

OFFICE OF THE ATTORNEY GENERAL
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

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

FROM: Robert T. Fontaine, Assistant Attorney General
Principal Counsel

DATE: January 17, 2017

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, Human Resources, and Administrative

a. Key accomplishments last period:

- i. Reviewed four contracts for the Lottery's Communications Division for promotion of public affairs events.
- ii. Reviewed various employment issues and documents for the Human Resources Division.
- iii. Assisted Staff in responding to requests under Maryland's Public Information Act (PIA) for records pertaining to: (1) performance of progressive VLTs at Horseshoe Casino; (2) replacement of instant bingo machines in Anne Arundel County bingo halls with other gaming machines; (3) complaints filed with the Agency against MGM and Maryland Live! Casino in 2016; (4) spreadsheets showing gaming license denials for the last two years; and (5) list of lottery retailers 1998 to 2009 and 2013 to 2016.
- iv. Worked with Staff on the Agency's 2017 legislative initiatives.

b. Upcoming tasks for this period:

- i. Continue to work with Staff on the Agency's legislative initiatives, and review proposed legislation as needed.
- ii. On January 9, represented the Agency at the Office of Administrative Hearings in a hearing pertaining to the revocation of a video lottery employee license; a decision is expected within ninety days.

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed ten requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Worked with Staff on issues associated with the recommended award of the central monitoring and control system contract.

- iii. Continue 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.
- iv. Settling an action to quiet title on a property filed by a sibling of a former employee who was convicted of stealing Lottery tickets from retailers. To get restitution from the former employee, the State secured a judgment lien against the former employee's partial interest in a property that was partially owned by the sibling. The sibling has provided proof of payment and an executed real estate sales contract for the property that predate the State's judgment lien. She has agreed to pay the State \$15,000 (which will be applied to the former employee's restitution obligation); in exchange, the State will release the judgment lien to quiet title to the property.
- v. Worked with Staff on issues associated with investigations of two suspended retailers charged with conspiracy and bribery of Prince George's County Liquor Board officials.

b. Upcoming tasks for this period:

- i. Continue to assist Staff with issues associated with the recommended award of the central monitoring and control system RFP.
- ii. Continue to work with Staff on issues associated with investigations of the three retailers implicated in fraud allegations associated with the Supplemental Nutrition Assistance Program, of which two have submitted change of ownership applications and one has been emergently suspended.
- iii. Finalize settlement documentation as described in item II.a.iv above.
- iv. Continue to work with Staff on issues associated with investigations of the two suspended Prince George's County retailers described in item II.a.v. above.

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.

b. Upcoming tasks for this period:

- i. Continue to assist Staff in monitoring the impact of Caesars' financial status on Horseshoe.
- ii. Provide assistance as necessary to staff regarding licensing and enforcement, including enforcement action against individual licensees.
- iii. Monitor any developments related to daily fantasy sports.

c. Issues:

- i. N/A

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IV. New Initiatives-Electronic Gaming Devices

a. Key accomplishments last period:

i. N/A

b. Upcoming tasks for this period:

i. Provide any necessary advice to Staff concerning issues associated with the Commission's regulation of electronic gaming devices.

V. New Initiatives-Amusement Gaming Licenses

a. Key accomplishments last period:

i. N/A

b. Upcoming tasks for this period:

i. Provide any necessary advice to Staff concerning issues associated with the Commission's regulation of amusement gaming license regulations.