

ORDER 2014-232
IN RE SETTLEMENT AGREEMENT
CAESARS RIVERBOAT CASINO, LLC
dba HORSESHOE CASINO HOTEL SOUTHERN INDIANA
14-CS-05

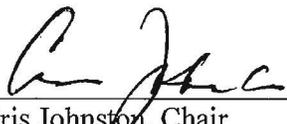
After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVES DISAPPROVES

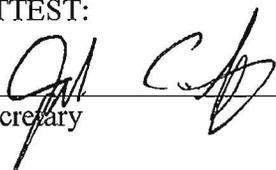
the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS 20th DAY OF NOVEMBER, 2014.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:


Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CAESARS RIVERBOAT CASINO, LLC)	14-CS-05
d/b/a HORSESHOE CASINO HOTEL)	
SOUTHERN INDIANA)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”), by and through its Executive Director Ernest E. Yelton, and Caesars Riverboat Casino, LLC d/b/a Horseshoe Casino Hotel Southern Indiana (“Horseshoe South”) (hereinafter referred to as the “Parties”), desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). Horseshoe South contests certain of the Commission’s Findings of Fact, but in order to resolve this matter, does stipulate to the following:

FINDINGS OF FACT

1. IC 4-33-1-2 declares that it was the legislature’s intent to maintain the public’s confidence and trust through ... “the strict regulation of the facilities, persons, associations and gambling operations.”
2. IC 4-33-4-2(3) states the Commission shall adopt rules for the purpose of “[p]roviding for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.”
3. IC 4-33-4-3(a)(1)(A) states the Commission shall adopt rules necessary to protect or enhance the credibility and integrity of gambling operations.
4. 68 IAC 1-4-2(a) requires the Commission to maintain the integrity of the Commission and casino gambling. Casino licensees must encourage confidence in the Commission and the casino gambling industry by maintaining high standards of honesty, integrity and impartiality. Casino licensees shall promote this policy by entering into contracts and transactions in accordance with the Act and this title, and shall be held accountable for all contracts or transactions entered into under this rule.
5. 68 IAC 2-1-11 states that the Commission may initiate a disciplinary proceeding against a casino licensee if the Commission believes discipline is “in the best interest of Indiana and will protect and enhance the credibility and integrity” of gambling.
6. 68 IAC 13-1-1(b) states the Commission may initiate an investigation or a disciplinary action, or both, against a licensee about whom the commission has reason to believe at least one of the following:

- 1) The licensee is not maintaining suitability for licensure.
 - 2) The licensee is not complying with the licensure conditions.
 - 3) The licensee is not complying with the Act or this title.
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7. In March of 2013, Caesars Corporation added Teleperformance as a 3rd party vendor for handing customer calls involving such things as hotel and event reservations or general questions. Teleperformance's office associated with Caesars is located in the Philippines.
 8. On July 10, 2014, at approximately 9:08 p.m. EST, a Teleperformance operator answered an apparent bomb threat telephone call from the Horseshoe South's toll-free line. At approximately 10:00 p.m. EST, Teleperformance contacted Horseshoe South and relayed the bomb threat. Horseshoe South Security, Commission Agents, Indiana State Police Emergency Response Team (SWAT), K9/Bomb Tech from Louisville Metro Police Department, and Harrison County Sherriff's Department responded. Occupants of the first two floors of the hotel were evacuated and two suspected patrons were detained.
 9. No evidence associated with the bomb threat call was found and the scene was deemed safe and clear at approximately 1:00 a.m. EST. It was later determined that the bomb threat was falsely reported.
 10. Horseshoe South's customer call functions, duties, and responsibilities were not appropriately segregated in accordance with sound practices.
 11. While the investigation revealed no evidence of fraud or intentional or premeditated wrongdoing on the part of Horseshoe South, the casino's failure to properly delegate an essential function of the property, which resulted in the false reporting of a bomb threat, foreclosed the possibility of preventing or minimizing any potential breach of the public's trust and/or injury to the credibility of the gaming industry in Indiana.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Horseshoe South by and through its agents as described herein constitute a breach of IC 4-33, 68 IAC and/or Horseshoe South's approved internal control procedures. The Commission and Horseshoe South hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Horseshoe South. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Horseshoe South shall pay to the Commission \$10,000 in consideration for the Commission foregoing disciplinary action based on the facts specifically described in this agreement. This agreement extends only to those violations and findings of fact, specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

Horseshoe South shall pay restitution to the Harrison County Sherriff's Department in the amount of \$2,612 for services provided as a result of the false bomb threat response and investigation.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Horseshoe South agrees to promptly remit payment in the amount of \$10,000 to the Commission and \$2,612 to Harrison County Sherriff's Department and shall waive all rights to further administrative or judicial review.

This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

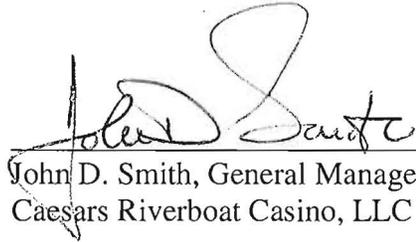
This Settlement Agreement shall be binding upon the Commission and Horseshoe South.

IN WITNESS WHEREOF, the Parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

11-21-14
Date



John D. Smith, General Manager
Caesars Riverboat Casino, LLC

11/14/14
Date