

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: August 13, 2019

SUBJECT: Report for the August Commission Meeting

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

I. CUSTOMER RESOURCE CENTER

The Customer Resource Center is responsible for processing winner claims. In addition, MGM National Harbor, Live! Casino and Hotel, and Hollywood Casino Perryville have 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 372 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	YTD 07/01/18 to 06/30/19 Count	YTD 07/01/18 to 06/30/19 Amount	July 2019 Count	July 2019 Amount
Baltimore	17,046	\$62,319,594.65	1,033	\$5,550,254.58
Casinos	301	\$3,041,759.45	24	\$252,380.20

XCAP PROCESSING:

	<u>Count</u>	<u>Amount</u>
July, 2019	5,476	\$11,752,454.60

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 July 30, 2019:

Multi Match	2,356
Mega Millions	3,390
Powerball	2,167
Cash4Life	<u>211</u>
Total	8,124

Total Subscriptions Processed During July, 2019

Multi Match	569
Mega Millions	522
Powerball	407
Cash4Life	<u>217</u>
Total	1,715

All Cash4Life subscriptions were terminated in June 2019 when the game converted to seven days a week. Cash4Life subscriptions were once again available for purchase beginning June 28, 2019.

Withholdings

	YTD June 2019 Amount	July 2019 Amount	YTD 07/1/19 to 6/30/20 Amount
Child Support	\$191,564.42	\$19,414.25	\$19,414.25
CCU Debts	\$1,192,096.55	\$77,919.76	\$77,919.76

II. BUDGET

- **FISCAL YEAR 2019 Final Expenditures**

- Lottery: \$80,145,784
- VLT Special Fund: \$10,240,347
- VLT General Fund: \$ 6,715,636
- Submitted a budget amendment to DBM in the amount of \$600,000 to cover increased vendor fees paid to SGI as a result of an increase in sales.

- **FISCAL YEAR 2020**

- Lottery: \$85,682,455
- VLT Special Fund: \$11,205,629
- VLT General Fund: \$ 6,906,251

- **FISCAL YEAR 2021**

- In the process of preparing the budget which is due September 13, 2019.

- **Promotion Fund (Unclaimed Prizes)**

- Balance as of June, 2019 \$ 10,106,243
- Estimated increase in July, 2019 \$ 2,284,715
- Estimated usage in July, 2019 \$ (905,500)
- Estimated balance as of July, 2019 \$ 11,485,458

III. ACCOUNTING/FINANCE

- The April financial statements will be distributed at the August 22, 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.

V. HUMAN RESOURCES

- The HR department will be assisting the agency's EEO Officer with conducting training on sexual harassment prevention for all agency employees as required by recent legislation enacted in October of 2018.

- All HR staff members are completing training in preparation for the new electronic enrollment process for employees to receive health benefits. The new process is scheduled to begin this fall during the statewide open enrollment period.

VI. INFORMATION TECHNOLOGY

- The new telephone system install is in progress; hardware is onsite and systems are being configured.
- Working with HR to recruit two new computer operators. Interviews will begin over the next two weeks.
- Completed an automated notification process in coordination with DoIT to meet the electronic registry requirement of Chapter 212 of Maryland Laws of 2019.