

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: John J. Mooney

DIVISION: Managing Director
Regulatory Compliance

DATE: December 9, 2015

SUBJECT: Enforcement report for the December Commission Meeting

Commission Action Item – Transaction Approval

MGM National Harbor, LLC - \$600 Million Senior Credit Facility

Commission Action Item – Incredible Technologies, Inc.

Manufacturer License Applicant Hearing

Licensing Division

- Monthly statistics have been updated and included in your packet.
- There are nineteen (19) denials/revocations this month; they are on the Consent Agenda.
- Licensing is working with Human Resources to hire 3 additional licensing investigators.

Casino Compliance Division

- Monthly statistics have been updated and included in your packet.
- Two new investigators started at Horseshoe Casino in October.
- Interviews are being conducted on Thursday, December 10, 2015 to fill one vacancy at Rocky Gap Casino.

Major Incidents at the Casinos

N/A

Commission Consent Agenda Item

1. Gaming License Application Denials/Revocations

There are nineteen (19) 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. A spreadsheet containing the denial/revocations is on the MLGCA shared drive under commission reports.

Gaming License Denials/Revocations

Commissioners:

The spreadsheet contains names of nineteen (19) 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,

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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 reconsideration meeting with the Director or 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 nineteen (14) applicants identified on the attached spreadsheet.

Located on the Agency's Shared Drive under Commission files (November) 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.