

**ORDER 2022-74  
IN RE SETTLEMENT AGREEMENT**

**PALA INTERACTIVE, LLC.  
22-PI-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.**

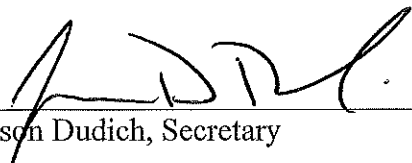
**THE INDIANA GAMING COMMISSION:**



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Milton O. Thompson, Chair

ATTEST:



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Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**PALA INTERACTIVE, LLC.** ) **22-PI-02**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Pala Interactive, LLC (“Pala”), (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 27-12-1(a) provides a sports wagering operator shall limit each patron to one (1) active and continuously used sports wagering account and username.
2. On November 19, 2021, Betway notified the Commission that a patron was able to create two (2) accounts with the same personal identifiable information on their platform. Pala Interactive provides the player account management service to Betway.
3. On December 2, 2021, Betway provided an incident report to the Commission and provided that Pala Interactive identified the duplicate accounts and closed them. Pala Interactive confirmed the information for both accounts matched and that the configuration enabled on Betway’s platform that should have blocked the duplicate account creation failed.

**COUNT II**

4. 68 IAC 27-13-5 provides each sports wagering operator shall establish and maintain a self-exclusion program for patrons specific to that sports wagering operator. The sports wagering operator specific self-exclusion program is separate from the Commission's statewide Internet self-restriction program.
5. 68 IAC 27-5-2(2)(G) provides that the internal controls for the sports wagering system shall provide procedures for sports wagering operator-imposed exclusion of patrons, including: (i) providing a notification containing operator-imposed exclusion status and general instructions for resolution; (ii) ensuring that immediately upon executing the operator-imposed exclusion order, no new wagers or deposits are accepted from the patron, until such time as the operator-imposed exclusion has been revoked; and (iii) ensuring that the patron is not prevented from withdrawing any or all of the patron's account balance,

provided that the sports wagering operator acknowledges that the funds have cleared, and that the reason or reasons for exclusion would not prohibit a withdrawal.

6. Betway's approved internal control procedures, Exhibit 9 – Section 7-2, describe the procedures for account closure and include procedures on the Operator Exclusion Program (“OEP”).
7. On December 27, 2021, Betway provided an incident report to the Commission regarding a violation of the operator self-exclusion program.
8. On October 7, 2021, a patron requested a five (5) year operator self-exclusion from Betway, resulting in his account being changed to self-excluded and restricting the functionality to login, deposit or wager.
9. On October 12, 2021, the patron's account was incorrectly re-activated allowing the patron to login, deposit, wager and withdraw. Betway provided that the reactivation occurred due to a bug identified related to the know your customer (KYC) re-verification functionality available in the Pala Interactive back-office system. Pala Interactive's back office has the capability to re-trigger an electronic KYC verification check directly from the system to facilitate periodic and ad hoc re-verification. This feature mimics the real-time KYC check carried out during new player registration and sends the information to IDology to verify the registered personal details. The report stated that this function is not supposed to make changes to the account status, however, due to an error in the functionality, a pass response received from IDology resulted in the system automatically changing the account status from self-excluded to active.
10. During November 27, 2021, and November 29, 2021, the patron was able to deposit \$7,700, withdrawal \$3,302.65 and had \$19,851.59 in pending withdrawals which were ultimately resolved.
11. On November 30, 2021, the iGaming Security Team identified these issues and immediately closed the account. Pala Interactive identified a fix to ensure this does not re-occur.

### **TERMS AND CONDITIONS**

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

Pala shall pay to the Commission a total of \$2,500 (\$1,500 for Count I and \$1,000 for Count II) 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, Pala agrees to promptly remit payment in the amount of \$2,500 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.

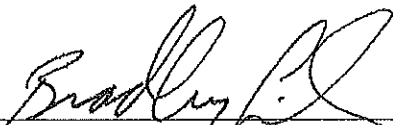
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by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

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

6/27/2022  
Date

  
\_\_\_\_\_  
Bradley Gibson, CFO  
Pala Interactive, LLC

June 14, 2022.  
Date