

# 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: February 25, 2016

SUBJECT: Report for the February Commission Meeting

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## GAMING

See attached report from Charles LaBoy, Managing Director

## REGULATORY OVERSIGHT

See attached report from John Mooney, Managing Director

## AGENT ADMINISTRATION

|                      | <b>07/01/2015</b> | <b>1/31/16</b> |
|----------------------|-------------------|----------------|
| # OF AGENTS          | 4,536             | 4,548          |
| # OF AGENT TERMINALS | 5,262             | 5,277          |
| # XCAP RETAILERS     | 275               | 301            |

## 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 run by our on-line vendor. Once the order is placed, it is sent to the warehouse for fulfillment. Once fulfilled, the orders are shipped out through UPS for overnight delivery to the agent locations. In addition to fulfilling the orders, the warehouse is responsible for monitoring UPS to ensure proper billing and delivery. Instant ticket shipping activity is as follows:

| <b># of orders</b>  | <b># of packs</b>   | <b>YTD orders</b>        | <b>YTD packs</b>         |
|---------------------|---------------------|--------------------------|--------------------------|
| <b>January 2016</b> | <b>January 2016</b> | <b>7/1/15 – 01/31/16</b> | <b>7/1/15 – 01/31/16</b> |
| 13,248              | 141,582             | 99,771                   | 1,092,370                |

## **FACILITIES**

- On February 8, 2016 we introduced a new system in which all visitors are required to provide a government issued ID upon entering the agency offices, other than Gaming / Licensing. The ID is scanned and a temporary adhesive badge is produced to help identify our visitors.
- MLGCA staff met with representatives of MDE, DGS, the Governor's Office and building management about building security concerns. MDE has had 17 instances of vehicle theft or vandalism since May 2015 and we began a process to identify key areas to improve security including installing additional cameras.
- Continued to monitor and report building services concerns, including heating issues. DGS has agreed to assist us in helping to resolve the heating and cooling deficiencies the landlord
- Construction continues on new office space for Sales. Still waiting for a quote on proposed construction in the reception area.

## **CONTRACT MANAGEMENT**

- The new Cash4Life game was successfully launched on Tuesday January 26, 2016. Sales for the first six drawings totaled \$2,035,576 exclusive of promotional tickets.
- The RFP for the Lottery central system was issued on December 10, 2015. The Pre-Proposal Conference was held on January 7, 2016 with all three of the major vendors as well as a number of MBEs attending. Questions continue to be submitted with answers to over 130 published so far. Proposals are due March 3, 2016.
- The first review of Phase 2 of the My Lottery Rewards App started on February 16, 2016. SGI also delivered the functional specifications for the Partner Functions (ticket checking, ePlayslips and a retailer locator) that will be made available to third party vendors.
- SGI continues to work with Tabcorp to make additional modifications to the Racetrax. The first set of modifications should be available for testing this month.
- MS Technologies continues to work on e-Licensing Systems. Priority 4 development is underway and requirements gathering for Priority 5 work is underway.