

Indiana officials forcing out longtime casino executive

Written by Administrator

Wednesday, 23 December 2020 17:06 -

INDIANAPOLIS — Indiana casino regulators voted Wednesday to force a longtime heavyweight in the state's gambling industry to give up his ownership stake in a Lake Michigan casino, saying he had continued exerting control over its parent company in violation of state orders.

The Indiana Gaming Commission's action against former Spectacle Entertainment CEO Rod Ratcliff follows a federal investigation into allegations of illegal campaign contributions by a business partner. It also casts doubt over Indianapolis-based Spectacle's construction of a new \$300 million casino in Gary in partnership with Hard Rock International.

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The commission's board members also voted for a 90-day emergency suspension of Ratcliff's state casino license and gave him until Jan. 8 to turn over to a trustee all his stake in the company that owns the Majestic Star casino.

Ratcliff's attorneys argued against the actions, telling the commission that Ratcliff had reached an agreement to sell his ownership stake to Greg Gibson, a Spectacle partner not implicated in the federal investigation. Attorney Steve Grimes maintained that Ratcliff was willing to step away from the company even though he's not been charged with any crimes and denies wrongdoing.

State regulators had ordered Ratcliff to have no control over Spectacle after he resigned as chairman and CEO in June. That followed Ratcliff and Spectacle vice president John Keeler giving up their ownership in the company's planned \$125 million casino in Terre Haute to Gibson after Keeler faced allegations of illegally funneling corporate money to a former state lawmaker's unsuccessful congressional campaign.

Executives of Hard Rock International objected to Ratcliff's sale deal, saying it appeared he would continue to have sway over Spectacle as a large creditor.

Jon Lucas, Hard Rock's chief operating officer, said in a statement that it remained committed to "successful completion" of the Gary casino project.

Sara Gonso Tait, the commission's executive director, said the agency wouldn't allow any gambling machines to be moved from the existing Majestic Star casino until the uncertainty is cleared up over ownership for the new casino, which has been scheduled to open in spring 2021.

Gaming Commission board member Susan Williams said she didn't think the commission could

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consider the proposed Ratcliff sale deal without Hard Rock having agreed to it.

"In the meantime, the state's in jeopardy, the community in Gary is in jeopardy, employees are in jeopardy because we've got a project we have to deal with, and dealing with it in the midst of this chaos makes me very uncomfortable," Williams said.

Spectacle Entertainment said in a statement it hoped for a quick resolution and that the new Gary casino could "proceed as planned with minimal delay."

The commission suspended Keeler's casino license in September after he was indicted on federal charges and on Wednesday gave him until Jan. 15 to sell all his interest in Spectacle.

Ratcliff and Keeler, a lawyer who was a Republican legislator for 16 years in the 1980s and 90s, have been active lobbyists in the Indiana Legislature for many years on casino matters. They pushed lawmakers in 2019 to allow the Gary casino's move from along Lake Michigan to a more lucrative location next to Interstate 80/94 in Gary. Republican Gov. Eric Holcomb faced a state ethics review last year of his dealings with Ratcliff.

Ratcliff and Keeler were leaders of the former Centaur Gaming and among those who formed Spectacle after selling Centaur's horse track casinos in Anderson and Shelbyville to Las Vegas-based Caesars Entertainment Corp. in 2018 for \$1.7 billion.

Centaur was a key lobbying force behind the state Legislature's decision that allowed both horse tracks to open the first Indianapolis-area casinos in 2008.

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Dan Webb, another attorney for Ratcliff, said the state commission's action was "based on politically motivated rumors and speculation instead of facts" and that Ratcliff was considering his legal options.

"Rather than hold a hearing before a judge where these rumors could be vetted or challenged, the commission instead chose to put the penalty before the process — which is improper," Webb said in a statement.

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