

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: November 13, 2013

SUBJECT: Report for the November 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 \$13,210.95.
- iv. Reviewed six 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. On October 24, the Office of Administrative Hearings (OAH) affirmed the Agency's 3-day suspension of the employee. 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 will submit its position statement to the EEOC by December 14, 2013.

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. 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

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 rules for new promotions to be offered using MLR.
- iii. Continued to assist staff in responding to questions about the Request for Proposals for Veterans' Organization Instant Ticket Lottery Machines and Related Services. Proposals are due 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. The Agency, the State Comptroller, the State Treasurer and an individual were named as defendants in a lawsuit filed November 8 in the Circuit Court for Washington County over a \$1 million scratch-off prize. *Susan Smith-Walker v. Farmer, et al.*, case no. 21-C-13-48964 OT. On November 6, Defendant Farmer claimed the \$1 million prize. Plaintiff claims that Farmer stole from her the money used to purchase the winning ticket, and that she is therefore entitled to the prize. Prior to the resolution of the merits of this lawsuit, Plaintiff obtained a temporary restraining order against all defendants to prevent the State from distributing the prize money to Farmer. A hearing on Plaintiff's request for a preliminary injunction hearing is scheduled for November 22; however, Plaintiff and Farmer may resolve this dispute prior to the hearing.

b. Upcoming tasks for this period:

- i. Assist Staff in evaluation process for proposals for Veterans' Organization Instant Ticket Lottery Machines and Related Services.

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.
- 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.

b. Upcoming tasks for this period:

- i. 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.
- ii. The individual who filed a petition for judicial review of the Commission's denial of his gaming license application was granted the license at the October Commission meeting, so his petition for judicial review is now moot. The individual signed a stipulation of dismissal of the case, which we signed and filed with the court. We anticipate that the court's dismissal of the petition is imminent.

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