

**ORDER 2022-143
IN RE SETTLEMENT AGREEMENT**

**SG GAMING, INC.
22-SG-02**

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

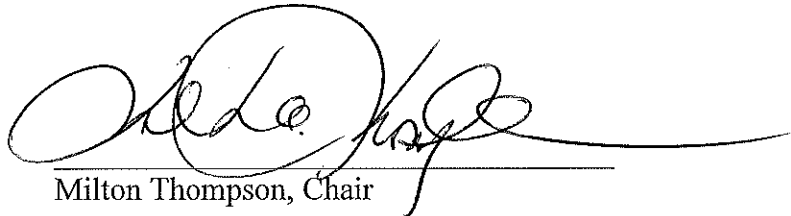
APPROVED

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**
SG GAMING, INC.) **22-SG-02**

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and SG Gaming, Inc. d/b/a Scientific Games, ("Scientific Games") (collectively, the "Parties") desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree to the following:

FINDINGS OF FACT

COUNT I

1. 68 IAC 2-3-9.2(b)(1) requires the occupational licensee to notify the Commission of separation on a form prescribed or approved by the Commission.
2. 68 IAC 2-3-9.2(c) requires the notification must be submitted to the Commission within fifteen (15) days of the occurrence of the change or action.
3. On July 13, 2022, the Commission received a separation from service notification through the occupational licensing system from Light & Wonder, Inc., Scientific Games' parent company, for a SVP, CTO, showing a separation date of April 1, 2022. The Commission was not notified in a timely manner.

COUNT II

4. 68 IAC 2-6-2 (a) requires that the following may not be used for gaming by any casino licensee prior to the executive director, or the executive director's designee, authorizing their inclusion in the commission's online database of approved items and technologies: (1) Electronic gaming devices (EGD) and any component parts material to gaming activity, including, but not limited to, the following: (A) Random number generators. (B) All game media. (C) Progressive controllers. (D) Bill changers.
5. 68 IAC 17-1-3 provides a casino licensee, casino license applicant, or supplier licensee shall use the commission's electronic gaming device database as prescribed by the commission.
6. In accordance with 68 IAC 17-1-2(a) and 68 IAC 17-1-3, when shipping an item approved under 68 IAC 2-6-2, the supplier is required to provide the Commission

with an accurate inventory of each item to be shipped and delivered, including each item's identification code in the Commission's Electronic Gaming Device System.

7. On June 30, 2022, a Slot Tech at Bally's Evansville notified the Gaming Agents that an electronic gaming device ("EGD") shipment had arrived and needed to be verified. All items but two (2) were correct in the shipment (Request ID 40395). Scientific Games had shipped one (1) Trans ID 136415 VIZV2.89-44USA (157579 BV EPROM) and one (1) Trans ID 136416 5RUSABA26 VER. GURU Other Eprom, however, the summary noted that five (5) of each software had been ordered.
8. 68 IAC 13-1-1(b)(2) and (3) provides the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
9. On January 31, 2022, a shipment was received at the Commission office in Indianapolis. The shipment was classified as a non-device unregulated shipment. The package was opened and reviewed by the Commission's Assistant Director of Compliance and determined that the contents did not meet the definition of controlled status. The parcel was delivered to the property by the Enforcement Division without incident.
10. On April 14, 2022, a shipment was received at the Commission office in Indianapolis. The shipment was for the i-score system that only operates a digital viewer screen and does not fall under the definition of controlled software. The shipment contained three (3) separate software USB keys. The Commission's Assistant Director of Compliance contacted the Director of Product Compliance at Scientific Games and left a message regarding the shipment. No follow up was provided on the shipment or shipment process. The parcel was delivered to Hard Rock Northern Indiana by the Enforcement Division without incident.
11. On May 5, 2022, a shipment was received at the Commission office in Indianapolis. The shipment was for fifteen (15) shuffle connect eproms and software. The products were reviewed in the Electronic Gaming Device System (EGDS) and were determined to be controlled components and software. The products included in the shipment should have been ordered and processed through the EGDS to ensure validity of the product and availability in the jurisdiction. The Commission's Assistant Director of Compliance contacted Scientific Games' Shipping Coordinator. No follow up was provided on the shipment or shipment process. The parcel was delivered to Caesars Southern Indiana by the Enforcement Division without incident.
12. On June 16, 2022, a shipment was received at the Commission's office in Indianapolis. The shipment contained 263 items of which 262 of those items were

for the New York jurisdiction. The shipment contained 250 New York lottery Bios chips, 5 Sea Magic games, and 7 CL2 programs and 1 i-Score system viewer for the Indiana jurisdiction. The Commission's Assistant Director of Compliance reviewed the shipment contents and determined that the products in the shipment were unavailable in the Indiana Jurisdiction. The Commission's Assistant Director of Compliance contacted the New York Lottery to disclose the shipment and determined that Scientific Games would provide shipping information and packaging to return the items to Scientific Games. The Commission's Assistant Director of Compliance also contacted Scientific Games Shipping Coordinator and the main Customer Service line to disclose the shipment. No follow up was provided on the shipment or shipment process. The non-Indiana products are currently securely stored at the Commission's office in Indianapolis pending return to Scientific Games. The i-score system component was reviewed and verified by the Commission's Assistant Director of Compliance and was delivered to Ameristar East Chicago by the Enforcement Division without incident.

13. Scientific Games sent both controlled and un-controlled shipments to the Indianapolis office instead of sending it to the appropriate casino location. In one instance, software was shipped to the Indianapolis office that was not approved in Indiana and was meant for another jurisdiction. Scientific Games has been unresponsive to Commission communications regarding these shipments and one (1) shipment to this day remains secured in the Indianapolis office due to lack of response from Scientific Games.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Scientific Games by and through its agents as described herein constitute a breach of IC 4-33, IC 4-35, and/or 68 IAC. The Commission and Scientific Games hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Scientific Games.

Scientific Games shall pay to the Commission a total of \$8,000 (\$500 for Count I and \$7,500 for Count II) in consideration for the Commission foregoing disciplinary action based on the facts specifically described 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, Scientific Games agrees to promptly remit payment in the amount of \$8,000 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 Scientific Games.

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

9/20/2022
Date



Michael Fries
Senior VP/Chief Compliance Officer
Authorized Representative: SG
Gaming, Inc.

09-21-2022
Date