

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
LOTTOMATICA GROUP, S.P.A.)	12-LOTTOMATICA-01
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Ernest E. Yelton and Lottomatica Group, S.P.A. ("Lottomatica") (collectively, the "Parties") desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. 68 IAC 17-1-1(f) states all EPROMs shall be transported separately from the shipment of electronic gaming devices.
2. 68 IAC 2-6-2(a) states the following may not be used for gaming by any casino licensee prior to the executive director, or the executive director's designee, authorizing their inclusion in the commission's online database of approved items and technologies:
 - (1) Electronic gaming devices and any component parts material to gaming activity, including, but not limited to, the following:
 - (A) Random number generators.
 - (B) All game media.
 - (C) Progressive controllers.
 - (D) Bill changers.
3. 68 IAC 2-7-1(a) states a manufacturer or distributor of associated equipment shall not distribute associated equipment to riverboat licensees or operating agents unless it has been approved by the executive director.
4. On March 2, 2012, a Gaming Agent was notified by a Slot Performance Manager that upon inspection of recently received EGD's from Spielo (subsidiary of Lottomatica), a box was discovered inside one of the games. The box contained

EPROMs. The Gaming Agent took possession of the box and secured all chips in the IGC office.

COUNT II

5. **68 IAC 2-2-1(c) states the following persons or business entities are required to hold a supplier's license:
(1) The gaming operations manager if the manager is a business entity. If the gaming operations manager is an individual, the applicant shall hold a Level 1 occupational license. All employees of a gaming operations manager who have any duty, authority, or function relating directly or indirectly to a casino gambling operation will be required to hold an occupational license in accordance with 68 IAC 2-3-1.
(2) All manufacturers of:
(A) electronic gaming devices;**
5. **68 IAC 2-2-1(d) states 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 application for occupational license under 68 IAC 2-3-1.**
6. **68 IAC 2-2-6.1(a) states all key persons and substantial owners of supplier licensees and supplier license applicants must obtain a Level 1 occupational license.**
7. **68 IAC 2-3-8(a) states an occupational license must be renewed annually.**
8. **On March 15, 2012, the Commission's Director of Background Investigations received a Google alert that quoted the President and CEO of Spielo International. The name given for the President was not familiar to the Director so he emailed the outside attorney for GTech (a subsidiary of Spielo) for a copy of the organizational chart for all employees. The organizational chart was sent to the Director and the name of the CEO of Gaming was the same name that was quoted. The Director, through emails with the Licensing Manager of the Compliance Department at GTech, found that the CEO joined the Lottomatica Group in July of 2010 and that a letter was sent to the Commission in July 2010 informing the Commission of the addition. However, an application was not submitted. In an email dated March 19, 2012, the Licensing Manager admitted that an application should have been submitted, but was missed and one would be processed as soon as possible. As of May 1, 2012 the Commission has not received an application for this individual.**

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Lottomatica by and through its agents as described herein constitute a breach of the IC 4-33 and/or 68 IAC. The Commission and Lottomatica hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Lottomatica. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Lottomatica shall pay to the Commission a total of \$21,500 (1,500 for Count I and 20,000 for Count II) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to those violations and findings of fact, specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Lottomatica agrees to promptly remit payment in the amount of \$21,500 and shall waive all rights to further administrative or judicial review.

This Settlement 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 Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Settlement Agreement shall be binding upon the Commission and Lottomatica.

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


Ernest E. Yelton, Executive Director
Indiana Gaming Commission

6.26.12
Date


Luke Orchard
Vice President and Chief
Compliance Officer
Lottomatica Group/GTECH Corp.

6/8/12.
Date