

**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: January 16, 2018

SUBJECT: Report for the January Commission Meeting

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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 Lottery's Communications Division for promotion of public affairs events.
- ii. Reviewed various employment issues and documents for the Human Resources Division and resolved several issues.
- iii. Filed liens against two retailers on behalf of the Lottery's AFO Division in the total amount of \$7,402.78.

**b. Upcoming tasks for this period:**

- i. Work with Staff as needed in reviewing any legislative proposals for the 2018 Session of the General Assembly that may impact the Agency.
- ii. Assist Staff in responding to a Public Information Act request from a capital management company for Scientific Games' 2011 and 2017 contracts with the Agency.
- iii. Assist Staff in preparing affidavits in the matter of *Harbourt, et al. v. PPE Casino Resorts Maryland, LLC*, which is the Fair Labor Standards Act lawsuit against Maryland Live! pending in federal district court.

**c. Issues:**

- i. N/A

**II. Lottery**

**a. Key accomplishments last period:**

- i. Reviewed five requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Reviewed several promotions from Creative Product Development.
- iii. Reviewed several Promotional Lottery Tickets Agreements with radio and TV stations for form and legal sufficiency.
- iv. Assisted Staff as needed in implementing the award of the Lottery central monitoring and control system and drawings contracts.

- 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 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. Continued to work with Staff on review and revision of the Rules for the Mega Millions and Powerball games.
  - viii. Worked with Staff on issues associated with the emergency suspension of a Baltimore County retailer for alleged illegal activity.
  - ix. Worked with Staff on a sole-source licensing agreement relating to a new Lottery scratch off game and second chance promotion.
  - x. Worked with attorneys from other states regarding Cross-Sell Agreement and implementation of Winner Take All.
  - xi. Worked with eBay to remove listings of its members that were attempting to sell batches of non-winning Maryland Lottery tickets on the eBay web site. These types of listings encourage illegal activity and are used by individuals as a way to evade paying taxes on their winnings.
- b. Upcoming tasks for this period:**
- i. Continue to assist Staff as needed on implementation of the Lottery central monitoring and control system and drawings contracts.
  - ii. Work with Staff on implementing a paperless application process.
  - iii. Continue to work with Staff on issues associated with investigations of the two suspended Prince George's County retailers, and the Baltimore County retailer, described above.
  - iv. Continue to assist Staff as needed on issues associated with implementing the Lottery drawings contract.
  - v. Continue to work with Staff on issues associated with the investigation of Baltimore County retailer described above.
  - vi. Continue to work with Staff on issues associated with the new Lottery scratch off game and its second chance promotion related to the sole-source licensing agreement described above. Work with Staff in developing a Memorandum of Understanding with the Department of Human Services relating to interception of outstanding child support from players' Lottery winnings.
- 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. The Circuit Court for Prince George's County granted our motion to dismiss a petition for judicial review of the Commission's decision to deny an individual's video lottery employee license because the petitioner failed to appear for the court hearing on January 5.

- iii. Awaiting a decision by the Office of Administrative Hearings pertaining to revocation of a sponsored video lottery employee license and denial of a video lottery employee license based upon a hearing that was held on January 8, 2018.
  - iv. Filed the Agency's record for a petition for judicial review filed by an applicant for a video lottery employee license. The petition was filed in the Circuit Court for Anne Arundel County, and seeks judicial review of the June 30, 2017, Office of Administrative Hearings decision recommending the denial of the applicant's license application.
  - v. Filed a motion to dismiss the matter described above because the applicant did not pay for the transcript of the hearing that was held on June 30, 2017, at the Office of Administrative Hearings, as required by the Agency's regulations.
- b. Upcoming tasks for this period:**
- i. Continue to assist Staff on enforcement and licensing issues associated with casino operations. Assist Staff with preparing the Agency's record for the Circuit Court for Baltimore County for an individual's petition for judicial review of the Commission's revocation of the individual's gaming 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.