

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: June 20, 2017

SUBJECT: Report for the June 2017 Commission Meeting

GAMING

See attached report.

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				Total Retailer Terminals				XCAP Retailers			
Date	Count	Date	Count	Date	Count	Date	Count	Date	Count	Date	Count
Current Month											
05/31/16	4,540	05/31/17	4,492	05/31/16	5,273	05/31/17	5,428	05/31/16	300	05/31/17	342
Quarterly Comparisons											
06/30/15	4,536	06/30/16	4,539	06/30/15	5,262	06/30/16	5,274	06/30/15	275	06/30/16	307
09/30/15	4,564	09/30/16	4,532	09/30/15	5,293	09/30/16	5,260	09/30/15	300	09/30/16	322
12/31/15	4,560	12/31/16	4,512	12/31/15	5,290	12/31/16	5,241	12/31/15	301	12/31/16	335
03/31/16	4,549	03/31/17	4,500	03/31/16	5,281	03/31/17	5,434	03/31/16	303	03/31/17	342

CONTRACT MANAGEMENT

- A conversion kick-off meeting was held and there have been a number of fact-finding discussions between SGI and various Lottery department. Regular planning and status meetings have begun. Initial requirements gathering sessions have been completed for the following: Back Office processes, financial processes, SciTrak Instant Ticket Inventory system (TelSell, Warehouse, Sorter), Monitor Games, GemIntelligence (Sales Force Automation), InFuse (Business Intelligence).

- MS Technologies continues to work on e-Licensing Systems improvements. Priority 5 changes have been released to Production. Additional enhancements are being developed as part of Priority 6.

FACILITIES

- Building management has identified a number of changes to the HVAC system to address temperature fluctuations and is in the process of selecting vendors for the equipment needed. Painting and carpet replacement will be completed in the coming months.
- Staff continue working with IT to develop the capability to use bar-coded labels and a scanner to automate our equipment inventory process.

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.

Instant ticket shipping activity is as follows. Year to date shipments are 145,000 packs (8.08%) over last year.

# of Orders May 2017	# of Packs May 2017	YTD Orders 7/1/16 – 5/31/17	YTD Packs 7/1/16 – 05/31/17
16,817	209,724	166,767	1,942,683

STAFFING

We have begun the process of recruiting a replacement for Charles LaBoy, the Managing Director for Gaming and hope to begin interviews shortly.