspondence from the Responsible Gambling Program Manager at Roar Digital advising of an incident involving prohibited participants. An incident report was provided.
22. The incident report provided that an internal audit conducted by Roar Digital discovered that thirty-three (33) prohibited participants had accounts and had not been categorized appropriately; therefore, these prohibited participants were allowed to create wagering accounts. Twenty-one (21) had recorded wagering activity after their date of exclusion.
23. For the twenty-one (21) accounts with wagering activity, the total amount deposited was \$219,953.04, the total amount wagered was \$2,214,458.97, the total amount won was \$2,124,178.88 and the total amount withdrawn was \$171,281.84. The gross gaming revenue was \$90,280.09.
24. The root cause of this incident was an automated response to the data contained in the prohibited patrons list received from the certificate holder which read as anomalous by Roar Digital's system when the list was run against the Indiana player database.
25. Twenty (20) prohibited participants were able to create accounts after they had enrolled in their respective exclusion program.

#### COUNT IV

26. 68 IAC 27-2-11 provides (a) a certificate of authority holder, vendor licensee, sports wagering service provider licensee, and a registrant have a continuing duty to maintain suitability for licensure. A license issued under this rule does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for licensure. (b) The sports wagering operators, sports wagering service providers, and registrant applicants are responsible for the following: (1) Ensuring that all aspects of the sports wagering operation are conducted in accordance with IC 4-33, IC 4-35, IC 4-38, 68 IAC, directives of the commission, applicable internal controls of the sports wagering operator, and all other state, federal, and local laws.
27. IC 4-38-5-9 provides the commission shall determine the occupations related to sports wagering that require an occupational license.
28. 68 IAC 27-2-16(b) provides an employee, independent contractor, agent, or subagent of a sports wagering operator shall obtain a Level 2 occupational license under 68 IAC 2-3 if the executive director or the executive director's designee determines it is necessary. In making that determination, the executive director or the executive director's designee shall consider the:
- (1) frequency and duration of the individual's work for a sports wagering operator or access to the sports wagering system that relate to the conduct or integrity of sports wagering;
  - and
  - (2) tasks that the individual will perform as part of the individual's job duties in a licensed facility or while accessing the sports wagering system that relate to the conduct or integrity of sports wagering.
29. On August 19, 2021, the Commission began an investigation after receiving an investigation summary from Roar Digital.
30. The report provided that on May 17, 2021, Roar Digital's former VP of Compliance noticed an employee's name in a draft incident report identifying him as a Roar Digital Trader. The VP of Compliance believed this employee to be an Entain Trader which did not require licensure. The VP of Compliance subsequently conducted an investigation into this matter. A review of the Trader's employment was conducted including the scope of work conducted. The HR Operations Manager confirmed that the Trader was employed by Roar Digital.
31. On May 25, 2021, upon discovering that the Trader was in fact employed as a Roar Digital Trader and had a revoked status in Indiana, the Trader was immediately removed from any trading functions that required licensure.

#### TERMS AND CONDITIONS

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

Roar Digital shall pay to the Commission a total of \$42,000 (\$3,000 for Count I, \$3,000 for Count II, \$33,000 for Count III and \$3,000 for Count IV) 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, Roar Digital agrees to promptly remit payment in the amount of \$42,000 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 Roar Digital.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

*Greg Small*

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Greg Small, Executive Director  
Indiana Gaming Commission

9/28/21

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Date

*Sarah Brennan*

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Sarah Brennan  
Bet MGM, LLC d/b/a Roar Digital

9/23/2021

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Date