

IN THE MATTER OF THE
MGM National Harbor, LLC,
Respondent.

* BEFORE THE
* MARYLAND LOTTERY
* AND GAMING CONTROL
* COMMISSION
* April 2017 Regulatory Violations

* * * * *

CONSENT AGREEMENT

Pursuant to the Annotated Code of Maryland, State Government Article (“SG”), §§ 9-1A-01, *et seq.* (“Gaming Law”), and Code of Maryland Regulations (“COMAR”) 36.03.04.06, the Maryland Lottery and Gaming Control Commission (“Commission”) and MGM National Harbor, LLC (“MGM National Harbor”) desire to resolve this matter without a formal administrative hearing. Accordingly, the parties recite the following facts and make the following agreements:

BACKGROUND

The Commission, with the assistance of the Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”), regulates the operation of the State’s video lottery terminals (“VLTs”) and table games, and is responsible for licensing qualified facility operators and ensuring that the operation of video lottery facilities, VLTs and table games is conducted legally. SG §§ 9-1A-02(b), 9-1A-04(b)(14).

If a licensee violates a provision of the Gaming Law, a regulation promulgated by the Commission, or a directive of the Commission or the Director of the MLGCA, the Commission is authorized to, after a hearing, take action against a licensee that may include suspension or revocation of a license, and levying a civil penalty for each violation. SG §§ 9-1A-04(a)(3) – (8), -25; Code of Maryland Regulations (“COMAR”) 36.03.04. The Commission may also take other enforcement action, such as a corrective action plan, a reprimand, or imposition of a condition on

a license. SG §§ 9-1A-04(a)(3), -25; COMAR 36.03.04. The Commission may also agree with a licensee to reach a settlement to resolve a violation. COMAR 36.03.04.06.

MGM National Harbor is licensed by the Commission as the operator of the video lottery facility in Prince George's County.

By letter dated July 6, 2017, the Agency notified MGM National Harbor of alleged violations of the Gaming Law – regulatory violations for the audit period of April 1, 2017 through April 30, 2017. The Agency included the monthly audit report for April 2017 indicating those violations for which the Agency is proposing a settlement amount. The Notice of Alleged Violations asserted that these actions violated the Gaming Law and regulations promulgated thereunder, and that these actions were sanctionable.

MGM National Harbor has taken corrective measures to ensure future compliance with these regulations.

The parties agree to the following terms and conditions as a means of resolving the captioned alleged violations.

TERMS AND CONDITIONS


1. This Consent Agreement is being entered into as a means of settling the alleged violations and avoiding the potential expense and inconvenience of a formal hearing.
2. There has not been a formal finding as to the merits of the allegations in the Notices of Violation. This Consent Agreement does not constitute an admission or denial by either party that a violation of law or regulation has occurred.
3. Upon the parties' execution of this Consent Agreement, Commission staff shall submit this Consent Agreement to the Commission for review and final approval at its meeting on October 26, 2017.

4. Upon the Commission's final approval of this Consent Agreement, and no later than 10 days after, MGM National Harbor shall remit payment of \$2,850.00 to the Commission.
5. Upon receipt of payment from MGM National Harbor, the Commission will close these matters.
6. MGM National Harbor will continue to take appropriate measures to ensure future compliance with these violations.
7. If MGM National Harbor violates a term of this Consent Agreement, the Commission may impose a sanction or penalty on MGM National Harbor for violating the Agreement or for the underlying violations. COMAR 36.03.04.06.
8. By entering into this Consent Agreement, MGM National Harbor waives all rights to administrative or judicial review of these alleged violations.
9. This Consent Agreement extends only to those alleged violations referenced in the July 6, 2017, Alleged Notice of Violations. If the Commission subsequently discovers additional facts of a material and substantial nature involving any of the incidents cited in the July 6, 2017, Alleged Notice of Violations, and said facts constitute additional alleged violations, the Commission may pursue such additional alleged violations. MGM National Harbor may dispute such additional alleged violations.
10. This Consent Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written that are not specified or referenced within this document will be valid provisions of this Consent Agreement.
11. This Consent Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by the parties.

12. This Consent Agreement is not final and binding until it is approved by the Commission.

COMAR 36.03.04.06B(2).

IN WITNESS WHEREOF, the parties have signed this Consent Agreement as set forth below:



William Boasberg (date)
General Manager
MGM National Harbor

Gordon Medenica (date)
Director
Maryland Lottery and Gaming

APPROVED:

Kimberly Robertson (date)
Chair, Maryland Lottery and Gaming Control Commission

MGM National Harbor – Regulatory Violations April 2017

The Gaming Audit Division conducted an audit of MGM National Harbor for the period beginning April 1, 2017 and ending April 30, 2017, pursuant to the Audit Plan.

Cage Operations Condition:

Subject – The facility's check cashing system was not configured to restrict patrons from cashing checks exceeding \$5,000 for a gaming day. We identified 12 patrons who cashed checks over \$5,000 in a gaming day ranging between \$5,800 and \$12,600. This issue was brought to the attention of management and was corrected on April 14.

Proposed Settlement Amount: \$1,000.00

Cage Operations Condition:

Subject – On April 24, 2017, two cage cashiers failed to conduct a system search through the patron management system for a person on the VEP list, resulting in the receipt of two \$300 cash advances before the person was identified attempting to request a third cash advance. This is a repeat issue from the February 2017 audit report.

Proposed Settlement Amount: \$1,000.00

VLT Drop Condition:

Subject – On April 13, 2017, security notified MLGCA compliance staff that a VLT belly door and cash box doors (VLT D1-4231) were found open by Slot Department staff after being open for approximately 3 hours. The slot machine belly door was opened by a drop team member and a second drop team member opened the cash box door and left the "hot" cash box in the machine.

Proposed Settlement Amount: \$500.00

VLT Drop Condition:

Subject – On April 3, 2017, the drop team did not verify that the number of hot boxes in the trolley from Zone E and Zone K equaled the number of cash boxes scheduled for collection that day. The drop team signed the paperwork on the trolley without counting the number of boxes before moving the trolley to the count room.

Proposed Settlement Amount: Warning

Cage Operations Condition:

Subject – Customer deposit slips were not completed properly for the following:

- *3 out of 10 customer deposit copies (i.e., original, cage and copy) were missing cashier's signature.
- *2 out of 10 customer deposit copies (i.e., original, cage and copy) were missing guest's signature.
- *A front money withdrawal slip for \$20,000 did not include the guest signature.

Proposed Settlement Amount: Warning

Table Game Operations Condition:

Subject – Progressive jackpot W-2G forms were not issued for 3 of 10 payouts over \$600 and 300 times the original wager. The table jackpot slips were missing signatures from the certifying witness for 2 of 10 jackpot forms and missing the signature of the cashier issuing the funds for 8 of 10 jackpot forms.

Proposed Settlement Amount: Warning

Voluntary Exclusion Program Condition:

Subject – On April 3, 2017, MLGCA compliance staff discovered a Maryland Voluntary Exclusion Program (VEP) Advisory Notification posted on the bulletin board in the MGM employee hallway.

Proposed Settlement Amount: Warning

Human Resources Condition:

Subject – A security officer worked in the casino up until April 8 2017 on a gaming license that expired on January 12, 2017. An F&B cocktail server worked in the casino up until March 27, 2017 on a license that was terminated on March 20, 2017 for non-compliance.

Proposed Settlement Amount: \$250.00

Table Game Operations Condition:

Subject – on April 9, 2017 at 7 a.m., a cover and lock did not secure the roulette wheel on table RO-217. Table games staff was notified to secure the wheels. A subsequent review at 9 a.m. disclosed that a cover was placed on the wheel but not locked. This is a repeat issue from the December 2016 audit report.

Proposed Settlement Amount: \$100.00