

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
Jim Nielsen, COO

FROM: John J. Mooney

DIVISION: Managing Director, Regulatory Oversight

DATE: March 8, 2018

SUBJECT: Report for the March Commission Meeting

Commission Action Items – Consent Agenda

Violations:

MGM National Harbor – Regulatory Violations – October 2017
MGM National Harbor – Regulatory Violations – November 2017
MGM National Harbor – Underage Violations – 2017-06-231, -235, -236, -239, -241 and -266
Hollywood Casino – Regulatory Violations – November 2017
Ocean Downs Casino – Regulatory Violations – November 2017

Gaming License Application Denials/Revocations:

There are forty-six (46) gaming license applications 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.

Revocation of Sponsored Gaming license, SG § 8-223

Synopsis:

During the required background investigation, Applicant ID# 23903 was found to have a financial debt to the State of Maryland. The applicant was required to submit proof that a signed payment agreement had been established with the State of Maryland. Based on the applicant's assurances that the applicant would adhere to the conditions of the payment plan, a Sponsored Gaming license was approved on April 29, 2015. During the subsequent investigation into the applicant's suitability for a full gaming license, it was discovered that the applicant had only made an initial down payment and had not made additional payments, breaching the terms of the signed contract. The applicant did not notify the Commission in writing that the applicant had defaulted on the required payments.

Written notification of a recommendation to revoke the Sponsored Gaming license was sent to the applicant. The applicant requested a Hearing, and the matter was forwarded to the Maryland Office of Administrative Hearings (OAH). The Office of the Attorney General presented the case to the OAH on January 8, 2018. On February 7, 2018, OAH concluded that the applicant's Sponsored Gaming license should be revoked for lack of compliance with, and violations of, Maryland's Gaming laws. The applicant's full Gaming license is also being submitted for denial.

Note to Commissioners:

The spreadsheet on the MLGCA Shared Drive under Commission Reports (Mooney Confidential, licensing denial/revocations), contains names of forty-six (46) 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.

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 spreadsheet were mailed notification of the recommended denial/revocation, and of their right to timely request a 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 forty-six (46) applicants identified on the spreadsheet.

Located on the Agency's Shared Drive under Commission Files (March 2018) 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.

Licensing Division

- Monthly statistics have been updated and are included in your packet.

Casino Compliance Division

- Monthly statistics have been updated and are included in your packet.

Major Incidents at the Casinos

N/A