# 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:  January 19, 2021

SUBJECT:  Report for the January 2021 Commission Meeting

## 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 |
| **Current** | | | | | **Current** | | | | | **Current** | | | |
| 12/31/19 | 4,375 | 12/31/20 | 4,355 | | 12/31/19 | 6,453 | 12/31/20 | 6,636 | | 12/31/19 | 379 | 12/31/20 | 402 |
| **Quarterly Comparisons** | | | | | **Quarterly Comparisons** | | | | | **Quarterly Comparisons** | | | |
| 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 |
| 9/30/19 | 4,379 | 9/30/20 | 4,341 | | 9/30/19 | 6,347 | 9/30/20 | 6,492 | | 9/30/19 | 377 | 9/30/20 | 397 |
| 12/31/19 | 4,375 | 12/31/20 | 4,355 | | 12/31/19 | 6,453 | 12/31/20 | 6,636 | | 12/31/19 | 379 | 12/31/20 | 402 |

(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 1,430 full-service (PHD and PHDL) and 194 draw game-only (PEX) self-service terminals installed as of December 31.
- First Walmart installations planned for January.
- Debit card reader testing continues for a late January launch.

- Contract Management staff continues to telework. Lottery system testing staff continue to test via video conferencing with the assistance of Scientific Games staff.
- Terminal and Aegis (system) Release 6.4 were deployed.
- eLicensing system updates:
    - MS Technologies is still working to publish converted data for the company/facility level cases (Manufacturer, Contractor, Principal Entity and Institutional Investors) to Production systems.
    - MS Technology continues to work on modifications to the badging system.
    - MS Technologies has been asked to correct the Management Case Assignment queue issues, as well as the slowness in the assignment of licensure cases.

## FACILITIES

- Facilities staff continue to limit time on-site as much as possible while performing necessary duties.
- Replenishment of PPE continues for staff in the Customer Service Center, Sales, the Warehouse and Casino Compliance. We continue using the sanitizing "foggers" in our office and warehouse space twice each week.
- Working with procurement to purchase replacement chairs for the main conference room and forklift for the warehouse.

## 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. In addition to filling the orders, the warehouse is responsible for monitoring UPS to ensure proper billing and timely delivery. 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.

| # of Orders | # of Packs | YTD Orders | YTD Packs |
|---|---|---|---|
| December 2020 | | 7/1/20 – 12/31/20 | |
| 19,450 | 217,747 | 108,439 | 1,220,296 |

YTD represents a 5.4% increase in packs shipped year over year.

## INFORMATION TECHNOLOGY

- Preparing to replace the current fingerprinting machines located at our casino offices.  The manufacturer is finalizing documentation required to issue the procurement, and a plan for installation will be developed following the procurement.