

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Control Commission  
Gordon Medenica, Director

FROM: Gina M. Smith, Deputy Director/CFO

DIVISION: Administration, Finance and Operations

DATE: March 16, 2016

SUBJECT: Report for the March Commission Meeting

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## I. CUSTOMER RESOURCE CENTER

This is a status update of ongoing and special projects in Administration, Finance and Operations.

The Customer Resource Center is responsible for processing winner claims. The Lottery has two claim centers, one in Baltimore at the headquarters location and one in Lanham. In addition to processing winner claims, the claim centers are responsible for processing the W-2G paperwork for claims that were cashed by the agent plus locations. The Lottery has approximately 304 Expanded Cashing Authority Program (XCAP) locations that are authorized to cash up to \$5,000 in winnings. These locations, in turn submit completed claim forms to the Lottery so that the related W-2G can be processed. Data concerning the number of winners claims processed by the Lottery and the number of agent plus claim forms processed by the Lottery is noted below:

Location	YTD 07/1/15 to 01/31/2016	YTD 07/1/15 to 01/31/2016	February 2016	February 2016	YTD 07/01/15 to 02/29/16	YTD 07/01/15 to 02/29/16
	Count	Amount	Count	Amount	Count	Amount
Baltimore	3,382	\$ 5,562,336.30	432	\$896,936.60	3,814	\$6,459,272.90
Lanham	786	\$ 3,777,447.50	123	\$508,032.30	909	\$4,285,479.80
XCAP	26,372	\$51,840,218.15	3,186	\$6,015,302.25	29,558	\$57,855,520.40

**SUBSCRIPTIONS PROCESSED:**

The Lottery's Customer Resource Center is also responsible for processing subscriptions for Multi-Match and Mega Millions. Multi-Match subscriptions can be purchased for 26, 52 or 104 weeks for one to 3 games. Mega Millions subscriptions can be purchased for 26, 52 or 104 weeks for \$1 or \$2 per game. Data concerning subscriptions processed is noted below:

**Multi-Match** As of 07/6/15 – 7,657 As of 02/29/2016 – 7,746

	<b>YTD January 2015 Count</b>	<b>February 2016 Count</b>	<b>YTD 07/1/15 to 02/29/16 Count</b>
New Applications	703	155	858
Internet	519	82	601
Renewal	5,459	848	6,307

**Mega Millions** As of 07/03/15- 16,438 As of 02/26/2016 – 16,555

	<b>YTD January 2015 Count</b>	<b>February 2016 Count</b>	<b>YTD 07/1/15 to 02/29/16 Count</b>
New Applications	1,783	315	2,098
Internet	911	132	1,043
Renewal	7,728	1,188	8,916

	<b>YTD January 2015 Amount</b>	<b>February 2016 Amount</b>	<b>YTD 07/1/15 to 02/29/16 Amount</b>
Child Support	\$92,357.30	\$11,301.71	\$103,659.01
CCU Debts	\$501,868.56	\$101,365.52	\$603,234.08

## II. BUDGET

- **FISCAL YEAR 2015**

The majority of the FY 15 encumbrances and accruals have been moved back to FY 2015.

- **FISCAL YEAR 2016**

- **Fiscal Year 2016 Budget**

- Lottery - \$68,725,549
- VLT Special Fund - \$9,558,000
- VLT General Fund - \$24,861,449

- **FISCAL YEAR 2017**

The Senate Decision Hearing was held on March 10, 2015. The Subcommittee did not recommend to the full Committee any changes to our budget.

The House Decision Hearing is scheduled for March 17, 2015.

Unclaimed Prize Fund

Balance as of January 2016	\$3,169,099
Estimated increase in February, 2016	\$ 776,928
Estimated usage in February, 2016	<u>\$ 661,327</u>
Estimated balance as of February, 2016	\$3,284,700

## III. ACCOUNTING/FINANCE

- The January financial statements will be distributed at the March meeting.

## IV. PROCUREMENT

- During February a total of 59 new small procurements (up to \$25k) were initiated. Procurement works closely with all Divisions to support the Lottery's daily operations to include, but not limited to, procurement of printing of POS materials and various information sheets/brochures to support all games; promotional items, sponsorship agreements for events; and supplies/equipment for the Lottery's internal use, as well as the processing of all payments under \$5,000.00 using the State P-Card and monthly reconciliation of bank statement.
- Lottery Central Monitoring and Control System (#2015-01): RFP to obtain a Lottery Central Monitoring and Control System, and its implementation, operation and maintenance. The MLGCA is in the process of responding to numerous questions

that have been submitted by potential Offerors. Five sets of questions and answers containing 168 questions and five Amendments to the RFP have been issued so far. Answers to additional questions are pending. The Due Date for Receipt of Proposals has been extended until April 28, 2016.

- MBE/SBR Activities:

I. A summary of the Lottery's MBE participation including both Lottery and VLT operations is attached.

## V. HUMAN RESOURCES

- The Human Resources department is conducting training to prepare staff and managers for the implementation of the timekeeping component of Workday-State Personnel System to be implemented April 13, 2016.
- The Human Resources department is continuing its efforts to work with the Labor Management Committees to address labor related issues and enhance employee relations.
- HR is currently working with Hiring Managers having existing position vacancies to recruit and hire the most suitable candidates.

## VI. INFORMATION TECHNOLOGY

- Working with HR on the recruitment of a computer operator to replace an operator who resigned on 3/7/16.
- Planning for the upgrade of the Lottery's data circuit at MD Live to occur over the next several weeks. All Lottery circuits to the State's casinos will be upgraded in a phased approach.
- New LiveScan units purchased to capture gaming applicant's fingerprints for background checks. Implementation of the units requires a coordinated effort with the State's Department of Public Safety and Correctional Services, and the vendor. Install and configuration will occur when approval is granted by the State.
- Working with the State's department of IT to inventory and dispose of decommissioned hard drives.