

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: December 11, 2013

SUBJECT: Report for the December 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 one contract 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. Filed liens against two retailers on behalf of the Lottery's AFO Division in the total amount of \$4,021.88.
- iv. Reviewed one Family and Medical Leave Act leave request from the Human Resources Division.
- v. Worked with the Human Resources Division on the appeals by a former Agency gaming compliance employee of her discipline and subsequent termination of employment. On October 24, the Office of Administrative Hearings (OAH) affirmed the Agency's 3-day suspension of the employee. We have not been informed that the employee has appealed the OAH decision. The OAH hearing on the employee's appeal of her termination is set for January 10, 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.

b. Upcoming tasks for this period:

- i. Continue to work with the Human Resources Division and casino compliance staff to prepare for the employment termination appeal hearing at the OAH on January 10, 2014.
- ii. Continue to work with the Human Resource Division and casino compliance staff to respond to two new charges of discrimination, one of which was filed by a former Agency employee terminated while on probation, and the other filed by a current Agency employee.

c. Issues:

- i. N/A

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II. Lottery

a. Key accomplishments last period:

- i. Reviewed six requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Assisted Creative Services Division in developing and implementing the *My Lottery Rewards Program* by reviewing procedures for new promotions to be offered using MLR.
- iii. Reviewed 7 Eleven's Policy on Theft of Instant Lottery Tickets.
- iv. Assisted Staff in responding to questions about the Request for Proposals (RFP) for Veterans' Organization Instant Ticket Lottery Machines and Related Services. The due date for Proposals was November 13.
- v. We received from the United States Patent and Trademark Office: Notice of Acceptance of the Section 8 continuance and Notice of Renewal Registration under Section 9 for "Let Yourself Play." We also received Notice of Approval of the Lottery's second request for Extension of Time to File a Statement of Use for the mark "Keno To Go."
- vi. On December 6, 2013, the Circuit Court for Washington County dismissed the lawsuit brought against the Agency, the State Comptroller, the State Treasurer and an individual who won a \$1 million scratch-off prize. *Susan Smith-Walker v. Farmer, et al.*, case no. 21-C-13-48964 OT. Given the high potential for additional claims, or an appeal, by Plaintiff's counsel for its unpaid legal fees, the State plans to release the prize not earlier than January 6, which is expiration of the 30-day period within which a party may appeal the court's December 6 order, unless the parties arrive at a global settlement.

b. Upcoming tasks for this period:

- i. Assist Staff in the evaluation process of proposals for Veterans' Organization Instant Ticket Lottery Machines and Related Services.
- ii. Assist Product Development with preparing License Agreement to use the Mark "Mr. Boh" on Lottery 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 and VEP processes.
- iii. 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.
- iv. Continued to provide Agency staff with advice on responses to requests under the Public Information Act for information included in operators' proposals.

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- v. Assisted Staff in drafting proposed amendments to several table game regulations. The amendments will be presented under the report of the Assistant Director for Gaming.

b. Upcoming tasks for this period:

- i. Continue to provide assistance as necessary to Agency staff in support of the Location Commission's evaluation of the three proposals received for the Prince George's County operation license. The Location Commission anticipates awarding the license on December 20.
- ii. On November 26, the Circuit Court for Baltimore County granted the parties' joint request to dismiss as moot the lawsuit brought by an individual who was initially denied a gaming license but was later granted the license.

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, where argument was heard on October 10.

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