

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

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

FROM: Gina M. Smith, Deputy Director/CFO

DIVISION: Administration, Finance and Operations

DATE: December 10, 2015

SUBJECT: Report for the December Commission Meeting

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 296 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 10/31/2015	YTD 07/1/15 to 10/31/2015	November 2015	November 2015	YTD 07/01/15 to 11/30/15	YTD 07/01/15 to 11/30/15
	Count	Amount	Count	Amount	Count	Amount
Baltimore	2,070	\$3,486,213.25	345	\$682,004.00	2,415	\$4,168,217.25
Lanham	487	\$2,459,700.90	88	\$429,118.20	575	\$2,888,819.10
XCAP	15,352	\$30,251,819.30	3,659	\$6,954,351.30	19,011	\$37,206,170.60

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 11/23/2015 – 7,011

	YTD October 2015 Count	November 2015 Count	YTD 07/1/15 to 11/30/15 Count
New Applications	276	69	345
Internet	181	44	225
Renewal	3,225	474	3,699

Mega Millions As of 07/03/15- 16,438 As of 11/27/2015 – 14,944

	YTD October 2015 Count	November 2015 Count	YTD 07/1/15 to 11/30/15 Count
New Applications	728	167	895
Internet	375	110	485
Renewal	3,871	1,232	5,103

	YTD October 2015 Amount	November 2015 Amount	YTD 07/1/15 to 11/30/15 Amount
Child Support	\$57,634.39	\$12,989.63	\$70,624.02
CCU Debts	\$275,034.58	\$76,759.41	\$351,793.99

Agent Administration

	07/01/2015	11/30/2015
# OF AGENTS	4,536	4,565
# OF AGENT TERMINALS	5,262	5,293
# XCAP RETAILERS	275	296

II. BUDGET

- **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**

Submitted the Fiscal Year 2017 Budget to DBM. DBM Budget Hearing was held on November 17th.

III. ACCOUNTING/FINANCE

- We have completed the October financial statements which will be distributed at the December meeting.

IV. PROCUREMENT

- During November a total of 43 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. This RFP, has been re-written to comply with DoIT's format and requirements, is now under final review and the target date for issuance of the RFP, subject to final approval from DoIT, is December 11, 2015.

- **MBE/SBR Activities:**

I. Procurement/MBE staff attended/are scheduled to attend the following events:

- 1) 2015 Supplier Diversity & Inclusion/Minority Enterprise Development Week City of Baltimore Procurement Fair held October 29, 2015 at the Baltimore Hilton hotel.
- 2) Minority Business Outreach Event held at Maryland Live Casino on December 2, 2015.
- 3) MBE Liaison Quarterly Training sponsored by GOMA held on December 4, 2015.

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

V. HUMAN RESOURCES

Human Resources Development:

- HR staff members have been receiving training for the upcoming enhancements to the State Personnel System scheduled to begin in March of 2016. The new enhancements will include a timekeeping component whereas employees will be able to submit their work schedules and leave requests electronically through the Workday cloud based system.
- HR is currently coordinating conflict resolution training for agency employees to assist which will be provided by the MD Commission on Civil Rights.

Upcoming initiatives:

- HR is working with the MD Charity Campaign and agency members have donated \$13,881.34 to date exceeding our goal by \$906.34. The campaign is open until December 18th for those who wish to donate on-line.
- HR is coordinating efforts with Montgomery Park and the Red Cross for donators for an onsite blood drive scheduled for January 13, 2016.

VI. WAREHOUSE

The instant ticket warehouse is responsible for packing all of the instant tickets that are shipped to lottery retailers. Orders are placed through our Tel Sell operation which is run by our on-line vendor. Once the order is placed, it is sent to the warehouse for fulfillment. Once fulfilled, the orders are shipped out through UPS for overnight delivery to the agent locations. In addition to fulfilling the orders, the warehouse is responsible for monitoring UPS to ensure proper billing and delivery. Instant ticket shipping activity is as follows:

# of orders	# of packs	YTD orders	YTD packs
November 2015	November 2015	7/1/15 – 11/30/15	7/1/15 – 11/30/15
13,868	164,136	70,930	769,270

VII. FACILITIES

- On-going monitoring of building service issues.
- Reviewing and updating security and safety items for the building.
- Working with building management to obtain cost estimates for internal build-out.

VIII. CONTRACT MANAGEMENT

- Lottery personnel continue to review and refine the On-Line RFP. The final review with the State Department of Information Technology was held on December 7th.
- Discussions are underway as to what functionality will be added to Phase 2 of the My Lottery Rewards App.
- SGI continues to work with Tabcorp to make additional modifications to the Racetrax graphics to make them easier to see on the screen.
- Work on the Multi-State Keno Progressive Jackpot has been placed on hold due to conflicts in scheduling for Maryland and the partner states.
- MS Technologies continues to work on e-Licensing Systems. Priority 2 work, renewals for Gaming and Non-Gaming licenses, has been completed. Work on Priority 3 items is scheduled to be completed with the next 4 week. Work on Priority 4 items is underway.

- Lottery testing for of the Cash4Life game began on November 30, 2015. Several minor issues have been found during testing and have fixes either already implemented or scheduled to be implemented with the next several days.
- Version 7 of the Sales Force Automation tool, OnePlace, was rolled out on October 30, 2015. The Lottery is conducting training for the Sales Team on the new features and functionality in Version 7.

IX. INFORMATION TECHNOLOGY

- Working with IGT and SGI to integrate MD into IGT's Retailer Management Insights (RMI) business intelligence application. The service is being offered to all Lotteries at no cost, and will be used for sales analysis utilizing data from all participating US Lotteries.
- OnePlace, our CRM (Customer Resource Management) application migrated to Lottery hardware on 12/9.
- EasyLoby visitor management software and associated hardware has been procured and delivered. Set up, training, and deployment is in progress.