

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 17, 2017

SUBJECT: Report for the October 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			
Date	Count	Date	Count
Current			
09/30/16	4,532	09/30/17	4,492
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			
09/30/16	5,260	09/30/17	5,431
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			
09/30/16	322	09/30/17	355
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. Requirements gathering sessions and creation of initial specifications are underway in multiple areas. Phase 1 testing of new terminals to begin October 27. Retailer training to begin October 30 and retailer installations to begin November 6. Planning and scheduling began for the National Institute of Standards and Technology security certification. Maryland will be the first in the industry to achieve this certification. Deliverable documentation continues to be developed 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

- Building management has installed some new HVAC systems to address temperature fluctuations and are working to balance the systems for better performance. Painting should be completed in October. Carpet replacement will be started once the painting is done.
- 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.

# of Orders	# of Packs	YTD Orders	YTD Packs
September 2017		7/1/17 – 9/30/17	7/1/17 – 9/30/17
14,088	171,641	45,173	603,627

Year to date, we have shipped 135,000 more packs than last fiscal year.