

# 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 19, 2024

SUBJECT: Report for the March 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
<b>Current</b>				<b>Current</b>				<b>Current</b>			
02/28/23	4,365	02/29/24	4,339	02/28/23	7,049	02/29/24	7,090	02/28/23	426	02/29/24	439
<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>			
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 1,837 full-service (PHD and PHDL) and 232 draw game-only (PEX) self-service terminals installed as of February 29.
- 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.
- A terminal release (11.1) with several fixes was implemented on 2/6/2024.

- On 2/20/2024 we converted to an industry standard encryption standard which meets or exceeds MUSL requirements.
- **eLicensing system updates:**
  - A request to correct several issues with Bingo applications has been submitted to MS Technologies.

**E. FACILITIES**

- Several small construction projects have been completed to better utilize existing space.
- A meeting is scheduled with DGS go over construction and renovations covered in our lease agreement
- Work continues to improve the performance of HVAC systems.
- Surplus property disposals continue as Excess Property Declarations are approved by DGS.
- Reconciling the inventory in preparation for the FY24 annual submission
- Staff attended training on March 14<sup>th</sup> for records retention for the agency through DGS

**F. INFORMATION TECHNOLOGY**

- We successfully replaced the print server last month.
- IT is continuing to image the new tablets for the District Managers and deployment is scheduled to begin at the end of March.
- IT is revising the IT Disaster Recovery Plan and will be performing a tabletop exercise in the next month.
- We are working with the State of Maryland Department of IT (DoIT) on a change to the synchronization infrastructure for Maryland.gov accounts.
- IT visited the Backup Data Center in Virginia along with Security for security review and access management.
- IT is working with several casinos to revise network connectivity for the compliance offices.

**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 2024</b>			
<b># of Orders</b>	<b># of Packs</b>	<b>YTD Orders</b>	<b>YTD Packs</b>
17,861	202,128	145,548	1,600,064

**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 2024</b>				
<b>Location</b>	<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
<b>Baltimore</b>	976	\$13,454,131	8,409	\$69,196,532
<b>Casinos</b>	92	\$998,360	789	\$9,140,403

<b>XCAP PROCESSING – February 2024</b>			
<b>Count</b>	<b>Amount</b>	<b>YTD</b>	<b>YTD</b>
5,854	\$10,122,583	51,650	\$94,435,201

❖ **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 2024</b>		
<b>Game</b>	<b>Active</b>	<b>Processed This Month</b>
Multi-Match	1,368	310
Mega Millions	2,826	437
Powerball	2,102	353
Cash4Life	358	94
<b>Total</b>	<b>6,654</b>	<b>1,194</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 2024</b>		
<b>TYPE</b>	<b>Month</b>	<b>YTD</b>
Child Support	\$3,602	\$42,189
CCU Debts	\$115,647	\$865,943

**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