

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: January 15, 2014

SUBJECT: Report for the January 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 two 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. Filed liens against two retailers on behalf of the Lottery's AFO Division in the total amount of \$6,552.62.
- iv. Reviewed four Family and Medical Leave Act leave requests 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. In October, the Office of Administrative Hearings (OAH) affirmed the Agency's 3-day suspension of the employee, and the employee has not appealed that decision. The OAH hearing on the employee's appeal of her termination was set for January 10, 2014, but has been postponed; the new date is to be determined. 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.
- vi. Worked with Human Resources Division and other Agency personnel to prepare the Agency's position statement in a discrimination case filed with the Maryland Commission on Civil Rights (MCCR).

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 previously scheduled for 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

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which was filed by a former Agency employee terminated while on probation, and the other filed by a current Agency employee.

- iii. Continue to work with Human Resources to prepare defense for MCCR case. A Fact-Finding Conference is scheduled for January 22, 2014.

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed eight 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. Continued to assist staff in responding to questions about the Request for Proposals (RFP) for Veterans' Organization Instant Ticket Lottery Machines and Related Services, for which proposals were submitted November 13.
- iv. 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."
- v. 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. There has been no appeal, and the Comptroller has released the prize to Mr. Farmer.
- vi. After working with the Attorney General's Office Criminal Division to enable the Lottery to directly reimburse retailers for restitution in the Hantske case, prepared settlement releases for the retailers to sign.

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.
- v. Assisted Staff in drafting proposed amendments to the mandatory exclusion 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 wrap-up of the Location Commission's functions following the award of the Prince George's County operation license to MGM on December 20.
- ii. Provide assistance as necessary to Agency staff regarding 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. The State has prevailed in the lawsuit brought against the State by the Crooked I Sports Bar & Grill in the Circuit Court for Anne Arundel County. By order dated December 18, 2013, the Court of Special Appeals dismissed the appeal of the Crooked I. The Crooked I may file a petition for certiorari in the Court of Appeals by January 20, 2014.

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