

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • John Martin, 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
John Martin, Director

FROM: James Nielsen, Deputy Director/COO

DATE: December 9, 2021

SUBJECT: Report for the December 2021 Commission Meeting

A. GAMING

See separate report from James Logue, Managing Director

B. REGULATORY OVERSIGHT

See separate report from John Mooney, Managing Director

C. 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			
11/30/20	4,351	11/30/21	4,406	11/30/20	6,598	11/30/21	7,026	11/30/20	401	11/30/21	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.

D. CONTRACT MANAGEMENT

- There are 1,693 full-service (PHD and PHDL) and 234 draw game-only (PEX) self-service terminals installed as of November 30.
- Release 9 deployed on November 8, introducing several enhancements.
- Pick 5 QA testing to begin in December with UAT testing to follow in January.
- **eLicensing system updates:**

- Limited progress on the Sports Wagering employee applications.
- Some improvements designed for Virginia have been tested by staff and additional modifications are required.
- 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.

E. FACILITIES

- Fringe Benefit forms for drivers were completed and sent to DBM Fleet Management.
- General clean-up of unused cubicles is underway.
- A new fuel company has been selected for the state and we are working to transition to the new system. All drivers are being instructed how to operate the new system and what locations are being upgraded.
- Carpet cleaning will be completed by 12/31/2021
- Continue to fog the warehouse and office areas and supply units, including casino staff, with PPE.

F. INFORMATION TECHNOLOGY

- The IT department is actively recruiting for a computer operator and systems administrator. The initial job posting for the system administrator position resulted in no qualified candidates.
- In discussion with the AG's office and the Responsible Gaming department to evaluate the use of DocuSign for enrollments into the VEP program.
- Continue to work with the accounting and procurement departments on the implementation of applications (AssetWorks and DocuSign) to improve the workflow and efficiency of their work. The initial go-live is still on track for January.

G. 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.
- 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.

H. 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. Since the pandemic, UPS has often struggled to make timely deliveries. This appears to be an issue for shippers across the country.

Warehouse Orders – November 2021			
# of Orders	# of Packs	YTD Orders	YTD Packs
19,823	223,508	90,135	1,001,263

I. CUSTOMER RESOURCE CENTER

Out of concern for player and employee safety during the pandemic, the Customer Resource Center was closed to the public on 3/30/20 and reopened by appointment only on 6/24/20. Customers continue to make appointments to claim prizes using the scheduling page on mdlottery.com. Lottery winners without Internet access can schedule appointments by phone. The appointment-only process continues to be effective and efficient. All Lottery retailers are authorized to cash winning tickets up to \$600; Expanded Cashing Authority Program (XCAP) retailers can cash tickets up to \$5,000; Winning tickets up to \$25,000 can be cashed without appointments at all Maryland casinos.

CLAIMS PROCESSED BY LOTTERY AND CASINOS – November 2021				
Location	Count	Amount	YTD	YTD
Baltimore	1,130	\$12,098,883	6,439	\$41,683,972
Casinos	78	\$830,376	370	\$3,790,720

XCAP PROCESSING – November 2021			
Count	Amount	YTD	YTD
7,926	\$17,156,574	42,405	\$90,875,150

SUBSCRIPTIONS

The Lottery's Customer Resource Center is also responsible for processing subscriptions. Multi-Match, Mega Millions, Powerball and Cash4Life subscriptions can be purchased for 13, 26 or 52 weeks. Data concerning subscriptions processed is noted below:

Subscriptions as of November 2021		
Game	Active	Processed This Month
Multi-Match	1,313	310
Mega Millions	3,480	516
Powerball	2,441	488
Cash4Life	446	117
Total	7,680	1,431

PRIZE INTERCEPTIONS

The Lottery is required by statute to withhold any Child Support or CCU debts that winners of prizes over \$600 claim. Data concerning collections is noted below:

Intercepts as of November 2021		
TYPE	Month	YTD
Child Support	\$34,985	\$140,727
CCU Debts	\$162,107	\$892,259