

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Commission
Gordon Medenica, Director

FROM: James Nielsen, Assistant Deputy Director/COO

DATE: August 20, 2019

SUBJECT: Report for the August 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			
06/30/18	4,446	06/30/19	4,385	06/30/18	5,205	06/30/19	6,131	06/30/18	361	06/30/19	362
07/31/18	4,385	07/31/19	4,387	07/31/18	5,589	07/31/19	6,226	07/31/18	359	07/31/19	372
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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
06/30/18	4,446	06/30/19	4,385	06/30/18	5,205	06/30/19	6,131	06/30/18	361	06/30/19	362

CONTRACT MANAGEMENT

- Cash4Life with daily drawings went on sale July 1 without issue. Sales have been strong so far.

- New releases for GMS, gemIntelligence (District Manager sales tool) and gemOffice (Retailer licensing) were deployed.
- Scientific Games has provided Microsoft Surface tablets to District Managers to use with the GemIntelligence application.
- We continue to remove old style vending machines (ITVMs) and the older version of the full-service (PAT) self-serve terminals. All PATs were removed by the end of June and the last ITVMs will be out by the end of August.
- There are now 1,034 full-service self-serve terminals (PHDs) installed as of July 31.
- Draw-game-only self-service terminal (PEX) installations continued with 172 installed as of July 31.
- Analytical security software (SAS) successfully deployed as part of the Lottery Central System.
- MS Technologies continues to work on e-Licensing Systems improvements. The Certified and Registered Vendor forms are in the final stages of being development. Testing has been ongoing by licensing staff throughout the process.

FACILITIES

- Repairs continue on the concrete façade of Montgomery Park.
- We continue weekly meetings with building management in an effort to get several projects moving. Carpet cleaning is scheduled for August.
- A new minivan was received for the Facilities pool.
- New phones for use with the VOIP telephone system were received.
- A meeting is scheduled for August to review the features of a new inventory system for Point of Sales materials.

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
June 2019		7/1/18 – 06/30/19	
13,967	172,853	186,468	2,276,099
July 2019		7/1/19 – 07/31/19	
15,562	188,374	15,562	188,374