

# 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: May 16, 2017

SUBJECT: Report for the May 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
<b>Current Month</b>											
04/30/16	4,551	04/30/17	4,500	04/30/17	5,286	03/31/17	5,427	04/30/16	305	04/30/17	342
<b>Quarterly Comparisons</b>											
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

- The RFP for the Lottery central system process has concluded. Both the extension of the current contract with SGI and the new contract resulting from the 2015 RFP have been approved by BPW and signed. We already had an informal meeting with the team of Project Managers SGI will provide and we are gearing up for regular planning and status meetings. The conversion is scheduled to be completed no later than April 2018.

- MS Technologies continues to work on e-Licensing Systems improvements. Priority 5 testing continues and additional enhancements are being developed as part of Priority 6.

**FACILITIES**

- Building management continues planning efforts to implement some short term fixes to address HVAC issues, and has a consultant identifying longer term improvements to the existing system. Painting and carpet replacement are being scheduled for the coming months.
- We experienced a number of vehicle issues in April, including 2 that were totaled in accidents and several taken out of service due to the cost of needed repairs exceeding the value of the vehicle.
- Staff is 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 nearly 120,000 packs (7.46%) over last year.

<b># of Orders April 2017</b>	<b># of Packs April 2017</b>	<b>YTD Orders 7/1/16 – 4/30/17</b>	<b>YTD Packs 7/1/16 – 04/30/17</b>
15,146	179,687	149,950	1,732,959

**STAFFING**

Our new Director of Contract Management, George Hanson, who will oversee the conversion and ongoing operations of the new LCMCS started on May 10<sup>th</sup>.

We have begun the process of recruiting a replacement for Charles LaBoy, the Managing Director for Gaming.