

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Control Commission  
Gordon Medenica, Director

FROM: Gina M. Smith, Deputy Director/CFO

DIVISION: Administration, Finance and Operations

DATE: November 7, 2019

SUBJECT: Report for the November Commission Meeting

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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 373 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:

<b>Location</b>	<b>October 2019 Count</b>	<b>October 2019 Amount</b>	<b>YTD 07/01/19 To 06/30/20</b>	<b>YTD 07/01/19 To 10/31/19</b>
<b>Baltimore</b>	1,304	\$3,149,644.83	4,440	\$15,845,528.46
<b>Casinos</b>	25	\$236,506.80	138	\$1,314,575.80

**XCAP PROCESSING:**

October 2019 Count	October 2019 Amount	YTD 07/01/19 To 06/30/20	YTD 07/01/19 To 10/31/19
4,494	\$8,856,531.05	20,247	\$41,173,595.00

**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 October 31, 2019:

Multi Match	2,228
Mega Millions	3,154
Powerball	2,091
Cash4Life	<u>300</u>
Total	7,773

Total Subscriptions Processed During October, 2019

Multi Match	432
Mega Millions	725
Powerball	418
Cash4Life	<u>100</u>
Total	1,675

Interceptions:

	YTD September 2019 Amount	October 2019 Amount	YTD 07/1/19 to 10/31/19 Amount
Child Support	\$36,668.75	\$8,911.30	\$45,580.05
CCU Debts	\$273,652.67	\$74,402.06	\$348,054.73

## II. BUDGET

- **FISCAL YEAR 2019 Final Expenditures**

- Lottery: \$80,145,784
- VLT Special Fund: \$10,240,347
- VLT General Fund: \$ 6,715,636

- **FISCAL YEAR 2020**

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

- **FISCAL YEAR 2021**

- The FY 21 budget has been submitted to DBM. We have responded to all of DBM's questions and are awaiting a final "approved" budget.

- **Promotion Fund (Unclaimed Prizes)**

- Balance as of September, 2019 \$ 10,891,171
- Estimated increase in October, 2019 \$ 2,188,500
- Estimated usage in October, 2019 \$ (460,000)
- Estimated balance as of October, 2019 \$ 12,619,671

## III. ACCOUNTING/FINANCE

- The July financial statements are included.

## 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.
- Instant Ticket Games and Related Services Contract (#2013-01) with Pollard Banknote Limited (Primary Contract) and Scientific Games International, Inc. and IGT/GTECH Corporation (both Secondary Contracts) for the production of Instant Tickets and delivery to Retailer locations. These Contracts expire August 31, 2020 with no additional renewal options available. The RFP for a replacement contract, which was approved by the Commission at its October meeting, has been submitted to DGS for review/approval and will be issued upon approval.

- Central Monitor and Control System for a Video Lottery Terminal Program (#2009-11) with IGT (formerly GTECH Corporation) to provide the design, development, implementation, lease, operation, and maintenance of a complete turnkey Central Monitor and Control System for a Video Lottery Terminal Program. This Contract expires September 26, 2020 with no additional renewal options available. The MLGCA has a continuing need for these services and the preparation of an RFP for a replacement contract is in progress.
- MBE/VSBE/SBR Activities:
  - I. A summary of the MLGCA's MBE/VSBE participation is attached.

**V. HUMAN RESOURCES**

- HR has continued efforts to educate all employees of new changes regarding open enrollment for health benefits. This is the first year open enrollment is being conducted through the electronic Workday system. The Open Enrollment period closes at 11:59pm on Thursday, November 14, 2019. Employees can make changes to their benefits coverage for 2020 and enroll to participate in a Spending Account for 2020.

**VI. INFORMATION TECHNOLOGY**

- Recruitment for two new computer operators is complete; start date is 11/6.
- The new telephone system will go-live on 11/14.
- Completed procurement to upgrade the data circuit between the Agency's headquarters and backup data center.
- Desktop PC replacement and OS upgrade is on target to be completed by the end of the year.