

Maryland Lottery and Gaming Control Commission

Wes Moore, Governor



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MARYLAND LOTTERY AND GAMING CONTROL COMMISSION NOVEMBER MINUTES

DATE: November 21, 2024

TIME: 10:00 a.m.

PLACE: Maryland Lottery and Gaming Control Agency Headquarters
and Virtual

PRESENT: Chair Everett D. Browning, Sr.
Vice Chair E. Randolph Marriner
Commissioner Ade Adebisi
Commissioner Diane Croghan
Commissioner George L. Doetsch, Jr.
Commissioner Harold E. Hodges
Commissioner James J. Commissioner Stakem

John Martin, Director
James Nielsen, Deputy Director, Chief Operating Officer
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
Holly Citko, Principal Counsel, Attorney General's Office
Jennifer Tosky, Deputy Principal Counsel, Attorney General's Office
Kathy Lingo, Executive Assistant

OTHERS: Representative from Hollywood Casino
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
Representatives from FanDuel

Everett D. Browning, Sr., Chair

E. Randolph Marriner, Vice Chair; Commissioners: Ade Adebisi, Diane Croghan, George L. Doetsch, Jr., Harold E. Hodges, James J. Stakem

QUORUM ESTABLISHED

Chair Browning announced that there was a quorum present for the meeting. Also present in person were: Vice Chair Randy Marriner, and Commissioners Ade Adebisi, and Diane Croghan. Commissioners Doetsch, Stakem and Hodges were present virtually.

CALL TO ORDER

After establishing there was a quorum, Chair Browning called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:02 a.m.

APPROVAL OF THE AGENDA

Chair Browning asked for a motion to approve the agenda. Vice Chair Marriner motioned to approve, Commissioner Doetsch seconded, and the motion was unanimously approved.

APPROVAL OF THE MINUTES

Chair Browning asked if there were any comments or corrections to the minutes of the October 24, 2024, Open Session. There being none, Chair Browning asked for a motion to approve the minutes. Commissioner Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

CONSENT AGENDA

Chair Browning said the Consent Agenda contains:

1. One new Instant Ticket Game: \$5 #737 *Mosaic 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 (10/21/24-11/18/24);
3. Consent Agreements – Regulatory Violations:
 - a. Live! Casino – June 2024;
 - b. Ocean Downs Casino – May 2024 Amended and June 2024; and
 - c. Rocky Gap Casino – July 2024;
4. Consent Agreements – Mobile Sports Wagering Violations:
 - a. Bingo World/RSI MD, LLC – July 2024;
 - b. DraftKings – June 2024;
 - c. Greenmount OTB – July 2024;
 - d. Hollywood-Penn – April 2024 Amended; and
 - e. Live! FanDuel – July 2024;
5. Consent Agreements – Underage Violations:
 - a. Rocky Gap Casino – Case No. 2024-04-001;
6. Gaming License Application Denials/Revocations; and
7. Staff Reports: James Nielsen; James Butler; Michael Eaton; John Mooney; Solomon Ramsey; Paula Yocum; Seth Elkin; and Holly Citko.

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

OPERATOR REPORTS

Hollywood Casino

Ms. Amy Brennan, General Manager, reported that gross gaming revenue was up year-over-year in slot machines, table games and poker, but down in sportsbook. Overall gross gaming revenue is up year-to-date 3.1%. The Progressive Payday still has not been hit and the amount is now up to \$110,000. It is guaranteed to hit by the end of the year. Coin-in has been great during this promotion, and the next date for it is November 30. There were several giveaways the past month at the casino that brought in an average of 400 guests each week. In the community, several team members volunteered for the annual Upper Chesapeake Bay Pride Festival. The property was one of thirty that were selected for the Empowering Women Award, for demonstrating a commitment to hiring and promoting women and programs in the community supporting women. Hollywood Casino had a Trunk-or-Treat for team members and their families, and a Pink-Out Day for breast cancer awareness donating to the Tatiana Copeland Breast Cancer Center. The HR team has been working with partners at the Lottery adjusting employee non-gaming licensing requirements, which allow faster hiring of food and beverage employees. The casino is starting its first internal dealer school this month. Hollywood Casino has launched a companywide annual Diversity Scholarship of up to \$20,000 for children of team members. The application process will be open for several months.

Chair Browning asked how Hollywood is progressing with MBE goals and initiatives. Ms. Brennan said currently the casino is a little over 4% this month but, including vendors that are currently in the licensing process, it will be 8.3% once they are certified. It is the licensing process that takes time and that is currently holding up bringing new vendors on.

Ocean Downs Casino

Bobbi Jones, General Manager, reported that coin-in for October was up 3% year-over-year. Hold was down, slot net revenue was down 9%, table drop was down 5% with hold up 2.2% year-over-year, table drop was down 7%. Sports wagering was down 6%. The casino continues to offer several promotions. Currently there are 14 open positions, and 7 pending positions. In the third quarter, the casino recognized front of the house and back house team members as well as the leader of the quarter. In the community, Ocean Downs cooked for St. Paul's Kitchen and provided over 100 meals for the community. The casino had a Charity Slot Tournament benefitting the Coastal Hospice, with 100 people participating. It is the largest fundraiser the casino has had to date with 89,000 food items donated to Joseph's House, Sheppard's Crook, Knights of Columbus, and Stephen United Methodist Church.

Chair Browning asked Ms. Jones to respond to the same question regarding MBE goals and initiatives. Ms. Jones said Ocean Downs did the same with working to move people through the process with licensing. The casino MBE spending is at 7%, which is the highest month Ocean Downs has had, and it continues to grow. Ocean Downs has made many contacts for 2025.

Live! Casino

Mr. Ryan Eller, General Manager, reported that October was a difficult month with gross gaming revenue up 1%, slot machines were up 5.8%, table games were down 3%, and poker was down 10%. Retail sportsbook was also down. Table games were soft in volume. Sportsbook was down, hold related, as home teams win, the casino loses. The casino had several events in October. There was a cross-property Blackjack Tournament that included all Live! properties with the final being held in Maryland, with players from other regions participating to win a share of \$100,000 in prizes. There was also a Halloween-themed Slot Tournament. Live! Casino had multiple promotions during October, including a Second Chance Jackpot Drawing, and a Ravens®/Commanders® free slot play for

every touchdown. October had a busy entertainment schedule with nearly 11,000 guests coming to the casino for entertainment. The casino had biometric screenings and flu shots on site for team members. Over \$2,000 was raised for the team member assistance fund by selling Halloween candy, and the casino held several Halloween events for team members. In the community, Live! Casino properties as a whole has now reached \$731,000 in donations and 2,900 volunteer hours to charities. As noted previously, Live! Casino continues to monitor changes in the competitive environment as the property in Dumfries, Virginia opened in October. There are no numbers to report that are public yet so there is no update right now. As of November, it is fully opened and operational.

Commissioner Hodges asked if Live! Casino is looking ahead at the next couple of months and if they plan to see a big uptick in revenue from the college football expansion, or if that is part of planning.

Mr. Eller said that it should be. It might not be material, but particularly from a sports betting side, it is going to be something to drive additional opportunities in markets. On a retail and online side of sports betting, it is going to change.

Commissioner Hodges asked if Live! Casino is doing marketing around college football to bring people into the casino's restaurants.

Mr. Eller said the casino has integrated sportsbook with a sports and social concept integrating food and beverage and has a digital public-facing integrated marketing plan for playoffs and college football, to increase foot traffic and drive people into the hospitality venues.

Chair Browning then called Jacob Witmer from Horseshoe Casino to give his report, not realizing he skipped over Brian Kurtz from Rocky Gap. He then announced that this was in error, but since Mr. Witmer was at the podium at this point, he told Mr. Witmer to proceed and then the Commission would hear from Mr. Kurtz following Horseshoe Casino.

Horseshoe Casino

Mr. Jacob Witmer, Senior Vice President, General Manager, reported that October gaming revenue was down 11%, which was actually an improvement of 400 basis points. September was down about 15%. The casino is seeing growth in table games and slot machine volumes since re-strategizing, and is starting to catch up from the previous year-to-date decline that was being seen. Volumes are key. In October, credit drops in table games started to improve year-over-year. The casino is excited to see momentum continuing to grow around the 2025 World Series of Poker events, as the casino works to build strategic partnerships throughout Baltimore with hotels and entertainment venues to build up the entire city, with an emphasis on Horseshoe Casino. Food and beverage will be expanding hours and venues. Buffalo Wild Wings in the food court is expected to open by December 1, with other venues in the food court following. Horseshoe hosted an event after the Commanders game and it was the second highest beverage revenue day this year. Property customers are responding to these events, with the Pauly D event earlier this year 18% higher. Another big event is scheduled for December 1, with 50 Cent coming in for the Eagles game, which is expected to bring in additional guests. Total property revenues are up 13.4%, property attendance is up 11%, driving a 3% lift in casino revenue. Total nongaming revenue is up 52%, with 53% in combined cash revenue, with a 23% lift in total cover count. Horseshoe continues to maintain a high level of employment; there has not been a lot of movement, as the casino is staying the pace and continues to invest in security, EVS, and cage cashing. In the community, the casino participated in the Red Devils Fundraiser. Later in November, there will be turkey giveaways for employees and a 200-turkey donation to a local food bank. In November, the casino also recognized and celebrated team members that do and did serve in the military.

Chair Browning congratulated Horseshoe Casino and said that the growth is good for the casino, the city and the State. He said to let the Commission know how they can partner with the casino.

Rocky Gap Casino

Mr. Brian Kurtz, General Manager, reported that total gaming revenue was down 11.1%. Slot machine revenue was down 8%, driven by a decrease of coin-in at 5.8%, and hold was flat. Table game revenue was down with drop down 6%, due to hold. Ten players accounted for 55% of that deficit, which made for happy players. When they came back the casino was able to recoup some of that revenue. Hotel occupancy in October was 89%, up 3% year-over-year. Nongaming and retail were up, with strong cash gains in hotel. There has been increased activity and competition in the Pennsylvania market, in Shippensburg especially, and the Pennsylvania Supreme Court approved the construction of a casino in State College. Rocky Gap is continuing to monitor and try to combat the competition with promotions. Rocky Gap continued kiosk games, hot seats, and multiplier days with promotions in October with a chance to win \$1,000 in free slot play. The player development team had a great VIP viewing experience on October 13 for a great game. The casino celebrated its first year of Century Casinos Winner Zone Rewards Program. In 2025, the casino will be offering cross-property activations with sister locations in other states. In the community, Rocky Gap continued to push collection efforts for the Western Maryland Food Bank and are excited to see the final results. The casino is participating in Toys for Tots, partnering with the U.S. Marines. Rocky Gap Casino is a sponsor of the Department of Natural Resources Recreational Environmental Summit which was hosted at the property. Currently, there are 286 licensed employees compared to 294 last year, and 70% of current employees are full time. The casino had a costume contest for team members. The casino celebrated a win in Strictly Slot Casino Magazine recognizing the hard work of the team members. USA Today's Golf Weekly named Rocky Gap's golf course in their top 50 courses in the United States.

Commissioner Adebisi asked for the time frame of the 11.1% drop. Mr. Kurtz said it was year-over-year. There has been a decrease seen in visitation in the market, and Western Maryland has the challenge of the economic market in the area, so there is less discretionary spending. Rocky Gap is seeing positive results from unrated uncarded play. There have been good year-over-year results in Players Club. There are outer markets and retail guests coming to the hotel getting into the Players Program allowing the casino to market to them for both gaming and nongaming. The year-over-year figure is similar to September.

Commissioner Adebisi asked if that is typical. Mr. Kurtz said 2024 macro-economics have more impact for that region. The casino is seeing some positive signs with the market improving. Now that the election is done, there has been some withdrawal during those cycles, the casino has some great upcoming giveaway promotions and programs. Rocky Gap should now see revenues begin to increase going into 2025.

Commissioner Hodges wanted to know if the casino sees positive changes in the expansion in college football playoffs coming up, and if the casino is doing any marketing towards that in January to help fill in hole. Mr. Kurtz said that Rocky Gap does not target college football. The casino has a great viewing area, but no sportsbook at their casino. There has been increased activity in the lobby with additional happy hours, and also in the casino environment on game days. The casino does market to those type of activities, but it is not typical to have a huge jump for college football. Higher visitation is because of the professional sports in their market.

MGM National Harbor

Ms. Melonie Johnson, President, COO, reported that gross gaming revenue was up 2.8%, driven by slot machine revenue up 3.6%. Table game revenue was down 2.8%, and poker was up 3.9%. Sportsbook wrote 37,238 tickets, which is down from 45,943 tickets last year. The casino has several promotions and giveaways in October, including hosting the NBC4 and Telemundo Hispanic Heritage reception in the Diablos Cantina. The casino does not participate in the United Way as they have their own MGM Foundation created by MGM Resorts International for collecting donations. There were several kiosk games in October. There was a \$850,000 Golden Lion Blackjack Tournament, the Tier-

Wheel of Winners, and a \$75,000 Beetle Bash Tournament. The theatre also had a full calendar for October with several sold out shows, which creates a lift in food and beverage sales. Gaming revenue was up due to all of the shows in the theatre and there was increased profitability in food and beverage. The casino partnered with Junior Achievement of Greater Washington to provide business coaching to seniors in high school, working on a case-challenge study for MGM National Harbor. The casino also partnered with Fort Washington Manor Senior Living Facility with employees volunteering at the senior center. MBE spend at the casino is currently \$5.6 million, 21% of total spend for month, and the number of MBE companies is 65. There is a Mentorship Program at MGM National Harbor for small MBE, WBE, and veteran-owned business partners, where executives take the businesses through a 9-month course on how to operate their business, understanding inventory, and understanding tax implications. There is a graduation then held company-wide throughout MGM International. MGM National Harbor has created a Regional Director of Procurement that controls diversity in the casino and works with procurement at properties across the region identifying minority, women-owned, and veteran businesses. The casino has hosted and attended several diversity events in October.

Commissioner Hodges asked Ms. Johnson if the casino mentors current MBE vendors, walking them through the process and asked how the casino targets them, getting them into the casino to begin with. Ms. Johnson said the casino's Regional Director of Procurement identifies the small businesses. The casino has had them at the property already and walked them through the process. Ms. Johnson recognized two women-owned MBEs that currently stand out at the casino.

Commissioner Hodges ask if it was the case where MGM targets them in person, the regional Director of Procurement interviews, but no process where they can ask the casino to work with them. Ms. Johnson said the MGM National Harbor holds diversity events at the property. The MBEs will present business cards to the staff, and then the casino will reach out to them. There is an application process as well.

Chair Browning wanted to know if MGM National Harbor is seeing any impact from the Virginia slot casino opening. Ms. Johnson said that the casino is watching them like a hawk, as Dumfries is right in MGM National Harbor's backyard, only a 30-minute drive. A large percentage of MGM National Harbor's rated play comes from northern Virginia. The Dumfries property has 1,650 HHR, Historical Horse Race, games which are slot machines and are no different than what MGM National Harbor has on property. It is too early to see if there is a decline. The casino is watching Tysons Corner to see if it goes back on the referendum in November. Northern Virginia is very profitable for MGM National Harbor.

DIRECTOR'S REPORT

Director's Report — John Martin, Director

Director John Martin reported that there continues to be a challenge with the national multi-jurisdictional jackpot games, Mega Millions and Powerball. The large jackpots in fiscal 2024 and last October's big spend are a challenge, with more typical spend this month, put us behind where Lottery was last year. There were gains in scratch-off and Fast Play business. Year-to-date sales have been down 6.8% thru October and profit is down 10.8%. Casino partners in aggregate are at \$160 million, bring casino revenue year-to-date up 2%. Contributions to the State are up 2.9% year-to-date. September was the largest handle month in sports wagering in Maryland history with over \$590 million in handle, coming in through both retail and mobile platforms. Players had a good month on the sports side. Primarily when the favorites win, when certain bets tend to come in, revenue will be down. It is not unique to Live! or Maryland, but is across the country. Hold of 8.4% in October is down from where Maryland has been, but there are other jurisdictions that came in lower than that. Sports wagering provided over \$7 million to the State in contributions in October, the third best month of

contributions. MLGCA is looking for that to continue through the football playoff run. Director Martin said Commissioner Hodges likes college sports, and MLGCA hopes to see some of that.

Commissioner Croghan noted that the legislative session is coming in January. She asked if there were any updates, any new legislation heading into January. Director Martin said that there is not yet a definitive plan in place, and there is currently no information that can be shared today. MLGCA expects a robust session with the state of affairs in Maryland, and MLGCA will support initiatives as they become available.

Chair Browning said that, as previously mentioned, the Commission is going to rotate through Sports Wagering partners providing reports to the Commission quarterly. Today he introduced Mr. Cory Fox from FanDuel to provide a report.

SPORTS WAGERING REPORT - FANDUEL

Mr. Cory Fox, Vice President, Product & New Market Compliance, and Ms. Ashley Cahill, Senior Director for Community Impact, presented a PowerPoint presentation. Mr. Fox said they would discuss the proactive engagement with MLGCA staff and how FanDuel can make it more efficient, what FanDuel is seeing in the market, and working together to prioritize important issues. He then introduced Ms. Cahill who discussed FanDuel's four pillars of community impact efforts, including Responsible Gaming, Financial Literacy, Investment in Underrepresented & Marginalized Groups, and Local Community & Partnerships. Ms. Cahill said FanDuel continues to support problem gambling prevention, treatment and research. FanDuel supports Maryland students at historically black colleges and universities with a \$1 million donation, in which 890 students with financial need have benefited. In 2024, FanDuel started a partnership with Operation HOPE to promote financial literacy education, and donated \$2 million to Operation Hope to improve access to personal financial literacy education. There is a new program being developed to focus on helping veterans in the community.

Vice Chair Marriner asked if FanDuel planned to assist Operation Hope in Maryland. Ms. Cahill stated that in 2022 FanDuel announced a partnership with UNCF instead of Operation Hope, which will be relevant for Maryland programs and customer-facing resources for education.

Commissioner Hodges asked for the purpose of today's presentation to the Commission. Was FanDuel asked for help with something? Chair Browning responded that it was a request from the Commission to sports wagering partners to make sure the Commission has a chance to hear from them. Chair Browning said different partners are being asked to present either quarterly or monthly to make sure they are connected to Maryland Lottery not just virtually but to see what initiatives they may need to be a part of. The Commission invited them to come and present to put a face to each sports wagering partner.

Commissioner Hodges asked Ms. Cahill if today's presentation was also happening in Virginia and other states or just in Maryland. Ms. Cahill stated that FanDuel has not been asked to present anything in Virginia, but FanDuel does share information on a regular basis.

Commissioner Hodges asked if Operation Hope is working to reduce gambling addiction in that framework or is it a different program. Ms. Cahill stated that the core focus is on problem gambling, and they work with several organizations, including Cambridge Behavior Health which helps with problem gambling and exclusion across all states they operate in.

Chair Browning asked about the initiative to help with violations by youth who are trying to use parents' credit card if everyone on the system is supposed to be on the system. Ms. Cahill said there is not a specific non-profit organization tied around that, but FanDuel has launched an initiative in

September called the Trusted Voices Conversations About Betting Program in partnership with Randy Livingston, a former NBA player, who has experienced problem gambling and works to raise awareness, promoting and encouraging families to participate in active conversations about risks associated with gambling and proxy betting. FanDuel has launched a video series.

Chair Browning asked about their cyber security, understanding that FanDuel likely has robust protection. Mr. Fox stated that cyber security is a major focus. FanDuel hired a new Chief Information Security Officer 18 months ago who works on it every day, defending information strongly. He said FanDuel is pleased with where they are today. FanDuel has seen attacks across the industry, and are aware it could be them if they become lax on protecting information.

Chair Browning thanked the FanDuel representatives for their presentation and said the Commission looked forward to working with FanDuel. A copy of the PowerPoint is attached to these minutes.

CLOSED SESSION

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

DATE AND TIME OF NEXT MEETING

Chair Browning announced the next Commission meeting will be held on Thursday, December 19, 2024, at 10:00 a.m. in person at Lottery Headquarters and via video conference, one week earlier due to the holiday.

ADJOURNMENT

There being no further business, Chair Browning adjourned the meeting at 11:01 a.m.

Respectfully submitted,


John Martin
Director