

**ORDER 2024-90
IN RE SETTLEMENT AGREEMENT**

**AMERICAN WAGERING, INC.
24-AW-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 20th DAY OF JUNE, 2024.

THE INDIANA GAMING COMMISSION:


Milton O. Thompson, Chair

ATTEST:


Marc Fine, Commissioner

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
AMERICAN WAGERING, INC.)	24-AW-02
d/b/a CAESARS SPORTSBOOK)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and American Wagering, Inc. d/b/a Caesars Sportsbook (“Caesars Sportsbook”), (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(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.
2. 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.
3. 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.
4. On January 16, 2024, the Commission received a separation from service notification from Caesars Sportsbook through LAM, the Commission’s occupational licensing system. The notification provided that a Sports Sales Executive had a separation date of September 23, 2023. The notification was one hundred (100) days past the separation date. The Commission was not notified in a timely manner.
5. On January 18, 2024, the Commission received a separation from service notification from Caesars Sportsbook through LAM, the Commission’s occupational licensing system. The notification provided that a Customer Support Agent had a separation date of October 20, 2023. The notification was received seventy-five (75) days past the separation date. The Commission was not notified in a timely manner.

COUNT II

6. 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.

7. 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.
8. 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.
9. 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.
10. On November 9, 2023, the Commission notified Caesars Sportsbook of their three-year licensing reinvestigation requirements. This included eleven (11) PD1R's and the Gaming Entity reinvestigation form. The due date for all materials was January 19, 2024.
11. On January 18, 2024, Caesars Sportsbook requested an extension until January 26, 2024. The Commission granted the extension request.
12. On January 29, 2024, Caesars Sportsbook filed the applications with the Commission, but noted some fingerprints were missing in the submission.
13. On February 1, 2024, the Commission notified Caesars Sportsbook that seven (7) of the PD1R applications were determined to be incomplete. Three (3) submissions were sent without the application form file. Caesars Sportsbook did not respond to the email from the Commission.
14. On February 9, 2024, the Commission followed up on the missing information with Caesars Sportsbook. Caesars Sportsbook provided that they were close to having all of the items addressed and would provide an update on February 12, 2024.
15. On February 16, 2024, the Commission followed up on the missing information with Caesars Sportsbook, as no update was received by on or after February 12, 2024. Caesars Sportsbook provided three (3) of the missing applications, part of a submission and one (1) complete submission.
16. On February 23, 2024, the Commission notified Caesars Sportsbook that six (6) PD1R applications were still incomplete. Caesars Sportsbook acknowledged the email and said they would advise once the applications were completed.
17. On March 4, 2024, the Commission's Director of Financial Investigations directly contacted Caesars Sportsbook's SVP & Assistant General Counsel, Regulatory &

Compliance to list all the outstanding issues with the application and to be clear that the Commission was disappointed with that Caesars Sportsbook was submitting incomplete application and after four (4) months, applications were still incomplete. The SVP & Assistant General Counsel, Regulatory & Compliance responded, echoed the concerns of the Commission, and advised it would be addressed as soon as possible.

18. On March 6, 2024, Caesars Sportsbook provided the missing information to the Commission. One (1) application still had some items missing.
19. On March 11, 2024, Caesars Sportsbook provided the missing information to the Commission for the final application.
20. Seven (7) of the required reinvestigation applications were forty-two (42) days late.

COUNT III

21. IC 4-38-3-1(8)(A) requires rules establishing geofence standards concerning where a wager may and may not be placed, including only placing wagers within the boundaries of Indiana.
22. 68 IAC 27-11-1(a) provides in order to prevent unauthorized use of the Internet or a mobile device to place a sports wager when a patron is not within the state of Indiana, the sports wagering operator shall utilize a geofence system to reasonably detect the physical location of a patron attempting to access the online sports wagering system and place a wager, and to monitor and block unauthorized attempts to access the online sports wagering system in order to place a wager when a patron is not within the permitted boundary. (b)The executive director shall approve technical specifications for geolocation systems and any specific requirements related to geofence technology.
23. On April 15, 2024, the Commission began an investigation upon receiving an email notification from Caesars Sportsbook that they had discovered that there were possible wagers placed by iOS users on Wi-Fi that did not have a corresponding geolocation check.
24. On April 12, 2024, Caesars Sportsbook's Internal Monitoring discovered that an internal change was made to remove the F5 load balancer from the Caesars AWS solution. This configuration resulted in the loss of logic designed to extract the correct public IP address for iOS users utilizing Wi-Fi. This use case did not affect Android or website users. Nor did it affect iOS users wagering via mobile data. Due to this misconfiguration, patrons on iOS for this specific use case were potentially able to wager outside of the jurisdiction. The root cause of the issue was the AWS configuration resulting in iOS devices on Wi-Fi being seen as an internal IP rather than a public IP. This allowed iOS Wi-Fi users to bypass geolocation checks.
25. Caesars Sportsbook subsequently reverted the change, reintroducing the F5 load balancer to the Caesars AWS solution, ensuring the previous configuration was applied back to

AWS. Caesars Sportsbook confirmed that iOS users on Wi-Fi were presenting the public IP address as originally designed and no longer bypassing geolocation checks.

26. Caesars Sportsbook provided that three (3) wagers were taken with no geolocation check during this time period and requested to void the wagers.

COUNT IV

27. 68 IAC 15-6-4(b) provides vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.
28. 68 IAC 15-6-4(e) provides the vendor and visitor log shall contain the following information:
- (1) The name of the vendor or visitor.
 - (2) The company or organization the vendor or visitor represents.
 - (3) The date and time the vendor or visitor entered the casino.
 - (4) The purpose that necessitates the vendor or visitor entering the casino.
 - (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.
 - (6) If the person is a visitor, the individual who authorized the visitor's presence in the casino.
 - (7) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
29. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses and the usage of the vendor log which states vendor and visitor badges are not to be utilized by those who hold or should hold an individual license. If individuals referenced above attempt to access the gaming floor using a vendor or visitor badge, casino staff should assist in the matter by refusing entry and directing the individuals to local Gaming Agents for assistance.
30. On April 1, 2024, a Gaming Agent conducted a vendor log audit for Bally's Evansville for February and March 2024.
31. On February 28, 2024, a Caesars Sportsbook Field Technician was issued a temporary gaming badge from a Security Officer. The Field Technician worked on a vendor badge instead of his Commission issued badge.
32. On March 1, 2024, a Caesars Sportsbook Field Technician and a Caesars Sportsbook Manager were issued temporary gaming badges from a Security Officer. The Field Technician and Sportsbook Manager worked on a vendor badge instead of their Commission issued badges.

TERMS AND CONDITIONS

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

Caesars Sportsbook shall pay to the Commission a total of \$16,000 (\$1,000 for Count I, \$10,500 for Count II, \$2,500 for Count III and \$2,000 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, Caesars Sportsbook agrees to promptly remit payment in the amount of \$16,000 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 Caesars Sportsbook.

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

Greg Small

Greg Small, Executive Director
Indiana Gaming Commission

5/24/24

Date

Jeffrey Hendricks

Jeffrey Hendricks, SVP & Assistant General
Counsel, Regulatory & Compliance
American Wagering, Inc. d/b/a Caesars
Sportsbook

5/13/24

Date