

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Commission
John Martin, Director

FROM: James Nielsen, Deputy Director/COO

DATE: May 14, 2024

SUBJECT: Report for the May 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			
04/30/23	4,358	04/30/24	4,323	04/30/23	7,066	04/30/24	7,076	04/30/23	430	04/30/24	441
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
06/30/22	4,377	06/30/23	4,354	06/30/22	7,047	06/30/23	7,063	06/30/22	436	06/30/23	439
09/30/22	4,369	09/30/23	4,351	09/30/22	7,032	09/30/23	7,068	09/30/22	442	09/30/23	443
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

(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 1,865 full-service (PHD and PHDL) and 222 draw game-only (PEX) self-service terminals installed as of April 30.
- April 22, 2024 - Launched Big Spin -a scratch-off game with a unique display at retail for a number of prize tiers.
- Continued multi-departmental work on Cash Pop, a new game with drawings four times a day and a matrix of just 15 numbers. Cash Pop launched on May 6.
- **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.
 - We have requested updates be made on the Invoice generated by eLicensing for Principal licensee billing.

C. FACILITIES

- Several projects continue to better utilize existing space.
- Facilities continues working with DGS on construction projects and renovations covered in our lease agreement, following renewal in December 2023.
- Surplus property disposals continue as Excess Property Declarations are approved by DGS.
- We continue reconciling the inventory in preparation for the FY24 annual submission
- Facilities staff, as well as representatives from across the Agency are participating in training so we can update Records Retention policies and procedures.

D. INFORMATION TECHNOLOGY

- IT continues working with OLA on the IT portion of the Legislative Audit.
- IT worked with the Multistate Lottery (MUSL) Auditors on the IT portion of the biennial MUSL review.
- Deployment of the new tablets provided by Scientific Games for the District Managers is now complete.
- Revision to the IT Disaster Recovery Plan is complete and ready for peer review. A tabletop exercise will be scheduled and performed in the near future.
- We have upgraded the agency firewall operating systems to mitigate a recently announced software vulnerability.
- MLGCA IT operations unit worked with the Internal Control System (ICS) vendor on software testing of the new Cash Pop game to ensure that the sales balance and winner information is accurate.
- IT is working with vendors to replace the security certificates on various apps and websites.

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 – April 2024			
# of Orders	# of Packs	YTD Orders	YTD Packs
19,063	224,918	183,443	2,043,134

F. 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