

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: February 18, 2020

SUBJECT: Report for the February 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			
01/31/19	4,381	01/31/20	4,361	01/31/19	5,766	01/31/20	6,435	01/31/19	348	01/31/20	386
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

- User Acceptance Testing for the new Fast Play game category began in January leading up to a very smooth launch on February 10.
- There are 1,227 full-service (PHD and PHDL) and 217 draw game-only (PEX) self-service terminals installed as of January 31.

- A new gemOffice release containing fixes and enhancements was deployed on January 17.
- Final testing has begun on a number of features in the eLicensing system. We hope to complete all testing by the end of June.

FACILITIES

- A number of tenants met with building management to discuss concerns about the law enforcement task force that will be moving into Montgomery Park. We discussed parking, enhancing building security, access to loading docks, etc.
- The air dampers that were causing cold drafts in Product Development have been sealed. Awaiting building management’s schedule for repairing the loading dock, replacing warehouse and office lights with LED lighting, restroom renovations and painting doors and columns.
- Two vehicles were sold at auction.
- The agency wide Asset / Materials inventory is underway.

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
January 2020		7/1/19 – 01/31/20	
16,537	197,659	109,685	1,355,787

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