

# Maryland Lottery and Gaming Control Commission

Wes Moore, Governor



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## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION NOVEMBER/DECEMBER MINUTES

DATE: November 28, 2023

TIME: 9:00 a.m.

PLACE: Maryland Lottery and Gaming  
Virtual Meeting

PRESENT: Chair E. Randolph Marriner  
Vice Chair George L. Doetsch, Jr.  
Commissioner Diane M. Croghan  
Commissioner James J. Stakem  
Commissioner Jerry E. Williams

John Martin, Director  
James Nielsen, Deputy Director, Chief Operating Officer  
James Butler, Assistant Deputy Director, Chief of Staff  
Michael Eaton, Managing Director, Gaming  
John Mooney, Managing Director, Regulatory Oversight  
Solomon Ramsey, Managing Director, Sales and Marketing  
Paula Yocum, Managing Director, Chief Financial Officer  
Seth Elkin, Managing Director, Communications  
Jennifer Tosky, Deputy 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)

**E. Randolph Marriner, Chair**

Diane M. Croghan, George L. Doetsch, Jr., Harold E. Hodges, James J. Stakem, Jerry E. Williams

## **QUORUM ESTABLISHED**

Chair Marriner announced that there was a quorum present for the meeting. Also present via video conference were: Vice Chair George Doetsch, Commissioners Diane Croghan, James Stakem and Jerry Williams. Commissioner Harold Hodges was absent.

## **CALL TO ORDER**

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 9:00 a.m.

## **APPROVAL OF THE REVISED AGENDA**

Chair Marriner reported that the Commissioners were provided with a copy of the revised agenda. Chair Marriner asked for a motion to approve the revised agenda. Vice Chair Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

## **APPROVAL OF THE MINUTES**

Chair Marriner asked if there were any comments or corrections to the minutes of the October 26, 2023, Open Session. There being none, Chair Marriner asked for a motion to approve the minutes. Vice Chair Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

## **CONSENT AGENDA**

Chair Marriner said the Consent Agenda contains:

1. Nine new instant ticket games for the Commission's approval: #682 (\$1) *Corner Payout*; #683 (\$2) *Pac-Man*; #684 (\$5) *Money Money Money*; #685 (\$10) *Bingo X10 7<sup>th</sup> Edition*; #686 (\$10) *\$150,000 Extreme*; #687 (\$3) *Skee-Ball*; #688 (\$5) *The Big Spin*; #689 (\$10) *Jumbo Cash*; #690 (\$30) *Mega Money*;
2. EGD Games and Component Testing: Certified Lab Software, Hardware and Game Certifications: VLTs, Table Game Components, Instant Bingo Machines, Sports Wagering Systems and Kiosks (10/4/23 – 11/21/23);
3. Consent Agreements – Regulatory Violations
  - a. Hollywood Casino – July 2023
  - b. Horseshoe Casino – July 2023
  - c. Ocean Downs Casino – July 2023
  - d. Rocky Gap Casino – July 2023;
4. Consent Agreements – Mobile Sports Wagering Violations
  - a. Arundel Amusements, Inc./RSI MD, LLC – July 2023
  - b. BetMGM, LLC – June 2023
  - c. Riverboat on the Potomac/Points Bet – July 2023;
5. Consent Agreements – Sports Wagering Violations
  - a. Greenmount OTB LLC – July 2023
  - b. Maryland Stadium Sub, LLC/Fanatics – May and June 2023;
6. Consent Agreements – Underage Violations
  - a. Horseshoe Casino – Case No. 2023-05-007
  - b. Rocky Gap Casino – Case Nos. 2023-04-001 and -002;
7. Gaming License Application Denials/Revocations;
8. Request for Removal from Mandatory Exclusion List; and

9. Staff Reports: James Nielsen, Deputy Director, Chief Operating Officer; James Butler, Assistant Deputy Director, Chief of Staff; Michael Eaton, Managing Director, Gaming; John Mooney, Managing Director, Regulatory Oversight; Solomon Ramsey, Managing Director, Sales and Marketing; Paula Yocum, Managing Director, Chief Financial Officer; Seth Elkin, Managing Director, Communications; and Holly Citko, Principal Counsel, Office of the Attorney General.

Chair Marriner asked if any Commissioners cared to remove and discuss any items on the Consent Agenda. There being no discussion or requests, Chair Marriner asked for a motion to approve the consent agenda. Vice Chair Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

## **OPERATOR REPORTS**

### **Hollywood Casino**

Ms. Amy Brennan, General Manager, reported that in the month of October, gross gaming revenue was down 9.1%, and was down in all segments, with hold issues in both table games and slot machines. Slot machine revenue was down 3%, table games were down 6%, poker was down 13%, and down a significant amount in sportsbook. The casino held an All You Can Eat Brunch to watch the Ravens play in London. A VIP party included a mentalist magician. There were several giveaways in the month of October. Team members and their families were able to participate in a Trunk or Treat in the parking lot. The casino offered a Flu and COVID clinic. Executive staff continue to participate in the Walk a Mile promotion throughout the casino. In the community, donations were collected for Deep Roots Homeless Shelter and the House of Hope Animal Shelter.

Chair Marriner asked if there was any insight into the gaming revenue being down overall by 9%. Ms. Brennan stated that the moves on gaming floor impacted the revenue, with up to 200 machines down at various times. The casino also moved the main table pit area.

Chair Marriner asked about traffic in the casino. Ms. Brennan replied that traffic was also down while pulling machines back online. The casino is now fully back up and running with a beautiful new layout of the casino floor.

### **Ocean Downs Casino**

Ms. Bobbi Jones, Interim General Manager, reported that gaming revenue was up in October year-over-year and may be the only property up year-over-year. The casino reported \$82 million in coin in, up 3.7%, table drop was down 7.3%, with net gaming revenue up 1.9% over the prior year. Driving the increase in revenue was a Rock and Riches slot tournament held the entire month of October, with its finale on October 30<sup>th</sup>, which had over 200 people in attendance. The casino held a Spell Party for VIPs, who came dressed in costume and had to spell out scary words for free play prizes. Fridays were driven by Rocktober, an event the casino has held for three years, with tribute bands on the first three Fridays of the month. Usually 500 to 700 people come to the property to purchase tickets, and remain at the casino to claim their \$10 in free play. In the community, the casino held the Charity Slot Tournament raising over \$1,200 for the Worcester County Humane Society. Ocean Downs held its third quarter Starfish Awards for the top leader and back of the house, and front of the house team members. Jeans Day continues on Fridays, allowing team members to wear blue jeans if they donate \$5.00 to the Sunshine Fund which helps team members with hard times.

## **Live! Casino**

Mr. Ryan Eller, General Manager, reported that October gaming revenue was down 6.9% compared to prior year. November has continued moderate year-over-year decline in head count and foot traffic in the casino, which may be a result of mobile sports wagering, and one less Saturday in October in 2023. Slot machine revenue was down 5.1%, table down revenue was down 5.8%, poker was flat at \$1.4 million, and retail sportsbook was just under \$1 million. Handle is down just over 70%. Online betting month-over-month showed growth with sports seasons. The casino held a Warehouse Clearance Program where 2,500 participants selected from leftover promotional items. Promotions included several gift card giveaways. In October, the casino held a multi-property \$100K Blackjack Tournament that included all Live! properties. Halloween included a Bite Night Game Show dinner for players. In November, the casino is continuing the gift card giveaways, held a Veteran's Day cash drawing and a Louis Vuitton drawing. Entertainment in October and November included the Beach Boys, Nick Swardson, Gary Owen and Baby Face. Live! Casino held a costume contest, door decorating contest and pumpkin carving contest for team members, on Halloween, and gave out 1,000 turkeys to team members at Thanksgiving. In the community, Live! Casino sponsored the BWI Business Partnership breakfast, sponsored the Horizon Walk with the Cordish Companies, hosted Coats for Cocktails to benefit veterans, and was the title sponsor of the Anne Arundel County Chamber of Business Hall of Fame Awards. The casino also sponsored the Good Scout Award breakfast, and the Kunta Kinte Festival. In October, the casino ran a Pink Drink promotion where \$1 from each drink sold was donated to the American Cancer Society.

## **Rocky Gap Casino**

Mr. Brian Kurtz, General Manager, reported that October gaming revenue was down 6.2% year-over-year, following a similar trend to August and September. Coin-in was down just under 3%, and hold was down just under a point. Table game revenue drop was up 6%, with an increase in hold of 2 points. Non-gaming revenue was slightly down year-over-year, with strong occupancy at 86%, down 1 point. There were several promotions in October with gift giveaways. There was one Bonkerz Comedy Show. In the community, the casino collected clothing for Associated Charities, and is collecting Toys for Tots through December. Team members participated in a costume contest in October. Food was provided in the break room for team members every day during the system transition period, which occurred on November 7. Mr. Kurtz took a moment to recognize several MLGCA employees for their help with the transition and audit reporting.

## **Horseshoe Casino**

Mr. Randy Conroy, Vice President and General Manager, reported October table game revenue was \$4.4 million, \$10.1 million in slot machine revenue, and \$183,000 in sportsbook. As reported in the last couple of months, \$5 bets on table games have produced outstanding jackpots, and that has continued in October with two jackpots from the \$5 progressives, \$366,000 and \$246,000. There has also been another hit in November, making 5 jackpot wins in the last 60 days. Promotions at the casino included a VIP Stadium Tour and dinner. Another Ravens promotion is Ravens Win, You Win. When the Ravens win, on the Monday following the game, the casino gives \$20 free slot play. The casino has held several giveaways leading up to the holiday season. In the community, Horseshoe held the Battle of the Bras and partnered with The Red Devils presenting a check for \$5,000 for breast cancer awareness. On November 15, the casino had a vendor outreach event with the Governor's Office of Minority and Women Affairs with a record turnout. From a team member perspective, the casino had a Veteran's Day presentation for all veterans on the Horseshoe team. For Thanksgiving, team members were given turkeys, and the casino provided a free feast for team members working on Thanksgiving Day.

## **MGM National Harbor**

Mr. Jeffrey Shrader, Vice President and Legal Counsel, reported that October gaming revenue was down 41% year-over-year, and slot machine revenue was down 6%. Table game revenue was down 63%, with the drop largely due to VIP play seen in 2022 that did not materialize this year. Poker revenue was down 7%, sportsbook wrote over 45,000 tickets in October with over an 18% hold in total handle of \$5.7 million. In addition to an exclusive Blackjack Tournament, the casino held a number of giveaways and promotions, including the Tiered Wheel of Winners for a chance to win \$5 - \$10,000 in free play depending on their tier level. Halloween events included a bobbing for free play kiosk game. MGM National Harbor held two sports driven VIP events, a meet and greet with NBA great Julius Irving (Dr. J), and a World Series Watch Party. The casino hosted a Blackjack Tournament with a \$750,000 Winner-Take-All prize. In entertainment, the theater kicked off the month with a tribute to ABBA, and rock bands Yes and the Doobie Brothers both performed in October. The casino welcomed three comedians; a Pakistani singer, Atif Aslam; and Mexican singer Alejandro Fernández. In the community, MGM National Harbor participated in six different events, with 60 employees volunteering over 150 hours. Volunteering opportunities were with the Anacostia Watershed Society, the Korean Association of Greater Washington, helping to sort and organize sporting equipment for youth in partnership with Leveling the Playing Field, maintenance support to City Blossoms' Green Space gardening, another Potomac River Clean Up, and American Horticultural Society's invasive plant removal.

## **VENDOR REPORTS**

### **Scientific Games**

Mr. Jeff Hale, General Manager, reported that Scientific Games is working with Lottery staff on preparing for the CASH POP game launch and Big Spin game launch, planning to have both of them delivered in the second half of the fiscal year. Scientific Games has an executed contract with an MBE partner and is shifting employment of 45 employees to the MBE, which will take effect January 2024. The employees will still be under direct management of Scientific Games. In partnership with MLGCA, Scientific Games is participating in the Toys for Tots drive through end of this week.

### **Pollard Banknote**

Mr. Travis Priest, Director of Lottery Marketing, reported that Pollard has 12 scratch off tickets in production, with 8 launched into market. Overall scratch game revenue for the first 20 weeks of fiscal year 2024 was \$368.79 million compared to \$373.42 million at the same time last year, down 1.2% fiscal year to date. Despite highly competitive fiscal year numbers, both \$2 and \$20 price points show positive year-over-year performance, with \$20 games up 7.7%. Current quarterly activity includes holiday game performance which includes price points of \$1, \$2, \$3, \$5 and \$10 holiday-themed offerings. Cumulative growth over the last 4 weeks is up 1.6%, with the \$5 Holiday Cash showing notable interest from players, up 10.8%. In future game development, the 2024 family of games coming in January which includes a \$30 game. Pollard will also be assisting with a second \$50 scratch game following the first one this year that celebrated the 50<sup>th</sup> Anniversary of the Maryland Lottery. Big Spin has been added to the delivery schedule. Outside of Maryland, lotteries of interest have a growth rate of -1.8%. Observing some of the top 10 U.S. performing lotteries, there is portfolio growth rate average of 5.1% almost exclusively benefiting from recent price point introductions of \$20, \$30, and \$50 in their respective scratch game portfolios. In the community, Pollard participated in a donation drive for veterans hosted by the Lottery's Veteran's Council.

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

Mr. Gary Cherwinski, Senior Director and Account Development Manager, reported that things are going well operationally. IGT performed an anti-virus migration to a new platform, and deployed a maintenance batch for software on October 11 that went well. IGT completed vulnerability scans of the backup data systems. This quarter, IGT is working on disaster recovery scans, during this time vulnerability scans will continue.

## **DIRECTOR'S REPORT**

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

Director Martin reported that it is the National Day of Giving, and MLGCA has been in that mode for several weeks with the Maryland Charity Campaign, Toys for Tots and donations to the Maryland Food Bank. Sales revenue in October was down year-over-year 2.3%, profit was down 1.9%. Fiscal Year to date, sales are up 1.4%, profit is up 4.9%, with challenging months in the remainder of the Fiscal Year, and we are anxious to see how some of the products and services already referenced by our partners will play in the marketplace. Casino contributions have been challenging year to date with total revenue down 2.7%, casino contributions to the State are down 4%. Sports wagering was strong in October, with over \$5.8 million in total retail and mobile sports wagering, which brings contributions to date to \$14.9 million. To extrapolate that, given the calendar for the remainder of the Fiscal Year, MLGCA is on pace to nearly double last year's contributions of a little over \$25 million with approximately a \$45 million contribution from sports wagering by the end of the Fiscal Year.

## **COMMISSION ACTION ITEMS**

### *Deputy Director, Chief Operating Officer — James Nielsen*

#### **Commission Action Item – Sole Source Contract – Patented and Trademarked Draw Game CASH POP (#2023-09)**

Mr. Nielsen reported that MLGCA is requesting approval of a sole source contract with IGT Global Solutions Corporation ("IGT") for a license to sell a new game called CASH POP. CASH POP is a new style of draw game that is believed to appeal to both the Lottery's core players as well as new players, providing significant revenue potential to MLGCA. The game name and its play mechanics are the property of IGT through patents and trademarks. This is a terminal ticket-issued draw game where a single winning number, within the range of 1 to 15, is drawn multiple times daily. What is unique is the potential prize you may win is random determined and printed on your ticket. MLGCA plans to initially offer 4 drawings per day.

MLGCA is seeking approval of a 10-year license to use the Cash Pop name and patent thereby allowing MLGCA to sell Cash Pop. The form of this procurement is a sole source procurement because the patent and trademark are owned by IGT. The contract Not to Exceed Value is \$25,392,780 in total license fees paid to IGT. Payments to IGT will be based on a percentage of Cash Pop sales in Maryland. If the contract is approved today, it will be taken to the Board of Public Works for consideration at their next meeting. MLGCA is requesting approval to move forward with this sole source contract.

Chair Marriner asked for a motion to approve the sole source contract. Commissioner Williams motioned to approve, Commissioner Stakem seconded, and the motion was approved unanimously.

*Managing Director, Gaming – Michael Eaton*

**Commission Action Item – MGM National Harbor, LLC Request to Continue Temporary Reduction of its VLT Allocation and Continue the Waiver of COMAR 36.04.02.02.E(2)**

Mr. Eaton reported that MGM has submitted a request to continue the temporary reduction of the authorized number of VLTs on its gaming floor and to continue to waive COMAR 36.04.02.02.E(2) (A temporary removal that is not restored to operation within 365 days shall become a permanent removal), for an additional one-year period, until December 8, 2024.

On November 17, 2022, the Commission granted MGM's request for an extension of a temporary reduction of the minimum authorized number of VLTs on its gaming floor and to preserve MGM's full 3,600 VLT allocation. That waiver will expire on December 8, 2023, unless extended. MGM will maintain a minimum of 2,180 but not more than 3,600 VLTs until December 8, 2024. The reason for this request is to preserve the status quo while MGM continues to work to reimagine its gaming floor in light of the ongoing construction and other business priorities. No further temporary reduction of VLTs is necessary at this time, but may ultimately be necessary as health, safety and business needs dictate. MGM believes continuing the reduction for an additional one-year period should be revenue neutral to positive for the State.

Chair Marriner noted that the casinos know best how to run their business.

Chair Marriner asked for a motion to approve MGM National Harbor's request to continue to temporarily reduce the authorized number of VLTs on its gaming floor, and maintain a minimum of 2,180, but not more than 3,600 VLTs on its gaming floor until December 8, 2024. Commissioner Williams motioned to approve, Commissioner Stakem seconded, and the motion was approved unanimously.

Chair Marriner then asked for a motion to approve MGM National Harbor's request to waive COMAR 36.04.02.02.E(2) to preserve MGM's full 3,600 VLT allocation until December 8, 2024. Vice Chair Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was approved unanimously.

**CLOSED SESSION**

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

**DATE AND TIME OF NEXT MEETING**

The next Commission meeting will be held on Thursday, January 25, 2024, at 10:00 a.m. in person at Lottery Headquarters and via video conference.

**ADJOURNMENT**

There being no further business, Chair Marriner adjourned the meeting at 9:36 a.m.

Respectfully submitted,

  
John Martin  
Director