

# 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 12, 2024

SUBJECT: Report for the November 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
<b>Current</b>				<b>Current</b>				<b>Current</b>			
10/31/23	4,353	10/31/24	4,311	10/31/23	7,083	10/31/24	7,147	10/31/23	444	10/31/24	452
<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>			
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
06/30/23	4,354	06/30/24	4,316	06/30/23	7,063	06/30/24	7,059	06/30/23	439	06/30/24	451
09/30/23	4,351	09/30/24	4,313	09/30/23	7,068	09/30/24	7,150	09/30/23	443	09/30/24	450

(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 1,973 full-service (PHD and PHDL) and 213 draw game-only (PEX) self-service terminals installed as of October 21.
- We continue working with Scientific Games on the April 2025 Mega Millions changes. The specification and play slip have been approved and development is underway.
- **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.
  - We have asked MS Technologies to provide six system upgrades, including transition to newer servers.

## C. FACILITIES

- We continue with projects to better utilize existing space and evaluate our needs for expansion. We are awaiting DGS feedback on two requests for additional space.

- Facilities continues to work with DGS and building management on construction projects, renovations and painting covered in our lease agreement. We are working with building management to schedule this work.
- EV Chargers have been installed on the Purple Lot for Agency use per the lease agreement.
- Surplus property disposals continue as Excess Property Declarations are approved by DGS.
- 2024 IRS Vehicle Fringe Value Calculation & Reporting Forms are due to be submitted to DBM by November 20th, 2024.

**D. INFORMATION TECHNOLOGY**

- We continue working with the Department of Public Safety and Correctional Services to replace their firewalls located at Lottery HQ and the casinos. Only one of the seven firewalls remain to be installed.
- IT is completing a system inventory survey for the State of Maryland’s Department of IT (DoIT).
- IT is working on migrating our virtual server infrastructure to a new server cluster.
- IT, Procurement and Security staff worked together to resolve some issues with the access control system.
- IT security staff are waiting for the final report for the IT Risk Assessment that was conducted by a third party.
- IT staff worked with Communications to successfully test our ability to conduct Agency drawings from the backup location.

**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.

<b>Warehouse Orders – October 2024</b>			
<b># of Orders</b>	<b># of Packs</b>	<b>YTD Orders</b>	<b>YTD Packs</b>
19,680	226,089	76,640	831,071

**F. PROCUREMENT**

The Procurement team continues to process procurement requests as expeditiously as possible. The team is training our new Procurement Officer Trainee, and he should be attending the MD Procurement Academy early in 2025 to receive his Certified Maryland Procurement Associate (CMPA) certification. The Procurement Department attended two SBR/MBE/VSBE outreach events to expand the list of potential subcontractors/vendors the Agency uses.

Below are some of the procurement matters that staff is currently working on:

- Lottery Central Monitoring and Control System (LCMCS) #2015-01. The current contract expires in May 2025. The Agency issued the RFP #2024-01 on July 19, 2024. The

Proposal due date has been extended from October 28, 2024 to November 25, 2024 to address several matters. The Agency has submitted documents to extend the current contract to May 2027 to DGS for approval and eventual submission to the BPW. The target date for BPW review is December 4, 2024.

- Advertising and Related Services RFP with two functional areas - Functional Area I- Creative Development, Production, Digital, Website and Research Services; and Functional Area II Media Planning and Buying Services. The current contract expires in June 2025. The Agency issued RFP #2023-07 on September 9. The Question and Answer period has concluded with questions and answers published in eMMA and on [mdgaming.com](http://mdgaming.com). Proposals are due November 15, 2024.
- Veteran's ITLM contract. The contract has been extended to November 2025. This is the full term of extension allowable under COMAR. The Agency will seek legislative action during the 2025 session in an effort to modernize the program and expand the field of potential Offerors. At that point an RFP will be written and issued.
- With respect to small contract procurements, the current list of procurements includes:
  - Temporary Personnel contract - Initial draft and background checks are underway.
  - Licensing system (eLicensing) maintenance contract - The Task Order RFP (TORFP) is under review by staff prior to release.

## **G. 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