

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: November 20, 2023

SUBJECT: Report for the November 2023 Commission Meeting

A. GAMING

See separate report from Michael Eaton, 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			
10/31/22	4,382	10/31/23	4,353	10/31/22	7,055	10/31/23	7,083	10/31/22	439	10/31/23	444
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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
03/31/22	4,389	03/31/23	4,365	03/31/22	7,060	03/31/23	7,067	03/31/22	435	03/31/23	432
06/30/22	4,377	06/30/23	4,354	06/30/22	7,047	06/30/23	7,063	06/30/22	436	06/30/23	439
09/30/22	4,369	09/30/23	4,351	09/30/22	7,032	09/30/23	7,068	09/30/22	442	09/30/23	443

(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 1,802 full-service (PHD and PHDL) and 238 draw game-only (PEX) self-service terminals installed as of October 31.
- Continue cross-functional work on new games with anticipated launches in 2024 (Cash Pop, Big Spin).
- **eLicensing system updates:**

- No major projects underway.
- The system remains very stable. Minor adjustments are made as issues arise.

E. FACILITIES

- Working with Building Management to address HVAC issues
- All restrooms are being cleaned and sanitized
- Surplus property is being disposed of as Excess Property Declarations are approved by DGS.
- Vehicle inspections started November 1 and will be conducted on a monthly basis.
- Terry Bolden, our Facilities Operations Director, is retiring at the end of November.

F. INFORMATION TECHNOLOGY

- IT worked with the Department of Information Technology (DoIT) to relocate the router that provides our connectivity to the State network infrastructure. The relocation took place on November 6th, and did not impact lottery operations.
- We are working with MUSL for approval on some hardware and operating system upgrades to our Internal Control System.
- IT is working with the Internal Auditors for an annual internal audit.
- We are revising Agency IT policy to include new technologies and necessary updates.
- We are planning for additional hardware upgrades for our production environment.

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.

Warehouse Orders – October 2023			
# of Orders	# of Packs	YTD Orders	YTD Packs
20,371	221,918	70,776	760,931

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:

CLAIMS PROCESSED BY LOTTERY AND CASINOS – October 2023				
Location	Count	Amount	YTD	YTD
Baltimore	1,045	\$9,865,207	4,226	\$36,550,048
Casinos	118	\$1,525,061	417	\$5,096,960

XCAP PROCESSING – October 2023			
Count	Amount	YTD	YTD
6,094	\$10,928,484	26,671	\$48,938,966

❖ **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 October 2023		
Game	Active	Processed This Month
Multi-Match	1,453	189
Mega Millions	2,989	465
Powerball	2,155	379
Cash4Life	376	63
Total	6,973	1,096

❖ **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:

Intercepts as of October 2023		
TYPE	Month	YTD
Child Support	\$3,066	\$14,692
CCU Debts	\$96,879	\$403,082

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

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