

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 Commission
Gordon Medenica, Director

FROM: James Nielsen, Deputy Director/COO

DATE: February 16, 2021

SUBJECT: Report for the February 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			
01/31/20	4,361	01/31/21	4,378	01/31/20	6,435	01/31/21	6,615	01/31/20	386	01/31/21	396
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 1,494 full-service (PHD and PHDL) and 192 draw game-only (PEX) self-service terminals installed as of January 31.
- We completed the first 11 Walmart installations in January.
- Debit card reader testing was completed and the first debit transactions were made in early February.

- Contract Management staff continues to telework. Lottery system testing staff continue to test via video conferencing with the assistance of Scientific Games staff.
- Four new Fast Play games launched in January.
- 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 Technologies has been able to address some of the problems we were having with delays when assigning cases.
 - Some preliminary conversations about changes for Sports Wagering have been held.

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.
- Received permission to dispose of outdated telecommunications equipment.
- Turned vehicles over to most District Managers’ who are returning to the field.
- Several requests to Building Management about the cold temperatures in the building.
- Hired 4 new employees for Instant Ticket Warehouse.
- Began requisition process for new forklifts and an Inventory Management program.

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 often been struggling to make timely deliveries. This appears to be an issue for shippers across the country.

# of Orders	# of Packs	YTD Orders	YTD Packs
January 2021		7/1/20 – 01/31/21	
16,617	210,193	125,056	1,430,489

YTD represents a 5.5% increase in packs shipped year over year.

INFORMATION TECHNOLOGY

- A third-party assessment of the Agency’s network configuration occurred the week of January 18. A separate penetration test of our wireless network is the next assessment and three of the four assessments are complete.
- The new accounting system was placed into production on January 19.

- Submitted two TORFPs to DoIT and DGS for maintenance and support of our telephone system, and supplemental technical support.