

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Control Commission
John Martin, Director
Jim Nielsen, Deputy Director

FROM: John J. Mooney

DIVISION: Managing Director, Regulatory Oversight

DATE: June 13, 2023

SUBJECT: Report for the June 22, 2023, Commission Meeting

Commission Action Items – Commission Hearings

Qualification Hearings:

Interblock USA L.C. – Manufacturer License Applicant

Commission Action Item – Consent Agenda

Violations:

Horseshoe Casino – Regulatory Violations – February 2023

Horseshoe Casino – Underage Violations – Case Nos. 2023-05-001 to -003

Live Casino, Maryland – Regulatory Violations – February 2023

Hollywood Casino – Regulatory Violations – February 2023

Hollywood Casino – Underage Violation – Case No. 2023-01-001

Commission Action Items – Consent Agenda

License Applicants and Licensees

The following license application recommendations are before the Commission based on the applicant's criminal history, failure to cooperate with, provide requested information to, a background investigator, conduct after licensed that jeopardizes the integrity of the gaming program or otherwise is not qualified to hold a license:

Denial of a License: # 33

Revocation of a License: # 10

Request for Removal from the Mandatory Exclusion List

The following recommendations are before the Commission regarding the removal from or continued inclusion on the Mandatory Exclusion List based on whether there was good cause for removal and a material change in the individual's circumstances since being placed on the List:

Removal: # 1

Continue to Include on the List: # 0

Commission Action:

License Applicants and Licensees

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

Request for Removal from the Mandatory Exclusion List

It is requested that the Commission adopt as final the recommendation of the Director's designee regarding the individuals' removal from or continued inclusion on the Mandatory Exclusion List based on whether there is good cause and/or a material change in the individuals' circumstances since being placed on the List.

Please see the description below. All PDF files of supporting documentation have been uploaded into the 'J' shared drive under Commission Reports for each individual presented today June 22, 2023 for Denials, Revocations and Requests for Removal from the Mandatory Exclusion List whether recommended for removal or for continued inclusion on the List. These files contain the justification for today's action.

Note to Commissioners:

The PDF files of the supporting documentation on the MLGCA Shared Drive under Commission Reports (Mooney Confidential, licensing denial/revocations), contains names of forty-three (43) gaming license applicants or licensees for whom the Director's designee has recommended either the denial or revocation of their application for a 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.* The license applications and licenses are recommended for either denial or revocation upon Regulatory Licensing and Investigations Division Staff conducting an investigation that supports the recommendation.

Located on the Agency's Shared Drive under Commission Files (June 2023) there are PDF files for your review. (The PDF files contain documentation for each of the recommended denials and revocations, including: notice of recommended denial (which includes the basis for the recommendation and notice of right to request a reconsideration meeting (denial) or a hearing before the Commission (revocation)); documentation that Staff mailed the required notices; and relevant documents from the background investigation conducted by Staff that supports the recommended denial or revocation of the applicant's license application.)

COMAR sets forth the applicant's and licensee's rights if their gaming license application or license is recommended for denial or revocation. An applicant recommended for denial of a license has a right to timely request a reconsideration meeting, and, if they are dissatisfied with the recommendation following the reconsideration meeting, the applicant may timely request a full

hearing before the Commission. An applicant recommended for revocation may timely request a full hearing before the Commission. If the applicant fails to exercise these rights, the Commission may adopt as final the recommendation. Only the Commission, not Staff, is authorized to deny or revoke a gaming license, which is why these recommended denials and revocations are being presented to the Commission.

All of the applicants identified on the shared drive were mailed notification of the recommended denial or revocation, and of their right associated with the recommended action. For a denial, they were notified of their right to timely request a reconsideration meeting with the Director or the Director's designee. The majority of the recommended denials are applicants who did not exercise that right. A smaller group of the recommended denials 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. The applicants who are recommended for revocation before the Commission did not exercise their right to request a hearing before the Commission.

Staff is requesting that the Commission adopt as final the Director's designee's recommendation to deny or revoke the gaming license applications of forty-three (43) applicants and licensees identified on the spreadsheet.

Additionally, on the Agency's shared drive under Commission Files (June 2023) there are PDF files for the Commission's review regarding the Director's designee's recommendations concerning requests for removal from the Mandatory Exclusion List. An individual requesting to be removed from the Mandatory Exclusion List must provide good cause for their removal and identify why there is a material change in their circumstances since being placed on the List. These requests have been investigated and included on the Agency's shared drive is the initial request and the Director's designee's recommendation. None of the individuals who are recommended for continued inclusion on the Mandatory Exclusion List exercised their right to request a hearing before the Commission.

Casino Licensing Division

- Licensing staff are working three days a week at Montgomery Park and teleworking two days.
- Monthly statistics have been updated and are included in your packet.

Casino Compliance Division

- Compliance staff are working regular shifts at the casinos during the pandemic.