

**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  
Principal Counsel

DATE: March 13, 2018

SUBJECT: Report for the March 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 assisted Staff in resolving several issues.
- iii. Filed liens against two retailers on behalf of the Lottery's AFO Division in the total amount of \$30,701.52.
- iv. Assisted Staff in resolving questions related to the Voluntary Exclusion Program.
- v. Assisted Staff in responding to Public Information Act ("PIA") requests from: (1) a media outlet, seeking all complaints the Agency has received about MGM National Harbor and Maryland Live! Casinos from July 1, 2017, to February 13, 2018; and (2) an attorney, seeking two sections of the proposals for casino license awards in Baltimore City and Allegany, Anne Arundel, Cecil, and Worcester Counties.

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

- i. Work with Staff as needed in reviewing legislative proposals for the 2018 Session of the General Assembly that may impact the Agency.
- ii. Assist Staff in: (1) responding to a PIA request from a university-based researcher, for historical lottery ticket sales data; and (2) following up on any additional aspects of the PIA request for records about the five casino license proposals.
- iii. Facilitate an April visit by British university students with gaming division Staff and the Horseshoe Casino.
- iv. Prepare defense of a motor vehicle lawsuit against the driver of a State Lottery van. The lawsuit was filed in Anne Arundel County Circuit Court and seeks \$70,000 in damages. There are procedural defects in the Complaint that will be challenged.

**c. Issues:**

- i. N/A

## II. Lottery

### a. Key accomplishments last period:

- i. Reviewed two requests from Product Development relating to new Lottery scratch-off games.
- ii. Reviewed two 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 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 in developing a Memorandum of Understanding with the Department of Human Services relating to interception of outstanding child support from players' Lottery winnings.
- ix. Reviewed the Advertising, Marketing, Media and Related Services RFP.
- x. Worked with Staff on a sole-source licensing agreement relating to a new Lottery scratch off game and second chance promotion.
- xi. Worked with attorneys from other states regarding Cross-Sell Agreement and implementation of new Powerball *Winner Take All* game.
- xii. Worked on license agreement for MUSL to use Maryland Lottery name, logo and tagline.
- xiii. Circulated Mega Millions Finance and Operations Procedures for signature.

### 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 sale of a Baltimore County retailer's business that was previously engaged in alleged illegal activity.
- 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.
- vii. Worked on Promotions including, multi-state promotion Powerball Power Cruise.
- viii. Assisted staff in reviewing and revising Overall Procedures for MLR.

- ix. Circulated Mega Millions agreement for review and comments.
- x. Work with staff to prepare a new Ravens Sponsorship Agreement.

**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. Received a favorable decision on February 7, 2018, from the Office of Administrative Hearings recommending the revocation of a sponsored video lottery employee license and denial of his "full" video lottery employee license after a hearing on January 8, 2018. Final Commission action on the revocation/denial is on the consent agenda for this month's meeting.
- iii. Filed the Agency's record in the Circuit Court for Harford County for an individual's petition for judicial review of the revocation of his temporary gaming license. This is the first revocation of a temporary license that has been challenged in court; we are awaiting a hearing date.

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

- i. Continue to assist Staff on enforcement and licensing issues associated with casino operations.
- ii. The petition for judicial review filed by an applicant for a video lottery employee license was filed in the Circuit Court for Anne Arundel County seeking review of the June 30, 2017, decision of the Office of Administrative Hearings to recommend denial of the applicant's license application. The hearing is scheduled for April 16, 2018, and we have filed two separate motions to dismiss the petition.
- iii. Awaiting a hearing date in the Circuit Court for Baltimore County on the petition for judicial review of an individual's gaming license revocation.

**c. Issues:**

- iv. 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.

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- ii. Work with Staff on issues associated with operators of electronic gaming devices that may not have properly registered devices in their establishments.