

Proposed Rule
LSA Document #20-420

DIGEST

Adds [68 IAC 27](#) concerning sports wagering. Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[68 IAC 27](#)

SECTION 1. [68 IAC 27](#) IS ADDED TO READ AS FOLLOWS:

ARTICLE 27. SPORTS WAGERING

Rule 1. General Provisions

[68 IAC 27-1-1](#) Applicability

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. This article applies to sports wagering.

(Indiana Gaming Commission; [68 IAC 27-1-1](#))

[68 IAC 27-1-2](#) Definitions

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-33](#); [IC 4-35](#); [IC 4-38](#)

Sec. 2. The definitions in [IC 4-33](#), [IC 4-35](#), [IC 4-38](#), and [68 IAC 1](#), and the following definitions apply throughout this article:

(1) "ACH" means Automated Clearing House, which is a network that connects all banking and financial institutions within the United States.

(2) "Adjusted gross receipts" means:

(A) the total of all cash and property (including checks received by a certificate of authority holder, whether collected or not) received from authorized sports wagering offered by a certificate of authority holder; minus

(B) the total of:

(i) all cash paid out as winnings to sports wagering patrons, including the cash equivalent of any merchandise or thing of value awarded as a prize; and

(ii) uncollectible gaming receivables, not to exceed the lesser of:

(AA) a reasonable provision for uncollectible patron checks received from sports wagering; or

(BB) two percent (2%) of the total of all sums (including checks, whether collected or not) less the amount paid out as winnings to sports wagering patrons.

For purposes of this subdivision, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the certificate of authority holder from sports wagering.

(3) "Affiliate" means an individual or entity that utilizes an Internet website to promote and direct patrons to sports wagering Internet websites in exchange for a commission or fee.

(4) "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.

(5) "Authentication process" means a method used by a sports wagering system to verify the validity of software.

(6) "Canceled wager" means a wager that has been canceled by the sports wagering system due to an issue with an event that prevents the wager's completion.

(7) "Division" means the sports wagering division of the Indiana gaming commission.

- (8) "Dormant account" means a sports wagering patron account that has had no login or wagering activity for a period of three (3) years.
- (9) "Event number" means a set of alpha or numeric, or both alpha and numeric characters, that correspond to a sports event or an event ancillary to a sports event.
- (10) "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 credible threat to the integrity of sports wagering that is beyond the control of the sports governing body to preemptively remedy or mitigate.
- (11) "Independent geofence provider" means an independent individual or entity approved by the executive director or the executive director's designee to provide requisite geofencing technology to a sports wagering operator to ensure that all mobile or online wagers are placed within the state of Indiana.
- (12) "Independent integrity monitoring provider" means an independent individual or entity approved by the executive director or the 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.
- (13) "Layoff wager" means a wager placed by a sports wagering operator with another sports wagering operator for the purpose of offsetting patron wagers.
- (14) "Multisource authentication" means a type of strong authentication that uses two (2) of the following to verify a patron's identity:
 - (A) Information known only to the patron, such as a password, pattern, or answers to challenge questions.
 - (B) An item possessed by a patron, such as an electronic token, physical token, or an identification card.
 - (C) A patron's biometric data, such as fingerprints or facial or voice recognition.
- (15) "Patron" means an individual participating in sports wagering activities conducted under [IC 4-38](#).
- (16) "Prohibited sports wagering participant" means any of the following individuals:
 - (A) An individual that is prohibited under [IC 4-38](#) from participating in sports wagering.
 - (B) An individual listed on the commission's exclusion list kept under [68 IAC 6-1](#) or that has a voluntarily excluded person status as defined under [68 IAC 6-3](#).
 - (C) An individual that has signed up for statewide Internet self-restriction.
 - (D) An occupational licensee employed by or associated with a supplier licensee.
 - (E) 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.
- (17) "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.
- (18) "Secure transaction file" means a file that contains data, which cannot be modified without detection.
- (19) "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.
- (20) "Sports wagering account" means an account established by a sports wagering operator for an individual patron to use for online sports wagering.
- (21) "Sports wagering kiosk" means an automated device that may be used for sports wagering voucher and ticket processing and automated functions as approved by the commission.
- (22) "Sports wagering lounge" means a designated area in a licensed facility where sports wagering is conducted.
- (23) "Sports wagering operation" means the business of accepting wagers under [IC 4-38](#) at a licensed facility, online, or by mobile device.
- (24) "Sports wagering operator" means a certificate of authority holder or vendor licensed to conduct sports wagering.
- (25) "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.
- (26) "Sports wagering patron session" means a period of time when a patron is logged on to an Internet or mobile sports wagering system.
- (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's license under [IC 4-33-7](#) or a sports wagering service provider license under [IC 4-38-7](#).
- (28) "Sports wagering system" means all equipment and software used in conjunction with the sports

wagering operation, including, but not limited to, the following:

- (A) 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.
 - (B) Self-service sports wagering kiosks.
 - (C) Ticket or voucher redemption devices.
 - (D) Any other device, service, or system that the commission determines to be related to the sports wagering system.
- (29) "Sports wagering ticket" means a printed record issued or an electronic record maintained by the sports wagering system that evidences a sports wager.
- (30) "Sports wagering voucher" means a printed record, or digital representation thereof, issued by a sports wagering system that may be used to fund a wager or may be redeemable for cash.
- (31) "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.
- (32) "Supplier" means a person who holds a supplier's license under [IC 4-33-7](#) and [68 IAC 2-2](#).
- (33) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.
- (34) "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.

(Indiana Gaming Commission; [68 IAC 27-1-2](#))

[68 IAC 27-1-3](#) Deviation from provisions

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 3. The executive director may approve deviations from the provisions of this article 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 [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](#).

(Indiana Gaming Commission; [68 IAC 27-1-3](#))

Rule 2. Sports Wagering Licensure

[68 IAC 27-2-1](#) Application fees

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-4-3](#)

Sec. 1. All required application fees described under [IC 4-38](#) shall be submitted to the commission in the form of a certified check or cashier's check made payable to the Indiana gaming commission, or other form as prescribed by the commission.

(Indiana Gaming Commission; [68 IAC 27-2-1](#))

[68 IAC 27-2-2](#) Applications

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. (a) 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 application is deemed filed when the commission has received the completed application forms, including the information that the commission has required.
- (5) 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.
- (6) An applicant is under a continuing duty to disclose any changes in the information submitted to the commission.

(b) An application for a sports wagering certificate of authority or vendor's license shall include the following information:

- (1) The name, address, and legal information of the applicant.
- (2) 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.
- (3) A description of all sports wagering services, equipment, devices, and supplies offered for sale or lease by the applicant in connection with sports wagering.
- (4) Details regarding the corporate form of the applicant.
- (5) Relevant contracts related to the sports wagering activities the applicant will provide.
- (6) Disclosure of any criminal, civil, or administrative action brought against the applicant.
- (7) Description of all other licenses held by the applicant.
- (8) Description of the applicant's business plan related to the sports wagering activities it will provide, including employment plans, and server location.
- (9) The past three (3) years of financial records of the applicant.
- (10) Organizational and ownership charts of the applicant.

(c) An application for a sports wagering service provider license shall include the following information:

- (1) The name, address, and legal information of the applicant.
- (2) A description of all sports wagering services, equipment, devices, and supplies offered for sale or lease by the applicant in connection with sports wagering.
- (3) Details regarding the corporate form of the applicant.
- (4) Organizational and ownership charts of the applicant.
- (5) Disclosure of any criminal, civil, or administrative action brought against the applicant.
- (6) Description of all other licenses held by the applicant.
- (7) Information regarding any testing, certifications, or approvals on any component required to provide sports wagering services or products from any authorized independent gaming laboratory or other gaming jurisdictions.

(d) An applicant may not withdraw an application for a sports wagering license without leave of the executive director or commission. The executive director or commission shall grant a request for leave to withdraw a license if received prior to commission action on licensure under this rule unless a withdrawal is not in the best interest of the state of Indiana and the gaming industry.

(Indiana Gaming Commission; [68 IAC 27-2-2](#))

[68 IAC 27-2-3](#) Licensing process

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-4-6](#); [IC 4-38-6-7](#); [IC 4-38-7-4](#)

Sec. 3. An application for a sports wagering license shall be subject to the following process:

- (1) Applicant must submit a complete application, including an application fee and all required attachments.

- (2) The commission shall begin investigating the applicant.
- (3) The commission may issue a temporary license in accordance with [IC 4-38](#) and section 4 of this rule.
- (4) Upon completing its investigation of the applicant, the commission shall vote to grant or deny the application.
- (5) If the commission grants the application, it shall issue a permanent license.

(Indiana Gaming Commission; [68 IAC 27-2-3](#))

[68 IAC 27-2-4](#) Temporary license

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-4-6](#); [IC 4-38-6-7](#); [IC 4-38-7-4](#)

Sec. 4. (a) After the commission receives a completed application, an application fee, and, for a vendor or sports wagering service provider applicant, an agreement or statement of intent indicating that a licensee or licensee applicant will utilize the applicant for the provision of goods and services, the commission shall obtain the applicant's fingerprints at a time and place directed by the executive director.

(b) If the application or a criminal history check completed by an enforcement agent, or both, reveals that the applicant:

- (1) has not been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States; or
- (2) meets the statutory criteria set forth in [IC 4-38](#);

the commission may issue the applicant a temporary license.

(c) The temporary license shall:

- (1) be on a form prescribed by the commission; and
- (2) meet the specifications set forth in section 6 of this rule.

(d) An applicant who receives a temporary license may offer sports wagering related goods and services until:

- (1) a permanent license is issued; or
- (2) the temporary license is withdrawn.

(e) A temporary license shall not be transferred.

(f) If an applicant fails to provide or ceases providing a licensee with goods or services, the applicant shall:

- (1) advise the commission immediately; and
- (2) return the temporary license to the commission.

Failure to advise the commission that the applicant has failed to begin or has ceased providing a licensee with goods and services is grounds for the commission to withdraw the temporary license and deny licensure in the future.

(g) Procedures for the withdrawal of a temporary supplier's license include, but are not limited to, the following:

- (1) The executive director, upon written notice to the applicant and the licensee who has signed a statement of intent, may withdraw a temporary license if the executive director determines that the background investigation reveals that the applicant is not suitable for licensure.
- (2) If an applicant's temporary license is withdrawn, the applicant shall not be permitted to provide any licensee with any sports wagering goods or services.
- (3) If the executive director withdraws an applicant's temporary license, the executive director shall immediately forward the application to the commission for commission action.
- (4) The applicant may seek to voluntarily withdraw its application for a license in accordance with this rule before the commission acts in response to a withdrawal of the applicant's temporary license.

(h) An applicant must comply with all requests for information, documents, or other materials relating to the applicant and the application during the temporary license period, during which time the commission will conduct its investigation.

(Indiana Gaming Commission; [68 IAC 27-2-4](#))

[68 IAC 27-2-5](#) Issuance of a permanent license

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-33-8](#); [IC 4-38](#)

Sec. 5. The applicant shall meet the following standards, qualifications, or criteria to be issued a permanent sports wagering license:

(1) The applicant must qualify to receive a license under [IC 4-38](#).

(2) An applicant for a certificate of authority or vendor's license must have all key persons and substantial owners qualify to receive Level 1 occupational licenses under [IC 4-33-8](#) and [68 IAC 2-3](#).

(3) The applicant, in the case of an individual, or the applicant's substantial owners, must be twenty-one (21) years of age.

(4) The applicant must demonstrate a level of:

- (A) skill;
- (B) experience;
- (C) knowledge; and
- (D) ability;

necessary to conduct the sports wagering activities that the applicant seeks to provide.

(5) The applicant must not have been convicted of any offense for a violation of a gaming law in any jurisdiction.

(6) The applicant must not appear on the exclusion list of any jurisdiction for having violated a rule of gaming.

(7) The applicant or the applicant's substantial owners must be in substantial compliance with all state and federal tax laws.

(Indiana Gaming Commission; [68 IAC 27-2-5](#))

[68 IAC 27-2-6](#) License requirements

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 6. (a) The temporary and permanent licenses issued under this rule shall be on forms prescribed by the commission and shall display the following:

(1) The applicant's name and business address.

(2) The license number assigned by the commission.

(3) The signature of the executive director of the commission.

(4) The date the license was issued.

(5) The date that the license will expire.

(6) Any other information the commission deems necessary to identify the licensee, and any conditions or restrictions that are placed on the license.

(b) The temporary and permanent supplier's licenses shall remain the property of the commission at all times. The commission may:

- (1) revoke;
- (2) suspend;
- (3) cancel; or
- (4) restrict;

the license under [68 IAC 13](#).

(c) A vendor licensee must return the license and all applicable occupational licenses to the commission if the vendor licensee ceases to provide any certificate of authority holder with sports wagering activities.

(Indiana Gaming Commission; [68 IAC 27-2-6](#))

[68 IAC 27-2-7](#) Reapplication for denied license

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38-6-6](#); [IC 4-38-8-1](#)

Sec. 7. A person whose application for a sports wagering license has been denied may not reapply for a sports wagering license for a period of one (1) year from the date on which the commission voted to deny the applicant's application, unless the commission grants leave. The commission may grant leave for reapplication if the applicant can demonstrate that the reason the original application was denied no longer exists or bars suitability for licensure.

(Indiana Gaming Commission; [68 IAC 27-2-7](#))

[68 IAC 27-2-8](#) Renewal of license

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38-6-6](#); [IC 4-38-8-1](#)

Sec. 8. (a) A certificate of authority and vendor's license shall be renewed in accordance with [IC 4-38](#).

(b) The sports wagering operator shall submit the required annual administrative fee described under [IC 4-38](#) on or before one (1) year after the date that the sports wagering operator commences sports wagering operations and on each annual anniversary date thereafter.

(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 article and [IC 4-38](#). A certificate of authority holder shall complete its first three (3) year investigation concurrently with the next three (3) year reinvestigation of its associated casino license or gambling game license.

(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 article or [IC 4-38](#). Alternatively, the commission may renew the certificate of authority or vendor's license and provide the sports wagering operator thirty (30) days, or other time frame as agreed to by the commission and the sports wagering operator, to come into compliance with this article and [IC 4-38](#).

(Indiana Gaming Commission; [68 IAC 27-2-8](#))

[68 IAC 27-2-9](#) Request for hearing on notice of denial or nonrenewal of license

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 9. (a) An applicant, certificate of authority holder, vendor, or sports wagering service provider licensee who is served with a notice of denial or nonrenewal of a license under this article may request a hearing under [68 IAC 7](#).

(b) If the applicant, certificate of authority 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.

(Indiana Gaming Commission; [68 IAC 27-2-9](#))

[68 IAC 27-2-10](#) Revocation, suspension, and disciplinary action

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-33](#); [IC 4-35](#); [IC 4-38](#)

Sec. 10. (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 of authority holder or licensee is in violation of [IC 4-33](#), [IC 4-35](#), [IC 4-38](#), or this article, 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 sports wagering licensee is in violation of [IC 4-38](#) or this article, the commission may take action as the commission deems necessary, including commencing disciplinary proceedings assessing monetary penalties. Disciplinary action shall be pursued against the certificate of authority holder or licensee in accordance with the procedures in [68 IAC 13](#), except any provision therein that is inapplicable to sports wagering.

(Indiana Gaming Commission; [68 IAC 27-2-10](#))

[68 IAC 27-2-11](#) Duty to maintain suitability, duty to disclose; transfer of ownership interest

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-33](#); [IC 4-35](#); [IC 4-38](#)

Sec. 11. (a) A certificate of authority holder, vendor licensee, sports wagering service provider licensee, and a registrant have a continuing duty to maintain suitability for licensure. A license issued under this rule does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for licensure.

(b) The sports wagering operators, sports wagering service providers, and registrant applicants are responsible for the following:

- (1) Ensuring that all aspects of the sports wagering operation are conducted in accordance with [IC 4-33](#), [IC 4-35](#), [IC 4-38](#), [68 IAC](#), directives of the commission, applicable internal controls of the sports wagering operator, and all other state, federal, and local laws.
- (2) The acts of its employees and agents in the course of their employment.

(c) Certificate of authority holders, vendors, registrants, and 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, vendor or sports wagering service provider license, or registration.

(d) An ownership interest in a certificate of authority or vendor's license shall not be transferred unless the transfer complies with [68 IAC 5](#).

(Indiana Gaming Commission; [68 IAC 27-2-11](#))

[68 IAC 27-2-12](#) Inspections

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 12. A sports wagering operator must make available for inspection by the commission, executive director, or its agents or investigators, local sheriffs, or their agents or investigators, and police departments, upon demand, all papers, books, and records produced, used, or kept in connection with sports betting, and all portions of the premises where sports betting is conducted or where a sports betting system is housed. Upon demand, employees and agents of the commission and division must be given access to any portion of the premises of a sports wagering operator for the purpose of inspecting or examining records or documents, sports betting systems, or the conduct of sports betting activity.

(Indiana Gaming Commission; [68 IAC 27-2-12](#))

[68 IAC 27-2-13](#) Reporting of interest in a license

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-33-10-2.1](#); [IC 4-38](#)

Sec. 13. (a) As used in this rule, "interest" has the meaning set forth in [IC 4-33-10-2.1\(h\)](#).

(b) As used in this rule, "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.

(Indiana Gaming Commission; [68 IAC 27-2-13](#))

[68 IAC 27-2-14](#) Reporting of interest in a license

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-33](#); [IC 4-35](#); [IC 4-38](#)

Sec. 14. (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 article within thirty (30) days or any other time established by the commission.

(Indiana Gaming Commission; [68 IAC 27-2-14](#))

[68 IAC 27-2-15](#) Supplier licensing related to sports wagering

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-33-7](#)

Sec. 15. An applicant for a supplier's 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 article.

(Indiana Gaming Commission; [68 IAC 27-2-15](#))

[68 IAC 27-2-16](#) Occupational licensing

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-33-8](#); [IC 4-38-9-1](#)

Sec. 16. (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 to 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 or the executive director's designee 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, which may be extended for good cause. 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 the replacement's 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](#).

(Indiana Gaming Commission; [68 IAC 27-2-16](#))

[68 IAC 27-2-17](#) Request for review of or hearing on notice of denial or nonrenewal of occupational license

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38-9-1](#)

Sec. 17. (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.

(Indiana Gaming Commission; [68 IAC 27-2-17](#))

[68 IAC 27-2-18](#) Sports wagering manager

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38-9-1](#)

Sec. 18. A sports wagering operator shall have at least one (1) manager level position designated as a Level 1 occupational licensee.

(Indiana Gaming Commission; [68 IAC 27-2-18](#))

[68 IAC 27-2-19](#) Sports wagering registration requirement

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-33-7](#); [IC 4-38-2-20](#)

Sec. 19. (a) An individual or entity that is contracted to provide goods or services that the executive director or the executive director's designee determines affects the conduct of sports wagering, but falls outside of the scope of a supplier's 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 sports wagering websites shall register with the commission under this section.

(c) A sports wagering operator shall conduct due diligence in a commercially reasonable manner regarding the:

- (1) criminal history;
- (2) character; and
- (3) reputation;

of each contracted sports wagering registrant. This information shall be provided to the commission upon request.

(Indiana Gaming Commission; [68 IAC 27-2-19](#))

[68 IAC 27-2-20](#) Sports wagering registrant application

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 20. (a) An application for a sports wagering registrant must pay a nonrefundable application fee in the amount of five hundred dollars (\$500) to the commission in the form of a certified check or cashier's check made payable to the Indiana gaming commission or other form as prescribed by the commission.

(b) An application for a sports wagering registration shall include the following information:

- (1) The name, address, and legal information of the applicant.**
- (2) A description of the sports wagering related services the applicant will provide.**
- (3) Details regarding the corporate form of the applicant.**
- (4) The identification any Indiana sports wagering licensees that are contracted with the applicant for the service described under section 19 of this rule.**
- (5) Organizational and ownership charts of the applicant.**

(Indiana Gaming Commission; [68 IAC 27-2-20](#))

[68 IAC 27-2-21](#) Determination of suitability for sports wagering registrants

Authority: [IC 4-38-1-4](#); [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 21. (a) A sports wagering registrant shall at all times conduct himself or herself 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 or registration certificates, or their equivalent, or any other adverse actions in other jurisdictions.**
- (3) Associations with businesses and individuals.**
- (4) Compliance with sports wagering laws and regulations in Indiana and other jurisdictions.**
- (5) Any other factors related to the integrity of sports wagering in Indiana 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, or suspend 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 subject to cancellation. 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. A registrant who is served with a revocation, suspension, or monetary penalty under this article may request a hearing under [68 IAC 7](#).

(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. Upon notification that a registrant is no longer doing business in Indiana, the entity's registration shall cease. The registrant shall be required to reapply if the registrant resumes business operations in Indiana.

(Indiana Gaming Commission; [68 IAC 27-2-21](#))

Rule 3. General Requirements For Sports Wagering Operators

[68 IAC 27-3-1](#) Reserve requirement

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. A sports wagering operator shall maintain a reserve in the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or combination thereof, of not less than the greater of five hundred thousand dollars (\$500,000) or the amount necessary to ensure the ability to cover the outstanding sports wagering liability.

(Indiana Gaming Commission; [68 IAC 27-3-1](#))

[68 IAC 27-3-2](#) System assessment

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. (a) Each sports wagering operator shall, within ninety (90) days of 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 the 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 or individuals 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.**

(b) The annual system assessment shall be provided to the commission not later than July 15 of each year, with the first annual system assessment to be provided to the commission not later than July 15, 2021.

(Indiana Gaming Commission; [68 IAC 27-3-2](#))

[68 IAC 27-3-3](#) Patron complaints

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 3. (a) 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 ten (10) calendar days. The complaint must be made in writing.

(b) For complaints related to patron accounts, settlement of wagers, and illegal activity that cannot be resolved to the satisfaction of the patron, a copy of the complaint and the sports wagering operator's response, including all relevant documentation, shall be provided to the division, as applicable.

(Indiana Gaming Commission; [68 IAC 27-3-3](#))

[68 IAC 27-3-4](#) Sports wagering transactions

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 4. To conduct sports wagering retail transactions, a sports wagering operator shall submit a plan to the commission that meets the requirements of [68 IAC 12-1-5](#), and shall be approved by the executive director or the 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 the executive director's designee;**
- (2) sports wagering kiosks in locations as approved by the executive director or the executive director's designee; or**

(3) a designated window in the cashier's cage for the redemption of winning sports wagering tickets only.

(Indiana Gaming Commission; [68 IAC 27-3-4](#))

[68 IAC 27-3-5](#) Security requirement

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 5. (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, under the requirements set forth in [68 IAC 12-1](#).

(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 the executive director's designee prior to accepting wagers in any approved sports wagering lounge or approved sports wagering kiosk locations in the licensed facility.

(Indiana Gaming Commission; [68 IAC 27-3-5](#))

Rule 4. Sports Wagering Integrity; Confidential Information

[68 IAC 27-4-1](#) Sports wagering integrity; confidential information

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-9](#)

Sec. 1. (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, 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 cancel only 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 under this section or this article 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.

(Indiana Gaming Commission; [68 IAC 27-4-1](#))

[68 IAC 27-4-2](#) Obligation to report certain events

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. A sports wagering operator shall provide a written notice to the executive director or the executive director's designee as soon as the sports wagering operator licensee becomes aware of the following:

- (1) A violation or apparent violation of a rule of the commission by any of the following:
 - (A) The sports wagering operator.
 - (B) A substantial owner, key person, or employee of the sports wagering operator.
 - (C) A person acting, or authorized to act, on behalf of or in furtherance of the interests of the sports wagering operator licensee or an affiliate of the licensee.
- (2) A change in status of an owner's license, supplier's license, or the equivalent issued to the sports wagering operator licensee, or an affiliate by any other governmental entity.
- (3) Civil litigation filed against the:
 - (A) sports wagering operator licensee's Indiana operations; or
 - (B) sports wagering operator licensee that could significantly impact the sports wagering operator licensee's Indiana operations.
- (4) A criminal, civil, or administrative action, threatened action, or investigation initiated by any governmental entity against the sports wagering operator licensee.
- (5) Claims made by a governmental entity concerning the tax liability of a sports wagering operator licensee or a key person or substantial owner of the sports wagering operator licensee.
- (6) A civil, criminal, administrative, or tax action initiated:
 - (A) by or against an employee of the sports wagering operator if the action relates to the gaming activity conducted by the sports wagering operator; or
 - (B) against a key person, substantial owner, or an affiliate of a sports wagering operator licensee, if the action relates to a gaming operation under the jurisdiction of a governmental entity.
- (7) A bankruptcy, receivership, or debt adjustment initiated by or against the sports wagering operator licensee, or an affiliate thereof, or the sports wagering operator's substantial owners.
- (8) A compliance review conducted by the Internal Revenue Service under the Bank Secrecy Act of 1970. The sports wagering operator licensee must provide a copy of the compliance review report or the equivalent within ten (10) days of the receipt of the report by the sports wagering operator.
- (9) An action, event, or nonevent, with respect to which the executive director has instructed the sports wagering operator to provide notice so that the executive director can ensure that the sports wagering operator continues to maintain suitability for licensure.

(Indiana Gaming Commission; [68 IAC 27-4-2](#))

[68 IAC 27-4-3](#) Licensing independent integrity monitoring providers

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

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

(Indiana Gaming Commission; [68 IAC 27-4-3](#))

Rule 5. Internal Controls and House Rules

[68 IAC 27-5-1](#) Internal control procedures

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. The internal control procedures in this article 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](#).**

(Indiana Gaming Commission; [68 IAC 27-5-1](#))

[68 IAC 27-5-2](#) Internal controls

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-11](#); [IC 5-14](#)

Sec. 2. Prior to beginning sports wagering operations, a sports wagering operator must submit for approval under [68 IAC 11](#) internal controls for the following:

- (1) 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.**
- (2) The internal controls shall address the following items regarding the sports wagering system and online sports wagering systems, at a minimum:**
 - (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) User access controls for all sports wagering personnel.**
 - (C) Segregation of duties.**
 - (D) Automated and manual risk management procedures.**
 - (E) Procedures for identifying and reporting fraud and suspicious conduct including identifying unusual betting activity and reporting such activity to an independent integrity monitoring provider.**
 - (F) Procedures to prevent wagering by prohibited sports wagering participants. However, an individual that has enrolled for a statewide Internet self-restriction is only restricted from placing wagers online or via mobile device.**
 - (G) Procedures for sports wagering operator-imposed exclusion of patrons, including:**
 - (i) providing a notification containing operator-imposed exclusion status and general instructions for resolution;**
 - (ii) ensuring that immediately upon executing the operator-imposed exclusion order, no new wagers or deposits are accepted from the patron, until such time as the operator-imposed exclusion has been revoked; and**
 - (iii) ensuring that the patron is not prevented from withdrawing any or all of the patron's account balance, provided that the sports wagering operator acknowledges that the funds have cleared, and that the reason or reasons for exclusion would not prohibit a withdrawal.**
 - (H) Description of anti-money laundering compliance standards, which shall include limitations placed on anonymous wagering at the sports wagering kiosks.**
 - (I) Process for submitting or receiving approval of all types of wagers available to be offered by the system.**
 - (J) Description of process for accepting wagers and issuing payouts, plus any additional controls**

for accepting wagers and issuing payouts in excess of ten thousand dollars (\$10,000).

(K) Description of process for accepting multiple wagers from one (1) patron in a twenty-four (24) hour cycle, including process to identify patron structuring of wagers to circumvent recording and reporting requirements.

(L) For sports wagering conducted by a vendor, a description of how revenue will be reported to the certificate of authority holder and how the certificate of authority holder will remit taxes as required by [IC 4-38](#).

(M) Detailed procedures for reconciliation of assets and documents contained in a sports wagering lounge cashier's drawer, sports wagering kiosks, and online sports wagering, which shall include the drop, fill, and count procedures for sports wagering kiosks.

(N) Procedures for cashing winning tickets at the cage after the sports wagering lounge has closed, if applicable.

(O) Procedures for accepting value game chips for sports wagers, if applicable.

(P) Procedures for issuance and acceptance of promotional funds for sports wagering.

(Q) Description of all integrated third-party systems.

(R) Identifying and restricting prohibited sports wagering participants. However, an individual that has enrolled for a statewide Internet self-restriction is restricted only from placing wagers online or via mobile device.

(S) Instituting a process to close out dormant accounts.

(T) Detailed procedures for making adjustments to a patron's account, providing a method for a patron to close out an account, and detail how a patron will be refunded after the closure of an account.

(U) Detailed procedure for W-2G issuance when triggered.

(V) If the sports wagering system allows online wagering, method for verifying geolocation systems to establish a patron's geographic location.

(W) Maintaining the security of identity and financial information of patrons.

(X) Withholding winnings from delinquent child support obligors in accordance with [IC 4-38-11](#), including a plan for complying with [IC 4-38-11](#) if the sports wagering operator allows the redemption of tickets via mail.

(Y) Detailed problem gambling program procedures.

(Z) Method for securely implementing the statewide Internet self-restriction program.

(AA) Method for securely issuing, modifying, and resetting a patron's account password, personal identification number (PIN), or other approved security feature, when applicable.

(BB) Methods of patron notification, including any password or security modification via electronic mail or regular mail, text message, or other manner approved by the executive director or the executive director's designee. Such methods shall include at a minimum:

(i) proof of identity, if in person;

(ii) the correct response to two (2) or more challenge questions; or

(iii) strong authentication.

(CC) Procedures for receiving, investigating, and responding to all patron complaints and submitting any unresolved patron complaint reports to the division.

(DD) Detailing the location of the sports wagering servers, including any third party remote location servers, and what controls will be in place to ensure security of the sports wagering servers.

(EE) Terms and conditions for sports wagering shall be included as an appendix.

(FF) Description of the process for line setting and line moving.

(GG) If allowed, method of redeeming lost tickets.

(HH) Method by which the sports wagering operator will identify and cancel wagers in accordance with [IC 4-38](#), including defining "obvious error".

(II) Method for deploying changes and updates to the sports wagering system, including notification to the commission.

(JJ) Any other internal control deemed necessary by the executive director or the executive director's designee to ensure the integrity of sports wagering.

(3) 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](#).

(Indiana Gaming Commission; [68 IAC 27-5-2](#))

[68 IAC 27-5-3](#) House rules

Authority: [IC 4-38-3-1](#)

Sec. 3. (a) A sports wagering operator shall adopt comprehensive house rules, which shall be approved by the executive director or the executive director's designee. The house rules shall address the following items regarding the sports wagering system and online sports wagering systems, 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 (1) year after the date of the event.**
- (6) Lost ticket policy, if applicable.**
- (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. A sports wagering voucher may not be redeemed by mail.**
- (11) Maximum payouts; however, such limits shall be established only through limiting the amount wagered and cannot be applied to reduce a winning wager amount.**
- (12) A policy by which the sports wagering operator can cancel wagers in accordance with [IC 4-38](#), including defining "obvious error".**
- (13) Instructions on how to commence enrollment in the available self-exclusion programs along with relevant hyperlinks. Instructions on how to impose available wagering limitations on a patron's account along with relevant hyperlinks.**
- (14) Instructions on how to impose available wagering limitations on a patron's account along with relevant hyperlinks.**

(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 sports wagering 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.

(Indiana Gaming Commission; [68 IAC 27-5-3](#))

[68 IAC 27-5-4](#) Quarterly statements for withholding cash winnings from delinquent child support obligors

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-11](#)

Sec. 4. 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.**

(Indiana Gaming Commission; [68 IAC 27-5-4](#))

Rule 6. Sports Wagering System Requirements

[68 IAC 27-6-1](#) Certification testing

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. (a) Prior to conducting sports wagering, and annually thereafter, the entire sports wagering system used in conjunction with the sports wagering operation shall be submitted to an Indiana approved authorized independent testing laboratory for certification testing under [68 IAC 2-6-3](#). A sports wagering operator's first annual recertification shall be due on or before three hundred sixty-five (365) days from the receipt of the Indiana gaming commission's approved independent testing laboratory certification correspondence.

(b) 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.

(c) 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.

(d) A sports wagering operator shall provide the executive director or the executive director's designee with access to wagering transactions and related data.

(Indiana Gaming Commission; [68 IAC 27-6-1](#))

[68 IAC 27-6-2](#) Server location

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. A sports wagering operator must locate a server in the state of Indiana. The location selected must have adequate security, including twenty-four (24) hour surveillance, and be approved by the executive director or the executive director's designee.

(Indiana Gaming Commission; [68 IAC 27-6-2](#))

[68 IAC 27-6-3](#) Cloud storage of duplicate data

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

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

(Indiana Gaming Commission; [68 IAC 27-6-3](#))

[68 IAC 27-6-4](#) Sports wagering system requirements; logging

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 4. (a) All online sports wagering systems authorized by [IC 4-38](#) and this article 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) 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) 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) The sports wagering system shall be designed to comply with all federal requirements including, but not limited to, suspicious activity reporting and W-2G reporting.

(Indiana Gaming Commission; [68 IAC 27-6-4](#))

Rule 7. Patron Wagers

[68 IAC 27-7-1](#) Commission approval required

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-5](#)

Sec. 1. 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 negatively impact the integrity of sports wagering in the state.

(Indiana Gaming Commission; [68 IAC 27-7-1](#))

[68 IAC 27-7-2](#) Commission approval of wagering on other events

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-5](#)

Sec. 2. 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 that would be utilized to offer the event;
- (3) assurance that the event meets the requirements of section 4 of this rule; and
- (4) any other information related to the nature of the event deemed necessary by the executive director or the executive director's designee.

(Indiana Gaming Commission; [68 IAC 27-7-2](#))

[68 IAC 27-7-3](#) Unauthorized events offered for wagering

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 3. (a) If it is determined that a sports wagering operator has offered an unauthorized event for wagering, the sports wagering operator shall cancel and refund all wagers associated with that event.

(b) If any wagers contemplated in subsection (a) cannot be refunded at the time the unauthorized event is identified, the sports wagering operator shall provide the commission with a report detailing such wagers.

(Indiana Gaming Commission; [68 IAC 27-7-3](#))

[68 IAC 27-7-4](#) Wager and source of data requirements

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 4. (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.

(Indiana Gaming Commission; [68 IAC 27-7-4](#))

[68 IAC 27-7-5](#) Wager funding

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 5. Patron wagers placed in a sports wagering lounge, sports wagering kiosk, or other approved area within a licensed facility shall be made with:

- (1) cash;
- (2) cash equivalent;
- (3) a 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 the executive director's designee.

(Indiana Gaming Commission; [68 IAC 27-7-5](#))

[68 IAC 27-7-6](#) Patron sports wagering account required for credit or debit card wagering

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 6. A patron may only place a wager via credit or debit card, whether the patron places the wager at a sports wagering lounge, sports wagering kiosk, online, or by a mobile device, if the patron has a sports wagering account with the sports wagering operator.

(Indiana Gaming Commission; [68 IAC 27-7-6](#))

[68 IAC 27-7-7](#) Wager displays

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 7. The available wagers shall be displayed in a manner visible to the public and the operator's closed circuit television system. The display shall include:

- (1) the event number;
- (2) the odds; and

(3) a brief description of the event.

(Indiana Gaming Commission; [68 IAC 27-7-7](#))

[68 IAC 27-7-8](#) Ticket contents

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 8. 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 as follows:
 - (A) Wager selection.
 - (B) Type of wager and line postings.
 - (C) Any special condition or conditions applying to the wager.
 - (D) Payout.
- (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 included:
 - (A) Sports wagering lounge name.
 - (B) Unique sports wagering device identification that issued the wager record.
 - (C) Expiration period, if applicable.

(Indiana Gaming Commission; [68 IAC 27-7-8](#))

[68 IAC 27-7-9](#) Currency transaction reports and multiple transaction logs

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 9. Wagers and payouts made under this article shall be subject to the requirements described in [68 IAC 15-2](#).

(Indiana Gaming Commission; [68 IAC 27-7-9](#))

[68 IAC 27-7-10](#) House rules

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 10. The house 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 canceled, including the handling of wagers with multiple events, such as parlays, where one (1) or more of these legs are canceled. If a single event or market is canceled for any reason, all wagers are to be refunded in full as soon as reasonably possible.

(Indiana Gaming Commission; [68 IAC 27-7-10](#))

[68 IAC 27-7-11](#) Canceled events and markets

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-11](#)

Sec. 11. (a) A sports wagering operator shall cancel a wager made by a prohibited sports wagering participant and refund the amount wagered. A sports wagering operator must cancel a wager under this section at the time the sports wagering operator becomes aware or should have been aware that the patron is a prohibited sports wagering participant.

(b) Notwithstanding subsection (a), if it is determined the prohibited sports wagering participant is delinquent in child support as described under [IC 4-38-11](#), the sports wagering operator shall do the following:

(1) Comply with the provisions of [IC 4-38-11](#).

(2) After withholding the amount of delinquent child support owed, return any overage amount to the prohibited sports wagering participant.

(Indiana Gaming Commission; [68 IAC 27-7-11](#))

[68 IAC 27-7-12](#) Cancellation of wagers

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-5-6](#)

Sec. 12. A sports wagering operator may, in its discretion, cancel an accepted wager for obvious error as set forth in [IC 4-38-5-6](#). "Obvious error" shall be defined in the sports wagering operator's house rules.

(Indiana Gaming Commission; [68 IAC 27-7-12](#))

[68 IAC 27-7-13](#) Cashier canceled wagers

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 13. A cashier may not cancel a wager for which the cashier wrote the ticket and must instead call a supervisor to cancel the wager.

(Indiana Gaming Commission; [68 IAC 27-7-13](#))

[68 IAC 27-7-14](#) Prohibiting wagers for good cause

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-9-4](#)

Sec. 14. (a) Under [IC 4-38-9-4](#), a sports governing body may request that the executive director or the 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 credible threat to the integrity of sports wagering that 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.

(Indiana Gaming Commission; [68 IAC 27-7-14](#))

[68 IAC 27-7-15](#) Layoff wagers

Authority: [IC 4-38-3-1](#)

Sec. 15. Layoff wagers are prohibited under [IC 4-38-9-3\(3\)](#).

(Indiana Gaming Commission; [68 IAC 27-7-15](#))

[68 IAC 27-7-16](#) Promotions

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 16. (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 or markets, or when other specific conditions apply.

(b) A record of all promotional or bonus wagering offers shall be maintained in an electronic file that is readily available to the division. All bonus and promotional wagering offers shall be stated in clear and unambiguous terms and shall be readily accessible by the patron after the offer is accepted and prior to completion. Offer terms and the record of all offers shall include at a minimum:

- (1) the date and time presented;**
- (2) the date and time the offer is active and expires;**
- (3) patron eligibility, including any limitations on patron participation;**
- (4) any restriction on withdrawals of funds;**
- (5) wagering requirements and limitations;**
- (6) the order in which funds are used for wagers;**
- (7) eligible events or wagers; and**
- (8) rules regarding cancellation.**

(c) All promotions and bonuses must:

- (1) include terms and conditions that are full, accurate, clear, concise, and transparent, and not contain misleading information;**
- (2) ensure advertising materials include material terms and conditions for that promotion or bonus and have those material terms in close proximity to the headline claim of the promotion or bonus and in a reasonably prominent size;**
- (3) disclose applicable terms if the patron has to risk or lose the patron's own money as part of the promotion or bonus or has conditions attached to the patron's own money as a result of the promotion or bonus;**
- (4) not be described as risk free if the patron needs to incur any loss or risk the patron's own money to use or withdraw winnings from the risk free bet; and**
- (5) not restrict the patron from withdrawing the patron's own funds or withdrawing winnings from bets placed using the patron's own funds.**

(Indiana Gaming Commission; [68 IAC 27-7-16](#))

[68 IAC 27-7-17](#) Responsible advertising

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 17. (a) No sports wagering operator shall allow, conduct, or participate in any false or misleading advertising concerning its sports wagering operations.

(b) All advertising and marketing materials published, aired, displayed, or distributed by or on behalf of any sports wagering operator shall comply with the following:

- (1) Must not directly advertise or promote sports wagering to minors.**
- (2) Shall conspicuously display a prominent message, which states: "If you or someone you know has a gambling problem and wants help, call 1-800-9-WITH-IT".**
- (3) Shall state patrons must be at least twenty-one (21) years of age or older to wager.**
- (4) Shall not imply greater chances of winning versus other sports wagering operators.**

- (5) Shall not imply greater chances of winning based on wagering in greater quantity or amount.
- (6) All direct marketing shall allow the option to unsubscribe.

(Indiana Gaming Commission; [68 IAC 27-7-17](#))

Rule 8. Sports Wagering Kiosks

[68 IAC 27-8-1](#) Sports wagering kiosk location

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. (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 the executive director's designee.

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

(Indiana Gaming Commission; [68 IAC 27-8-1](#))

[68 IAC 27-8-2](#) Testing and certification

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. Before being deployed for use at a licensed facility, all sports wagering kiosks must be submitted to an Indiana approved authorized independent testing laboratory for testing and receive the required certification under [68 IAC 2-6-3](#).

(Indiana Gaming Commission; [68 IAC 27-8-2](#))

[68 IAC 27-8-3](#) Reconciliation

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 3. The sports wagering operator's accounting department shall reconcile the sports wagering kiosks on a daily basis pursuant to internal controls. Any variance of five hundred dollars (\$500) 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.

(Indiana Gaming Commission; [68 IAC 27-8-3](#))

[68 IAC 27-8-4](#) Transaction reports

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 4. Each sports wagering kiosk or sports wagering kiosk computer system shall be capable of generating a transaction report, which documents each attempted and completed transaction. Unless otherwise approved by the commission, 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.

(Indiana Gaming Commission; [68 IAC 27-8-4](#))

[68 IAC 27-8-5](#) Connection to sports wagering system

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 5. (a) When used to redeem sports wagering tickets or vouchers, sports wagering 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 wagering 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 wagering 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 wagering vouchers, the sports wagering kiosk or sports wagering 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 wagering tickets, the sports wagering kiosk or sports wagering 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 wagering vouchers, the sports wagering kiosk or sports wagering 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 sports wagering kiosk or sports wagering 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.

(Indiana Gaming Commission; [68 IAC 27-8-5](#))

Rule 9. Sports Wagering Reports; Wagering Revenue; Computation of Taxes; Reconciliation

[68 IAC 27-9-1](#) Reports required

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. (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.

(Indiana Gaming Commission; [68 IAC 27-9-1](#))

[68 IAC 27-9-2](#) Calculation of taxes

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

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

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

(Indiana Gaming Commission; [68 IAC 27-9-2](#))

Rule 10. Accounting Controls for the Sports Wagering Lounge

[68 IAC 27-10-1](#) Internal audit procedures

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. The procedures and requirements outlined in [68 IAC 15-8-1](#) shall apply to sports wagering operators and sports wagering operations.

(Indiana Gaming Commission; [68 IAC 27-10-1](#))

[68 IAC 27-10-2](#) Observation and testing of cashiering and credit

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. (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 semiannual 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 article.

(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 article.

(Indiana Gaming Commission; [68 IAC 27-10-2](#))

[68 IAC 27-10-3](#) Accounting controls for the sports wagering lounge

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 3. (a) A cashier shall begin a shift with an imprest amount of 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 canceled 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, and which documentation shall be sufficient for accounting reconciliation purposes.

(b) A sports wagering count sheet shall be completed and signed by a 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.
- (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 system generated sports wagering window net receipts for the shift do 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 five hundred dollars (\$500) shall be reported to the commission. The report shall include the :

- (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.

(e) 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.

(Indiana Gaming Commission; [68 IAC 27-10-3](#))

[68 IAC 27-10-4](#) Transactions

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 4. 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 article.

(Indiana Gaming Commission; [68 IAC 27-10-4](#))

[68 IAC 27-10-5](#) Annual financial audit

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 5. Each sports wagering operator shall conduct an annual financial audit of its sports wagering financial statements under the requirements of [68 IAC 15-14](#). The financial audit shall be due within ninety (90) days after the end of the sports wagering operator's fiscal year or other time frame as agreed to by the commission and the sports wagering operator. This requirement does not apply to a certificate of authority holder that only conducts sports wagering activities through a vendor.

(Indiana Gaming Commission; [68 IAC 27-10-5](#))

[68 IAC 27-10-6](#) Special audits

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 6. (a) To ensure the integrity of gaming or compliance with [IC 4-38](#) and this title, the commission may require, at any time, a special audit of a sports wagering operator to be conducted by an independent certified public accountant who is, or whose firm is, licensed in Indiana. The commission may establish the scope, procedures, and reporting requirements of a special audit.

- (b) The sports wagering operator is responsible for the costs of a special audit.

(Indiana Gaming Commission; [68 IAC 27-10-6](#))

Rule 11. Geofence Requirement

[68 IAC 27-11-1](#) Geofence requirement

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. (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 executive director shall approve technical specifications for geolocation systems and any specific requirements related to geofence technology.

(Indiana Gaming Commission; [68 IAC 27-11-1](#))

[68 IAC 27-11-2](#) Consideration to geofence the location of a particular sporting event

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#); [IC 21-12-1-8](#)

Sec. 2. (a) The executive director will consider a request by a sports governing body or an eligible institution, as defined by [IC 21-12-1-8](#), to utilize a geofence to prohibit wagers at the location of a particular sporting event, provided the request includes:

- (1)** information indicating a credible threat to the integrity of sports wagering at the particular location of the sporting event that 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.

(Indiana Gaming Commission; [68 IAC 27-11-2](#))

Rule 12. Sports Wagering Accounts

[68 IAC 27-12-1](#) Account required

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. (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, multiple active accounts, whether directly or by use of another person as a proxy.

(Indiana Gaming Commission; [68 IAC 27-12-1](#))

[68 IAC 27-12-2](#) Age and identify verification

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. A full identity check must be undertaken before a patron is allowed to place a wager as follows:
(1) Only patrons at least twenty-one (21) years of age 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 the person is under the legal participation age.

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

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

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

(5) 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:

(A) 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;

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

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

(Indiana Gaming Commission; [68 IAC 27-12-2](#))

[68 IAC 27-12-3](#) Patron account controls

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 3. (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) the self-imposed limitations that shall be available to the patron at both the time of account registration and first deposit;

(3) 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

(4) mechanisms in place that detect unauthorized use of the patron's 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, time-based limitations and a patron option to decline the ability to cancel a pending withdrawal request. 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 twenty-four (24) hour notice, or as required by the commission.

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

(Indiana Gaming Commission; [68 IAC 27-12-3](#))

[68 IAC 27-12-4](#) Account requirements

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 4. In order to establish a sports wagering account, a sports wagering operator shall do the following:

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

(A) the patron's legal name;

(B) the patron's date of birth;

(C) the patron's Social Security number, or the last four (4) digits thereof, or an equivalent

- identification number for a noncitizen patron, such as a passport or taxpayer identification number;
 - (D) the patron's sports wagering account number or username;
 - (E) the patron's residential address; a post office box is not acceptable;
 - (F) the patron's electronic mail address;
 - (G) the patron's telephone number;
 - (H) any other information collected from the patron used to verify the patron's identity;
 - (I) the method used to verify the patron's identity; and
 - (J) the date of verification.
- (2) Encrypt all of the following information contained in an electronic patron file:
- (A) Any portion of the patron's Social Security number or an equivalent identification number for a noncitizen patron, such as a passport or taxpayer identification number.
 - (B) The patron's passwords and personal identification numbers (PINs).
 - (C) The patron's personal financial information.
- (3) Verify the patron's identity in accordance with:
- (A) reliable forms of personal identification specified in internal controls; or
 - (B) other methodology for remote multisource authentication, which may include third-party and governmental databases, as approved by the executive director or the executive director's designee.
- (4) Record the document number of the government issued identification credential examined, if applicable. If a government issued identification credential is not required for registration, the electronic record that details the process used to confirm patron identity must be recorded.
- (5) 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.
- (6) Record the patron's certification that the information provided to the operator is accurate.
- (7) Record the patron's acknowledgment that the legal age for sports wagering is twenty-one (21) years of age, and that the patron is prohibited from allowing any other person to access or use the patron's sports wagering account.
- (8) Notify the patron of the establishment of the account via electronic mail or regular mail.
- (9) Record the patron's acceptance of the sports wagering operator's terms and conditions to participate in wagering through the mobile application or any authorized digital platform accepting wagers online. The terms and conditions must include the following:
- (A) Name of the party or parties with whom the patron is entering into a contractual relationship, including any licensee.
 - (B) Patron's consent to have the licensee confirm the patron's age and identity.
 - (C) Rules and obligations applicable to the patron other than house rules, including, but not limited to:
 - (i) prohibition from allowing any other person to access or use the patron's account;
 - (ii) prohibition from engaging in mobile wagering activity, unless the patron is physically present in Indiana;
 - (iii) consent to the monitoring and recording by the operator or the division, or both, of any wagering communications and geographic location information; and
 - (iv) consent to the jurisdiction of the state of Indiana to resolve any disputes arising out of sports wagering activity.
 - (D) Availability of account statements detailing patron account activity.
 - (E) Privacy policies, including information access.
 - (F) Legal age policy, including a statement that it is a criminal offense to allow a person who is under twenty-one (21) years of age to participate in mobile wagering.
 - (G) Full explanation of all rules applicable to dormant accounts.
 - (H) Patron's right to set responsible gaming limits and to self-exclude.
 - (I) Patron's right to suspend the patron's account.
 - (J) Whenever the terms and conditions that apply to mobile wagering are changed, the licensee shall require a patron to acknowledge acceptance of such change. Unless otherwise authorized by the division, the patron's acknowledgment shall be date and time stamped by the Internet or mobile gaming system, as applicable.

(Indiana Gaming Commission; [68 IAC 27-12-4](#))

[68 IAC 27-12-5](#) Account funding

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 5. A patron's sports wagering account for 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 the executive director's designee;
- (3) a patron's reloadable prepaid card, which has been verified as being issued to the patron and is nontransferable;
- (4) promotional credit;
- (5) winnings;
- (6) adjustments made by the sports wagering operator with documented notification to the patron;
- (7) an ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;
- (8) a wire transfer; or
- (9) any other means approved by the commission.

(Indiana Gaming Commission; [68 IAC 27-12-5](#))

[68 IAC 27-12-6](#) Failed ACH deposits

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 6. 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 do the following:

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

(Indiana Gaming Commission; [68 IAC 27-12-6](#))

[68 IAC 27-12-7](#) Transfer of funds prohibited

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 7. A sports wagering operator shall not permit a patron to transfer funds from a patron account to another patron account.

(Indiana Gaming Commission; [68 IAC 27-12-7](#))

[68 IAC 27-12-8](#) Account review requirements

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 8. All adjustments to patron accounts for amounts of five hundred dollars (\$500) or less 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.

(Indiana Gaming Commission; [68 IAC 27-12-8](#))

[68 IAC 27-12-9](#) Account information

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 9. (a) 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 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 two (2) years.

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

(Indiana Gaming Commission; [68 IAC 27-12-9](#))

[68 IAC 27-12-10](#) Account closure

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 10. A sports wagering system shall provide a conspicuous and readily accessible method for a patron to close the patron's account through the account management or similar page or through the sports wagering system's customer support team. Any balance remaining in a patron's sports wagering account closed by a patron shall be refunded under the operator's internal controls.

(Indiana Gaming Commission; [68 IAC 27-12-10](#))

[68 IAC 27-12-11](#) Patron account withdrawal

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#); [IC 32-34-1](#)

Sec. 11. (a) A patron must be allowed to withdraw the funds maintained in the patron's 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.

(Indiana Gaming Commission; [68 IAC 27-12-11](#))

[68 IAC 27-12-12](#) Dormant patron accounts

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#); [IC 32-34-1](#)

Sec. 12. 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.

(Indiana Gaming Commission; [68 IAC 27-12-12](#))

[68 IAC 27-12-13](#) Unclaimed funds in a dormant patron account

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#); [IC 32-34-1](#)

Sec. 13. (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.

(Indiana Gaming Commission; [68 IAC 27-12-13](#))

Rule 13. Responsible Gaming and Self-Restriction

[68 IAC 27-13-1](#) Responsible gaming requirement

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. Each sports wagering website or mobile application shall display a responsible gaming logo in a manner approved by the executive director or the 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:

- (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 [Indianagambinghelp.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 sports wagering operator's policy and commitment to responsible gaming, along with a link to the sports wagering operator's specific self-exclusion program.

(Indiana Gaming Commission; [68 IAC 27-13-1](#))

[68 IAC 27-13-2](#) Statewide Internet self-restriction

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 2. (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.

(Indiana Gaming Commission; [68 IAC 27-13-2](#))

[68 IAC 27-13-3](#) Removal from statewide Internet self-restriction

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 3. (a) A person who has registered for the statewide Internet self-restriction program may, upon the expiration of the selected term of 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.

(Indiana Gaming Commission; [68 IAC 27-13-3](#))

[68 IAC 27-13-4](#) Direct marketing to prohibited sports wagering participants

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 4. (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.

(Indiana Gaming Commission; [68 IAC 27-13-4](#))

[68 IAC 27-13-5](#) Sports wagering operator self-exclusion

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 5. 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.

(Indiana Gaming Commission; [68 IAC 27-13-5](#))

Rule 14. Prohibitions on Participating in Sports Wagering

[68 IAC 27-14-1](#) Patron restrictions on sports wagering

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38](#)

Sec. 1. (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.

(Indiana Gaming Commission; [68 IAC 27-14-1](#))

[68 IAC 27-14-2](#) Prohibited sports wagering participants

Authority: [IC 4-38-3-1](#)

Affected: [IC 4-38-5](#); [IC 4-38-9-3](#); [IC 5-14-3-4](#)

Sec. 2. (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 under [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.

(d) The information provided under this section shall be considered confidential under [IC 4-38-5](#) and [IC 5-14-3-4\(a\)\(2\)](#).

(Indiana Gaming Commission; [68 IAC 27-14-2](#))

[Notice of Public Hearing](#)

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