

OFFICE OF THE ATTORNEY GENERAL
MARYLAND LOTTERY AND GAMING CONTROL AGENCY

TO: Maryland Lottery and Gaming Control Commission
Stephen Martino, Director

FROM: Robert T. Fontaine, Assistant Attorney General
Principal Counsel

RTF/HKC

DIVISION: Office of the Attorney General

DATE: June 18, 2014

SUBJECT: Report for the June Commission Meeting

This is a status update of ongoing and special projects in the Office of the Attorney General.

I. Contracts and Human Resources

a. Key accomplishments last period:

- i. Reviewed five contracts for the Communications Division for promotion of public affairs events.
- ii. Reviewed six Corporate Guaranty documents and six Financial Responsibility Agreements submitted for 7-11 Lottery retailers.
- iii. Filed liens against two retailers on behalf of the Lottery's AFO Division in the total amount of \$4,851.28.
- iv. Reviewed various employment issues and related documents for the Human Resources Division, and four Family and Medical Leave Act leave requests.
- v. Worked with Human Resources Division and other Agency staff to investigate a new retaliation case that a current employee filed with the Maryland Commission on Civil Rights (MCCR). Worked with the Human Resources Division on two former Agency gaming compliance employees' appeals of discipline and subsequent termination of employment.
- vi. Following a hearing held March 5, the Office of Administrative Hearings has ordered the Agency to reinstate, with back pay, the former employee who appealed the termination of her employment. The Agency shall not appeal and has instructed the employee to return to work. The employee has requested, and was granted, the use of a week's leave before returning to work. We continue to await response from the EEOC on the Agency's position statement on the individual's allegations of sex discrimination and retaliation.

b. Upcoming tasks for this period:

- i. Continue to work with Human Resources and other Agency personnel to prepare defense for one pending and five new MCCR cases. The Fact-Finding Conferences for two cases filed by the same employee is scheduled for July 15, 2014. The Fact-Finding Conference for the newest case is scheduled for July 2, 2014.

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed ten requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Continued to assist Creative Services Division in developing and implementing the *My Lottery Rewards Program* by reviewing procedures for new promotions using MLR.
- iii. Continued to assist Staff in working with Diamond Game, which was the successful bidder on the RFP for Veterans' Organization Instant Ticket Lottery Machines.

b. Upcoming tasks for this period:

- i. Continue to assist Staff in implementing the Veterans' Organization Instant Ticket Lottery Machines program.
- ii. Continue to assist Product Development Staff with finalizing the prepared License Agreement to use the Mark "Mr. Boh" on Lottery products.
- iii. Continue to work with Agency staff to prepare for an August 20, 2014 circuit court hearing regarding a former retailer's challenge to a lien that the Agency filed against him in the amount of \$4,298.08. The hearing was held June 2, 2014, but after three hours of testimony the court postponed the balance of the hearing for a full day on August 20, 2014.

c. Issues:

- i. N/A

III. Gaming

a. Key accomplishments last period:

- i. Continued to assist Staff on enforcement issues associated with casino operations.
- ii. Continued to provide Staff with advice on licensing processes.
- iii. Assisted Staff in drafting regulatory amendments clarifying look-back limitation and jurisdictional issues for operator license applicants who committed, but were not convicted of, acts of moral turpitude or gambling. The Licensing Director will present the amendments.
- iv. Assisted Staff in correcting clerical errors in amendments to one chapter of table game rules regulations approved by the Commission in May 2014. The Assistant Director for Gaming will request withdrawal of the May amendments and approval of the new amendments.
- v. Assisted Staff in drafting minor amendments to the Gaming, VLT and Table Games subtitles pertaining to the applicability of definitions in those subtitles. The Assistant Director for Enforcement will present the amendments.
- vi. With the assistance of a summer law clerk, provided research support to Staff on gaming-related issues.

b. Upcoming tasks for this period:

- i. Work with Staff as necessary on issues associated with MGM's license award.
- ii. Provide assistance as necessary to Staff regarding licensing, enforcement, public information, and VEP issues.
- iii. Provide assistance as necessary to Staff on gaming-related legislation that was enacted by the General Assembly.
- iv. Work with Staff to prepare for potential license denial and sponsored gaming license revocation hearings.

c. Issues:

- i. N/A

IV. New Initiatives - Electronic Gaming Devices

a. Key accomplishments last period:

- i. Continue to assist Agency staff with planning the regulation of electronic gaming devices.

b. Upcoming tasks for this period:

- i. Continue to analyze the impact of legislation passed during the Second Special Session, and assist Staff in meeting additional resulting responsibilities.

c. Issues:

- i. N/A

