

# Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



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## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION SEPTEMBER MINUTES

- DATE:** September 23, 2021
- TIME:** 10 a.m.
- PLACE:** Maryland Lottery and Gaming Control Agency  
(Meeting conducted in-person and via audio/video conference call)
- PRESENT:** Chair E. Randolph Marriner  
Commissioner F. Vernon Boozer  
Commissioner George L. Doetsch, Jr.  
Commissioner Michelle Fager  
Commissioner Harold Hodges  
Commissioner James Stakem  
Commissioner Jerry E. Williams
- John Martin, Director  
Jim Nielsen, Deputy Director, Chief Operating Officer  
James Butler, Assistant Deputy Director, Chief of Staff  
James Logue, Managing Director, Gaming  
John Mooney, Managing Director, Regulatory Oversight  
Paula Yocum, Managing Director, Chief Financial Officer  
Holly Citko, Principal Counsel, Attorney General's Office  
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  
Representative from Scientific Games  
Representative from Pollard Banknote  
Representative from International Game Technology (IGT)  
MLGCA Staff

**E. Randolph Marriner, Chair**

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

## **ROLL CALL**

Chair Marriner asked for a roll call to establish that a quorum was present. Present in person at the meeting with Chair Marriner was Commissioner George Doetsch. Present via audio/video conference were: Commissioners Vernon Boozer, Michelle Fager, Harold Hodges, James Stakem, and Jerry Williams.

## **CALL TO ORDER**

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:01 a.m.

## **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, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

## **APPROVAL OF THE MINUTES**

Chair Marriner stated that the August 26, 2021, open session minutes were provided to the Commissioners for review, and asked if there were any changes on either. There were no changes. Commissioner Doetsch moved to approve, Commissioner Williams seconded, and the motion was unanimously approved by roll call vote.

## **CONSENT AGENDA**

Chair Marriner said the Consent Agenda contains three new instant ticket games for the Commission's approval: #567 (\$1) *Red Ball Cash Doubler*; #568 (\$5) *Cash to Go!*; #569 (\$10) *Big Cash Riches*; EGD Games and Component Testing Certified Lab Software, Hardware and Game Certifications for VLTs, Table Game Components, and Instant Bingo Machines (8/12/21 - 9/9/21); Consent Agreements for Regulatory Violations - Horseshoe Casino - May 2021; Consent Agreements for Underage Violations - Horseshoe Casino - Case Nos. 2021-05-001 and -002; MGM National Harbor - Case No. 2020-06-012; Gaming License Application Denials/Revocations; and Staff Reports from James Nielsen, Deputy Director, Chief Operating Officer; Alvin Ringgold, Senior Director of Sales; James Logue, Managing Director, Gaming; John Mooney, Managing Director, Regulatory Oversight; Paula Yocum, Managing Director, Chief Financial Officer; Carole Gentry, Managing Director, Communications; James Butler, Managing Director, Organizational Compliance; Jill Baer, Director, Creative Services; and Holly Citko, Principal Counsel, Office of the Attorney General.

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 Williams, seconded by Commissioner Doetsch, and the motion was unanimously approved by roll call vote.

## **OPERATOR REPORTS**

### **Hollywood Casino Perryville**

Ms. Allie Evangelista, General Manager, reported that Hollywood Casino was 24% ahead of budget. Hollywood's staff engaged in activities for Responsible Gaming Education Week. Ms. Evangelista said that the casino is sponsoring the Seafood and Wine Festival in Havre de Grace, providing a shuttle to and from the property both days of the event. Hollywood closed its retail store and donated items to the local community. The casino is relaunching the Hollywood Cares program in order to give back to the community, and will be allowing customers to make financial donations through kiosks. Employees signed up to volunteer with Habitat for Humanity in October and November. Ms. Evangelista said the casino is hiring new staff, including Jennifer Bryson, who joins the property from Hollywood Toledo as the new director of marketing. The slot director position is currently open. Hollywood held events to celebrate National Hispanic American Heritage Month.

### **Ocean Downs Casino**

Ms. Bobbi Sample, General Manager, reported that August revenue was up 29% compared to 2020, and was also up from 2019. Slot machine revenue was up 29.5%, driven by volume. Table game revenue was up 27.2%, also driven by volume. September is trending well, even with the seasonal decline of visitors to the property. Ocean Downs was a sponsor of Bike Fest, and was planning a Fall Into Cash prize drawing on September 26. An outdoor concert series on the racetrack will be starting in October. In the community, Ocean Downs participated in Stuff the Bus campaign, providing school supplies for Worcester County schools. Team members participated in the Responsible Gaming Education Week. The casino held a team appreciation event for employees, bringing in a food truck for all staff to enjoy. Executive staff also planned a brunch to show appreciation for team members who work the overnight shift.

### **Live! Casino**

Mr. Anthony Faranca, Executive Vice President, General Manager, reported that August was a solid month with total revenue of \$66 million, up 9% compared to 2019. Slot machine revenue was \$41 million, up 11%, and table game revenue was \$16.5 million, up 11%. Poker revenue was \$1.4 million, up 4.5% compared to 2019. On the non-gaming side, two amenities remain closed — the Spa and David's restaurant. Announcements on both of these amenities will be made in the near future. Non-gaming revenue in August was \$7 million, down 10% compared to the pre-pandemic level in 2019. Other restaurants are open and are doing well. The Sports & Social restaurant and bar is prepared for the launch of sports betting with partner FanDuel. In August the 5,000-seat event center reopened with two sold out shows. Live! Casino is finalizing the events calendar for the remainder of the year, as well as working on budgeting for 2022. In the community, Live! worked with Anne Arundel County Development Council for the first Back to School Block Party, giving away backpacks to families in area. The casino is also having events to celebrate National Hispanic American Heritage Month.

### **Rocky Gap Casino**

Mr. Skylar Dice, Vice President, General Manager, reported that August gaming revenue was down 4.2% compared to last year, driven by a rough hold month in table games, and an unfavorable calendar, with five weekends in August 2020 compared to four in 2021. Volumes were in line with expectations, up 5% from August 2019. September has started well, with good demand throughout the resort. The casino has adjusted its COVID-19 protocols, with mask mandates in place for team members, and more detailed cleaning processes. Rocky Gap has postponed the fall concert series due to a local uptick in

COVID cases. As summer winds down, the casino continues to see strong demand. Rocky Gap recently held a successful job fair to fill critical positions within the resort. Renovations to the main lobby area have been completed to accommodate the new sports lounge. The casino is a lead sponsor of the dragon boat races on Lake Habib, and was a lead sponsor of the local CASA wine and food tasting festival in downtown Cumberland. Mr. Dice said the casino is hosting a COVID vaccine clinic at the property. An employee appreciation event was held with a food truck on site to allow food and beverage team members to enjoy the day as well.

### **Horseshoe Casino**

Mr. Randy Conroy, Vice President, General Manager, reported that August revenue was up 25%, driven by volume. Slot machine revenue was \$11.6 million, which was flat in comparison to last year. In the last 90 days, Horseshoe has hired more than 200 people, mostly table game dealers. The new restaurant, Brews Brothers, will be opening in conjunction with Horseshoe's sports betting business, and will be hiring 60 people. Construction along Warner Street between the casino and M&T Bank Stadium is underway. A Topgolf property is being built, and construction of the Paramount Theater will start in the coming months. In the community, Horseshoe sponsored a Cystic Fibrosis Foundation benefit. The same night, the casino held its largest-ever on-site event with 2,400 people on top of the garage for Diner en Blanc, which drew in many customers to the casino after the event. Casino staff participated in a volunteer food preparation event in northeast Baltimore which generated more than 2,800 meals for every community in Maryland. Horseshoe also held a reception for Dr. Jason Mitchell, Director of the Baltimore City Department of Public Works, in conjunction with the Maryland Washington Minority Companies Association.

### **MGM National Harbor**

Mr. Jeffrey Shrader, Vice President, Legal Counsel, reported that August was the fourth-best month ever for MGM. Gaming revenue was up 8%, driven by the casino's second-best slot month. Slot machine revenues were up 21%, and table games were up 6%. Prince George's County reinstituted an indoor mask mandate, and Mr. Shrader noted that customers are accepting it with no pushback. MGM adopted a company-wide policy that all new employees must be vaccinated. All current salaried employees must be vaccinated by October 15, 2021. Current promotions continue to be light. The casino continues to do a weekly gift series. There is a \$150,000 baccarat tournament, and a VIP Welcome Back Event. There were two shows by Bruno Mars that sold out, and he will be returning in October for two more shows. In the community, the casino partnered with the Washington Football Team to provide backpacks for more than 1,500 children. Twelve team members participated in a Susan G. Komen Walk.

Commissioner Hodges asked casino operators about managing the costs associated with COVID-19 protocols, and whether there are procedures for tracing cases among staff and visitors.

Mr. Conroy said casinos continue to incur costs for cleaning and sanitation equipment. Contact tracing has not slowed down. Mr. Conroy added that casinos have a unique ability to do contact tracing with their surveillance systems. For team members who test positive and are not vaccinated, quarantine procedures are in place, per CDC guidance. Casinos work with local health departments on these issues.

### **VENDOR REPORTS**

#### **Scientific Games**

Mr. Jeff Hale, Assistant General Manager for Operations, reported that August was a busy period for Scientific Games. Debit card readers were enabled on self-service vending machines earlier this year,

and continue to perform well. Powerball Double Play launched August 23, 2021. Mr. Hale congratulated Lottery staff and the Product Development team on the strong performance of Fast Play games. Pick 5 is planned to launch in February, and the SciQ pilot program has been running successfully and is well received by retailers.

### **Pollard Banknote**

Mr. Matt Isaac, Director, Retail Development, reported that Maryland's scratch-off ticket sales are up 2.1%, which is in line with the national average. Comparing to Fiscal Year 2020, sales are up 21.3%. In comparison with other states, New Jersey's scratch-off sales are down 8.1%, Connecticut is down 1.3%. New York, which was largely shut down during the pandemic, is up 20%, Virginia is up 19%, North Carolina is up 2.4% and Arizona, which was the most successful during COVID, up 60% during that period, is now down 25%. Pollard worked on 19 games in the past quarter.

### **International Game Technology (IGT)**

Mr. Gary Cherwinski, Account General Manager, reported that operationally all is going well. IGT recently submitted its stock audit report to the Agency. Conversion to the new central system is in full swing and is going well.

### **STAFF REPORTS**

#### ***Director's Report – John Martin, Director***

Director Martin reported that he has taken time in his first couple of months as Director to review the organization and adjust the roles of some staff members. Mr. Martin introduced the Agency's executive team:

- Jim Nielsen, Deputy Director, Chief Operating Officer
- Paula Yocum, Managing Director, Chief Financial Officer
- James Butler, who will soon be officially named to the new position of Assistant Deputy Director and Chief of Staff
- Carole Gentry, Managing Director, Communications, who was not at the meeting because she was accompanying a group of winners at an event
- John Mooney, Managing Director, Regulatory Oversight
- Jim Logue, Managing Director, Gaming
- Holly Citko, Principal Counsel, Attorney General's Office

Director Martin noted that one of the benefits of his job is the ability to acknowledge the efforts of staff members. He then presented Ms. Donna Williams with a Governor's Citation recognizing her 46 years of service with Lottery. Ms. Williams retired as of September 23, 2021.

Mr. Martin reported that fiscal-year-to-date Lottery sales were up 6% year-over-year, and that the trend was holding for September. Last fiscal year's \$2.6 billion Lottery sales figure was an all-time record, and the Lottery is currently trending well above that pace for this fiscal year. This has been fueled by large jackpots in both Powerball and Mega Millions. Powerball expanded from two drawings a week to three and added the new Double Play feature on August 23, 2021. There was a \$ 1 million winning Powerball ticket sold in Upper Marlboro for the September 22 drawing. A \$432 million Mega Millions jackpot was won in New York on September 21. Pick 3 and Pick 4 players are doing well. Profit is down 14% for the month of August even though sales are up. Casinos had a record-setting July and a strong August.

Mr. Martin reported that there are considerable developments in Maryland's sports wagering program, and reviewed the activity that has taken place to date. The sports wagering referendum was approved by voters in November 2020, HB940 was passed by the General Assembly in April and was signed into law by Governor Hogan in May. Agency staff worked to adapt the eLicensing platform for use by sports wagering applicants and developed the sports wagering operations and licensing regulations, which were approved by the MLGCC in July. A 30-day public comment period on the regulations ends September 27, 2021, and a public meeting on the regulations was held September 22. In August, the Sports Wagering Application Review Commission (SWARC) approved a motion that the Commission's qualification of the 17 noncompetitive licenses would be sufficient for SWARC to make an award determination.

Mr. Martin said that on September 21, the SWARC determined that the disparity analysis that was done in late 2020 does not adequately answer questions raised by the sports wagering law of 2021. As a result, the Lottery will work with Department of Legislative Services staff and the Office of the Attorney General to initiate a new study to help inform the SWARC on how to structure any remedial measures to be considered in awarding sports wagering licenses.

Final regulations are expected to be completed around November 1. The Agency's Gaming and Licensing staffs are working with applicants to complete their required licensing background investigations so that those entities' applications can be transmitted to the SWARC for the license awards. Mr. Martin added that additional MLGCC meetings may be scheduled in order to approve action items related to sports wagering.

Mr. Martin outlined the CORE 4 priorities initiative that he established upon his appointment as Director in July:

- **C is for Celebration:** The Lottery began operating in January 1973, which makes January 2023 its 50<sup>th</sup> anniversary. The Agency is planning products, promotions and events to engage employees and the public through the 50<sup>th</sup> anniversary year. A task force of staff and vendor partners will be formed for that purpose.
- **O is for Organization:** The Agency needs to plan for its next 50 years, including diversity, and the development of a mentoring program that allows younger employees to learn from their more experienced colleagues. Helping the next generation of leaders must be part of the Agency's mission.
- **R is for Revenue:** The Agency exists to generate revenue for the state's good causes.
- **E is for Expediting:** The Agency must expedite the implementation of the state's sports wagering program. Without cutting corners or compromising integrity, staff will work promptly on the rollout of this new program and show results before the calendar year is out.

## **CLOSED SESSION**

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

## **ELECTION OF THE MLGCC VICE CHAIR**

Chair Marriner stated that the Commission would be electing a Vice Chair to replace Bert Hash, whose term on the Commission ended in June 2021. Chair Marriner nominated Commissioner Doetsch to become Vice Chair, with a second by Commissioner Boozer. A roll call vote was taken, with Commissioner Doetsch abstaining, and Commissioner Doetsch was unanimously approved as Vice Chair.

**DATE AND TIME OF NEXT MEETING**

The next Commission Meeting will be a special sports wagering only commission meeting held on October 6, 2021, at 10:00 a.m. via audio/video conference.

The next regular Commission meeting will be held on Thursday, October 21, 2021, one week earlier due to scheduling conflicts, in-person at Maryland Lottery headquarters and via audio/video conference.

**ADJOURNMENT**

There being no further business, Chair Marriner adjourned the meeting at 10:45 a.m.

Respectfully submitted,

  
John Martin  
Director