

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center  
1800 Washington Blvd., Suite 330  
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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:** April 11, 2016

**SUBJECT:** Report for the April 20 Commission Meeting

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**A. Gaming Division**

**a. Changes in VLT Counts**

1. At the last Commission meeting, there was discussion surrounding Rocky Gap's request to add three additional VLTs to their floor count and whether it would be beneficial to delegate to staff the authority to increase VLT counts by no more than 10 VLTs and report this at the subsequent Commission meeting. After giving this concept additional consideration, I do not believe it is necessary, at this time, for staff to request such delegation. VLT increase requests have been rare, with only two such requests being received since the inception of the VLT program; the logistics to support an increase typically span well beyond our monthly meetings, thereby eliminating any necessity to take action between meetings.

**B. VLT Audit Department**

<b>Audit Summary</b>			
<b>Location</b>	<b>Audit Area</b>	<b>Status</b>	<b>Periods Covered</b>
Maryland Live Casino	Compliance & Operations	Completed	February
Rocky Gap	Compliance & Operations	Completed	February
Ocean Downs	Compliance & Operations	Completed	February
Hollywood Casino	Compliance & Operations	Completed	February
Horseshoe Casino	Compliance & Operations	Completed	February
2014 (VLT) Facilities MBE Compliance Report	Financial Reporting Review	Completed	2014
Maryland Live Casino	Compliance & Operations	In Process	March - April
Rocky Gap	Compliance & Operations	In Process	March - April
Ocean Downs	Compliance & Operations	In Process	March - April
Hollywood Casino	Compliance & Operations	In Process	March - April
Horseshoe Casino	Compliance & Operations	In Process	March - April
Bingo World	Compliance & Operations	In Process	April

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Delta Bingo	Compliance & Operations	In Process	April
Mayo American Legion #226	Compliance & Operations	In Process	April
Laurel Elks #2283	Compliance & Operations	In Process	April
Annapolis Elks (#622)	Compliance & Operations	In Process	April
Severna Park American Legion (#175)	Compliance & Operations	In Process	April
Chesapeake Beach Resort	Compliance & Operations	In Process	April
American Legion Post 206	Compliance & Operations	In Process	April

- a. Staffing Update – Positions in recruitment:
  1. Gaming Auditor Ocean Downs – posting closed 4/1/16
  2. Gaming Auditor Rocky Gap – posting closed 4/1/16
  3. Gaming Auditor Horseshoe – position frozen by DBM
- b. Staff has begun a review of regulatory submissions from MGM to include:
  1. Internal controls, standard operating procedures, and table game rules
  2. Table game schematics
  3. Dealer school training manuals
- c. Staff continues to work on the 2016 Regulatory Review process. Staff is targeting the May Commission meeting to propose regulation changes.

## C. Electronic Gaming Device Operations

	Hollywood	Ocean Downs	MD Live	Rocky Gap	Horseshoe	Bingo Halls
VLT Installs	4	6	38	20	0	0
VLT Removals	3	6	38	20	0	0
Floor Moves	7	0	27	0	0	0
Game Conversions	2	17	144	20	0	4
Change Requests	2	3	25	2	4	5
Operation Reviews	1	1	1	0	0	4

- a. Quarterly Payback Percentage (January 1 – March 31, 2016):

Hollywood Casino Perryville	Casino at Ocean Downs	Maryland Live! Casino	Rocky Gap Casino Resort	Horseshoe Casino Baltimore
90.44%	92.63%	91.58%	91.34%	91.64%

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## b. ITLMs

1. One new location was added since the last report, bringing the total number of locations to 70 with 286 ITLMs in operation.
2. Staff continues to work with both internal and external parties on the Phase II development criteria. Phase II will incorporate the ability to award jackpots in excess of \$599 and the ability to process the corresponding W2-G and various statutory required setoffs.

## D. Responsible Gambling

### a. Voluntary Exclusion Program

1. 20 new participants joined the casino VEP program since the last report; the total number of participants is 1,107.
2. There have been 36 removals from the VEP with 35 additional requests for removal pending.
3. To date, 171 violations have occurred since the casino VEP program began, with 4 violations occurring last month; all have been cited for criminal trespass and court resolution is pending.
4. There are 3 additional enrollments on the lottery VEP list; the total number of participants is 178.

b. Staff is working on the development of a voluntary exclusion program for the instant bingo halls, which we hope to launch by the summer of 2016.

c. Staff continues to participate in the NASPL Responsible Gambling Committee conference calls and continues to serve on a subcommittee tasked with the development of a responsible gambling toolkit for NASPL members.

d. Staff is working with Judge Rattal, Co-Chair of the Special Judges Commission, to discuss how the courts can better work with violators of the Voluntary Exclusion Program. We are pursuing the option of a docket specific to casino violations to assist in streamlining the process.