

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: October 16, 2018

SUBJECT: Report for the October 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			
09/30/17	4,492	09/30/18	4,369	09/30/17	5,431	09/30/18	5,677	09/30/17	355	09/30/18	356
Quarterly Comparisons				Quarterly Comparisons				Quarterly Comparisons			
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
06/30/17	4,496	06/30/18	4,446	06/30/17	5,427	06/30/18	5,205	06/30/17	345	06/30/18	343
09/30/17	4,492	09/30/18	4,369	09/30/17	5,431	09/30/18	5,677	09/30/17	355	09/30/18	356

CONTRACT MANAGEMENT

- User Acceptance Testing was completed for a new release and installation was partially completed on October 14. The remaining changes are being held until the current high Mega Millions jackpot is won. Additional software enhancements and changes will be included in subsequent releases.

- Pilot installations of the new draw-game-only self-service terminal were successfully completed. Additional retailers have been identified to receive the new terminals and an installation schedule is being developed.
- MS Technologies continues to work on e-Licensing Systems improvements. Testing of Priority 6 changes continues.

FACILITIES

- We are working with building management on several construction projects.
- Implementing new statewide policy affecting Sales staff who commute using state vehicles to out of state residences. These employees will now have to park in a Maryland state facility and use a personal vehicle for the final part of their commute.

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.

We are working with Scientific Games, Product Development and Sales to identify blackout dates for TelSell calls and ticket shipments. On a number of days during the holiday period TelSell will be taking double and even triple orders from retailers to assure adequate inventory.

# of Orders	# of Packs	YTD Orders	YTD Packs
September 2018		7/1/18 – 09/30/18	
14,335	161,323	46,788	528,381