

Maryland Lottery and Gaming Control Agency



Larry Hogan, Governor • Gordon Medenica, Director

Montgomery Park Business Center
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TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director
Jim Nielsen, COO

FROM: Charles LaBoy, Managing Director of Gaming

DIVISION: Gaming

DATE: January 18, 2017

SUBJECT: Report for the January 26 Commission Meeting

A Gaming Division

- 1) Caesars Update – Caesars won a US Bankruptcy Court approval on January 17 to restructure the company. Caesars Entertainment Operating Company will exit bankruptcy with a REIT entity, which will hold real property assets, and an operating subsidiary, which will continue to provide management services to the Horseshoe Baltimore Casino. The current ownership structure of the Horseshoe Baltimore Casino will not change nor will the real property assets be incorporated into the REIT entity. Regulatory approval of this transaction is pending further reviews.
- 2) Skills-Based Amusement Device – Staff is finalizing the registration application and database to facilitate the requirements of the skills-based regulations and anticipates a 1st quarter 2017 launch.
- 3) Illegal Gaming – Staff is developing policies and procedures to refer suspected illegal gaming activity to the local law enforcement authorities with follow up to the State Police or States’ Attorney (if in Baltimore City or Baltimore County) if necessary, as required by the electronic gaming device regulations.

B VLT Audit Department

Audit Summary			
Location	Audit Area	Status	Periods Covered
Maryland Live Casino	Compliance & Operations	Completed	November
Rocky Gap	Compliance & Operations	Completed	November
Ocean Downs	Compliance & Operations	Completed	November
Hollywood Casino	Compliance & Operations	Completed	November
Horseshoe Casino	Compliance & Operations	Completed	November
2015 (VLT) Facilities MBE Compliance	Financial Reporting Review	Completed	2015
Maryland Live Casino	Compliance & Operations	In Process	December – January
Rocky Gap	Compliance & Operations	In Process	December – January
Ocean Downs	Compliance & Operations	In Process	December – January

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Hollywood Casino	Compliance & Operations	In Process	December – January
Horseshoe Casino	Compliance & Operations	In Process	December – January
MGM National Harbor	Compliance & Operations	In Process	December – January
Bingo World	Compliance & Operations	Completed	2016
Delta Bingo – Laurel and Waysons	Compliance & Operations	Completed	2016
Mayo American Legion #226	Compliance & Operations	Completed	2016
Laurel Elks #2283	Compliance & Operations	Completed	2016
American Legion Post #7	Compliance & Operations	Completed	2016
Annapolis Elks (#622)	Compliance & Operations	Completed	2016
Annapolis Moose (#296)	Compliance & Operations	Completed	2016
Severna Park American Legion (#175)	Compliance & Operations	Completed	2016
Rod 'N' Reel	Compliance & Operations	Completed	2016
Abners Crab House & Restaurant	Compliance & Operations	Completed	2016
Traders	Compliance & Operations	Completed	2016
American Legion Post 206	Compliance & Operations	Completed	2016

1) Staffing – all positions are currently filled.

C Electronic Gaming Device Operations

	Hollywood	Ocean Downs	MD Live	Rocky Gap	Horseshoe	MGM-NH	Bingo Halls
VLT Installs	3	18	30	36	4	0	0
VLT Removals	3	18	30	8	4	0	0
Floor Moves	0	0	6	28	4	16	0
Game Conversions	0	0	12	0	0	0	0
Change Requests	3	3	8	5	4	7	0
Operation Reviews	0	0	1	0	0	0	0

1) Quarterly Payout Percentage (October 1 – December 31, 2016)

Hollywood	Ocean Downs	Maryland Live!	Rocky Gap	Horseshoe	MGM-NH
90.53%	92.87%	91.85%	91.15%	91.62%	N/A

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2) 2016 Calendar Year Payout Percentage (January 1, 2016 – December 31, 2016)

Hollywood	Ocean Downs	Maryland Live!	Rocky Gap	Horseshoe	MGM-NH
90.42%	92.64%	91.56%	91.20%	91.65%	N/A

3) A bi-annual Disaster Recovery test for the State's central monitor and control system was successfully conducted during 12/13-12/16/16.

4) ITLM Update - As of 1/10/17, 318 ITLMs in 75 unique Veterans' Posts are currently operational. The ITLM Program as a whole has contributed over \$7.4 million in profits to the participating Posts.

D Responsible Gambling

1) Voluntary Exclusion Program

a) 27 new participants joined the casino VEP program since the last report; the total number of participants is 1,334.

b) There have been 69 removals from the VEP.

c) To date, 267 violations have occurred since the casino VEP program began. All have been cited for criminal trespass and court resolution is pending.

d) There are 6 additional enrollments on the lottery VEP list; the total number of participants is 238.

e) There are no enrollments in the bingo hall VEP program for this reporting period; the total number of participants is 3.

2) Staff continues working with the Center of Excellence on Problem Gambling to provide webinars on the VEP program and responsible gambling practices of the gaming industry. The webinars are scheduled for January 17th and 26th, 2017.

3) NASPL/NCPG certification at the Implementation level was awarded to the MLGCA on December 21, 2016.

4) The next Maryland Alliance for Responsible Gambling meeting will be hosted by MGM National Harbor on January 25.