

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 *RTF*
Principal Counsel

DIVISION: Office of the Attorney General

DATE: August 14, 2013

SUBJECT: Report for the August 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 six contracts for the Communications Division for promotion of public affairs events.
- ii. Reviewed five Corporate Guaranty documents and five Financial Responsibility Agreements submitted for 7-11 Lottery retailers.
- iii. Filed liens against five agents on behalf of the Lottery's AFO Division; the total amount of the five liens is \$41,859.45.
- iv. Reviewed four Family and Medical Leave Act leave requests submitted from the Human Resources Division.
- v. Worked with the Human Resources Division regarding the discipline and termination of a gaming compliance employee. A hearing on the employee's suspension is scheduled before the Office of Administrative Hearings on September 13.

b. Upcoming tasks for this period:

- i. N/A

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed ten requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Assisted staff in reviewing and editing the Request for Proposals for Veterans' Organization Instant Ticket Lottery Machines and Related Services.

b. Upcoming tasks for this period:

- i. Continue to assist the Creative Services Division in developing and implementing the new *My Lottery Rewards* program by drafting a license agreement to use licensed products.

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 process, especially with respect to the Horseshoe Casino Baltimore.
- iii. Assisted staff in drafting appropriate amendments to the table game rule regulations. The amendments will be submitted to the Commission for approval as part of the report of the Assistant Director for Gaming.
- iv. Assisted staff in developing proposed amendments to regulations pertaining to the Voluntary Exclusion Program. The amendments will be submitted to the Commission for approval as part of the report of the Assistant Director for Gaming.
- v. Assisted the Location Commission and staff in answering questions from applicants and other interested parties about the Request for Proposals for the video lottery facility operation license for Prince George's County.
- vi. Assisted staff in responding to a Public Information Act request for information pertaining to the proposal of CBAC Gaming, LLC and its related entities for the Baltimore City site.
- vii. The challenge brought by HarborWest to the Location Commission's decision to award CBAC Gaming, LLC the Baltimore City VLT facility license has concluded in the State's favor. On July 5, 2013, the Court of Appeals denied HarborWest's petition for a writ of certiorari.

b. Upcoming tasks for this period:

- i. Provide assistance as necessary to Agency staff, including supporting the Location Commission's evaluation of the three proposals received for the Prince George's County operation license, and supporting the Enforcement Division's investigation of the three applicants.

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. The lawsuit brought against the State by the Crooked I Sports Bar & Grill in the Circuit Court for Anne Arundel County remains pending before the Court of Special Appeals. On July 10, the State filed its brief, arguing that

the circuit court correctly decided that Crooked I was not entitled to operate its gaming machines. Argument before the Court of Special Appeals has not yet been scheduled.

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