

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: November 9, 2017

SUBJECT: Report for the November 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			
10/31/16	4,525	10/31/17	4,485
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			
10/31/16	5,253	10/31/17	5,441
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			
10/31/16	326	10/31/17	357
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 submitted specifications are underway in multiple areas. Phase 1 testing of new terminals is complete. Initial training of "Pilot" retailers successfully completed with positive retailer feedback and the first pilot location with a new Wave terminal was installed on Monday November 6th. The "sandbox" version of new Sales Force Automation software is undergoing extensive testing for a planned launch on November 15. Deliverables documentation continues to be developed, reviewed, and signed off in anticipation of an on-time delivery of all required documents.

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

FACILITIES

- Working to schedule carpet replacement now that the painting has been completed.
- 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 have been ordered for the Sales staff to permit texting and emails with retailers.
- Preparing bid documents 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
October 2017		7/1/17 – 10/31/17	7/1/17 – 10/31/17
15,638	192,658	60,811	796,285

Year to date, we have shipped 168,000 more packs than last fiscal year.