

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: January 15, 2019

SUBJECT: Report for the January 2019 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 | | | |
| 12/31/17 | 4,485 | 12/31/18 | 4,346 | 12/31/17 | 5,444 | 12/31/18 | 5,710 | 12/31/17 | 363 | 12/31/18 | 344 |
| Quarterly Comparisons | | | | Quarterly Comparisons | | | | Quarterly Comparisons | | | |
| 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 |
| 12/31/17 | 4,485 | 12/31/18 | 4,346 | 12/31/17 | 5,444 | 12/31/18 | 5,710 | 12/31/17 | 363 | 12/31/18 | 344 |

CONTRACT MANAGEMENT

- Currently identifying and prioritizing software enhancements for the next lottery central system release as well as gemIntelligence (Sales Force Automation) and gemOffice (Licensing) applications.
- Draw-game-only self-service terminals installations continue with nearly 40 installed to date.

- Redesigned MDLottery.com website launched January 14 on Scientific Games provided servers.
- MS Technologies continues to work on e-Licensing Systems improvements. Testing of Priority 6 changes continues.

FACILITIES

- Waiting for DGS to approve disposal of three vehicles following accidents.
- Continue updating and verifying Agency inventory.

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

| # of Orders | # of Packs | YTD Orders | YTD Packs |
|----------------------|------------|--------------------------|-----------|
| December 2018 | | 7/1/18 – 12/31/18 | |
| 14,773 | 197,541 | 93,460 | 1,124,461 |