

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: December 10, 2024

SUBJECT: Report for the December 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			
11/30/23	4,357	11/30/24	4,305	11/30/23	7,087	11/30/24	7,145	11/30/23	439	11/30/24	458
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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 1,972 full-service (PHD and PHDL) and 216 draw game-only (PEX) self-service terminals installed as of November 30.
- We continue working with Scientific Games on the April 2025 Mega Millions changes. Development is underway and printing playslips is scheduled.
- **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.
 - MS Technologies is working on 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 hope to get DGS feedback on two requests for additional space soon.

- Facilities continues to work with DGS and building management on construction projects, renovations and painting covered in our lease agreement.
- Surplus property disposals continue as Excess Property Declarations are approved by DGS.

D. INFORMATION TECHNOLOGY

- We completed the replacement of the final Department of Public Safety and Correctional Services firewalls that are located at Lottery HQ and casinos.
- IT completed the system inventory survey for the Department of IT (DoIT). In addition, IT also completed a Cybersecurity survey requested by DoIT.
- IT is continuing work on migrating our virtual server infrastructure to a new physical server cluster.
- The 2024 Quarter 4 Information Security training for all MLGCA staff is nearing completion, and will close on 12/27.
- IT and senior Lottery executives met with our new DoIT Portfolio Officer.
- IT is meeting with staff at MGM National Harbor to plan some technology moves related to a building construction project.

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 – November 2024			
# of Orders	# of Packs	YTD Orders	YTD Packs
16,510	192,264	93,150	1,023,335

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 on May 4, 2025. The Agency is pursuing a two-year extension to maintain and continue lottery operations while allowing time to complete the procurement process. The Agency issued RFP #2024-01 on July 19, 2024 and received a pre-proposal protest. No decision for award under the RFP has been made.

- 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 and is in the process of evaluating proposals.
- 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 scheduled for release in the coming weeks.

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

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