

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, 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 Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: Gina M. Smith, Deputy Director/CFO

DIVISION: Administration, Finance and Operations

DATE: March 21, 2019

SUBJECT: Report for the March Commission Meeting

I. CUSTOMER RESOURCE CENTER

This is a status update of ongoing and special projects in Administration, Finance and Operations.

The Customer Resource Center is responsible for processing winner claims. Prior to April 27, 2018 the Lottery had two claim centers, one in Baltimore at the headquarters location and one in Lanham. See the data below. At close of business on April 27, 2018, Lanham closed in anticipation of our casino partners becoming lottery claim centers. In May, MGM National Harbor and Live! Casino and Hotel were provided with the ability to cash winning tickets from \$5,001 to \$25,000 like our Baltimore claim center. In the near future, our remaining casinos will be provided with the same ability.

The Lottery has approximately **363** Expanded Cashing Authority Program (XCAP) locations that are authorized to cash up to \$5,000 in winnings. In our new system, all claims are processed in the field and the Customer Resource Center no longer has to key in claim forms. These locations, in turn, submit completed claim forms to the Lottery so that the related W-2G can be processed. Data concerning the number and amount of winners' claims processed by the Lottery and the casinos are noted below:

Location	February 2019 Count	February 2019 Amount	YTD 07/01/18 to 02/28/19 Count	YTD 07/01/18 to 02/28/19 Amount
Baltimore	1,584	\$3,853,395.60	11,884	\$37,888,292.48
Casinos	12	\$111,291.50	154	\$1,524,660.30

SUBSCRIPTIONS PROCESSED:

The Lottery's Customer Resource Center is also responsible for processing subscriptions. Multi-Match, Mega Millions, Powerball and Cash4Life subscriptions can be purchased for 26, 52 or 104 draws. Data concerning subscriptions processed is noted below:

Total Subscriptions as of February 28, 2019:

Multi Match	2,250
Mega Millions	3,529
Powerball	2,222 (added after conversion)
Cash4Life	<u>831 (added after conversion)</u>
Total	8,832

Total Subscriptions Processed During February, 2019

Multi Match	462
Mega Millions	438
Powerball	365
Cash4Life	<u>204</u>
Total	1,469

Working with Scientific Games on an implementation plan for Cash4Life subscribers when the game goes to seven days a week.

Withholdings

	YTD January 2019 Amount	February 2019 Amount	YTD 07/1/18 to 2/28/19 Amount
Child Support	\$118,831.00	\$14,725.19	\$133,556.19
CCU Debts	\$690,763.76	\$97,910.60	\$788,674.36

II. BUDGET

- **FISCAL YEAR 2018**

- Lottery: \$71,448,486
- VLT Special Fund: \$10,110,308
- VLT General Fund: \$9,350,813

- **FISCAL YEAR 2019**

- Lottery: \$82,241,700
- VLT Special Fund: \$10,270,545
- VLT General Fund: \$ 6,930,921

- **FISCAL YEAR 2020**

- Continuing to monitor Legislature action.

- **Promotion Fund (Unclaimed Prizes)**

- Balance as of January, 2019 \$ 7,689,795
- Estimated increase in February, 2019 \$ 1,200,000
- Estimated usage in February, 2019 \$ (700,000)
- Estimated balance as of February, 2019 \$ 8,189,795

III. ACCOUNTING/FINANCE

- The December financial statements will be distributed at the March 28, 2019 meeting.

IV. PROCUREMENT

- Procurement works closely with all Divisions to support the MLGCA's daily operations to include, but not limited to, procurement of printing of POS materials and various information sheets/brochures to support all games; promotional items, sponsorship agreements for events; and supplies/equipment for the Lottery's internal use, as well as the processing of all payments under \$5,000.00 using the State P-Card and monthly reconciliation of bank statement.
- RFP for Advertising, Marketing, Media and Related Services (#2018-07): This new advertising contract containing two Functional Areas – Creative Development and Production Services, and Media Planning and Buying Services – approved by the Commission at its January 2019 meeting, was approved by the BPW at its March 6, 2019 meeting.

- RFP for Lottery Drawing Machines and Related Maintenance Services (#2018-06): This RFP covers the purchase of six new Drawing Machines to be used for the live Televised Drawings and also provides maintenance and repair services for these new machines as well as for the MLGCA's existing inventory of machines. This RFP was issued 2/21/2019; a Pre-Proposal Conference was held on 3/8/2019, which was attended by both of the vendors providing these style-drawing machines in North America; and proposals are due on 3/20/2019.
- MBE/VSBE/SBR Activities:
 - I. A summary of the MLGCA's MBE/VSBE participation is attached.

V. HUMAN RESOURCES

- HR is working with the Department of Budget and Management on employee awareness regarding benefits enrollment in the Workday system, which began this calendar year.
- HR is working with the Equal Employment Opportunity Office and Maryland Commission on Civil Rights to prepare to provide mandatory sexual harassment prevention training to all agency employees by October of 2019. .

VI. INFORMATION TECHNOLOGY

- New telephone system PORFPs approved by DoIT, and released for bid solicitation.
- An open position on our desktop support team was posted for recruitment.
- Reviewing staffing options required to support multi-state draws 7 days a week.