

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Commission  
Gordon Medenica, Director

FROM: James Nielsen, Deputy Director/COO

DATE: September 15, 2020

SUBJECT: Report for the September 2020 Commission Meeting

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## GAMING

See separate report from James Logue, Managing Director

## REGULATORY OVERSIGHT

See separate report from John Mooney, Managing Director

## AGENT ADMINISTRATION

The following table presents retailer and terminal counts according to the Lottery's Agent Administration database.

Total Retailers				Total Retailer Terminals				XCAP Retailers (1)			
Date	Count	Date	Count	Date	Count	Date	Count	Date	Count	Date	Count
<b>Current</b>				<b>Current</b>				<b>Current</b>			
08/31/19	4,388	08/31/20	4,341	08/31/19	6,324	08/31/20	6,459	08/31/19	382	08/31/20	391
<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>			
09/30/18	4,361	09/30/19	4,379	09/30/18	5,677	09/30/19	6,347	09/30/18	356	09/30/19	377
12/31/18	4,346	12/31/19	4,375	12/31/18	5,710	12/31/19	6,453	12/31/18	344	12/31/19	379
03/31/19	4,384	03/31/20	4,364	03/31/19	5,842	03/31/20	6,453	03/31/19	362	03/31/20	373
06/30/19	4,385	06/30/20	4,349	06/30/19	6,131	06/30/20	6,446	06/30/19	362	06/30/20	378

(1) Expanded Cashing Authority Program (XCAP) locations are authorized to cash prizes of up to \$5,000. W2Gs for these winners are subsequently printed and mailed by CRC staff.

## CONTRACT MANAGEMENT

- There are 1,239 full-service (PHD and PHDL) and 228 draw game-only (PEX) self-service terminals installed as of August 31.
- Contract Management staff continues to telework. Lottery system testing staff continue to test via video conferencing with the assistance of Scientific Games staff.
- Terminal Release 6.3 was successfully installed
- A Disaster Recovery test was performed. Operations were conducted through the backup data center from August 9 through August 13.

- Two Keno promotions were launched (Keno Sprinkler and Racetrax 6 for \$5).
- Debit reader timeline finalized (January target date for initial deployment.)
- Walmart timeline finalized (January target date.)
- eLicensing system updates:
  - The Contractor, Contractor Renewal, Manufacturer, Manufacturer Renewal, Principal Entity, Institutional Investor, Bingo (11 and over) and Bingo (10 and under) applications have been completed in the eLicensing system test region.
  - MS Technology continues to work on the badging system modifications, as well as the data conversion for all company/facility level licensees.

**FACILITIES**

- Facilities staff continue to limit time on-site as much as possible while distributing mail and making required trips to Annapolis and the bank.
- Facilities staff are working with Finance to reconcile records for the agency wide inventory.
- Replenishment of PPE continues to staff in the Customer Service Center, Sales, the Warehouse and Casino Compliance staff. We received eight sanitizing “foggers” for use in our offices, the Warehouse and casino offices.
- Staff is working with DBM on purchasing some new vehicles for those with high mileage or high repair costs. Electric vehicles are being considered.

**WAREHOUSE**

The instant ticket warehouse is responsible for packing all of the instant tickets shipped to lottery retailers. Orders are placed through the Tel Sell operation, which is operated by our central system vendor. Once an order is placed, it is sent to the warehouse for fulfillment. Additionally, as each new instant game is launched, the majority of retailers receive an initial allocation of the new games to assure the tickets are available across the State. Fulfilled orders are shipped via UPS for next day delivery to retailer locations. During the pandemic, UPS has been, in some cases, struggling to make timely deliveries. This appears to be an issue for lotteries across the country. In addition to filling the orders, the warehouse is responsible for monitoring UPS to ensure proper billing and timely delivery.

# of Orders	# of Packs	YTD Orders	YTD Packs
<b>August 2020</b>		<b>7/1/20 – 08/31/20</b>	
18,512	205,597	36,536	406,547

YTD represents a 10% increase in packs shipped year over year.

**INFORMATION TECHNOLOGY**

- Implemented changes on the telephone system to improve teleworking capabilities.
- Internal auditors completed the review of IT operations; there are no findings.
- Accounting system upgrade in progress. User training and testing scheduled to occur over the next several weeks.