

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: September 19, 2017

SUBJECT: Report for the September 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			
08/31/16	4,528	08/31/17	4,488
Quarterly Comparisons			
06/30/15	4,536	06/30/16	4,539
09/30/15	4,564	09/30/16	4,532
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

Total Retailer Terminals			
Date	Count	Date	Count
Current			
08/31/16	5,261	08/31/17	5,426
Quarterly Comparisons			
06/30/15	5,293	06/30/16	5,260
09/30/15	5,293	09/30/16	5,260
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

XCAP Retailers			
Date	Count	Date	Count
Current			
08/31/16	316	08/31/17	350
Quarterly Comparisons			
06/30/15	300	06/30/16	322
09/30/15	300	09/30/16	322
12/31/15	301	12/31/16	335
03/31/16	303	03/31/17	342
06/30/16	307	06/30/17	345

CONTRACT MANAGEMENT

- Conversion planning and status meetings continue. Requirements gathering sessions and creation of initial specifications are underway in multiple areas. New system training for lottery staff is scheduled for October 18 through 19. Retailer training locations have been finalized. New advanced technology self-serve ticket checker has been approved. Deliverable documentation continues to be developed in anticipation of an on-time delivery of all required documents. Scientific Games presented the IP cellular retailer communications solution during the monthly sales meeting.

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

FACILITIES

- Building management has identified a number of changes to the HVAC system to address temperature fluctuations and some initial work has begun. Painting has been nearly completed. 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
August 2017		7/1/17 – 8/31/17	7/1/17 – 8/31/17
16,365	191,916	31,085	431,986

Year to date, we have shipped 120,000 more packs than last fiscal year.