

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: January 14, 2020

SUBJECT: Report for the January 2020 Commission Meeting

GAMING

See separate report from James Logue, Managing Director

REGULATORY OVERSIGHT

See separate 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			
12/31/18	4,346	12/31/19	4,375	12/31/18	5,710	12/31/19	6,453	12/31/18	344	12/31/19	373
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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
09/30/18	4,361	09/30/19	4,379	09/30/18	5,677	09/30/19	6,347	09/30/18	356	09/30/19	377
12/31/18	4,346	12/31/19	4,375	12/31/18	5,710	12/31/19	6,453	12/31/18	344	12/31/19	373

CONTRACT MANAGEMENT

- There are 1,229 full-service (PHD and PHDL) and 216 draw game-only (PEX) self-service terminals installed as of December 31.
- A new gemOffice release was delivered and we began UAT testing on December 10.
- Scientific Games began system testing on the new Fast Play games. UAT to follow.

- A network security penetration test was completed on Scientific Games systems to identify vulnerabilities; results were favorable.
- New Keno screens with seasonal themes continue to be developed, approved and deployed. Many have been modified to accommodate the upcoming Keno kicker promotion in which 21 winning numbers are drawn.
- MS Technologies has requested that a number of features be tested prior to installation so that billing can commence.
- As of December 16, 2019, paper applications were no longer accepted from Vendor applicants or Casinos, and all Vendor forms were required to be submitted via the eLicensing system. MLGCA staff are providing assistance to various casinos to help with the new process.

FACILITIES

- Awaiting building management's schedule for closing off the air dampers, repairing the loading dock, replacing warehouse and office lights with LED lighting and painting doors and columns.
- January starts the agency wide Asset / Materials 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 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
December 2019		7/1/19 – 12/31/19	
16,594	226,896	93,148	1,158,128

This represents a 3% increase in packs shipped year over year.