

Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland State Lottery and Gaming Control Commission
Stephen Martino, Director

FROM: John J. Mooney

DIVISION: Assistant Director for Enforcement

DATE: February 19, 2014

SUBJECT: Report for the January Commission Meeting

Todays Meeting – The FBI will be at Licensing Division on Thursday February 26, 2014 to conduct an audit of our use of the Criminal History Records Information obtained during our licensing background investigations. As a result, I will probably not be in the commission meeting except for my presentation.

Enforcement – Consent Agenda - Attached you will find copies of the Consent Agreements with Hollywood Casino, Maryland Live Casino and the Casino at Ocean Downs for your approval on the consent agenda. Each of the casinos has agreed to settle the alleged violations through a monetary settlement. The Consent Agreements are included in your packets.

Licensing Division - Monthly stats have been updated and included in your packet

There are three (3) vacancies in Licensing Division – 2 vacant Licensing Investigator PINs
1 vacant admin position (PIN)

Casino Compliance Division -

Staffing – Current Vacancies – There are no vacancies in Compliance.

The Casino Compliance Division monthly Statistics have been updated thru January 2014.

Security / Investigations Division – N/A

Major incidents at the casinos: N/A

Emergency Preparedness – We have asked each of the casinos for copies of their emergency response plans. All of the casinos have submitted their plans.

Maryland Live Casino has been working with Mr. Ray Hanna, Protective Security Advisor for Department of Homeland Security (DHS), on their emergency response plan. Mr. Ray Hanna has been working with Maryland Live by conducting a vulnerability study, identifying vulnerabilities and creating an emergency response plan. Meetings have included the Department of Homeland Security, Anne Arundel County Police Department, Anne Arundel County Fire Department, Emergency Management and Maryland Live.

The Department of Homeland Security will be conducting training for Maryland Live in the near future to include Active Shooter Training and Counter Surveillance Training.

I will be meeting with Mr. Hanna in the near future to discuss what assistance he may be able to offer to Hollywood Casino, the Casino at Ocean Downs, Rocky Gap Casino and Horseshoe Casino.

This is a description of the Department of Homeland Security Protective Security Advisors program.

DEPARTMENT OF HOMELAND SECURITY PROTECTIVE SECURITY ADVISORS

BRINGING LOCAL PERSPECTIVE TO A NATIONAL EFFORT

Physical or cyber attacks against the Nation's critical infrastructures and key resource sectors can have cascading and devastating effects on our national security, economic vitality, and way of life. Every day, we rely on the efficient and economic operation of the Nation's power stations, chemical plants, transportation systems, and other critical infrastructure assets and systems for essential goods, services, and daily necessities.

With roughly 85% of all critical infrastructures and key resource assets owned privately, the Department of Homeland Security (DHS) recognizes that its core mission to secure America can only be accomplished in partnership with the businesses that own these assets and with the state governments and local communities within which these assets are located.

PROTECTIVE SECURITY ADVISORS: PROVIDING COMMUNITY-BASED SUPPORT

To better partner with state governments, local communities, and businesses, DHS is placing a cadre of highly-experienced security specialists in neighborhoods throughout the country to assist local efforts to protect critical assets and provide a local perspective to the national risk picture.

With an average of 20 years of anti-terrorism and security experience, these dedicated critical infrastructure and vulnerability assessment experts, or Protective Security Advisors, are recruited from, live, and work in your communities. They provide a federally funded resource to communities and businesses to assist in the protection of critical assets.

The role of the Protective Security Advisor is to:

- Support the development of the national risk picture by assisting in identification, assessment, monitoring, and minimizing risk to critical assets at the local or district level
- Facilitate, coordinate, and/or perform vulnerability assessments for local critical infrastructures and key resources
- Upon request, assist with security efforts coordinated by state Homeland Security Advisors

THE VALUE OF THIS PROGRAM TO YOU

Protective Security Advisors are federally funded infrastructure protection resources for your communities. They provide a number of valuable services and functions, including:

- Assisting in and supporting comprehensive risk and physical/technical security analyses
- Providing guidance on established security practices
- Conveying local concerns and sensitivities to DHS and other Federal agencies
- Communicating requests for federal protection training and exercises
- Providing reach-back capability to DHS or other Federal government resources
- Providing local context and expertise to DHS to ensure that community resources are used appropriately, efficiently, and effectively

Commission Consent Agenda Item

1. Gaming License Application Denials

There are Twenty-Two (22) gaming licensing applications being recommended for denial based on the applicant's criminal history or failure to cooperate with, or provide requested information to, a background investigator.

Commission Action: Requesting that the Commission adopt as final the recommendation of the Director, or the Director's designee, for denial of the specified gaming license applications for the applicants' failure to establish their qualifications by clear and convincing evidence.

Please see description below, along with the attached spreadsheet.

Gaming License Denials

Commissioners:

The attached spreadsheet contains the names of twenty-two (22) gaming license applicants for whom Staff has recommended denial of their applications for gaming licenses for failure to prove by clear and convincing evidence that they meet the statutory requirements for licensure. *See State Gov't, section 9-1A-14 [below].* The license applications were recommended for denial after Licensing Division Staff conducted an investigation, and the investigation results were reviewed by a three-member review panel comprised of Gina Smith, Robert Howells and James Butler. The panel also recommended denial of these applicants' license applications, and the Director or his designee concurred.

COMAR sets forth the applicant's rights if their gaming license application is recommended for denial. An applicant has the right to timely request a reconsideration meeting, and, if he or she is dissatisfied with the recommendation following the reconsideration meeting, the applicant may timely request a full hearing before the Commission. If the

applicant fails to exercise these rights, the Commission may adopt as final the Director's recommendation to deny the license. Only the Commission - not Staff - is authorized to deny a gaming license, which is why these recommended denials are being presented to the Commission.

All of the applicants identified on the attached spreadsheet were mailed notification of the recommended denial, and of their right to timely request a reconsideration meeting with the Director or the Director's designee. The majority of the recommended denials are applicants who did not exercise that right. A smaller group of the recommended denials are applicants who received a reconsideration meeting and were notified of their right to timely request a full hearing before the Commission, but did not exercise that right.

Staff is requesting that the Commission adopt as final the Director's recommendation to deny the gaming license applications of the twenty-two (22) applicants identified on the attached spread sheet.

On the Agency's Shared Drive under Commission files (February) there are PDF files for your review. The PDF files contain documentation for each of the recommended denials, including: notice of recommended denial (which includes the basis for the recommendation and notice of right to request reconsideration meeting); documentation that Staff mailed the required notices; and relevant documents from the background investigation conducted by Staff that supports the recommended denial of the applicant's license application.