

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director
Jim Nielsen, COO

FROM: John J. Mooney

DIVISION: Managing Director, Regulatory Oversight

DATE: February 10, 2020

SUBJECT: Report for the February Commission Meeting

Commission Action Items –

Manufacturers License Renewal Hearings

Aristocrat Technologies, Inc.
IGT Global Solutions Corporation
Konami Gaming, Inc.

Merger Agreement

Eldorado Resorts, Inc. and Caesars Entertainment Corporation

Commission Action Items – Consent Agenda

Violations:

Hollywood Casino – Regulatory Violation – October 2019
Hollywood Casino – Regulatory Violation – November 2019
Horseshoe Casino – Regulatory Violations – October 2019
Horseshoe Casino – Underage Violations – Case Nos. 2019-05-013 thru -017
Maryland Live Casino – Underage Violations – Case Nos. 2019-03-013 thru -019
Maryland Live Casino – Underage Violations – Case Nos. 2019-03-020 thru -030
MGM National Harbor – Underage Violations – Case Nos. 2019-06-020 thru -026
MGM National Harbor – Underage Violations – 2019-06-027 thru -035
Ocean Downs Casino – Regulatory Violation – May 2019
Ocean Downs Casino – Regulatory Violation – September 2019
Ocean Downs Casino – Regulatory Violation – October 2019
Ocean Downs Casino – Underage Violation – Case No. 2019-02-003

Gaming License Application Denials/Revocations:

There are twenty-six (26) gaming license applications recommended for denial/revocation based on the applicant's criminal history or failure to cooperate with, or provide requested information to, a background investigator.

Commission Action:

It is requested that the Commission adopt as final the recommendation of the Director, or the Director's designee, for denial/revocation of the specified gaming license applications for the respective applicant's failure to establish his/her qualifications by clear and convincing evidence.

Please see the description below. A spreadsheet containing the denials/revocations is on the MLGCA shared drive under commission reports.

Note to Commissioners:

The spreadsheet on the MLGCA Shared Drive under Commission Reports (Mooney Confidential, licensing denial/revocations), contains names of twenty-six (26) gaming license applicants for whom Staff has recommended denial/revocation of their applications for gaming license for failure to prove by clear and convincing evidence that they meet the statutory requirements for licensure. *See* State Gov't, Section 9-1A-14 (below). The license applications were recommended for denial/revocation after Licensing Division Staff conducted an investigation.

COMAR sets forth the applicant's rights if his/her gaming license application is recommended for denial/revocation. An applicant has a right to timely request a reconsideration meeting, and, if he or she is dissatisfied with the recommendation following the reconsideration meeting, the applicant may timely request a full hearing before the Commission. If the applicant fails to exercise these rights, the Commission may adopt as final the Director's recommendation to deny the license. Only the Commission, not Staff, is authorized to deny/revoke a gaming license, which is why these recommended denials/revocations are being presented to the Commission.

All of the applicants identified on the spreadsheet were mailed notification of the recommended denial/revocation, and of their right to timely request a reconsideration meeting with the Director of the Director's designee. The majority of the recommended denials/revocations are applicants who did not exercise that right. A smaller group of the recommended denials/revocations are applicants who received a reconsideration meeting and were notified of their right to timely request a full hearing before the Commission, but did not exercise that right.

Staff is requesting that the Commission adopt as final the Director's recommendation to deny/revoke the gaming license applications of twenty-six (26) applicants identified on the spreadsheet.

Located on the Agency's Shared Drive under Commission Files (February 2019) there are PDF files for your review. The PDF files contain documentation for each of the recommended denials, including: notice of recommended denial (which includes the basis for the recommendation and notice of right to request reconsideration meeting); documentation that Staff mailed the required notices; and relevant documents from the background investigation conducted by Staff that supports the recommended denial/revocation of the applicant's license application.

Licensing Division

- Monthly statistics have been updated and are included in your packet.

Casino Compliance Division

- Monthly statistics have been updated and are included in your packet.