

**STATE OF ILLINOIS  
ILLINOIS GAMING BOARD**

**IN RE THE DISCIPLINARY ACTION OF:**

**Veterans VGT, LLC**

**DC-V-22-12**

**Licensed Terminal Operator**

**COMPLAINT FOR DISCIPLINARY ACTION**

The Illinois Gaming Board, for its Complaint against Veterans VGT, LLC states as follows:

**NATURE OF ACTION**

1. The Illinois Gaming Board (the “Board” or “IGB”) brings this action against licensed terminal operator Veterans VGT, LLC (“VVGT” or “Respondent”) for failure to timely disclose sales agents and for misrepresenting information to the Board in violation of the Video Gaming Act (the “VGA”) and the Board’s Adopted Rules for Video Gaming (the “Rules”).
2. Respondent’s conduct violates 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 but not limited to the failure to comply with the Rules.
3. The Board brings this action pursuant to VGA Sections 78(a)(2), 78(a)(3) and 80; IGA Sections 5(b)(2), 5(c)(5), 5(c), and 5(c)(15); and Rules 220 and 310. 230 ILCS 40/78; 230 ILCS 40/80; 230 ILCS 10/5; 11 Ill. Adm. Code 1800.220; 1800.310.
4. Through this action, the Board seeks to fine Respondent in the amount of \$100,000.

## **PARTIES AND RELEVANT ENTITIES**

5. The Board is the Illinois regulatory agency charged with the responsibility of administering, regulating and enforcing video gaming in Illinois. The Board's jurisdiction extends to every person, association, corporation, partnership, and trust involved in Illinois video gaming operations.

6. Respondent is a licensed terminal operator (License No. 170600488) and has been a licensee since August 24, 2017. As a licensed terminal operator, Respondent is required to comply with the VGA and the Rules at all times.

## **RELEVANT FACTUAL BACKGROUND**

7. Respondent employs or contracts with numerous individuals to act as sales agents or brokers. These sales agents or brokers, in part, solicit use agreements from current or potential licensed video gaming locations.

8. Rule 220(e)(2) requires that licensees disclose to the IGB within 21 days “[p]ersons who have acted or will act as a sales agent or broker, or otherwise engage in the solicitation of business from current or potential licensed video gaming locations[.]” 11 Ill. Adm. Code 1800.220(e)(2).

9. Licensed terminal operators disclose sales agents to the IGB by updating and submitting Exhibit 8D to the terminal operator application (“Exhibit 8D”).

10. On February 25, 2019, the Administrator issued disciplinary complaint DC-V-19-004 to Respondent, alleging in part that Respondent failed to disclose a sales agent pursuant to Rule 220(e)(2). Under the terms of a settlement agreement between the IGB and VVGT, the Administrator subsequently withdrew that disciplinary complaint on September 4, 2019.

11. On March 15, 2019, Respondent disclosed Dennis Lopez as a sales agent to the IGB. Respondent submitted an Exhibit 8D for Lopez reflecting that Lopez started working for VVGT on February 1, 2019.

12. On February 12, 2019, Respondent entered into three “Exclusive Location and Video Gaming Terminal Agreements” for which Respondent identified Lopez as the sales agent.

13. On March 15, 2019, Respondent disclosed Dana Oswald as a sales agent to the IGB.

14. On January 15, 2019, Respondent entered into three “Exclusive Location and Video Gaming Terminal Agreements” that Oswald procured as the VVGT sales agent.

15. On March 15, 2019, Respondent disclosed Kara Cardelli as a sales agent by submitting an Exhibit 8D. The Exhibit 8D indicates Cardelli started work as a VVGT sales agent on February 18, 2019.

16. On March 15, 2019, Respondent disclosed Andrew Phelan as a sales agent by submitting an Exhibit 8D. The Exhibit 8D states Phelan started work as a VVGT sales agent on March 1, 2019.

17. Contrary to Respondent’s representation in the March 15, 2019 Exhibit 8D, Respondent and Phelan entered into a “Location Broker Agreement” on February 18, 2019.

18. Moreover, Respondent provided documentation to the Board establishing that Phelan was engaged in the solicitation of use agreements for VVGT as early as February 12, 2019.

19. On April 1, 2019, Respondent disclosed Jared Nicholson as a sales agent by submitting an Exhibit 8D. The Exhibit 8D states Nicholson started work as a VVGT sales agent on March 1, 2019.

20. Contrary to Respondent's representation in the April 1, 2019 Exhibit 8D, Nicholson signed a "Location Broker Agreement" with Respondent on February 21, 2019.

21. On January 17, 2020, Respondent disclosed Marc McDermott as a sales agent to the IGB by submitting an Exhibit 8D. The Exhibit 8D states McDermott started work as a VVGT sales agent on November 11, 2019.

22. Contrary to the January 17, 2020 Exhibit 8D, McDermott admitted in a March 4, 2020 interview with an IGB Gaming Agent that he was involved in the solicitation of use agreements on behalf of Respondent as early as October 2019.

23. On January 17, 2020, Respondent disclosed Kenneth Urbietta as a sales agent to the IGB by submitting an Exhibit 8D. The Exhibit 8D states Urbietta started work as a VVGT sales agent on November 15, 2019.

24. On January 23, 2020, Respondent disclosed Zorona Nance as a sales agent to the IGB by submitting an Exhibit 8D. The Exhibit 8D states Nance started work as a VVGT sales agent on November 11, 2019.

25. Contrary to the January 23, 2020 Exhibit 8D, Nance admitted in a March 4, 2020 interview with an IGB Gaming Agent that she was involved in the solicitation of use agreements on behalf of Respondent as early as September 2019.

26. On February 12, 2020, Respondent disclosed Dylan Farmer as a sales agent to the IGB by submitting an Exhibit 8D. The Exhibit 8D states Farmer started work as a VVGT sales agent on September 30, 2019.

27. On May 8, 2020, Respondent disclosed David Grabinski as a sales agent to the IGB by submitting an Exhibit 8D. The Exhibit 8D states Grabinski started as a VVGT sales agent on June 15, 2019.

**COUNT I**  
**Failure to Timely Disclose Sales Agents**  
**In Violation of 11 Adm. Code 1800.220(e)**

28. The Board re-alleges and incorporates Paragraphs 1 through 27 above as if fully alleged herein.

29. All licensees have a general duty to comply with all state laws and regulations. 11 Ill. Adm. Code 1800.210(a).

30. All licensees have a duty to disclose to the IGB, **within 21 days**, “[p]ersons who *have acted* or *will act* as a sales agent or broker, or otherwise engage in the solicitation of business from current or potential licensed video gaming locations[.]” 11 Ill. Adm. Code 1800.220(e)(2) (emphasis added).

31. In addition to the general duty to comply, Respondent had actual notice of Rule 220(e)(2) no later than February 25, 2019, upon the issuance of disciplinary complaint DC-V-19-004 in connection with alleged prior failures to make timely sales agent disclosures.

32. Respondent disclosed Dennis Lopez as a sales agent on March 11, 2019, 39 days after the start date Respondent reported.

33. Respondent disclosed Dana Oswald as a sales agent on March 15, 2019, at least 58 days after she first solicited use agreements on behalf of Respondent.

34. Respondent disclosed Kara Cardelli as a sales agent on March 15, 2019, 25 days after the start date Respondent reported.

35. Respondent disclosed Andrew Phelan as a sales agent on March 15, 2019, 31 days after the signing date of a use agreement Respondent identified as having been procured by Phelan.

36. Respondent disclosed Jared Nicholson as a sales agent on April 1, 2019, 38 days after he had signed a broker agreement with Respondent.

37. Respondent disclosed Marc McDermott as a sales agent on January 17, 2020, 67 days after he had signed a broker agreement with Respondent.

38. Respondent disclosed Kenneth Urbietta as a sales agent on January 17, 2020, 59 days after the start date Respondent reported.

39. Respondent disclosed Zorona Nance as a sales agent on January 23, 2020, 73 days after the start date Respondent reported.

40. Respondent disclosed Dylan Farmer as a sales agent on February 12, 2020, 135 days after the start date Respondent reported.

41. Respondent disclosed David Grabinski as a sales agent on May 8, 2020, 327 days after the start date Respondent reported.

42. VVGT, as a Board licensee, is subject to discipline for any act by itself or by its agents or employees that is injurious to the public health, safety, morals, good order and general welfare of the people of the State of Illinois, or that would discredit or tend to discredit the Illinois video gaming industry or the State of Illinois, including but not limited to failing to comply with the Act, Rules, or any federal, State, or local law or regulation. 11 Ill. Adm. Code 1800.310(a)(1).

43. Respondent failed to disclose ten different sales agents within 21 days of Respondent knowing each individual had been or would be acting as a sales agent, in violation of Rule 220(e)(2).

44. By engaging in the conduct described above, VVGT is subject to discipline pursuant to 11 Ill. Adm. Code 1800.310(a)(1).

**COUNT II**  
**Misrepresenting Sales Agent Start Dates**  
**In Violation of 11 Adm. Code 1800.310(a)(8)**

45. The Board re-alleges and incorporates Paragraphs 1 through 27 above as if fully alleged herein.

46. When Respondent filed its March 15, 2019 Exhibit 8D, it misrepresented the date Phelan acted or would act as a sales agent for Respondent.

47. When Respondent filed its April 1, 2019 Exhibit 8D, it misrepresented the date Nicholson acted or would act as a sales agent for Respondent.

48. When Respondent submitted its January 17, 2020 Exhibit 8D, it misrepresented the date McDermott acted or would act as a sales agent for Respondent.

49. When Respondent submitted its January 23, 2020 Exhibit 8D, it misrepresented the date Nance acted or would act as a sales agent for Respondent.

50. Any licensee is subject to discipline for “[m]isrepresenting any information to the Board.” 11 Ill. Adm. Code 1800.310(a)(8).

51. By submitting the Exhibit 8D forms as described above, Respondent is subject to discipline.

WHEREFORE, based on the foregoing, VVGT should be fined \$100,000.

Dated: July 26, 2022

Respectfully submitted,



Marcus D. 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 Veterans VGT, LLC and to propose the following discipline:

The terminal operator license of Veterans VGT, LLC (License No. 170600488) shall be fined \$100,000 for violations of the Video Gaming Act and the Adopted Rules, as set forth in Disciplinary Complaint No. DC-V-22-012 unless it files an answer to the Disciplinary Complaint within 21 days from the date of service of the complaint.

Payments should be sent to:

Illinois Gaming Board  
Revenue Accounting Unit  
801 South Seventh Street, Suite 400 - South  
Springfield, Illinois 62703

OR Made Electronically By [Clicking Here](#)

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

Illinois Gaming Board  
Attn: Legal Department  
160 N. LaSalle St., Suite 300  
Chicago, Illinois 60601

OR IGB.LEGAL@illinois.gov



Dated: July 26, 2022

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Marcus D. Fruchter  
Administrator  
Illinois Gaming Board