

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Commission
Gordon Medenica, Director

FROM: James Nielsen, Assistant Deputy Director/COO

DATE: December 4, 2018

SUBJECT: Report for the December 2018 Commission Meeting

GAMING

See attached report from James Logue, Managing Director

REGULATORY OVERSIGHT

See attached report from John Mooney, Managing Director

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 | | | |
|------------------------------|-------|----------|-------|------------------------------|-------|----------|-------|------------------------------|-------|----------|-------|
| Date | Count | Date | Count | Date | Count | Date | Count | Date | Count | Date | Count |
| Current | | | | Current | | | | Current | | | |
| 11/30/17 | 4,482 | 11/30/18 | 4,368 | 11/30/17 | 5,440 | 11/30/18 | 5,718 | 11/30/17 | 361 | 11/30/18 | 350 |
| Quarterly Comparisons | | | | Quarterly Comparisons | | | | Quarterly Comparisons | | | |
| 12/31/16 | 4,512 | 12/31/17 | 4,485 | 12/31/16 | 5,241 | 12/31/17 | 5,444 | 12/31/16 | 335 | 12/31/17 | 363 |
| 03/31/17 | 4,500 | 03/31/18 | 4,454 | 03/31/17 | 5,434 | 03/31/18 | 5,375 | 03/31/17 | 342 | 03/31/18 | 372 |
| 06/30/17 | 4,496 | 06/30/18 | 4,446 | 06/30/17 | 5,427 | 06/30/18 | 5,205 | 06/30/17 | 345 | 06/30/18 | 343 |
| 09/30/17 | 4,492 | 09/30/18 | 4,369 | 09/30/17 | 5,431 | 09/30/18 | 5,677 | 09/30/17 | 355 | 09/30/18 | 356 |

CONTRACT MANAGEMENT

- Release 3.5 was successfully installed by Scientific Games on 11/15/2018. Additional enhancements for year-end reporting are now in User Acceptance Testing for a scheduled December install and Release 4 is being planned.

- Enhancements to the gemIntelligence (Sales Force Automation) and gemOffice (Licensing) applications are being prioritized, developed, and tested for a December installation.
- Installations of the new draw-game-only self-service terminals are now in progress.
- MS Technologies continues to work on e-Licensing Systems improvements. Testing of Priority 6 changes continues.

FACILITIES

- We are working with building management on several construction projects.
- Completed partial inventory of agency property.
- Ordered two replacement vehicles for Sales staff.

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 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 the retailer locations. In addition to filling the orders, the warehouse is responsible for monitoring UPS to ensure proper billing and timely delivery.

The warehouse, TelSell, and UPS will be closed for several days during the holiday season. On a number of days TelSell will be taking double and even triple orders from retailers to assure adequate inventory.

| | |
|-----------------------|-----------------------|
| <u>Double Orders:</u> | <u>Triple Orders:</u> |
| 12/19/2018 | 12/17/2018 |
| 12/20/2018 | 12/18/2018 |
| 12/21/2018 | |

| # of Orders | # of Packs | YTD Orders | YTD Packs |
|----------------------|------------|--------------------------|-----------|
| November 2018 | | 7/1/18 – 11/30/18 | |
| 11,112 | 161,195 | 71,226 | 872,845 |