

# 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: February 18, 2016

SUBJECT: Report for the February 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 301 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 12/31/2015	YTD 07/1/15 to 12/31/2015	January 2016	January 2016	YTD 07/01/15 to 01/31/16	YTD 07/01/15 to 01/31/16
	Count	Amount	Count	Amount	Count	Amount
Baltimore	2,866	\$ 4,804,570.10	516	\$757,766.20	3,382	\$5,562,336.30
Lanham	693	\$ 3,362,661.20	93	\$414,786.30	786	\$3,777,447.50
XCAP	22,395	\$43,404,065.20	3,977	\$8,436,152.95	26,372	\$51,840,218.15

**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 01/25/2016 – 7,799

	<b>YTD December 2015 Count</b>	<b>January 2016 Count</b>	<b>YTD 07/1/15 to 01/31/16 Count</b>
New Applications	550	153	703
Internet	342	177	519
Renewal	4,416	1,043	5,459

**Mega Millions** As of 07/03/15- 16,438 As of 01/29/2016 – 16,816

	<b>YTD December 2015 Count</b>	<b>January 2016 Count</b>	<b>YTD 07/1/15 to 01/31/16 Count</b>
New Applications	1,392	391	1,783
Internet	730	181	911
Renewal	6,499	1,229	7,728

	<b>YTD December 2015 Amount</b>	<b>January 2016 Amount</b>	<b>YTD 07/1/15 to 1/31/16 Amount</b>
Child Support	\$83,471.30	\$8,886.00	\$92,357.30
CCU Debts	\$427,539.19	\$74,329.37	\$501,868.56

## **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 Budget hearing was held on February 11<sup>th</sup> at 1:00 pm. The House Budget hearing was held on February 18<sup>th</sup> at 1:00 pm.

## **III. ACCOUNTING/FINANCE**

- The December financial statements will be distributed at the February meeting.

## **IV. PROCUREMENT**

- During January a total of 51 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. Four sets of questions and answers containing 136 questions and three Amendments to the RFP have been issued so far. Answers to additional questions are pending.

- Instant Ticket Vending Machines (“ITVMs”) and Related Services Contract (#2008-26) with GTECH Corporation: Contract to provide, distribute, install, maintain and relocate up to 1,000 new ITVMs to be located at Retailer locations throughout the State. The original Contract included five 1-year Renewal Options for maintenance and repair services. Renewal Options #1 and 2 were previously exercised with expiration February 28, 2016. The exercise of Renewal Option #3 with the term 3/1/2016 – 2/28/2017 in the amount of \$1,590,000 to provide for the continuing maintenance and repair of the ITVMs currently in operation at Retailer locations was approved by the BPW on its February 10, 2016 Agenda.

- 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 currently working with DBM to roll out online tutorial on onsite training for managers and employees on the new personnel functions in the Workday system which will impact employees statewide.
- 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

- Completed first draft of the task order request for proposal (TORFP) to procure Splunk implementation services. Splunk is an application utilized for searching, monitoring, reporting, and analyzing machine-generated big data, via a web-style interface. After procurement department review, it will be forwarded to DoIT for approval.
- EasyLobby (visitor management software) configurations are complete, and the system has been successfully placed into operation.