

# 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: March 24, 2016

SUBJECT: Report for the March 2016 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

	07/01/2015	02/29/16
# OF RETAILERS	4,536	4,546
# OF RETAILER TERMINALS	5,262	5,276
# XCAP RETAILERS	275	304

In addition to processing applications for new locations and change of ownerships, Agent Administration worked with the Sales Department to review an updated version of the retailer application. The new version is a fillable PDF that will require applicants to complete each section before proceeding to the next, reducing the number of incomplete submissions.

## 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. 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. Instant ticket shipping activity is as follows:

<b># of orders</b>	<b># of packs</b>	<b>YTD orders</b>	<b>YTD packs</b>
<b>February 2016</b>	<b>February 2016</b>	<b>7/1/15 – 02/29/16</b>	<b>7/1/15 – 02/29/16</b>
14,813	173,169	114,584	1,265,539

## **FACILITIES**

- MLGCA staff met with representatives of MDE, DGS, the Governor’s Office and building management about building security concerns on February 12, 2016. 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. A follow-up meeting was held on February 29<sup>th</sup> during which building management advised that they are acquiring new systems to allow more cameras to be connected. They are also investigating other improvements such as better lighting for parking lots and relocating pool vehicles to a different lot.
- Continued to monitor and report building services concerns, including heating and cooling issues. DGS has agreed to assist us in helping to resolve the heating and cooling deficiencies the landlord has failed to address.
- Construction on new office space for Sales was completed. We are still waiting for a quote on proposed construction in the reception area.

## **CONTRACT MANAGEMENT**

- 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. In February we increased the minority business participation goal from 15% to 20% and extended the proposal due date by eight weeks to April 28, 2016 to allow bidders time to adjust their proposals. Responses to a total of 168 questions have been published, as have five RFP amendments. Staff is currently finalizing several additional changes to clarify the required pricing submission.
- Two power fluctuations occurred at Montgomery Park on February 18. Scientific Games experienced severe disruptions that caused significant damage to their Uninterruptible Power Supply (UPS) and a number of ground faults. The lottery system was down for approximately 50 minutes, and Keno / Racetrax drawings were disrupted for approximately 90 minutes.
- Testing for Phase 2 of the My Lottery Rewards App is underway. Functional specifications for the Partner Functions have been delivered to third party vendors. Testing should start with these vendors in early April, 2016.
- Testing of the Racetrax modifications to the Bonus Wheel are underway. A complete review of the Racetrax screens and possible suggestions for changes is scheduled for March 16, 2016.
- MS Technologies continues to work on e-Licensing Systems. Priority 4 development is underway and we are gathering requirements for Priority 5 work.
- Testing of the next release of SGI software is underway. This release will contain some minor fixes and the ability to modify some of the current promotions.