

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: June 20, 2017

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, Human Resources, and Administrative

a. Key accomplishments last period:

- i. Reviewed three 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.
- iii. Assisted Staff in responding to requests under Maryland's Public Information Act (PIA) for records pertaining to: (1) all players who have ever redeemed a winning Lottery ticket of \$600 or more; and (2) RFPs, RFQs, and information about VLTs at Rocky Gap.
- iv. Worked with Staff on the Agency's 2017 legislative initiatives.

b. Upcoming tasks for this period:

- i. Work with Staff as needed on implementing any new legislation that impacts the Agency.
- ii. *Edward M. Jones, et al. v. Gordon Medenica, et al*, Circuit Court of Maryland for Baltimore City, Case No.: 24-C-17-002701. Plaintiffs are representing themselves in this action, in which they sue the Director, MLGCA, and Horseshoe Baltimore Casino regarding whether a Racetrax ticket was properly processed by the retailer and the Lottery. The OAG will be filing various dispositive motions in an attempt to end the litigation quickly. A trial date has not been scheduled.

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed three requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Reviewed one Special Promotion from Creative Product Development.

- iii. Assisted Staff finalize contract for the Lottery central monitoring and control system. On May 10, the Board of Public Works voted to approve the contract award to SGI.
- iv. Continue 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.
- v. Worked 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.
- vi. Worked with Staff on issues associated with the suspension of the license of a retailer identified by the Office of the Comptroller of Maryland as one of the "2017 Tax Evasion Top 25 Business Tax Evaders." This retailer was first on the Comptroller's list with a tax liability of \$926,464.
- vii. Worked with Staff on review and revision of the Rules for the Mega Millions and Cash 4 Life games.
- viii. Assisted Staff in preparing the Lottery drawings RFP for release.
- b. Upcoming tasks for this period:**
 - i. Continue to assist Staff as needed on implementation of the award of the Lottery central monitoring and control system contract.
 - ii. Continue to work with Staff on issues associated with investigations of the three retailers implicated in fraud allegations associated with the Supplemental Nutrition Assistance Program, all three of which have submitted change of ownership applications.
 - iii. Continue to work with Staff on issues associated with investigations of the two suspended Prince George's County retailers described above.
 - iv. Assist Staff as needed on issues associated with the Lottery drawings RFP.
- 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. Continued to assist Staff in monitoring the impact of Caesars' financial status on Horseshoe Casino Baltimore.
- b. Upcoming tasks for this period:**
 - i. Continue to assist Staff on enforcement and licensing issues associated with casino operations.
 - ii. Assist Staff in drafting amendments to gaming regulations in response to suggestions received from the casino operators.
- 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 any necessary advice to Staff concerning issues associated with 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 any necessary advice to Staff concerning issues associated with the Commission's regulation of amusement gaming license regulations.

ii. Assist Staff as needed on reviewing the Skill-Based Amusement Device Applications.