

# Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



Montgomery Park Business Center  
1800 Washington Blvd., Ste. 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: January 18, 2023

SUBJECT: Report for the January 2023 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
<b>Current</b>				<b>Current</b>				<b>Current</b>			
12/31/21	4,400	12/31/22	4,359	12/31/21	7,020	12/31/22	7,024	12/31/21	430	12/31/22	430
<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>			
03/31/21	4,410	03/31/22	4,389	03/31/21	6,841	03/31/22	7,060	03/31/21	405	03/31/22	435
06/30/21	4,404	06/30/22	4,377	06/30/21	6,932	06/30/22	7,047	06/30/21	413	06/30/22	436
09/30/21	4,401	09/30/22	4,369	09/30/21	7,008	09/30/22	7,032	09/30/21	426	09/30/22	442
12/31/21	4,400	12/31/22	4,359	12/31/21	7,020	12/31/22	7,024	12/31/21	430	12/31/22	430

(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 1,750 full-service (PHD and PHDL) and 241 draw game-only (PEX) self-service terminals installed as of December 31.
- We continue working with Scientific Games on enhancements to systems used by staff to manage operations.

- **eLicensing system updates:**

- Employee renewal applications went into production in mid-December. There were a few minor issues that were quickly resolved.
- We are currently reviewing the system and compiling a list of updates and projects needed for 2023.

**E. FACILITIES**

- Completed audit of assets and supplies inventory
- Working with Sales and Communications for warehouse clean-up
- Electrician to install power outlets and network cabling for new equipment in the Warehouse
- Building management is still waiting for parts to repair the freight elevator
- LED lights were installed throughout agency
- Awaiting new vehicle listing from DBM Fleet Management to order cars and vans
- Cleaning out storage areas around the agency to store old drawing machines and equipment being relocated from WBAL

**F. INFORMATION TECHNOLOGY**

- IT worked with Communications and the vendor (SmartPlay) to get the new Random Number Generator system up and running in December.
- The new inventory system has gone live. We have received positive feedback and are working through and resolving minor issues as they are reported by users.
- IT continues to distribute equipment as necessary to refresh outdated systems and complete projects.
- The internal audit review of IT has been completed.
- IT setup a secure platform for the Sports Wagering auditing team to be able to connect to the Sports Wagering licensees for review purposes.

**G. 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.

<b>Warehouse Orders – December 2022</b>			
<b># of Orders</b>	<b># of Packs</b>	<b>YTD Orders</b>	<b>YTD Packs</b>
18,898	229,047	108,102	1,275,897

## **H. CUSTOMER RESOURCE CENTER**

### **❖ CLAIMS**

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. 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.

**Data concerning the number and amount of winners' claims processed by the Lottery, the casinos and XCAP retailers are noted below:**

<b>CLAIMS PROCESSED BY LOTTERY AND CASINOS – December 2022</b>				
<b>Location</b>	<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
<b>Baltimore</b>	1,043	\$6,175,795	6,522	\$53,577,921
<b>Casinos</b>	89	\$1,129,739	653	\$7,980,615

<b>XCAP PROCESSING – December 2022</b>			
<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
6,746	\$12,915,184	41,807	\$78,998,650

### **❖ 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:

<b>Subscriptions as of December 2022</b>		
<b>Game</b>	<b>Active</b>	<b>Processed This Month</b>
Multi-Match	1,583	324
Mega Millions	3,153	406
Powerball	2,235	342
Cash4Life	403	71
<b>Total</b>	<b>7,374</b>	<b>1,143</b>

### **❖ PRIZE INTERCEPTIONS**

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

<b>Intercepts as of December 2022</b>		
<b>TYPE</b>	<b>Month</b>	<b>YTD</b>
Child Support	\$5,549	\$58,220
CCU Debts	\$140,489	\$729,249

## **I. EXERCISE OF DELEGATION OF AUTHORITY**

**Report on Staff's exercise of delegated authority to qualify an applicant, determine whether an applicant meets requirements for a sports wagering license, and issue a sports wagering license.**

By unanimous vote on November 18, 2021, the Commission delegated to Staff the authority, under certain chapters of the sports wagering regulations, to:

- determine that an applicant for a sports wagering license is qualified;
- determine that an applicant meets all applicable requirements for issuance of a sports wagering licenses, and
- issue a sports wagering license.

[https://www.mdgaming.com/wp-content/uploads/2021/11/Staff-agenda-memo-delegation\\_11-15-21-final.pdf](https://www.mdgaming.com/wp-content/uploads/2021/11/Staff-agenda-memo-delegation_11-15-21-final.pdf)

This Delegation included a requirement that Staff report to the Commission its exercise of authority under the Delegation. Accordingly, Staff is reporting that it has exercised the authority of the Delegation to:

**Issue a mobile sports wagering license to:**

None this month

**Issue a sports wagering facility license to:**

None this month