

# Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Commission  
John Martin, Director

FROM: James Nielsen, Deputy Director/COO

DATE: February 14, 2023

SUBJECT: Report for the February 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>			
01/31/22	4,400	01/31/23	4,366	01/31/22	7,026	01/31/23	7,042	01/31/22	432	01/31/23	427
<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 1,761 full-service (PHD and PHDL) and 243 draw game-only (PEX) self-service terminals installed as of January 31.
- On January 15 a new release of gemIntelligence was deployed with enhanced reporting, enhanced access to forms, and additional Sales Support features including a new feature to track automobile mileage and expenses.

- **eLicensing system updates:**
  - No major projects are currently pending. Small day-to-day issues are being addressed.
  - We are currently reviewing the system and compiling a list of updates and projects needed for 2023.

**E. FACILITIES**

- Building management is still waiting for parts to repair the freight elevator
- All drawing equipment and ball machines have been removed from WBAL and we are working to dispose of the equipment.
- Working with building management on recurring cleaning issues.
- Awaiting new vehicle listing from DBM Fleet Management to order new cars and vans.
- Working with building management to install lights for both sides of the reception area.
- Placed orders for a total of nineteen additional vehicles. Seven will be delivered in March 2023.
- Two Ford Focuses from the pool will be temporarily assigned to sports wagering staff that will start soon.

**F. INFORMATION TECHNOLOGY**

- IT will be hosting the virtual SWARC Commission meetings for the next several months during the legislative sessions.
- We are working on disposing of old equipment and reorganizing our storage areas.
- IT is working on procurements to refresh some desktop PCs.
- IT is continuing to make minor adjustments and improvements to the new inventory system.

**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 – January 2023</b>			
<b># of Orders</b>	<b># of Packs</b>	<b>YTD Orders</b>	<b>YTD Packs</b>
18,041	201,297	126,143	1,477,194

**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 – January 2023</b>				
<b>Location</b>	<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
<b>Baltimore</b>	1,331	\$16,016,279	7,853	\$69,594,200
<b>Casinos</b>	111	\$1,361,966	764	\$9,342,581

<b>XCAP PROCESSING – January 2023</b>			
<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
6,992	\$13,038,476	48,799	\$92,037,126

❖ **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 January 2023</b>		
<b>Game</b>	<b>Active</b>	<b>Processed This Month</b>
Multi-Match	1,559	247
Mega Millions	3,196	657
Powerball	2,253	502
Cash4Life	394	88
<b>Total</b>	<b>7,402</b>	<b>1,494</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 January 2023</b>		
<b>TYPE</b>	<b>Month</b>	<b>YTD</b>
Child Support	\$871	\$59,091
CCU Debts	\$147,864	\$877,113

**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:**

Betfred / Long Shots on February 9, 2023

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

Maryland Stadium Sub on January 20, 2023