

TITLE 68 INDIANA GAMING COMMISSION

Emergency Rule
LSA Document #19-_____(E)
DIGEST

Temporarily adds emergency rules regarding sports wagering. Statutory authority: IC 4-38-3-1; IC 4-38-3-2. Effective MONTH _____, 2019.

CHAPTER 1. GENERAL REQUIREMENTS AND DEFINITIONS.

SECTION 1. This DOCUMENT applies to sports wagering.

SECTION 2. The definitions in IC 4-33, IC 4-35, IC 4-38, and 68 IAC apply throughout this DOCUMENT.

SECTION 3. “ACH” means Automated Clearing House, which is a network that connects all banking and financial institutions within the United States.

SECTION 4. “Affiliate” means an individual or entity that promotes sport wagering websites in exchange for a commission or fee.

SECTION 5. “Age and identity verification” means a method, system, or device used by a sports wagering operator to verify the validity of a patron’s age and the patron’s identity.

SECTION 6. “Authentication process” means a method used by a sports wagering system to verify the validity of software.

SECTION 7. “Cancelled wager” means a wager that has been cancelled by the sports wagering system due to an issue with an event that prevents the wager’s completion.

SECTION 8. The “Division” means the Sports Wagering Division of the Indiana Gaming Commission.

SECTION 9. “Dormant account” means a sports wagering patron account that has had no login or wagering activity for a period of three (3) years.

SECTION 10. “Event number” means a set of alpha or numeric or both characters that correspond to a sports event or an event ancillary to a sports event.

SECTION 11. “Good cause” as set forth in IC 4-38-9-4 includes, but is not limited to, information provided by a sports governing body that indicates a specific and credible threat to the integrity of sports wagering which is beyond the control of the sports governing body to preemptively remedy or mitigate.

SECTION 12. “Independent integrity monitoring provider” means an independent individual or entity approved by the executive director or executive director’s designee to receive reports of unusual betting activity from a sports wagering operator for the purpose of assisting in identifying suspicious wagering activity.

SECTION 13. “Kiosk” means an automated device that may be used for sports wagering voucher and ticket processing and automated functions as approved by the Commission.

SECTION 14. “Layoff wager” is a wager placed by a sports wagering operator with another sports wagering operator for the purpose of offsetting patron wagers.

SECTION 15. “Multi-factor authentication” means a type of strong authentication that uses two of the following to verify a patron’s identity:

- (1) Information known only to the patron, such as a password, pattern or answers to challenge questions;
- (2) An item possessed by a patron such as an electronic token, physical token or an identification card; or
- (3) A patron’s biometric data, such as fingerprints, facial or voice recognition.

SECTION 16. “Patron” means an individual participating in sports wagering activities conducted pursuant to IC 4-38.

SECTION 17. “Prohibited sports wagering participant” means any of the following individuals:

- (1) An individual that is prohibited under IC 4-38 from participating in sports wagering;
- (2) An individual listed on the commission’s exclusion list kept pursuant to 68 IAC 6-1 or has a voluntarily excluded person status as defined under 68 IAC 6-3.
- (3) An individual that has signed up for statewide internet self-restriction; or
- (4) An individual whose participation may undermine the integrity of the wagering or the sports event or who is excluded from wagering for other good cause, including but not limited to, an attempt to place a wager as an agent or a proxy.

SECTION 18. “Proxy server” means a computer server that allows a patron to disguise his or her computer's geolocation, which is the real-world geographic location of a patron, when accessing a sports wagering operator’s sports wagering platform.

SECTION 19. “Secure transaction file” means a file that contains data, which cannot be modified without detection.

SECTION 20. “Sports governing body” means an organization that prescribes final rules and enforces codes of conduct with respect to a sporting event, member clubs and participants therein.

SECTION 21. “Sports wagering account” means an account established by a sports wagering operator for an individual patron to use for online sports wagering.

SECTION 22. “Sports wagering lounge” means a designated area in a licensed facility where sports wagering is conducted.

SECTION 23. “Sports wagering operator” means a certificate holder or vendor licensed to conduct sports wagering.

SECTION 24. “Sports wagering operation” means the business of accepting wagers pursuant to IC 4-38 at a licensed facility, online, or by mobile device.

SECTION 25. “Sports wagering patron session means a period of time when a patron is logged on to an internet or mobile sports wagering system.

SECTION 26. “Sports wagering patron funds” means the cash or cash equivalents that are owned by the sports wagering patrons, are maintained in segregated patron accounts, and are not commingled with the sports wagering operator’s operational funds.

SECTION 27. “Sports wagering registrant” means an individual or entity that is contracted to provide goods or services that the commission determines affects the conduct of sports wagering, but falls outside of the scope of a supplier license under IC 4-33-7 or a sports wagering service provider license under IC 4-38-7.

SECTION 28. “Sports wagering system” means all equipment and software used in conjunction with the sports wagering operation, including but not limited to, the following: (1) sports wagering interactive components, including all hardware, software and associated equipment that comprise the sports wagering platform for the purpose of authorizing sports wagering and online and mobile sports wagering; (2) self-service kiosks; and (3) ticket/voucher redemption devices.

SECTION 29. “Strong authentication” means a method that has been demonstrated to the satisfaction of the Division to effectively provide higher security than a user name and password alone.

SECTION 30. “Supplier” means a person who holds a supplier’s license under IC 4-33-7 and 68 IAC 2-2.

SECTION 31. “Suspicious wagering activity” means unusual wagering activity which cannot be explained and is indicative of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.

SECTION 32. “Ticket” means a printed record issued or an electronic record maintained by the sports wagering system that evidences a sports wager.

SECTION 33. “Unusual wagering activity” means abnormal wagering activity exhibited by patrons and deemed by a sports wagering operator as a potential indicator of suspicious wagering activity. Unusual wagering activity may include the size of a patron’s wager or increased wagering volume on a particular event or wager type.

SECTION 34. Deviation from provisions. The executive director may approve deviations from the provisions of this DOCUMENT upon written request if the executive director determines that:

- (1) the requirement or procedure is impractical or burdensome; and
- (2) the alternative means of satisfying the requirement or procedure:
 - (A) fulfills the purpose of the IC 4-38;
 - (B) is in the best interest of the public and sports wagering in Indiana; and
 - (C) does not violate IC 4-38.

CHAPTER 2. LICENSURE

SECTION 1. Certificate of authority application fee. (a) An applicant for a certificate of authority must pay a nonrefundable application fee in the amount of one hundred thousand dollars (\$100,000) with the certificate of authority application.

(b) All fees shall be submitted to the commission in the form of a certified check or cashier's check made payable to the state of Indiana.

SECTION 2. Vendor application fee. (a) An applicant for a vendor license must pay a nonrefundable application fee in the amount of one hundred thousand dollars (\$100,000) with the vendor application.

(b) All fees shall be submitted to the commission in the form of a certified check or cashier's check made payable to the state of Indiana.

SECTION 3. Sports wagering service provider application fee. (a) An applicant for a sports wagering service provider registration must pay a nonrefundable application fee in the amount of ten thousand dollars (\$10,000) with the sports wagering service provider application.

(b) All fees shall be submitted to the commission in the form of a certified check or cashier's check made payable to the state of Indiana.

SECTION 4. Applications. (a) An applicant for a certificate of authority, vendor license or sports wagering service provider license must complete and submit the appropriate forms prescribed by the commission.

(b) Application procedures shall be as follows:

(1) An applicant is seeking a privilege and assumes and accepts any and all risk of adverse publicity, notoriety, embarrassment, criticism, or other action or financial loss that may occur in connection with the application process or the public disclosure of information requested. The applicant expressly waives any claim for damages that may result from the application process.

(2) A misrepresentation or omission made with respect to an application may be grounds for denial of the application.

(3) An applicant must submit a fully-executed original application.

(4) An applicant for a certificate of authority and vendor license must submit a Personal Disclosure Form 1 for a substantial owner, key person, or other person that the commission deems necessary to allow the commission to ensure that the applicant meets the statutory criteria for licensure.

(5) An application is deemed filed when the commission has received the completed application forms, including the information that the commission has required.

(6) The completed applications must be filed as follows:

(A) In the commission's office in Indianapolis, Indiana.

(B) Prior to the expiration of appropriate deadlines established and published by the commission.

(7) An applicant is under a continuing duty to disclose any changes in the information submitted to the commission.

(c) After the commission receives a completed application and the required application fee, the commission may issue the applicant a temporary license.

SECTION 5. Renewal of license. (a) A certificate of authority and vendor's license shall be renewed in accordance with IC 4-38 on a form prescribed by the commission.

(b) A sports wagering operator shall submit its renewal fee with a statement indicating its intent to continue sports wagering operations at least thirty (30) days before the expiration of the license.

(c) A sports wagering operator shall undergo a complete investigation every three (3) years to determine that the sports wagering operator remains in compliance with this DOCUMENT and IC 4-38.

(d) The commission may refuse to renew a certificate of authority or vendor's license if the sports wagering operator no longer meets the requirements set forth in this DOCUMENT or IC 4-38.

SECTION 6. Request for hearing on notice of denial or nonrenewal. (a) An applicant, certificate holder, vendor or sports wagering service provider licensee who is served with a notice of denial or nonrenewal under this DOCUMENT may request a hearing under 68 IAC 7.

(b) If the applicant, certificate holder, vendor or sports wagering service provider licensee does not timely request a hearing, the notice of denial or nonrenewal becomes the final order of the commission denying the application or not renewing the certificate or license.

SECTION 7. Revocation, suspension, and disciplinary action. (a) The commission or executive director may take any action against a certificate of authority holder, vendor or sports wagering service provider licensee at any time, including, but not limited to:

(1) revocation; or

(2) suspension of the certificate or license at any time that the commission or executive director determines the certificate holder or licensee is in violation of IC 4-33, IC 4-35, IC 4-38, this DOCUMENT, or if such action is in the best interest of Indiana and will protect and enhance the credibility and integrity of sports wagering operations.

(b) If the commission determines that a certificate holder or licensee is in violation of IC 4-33, IC 4-35, IC 4-38 or this DOCUMENT, the commission may take action as the commission deems necessary, including commencing disciplinary proceedings assessing monetary penalties.

(c) A certificate of authority holder, vendor or sports wagering service provider licensee who is served with a revocation, suspension, or monetary penalty under this DOCUMENT may request a hearing under 68 IAC 7.

SECTION 8. Duty to maintain suitability, duty to disclose; transfer of ownership interest.

(a) A certificate holder, vendor licensee and sports wagering service provider licensee have a continuing duty to maintain suitability for licensure. A certificate of authority or license does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for licensure.

(b) Certificate holders and vendor or sports wagering service provider licensees shall notify the commission of a material change in the information submitted in the application, or a matter that renders the licensee ineligible to hold a certificate of authority or vendor or sports wagering service provider license.

(c) An ownership interest in a certificate of authority or vendor license shall not be transferred unless the transfer complies with 68 IAC 5.

SECTION 9. Reporting of interest in a license. (a) As used in this DOCUMENT, "interest" has the meaning set forth in IC 4-33-10-2.1(h).

(b) As used in this DOCUMENT, "publicly traded corporation" has the meaning set forth in 68 IAC 5-1-1(b)(2).

(c) A sports wagering operator or applicant that is not a publicly traded corporation must file a quarterly report that sets forth those persons who hold an interest in the certificate of authority or vendor's license.

(d) The quarterly report must be filed, in the formats directed by the executive director or the executive director's designee, by the fifteenth day of the month following the close of the quarter based on the calendar quarter. The executive director may require a sports wagering operator to file the report at any other time that the executive director determines it is necessary to ensure compliance with IC 4-33-10-2.1.

(e) The report must be filed with the following persons:

- (1) The directors of background and financial investigations for the commission.
- (2) The Indiana election division.

SECTION 10. Reporting requirements. (a) A publicly traded corporation that is a sports wagering operator or applicant that files:

- (1) Form 13-G;
- (2) Form 4;
- (3) Form 10;
- (4) Form 10-Q;
- (5) Form 10-K;
- (6) Form 8-K;
- (7) Form 1-A;
- (8) Registration Statement S-1;
- (9) Registration Statement SB-2;
- (10) Registration Statement 10-SB;
- (11) Report 10-KSB;
- (12) Report 10-QSB;
- (13) Schedule 13e-3;
- (14) Schedule 14D-9; or
- (15) any filing required by Rule 14f-1 promulgated under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.); shall notify the directors of background and financial investigations for the commission within ten (10) business days of filing the document with the Securities and Exchange Commission.

(b) A publicly traded corporation that is a sports wagering operator that receives any material document filed with the Securities and Exchange Commission by any other person relating to the publicly traded corporation shall, within ten (10) business days following receipt, file one (1) copy of the document with the commission.

(c) A publicly traded corporation that is a sports wagering operator shall do the following:

- (1) File a list of record holders and beneficial owners of its voting securities with the commission annually.
- (2) Report to the commission the election or appointment of any director, executive officer, or any other officer of the licensee, holding company, or intermediary company thereof who is actively and directly engaged in the administration or supervision of the sports wagering operator.
- (3) Advise the commission, in writing, that a key person or substantial owner of the publicly traded corporation has disposed of any of the publicly traded corporation's voting securities by the fifteenth day of the month following the transaction.

(d) A sports wagering operator, intermediary, or holding company thereof shall file any other document requested by the commission to ensure compliance with IC 4-33, IC 4-35, IC 4-38 or this document within thirty (30) days or any other time established by the commission.

SECTION 11. Supplier licensing related to sports wagering. An applicant for a supplier license, or a currently licensed supplier licensee, under IC 4-33-7 and 68 IAC 2-2, that offers sports wagering system components or services is also subject to IC 4-38 and this DOCUMENT.

SECTION 12. Occupational Licensing. (a) All key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.

(b) 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 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.
- (c) If a sports wagering operator experiences an unexpected vacancy in a position that requires a Level 1 license, the executive director may grant emergency relief by permitting the licensee to fill the vacancy, for up to thirty (30) days, with an individual who has not submitted a license application. For the executive director to grant emergency relief, the following must occur:

- (1) The licensee must submit a written request that includes, at a minimum:
 - (A) the name of the replacement;
 - (B) the professional qualifications of the replacement;
 - (C) the gaming licensure history of the replacement, including a detailed description of any disciplinary actions or investigations in another jurisdiction; and
 - (D) a detailed explanation of why the replacement must begin his or her job duties prior to submitting an application.
 - (2) The executive director shall determine whether:
 - (A) continued vacancy of the position is likely to have a significant detrimental effect on the:
 - (i) profitability of;
 - (ii) integrity of; or
 - (iii) tax revenues gained from; sports wagering; and
 - (B) based on the information available at the time, the replacement is likely to be deemed suitable for licensure following submission of an application and a full investigation.
- (d) 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.

SECTION 13. Request for review of or hearing on notice of denial or nonrenewal of occupational license. (a) An occupational licensee applicant who is served with a notice of denial or nonrenewal may request a hearing on the notice of denial or nonrenewal under 68 IAC 7.

(b) If the applicant does not request a waiver or a hearing on the notice of denial or nonrenewal, the denial or nonrenewal becomes the final order of the commission denying the application for an occupational license.

SECTION 14. Sports wagering manager. A sports wagering operator shall have at least one manager level position designated as a Level 1 occupational licensee.

SECTION 15. Sports wagering registration requirement. (a) An individual or entity that is contracted to provide goods or services that the executive director or executive director's designee determines affects the conduct of sports wagering, but falls outside of the scope of a supplier license under IC 4-33-7 or a sports wagering service provider under IC 4-38-2-20, shall be required to register with the commission as a sports wagering registrant.

(b) Affiliates that provide marketing or other services meant to promote sport wagering websites shall register with the commission pursuant to this SECTION.

(c) After a determination made by the executive director or executive director's designee, an entity or individual must complete and submit the appropriate forms prescribed by the commission.

(d) A registration shall not be considered by the commission unless a sports wagering operator:

- (1) provides a letter of intent to use the goods or services of the registrant; and
- (2) provides evidence of conducting due diligence regarding the:
 - (A) criminal history;
 - (B) character; and
 - (C) reputation;of the sports wagering registrant.

SECTION 16. Sports wagering registrant applications. (a) An application for a sports wagering registration must include a nonrefundable application fee of five hundred dollars (\$500) to the commission.

(b) The sports wagering registrant shall pay an annual nonrefundable certificate of registration renewal fee of five hundred dollars (\$500) and shall submit a renewal application prescribed by the commission annually. Payment and the renewal application must be remitted to the commission no less than thirty (30) days prior to the expiration of the registration. Failure to do so may result in denial of a request for certificate of registration renewal.

SECTION 17. Determination of suitability for sports wagering registrants. (a) A sports wagering registrant shall at all times conduct themselves in a manner that does not compromise the integrity of sports wagering in Indiana, tarnish the image and reputation of the state of Indiana, or reflect poorly on an Indiana sports wagering operator. In making this determination, the commission may consider the following:

- (1) Criminal records.
- (2) Suspension of licenses, registration certificates, or their equivalent, or any other adverse actions in other jurisdictions.
- (3) Business reputation.
- (4) Associations with businesses and individuals.
- (5) Compliance with sports wagering laws and regulations in Indiana and other jurisdictions.
- (6) Any other factors as the commission deems appropriate.

(b) A certificate of registration does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for registration. If the commission determines that a sports wagering registrant is no longer suitable, the commission may initiate a disciplinary action to revoke, restrict, suspend, or not renew the certificate of registration or take such other action as the commission deems necessary, including action upon the sports wagering operator

(c) If the commission finds a sports wagering registrant to be unsuitable, the registration is thereupon canceled. A sports wagering operator shall, upon written notification of a finding of unsuitability, immediately terminate all relationships, direct or indirect, with such sports wagering registrant. No determination of suitability of a sports wagering registrant shall preclude a later determination by the commission of unsuitability.

(d) Sports wagering registrants have a continuing duty to notify the commission of any change in information previously submitted to the commission. Written notification must be submitted within ten (10) calendar days of the change or the occurrence of the event.

SECTION 18. Conducting business in prohibited jurisdictions; black market. (a) When determining whether an applicant, certificate holder, vendor licensee, supplier licensee, sports wagering service provider licensee, or sports wagering registrant is suitable for licensure or certification in Indiana, the commission will consider whether or not the applicant, certificate holder, vendor licensee, supplier licensee, sports wagering service provider licensee, or sports wagering registrant conducts business in prohibited jurisdictions, including but not limited to countries embargoed and sanctioned by the United States, or with known black market operations.

(b) If the commission determines that an applicant, certificate holder, vendor licensee, supplier licensee, sports wagering service provider licensee, or sports wagering registrant is in violation of this SECTION, the commission shall commence a suitability review which may result in disciplinary action under 68 IAC 13.

CHAPTER 3. GENERAL REQUIREMENTS FOR SPORTS WAGERING OPERATORS

SECTION 1. Reserve requirement. A sports wagering operator shall maintain a cash reserve of not less than the greater of \$500,000 or the amount necessary to ensure the ability to cover the outstanding sports wagering liability.

SECTION 2. System assessment. Each sports wagering operator shall, prior to commencing operations and annually thereafter, perform a system integrity and security assessment of sports wagering systems and online sports wagering systems conducted by an independent professional selected by the licensee and subject to approval of the executive director or executive director's designee. The independent professional's report on the assessment shall be submitted to the Commission and shall include:

- (1) Scope of review;
- (2) Name and company affiliation of the individual(s) who conducted the assessment;
- (3) Date of assessment;
- (4) Findings;
- (5) Recommended corrective action, if applicable; and
- (6) The operator's response to the findings and recommended corrective action.

SECTION 3. Patron complaints. A sports wagering operator shall attempt to resolve all patron disputes with the patron. A sports wagering operator shall investigate each patron complaint and provide a response to the patron within five (5) calendar days. For complaints that cannot be resolved to the satisfaction of the patron, related to patron accounts, settlement of wagers, and illegal activity, a copy of the complaint and licensee's response, including all relevant documentation, shall be provided to the Division, as applicable.

SECTION 4. Sports wagering transactions. To conduct sports wagering retail transactions, a sports wagering operator shall submit a plan to the commission that meets the requirements 68 IAC 12-1-5, and shall be approved by the executive director or executive director's designee. Sports wagering transactions shall be conducted from:

- (1) A sports wagering lounge counter located in the sports wagering lounge or other window locations as approved by the executive director or executive director's designee;
- (2) Kiosks in locations as approved by the executive director or executive director's designee; or
- (3) When the sports wagering lounge counter is closed, a designated window in the cashier's cage for the redemption of winning tickets only.

SECTION 5. Security requirement. (a) Sports wagering operations within a licensed facility shall be designed to promote optimum security of the licensed facility, and shall include the installation and maintenance of security and surveillance equipment, including closed circuit television equipment, pursuant to the requirements set forth in 68 IAC 12-1 and any other specifications approved by the executive director or executive director's designee.

(b) The commission shall have direct access to the system and its transmissions.

(c) Nothing in this SECTION shall preclude the commission from permitting a sports wagering operator to conduct sports wagering, subject to appropriate terms and conditions, in a location other than a sports wagering lounge upon petition of a sports wagering operator.

(d) A sports wagering operator shall submit a surveillance plan for approval by the executive director or executive director's designee prior to accepting wagers in any approved sports wagering lounge or approved kiosk locations in the licensed facility.

CHAPTER 4. SPORTS WAGERING INTEGRITY; CONFIDENTIAL INFORMATION

SECTION 1. Sports wagering integrity; confidential information. (a) A sports wagering operator shall have internal controls in place to identify unusual betting activity and report such activity to an independent integrity monitoring provider.

(b) All independent integrity monitoring providers shall share information with each member and shall disseminate all reports of unusual activity to all member sports wagering operators. All sports wagering operators shall review such reports and notify the independent integrity monitoring provider whether they have experienced similar activity.

(c) If an independent integrity monitoring provider finds that previously reported unusual betting activity rises to the level of suspicious wagering activity, it shall immediately notify all other independent integrity monitoring providers, their member sports wagering operators, the Division, the appropriate sports governing body, and all other regulatory agencies as directed by the Division. All independent integrity monitoring providers receiving a report under this SECTION shall share such report with their member sports wagering operators.

(d) A sports wagering operator must submit a yearly report to the Division which details its integrity monitoring services and summarizes any unusual betting activity or other suspicious wagering activity notifications issued during that time period.

(e) A sports wagering operator receiving a report of suspicious wagering activity shall be permitted to suspend wagering on events related to the report, but may only cancel related wagers after receiving approval from the executive director or the executive director's designee.

(f) If the Division receives a suspicious wagering activity report from an independent integrity monitoring service provider, the Division shall notify the relevant sports governing body as expeditiously as possible.

(g) The Division may require a sports wagering operator to provide any hardware necessary to the Division for evaluation of its sports wagering offering or to conduct further monitoring of data provided by its system.

(h) All information and data received pursuant to this SECTION or this DOCUMENT by the commission related to unusual or suspicious wagering activity shall be considered confidential and shall not be revealed in whole or in part, except upon the lawful order of a court of competent jurisdiction or, with any law enforcement entity, member club, sports governing body, or regulatory agency that the commission deems appropriate.

SECTION 2. Obligation to report certain events. A sports wagering operator shall be subject to the reporting requirements prescribed under 68 IAC 1-5-1.

SECTION 3. Licensing independent integrity monitoring providers. Any independent integrity monitoring provider operating in Indiana must obtain a sports wagering service provider license.

CHAPTER 5. INTERNAL CONTROLS AND HOUSE RULES

SECTION 1. Internal Control Procedures. The internal control procedures in this DOCUMENT are subject to the following:

- (1) Amendment procedures contained within 68 IAC 11-1-4.
- (2) Emergency procedures contained within 68 IAC 11-1-5.

SECTION 2. Internal Controls. Prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for the following:

(a) In the event of a failure of the sports wagering system's ability to pay winning wagers, the sports wagering operator shall have internal controls detailing the method of paying winning wagers. The sports wagering operator shall also file an incident report for each system failure and document the date, time, and reason for the failure along with the date and time the system is restored with the Division.

(b) The internal controls shall address the following items regarding the sports wagering system and online sports wagering systems, at a minimum:

- (1) User access controls for all sports wagering personnel;
- (2) Segregation of duties;
- (3) Automated and manual risk management procedures;
- (4) Procedures for identifying and reporting fraud and suspicious conduct;
- (5) Procedures to prevent wagering by prohibited sports wagering participants;
- (6) Procedures for sports wagering operator-imposed exclusion of patrons, including the following:
 - (A) Providing a notification containing operator-imposed exclusion status and general instructions for resolution;
 - (B) 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
 - (C) Ensuring that the patron is not prevented from withdrawing any or all of their account balance, provided that the sports wagering operator acknowledges that the funds have cleared, and that the reason(s) for exclusion would not prohibit a withdrawal.
- (7) Description of anti-money laundering compliance standards;
- (8) Description of all types of wagers available to be offered by the system;
- (9) Description of process for accepting wagers and issuing payouts, plus any additional controls for accepting wagers and issuing payouts in excess of \$10,000;
- (10) Description of process for accepting multiple wagers from one patron in a twenty-four (24) hour cycle, including process to identify patron structuring of wagers to circumvent recording and reporting requirements;
- (11) Detail the procedure for reconciliation of assets and documents contained in a sports wagering lounge cashier's drawer, sports wagering kiosks, and online sports wagering;
- (12) Procedures for cashing winning tickets at the cage after the sports wagering lounge has closed;
- (13) Procedures for accepting value game chips for sports wagers;
- (14) Procedures for issuance and acceptance of promotional funds for sports wagering;
- (15) Description of all integrated third-party systems;

- (16) Identifying and restricting prohibited sports wagering participants;
 - (17) Instituting a process to close out dormant accounts;
 - (18) If the sports wagering system allows mobile wagering, method for verifying geolocation system to establish patron geographic location;
 - (19) Maintaining the security of identity and financial information of patrons;
 - (20) Withholding child support pursuant to IC 4-38-11;
 - (21) Detailed procedures for the reporting of problem gamblers;
 - (22) Method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), or other approved security feature, when applicable;
 - (23) Methods of patron notification including any password or security modification via electronic or regular mail, text message, or other manner approved by the executive director or executive director's designee. Such methods shall include at a minimum:
 - (A) Proof of identity, if in person;
 - (B) The correct response to two or more challenge questions; or
 - (C) Strong authentication.
 - (24) Example of all terms and conditions for online sports wagering shall be included as an appendix; and
 - (25) Any other internal control deemed necessary by the executive director or the executive director's designee.
- (c) The sports wagering operator shall stamp or otherwise mark each page of the internal control procedures submitted to the commission with the word "CONFIDENTIAL" if the material submitted is not subject to disclosure under IC 4-38 or IC 5-14.

SECTION 3. House rules. (a) A sports wagering operator shall adopt comprehensive house rules, which shall be approved by the executive director or the executive director's designee that include the following, at a minimum:

- (1) Method for calculation and payment of winning wagers;
- (2) Effect of schedule changes;
- (3) Method of notifying patrons of odds or proposition changes;
- (4) Acceptance of wagers at other than posted terms;
- (5) Expiration of any winning ticket one year after the date of the event;
- (6) Requirement to present physical ticket to collect winning wager;
- (7) Method of contacting the sports wagering operator for questions and complaints;
- (8) Description of prohibited sports wagering participants;
- (9) Method of funding a sports wager;
- (10) If the sports wagering operator permits a patron to redeem a winning wagering ticket by mail, patron instructions on how to do so; and
- (11) Maximum payouts; however, such limits shall only be established through limiting the amount wagered and cannot be applied to reduce a winning wager amount.

(b) The house rules, together with any other information the executive director deems appropriate, shall be conspicuously displayed in the sports wagering lounge, posted on the operator's Internet website, and included in the terms and conditions of the sports wagering account and copies shall be made readily available to patrons.

(c) Amendments to the house rules must be approved by the executive director or the executive director's designee.

SECTION 4. Quarterly statements for withholding cash winnings from delinquent child support obligors. The sports wagering operator shall prepare and submit quarterly to the commission a summary of cash winnings withheld under IC 4-38-11. The summary shall include, without limitation, the following information:

- (1) The date on which the sports wagering operator withheld the cash winnings.
- (2) The amount of cash withheld for delinquent child support.
- (3) The amount of cash retained for an administrative fee in accordance with IC 4-38-11.
- (4) The following information from the obligor:
 - (A) Full name.
 - (B) Address.
 - (C) Last four (4) digits of the obligor's Social Security number.
 - (D) The child support case identifier for the case to which the bureau will apply the withheld cash winnings.
 - (E) The name of the person who prepared the summary.
- (5) The sports wagering operator shall prepare and submit quarterly to the commission an updated list of the names of the employees who are authorized to participate in the withholding process.
- (6) These reports shall be deemed confidential.

CHAPTER 6. SPORTS WAGERING SYSTEM REQUIREMENTS

SECTION 1. Certification testing. (a) Prior to conducting sports wagering, the entire sports wagering system used in conjunction with the sports wagering operation shall be submitted to an Indiana approved independent testing laboratory for certification testing pursuant to 68 IAC 2-6.

(b) The Indiana approved independent testing laboratory shall certify that the sports wagering system used in conjunction with the sports wagering operation meets or exceeds the most current version of Gaming Laboratories International's GLI-33 v1.1, Event Wagering Systems, or equivalent standard as approved by the commission, and the standards established by this DOCUMENT. Sports wagering operators are prohibited from offering sports wagering in Indiana without such certification.

(c) All wagers shall be initiated, received, and otherwise made within the State of Indiana unless otherwise permitted by the Commission in accordance with applicable federal and state laws. Consistent with the intent of the United States Congress as articulated in the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C. §§5361 et seq.), the intermediate routing of electronic data relating to a lawful intrastate wager authorized under this provision shall not determine the location or locations in which such wager is initiated, received, or otherwise made.

(d) A sports wagering operator shall document and maintain any system malfunction or deviation from the sports wagering system and maintain that data for a minimum period of three (3) years.

(e) A sports wagering operator shall provide the executive director or executive director's designee, with access to wagering transactions and related data as deemed necessary and in a manner approved by the executive director or the executive director's designee.

SECTION 2. Server location. To meet the requirements of SECTION 1(c), a sports wagering operator must locate a server in the state of Indiana. The location selected must have adequate security, including twenty-four (24) surveillance, and be approved by the executive director or executive director's designee.

SECTION 3. Cloud storage of duplicate data. The executive director or executive director's designee may approve of the use of cloud storage for duplicate data upon written request by a sports wagering operator.

CHAPTER 7. PATRON WAGERS

SECTION 1. Commission approval required. (a) Before accepting wagers on any event category from patrons, a sports wagering operator must receive event category approval from the executive director or the executive director's designee. The sports wagering operator shall provide notice to the executive director or the executive director's designee and such notice shall include the name of the sports governing body and a description of its policies and procedures regarding event integrity. The commission reserves the right to prohibit the acceptance of any wagers, and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the state.

(b) The commission will post approved event categories to its website.

SECTION 2. Commission approval of wagering on other events. (a) A request for approval to accept wagers on an event other than professional and collegiate sporting events shall be made by a sports wagering operator on such forms approved by the executive director, and shall include:

- (1) A full description of the event and the manner in which wagers would be placed and winning wagers would be determined;
- (2) A full description of any technology which would be utilized to offer the event;
- (3) Assurance that the event meets the requirements of SECTION 3 of this CHAPTER; and
- (4) Any other information deemed necessary by the executive director or the executive director's designee.

(b) The commission will post approved other events to its website.

SECTION 3. Wager and source of data requirements. (a) A sports wagering operator shall only accept sports wagers for events for which:

- (1) The outcome can be verified;
- (2) The outcome can be generated by a reliable and independent process;
- (3) The outcome is not affected by any wager placed; and
- (4) The event is conducted in conformity with all applicable laws.

(b) The commission reserves the right to disapprove of the source of data for any reason, including but not limited to, the type of wager and method of data collection.

SECTION 4. Wagers. Patron wagers placed in a sports wagering lounge, kiosk or other approved area within a licensed facility shall be made with:

- (1) Cash;
- (2) Cash equivalent;
- (3) Credit or debit card, provided the patron has created a sports wagering account;
- (4) Promotional funds;
- (5) Sports wagering vouchers;
- (6) Value gaming chips; and
- (7) Any other means approved by the executive director or executive director's designee.

SECTION 5. Patron sports wagering account required for credit or debit card wagering. A patron may only place a wager via credit or debit card, whether the patron places the wager at a sports wagering lounge, kiosk, online, or by a mobile device, if the patron has a sports wagering account with the sports wagering operator.

SECTION 6. Wager displays. The available wagers shall be displayed in a manner visible to the public and the operator's close-circuit television system. The display shall include:

- (1) The event number;
- (2) The odds; and
- (3) A brief description of the event.

SECTION 7. Ticket contents. Upon completion of a wagering transaction, the patron shall receive a virtual or printed wager record which shall contain at a minimum the following information:

- (1) The date and time the wager was placed;
- (2) The date and time the event is expected to occur;
- (3) Any patron choices involved in the wager:
 - (A) Wager selection;
 - (B) Type of wager and line postings;
 - (C) Any special condition(s) applying to the wager.
- (4) Total amount wagered, including any promotional/bonus credits, if applicable;
- (5) Event and market identifiers;
- (6) Unique identification number of the wager record;
- (7) For printed wager records, the following must be also included:
 - (A) Sports wagering lounge name;
 - (B) Unique sports wagering device ID which issued the wager record; and
 - (C) Expiration period, if applicable.

SECTION 8. Currency transaction reports and multiple transaction logs. Wagers and payouts made under this DOCUMENT shall be subject to the requirements described in 68 IAC 15-2.

SECTION 9. Cancelled events and markets. The wagering rules and information available to the patron through the sports wagering device, or upon request at a licensed facility, must clearly state what is to occur when an event or market is cancelled, including the handling of wagers with multiple events, such as parlays, where one or more of these legs are cancelled. If an event or market is cancelled for any reason, all associated wagers are to be refunded in full as soon as reasonably possible.

SECTION 10. Pending wagers; patron prohibited, excluded. All pending wagers must be honored regardless of the later status of the patron as being a prohibited sports wagering participant, or operator-excluded from sports wagering.

SECTION 11. Cancellation of wagers. A sports wagering operator may not unilaterally cancel any wager without the prior written approval of the executive director or the executive director's designee. A request to cancel a wager must meet the requirement of obvious error as set forth in IC 4-38-5-6.

SECTION 12. Voided wagers. A cashier may not void a wager for which the cashier wrote the ticket and must instead call a supervisor to void the wager.

SECTION 13. Prohibiting wagers for good cause. (a) Pursuant to IC 4-38-9-4, a sports governing body may request that the executive director or executive director's designee prohibit a particular event or making wagers of a particular type upon a demonstration of good cause.

(b) To demonstrate good cause, the sports governing body should provide, in writing, information that indicates a specific and credible threat to the integrity of sports wagering which is beyond the control of the sports governing body to preemptively remedy or mitigate.

(c) To ensure proper consideration, the request should be sent to the commission at least seventy-two (72) hours before the event. At any time, however, a sports governing body should report information if it involves allegations of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.

(d) The commission shall promptly review the information provided and respond as expeditiously as possible to the request.

(e) In making its determination, the commission may consult with an independent monitoring provider and other jurisdictions.

SECTION 14. Layoff wagers. Layoff wagers are prohibited pursuant to IC 4-38-8-3(3).

SECTION 15. Promotions. (a) Patrons must be able to access information pertaining to any available promotions or bonuses. This information must be clear and unambiguous, especially where promotions or bonuses are limited to certain events, markets, or when other specific conditions apply.

(b) A sports wagering operator shall comply with 68 IAC 1-12.5 regarding any promotional event related to the conduct of sports wagering.

CHAPTER 8. SPORTS WAGERING KIOSKS

SECTION 1. In general. (a) A sports wagering operator may utilize sports wagering kiosks located in a licensed facility for wagering transactions in conjunction with a sports wagering system in a location approved by the executive director or executive director's designee.

(b) Sports wagering kiosks shall be subject to the approvals and other requirements of 68 IAC 2-6.

SECTION 2. Testing and certification. Before being deployed for use at a licensed facility, all kiosks must be submitted to an Indiana approved independent testing laboratory for testing and receive the required certification.

SECTION 3. Drops schedule. On a daily basis, or as otherwise specified in the sports wagering operator's approved internal controls, a sports wagering operator shall remove the bill validator boxes or cassettes in the sports wagering kiosks. The sports wagering kiosk drop shall be monitored and recorded by surveillance. The sports wagering operator shall submit the sports wagering kiosk drop schedule to the executive director or executive director's designee for approval.

SECTION 4. Reconciliation. The sports wagering operator's accounting department shall reconcile the sports wagering kiosks on a daily basis pursuant to internal controls. Any variance of \$500.00 or more shall be documented by the accounting department and reported in writing to the commission's audit department within seventy-two (72) hours of the end of the gaming day during which the variance was discovered. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

SECTION 5. Transaction reports. Each kiosk or kiosk computer system shall be capable of generating a "Transaction Report," which documents each attempted and completed transaction. The report shall include, at a minimum:

(1) The date and time;

- (2) A description of the transaction;
- (3) The value of credit card and debit card transactions;
- (4) The value of currency dispensed and inserted;
- (5) The value of all sports wagering vouchers dispensed and inserted; and
- (6) The value of all sports wagering tickets dispensed and inserted.

SECTION 6. Connection to sports wagering system. (a) When used to redeem sports wagering tickets and vouchers, kiosks shall work in conjunction with an approved sports wagering system and shall be designed to:

- (1) Accurately obtain the unique identification number of the item presented for redemption and cause such information to be accurately and securely relayed to the sports wagering system for the purpose of redemption;
- (2) Issue currency or a sports wager voucher or both in exchange for the item presented only if the sports wagering system has authorized and recorded the transaction; and
- (3) Return a sports wager ticket and voucher to the patron when it cannot be validated by the sports wagering system or is otherwise unredeemable.

(b) When used to redeem sports wager vouchers, the kiosk or kiosk computer system shall be capable of generating a voucher redemption report for each gaming day. The report shall include the voucher's unique identifier, the date and time of redemption and the value of the voucher.

(c) When used to redeem sports wager tickets, the kiosk or kiosk computer system shall be capable of generating a ticket redemption report for each gaming day. The report shall include the ticket's unique identifier, the date and time of redemption and the value of the ticket.

(d) When used to issue sports wager vouchers, the kiosk or kiosk computer system shall be capable of generating a voucher issuance report for each gaming day. The report shall include the voucher's unique identifier, the date and time of issuance and the value of the voucher.

(e) When used for credit card and debit card transactions, the kiosk or kiosk computer system shall be capable of generating a credit card and debit card transaction report for each gaming day. The report shall include the transaction's unique identifier, the date and time of transaction and the value of the transaction.

CHAPTER 9. SPORTS WAGERING REPORTS; WAGERING REVENUE; COMPUTATION OF TAXES; RECONCILIATION

SECTION 1. Reports required. (a) The sports wagering system shall be required to generate those reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as deemed necessary by the executive director or as required by internal controls. Such reporting shall be done using cash basis accounting.

(b) To determine the daily win amount, the sports wagering operator's accounting department shall compare a win report from the sports wagering system to the reconciliation of the sports wagering drawers. The operator shall be required to calculate and report adjusted gross sports wagering receipts using the higher amount identified in such comparison, unless otherwise authorized by the commission in its internal controls.

(c) The sports wagering operator shall permit duly authorized representatives of the commission's audit department to examine the operator's accounts and records for the purpose of certifying total gross revenue receipts and adjusted gross revenue receipts.

(d) Such information shall be entered on forms prescribed by the commission.

SECTION 2. Calculation of taxes. (a) Remittance of wagering taxes shall be the sole responsibility of the certificate holder.

(b) If the amount of wagering tax due on a gaming day is a negative figure, the certificate holder shall remit no sports wagering tax for that gaming day. Any negative wagering tax shall be carried over and calculated as an adjustment on Form RG-1 on the subsequent gaming days until the negative figure has been brought to a zero (0) balance.

CHAPTER 10. ACCOUNTING CONTROLS FOR THE SPORTS WAGERING LOUNGE

SECTION 1. Internal audit procedures. The procedures and requirements outlined in 68 IAC 15-8-1 shall apply to sports wagering operators and sports wagering operations.

SECTION 2. Observation and testing of cashiering and credit. (a) The sports wagering operator shall establish procedures for the observation and testing of the compliance with the system of internal controls for sports wagering cashiering and credit.

(b) The internal auditor or equivalent shall observe and review, on a quarterly basis, the following procedures, at a minimum:

- (1) The countdown procedures.
- (2) The casino cage accountability to the general ledger.
- (3) The casino cage accountability to the main bank, vault, and change banks.
- (4) Check cashing procedures and issuance of credit procedures.
- (5) Shift and day procedures.
- (6) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-38 and this DOCUMENT.

(c) The internal auditors or equivalent shall test, on a quarterly basis, the following procedures, at a minimum:

- (1) Reconcile summary sheets to physical instruments on a sample basis.
- (2) Review processing of payments on returned checks.
- (3) If applicable, review procedures and controls over the primary, secondary, and nonvalue chip inventory.
- (4) Ascertain compliance with credit limits and other preestablished credit issuance procedures.
- (5) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-38 and this DOCUMENT.

SECTION 3. Accounting controls for the sports wagering lounge. (a) A cashier shall begin a shift with an imprest amount sports wagering inventory, consisting of currency and coin. No funds shall be added to or removed from the sports wagering inventory during such shift except:

- (1) In collection of sports wagers;
- (2) In order to make change for a patron buying a sports wagering ticket;
- (3) In collection for the issuance of sports wagering vouchers;
- (4) In payment of winning or properly cancelled or refunded sports wagering tickets;
- (5) In payment of sports wagering vouchers; or
- (6) In exchanges with the cashier's cage, a satellite cage, or sports wagering lounge booth vault supported by proper documentation which documentation shall be sufficient for accounting reconciliation purposes.

(b) A "sports wagering count sheet" shall be completed and signed by the sports wagering shift supervisor, and the following information, at a minimum, shall be recorded thereon at the commencement of a shift:

- (1) The date, time, and shift of preparation;

- (2) The denomination of currency and coin in the sports wagering inventory issued to the cashier;
- (3) The total amount of each denomination of currency and coin in the sports wagering inventory issued to the cashier;
- (4) The sports wagering window number to which the cashier is assigned; and
- (5) The signature of the sports wagering shift supervisor.

(c) A cashier assigned to a cashier window shall count and verify the sports wagering inventory at the sports wagering vault, and shall agree the count to the sports wagering count sheet. The cashier shall sign the count sheet attesting to the accuracy of the information recorded thereon. The sports wagering inventory shall be placed in a cashier's drawer and transported directly to the appropriate sports wagering lounge booth window by the cashier.

(d) If the sports wagering window net receipts for the shift, as generated by the system, does not agree with the sports wagering count sheet total plus the sports wagering inventory, the shift supervisor shall record any overage or shortage. If the count does not agree, the cashier and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. Any discrepancy that cannot be resolved by the cashier and the shift supervisor shall be reported in writing to the department supervisor in charge at such time. Any discrepancy in excess of \$500 shall be reported to the commission. The report shall include the following:

- (1) Date on which the discrepancy occurred;
- (2) Shift during which the discrepancy occurred;
- (3) Name of the cashier;
- (4) Name of the supervisor;
- (5) Window number; and
- (6) Amount of the discrepancy.

(f) The sports wagering lounge booth shift supervisor shall compare the cashier window net for the shift as generated by the terminal and if it agrees with the sports wagering count sheet total plus the sports wagering inventory, shall agree the count to the sports wagering count sheet and sign the sports wagering count sheet attesting to the accuracy.

SECTION 4. Transactions. The sports wagering operator shall establish policies and procedures to ensure that all transactions that flow through the casino cage within the sports wagering lounge are accounted for. These policies and procedures shall include, but are not limited to, the following:

- (1) All transactions shall be recorded on a main bank or vault accountability form or its equivalent on a per shift basis.
- (2) All increases or decreases to the main bank or vault shall be supported by the appropriate documentation.
- (3) At the end of a shift, the cashiers assigned to the outgoing shift shall:
 - (A) record on a main bank or vault accountability form, or its equivalent, the face value of each cage inventory item counted and the total of the opening and closing cage inventories; and
 - (B) reconcile the total closing inventory with the total opening inventory.
- (4) At the conclusion of each gaming day, copies of the main bank or vault accountability forms and all supporting documentation shall be forwarded to the accounting department.
- (5) Signature requirements shall be established for outgoing and incoming cashiers.
- (6) Any other policies and procedures deemed necessary by the executive director to ensure compliance with IC 4-38 and this DOCUMENT.

CHAPTER 11. GEOFENCE REQUIREMENT

SECTION 1. Geofence requirement. (a) 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 geofencing system shall ensure that any patron is located within the permitted boundary when placing any wager, and shall be equipped to dynamically monitor the patron's location and block unauthorized attempts to access the online sports wagering system in order to place a wager throughout the duration of the sports wagering patron session.

(c) The executive director shall approve technical specifications for geolocation systems and any specific requirements related to geofence.

SECTION 2. Consideration to geofence the location of a particular sporting event. (a) The executive director will consider a request by a sports governing body to utilize a geofence to prohibit wagers at the location of a particular sporting event provided the request includes:

- (1) Information indicating a specific and credible threat to the integrity of sports wagering at the particular location of the sporting event which is beyond the control of the sports governing body to preemptively remedy or mitigate;
- (2) Confirmation from a geofence service provider licensed by the commission establishing that utilization of a geofence to prohibit wagers at the location of the particular sporting event has been executed; and
- (3) An evaluation that no other means exist to remedy or mitigate the specific risk to sports wagering at the location of the particular sporting event and that geofencing is the only appropriate measure to address the issue.

(b) In considering the request, the commission may consult with an independent monitoring provider and other jurisdictions.

CHAPTER 12. SPORTS WAGERING ACCOUNTS.

SECTION 1. Account required. (a) A sports wagering operator shall limit each patron to one (1) active and continuously used sports wagering account and username.

(b) A sports wagering operator shall implement rules and publish procedures to terminate all accounts of any sports wagering account patron that establishes or seeks to establish more than one (1) username or more than one (1) account, whether directly or by use of another person as a proxy.

(c) If a session is terminated due to a patron inactivity timeout, no further participation is permitted until a new session is established by the patron game participant. This process shall include, at a minimum, the manual entry of the game participant's secure password.

SECTION 2. Age and identify verification. A full identity check must be undertaken before a patron is allowed to place a wager:

(a) Only patrons twenty-one (21) years of age and older may deposit funds or participate in wagering. The sports wagering operator must deny the ability to deposit funds or participate in wagering to any person that submits a birth date that indicates they are under the legal participation age.

(b) Patron verification must use commercially reasonable standards to confirm that the patron is not a prohibited sports wagering participant.

(c) Details of patron verification must be kept in a secure manner.

(d) Third-party service providers may be used for age and identity verification of patrons.

(e) The operator must have a documented policy for the handling of patrons discovered to be using an account in a fraudulent manner, including but not limited to:

(1) The maintenance of information about any patron's activity, such that if fraudulent activity is detected, the regulatory body has all of the necessary information to take appropriate action;

(2) The suspension of any patron account discovered to be providing access to fraudulent patrons; and

(3) The treatment of deposits, wagers, and wins associated with a fraudulent patron's account.

SECTION 3. Patron account controls. (a) Patron protection information must be readily accessible to the patron. The patron protection information must contain at a minimum:

(1) Information about potential risks associated with excessive participation, and where to get help related to wagering responsibly;

(2) A list of the available patron protection measures that can be invoked by the patron, such as self-imposed limits, and information on how to invoke those measures; and

(3) Mechanisms in place which detect unauthorized use of their account, such as reviewing credit card statements against known deposits.

(b) Patrons must be provided with an easy and obvious method to impose limitations for wagering parameters including, but not limited to, deposits, wagers and losses. The self-imposed limitation method must provide the following functionality:

(1) Upon receiving any self-imposed limitation order, the sports wagering operator must ensure that all specified limits are correctly implemented immediately or at the point in time that was clearly indicated to the patron;

(2) The self-imposed limitations set by a patron must not override more restrictive operator imposed limitations. The more restrictive limitations must take priority;

(3) Once established by a patron and implemented by the sports wagering system, it must only be possible to reduce the severity of self-imposed limitations upon 24 hours' notice, or as required by the commission; and

(4) Self-imposed limitations must not be compromised by internal status events, such as self-imposed exclusion orders and revocations.

SECTION 4. Account requirements. In order to establish a sports wagering account, a sports wagering operator shall:

(a) Create an electronic patron file, which shall include at a minimum:

(1) The patron's legal name;

(2) The patron's date of birth;

(3) The patron's Social Security number, or the last four digits thereof, or an equivalent identification number for a noncitizen patron, such as a passport or taxpayer identification number;

(4) The patron's online sports wagering account number;

(5) The patron's residential address, a post office box is not acceptable;

(6) The patron's electronic mail address;

(7) The patron's telephone number;

(8) Any other information collected from the patron used to verify his or her identity;

- (9) The method used to verify the patron's identity; and
- (10) The date of verification.
- (b) Encrypt all of the following information contained in an electronic patron file:
 - (1) Any portion of the patron's Social Security number or equivalent identification number for a noncitizen patron, such as a passport or taxpayer identification number;
 - (2) The patron's passwords and PINs; and
 - (3) The patron's personal financial information.
- (c) Verify the patron's identity in accordance with:
 - (1) Reliable forms of personal identification specified in internal controls; or
 - (2) Other methodology for remote multi-source authentication, which may include third-party and governmental databases, as approved by the executive director or executive director's designee.
- (d) Record the document number of the government issued identification credential examined.
- (e) Require the patron to establish a password or other access security feature as approved by the Commission and advise the patron of the ability to utilize strong authentication log in protection.
- (f) Use commercially reasonable standards to verify that the patron is not a prohibited sports wagering participant.
- (g) Record the patron's acceptance of the sports wagering operator's or sports wagering intermediary's terms and conditions to participate in wagering through the mobile application or any authorized digital platform accepting wagers online.
- (h) Record the patron's certification that the information provided to the operator is accurate.
- (i) Record the patron's acknowledgment that the legal age for sports wagering is 21, and that he or she is prohibited from allowing any other person to access or use his or her sports wagering account.
- (j) Notify the patron of the establishment of the account via electronic mail or regular mail.

SECTION 5. Account funding. A patron's sports wagering account for online sports wagering may be funded through the use of:

- (1) A patron's credit or debit card;
- (2) A patron's deposit of cash or vouchers at a cashiering location approved by the executive director or executive director's designee;
- (3) A patron's reloadable prepaid card, which has been verified as being issued to the patron and is non-transferable;
- (4) Promotional credit;
- (5) Winnings;
- (6) Adjustments made by the sports wagering operator with documented notification to the patron;
- (7) ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits; or
- (8) Any other means approved by the commission.

SECTION 6. Failed ACH deposits. A failed ACH deposit attempt shall not be considered fraudulent if the patron has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the operator shall:

- (1) Temporarily block the patron's account for investigation of fraud after five (5) consecutive failed ACH deposit attempts within a 10-minute time period. If there is no evidence of fraud, the block may be vacated; and
- (2) Suspend the patron's account after five (5) additional consecutive failed ACH deposit attempts within a 10-minute period.

SECTION 7. Transfer of funds prohibited. A sports wagering operator shall not permit a patron to transfer funds from a patron account to another patron account.

SECTION 8. Account review requirements. All adjustments to patron accounts for amounts of \$500.00 or under shall be periodically reviewed by supervisory personnel as set forth in the sports wagering operator's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

SECTION 9. Account information. (a) Online sports wagering systems shall provide an account statement with account details to a patron on demand, which shall include detailed account activity for at least the six (6) months. In addition, an online sports wagering system shall, upon request, be capable of providing a summary statement of all patron activity during the past year.

(b) A sports wagering operator shall periodically re-verify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.

SECTION 10. Account closure. An online sports wagering system shall provide a conspicuous and readily accessible method for a patron to close his or her account through the account management or similar page. Any balance remaining in a patron's sports wagering account closed by a patron shall be refunded pursuant to the operator's internal controls.

SECTION 11. Patron account withdrawal. (a) A patron must be allowed to withdraw the funds maintained in his or her account, whether such account is open or closed.

(b) A sports wagering operator must honor such patron request to withdraw funds within five (5) business days of the request, unless the conditions set forth in subsection (c) are met.

(c) The sports wagering operator may decline to honor a patron request to withdraw funds only if the sports wagering operator believes in good faith that the patron engaged in either fraudulent conduct or other conduct that would put the sports wagering operator in violation of the law. In such cases, the sports wagering operator shall:

- (1) provide notice to the patron of the nature of the investigation of the account; and
- (2) conduct its investigation in a reasonable and expedient fashion, providing the patron additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the patron.

(d) For purposes of this provision, a request for withdrawal will be considered honored if it is processed by the sports wagering operator notwithstanding a delay by a payment processor, credit card issuer, or the custodian of a financial account.

SECTION 12. Dormant patron accounts. A sports wagering operator shall consider a patron account to be dormant if the patron has not logged into the account for at least three (3) years. A dormant account shall be closed by the sports wagering operator.

SECTION 13. Unclaimed funds in a dormant game participant account. (a) Subject to the provisions of IC 32-34-1-20 and IC 32-34-1-21, funds of patrons that remain in a dormant patron account shall be presumed abandoned.

(b) The sports wagering operator shall report and deliver all funds of patrons that are presumed abandoned to the office of the Indiana attorney general as provided in IC 32-34-1-27.

(c) At least sixty (60) days prior to reporting any funds of the patron to the attorney general, the sports wagering operator shall provide notice to the patron's last known address and conduct due diligence to locate the patron.

SECTION 14. Online sports wagering system requirements; logging. (a) All online sports wagering systems authorized by IC 4-38 and this DOCUMENT shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(b) Online sports wagering systems shall employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this SECTION on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the online sports wagering system can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.

(c) Online sports wagering systems shall provide a mechanism for the commission to query and export, in a format required by the commission, all online sports wagering system data.

(d) Requirements for system specifications and sports wagering system logging shall be detailed by the commission. Sports wagering operators and sports wagering intermediaries shall address all such requirements in the internal controls submitted to the commission for approval.

CHAPTER 13. RESPONSIBLE GAMING AND SELF-RESTRICTION

SECTION 1. Each online sports wagering website or mobile application shall display a responsible gaming logo in a manner approved by the executive director or executive director's designee to direct a patron to the sports wagering operator's responsible gaming webpage. The responsible gaming webpage shall be accessible to a patron during a sports wagering patron session and shall contain, at a minimum, the following:

- (1) A prominent message, which states "If you or someone you know has a gambling problem and wants help, call 1-800-9-WITH-IT";
- (2) A direct link to the Indianagamblinghelp.com website and other internet resources dedicated to helping people with potential gambling problems as directed by the commission;
- (3) A link to the Indiana statewide internet self-restriction program administered by the commission; and
- (4) A clear statement of the online sports wagering operator's policy and commitment to responsible gaming along with a link to the sports wagering operator's specific self-exclusion program.

SECTION 2. Statewide internet self-restriction. (a) Individuals wishing to self-restrict from online sports wagering statewide may do so via the commission's website.

(b) Individuals may choose statewide internet self-restriction for a period of one (1) year or five (5) years.

(c) The commission shall maintain an official statewide internet self-restriction list. The commission shall notify each sports wagering operator of any addition to or deletion from the list by transmitting a notice directly to each sports wagering operator.

(d) Sports wagering operators must restrict wagering by statewide internet self-restriction participants and may not market to statewide internet self-restricted participants.

(e) The statewide internet self-restriction program is confidential, and the names of restricted persons may be disseminated only by the commission to a sports wagering operator for purposes of enforcement or to another entity designated by statute.

(f) Sports wagering operators shall be responsible for the actions of third-party business partners and contractors related to the statewide internet self-restriction program.

SECTION 3. Removal from statewide internet self-restriction. (a) A person who has registered for the statewide internet self-restriction program may, upon the expiration of the selected term of voluntary self-restriction, submit a notice to the commission requesting removal from the statewide internet self-restriction program.

(b) The commission shall advise sports wagering operators of the person's removal from the statewide internet self-restriction program within ten (10) business days.

(c) Sports wagering operators may elect to continue excluding previously self-restricted persons.

SECTION 4. Direct marketing to prohibited sports wagering participants. (a) 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.

(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.

SECTION 5. Sports wagering operator self-exclusion. 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.

CHAPTER 14. PROHIBITIONS ON PARTICIPATING IN SPORTS WAGERING

SECTION 1. Restrictions on sports wagering. (a) In addition to the prohibited sports wagering patrons, and except as provided in subsection (b), the following individuals may not participate in sports wagering:

- (1) A member of the commission.
- (2) An employee of the commission.
- (3) An agent of the commission.
- (4) The spouse of any individual in subdivisions (1), (2), and (3).

(b) A member, employee, or agent of the commission may participate in sports wagering if that person:

- (1) has received the written authorization from the executive director or the executive director's designee to participate in sports wagering as part of the person's employment; and
- (2) is participating only to the extent authorized by the executive director or the executive director's designee.

SECTION 7. Prohibited sports wagering participants. (a) For each sport that the commission approves sports wagering to be conducted, the commission shall:

- (1) Accept through its website a list, and any other information provided, concerning prohibited sports wagering participants pursuant to IC 4-38-9-3(5), from the relevant sports governing body; and
 - (2) Provide the list, and any other information provided, concerning prohibited sports wagering participants to sports wagering operators.
- (b) When such information is not submitted to the commission, sports wagering operators shall use commercially reasonable measures to identify individuals outlined in IC 4-38-9-3(5).
- (c) A sports wagering operator may not knowingly accept a wager from such prohibited sports wagering participants.

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