

**STATE OF ILLINOIS
ILLINOIS GAMING BOARD**

IN RE THE DISCIPLINARY ACTION OF:

Sergio Flores

**Licensed Terminal Handler
License No. 190501820**

DC-V-23-213

**COMPLAINT FOR DISCIPLINARY ACTION
AND NOTICE OF SUMMARY SUSPENSION**

The Illinois Gaming Board, for its Complaint against Sergio Flores, states as follows:

NATURE OF ACTION

1. The Illinois Gaming Board (the “Board” or “IGB”) brings this action against licensed terminal handler Sergio Flores (“Flores”) for defrauding at least two licensed video gaming locations in violation of the Video Gaming Act (the “VGA”) and the Board’s Adopted Rules for Video Gaming (the “Rules”).
2. Flores’s conduct violates, among other things, provisions of the VGA and the Rules that prohibit Board licensees from engaging in any conduct that would discredit, or tend to discredit, or reflect adversely on the integrity of the Illinois gaming industry, including failure to comply with Illinois law.
3. The Board brings this action pursuant to Sections 78 and 80 of the VGA; Sections 5(b)(2), 5(b)(13), 5(c)(5) and 17 of the Illinois Gambling Act; and Sections 1800.210 and 1800.310 the Rules. 230 ILCS 40/78; 230 ILCS 40/80; 230 ILCS 10/5; 230 ILCS 10/17; 11 Ill. Adm. Code 1800.210; 11 Ill. Adm. Code 1800.310.
4. Through this action, the Board seeks to revoke Flores’s license.

5. Additionally, per Section 17 of the Illinois Gambling Act, Flores's license is summarily suspended pending a final Board order in this matter.

PARTIES

6. The Board is the State regulatory agency responsible for administering, regulating, and enforcing the system of video gaming in Illinois. The Board's jurisdiction extends to every person, association, corporation, partnership, and trust involved in Illinois video gaming operations.

7. Flores is a licensed Terminal Handler (License No. 190501820), and at all relevant times was employed by licensed Terminal Operator Accel Entertainment Gaming LLC ("Accel") as Relationship Manager and sales agent. As a Board licensee, Flores is obligated to comply with the VGA and Rules at all times.

RELEVANT FACTUAL BACKGROUND

8. At all relevant times, Accel maintained a program through which it shares advertising and promotional costs with licensed locations as permitted by Section 1800.350(c)(6) of the Board's Rules.

9. To facilitate its advertising and promotional costs program, Accel uses an internal database to track and review shared advertising program requests.

10. Accel Relationship Managers submit electronic requests through the internal database for allowable shared advertising and promotional costs.

11. For approved requests, Accel pays the entire advertising and promotional costs and then reimburses itself for the licensed location's share of expenses by withholding the corresponding amount of net terminal income ("NTI") owed to the licensed location.

12. In his capacity as an Accel Relationship Manager, Flores worked with licensed establishments to increase their clientele and grow gaming revenue through marketing and advertisements provided by a third-party a marketing company.
13. In or around July 2022, Flores arranged a deal between a licensed establishment (“Location 1”) and a marketing company. The marketing company was to print advertisements and coupons for Location 1 with Accel and the establishment splitting costs under Accel’s program as permitted by 350(c)(6).
14. Instead of informing Location 1 about how Accel’s program operated, Flores directed Location 1 to provide a check to him to cover the advertising costs.
15. On July 13, 2022, Location 1 executed a check in the amount of \$2,320.18, which Location 1 understood from Flores to be the cost of the advertising materials. Location 1 made the check payable to Flores.
16. Flores deposited the July 13, 2022 check into his personal account for personal use.
17. In or around September 2022, Flores submitted Location 1’s advertising request for approval and payment through Accel’s database.
18. On November 16, 2022, Accel paid the marketing company \$2,300 for the cost of the approved advertisement for Location 1.
19. In or around late November 2022, Accel, unaware that Location 1 had paid Flores, withheld \$1,150 from Location 1’s NTI as payment for Location 1’s share of the advertising expenses.
20. On February 2, 2023, Flores approached another licensed location (“Location 2”) and offered to help grow Location 2’s gaming operation through advertising and marketing.

21. As payment for the marketing costs, Location 2 issued Flores a check in the amount of \$1,600 on February 2, 2023.
22. On February 10, 2023, Flores returned to Location 2 with an invoice for the marketing materials totaling \$6,500. Flores told Location 2 that Accel would pay the invoice, but Location 2 needed to reimburse Accel for its half of the marketing expenses.
23. On February 10, 2023, Location 2 gave Flores a second check in the amount of \$1,600.
24. Flores deposited both checks from Location 2 into his personal account for personal use.
25. On February 14, 2023, IGB Gaming Agents interviewed Flores.
26. During the February 14, 2023 interview, Flores admitted to IGB Gaming Agents that he kept Location 1's check for personal use.
27. On February 15, 2023, Accel terminated Flores.
28. On February 21, 2023, Flores returned \$3,200 to Location 2 via a cashier's check.

COUNT I – THEFT
IN VIOLATION OF RULE 1800.310(a)(1)

29. The Board re-alleges and incorporates Paragraphs 1 through 28 above as if fully alleged herein.
30. Rule 1800.310(a)(1) subjects licensees to Board discipline for any failure to comply with State law.
31. By depositing the checks from Location 1 and Location 2 into his personal account for personal use, Flores committed theft.
32. Theft is a violation of Illinois law.
33. By engaging in theft, Flores violated Rule 1800.310.
34. By engaging in the conduct described above, Flores is subject to discipline under Rule 310.

WHEREFORE, based on the foregoing, Flores's license should be revoked. Additionally, per Section 17 of the IGA, Flores's license is summarily suspended pending a final Board order.

COUNT II – DECEPTIVE ACT IN VIOLATION OF RULE 310(a)(21)

35. The Board re-alleges and incorporates Paragraphs 1 through 28 above as if fully alleged herein.

36. Rule 1800.310(a)(21) subjects licensees to Board discipline for engaging in, or facilitating, any unfair methods of competition or unfair or deceptive acts or practices, including, but not limited to, the use or employment of any deception, fraud, false pretense, false promise or misrepresentation, or the concealment, suppression, or omission of any material fact in the conduct of any video gaming operation.

37. By engaging in the conduct alleged in Paragraphs 1-28 above, Flores engaged in deception.

38. By engaging in the conduct alleged in Paragraphs 1-28 above, Flores engaged in false pretenses.

39. By engaging in the conduct alleged in Paragraphs 1-28 above, Flores engaged in fraud.

40. By engaging in the conduct described above, Flores is subject to discipline under Rule 1800.310.

WHEREFORE, based on the foregoing, Flores's license should be revoked. Additionally, per Section 17 of the IGA, Flores's license is summarily suspended pending a final Board order.

Dated: July 25, 2023

Respectfully submitted,



Marcus Fruchter
Administrator
Illinois Gaming Board

NOTIFICATION OF PROPOSED DISCIPLINARY ACTION

Pursuant to Rule 715 [11 Ill. Adm. Code 1800.715] the Administrator finds facts sufficient to authorize the issuance of a Disciplinary Complaint against SERGIO FLORES to revoke Flores's license. Additionally, per Section 17 of the IGA, Flores's license is summarily suspended pending a final Board order.

If you choose to file an Answer, it will not be accepted unless it complies with every requirement listed in Section 720 of the Rules [11 Ill. Adm. Code 1800.720]. If you file an Answer that complies with all requirements under Rule 720, a hearing officer will be appointed to conduct a hearing. The Answer should be mailed to:

Illinois Gaming Board OR IGB.LEGAL@illinois.gov
Attn: Legal Department
160 N. LaSalle St., Suite 300
Chicago, Illinois 60601

Failure to file an Answer within 21 days of receiving this Complaint will result in the proposed disciplinary action becoming effective and final.

Additionally, per Section 17 of the IGA, Flores's license is summarily suspended pending a final Board order.

Dated: July 25, 2023

Respectfully submitted,



Marcus Fruchter
Administrator
Illinois Gaming Board