

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Commission
John Martin, Director

FROM: James Nielsen, Deputy Director/COO

DATE: November 9, 2021

SUBJECT: Report for the November 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			
10/31/20	4,349	10/31/21	4,402	10/31/20	6,558	10/31/21	7,017	10/31/20	397	10/31/21	430
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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
03/31/20	4,364	03/31/21	4,410	03/31/20	6,453	03/31/21	6,841	03/31/20	373	03/31/21	405
06/30/20	4,349	06/30/21	4,404	06/30/20	6,446	06/30/21	6,932	06/30/20	378	06/30/21	413
9/30/20	4,341	9/30/21	4,401	9/30/20	6,492	9/30/21	7,008	9/30/20	397	9/30/21	426

(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 1690 full-service (PHD and PHDL) and 231 draw game-only (PEX) self-service terminals installed as of October 31.
- A scheduled system failover began on 10/6 and successfully completed on 10/10.
- Began testing Release 9 with a planned implementation date of November 8.
- New game Pick 5 SRS signed, began planning for Pick 5 User Acceptance Testing.

- **eLicensing system updates:**

- Staff have continued working with the Attorney General staff and MS Technology to further customize the eLicensing system and required applications as we continue processing Sports Wagering applicants.
- MST continues to handle day-to-day issues with the system / applicants.

FACILITIES

- Placed orders for 6 new vehicles (2 hybrid cars and 4 vans) from 2021 & 2022 budgets after some orders were cancelled due to vehicle shortages.
- Distributed fringe benefit forms to drivers utilizing state vehicles.
- Continue to fog the warehouse and office areas and supply units, including casino staff, with PPE.

INFORMATION TECHNOLOGY

- Upgrades of the Livescan (fingerprinting) devices at our casino offices have been completed.
- Continue to work with our ICS vendor on the Pick 5 implementation.
- The first test of our annual IT security assessment is complete; there are three more assessments to complete. No significant issues were identified.

PROCUREMENT

- Procurement staff are working with other departments to implement tools available to modernize our procurement processes with a goal of reducing paper handling and allowing users more visibility into the status of requests. We hope to also integrate an inventory system for consumables and fixed assets.
- Televised Drawings of Lottery Draw Games and Related Services Contract (#2017-02) with Hearst Stations, Inc., WBAL Division: The original 3-year term of this Contract expired 12/10/2020 and the first of two available 1-year renewal options was previously exercised extending the term to 12/11/2020 – 12/10/2021. The Second (and final) Renewal Option for the term 12/11/2021 – 12/10/2022 in the amount of \$1,403,004, as specified in the original contract., which was approved by the Commission at its October 2021 meeting, was approved by the BPW at its 11/3/2021 meeting.
- Task Order Award under the "Consulting and Technical Services Plus DoIT Master Contract"; Provides supplemental technical support to the MLGCA's IT Division to be used for third party support to resolve technical issues that are outside its expertise or when a project requires additional resources. It also supports the MLGCA's Splunk environment used for searching, monitoring, and analyzing machine generated data for identifying patterns, providing metrics, and diagnosing operational problems and indexes machine data in real-time, generate graphs, reports, alerts, and visualizations. Splunk is an analytics solution for machine data; servers, networks devices, applications, etc. Term 12/2/2021 – 12/1/2024 with a single 2-year renewal option in total amount of \$335,580. The Task Order was approved by the BPW at its 11/3/2021 meeting.
- 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 using the State P-Card and monthly reconciliation of the card statement.

- MBE/VSBE/SBR Activities: A summary of the MLGCA's MBE/VSBE participation is attached.

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
October 2021		07/01/21 – 10/31/21	
15,941	188,444	70,015	777,755