

# Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



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## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION MAY MINUTES

DATE: May 28, 2020

TIME: 10 a.m.

PLACE: Maryland Lottery and Gaming Control Agency  
(Meeting conducted via conference call audio link, livestreamed on website)

PRESENT: Chair E. Randolph Marriner  
Vice Chair Bert J. Hash, Jr.  
Commissioner F. Vernon Boozer  
Commissioner George L. Doestch, Jr.  
Commissioner Michelle Fager  
Commissioner James Stakem  
Commissioner Jerry E. Williams

Gordon Medenica, Director  
Jim Nielsen, Assistant Deputy Director, Chief Operating Officer  
Robert Fontaine, OAG Principal Counsel  
Holly Citko, OAG Deputy Counsel  
John Martin, Managing Director, Chief Revenue Officer  
James Logue, Managing Director, Gaming  
John Mooney, Managing Director, Regulatory Oversight  
Carole Gentry, Managing Director, Communications  
James Butler, Managing Director, Organizational Compliance  
Kathy Lingo, Executive Assistant

OTHERS: Representative from Hollywood Casino Perryville  
Representative from Ocean Downs Casino  
Representative from Live! Casino  
Representative from Rocky Gap Casino Resort  
Representative from Horseshoe Casino Baltimore  
Representative from MGM National Harbor  
MLGCA Staff

**E. Randolph Marriner, Chair**

F. Vernon Boozer, George L. Doetsch, Jr., Michelle R. Fager, Bert J. Hash, Jr., James J. Stakem, Jerry E. Williams

## **ROLL CALL**

Chair Marriner asked for a roll call to establish that a quorum was present. Roll was called and all commissioners were on the call. Chair Marriner said that he would poll each Commissioner individually following each vote.

## **CALL TO ORDER**

The meeting of the Maryland Lottery and Gaming Control Commission to order at 10:00 a.m. Also present were: Vice Chair Bert Hash, Commissioners Vernon Boozer, George Doetsch, Michelle Fager, James Stakem, and Jerry Williams.

## **APPROVAL OF THE AGENDA**

Chair Marriner reported that the Commissioners were provided with a copy of the agenda. Chair Marriner asked for a motion to approve the agenda. Commissioner Doetsch moved, Vice Chair Hash seconded, and the motion carried unanimously.

## **APPROVAL OF THE MINUTES**

Chair Marriner stated that the April 23, 2020, open session minutes were provided to the Commissioners for review, and asked if there were any changes. There were no changes. Commissioner Williams moved to approve, Commissioner Doetsch seconded, and the motion carried unanimously.

## **CONSENT AGENDA**

Chair Marriner said the Consent Agenda contains four new instant ticket games for the Commission's approval: #496 (\$2) *Big Cash Bonus*; #497 (\$5) "\$"; #498 (\$10) *\$100,000 Crossword 4<sup>th</sup> Edition*; and #499 (\$20) *Bonus Bingo x20*; EGD Games and Component Testing Certified Lab Software, Hardware and Game Certifications VLTs, Table Game Components, and Instant Bingo Machines (4/9/20 – 5/14/20); Consent Agreements for Regulatory Violations - Hollywood Casino – January 2020; Horseshoe Casino – November 2019; and MGM National Harbor – Regulatory Violation – January 2020; Gaming License Application Revocations; and Staff Reports for Financial Director's Report; John Martin, Managing Director, Chief Revenue Officer; James Logue, Managing Director, Gaming; John Mooney, Managing Director, Regulatory Oversight; Leo Mamorsky, Managing Director, Chief Marketing Officer; Carole Gentry, Managing Director, Communications; Robert T. Fontaine, Principal Counsel, Office of the Attorney General; and James Butler, Managing Director, Organizational Compliance

Chair Marriner asked if any Commissioners wished to remove any items from the Consent Agenda. There were no requests for removal. Chair Marriner asked for a motion to approve the consent agenda as noted above. Motion to approve was made by Commissioner Doetsch, seconded by Vice Chair Hash, and the motion carried unanimously.

## **OPERATOR REPORTS**

### **Hollywood Casino Perryville**

Mr. Matthew Heiskell, General Manager, reported that the casino is engaged in intense preparations to be ready to reopen. He thanked MLGCA staff for its support in reviewing plans and making sure that Hollywood is in proper compliance with State guidelines. The Cecil County Health Department has also reviewed Hollywood's reopening plans. Mr. Heiskell said that he recently returned from Baton Rouge,

Louisiana, where he was able to witness a casino reopening, adding that it was a valuable learning experience as Hollywood prepares to reopen. He witnessed social distancing procedures, and reported that nearly all of the employees who were called to return to work did return. He added that temperature checks at the door went quickly and didn't interfere with operations. Table game dealers picked up new sanitation processes quickly. With casinos in Delaware opening before those in Maryland, Mr. Heiskell said he expects Delaware Park to get a bump in business from pent-up demand, which may lead to a shift in Hollywood's marketing strategy in the short term.

### **Ocean Downs Casino**

Ms. Bobbi Sample, General Manager, reported that the casino is making plans to welcome back employees and customers. The Worcester County Health Department has provided input on Ocean Downs' reopening plan, and Ms. Sample thanked MLGCA staff for its input on the plan. Ms. Sample noted that recent photos showing crowds on the boardwalk in Ocean City may have left people with a distorted sense of how well people were practicing social distancing. Ocean Downs' sister properties in Louisiana and Mississippi have begun to open and most team members who were called to return did so. The Churchill Downs corporate team has been working with individual properties to develop solid plans for reopening.

### **Live! Casino**

Mr. Anthony Faranca, Executive Vice President and General Manager, reported that earlier this week Live! finalized the details of its safety program, "Play it Safe at Live! Casino." He thanked Director Medenica and the Commission for their assistance. Mr. Faranca added that the casino issued a press release on its program, and planned to host reporters on the property for interviews about it. Live! management has stayed in touch with employees, who are eager for the casino to reopen so they can return to work. Mr. Faranca said the casino is continuing to communicate with local and State health officials, and will adjust its plans accordingly as it waits for the Governor's approval to open.

### **Rocky Gap Casino**

Mr. Skylar Dice, Vice President and General Manager, thanked the MLGCA for its feedback on Rocky Gap's reopening plan. The casino is working with Allegany County officials and the local health department to finalize the plan. Rocky Gap is also working with the Golden Entertainment corporate team in Nevada on best practices to be implemented across the company. Mr. Dice reported that Rocky Gap has worked with various vendors to acquire appropriate stocks of personal protective equipment and cleaning supplies. He added that the company will engage in a marketing program aimed to assure guests of the safety measures in place at Golden Entertainment properties. Mr. Dice stated that the casino is proud of its safety plan and is eager to serve guests. Rocky Gap is currently waiting for the Governor's approval to reopen.

### **Horseshoe Casino**

Mr. Randy Conroy, General Manager, reported that Horseshoe has been busy preparing to reopen, including a deep cleaning throughout the property. Mr. Conroy said there has also been work on Horseshoe's infrastructure, including changes that will provide better ventilation. The casino has been contacting employees in preparation to reopen. Horseshoe has stockpiled months' worth of hand sanitizer and cleaning supplies, and will be engaged in substantial retraining for team members on new processes. All employees will receive masks to wear. Mr. Conroy said it is difficult to know what to expect from a business standpoint, as the casino will likely be operating at 30 to 50 percent of its capacity. He added that pent up demand should help, and the casino is ready and will be flexible as demand dictates.

## **MGM National Harbor**

Mr. Jeff Shrader, Vice President and General Counsel, reported that Ms. Melonie Johnson recently was named the President and Chief Operating Officer of the Borgata in Atlantic City. He introduced Mr. Jorge Perez, who is succeeding Ms. Johnson as President and COO at MGM National Harbor. Mr. Perez has served 25 years in a variety of roles, most recently as President of MGM's regional properties, including National Harbor. He will continue in that regional role as he also assumes leadership at National Harbor.

Mr. Perez said MGM National Harbor has been clearly focused on health and safety protocols and has been maintaining contact with its employees. He added that he has spent time in Biloxi, Mississippi, for MGM's casino reopening there. He said customers at Gold Strike Tunica were appreciative of the safety measures, and everyone adapted quickly to new procedures on table games. Mr. Perez said he was concerned that the Plexiglas shields that were placed on the tables might make operations difficult, but reported that everything seemed to be working well. Mr. Perez said that more than 99% of employees in Mississippi who were recalled to work were willing to come back. Company-wide, MGM had furloughed 95% of its employees. A company emergency grant fund received \$13 million in donations from internal executives, which has gone to help employees with their day-to-day needs. MGM extended health benefits for employees to August 31, and donated \$1 million worth of food to help local communities. Mr. Perez added that MGM is excited to reopen National Harbor and will be ready when the Governor gives permission.

## **STAFF REPORTS**

### *Director's Report – Gordon Medenica*

Director Medenica said that after a few weeks of sharply declining sales due to the COVID-19 pandemic, Lottery sales have rebounded extremely well in the last couple of weeks, including all-time weekly records for sales of Pick 4 and instant tickets. A month ago, Director Medenica said he projected that Lottery profit for Fiscal Year 2020 would be down \$50 million from the projected figure previously released by the Board of Revenue Estimates, but the year-to-date profit figure is down only \$17 million with slightly more than a month to go in the fiscal year. Director Medenica added that one of the reasons for the Lottery's comeback is that customers have had very few places to spend discretionary entertainment dollars. Casinos and restaurants have been closed, and there have been no concerts or sporting events – all of which has been to the Lottery's benefit.

The Lottery cancelled its planned instant ticket launches for April and its advertising campaigns in April and May. The May instant ticket launches went as scheduled and were successful, and an advertising campaign with the theme of "Play Safe" will be launching in early June, urging people to play Lottery games safely and responsibly.

Director Medenica said that casinos have done an outstanding job in developing their reopening protocols. The Agency issued a brief overall set of guidelines to the casinos and asked them to devise much more detailed plans, which they have submitted. Director Medenica added that the plans are likely to be updated continuously, even after the casinos reopen, and that the new protocols will be in place for an undetermined amount of time.

The casinos and MLGCA staff have been in contact with their peers in other gaming jurisdictions to learn about their guidelines. Director Medenica said that capacity limits are likely to be at 25% to 50% when the casinos open, which translates to fewer slot machines on the floor and fewer seats at table games. There will be cleaning protocols, and the casinos will need additional cleaning staff, who will clean more often than usual. There are also plans to screen casino guests with thermal cameras or other devices, all with the objective of maintaining social distancing. Director Medenica said that casinos, unlike other venues, are uniquely prepared to maintain social distancing because of their extensive

surveillance systems. When they see guests clustering on the floor, they can quickly communicate with their security teams to have patrons disburse.

Casino contributions to the State have remained unchanged because of the casino closures. If the casinos remain closed through the end of Fiscal Year 2020 on June 30, the impact will be a loss of casino contributions to the State of \$200 to \$220 million compared to FY2019. As of late May, FY2020 year-to-date contributions are down \$140 million compared to FY2019.

Chair Marriner noted that the State will soon move into the next stage of its reopening plan. Director Medenica said that the end of Phase 1 has been announced and there are still two more phases, adding that it is not clear whether the casinos would reopen as part of Phase 2 or Phase 3. He said he is optimistic that the casinos will open as part of Phase 2.

There being no further questions on his report, Director Medenica moved on to his two Commission Action Items.

***Commission Action Item – Emergency Delegation of Authority by the Maryland Lottery and Gaming Control Commission to the Director of the Maryland Lottery and Gaming Control Agency for Reopening Casinos***

Director Medenica said that he is asking the Commission to transfer authority to MLGCA Director to have emergency power to waive certain regulations in order to assist the casinos in their reopening plans. Director Medenica gave a number of examples of the types of regulations that the casinos have asked to be waived in order to facilitate reopening, including overnight closing for cleaning, licensing flexibility, slot machine counts and back-of-house operations. Chair Marriner noted that the Commission would remain in communication with Director Medenica regarding the regulatory waivers granted under this request.

There being no questions or discussion, Chair Marriner asked for a motion to approve the transfer of authority. Commissioner Doetsch motioned to approve, Vice Chair Hash seconded, and the motion was unanimously approved.

***Commission Action Item – Contract Renewal with Stout, Causey & Horning, P.A. (#2015-04)***

Director Medenica said that MLGCA's original contract with Stout, Causey & Horning, P.A., for auditing services had three one-year renewals. Two of those renewals have been exercised, and the Agency is requesting to exercise the last available renewal at a cost of \$244,425. Director Medenica noted that with the Commission's approval, the contract would be submitted to the Board of Public Works, and added to the agenda for its June 17 meeting.

There being no discussion or questions, Chair Marriner asked for a motion to approve the one-year renewal of the contract. Commissioner Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

*Assistant Deputy Director, Chief Operating Officer Report – James Nielsen*

There being no questions on his monthly report, Mr. Nielsen proceeded to his Commission Action Item.

***Commission Action Item – Amended Lottery Regulation – 36.02.06.05***

Mr. Nielsen said the Lottery was proposing regulatory amendments that clarify that players may redeem prizes at Lottery vending machines, which makes regulations consistent with retail practices. The amendments also clarify the requirement that retailers must activate packs of instant tickets before selling tickets from the pack. The regulations proposed to be amended are COMAR 36.02.01.01, 36.02.03.02, 36.02.06.04, and 36.02.06.05. There being no questions or discussion, Chair Marriner asked for a motion to approve the regulatory amendments. Commissioner Doetsch motioned to approve, Commissioner Fager seconded, and the motion was unanimously approved.

**OPEN COMMENT**

Director Medenica acknowledged the service of Mr. Robert Fontaine, Division Director of the Office of the Attorney General, who is retiring from the State of Maryland at the end of May. Director Medenica said there is a certificate from Governor Hogan thanking Mr. Fontaine for his service to the State and to MLGCA. He added that Mr. Fontaine delivered sage counsel with both legal expertise and good humor, and that he will be missed tremendously.

Chair Marriner noted that he has known Mr. Fontaine for a long time and echoed Director Medenica's comments. He thanked Mr. Fontaine for his leadership and direction and wished him well in retirement.

Mr. Fontaine said that he has been driving from Howard County to work in Baltimore every day for more than 35 years, and noted that it will be strange to no longer make that commute. He added that his departure during the COVID-19 pandemic has been odd because the Office has been nearly empty and there hasn't been anyone around to say goodbye. He said he will miss MLGCA and its people.

Director Medenica added that the Agency takes great comfort in knowing Ms. Holly Citko will be serving as the Acting Division Director, and will hopefully will be named to the position on a permanent basis.

**CLOSED SESSION**

There was no need for the Commission to go into a closed session.

**DATE AND TIME OF NEXT MEETING**

The next monthly Commission meeting is scheduled for 10 a.m. on Thursday, June 25, 2020.

**ADJOURNMENT**

There being no further business for discussion, Chair Marriner adjourned the meeting at 10:38 a.m.

Respectfully submitted,



Gordon Medenica  
Director