

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor



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

FROM: John J. Mooney

DIVISION: Assistant Director for Enforcement

DATE: May 19, 2015

SUBJECT: Enforcement Division Report for the May Commission Meeting

Commission Action Item

Regulation Amendments – Temporary License

Title 36, Subtitle 03, Chapter .02

For May 28, 2015 Commission. Effective July 1, 2015, a new law will authorize the Commission to issue a temporary video lottery employee license, which will replace the sponsored license. Like a sponsored license, a temporary license will allow an individual to start work after an abbreviated background investigation is completed, while Licensing Staff completes the full background investigation. The new temporary license law specifically authorizes the Commission to terminate, without a hearing, a temporary license if the temporary licensee fails to cooperate with Staff's efforts to complete the background investigation. The amendments to Regulation .01A and .12J implement this new law.

Additionally: Amendment to .01C clarifies that any license applicant, except for an operation license, may request to withdraw an application under certain circumstances. Amendment to .02 clarifies applicants' fingerprint requirements. Amendment to .12C(9) requires employers of *nongaming* applicants to provide certain information with the application, as the Commission does not issue sponsored or temporary nongaming licenses; the background information in .12C is sufficient for full nongaming licensure. Amendment to .12G clarifies that contractor or manufacturer employees, such as VLT techs, cannot game at a facility to which they are currently assigned.

Licensing Division

- Monthly statistics have been updated and included in your packet.
- There are twenty-one (21) denials/revocations this month; they are on the Consent Agenda.

Casino Compliance Division

- Monthly statistics have been updated and included in your packet.
- There is one vacancy at the Casino at Ocean Downs and one vacancy at Hollywood Casino. The positions 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 twenty-one (21) 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 twenty-one (21) 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 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 twenty-one (21) applicants identified on the attached spreadsheet.

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

