

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: May 14, 2014

SUBJECT: Report for the May 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 two Corporate Guaranty documents and two Financial Responsibility Agreements submitted for 7-11 Lottery retailers.
- iii. Filed liens against four retailers on behalf of the Lottery's AFO Division in the total amount of \$36,236.56.
- iv. Reviewed various employment issues and related documents for the Human Resources Division, including a counseling memorandum, talking points for an employee meeting, leave policy issues, and seven Family and Medical Leave Act leave requests.
- v. Worked with Human Resources Division and other Agency staff to investigate a new retaliation case that a current employee filed with the Maryland Commission on Civil Rights (MCCR). Worked with the Human Resources Division on two former Agency gaming compliance employees' appeals of discipline and subsequent termination of employment.
- vi. Following a hearing held March 5, the Office of Administrative Hearings has ordered the Agency to reinstate, with back pay, the former employee who appealed the termination of her employment. The Agency is evaluating the situation. We continue to await response from the EEOC on the Agency's position statement on the individual's allegations of sex discrimination and retaliation.

b. Upcoming tasks for this period:

- i. Continue to work with Human Resources and other Agency personnel to prepare defense for the current employee's pending and new MCCR case. The Fact-Finding Conference for the first case was postponed; a new date has not yet been set. Both cases will be heard together.

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed nine 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. Continued to assist Staff in working with Diamond Game, which was the successful bidder on the RFP for Veterans' Organization Instant Ticket Lottery Machines.
- iv. Assisted Staff in drafting regulations addressing licensing issues associated with the Veterans' Organization Instant Ticket Lottery Machines program. The proposed regulations will be presented under the report of the Assistant Director for Lottery.

b. Upcoming tasks for this period:

- i. Continue to assist Staff in implementing the Veterans' Organization Instant Ticket Lottery Machines program.
- ii. Continue to assist Product Development Staff with finalizing the prepared License Agreement to use the Mark "Mr. Boh" on Lottery products.
- iii. Continue to work with Agency staff to prepare for a June 2, 2014 circuit court hearing 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

III. Gaming

a. Key accomplishments last period:

- i. Continued to assist Staff on enforcement issues associated with casino operations.
- ii. Continued to provide Staff with advice on licensing processes.
- iii. Provided Staff with advice on issues arising under the Public Information Act pertaining to information that operators submit to the Agency.
- iv. Assisted Staff in drafting amendments to several chapters of table game rules regulations. The proposed amendments will be presented under the report of the Assistant Director for Gaming.
- v. Assisted Staff in responding to subpoenas for criminal prosecutions of VEP violators in the Anne Arundel County District Courts.

b. Upcoming tasks for this period:

- i. Work with Staff as necessary on issues associated with MGM's license award.
- ii. Provide assistance as necessary to Staff regarding licensing, enforcement, public information, and VEP issues.
- iii. Provide assistance as necessary to Staff on gaming-related legislation that was enacted by the General Assembly.
- iv. Work with Staff to prepare for potential license denial and sponsored gaming license revocation hearings.

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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.

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