

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 13, 2024

SUBJECT: Report for the February 2024 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			
01/31/23	4,366	01/31/24	4,342	01/31/23	7,042	01/31/24	7,081	01/31/23	427	01/31/24	438
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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
12/31/22	4,359	12/31/23	4,350	12/31/22	7,024	12/31/23	7,078	12/31/22	430	12/31/23	437

(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 1,809 full-service (PHD and PHDL) and 239 draw game-only (PEX) self-service terminals installed as of January 31.
- Continue multi-departmental work on new games with anticipated launches in 2024. Big Spin is a scratch-off game with a unique display at retail for a number of prize tiers and Cash Pop is a new game with drawings four times a day and a matrix of just 15 numbers.
- **eLicensing system updates:**

- No major projects underway.
- Current Approved Manufacturer and Contractor lists were audited to ensure they are all correctly showing in eLicensing.
- Bingo Renewal applications are being reviewed prior to being added to eLicensing.

E. FACILITIES

- Several small construction projects have been completed to better utilize existing space.
- Work continues to improve the performance of HVAC systems.
- Surplus property disposals continue as Excess Property Declarations are approved by DGS.

F. INFORMATION TECHNOLOGY

- We are in the process of procuring additional hardware upgrades for our production environment.
- IT continues to work on a new desktop / laptop refresh plan that will help to ensure the devices support Windows 11. Deploying Windows 11 is a project that will begin in fiscal year 24.
- IT has performed the first of several modifications to our case management system for Gaming.
- We are working on replacing the print server this month. This will be done after hours and should not impact any of the business units.
- IT is configuring new tablets for the District Managers sales automation tool provided by Scientific Games. Deployment is scheduled for March.

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 – January 2024			
# of Orders	# of Packs	YTD Orders	YTD Packs
19,281	194,997	127,687	1,397,936

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 – January 2024				
Location	Count	Amount	YTD	YTD
Baltimore	1,172	\$10,679,575	7,433	\$55,742,401
Casinos	84	\$916,023	697	\$8,142,043

XCAP PROCESSING – January 2024			
Count	Amount	YTD	YTD
6,604	\$12,442,012	45,796	\$84,312,618

❖ **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 January 2024		
Game	Active	Processed This Month
Multi-Match	1,338	272
Mega Millions	2,852	525
Powerball	2,127	445
Cash4Life	359	82
Total	6,676	1,324

❖ **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 January 2024		
TYPE	Month	YTD
Child Support	\$4,658	\$38,587
CCU Debts	\$136,033	\$750,296

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