

# 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: January 14, 2025

SUBJECT: Report for the January 2025 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>			
12/31/23	4,350	12/31/24	4,307	12/31/23	7,078	12/31/24	7,148	12/31/23	437	12/31/24	449
<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>				<b>Quarterly Comparisons</b>			
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
12/31/23	4,350	12/31/24	4,307	12/31/23	7,078	12/31/24	7,148	12/31/23	437	12/31/24	449

(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 218 draw game-only (PEX) self-service terminals installed as of December 31.
- We continue working with Scientific Games on the April 2025 Mega Millions changes. Software is expected to be delivered for testing in mid-January.
- Testing is underway for enhanced Disaster Recovery features to minimize downtime during an incident.
- **eLicensing system updates:**
  - MS Technologies is working on six system upgrades, including transition to newer servers. Of these, four are in acceptance testing.

## C. FACILITIES

- We are working with Pollard and Scientific Games to conduct a pilot program with an alternative carrier to deliver a portion of our scratch ticket deliveries to retailers.

- Cross-training initiatives are ongoing, with employees from the Instant Ticket and Support Services teams being trained to back up the POS Warehouse operations, enhancing operational flexibility and efficiency.
- Progress is being made toward acquiring additional space to support the Instant Ticket Warehouse operations and to expand to a new office area to accommodate the Agency's growth.
- Facilities continues to work with DGS and building management on construction projects, renovations and painting covered in our lease agreement.

**D. INFORMATION TECHNOLOGY**

- IT completed the migration of the virtual infrastructure to the new hardware.
- IT is identifying Agency staff volunteers in preparation to test various applications and processes with Windows 11.
- We’re working on the recruitment for several positions.
- The 2024 Quarter 4 Information Security training for all MLGCA staff completed with 100% compliance. The 2025 Quarter 1 training began on January 6<sup>th</sup> and will run through March.
- IT is implementing a version update to the JIRA compliance ticket tracking system.
- IT attended a walkthrough of the facility with Procurement and Security staff for the surveillance and access control systems.
- We are working on purchasing some network switches to replace network equipment that is going end of life.

**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 – December 2024</b>			
<b># of Orders</b>	<b># of Packs</b>	<b>YTD Orders</b>	<b>YTD Packs</b>
16,660	237,068	109,810	1,260,403

**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 was extended for two years and now expires on May 2, 2027. This allows us to maintain and continue lottery operations while providing 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 ITLM program and expand the field of potential device Offerors. Parts of the RFP have been written, and it will be completed once the legislation has been finalized.
- The 2025 Ravens licensing agreement (Sole Source Contract) will be prepared during the January / February timeframe and ready for review at the end of the Ravens' 2024-2025 season.
- With respect to small contract procurements, the current list of procurements includes:
  - A Task Order RFP (TORFP) has been issued for a new access and surveillance system. Bids are expected within the next 30 days.
  - Temporary Personnel contract – Review of the available offerings is underway.
  - Licensing system (eLicensing) maintenance contract - The TORFP is scheduled for release in mid to late January.

## **G. COMMISSION ACTION ITEM – CONSENT AGENDA**

### *Assignment and Novation Agreement*

IGT Global Solutions Corporation is owned and controlled by International Game Technology PLC and holds the current Video Lottery Central Monitor and Control System contract #2021-06 (Contract) with the Commission. As part of a publicly announced merger and acquisition transaction that is expected to close later in 2025, IGT Global Solutions Corporation has requested that the Commission consent to the assignment of the Contract. The assignment would be to IGT, a Nevada corporation qualified to do business in Maryland as IGT, Inc. (Assignee), which is also under the control of International Game Technology PLC. The Assignee will assume all of the obligations of IGT Global Solutions Corporation under the Contract. The terms of the Contract may be enforced by the State and the Commission solely against the Assignee upon written notification from IGT Global Solutions Corporation of the assignment date. No other terms or conditions of the Contract will be changing.

It is requested that the Commission approve the transfer of the current contract to IGT to facilitate the planned merger and acquisition.

## **H. 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