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: September 13, 2019

SUBJECT: Report for the September 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**			
08/31/18	4,350	08/31/19	4,388		08/31/18	5,704	08/31/19	6,324		08/31/18	358	08/31/19	382
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

- All old style vending machines (ITVMs) and the older version of the full-service self-serve terminals (PAT) have now been removed from the field.
- There are 1,119 full-service self-serve terminals (PHDs) installed as of August 31.

- Draw-game-only self-service terminal (PEX) installations continued with 184 installed as of August 31.
- Draw Tickets have been redesigned to improve the readability for players.
- Acceptance testing for a new GemEnterprize release with fixes, enhancements, and improvements continue.
- Testing of a new GemOffice release was also completed with a planned implementation in early September.
- New Keno screens with seasonal themes are in the approval process.
- FastPlay software development has begun with a planned launch in the first quarter of 2020.
- MS Technologies continues to work on e-Licensing Systems improvements. The Certified and Registered Vendor forms are in the final stages of development. Testing has been ongoing by licensing staff throughout the process.

FACILITIES

- Repairs on the concrete façade of Montgomery Park have been temporarily halted while additional permits are acquired.
- Carpet cleaning was completed in August.
- A new inventory system for Agency furniture and equipment is up and running.
- Eight vans are to be disposed of during September as a result of high mileage or accidents. Two vans were involved in accidents in August, but our drivers were not at fault.
- FY 2019 Inventory reports were completed and submitted to DGS.

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
August 2019		7/1/19 – 08/31/19	
15,251	181,253	30,813	369,627