

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
)	File No. EB-05-SE-236
SCIENTIFIC GAMES RACING, LLC)	
)	NAL/Acct. No. 200732100038
)	
)	FRN: 0013281324

ORDER

Adopted: June 29, 2007

Released: July 3, 2007

By the Chief, Enforcement Bureau

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (“Bureau”) of the Federal Communications Commission (“FCC” or “Commission”) and Scientific Games Racing, LLC (“Scientific Games”). The Consent Decree terminates the Bureau’s investigation into whether Scientific Games operated satellite earth stations without Commission authorization in violation of Section 301 of the Communications Act of 1934, as amended (“Act”), and Section 25.102(a) of the Commission’s Rules (“Rules”),¹ and engaged in unauthorized assignments of satellite earth stations in violation of Section 310(d) of the Act and Section 25.119 of the Rules.²

2. The Bureau and Scientific Games have negotiated the terms of the Consent Decree that would resolve this matter and terminate the investigation. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. In the absence of new material evidence relating to this matter, we conclude that no substantial or material questions of fact exist with respect to this matter as to whether Scientific Games possesses the basic qualifications, including those related to character, to hold or obtain any FCC license or authorization.

4. After reviewing the terms of the Consent Decree, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

5. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Act and the authority delegated by Sections 0.111 and 0.311 of the Commission’s rules,³ the attached Consent Decree **IS ADOPTED**.

¹ 47 U.S.C. § 301; 47 C.F.R. § 25.102(a).

² 47 U.S.C. § 310(d); 47 C.F.R. § 25.119.

³ 47 C.F.R. §§ 0.111, 0.311.

6. **IT IS FURTHER ORDERED** that the above-captioned investigatory proceeding **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that Scientific Games shall make its voluntary contribution to the United States Treasury, as specified in the Consent Decree, by credit card through the Commission's Debt and Credit Management Center at (202) 418-1995, or by mailing a check or similar instrument, payable to the order of the Federal Communications Commission, to the Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank/LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made to ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6106.

8. **IT IS FURTHER ORDERED** that copies of this Order shall be sent by regular first class mail and certified mail - return receipt requested, to Ira Raphaelson, Scientific Games Racing, LLC, 750 Lexington Avenue, 25th Floor, New York, NY 10022, and to its counsel, Robert Pettit, Esq. and Jennifer Hinden, Esq., Wiley Rein LLP, 1776 K. St., NW, Washington, D.C., 20006.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith
Chief, Enforcement Bureau

CONSENT DECREE

I. INTRODUCTION

1. The Enforcement Bureau (“Bureau”) of the Federal Communications Commission, and Scientific Games Racing, LLC (“Scientific Games”), by their respective authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigation into whether Scientific Games operated satellite earth stations without Commission authorization in violation of Section 301 of the Communications Act of 1934, as amended (“Act”), and Section 25.102(a) of the Commission’s Rules (“Rules”),¹ and engaged in unauthorized assignments of satellite earth stations in violation of Section 310(d) of the Act and Section 25.119 of the Rules.²

II. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions apply:
- a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. §§ 151 *et seq.*;
 - b) “Adopting Order” or “Order” means an order of the Enforcement Bureau adopting this Consent Decree;
 - c) “Bureau” means the Enforcement Bureau of the Federal Communications Commission;
 - d) “Commission” or “FCC” means the Federal Communications Commission;
 - e) “Effective Date” means the date on which the Bureau releases the Adopting Order;
 - f) “Investigation” means the investigation commenced by the Bureau’s March 9, 2006 Letter of Inquiry to Scientific Games;
 - g) “Parties” means Scientific Games and the Bureau; and
 - h) “Rules” means the Commission’s regulations set forth in Title 47 of the Code of Federal Regulations.
 - i) “Scientific Games” means Scientific Games Racing, LLC and its parent, subsidiaries, divisions and affiliates, and each of their respective officers, directors, employees, agents, representatives, or any other person acting or purporting to act on behalf of Scientific Games or their successors or assigns;

III. BACKGROUND

3. Between April 2005 and June 2006, Scientific Games acquired sixteen (16) new satellite earth stations and operated these earth stations on a temporary-fixed basis at various times and locations without authorization from the Commission. Scientific Games also operated twenty-five (25) earth stations acquired through two unauthorized *pro forma* license assignments associated with intra-company

¹ 47 U.S.C. § 301; 47 C.F.R. § 25.102(a).

² 47 U.S.C. § 310(d); 47 C.F.R. § 25.119.

reorganizations in 1999 and 2004. Scientific Games also operated two (2) earth stations acquired from Advanced Satellite Communications, Inc. in November 2002 without Commission authorization to assign the licenses.

4. Scientific Games subsequently obtained licenses for all of the new earth stations. Scientific Games also obtained licenses for the two (2) earth stations acquired from Advanced Satellite Communications, Inc. and obtained Commission approval for the 1999 and 2004 *pro forma* assignments of twenty-five (25) earth station licenses. On February 12, 2007, the International Bureau approved the assignment of the licenses for these earth stations from Scientific Games to RCN License Subsidiary, Inc.³

IV. TERMS OF AGREEMENT

5. The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in an Adopting Order.

6. The Parties agree that this Consent Decree shall become effective on the Effective Date. Upon the Effective Date, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission and any violation of the terms of this Consent Decree shall constitute a separate violation of a Commission order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order.

7. Scientific Games agrees that the Bureau has jurisdiction over the matters that are the subject of this Consent Decree and the authority to enter into and adopt this Consent Decree.

8. The Parties agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding compliance or noncompliance by Scientific Games with the requirements of the Act or the Commission's rules and orders. The Parties agree that this Consent Decree is for settlement purposes only and that, by entering into this Consent Decree, Scientific Games does not admit or deny liability for violating any statute, regulation, or rule in connection with the matters that are the subject of this Consent Decree.

9. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between them concerning the Bureau's Investigation.

10. In express reliance upon the covenants and representations in this Consent Decree, the Bureau agrees to terminate the Investigation.

11. In consideration of the Bureau's termination of the Investigation, Scientific Games agrees to the terms set forth herein.

12. Within thirty (30) calendar days after the Effective Date, Scientific Games shall make a voluntary contribution to the United States Treasury in the amount of \$215,000. Such contribution shall be made, without further protest or recourse, by credit card through the Commission's Debt and Credit Management Center at (202) 418-1995, or by mailing a check or similar instrument, payable to the order of the Federal Communications Commission, to the Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank /LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made

³ See File No. SES-ASG-20061222-02238. On March 22, 2007, RCN License Subsidiary, Inc. notified the Commission that the assignment had been consummated. See File No. CON-SMT-20070322-00021.

to ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6106. The payment should reference NAL/Acct. No. 200732100038 and FRN 0013281324.

13. Scientific Games agrees that it is required to comply with each individual condition of this Consent Decree. Each specific condition is a separate condition of the Consent Decree as approved. To the extent that Scientific Games fails to satisfy any condition, in the absence of Commission alteration of the condition, it will be deemed noncompliant and may be subject to possible enforcement action, including, but not limited to, revocation of the relief, designation of the matter for hearing, letters of admonishment, or forfeitures.

14. The Bureau agrees that, in the absence of material new evidence, it will not, on its own motion, initiate or recommend to the Commission, any new proceeding, formal or informal, regarding the matters described in paragraphs 3 and 4 above. The Bureau further agrees that, in the absence of material new evidence, it will not use the facts developed in this investigative proceeding through the Effective Date to initiate on its own motion, or recommend to the Commission, any proceeding, formal or informal, or take any action on its own motion against Scientific Games with respect to their basic qualifications to be or remain Commission licensees. Nothing in this Consent Decree shall prevent the Bureau from instituting, or recommending to the Commission, new investigations or enforcement proceedings against Scientific Games, in the event of any alleged future misconduct for violation of this Consent Decree or for violation of the Act or the Commission's Rules, consistent with the provisions of this Consent Decree.

15. Scientific Games waives any and all rights they may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Adopting Order adopts the Consent Decree without change, addition or modification.

16. Scientific Games agrees to waive any claims they may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters discussed in this Consent Decree.

17. If any Party (or the United States on behalf of the FCC) brings a judicial action to enforce the terms of the Adopting Order, Scientific Games and the FCC shall not contest the continuing validity of the Consent Decree or Adopting Order, and Scientific Games will waive any right to a trial *de novo* with respect to any matter upon which the Adopting Order is based and will consent to a judgment incorporating the terms of this Consent Decree.

18. In the event that this Consent Decree is rendered invalid by any court of competent jurisdiction, this Consent Decree shall become null and void and may not be used in any manner in any legal proceeding.

19. This Consent Decree cannot be modified without the advance written consent of both Parties.

20. The Parties agree that the terms and conditions of this Consent Decree shall remain in effect for a period of twenty-four (24) months from the Effective Date.

21. This Consent Decree may be signed in counterparts.

For the Enforcement Bureau

Kris Anne Monteith
Chief, Enforcement Bureau

Date

For Scientific Games Racing, LLC

William J. Huntley
President

Date