

OFFICE OF THE ATTORNEY GENERAL
MARYLAND LOTTERY AND GAMING CONTROL AGENCY

TO: Maryland Lottery and Gaming Control Commission
Stephen Martino, Director

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

DIVISION: Office of the Attorney General

DATE: February 19, 2014

SUBJECT: Report for the February Commission Meeting

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

I. Contracts and Human Resources

a. Key accomplishments last period:

- i. Reviewed four contracts for the Communications Division for promotion of public affairs events.
- ii. Reviewed one Corporate Guaranty document and one Financial Responsibility Agreement submitted for 7-11 Lottery retailers.
- iii. Reviewed six Family and Medical Leave Act leave requests from the Human Resources Division.
- iv. Worked with the Human Resources Division on the appeals by a former Agency employee of her discipline and subsequent termination of employment. The Office of Administrative Hearings (OAH) affirmed the employee's 3-day suspension; the employee has not appealed that decision. The OAH hearing on the employee's appeal of her termination is set for March 5-6, 2014. The same former employee has alleged discrimination based on sex and retaliation. The Agency has submitted its position statement to the EEOC and is awaiting a response.
- v. Resolved all pending litigation involving a former Agency employee who was terminated while on probation and had filed a race discrimination claim with the EEOC and appealed her termination.

b. Upcoming tasks for this period:

- i. Continue to work with Staff to prepare for the OAH employment termination appeal hearing set for March 5-6.
- ii. Continue to work with Human Resources to prepare defense for MCCR case. The Fact-Finding Conference was postponed, the new date has not yet been set.
- iii. Work with Staff to prepare for a circuit court hearing set for March 17, 2014 regarding a former retailer's challenge to a lien that the Agency filed against him in the amount of \$4,298.08.

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed six requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Continued to assist Creative Services Division in developing and implementing the *My Lottery Rewards Program* by reviewing procedures for new promotions using MLR.
- iii. Assisted Staff in working with Diamond Game, which was the successful bidder on the RFP for Veterans' Organization Instant Ticket Lottery Machines.

b. Upcoming tasks for this period:

- i. Continue to assist Staff in implementing the Veterans' Organization Instant Ticket Lottery Machines program.
- ii. Assist Product Development Staff with preparing License Agreement to use the Mark "Mr. Boh" on Lottery products.
- iii. Review court filings to ensure compliance with applicable statute and regulations for judicial approval of the assignment of a portion of a lottery prize.

c. Issues:

- i. N/A

III. Gaming

a. Key accomplishments last period:

- i. Continued to assist Agency staff on compliance and enforcement issues associated with casino operations at the four casinos.
- ii. Continued to provide Agency staff with advice on the licensing, enforcement and VEP processes.
- iii. Following the award of the Prince George's County video lottery operation license award to MGM in December, assisted the Location Commission and Staff in working with the two unsuccessful applicants on the execution of their Release and Covenant Not to Sue, and the Agency's subsequent return of their initial license fee and litigation bond.
- iv. Continued to provide Staff with advice on responses to requests under the Public Information Act for information included in operators' proposals.

b. Upcoming tasks for this period:

- i. Continue to provide assistance as necessary to Staff in support of the wrap-up of the Location Commission's functions following the award of the Prince George's County operation license to MGM.
- ii. Work with Staff as necessary on issues associated with MGM's license award.
- iii. Provide assistance as necessary to Agency staff regarding the enforcement issues and the Commission's mandatory exclusion list.

c. Issues:

- i. N/A

IV. New Initiatives - Electronic Gaming Devices

a. Key accomplishments last period:

- i. Continue to assist Agency staff with planning the regulation of electronic gaming devices.
- ii. Crooked I Sports Bar & Grill apparently has not filed a petition for certiorari to review the decision of the Court of Special Appeals that dismissed its appeal.

b. Upcoming tasks for this period:

- i. Continue to analyze the impact of legislation passed during the Second Special Session, and assist Staff in meeting additional resulting responsibilities.

c. Issues:

- i. N/A