

**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: May 10, 2018

SUBJECT: Report for the May 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 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 liens against two retailers on behalf of the AFO Division in the total amount of \$4,835.21.
- v. Assisted Staff in resolving Staff questions related to the Voluntary Exclusion Program.
- vi. Assisted Staff in responding to Public Information Act ("PIA") requests from: (1) an attorney, seeking two sections of the proposals for casino license awards in Baltimore City and Allegany, Anne Arundel, Cecil, and Worcester Counties; (2) a finance company, seeking contact information for winners who claimed large prizes as annuities; (3) a union representative, seeking reports that MGM National Harbor Casino submitted to the Commission about players cheating or possessing a weapon in the casino; and (4) a university researcher, seeking information about each Lottery retailer in the State for fiscal years 2013 through 2017.
- vii. Filed a motion to dismiss 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. The Plaintiff filed a second amended complaint removing the State employee from the lawsuit.

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

- i. Work with Staff as needed in reviewing new legislation from the 2018 Session of the General Assembly that may impact the Agency.

- ii. Assist Staff in following up on the PIA requests described above.
- iii. File a responsive motion to the second amended complaint 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 three 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. Continued to work with Staff on review and revision of the Rules for the Mega Millions game.
- viii. Circulated Mega Millions Agreement for signature.
- ix. Worked on proposed Mega Millions Rule prohibiting use of couriers for sales outside the jurisdiction.
- x. Worked with Staff on license and merchandise agreement for Baltimore Ravens Scratch off game and second chance promotion.
- xi. Worked with Staff on issues associated with the emergency suspension of a retailer located in Baltimore County for alleged illegal gaming activity.
- xii. Received Notice of Publication of trademark application for the Lottery's new version of its 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 investigations of the two suspended Prince George's County retailers, and the Baltimore County retailer described above.
- iv. 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.

- v. Work on promotions including multi-state promotion Powerball Power Cruise.
- vi. Assist Staff in reviewing and revising Overall Procedures for MLR.
- vii. Work with Staff to prepare a new Ravens Sponsorship Agreement.
- viii. Continue to work with Staff on issues associated with the emergency suspension of a retailer located in Baltimore County for alleged illegal gaming activity.
- ix. Continue to assist Staff as needed on issues associated with the Advertising, Marketing, and Media Related Services 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. Assisted Staff in its review of the casino industry's annual proposal for gaming regulation amendments.
- iii. The Circuit Court for Anne Arundel County issued an opinion and order on May 4, 2018 affirming the Agency's decision on a recommended denial of a video lottery employee license. The petitioner has 30 days from May 4 in which to appeal this decision to the Court of Special Appeals. The decision is attached to this report.
- iv. In the Circuit Court for Baltimore County, filed a motion to dismiss a petition for judicial review of the Commission's revocation of a video lottery employee license. The motion is based on the former licensee's failure to file a required memorandum explaining why the court should hear his case. If the motion is not granted, a hearing will be held on June 26.

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

- i. Continue to assist Staff on enforcement and licensing issues associated with casino operations.
- ii. In the Circuit Court for Harford County, file a motion to dismiss a petition for judicial review of the revocation of a temporary video lottery employee license. The motion is based on the former licensee's failure to file a required memorandum explaining why the court should hear his case. No hearing date has been scheduled.
- iii. Continue to assist Staff in its review of the casino industry's annual proposal for gaming regulation amendments.
- iv. Work with Staff to prepare for a hearing scheduled for June 25 at the Office of Administrative Hearings on the recommended revocation of a video lottery employee license.

**c. Issues:**

- v. 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.

Attachment to Commission:      Circuit Court Opinion and Order – Affirming  
Recommended Denial of a Video Lottery Employee  
License