

# 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: September 12, 2013

SUBJECT: Report for the September Commission Meeting

---

## Commission Consent Agenda Item

### 1. Gaming License Application Denials

There are thirty one (31) 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.

## Commission Action Items

(These will be sent to you as soon as they are reviewed and an executive summary is written)

**Caesars – Change in Ownership Structure**

**Penn National REIT**

## Gaming License Denials

Commissioners:

The attached spreadsheet contains the names of thirty one (31) 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 thirty one (31) applicants identified on the attached spread sheet.

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

## **Enforcement**

Maryland Live! Casino and Director Martino have signed the Consent Agreement that was approved at the last commission meeting. I will ask Kimberly Robertson Pannell to sign the agreement before the commission meeting.

Rocky Gap Casino and the Casino at Ocean Downs have agreed with the Directors recommended penalties or actions for the alleged violations of the Maryland gaming laws. The settlement agreements will be on the consent agreement next month.

Hollywood Casino has agreed to a consent agreement. This will be on the October consent agenda.

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

**Casino Compliance Division** -

Staffing – Current Vacancies –	MDLive, 1
	Rocky Gap, 0
	Perryville 1
	Ocean Downs 0

The Casino Compliance Division monthly Statistics have been updated thru August 2013.

**Security / Investigations Division** – **N/A**

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