

# 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: May 14, 2014

SUBJECT: Report for the May Commission Meeting

---

## **Commission Action Items**

MULTIMEDIA Games, Inc. – Manufacturer License Application

Proposed Merger Agreement – between Gaming Partners International Corporation (GPIC) and Gem Corp, Inc.

**Enforcement** – The consent agreements for Rocky Gap and Maryland Live Casino are on the consent agenda. Rocky Gap agreed with the recommended settlement.

Maryland Live Casino requested a settlement conference with the three member panel. At the conference several of the underage incidents were discussed. After the conference the panel recommended that two of the proposed fines should be changed. The changes were discussed with Director Martino and he agreed with the changes. Maryland Live has chosen to settle the matter with a consent agreement.

**Licensing Division** - Monthly stats have been updated and included in your packet. There are twenty eight (28) licensing denials this month. They are on the consent agreement.

**There is one vacancy in Licensing Division – Interviews were conducted on May 14, 2014, for the vacant admin position (PIN)**

## **Casino Compliance Division** -

Staffing – Current Vacancies – There are six (6) vacancies at Hollywood Casino in Compliance. The vacancies are being covered temporarily by Casino Compliance Reps from Maryland Live. Interviews were conducted on May 14, 2013.

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

**Security / Investigations Division – There are four (4) vacancies in Security**

**Major incidents at the casinos:** N/A

**Commission Consent Agenda Item**

**1. Gaming License Application Denials**

**There are twenty eight (28) 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 eight (28) 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 eight (28) applicants identified on the attached spread sheet.

On the Agency's Shared Drive under Commission files (May) 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.