

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 19, 2018

SUBJECT: Report for the June 2018 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				Total Retailer Terminals				XCAP Retailers			
Date	Count	Date	Count	Date	Count	Date	Count	Date	Count	Date	Count
Current				Current				Current			
05/31/17	4,492	05/31/18	4,448	05/31/17	5,428	05/31/18	5,113	05/31/17	342	05/31/18	352
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
06/30/16	4,539	06/30/17	4,496	06/30/16	5,274	06/30/17	5,427	06/30/16	307	06/30/17	345
09/30/16	4,532	09/30/17	4,492	09/30/16	5,260	09/30/17	5,431	09/30/16	322	09/30/17	355
12/31/16	4,512	12/31/17	4,485	12/31/16	5,241	12/31/17	5,444	12/31/16	335	12/31/17	363
03/31/17	4,500	03/31/18	4,454	03/31/17	5,434	03/31/18	5,375	03/31/17	342	03/31/18	372

CONTRACT MANAGEMENT

- Seven weeks after conversion, operations continue to become systematic and routine. Staff is now involved in regular day to day operations and we are identifying changes that can improve the user experience for all of our stakeholders – staff, retailers and players. Software enhancements are being prioritized and staged in releases. Each enhancement will provide additional functionality and streamline workflows.

We also began statewide deployment of new self-service draw game and scratch ticket vending machines and have completed about 70% of the initial 250 unit roll-out. Preliminary feedback from players has been very positive.

- MS Technologies continues to work on e-Licensing Systems improvements. Another group of Priority 6 changes are being tested by staff and we will be meeting with MST to discuss the results.

FACILITIES

- Carpet replacement will be completed this month.
- The remaining equipment from our Lanham office has been removed.
- Three surplus vehicles have been taken to auction for disposal.

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.

The automated order sorting system has been installed, tested and put into operation in our warehouse and we are already seeing the benefit it will bring in terms of larger volume, greater accuracy and efficiency. Most of the new pallet racks were installed and the remainder will be installed over the next three weeks.

# of Orders	# of Packs	YTD Orders	YTD Packs
May 2018		7/1/17 – 05/31/18	7/1/17 – 05/31/18
14,967	170,375	167,446	2,142,113

Year to date, we have shipped 199,000 more packs than last fiscal year.