

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: June 14, 2016

SUBJECT: Report for the June 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	05/31/16
# OF RETAILERS	4,536	4,540
# OF RETAILER TERMINALS	5,262	5,273
# XCAP RETAILERS	275	300

In addition to processing applications for new locations and change of ownerships, Agent Administration worked with the Sales Department and Legal to finalize an updated version of the retailer application which is now available online. The new version is a fillable PDF that requires applicants to complete each section before proceeding to the next, reducing the number of incomplete submissions. It is also available as a hard copy for those retailers unable to complete the online version. Note that the retailer count decreased by 11 locations during May as a result of retailer churn.

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 run by our on-line vendor. Once the 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	# of packs	YTD orders	YTD packs
April 2016	April 2016	7/1/15 – 05/31/16	7/1/15 – 05/31/16
12,453	158,755	155,274	1,743,682

FACILITIES

- Several No Trespassing signs are being added or relocated to make individuals approaching the property aware of video surveillance. Installation has also begun for additional cameras to provide better coverage of various parking areas.

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. Proposals were received on April 28, 2016 and the evaluation committee is in the process of reviewing them.
- Phase 2 of the My Lottery Rewards App continues to be tested by staff. Third party App vendors are working to integrate e-playslip functionality and ticket checking capabilities.
- Tabcorp has delivered further updates to the Racetrax game. 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. Lottery testing of Priority 4 and 5 work has been slightly delayed but should be completed by the end of June. Priority 6 development is continuing.