

# 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: March 14, 2023

SUBJECT: Report for the March 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>			
02/28/22	4,403	02/28/23	4,365	02/28/22	7,048	02/28/23	7,049	02/28/22	431	02/28/23	426
<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 1,765 full-service (PHD and PHDL) and 242 draw game-only (PEX) self-service terminals installed as of February 28.
- **eLicensing system updates:**
  - No major projects are currently pending. Small day-to-day issues are being addressed.

- We have been making minor adjustments to enhance the ease of use for all users.

**E. FACILITIES**

- Received 5 Chevy Traverse SUV’s.
- 30 additional vehicles ordered with expected delivery between March and June.
- Continue working with building management on recurring cleaning issues and final lighting installations.
- New window shades will be installed throughout the Agency’s space as part of lease related improvements.

**F. INFORMATION TECHNOLOGY**

- IT is working to procure some server hardware to replace the hardware for the Internal Control System (ICS).
- We are continuing to make minor adjustments and improvements to the inventory system.
- IT worked with Security to refresh and test procedures for Powerball drawings.
- IT worked with Horseshoe Casino IT to troubleshoot a network device.
- IT assisted Communications with the Multi-Match time change that occurred on March 2nd.
- IT is in the process of recruiting for a Systems Engineer.

**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 – February 2023</b>			
<b># of Orders</b>	<b># of Packs</b>	<b>YTD Orders</b>	<b>YTD Packs</b>
18,381	212,373	144,916	1,693,966

**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 – February 2023</b>				
<b>Location</b>	<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
<b>Baltimore</b>	1,006	\$8,893,640	8,859	\$78,487,840
<b>Casinos</b>	87	\$1,147,819	851	\$10,490,400

<b>XCAP PROCESSING – February 2023</b>			
<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
6,358	\$11,892,999	55,157	\$103,930,125

❖ **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 February 2023</b>		
<b>Game</b>	<b>Active</b>	<b>Processed This Month</b>
Multi-Match	1,559	269
Mega Millions	3,193	407
Powerball	2,223	378
Cash4Life	392	89
<b>Total</b>	<b>7,367</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 February 2023</b>		
<b>TYPE</b>	<b>Month</b>	<b>YTD</b>
Child Support	\$3,300	\$62,391
CCU Debts	\$80,646	\$957,759

**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.