

OFFICE OF THE ATTORNEY GENERAL
MARYLAND LOTTERY AND GAMING CONTROL AGENCY

TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: Robert T. Fontaine, Assistant Attorney General ^{RTF}
Principal Counsel

DATE: January 20, 2016

SUBJECT: Report for the January Commission Meeting

This is the status update of ongoing and special projects in the Office of the Attorney General.

I. Contracts, Human Resources, and Administrative

a. Key accomplishments last period:

- i. Reviewed three contracts for the Communications Division for promotion of public affairs events.
- ii. Reviewed one Corporate Guaranty document and one Financial Responsibility Agreement for 7-11 Lottery retailers.
- iii. Filed liens against two retailers on behalf of the Lottery's AFO Division in the total amount of \$12,991.61.
- iv. Reviewed various employment issues and documents for the Human Resources Division, and four Family and Medical Leave Act leave requests.
- v. Continued to work with Staff on the draw games RFP.
- vi. Assisted Staff in responding to requests under Maryland's Public Information Act (PIA) for records pertaining to: casino operators' performance audit results; lottery winners who selected an annuity prize; response of the incumbent draw games vendor to the previous draw games RFP; and Maryland retailer sales of Powerball tickets during the recent roll.
- vii. Filled the vacant Assistant Attorney General position in our unit; the incumbent's start date is to be determined.

b. Upcoming tasks for this period:

- i. Review court filings to ensure compliance with applicable status and regulations for judicial approval of the assignment of a lottery prize.
- ii. Continue to assist Staff with draw games RFP.

January 20, 2016

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed three requests from Creative Product Development relating to new Lottery scratch-off games and several related promotions.
- ii. Continued to assist Creative Services Division in developing and implementing the *My Lottery Rewards Program* by reviewing rules, licenses and other related documents for new promotions using MLR.
- iii. Worked with Lottery and MUSL Staff on a proposed multi-state Keno jackpot prize.
- iv. Reviewed and submitted comments on proposed changes to Powerball® game rules.
- v. Assisted Staff in updating the Lottery retailer application and a form for retailers to report changes in status.
- vi. Reviewed documents related to the multistate Cash4Life® game.
- vii. Monitored federal litigation in Illinois that was prompted by the Illinois Lottery's failure to immediately pay its lottery winners. The federal court dismissed the plaintiffs' amended complaint for reasons of sovereign immunity; this applied to out-of-state defendants. A new lawsuit was filed by the Plaintiffs, but the only Defendants were the Illinois Lottery and its officials. We expect nothing further in this area.

b. Upcoming tasks for this period:

- i. Continue to work with Staff to operationalize Cash4Life® game.

c. Issues:

- i. N/A

III. Gaming

a. Key accomplishments last period:

- i. Continued to assist Staff on enforcement and licensing issues associated with casino operations.
- ii. Continued to assist Staff in monitoring the impact of Caesars' financial status on Horseshoe Casino Baltimore.
- iii. Successfully argued that a petition for judicial review (PFJR) of the Commission's revocation of a sponsored gaming license should be dismissed because the former licensee failed to timely file her required pleadings with, or appear for a hearing before, the Circuit Court for Prince George's County.
- iv. Prepared and filed a stipulation of mutual dismissal of a PFJR pending in Baltimore County because the individual no longer wishes to pursue judicial

review of the Commission's revocation of her sponsored gaming license. The court's acceptance of the stipulation would cancel the hearing on January 28.

b. Upcoming tasks for this period:

- i. Draft appropriate pleadings in two pending PFJR's, one each in the Circuit Court for Prince George's County and Baltimore City.
- ii. Continue to assist Staff in monitoring the impact of Caesars' financial status on Horseshoe Casino Baltimore.
- iii. Work with Staff as necessary on issues associated with MGM's license award.
- iv. Assist Staff in drafting regulatory amendments to streamline approval of casino operators' proposed amendments to table game rules.
- v. Provide assistance as necessary to Staff regarding licensing and enforcement, including enforcement action against individual licensees.
- vi. Monitor any developments related to daily fantasy sports.

c. Issues

- i. N/A

IV. New Initiatives-Electronic Gaming Devices

a. Key accomplishments last period:

- i. Worked with other divisions of the Attorney General's Office on an advice letter to Senate President Miller regarding Daily Fantasy Sports.

b. Upcoming tasks for this period:

- i. Continue to provide advice to Staff concerning issues associated with the Commission's regulation of electronic gaming devices and skills-based amusement devices.

