TO: Maryland Lottery and Gaming Commission
Gordon Medenica, Director

FROM: James Nielsen, Assistant Deputy Director/COO

DATE: June 18, 2019

SUBJECT: Report for the June 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**			
05/31/18	4,448	05/31/19	4,363		05/31/18	5,113	05/31/19	6,080		05/31/18	370	05/31/19	370
Quarterly Comparisons					**Quarterly Comparisons**					**Quarterly Comparisons**			
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
03/31/18	4,454	03/31/19	4,384		03/31/18	5,375	03/31/19	5,842		03/31/18	372	03/31/19	362

CONTRACT MANAGEMENT

- Cash4Life daily draw user acceptance testing began with a planned deployment later this month.

- New releases for gemIntelligence (District Manager sales tool) and gemOffice (Retailer licensing) are being tested prior to deployment in June.

- Scientific Games has purchased Microsoft Surface tablets for District Manager's to use with the GemIntelligence application.

- Scratch game only (ITVM) and the older version of the full-service (PAT) self-serve terminals removals continue. All PATs will be removed by the end of June.

- There are now a total of 861 full-service self-serve terminals (PHDs) installed as of May 31.

- Draw-game-only self-service terminal (PEX) installations continued with 151 installed as of May 31.

- MS Technologies continues to work on e-Licensing Systems improvements, including providing several new application types.

FACILITIES

- Repairs continue on the concrete façade of Montgomery Park.

- We began weekly meetings with building management in an effort to get several projects moving.

- New vans were received for the Sales department.

- Electrical work being done in the warehouse and on the 3rd floor.

- Shredding contract approved for Iron Mountain

- Waiting for approval to dispose of surplus furniture, equipment, and Slot Machines

WAREHOUSE

The instant ticket warehouse is responsible for packing all of the instant tickets that are 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.

# of Orders	# of Packs	YTD Orders	YTD Packs
May 2019		**7/1/18 – 05/31/19**	
16,447	204,493	172,501	2,103,246