

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: August 11, 2016

SUBJECT: Report for the August 2016 Commission Meeting

GAMING

See attached report from Charles LaBoy, Managing Director

REGULATORY OVERSIGHT

See attached report from John Mooney, Managing Director

AGENT ADMINISTRATION

	07/01/2015	07/01/16	07/31/16
# OF RETAILERS	4,536	4,539	4,527
# OF RETAILER TERMINALS	5,262	5,274	5,263
# XCAP RETAILERS	275	307	313

Note that the retailer count decreased by 12 locations during July.

CONTRACT MANAGEMENT

- The RFP for the Lottery central system was issued on December 10, 2015. The Pre-Proposal Conference was held on January 7, 2016 with all three of the major vendors as well as a number of MBEs attending. In February we increased the minority business participation goal from 15% to 20% and extended the proposal due date by eight weeks to April 28, 2016 to allow bidders time to adjust their proposals. The committee made its recommendation to the Director on August 11. The selection will be discussed with the Commission at the August 17 meeting and a contract with the selected offeror will be submitted to DoIT and the Board of Public Works for review and approval.
- Development and testing of Phase 2 of the My Lottery Rewards App continues, primarily related to e-playslips and the retailer locator capabilities. Some features are ready for deployment, while others are being modified to improve the customer experience.

- Tabcorp installed one batch and has delivered another round of updates to the Racetrax game for testing. Tabcorp and SGI are developing a timeline for delivery of additional changes requested by MLGCA.
- MS Technologies continues to work on e-Licensing Systems improvements. We are testing a final component of Priority 4 involving Principal applications as well as Priority 5 work, with a targeted completion of September 1, 2016. Additional enhancements are being worked on as part of Priority 6. We are also cooperating with the Medical Cannabis Commission to provide them with our licensing system.
- A team has been established to work with several other lottery jurisdictions (GA, MI, OH, MO) on the possible launch of an add-on wager for Keno - a multistate progressive jackpot offering. If there are no technical or contractual impediments, the feature could be launched in the second or third quarter of 2017.
- In late June the Maryland Lottery received notice that our testing process had been verified by the North American Association of State and Provincial Lotteries Standards Initiative (NSI) Certification and Verification Program. The verification shows that Maryland has adopted NSI Best Practices and Technical Standards for gaming software.

FACILITIES

- Montgomery Park has made some progress in adding security features. They have installed additional surveillance cameras, several No Trespassing signs, and are replacing a number of stairwell doors. They are also repairing some parking areas where large potholes have developed.

WAREHOUSE

The instant ticket warehouse is responsible for packing all of the instant tickets that are shipped to lottery retailers. Orders are placed through our Tel Sell operation which is operated by our on-line vendor. Once an order is placed, it is sent to the warehouse for fulfillment. Fulfilled orders are shipped via UPS for next day delivery to the retailer locations. In addition to filling the orders, the warehouse is responsible for monitoring UPS to ensure proper billing and timely delivery. Instant ticket shipping activity is as follows:

# of Orders June 2016	# of Packs June 2016	YTD Orders 7/1/15 – 6/30/16	YTD Packs 7/1/15 – 6/30/16
15,089	170,219	170,361	1,929,066

# of Orders July 2016	# of Packs July 2016	YTD Orders 7/1/16 – 7/31/16	YTD Packs 7/1/16 – 7/31/16
13,206	143,939	13,206	143,939