

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: June 10, 2024

SUBJECT: Report for the June 2024 Commission Meeting

A. 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			
05/31/23	4,355	05/31/24	4,324	05/31/23	7,061	05/31/24	7,086	05/31/23	434	05/31/24	446
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.

B. CONTRACT MANAGEMENT

- There are 1,883 full-service (PHD and PHDL) and 216 draw game-only (PEX) self-service terminals installed as of May 31.
- Launched Cash Pop on May 6, a new game with drawings four times a day and a matrix of just 15 numbers.
- Completed testing for the retailer commission reductions that went into effect on June 1.
- **eLicensing system updates:**
 - MS Technologies and MLGCA IT are continuing to work on resolving a PDF issue that has caused issues with documents in Case Images showing properly for months.
 - Updates have been made on the Invoice generated by eLicensing for Principal Billing.

C. FACILITIES

- We continue to identify projects to better utilize existing space.
- Facilities continues working with DGS on construction projects and renovations covered in our lease agreement, following renewal in December 2023. We're scheduled for a walkthrough with the Senior Project Manager and the Building Management this month.
- Surplus property disposals continue as Excess Property Declarations are approved by DGS. We have also disposed of several vehicles and will be taking some to auction.
- We continue reconciling the inventory in preparation for the FY24 annual submission

D. INFORMATION TECHNOLOGY

- IT continues working with OLA on the IT portion of the Legislative Audit.
- IT is preparing Agency laptops for updates to the VPN software used to connect to our network and drafting an agency-wide notification.
- We are working with HR to recruit for vacant position in IT.
- IT is procuring new printers to replace outdated models used to print FMIS financial reports.
- We are meeting with Cisco representatives to plan upcoming changes to software and new features.
- IT is working with facilities on multiple office relocations and outfitting the offices with phones and new IT equipment.
- We are tracking compliance as the 2nd quarter of the Security Awareness Training comes to a close at the end of the month. We are on track 100% completion.

E. 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 – May 2024			
# of Orders	# of Packs	YTD Orders	YTD Packs
18,794	217,321	202,237	2,260,455

F. 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