

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Control Commission
Gina Smith, Acting Director

FROM: John J. Mooney

DIVISION: Assistant Director for Enforcement

DATE: April 14, 2015

SUBJECT: Enforcement Division Report for the April Commission Meeting

Commission Action Items

Manufacturers License Renewals

- Ainsworth Game Technology
- American Gaming Systems (AGS)
- Diamond Game Enterprises
- International Game Technology (IGT)
- Keystone Gaming Machines (KGM)

Transaction Approval

Proposed Initial Public Offering
Innova Gaming Group, Inc.
(Amaya/Diamond Games Proposed Ownership Change (IPO))

Consent Agenda

Consent Agreements - Underage Violations

Hollywood Casino	2014-01-007, -012, -014, -015
Ocean Downs	2014-02-013
Maryland Live	2014-03-029, -031, -033
Maryland Live	2014-03-042
Horseshoe Casino	2014-05-006, -009, -028, -032, -038
Horseshoe Casino	2014-05-048, -079, 2015-05-002, -023, -028

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

Consent Agreements – Regulation Violations

Hollywood Casino	Reg Violations – Oct – Dec, 2014
Ocean Downs	Reg Violations – Oct – Dec, 2014
Rocky Gap Casino	Reg Violations – Oct – Dec, 2014
Horseshoe Casino	Reg Violations – Oct – Dec, 2014

Licensing Division

- Monthly statistics have been updated and included in your packet.
- There are Sixty (60) denials/revocations this month; they are on the Consent Agenda.

Casino Compliance Division

- Monthly statistics have been updated and included in your packet.
- Eight (8) Casino Compliance Reps will start employment on April 22, 2015
- There is one vacancy at the Casino at Ocean Downs. The position has been advertised by Human Resources

Security / Investigations Division

- One vacancy due to a resignation.

Major Incidents at the Casinos

- Nothing to report

Commission Consent Agenda Item

1. Gaming License Application Denials/Revocations

There are sixty (60) gaming license applications being recommended for denial/revocation based on the applicant's criminal history or failure to cooperate with, or provide requested information to, a background investigator.

Commission Action:

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

Please see the description below, along with the attached spreadsheet.

Gaming License Denials/Revocations

Commissioners:

The attached spreadsheet contains names of sixty (60) gaming license applicants for whom Staff has recommended denial/revocation of their applications for 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 (below). The license applications were recommended for denial/revocation after Licensing Division Staff conducted an investigation, and the investigation results were reviewed by a three-member review panel comprised of Gina Smith, Robert Howells and James Butler. The panel also recommended denial/revocation of these applicants' license applications, and the Director or his designee concurred.

COMAR sets forth the applicant's rights if his/her gaming license application is recommended for denial/revocation. An applicant has a right to timely request a reconsideration meeting, and, if he or she is dissatisfied with the recommendation following the reconsideration meeting, the applicant may timely request a full hearing before the Commission. If the applicant fails to exercise these rights, the Commission may adopt as final the Director's recommendation to deny the license. Only the Commission, not Staff, is authorized to deny/revoke a gaming license, which is why these recommended denials/revocations are being presented to the Commission.

All of the applicants identified on the attached spreadsheet were mailed notification of the recommended denial/revocation, and of their right to timely request a

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

reconsideration meeting with the Director of the Director's designee. The majority of the recommended denials/revocations are applicants who did not exercise that right. A smaller group of the recommended denials/revocations 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.

Staff is requesting that the Commission adopt as final the Director's recommendation to deny/revoke the gaming license applications of the sixty (60) applicants identified on the attached spreadsheet.

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