

**ORDER 2024-120
IN RE SETTLEMENT AGREEMENT
RUSH STREET INTERACTIVE IN, LLC
24-RS-01**

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

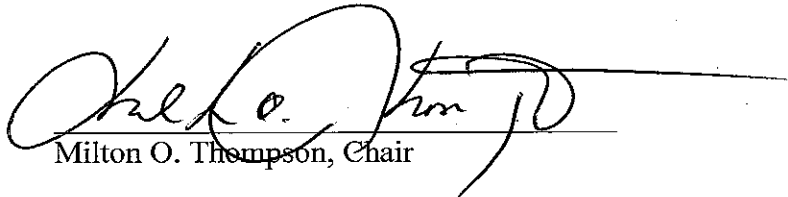
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 26th DAY OF SEPTEMBER, 2024

THE INDIANA GAMING COMMISSION:



Milton O. Thompson, Chair

ATTEST:



Mike Williams, Commissioner

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
RUSH STREET INTERACTIVE IN, LLC)	24-RS-01
d/b/a BETRIVERS)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Rush Street Interactive IN, LLC d/b/a BetRivers (“BetRivers”), (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 27-1-2(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 (VEP) status as defined under 68 IAC 6-3 or has signed up for the statewide internet self-restriction program (ISRP).
2. 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.
3. 68 IAC 6-3-4(a) provides 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.
4. 68 IAC 6-3-4(b)(3) provides the internal controls must, at a minimum, address that the casino licensee must refuse wagers from and deny gaming privileges to any voluntarily excluded person.
5. 68 IAC 27-5-2(2)(F) provides prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for procedures to prevent wagering by prohibited sports wagering participants.
6. 68 IAC 27-13-4(a) provides a sports wagering operator shall make all reasonable attempts to ensure that prohibited sports wagering participants do not receive direct marketing from the sports wagering operator.
7. 68 IAC 27-13-4(b) A sports wagering operator will satisfy this requirement if the sports wagering operator removes the prohibited sports wagering participant's name from the list of patrons to whom direct marketing materials are sent, and the prohibited sports wagering participant does not receive direct marketing materials more than forty-five

(45) days after the sports wagering operator receives notice identifying the prohibited sports wagering participant.

8. BetRivers' approved internal controls procedures, N-1, describe the process for prohibited participants.
9. The process for uploading the prohibited participant list between French Lick Resort Casino ("French Lick") and BetRivers involves French Lick receiving the information from the Commission and then French Lick uploads the list to an SFTP site which includes an agreed upon file name and formatting. BetRivers then pulls the list from the SFTP site and executes the handling process.
10. BetRivers also provided that the file name and format were agreed upon with French Lick, and the files were uploaded weekly (Thursday or Friday, depending on French Lick staffing or processing on their side). The BetRivers SFTP server did not process a file if it was not specifically named. BetRivers did not have a process in place to confirm the exclusion list was properly processed.
11. INCIDENT #1 - On January 24, 2024, the Commission received an incident report from BetRivers detailing an incident with a prohibited participant. The report provided that from January 12, 2024, through January 23, 2024, a prohibited participant was able to deposit, wager and withdraw from their account. While investigating an "exclusion handling error" with the uploaded prohibited participant list, BetRivers realized that the list being uploaded did not have the required file name.
12. On January 12, 2024, and January 19, 2024, prior to uploading the prohibited participant list, the file name was not updated by French Lick to the required "BetRivers_upload.csv" and BetRivers was not notified of the change. The SFTP folder contained a previous 'BetRivers_upload' file from Friday, January 5th, and the new file named "Prohibited Patron List_upload.csv". The January 12th and January 19th file uploads were not processed by the system due to the incorrect naming convention. BetRivers's exclusion handling process continued to utilize the 'BetRivers_upload' file from January 5, 2024, until this error was noticed on January 23, 2024.
13. The Director of Yield Revenue from French Lick stated the only difference between the file was the file name. The Director of Yield Revenue provided that the only thing that was changed was the file name. This was due to another operator coming online with French Lick and rather than have two (2) files with two (2) different names, French Lick decided to change the name and use that same file name for both operators. French Lick did not notify BetRivers that the file name was changing. French Lick also stated only the file name changed. French Lick provided they did not change the formatting. BetRivers stated the SFTP server will ignore any files that are not specifically named.
14. Upon discovery of the incorrect file name, the file was updated by French Lick on January 23, 2024, to include the correct 'BetRivers_upload' format and the system was able to correctly process the exclusion handling. Once updated, a patron that was added to the prohibited participant list on January 12, 2024, was flagged. The patron's account

was determined to have activity during this time. The patron deposited \$3,734.25, wagered \$13,659.56, won \$11,976.09, and withdrew \$2,054.05.

15. INCIDENT #2 - On Friday, February 9, 2024, BetRivers pulled the weekly List from the SFTP site which had been uploaded by French Lick, however, when the BetRivers system parsed through the file line-by-line and processed any self-exclusions for players listed on the prohibited participant list it could not be completely processed as lines 2-259 of the report were unable to be parsed. This issue was discovered by the BetRivers team in the early morning hours of Monday, February 12, 2024.
16. As a result of the inability to parse lines 2-259 of the List for February 9, 2024, if a patron had an account with BetRivers and was on the prohibited participant list, they would be flagged as Excluded in the system. Due to the nature of the prohibited participant list format, the list only contained patrons that are excluded. Therefore, if someone was removed from the Commission's prohibited participant list, they were assumed to be no longer excluded and the exclusion was removed in the system. Additionally, BetRivers provided if a file was not properly formatted, players may have their exclusion removed due to the system's inability to properly parse lines that were not formatted (i.e., information missing, different headers/data, etc.). If a file was improperly named, the system would not process the file.
17. On February 9, 2024, when BetRivers pulled the prohibited participant list from the SFTP site it was unaware that at this time 175 exclusions were removed even though these individuals remained active prohibited participants by the Commission. When the 175 individuals were removed, they all received an automated email notifying them that their ban had been lifted. The email contained the following verbiage: "Your account information has recently changed. Changed Information: Exclusion has been lifted for your account. If have not requested this change, have questions or need further assistance, please visit the help center, email or chat."
18. One (1) of the prohibited participants reported receiving this email to the Commission and the prohibited participant reported being distraught that his exclusion had been lifted as he was happy to be excluded and his recovery had been difficult.
19. Neither French Lick nor BetRivers have a copy of the uploaded file from February 9th for comparison with the February 12th upload. The upload from February 12th is available. An error report from BetRivers identified errors on the February 9th list for lines 2-259, but without the February 9th list, there was no way to compare the uploads to see what might have caused the errors. The system overwrites the file when a new file is uploaded.
20. While BetRivers was investigating the errors from the February 9th upload on February 12, 2024, the list was re-uploaded by French Lick to the SFTP site and at this time, 173 exclusions were re-added to player accounts and excluded again. Two (2) of the accounts were for patrons that had been removed from the prohibited participant list, so this accounts for the discrepancy in numbers.

21. By email dated February 20, 2024, Ted Cotman of French Lick informed BetRivers that the February 9th upload was reuploaded on February 12th as a result of French Lick working through Commission update procedures for the prohibited patrons list.
22. Sixteen (16) players deposited funds to their account, eighteen (18) players placed wagers, and three (3) withdrew funds following the exclusion removal on February 9, 2024. The total amount deposited was \$10,564, the total amount wagered was \$39,764.75 and the total amount withdrawn was \$5,469.51.
23. Enrollment dates ranged from August 5, 2020, to January 8, 2024. The minimum amount deposited was \$36 and the highest amount deposited was \$2,479. The minimum amount wagered was \$50 and the highest amount wagered was \$15,516.77.
24. BetRivers referred to this as an “exclusion handling error.” BetRivers believed that the format of the file that was uploaded by French Lick had errors or was not correctly formatted with the proper columns/information. The “exclusion handling error” was referencing the errors found while parsing the list that was uploaded by French Lick on February 9, 2024. BetRivers’s logs indicated that rows 2 to 259 had errors. When the new list was uploaded by French Lick on February 12, 2024, the errors were cleared.
25. As a result of these incidents, BetRivers has implemented procedures to quickly detect errors with processing the exclusion list from occurring in the future. It has also disabled the automated email that was generated to a patron when removed from the list.

TERMS AND CONDITIONS

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

BetRivers shall pay to the Commission a total of \$54,000, submit a correction action plan on what procedures and/or controls they intend to put into place to ensure this type of violation does not reoccur and refund all current balances to prohibited participants 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, BetRivers agrees to promptly: 1) remit payment in the amount of \$54,000, 2) submit a corrective action plan on what procedures and/or controls they intend to put into place

to ensure this type of violation does not reoccur, 3) refund all current balances to prohibited participants and 4) 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.

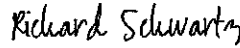
This Agreement shall be binding upon the Commission and BetRivers.

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

September 18, 2024
Date

DocuSigned by:

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Richard Schwartz, President
Rush Street Interactive IN, LLC d/b/a
BetRivers

sep-18-2024
Date