

OFFICE OF THE ATTORNEY GENERAL
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

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

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

DATE: August 14, 2018

SUBJECT: Report for the August Commission Meeting

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

I. Contracts, Human Resources, and Administrative

a. Key accomplishments last period:

- i. Reviewed several contracts for the Communications Division for promotion of public affairs events.
- ii. Reviewed several contracts for the Marketing Division for Metro display Jackpot Bulletins and Dioramas.
- iii. Reviewed various employment issues and documents for the Human Resources Division, and assisted Staff in resolving several issues.
- iv. Filed a lien against a retailer on behalf of the AFO Division in the total amount of \$5,704.08.
- v. Assisted Staff in responding to Public Information Act ("PIA") requests from: (1) a university researcher seeking numerous data points about the Agency's instant ticket sales; (2) a revised request from a union representative seeking access to the Agency's Fogbugz system for certain reports about MGM National Harbor Casino; (3) an individual seeking the Agency's 2013 investigative reports and materials related to MGM's application for a casino license; (4) a media outlet seeking copies of violations or warnings sent to American Legions or amusement gaming license holders; (5) the same media outlet seeking records the Agency had provided in April, May and June 2018 in response to PIA requests; and (6) from an attorney seeking financial and licensing records about a single Lottery retailer.
- vi. Filed an Answer in the motor vehicle lawsuit brought against the State Lottery employee who was the driver of a State van and the State of Maryland. The lawsuit was filed in Anne Arundel County Circuit Court and seeks \$70,000 in damages.

b. Upcoming tasks for this period:

- i. Work with Staff as needed in reviewing legislation from the 2018 Session of the General Assembly that may impact the Agency.
- ii. Assist Staff as necessary in any follow-up on PIA requests (1) through (5) described above. The requestor of PIA request (6) has served a

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subpoena on the Agency for the records that were the subject of the PIA;
we will assist the Agency in timely providing the subpoenaed records.

- iii. File interrogatories and requests for production of documents in the motor vehicle lawsuit.
- iv. Work with Staff to resolve several employment issues.

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed several requests from Product Development relating to new Lottery scratch-off games.
- ii. Reviewed five new XCAP Agreements.
- iii. Reviewed several promotions from Product Development.
- iv. Assisted Staff as needed in implementing the award of the Lottery central monitoring and control system contract.
- v. Continued to assist Creative Services Division in developing and implementing the My Lottery Rewards Program by reviewing rules, licenses and other related documents for new promotions and subscriptions using MLR.
- vi. Continued to work with Staff on issues associated with investigations of two retailers charged with conspiracy and bribery of Prince George's County Liquor Board officials. Both retailers' licenses are currently suspended.
- vii. Responded to inquiries regarding documents for the Mega Millions game.
- viii. Worked on a proposed Mega Millions Rule prohibiting use of couriers for sales outside the jurisdiction.
- ix. Worked with Staff on a license and merchandise agreement for a Baltimore Ravens scratch-off game and second chance promotion.
- x. Worked with Staff on issues associated with the emergency suspension of a retailer located in Baltimore County for alleged illegal gaming activity.
- xi. Assisted Staff in reviewing and revising Overall Rules and Procedures for MLR.
- xii. Assisted Staff in reviewing and revising information to be placed on the Lottery's website, including Prize Structure Charts and descriptions of games.
- xiii. Received notification that the US Patent and Trademark Office registered the Lottery's newest Starburst logo.

b. Upcoming tasks for this period:

- i. Continue to assist Staff as needed on implementation of the Lottery central monitoring and control system contract.
- ii. Work with Staff on implementing a paperless application process.

- iii. Continue to work with Staff on issues associated with the sale of a Baltimore County retailer's business that was previously engaged in alleged illegal activity.
- iv. Assist Staff in reviewing and revising Overall Rules and Procedures for MLR.
- v. Continue to assist Staff as needed in reviewing and revising information to be placed on the Lottery's website.
- vi. Work with Staff to prepare a new Ravens Sponsorship Agreement.
- vii. Continue to work with Staff on issues associated with the emergency suspension of a retailer located in Baltimore County for alleged illegal gaming activity.
- viii. Continue to assist Staff as needed on issues associated with the Advertising, Marketing, and Media Related Services RFP.
- ix. Assist Staff with procurement related matters.
- x. Assist Staff in reviewing all Lottery regulations and preparing proposed amendments for presentation at the Commission's September meeting.

c. Issues:

- i. N/A

III. Gaming

a. Key accomplishments last period:

- i. Continued to assist Staff on enforcement and licensing issues associated with casino operations.
- ii. By Final Default Order dated June 26, the Office of Administrative Hearings dismissed a temporary video lottery employee licensee's case and terminated all further proceedings because of his failure to appear at a hearing he requested. The licensee did not file a timely appeal. Because no appeal was taken, thirty days from the Final Order, the licensee's temporary gaming license is revoked and a full gaming license is denied.

b. Upcoming tasks for this period:

- i. Continue to assist Staff on enforcement and licensing issues associated with casino operations.
- ii. An individual who unsuccessfully applied for a video lottery employee license has appealed the May 4 decision of the Circuit Court of Anne Arundel County affirming the Agency's decision to recommend denial of the license. He appealed to the Court of Special Appeals ("CSA"), and asked for a waiver of filing-related fees. The waiver request was denied, and if he fails to pay the fees, the CSA will consider the appeal withdrawn.
- iii. Work with Staff to prepare documents concerning the Mandatory Exclusion Program.
- iv. Develop, for publication on the Agency's website, a chronicle of the work of the Video Lottery Facility Location Commission in awarding the State's six casino licenses.

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v. Awaiting a ruling from the Circuit Court for Harford County on our motion to dismiss the petition for judicial review of the termination of a temporary video lottery employee license.

- c. Issues:
i. N/A

IV. Electronic Gaming Devices

a. Key accomplishments last period:

- i. N/A

b. Upcoming tasks for this period:

- i. Provide advice to Staff as needed concerning the Commission's regulation of electronic gaming devices.

V. Amusement Gaming Licenses

a. Key accomplishments last period:

- i. N/A

b. Upcoming tasks for this period:

- i. Provide advice to Staff as needed concerning the Commission's regulation of amusement gaming license regulations.
- ii. Work with Staff on issues associated with operators of electronic gaming devices that may not have properly registered devices in their establishments.
- iii. Work with Staff on reviewing issues associated with whether certain types of devices are skills-based amusement devices requiring registration.