

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



Montgomery Park Business Center
1800 Washington Blvd., Ste. 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Commission
John Martin, Director

FROM: James Nielsen, Deputy Director/COO

DATE: April 12, 2024

SUBJECT: Report for the April 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			
03/31/23	4,365	03/31/24	4,338	03/31/23	7,067	03/31/24	7,106	03/31/23	432	03/31/24	442
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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
03/31/23	4,365	03/31/24	4,338	03/31/23	7,067	03/31/24	7,106	03/31/23	432	03/31/24	442

(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 1,864 full-service (PHD and PHDL) and 226 draw game-only (PEX) self-service terminals installed as of March 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:**

- MS Technologies and MLGCA IT are working to resolve a PDF image issue that has prevented Case Images from showing properly for over a month.

E. FACILITIES

- Several large projects are underway to better utilize existing space while some smaller ones have been completed.
- Facilities is still working with DGS on construction projects 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
- Facilities is preparing to organize records retention for the agency through DGS.

F. INFORMATION TECHNOLOGY

- IT is beginning to work with OLA on the IT portion of the Legislative Audit.
- We are nearing completion of the deployment of the new tablets for the District Managers.
- We are nearing completion on the revisions to the IT Disaster Recovery Plan. A tabletop exercise will be scheduled and performed in the near future.
- IT worked with the Security unit on installing a new card reader for the datacenter.
- We have successfully upgraded one of the modules on each of the HQ firewalls.
- We are continuing to work with the State of Maryland Department of IT (DoIT) on a change to the synchronization infrastructure for Maryland.gov accounts.
- IT is continuing to work with several casinos to improve network connectivity for the compliance offices.
- We are procuring some server hardware to replace the aging infrastructure to ensure there is no lapse in support.
- IT is procuring laptops to replace older equipment to support a mobilized workforce and to prepare support for Windows 11.
- We are transitioning our Gaming Case Management system to help ensure vendor support meets the needs of the agency.

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 – March 2024			
# of Orders	# of Packs	YTD Orders	YTD Packs
18,832	218,152	164,380	1,818,216

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