

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: December 12, 2017

SUBJECT: Report for the December 2017 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			
Date	Count	Date	Count
Current			
11/30/16	4,518	11/30/17	4,482
Quarterly Comparisons			
12/31/15	4,560	12/31/16	4,512
03/31/16	4,549	03/31/17	4,500
06/30/16	4,539	06/30/17	4,496
09/30/16	4,532	09/30/17	4,492

Total Retailer Terminals			
Date	Count	Date	Count
Current			
11/30/16	5,247	11/30/17	5,440
Quarterly Comparisons			
12/31/15	5,290	12/31/16	5,241
03/31/16	5,281	03/31/17	5,434
06/30/16	5,274	06/30/17	5,427
09/30/16	5,260	09/30/17	5,431

XCAP Retailers			
Date	Count	Date	Count
Current			
11/30/16	332	11/30/17	361
Quarterly Comparisons			
12/31/15	301	12/31/16	335
03/31/16	303	03/31/17	342
06/30/16	307	06/30/17	345
09/30/16	322	09/30/17	355

CONTRACT MANAGEMENT

- Conversion planning and status meetings continue. Lottery review of multiple specifications are ongoing and many have been approved by the Lottery. Twenty five pilot retailers are fully operational with new terminals, monitors, and upgraded cellular connectivity. Retailer training rallies are on schedule and feedback has been positive. The gemIntelligence Sales Force Automation software was successfully launched November 15. A vendor to perform the NIST assessment has been identified and planning meetings are scheduled to begin mid-December. Preliminary discussions with GLI, the third party UAT testing vendor, are also scheduled to begin mid-December. Deliverables documentation

continues to be developed, reviewed, and approved in anticipation of an on-time delivery of all required documents.

- MS Technologies continues to work on e-Licensing Systems improvements. A group of Priority 6 changes are being tested by staff.

FACILITIES

- Working to schedule painting of the support pillars to be followed by carpet replacement.
- Staff continue working with IT to develop the capability to use bar-coded labels and a scanner to automate our equipment inventory process.
- Ordering seven new vehicles and selling eight to update the fleet.
- New phones are being distributed to the Sales staff to permit texting and emails with retailers.
- Bid documents have been prepared to refit the instant ticket warehouse prior to installation of the instant ticket sorter being delivered as part of the SGI Central System contract. New larger shelving units, pallet jacks and a forklift will be acquired.

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 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 the 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
November 2017		7/1/17 – 11/30/17	7/1/17 – 11/30/17
15,333	185,747	76,144	982,032

Year to date, we have shipped 179,000 more packs than last fiscal year.