

**Title 36 STATE LOTTERY AND
GAMING CONTROL AGENCY**

Subtitle 03 GAMING PROVISIONS

Chapter .05 Unannounced Inspections

Authority: State Government Article, §§ 9-1A-04(f), Annotated Code of Maryland

01. General.

This chapter establishes the manner and method by which the Commission may conduct an unannounced inspection of the premises, records, and equipment of a licensee and related entities in order to evaluate and verify a licensee's compliance with State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland and the regulations promulgated by the Commission for the Video Lottery Terminal Program.

.02 Inspections.

A. A licensee is subject to unannounced inspections conducted by the Commission in order to evaluate and verify the licensee's compliance with State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland and the regulations promulgated by the Commission for the Video Lottery Terminal Program.

B. The Commission or a designee may conduct an unannounced inspection without a warrant and take any of the following actions:

(1) Conduct an inspection of premises in which:

(a) Video lottery or table game operations are conducted;

(b) Authorized video lottery terminals, table game equipment, a central monitor and control system, or associated equipment and software are:

(i) Designed;

(ii) Built;

(iii) Constructed;

(iv) Assembled;

(v) Manufactured;

(vi) Sold;

1 (vii) Distributed; or

2
3 (viii) Serviced;

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5 (c) Records are prepared or maintained for activities referenced in §
6 B(1)(a) or (b) of this regulation;

7
8 (2) Conduct an inspection of a video lottery terminal, table game equipment,
9 central monitor control system, or associated equipment and software in, about,
10 on or around the premises specified in § .02B(1) of this Regulation;

11
12 (3) From the premises specified in § .02B(1) of this regulation, summarily seize,
13 remove, impound, or assume physical control of, for the purposes of examination
14 and inspection:

15
16 (a) A video lottery terminal;

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18 (b) Table game equipment;

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20 (c) A central monitor and control system; or

21
22 (d) Associated equipment and software;

23
24 (4) Inspect, examine and audit books, records, and documents concerning a
25 licensee's video lottery or table game operations, including the financial records
26 of a:

27
28 (a) Parent corporation;

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30 (b) Subsidiary corporation; or

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32 (c) Similar business entity; or

33
34 (5) Seize, impound or assume physical control of:

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36 (a) Books;

37
38 (b) Records;

39
40 (c) Ledgers;

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42 (d) Cash boxes and their contents;

43
44 (e) A counting room or its equipment;

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46 (f) Other physical objects relating to video lottery operations; or

1
2 (g) Any record or object that a licensee is required by law or license terms
3 to maintain.
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5 C. During an inspection, a licensee and its employees, agents and representatives:
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7 (1) Shall:
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9 (a) Make available for inspection, copying, or physical control a record
10 that a licensee is required to maintain;
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12 (b) Authorize any person having financial records relating to the licensee
13 to provide those records to the Commission; and
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15 (c) Otherwise cooperate with the activities of the Commission described in
16 this chapter; and
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18 (2) Shall not knowingly interfere with the authorized activity of the Commission
19 during an unannounced inspection.
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21 D. An unannounced inspection may be conducted:
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23 (1) Any time during reasonable business hours; and
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25 (2) Periodically, as determined by the Commission.
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27 E. The refusal of a licensee or a licensee's employees or agents to provide the
28 Commission with the access necessary to perform an unannounced inspection may be the
29 basis for enforcement action under COMAR 36.03.04.
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31 **.03 Records and Reports.**
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33 A. Within a reasonable time after the conclusion of the unannounced inspection, the
34 Commission's inspectors shall submit a written report of the inspection to:
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36 (1) The Commission;
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38 (2) The Director; and
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40 (3) The licensee who was the subject of the Commission's unannounced
41 inspection.
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43 B. A written report of an unannounced inspection shall be considered a public record to
44 the extent allowable under State Government Article, Title 10, Subtitle 6, Annotated
45 Code of Maryland.