

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: Charles LaBoy, Assistant Director for Gaming

DIVISION: Executive - Gaming

DATE: November 4, 2015

SUBJECT: Report for the November 19 Commission Meeting

A. VLT Audit Department

Audit Summary			
Location	Audit Area	Status	Periods Covered
Maryland Live Casino	Compliance & Operations	Completed	September
Rocky Gap	Compliance & Operations	Completed	September
Ocean Downs	Compliance & Operations	Completed	September
Hollywood Casino	Compliance & Operations	Completed	September
Horseshoe Casino	Compliance & Operations	Completed	September
Maryland Live Casino	Compliance & Operations	In Process	October - November
Rocky Gap	Compliance & Operations	In Process	October - November
Ocean Downs	Compliance & Operations	In Process	October - November
Hollywood Casino	Compliance & Operations	In Process	October - November
Horseshoe Casino	Compliance & Operations	In Process	October - November
Abners	Compliance & Operations	Complete	2015
Mayo American Legion	Compliance & Operations	Complete	2015
Annapolis Moose 296	Compliance & Operations	Complete	2015

- a. Staffing Update – Positions in recruitment:
 1. Gaming Audit Supervisor – Internal recruitment; posting closes Nov 13
 2. Gaming Auditor Horseshoe – Position filled and staff member begins on Nov 4
 3. Internal Auditor – Position filled and staff member began on Oct 28
- b. MOU with IRS & FinCEN – The MOU is being reviewed by FinCEN's internal counsel and should be provided to ML&G by the end of the month for our review and feedback.
- c. Audit Committee
 1. The Audit Committee received a financial update from Caesars on Nov 5.
 2. The next Audit Committee meeting is scheduled for Dec 4.

B. Electronic Gaming Device Operations

	Hollywood	Ocean Downs	MD Live	Rocky Gap	Horseshoe	Bingo Halls
VLT Installs	14	0	0	4	28	0
VLT Removals	14	0	0	0	28	0
Floor Moves	0	0	0	0	9	0
Game Conversions	2	20	0	0	5	0
Change Requests	7	1	7	2	5	0
Operation Reviews	1	0	1	1	0	4

a. Staffing Update

1. New EGD Specialist - Tolbert Evans started on October 7, 2015. Tolbert comes to ML&G with 5 years in the gaming industry, having served as a slot technician with GanTech at Hollywood Casino Perryville, Maryland Live! Casino, and Rocky Gap Casino Resort. Tolbert has also graduated from the Alleghany Community College Table Games Dealer School and worked as a table games dealer at Rocky Gap Casino.
2. Staff Training – The BMM test lab provided a day and a half of on-site training to EGD and Audit staff on various technical and operational aspects of EGDs on October 14-15.

b. Quarterly Performance Benchmarking – Leased VLTs

1. The 3rd quarter performance analysis has been provided to VLT manufacturers for their review and development of corrective action plans to address VLTs that are performing 15% or more below the floor average. Corrective action plans are due back on Nov 18.

c. Lab Testing Update

1. Staff has been working with IGT on inter-operability testing of four new VLT platforms in our onsite test lab with results as follows:
 - i Interblock G5 – Passed
 - ii Aristocrat Single Arc – Pending
 - iii Aristocrat Double Arc – Pending
 - iv Aristocrat Behemoth – Pending

d. Maryland Live Update

1. Staff has been working with MDL on a project to install 56 dealer operated electronic table games. These are table games operated by live dealers but have electronic betting stations. The schedule for this project is as follows:
 - i Installation – Nov 15-16
 - ii MDL Staff Training – Nov 20-22
 - iii MLGCA Testing – Nov 23
 - iv Go Live – Nov 25

e. Rocky Gap Update

1. Rocky Gap has completed the VLT expansion, which included the outdoor patio, with the installation of the last 4 VLTs.

f. ITLMs

1. There were two installations in new locations in October and additions to two existing locations.
2. Staff is working 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 be able to process the corresponding W2-G and various statutory required setoffs.

C. Responsible Gambling

a. Voluntary Exclusion Program

1. 34 new participants joined the casino VEP since the last report, bringing the total number of participants as of October 31 to 978.
2. There have been 19 removals from the VEP with 34 additional requests for removal pending.
3. To date, there are now 144 violations that have occurred since the Casino VEP program began, with 5 occurring in October; all have been cited for criminal trespass and court resolution is pending.
4. There are 3 additional enrollments on the Lottery VEP list, bringing the total number of participants to 149.

b. The specifications for a new VEP computer system have been drafted and sent to procurement for processing. The new system will allow for the casinos to move away from printed binders and be able to access VEP information in real time through a secure online system.

c. Staff is working with bingo halls to ensure the submission of updates to their annual Responsible Gambling Plans. To date, 10 of the 13 bingo halls have submitted their plans.

d. Staff is working with the Department of Health and Mental Hygiene and the Center of Excellence to better understand the usage of the Problem Gaming Fund and what treatment related services are available to individuals with gambling problems.

e. Staff has submitted the application for level II certification to the World Lottery Association (WLA).