

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Control Commission
John Martin, Director

FROM: James Butler, Assistant Deputy Director, Chief of Staff

DEPARTMENTS: Government Relations, Human Resources, and Procurement

DATE: June 21, 2022

SUBJECT: Report for the June 2022 Commission Meeting

Following is the status update of ongoing topics in Government Relations, Human Resources, and Procurement for June.

I. GOVERNMENT RELATIONS MATTERS

A. Sports Wagering Application Review Commission (SWARC)

The Sports Wagering Application Review Commission (SWARC) held its monthly meeting on Thursday, June 16, 2022, to receive updates from staff on various ongoing tasks. Staff to the SWARC gave briefs updates on the status of the SWARC regulations and application process, and noted that it would be sending drafts of the SWARC applications for Class B and mobile applicants to the SWARC Commissioners for their review and consideration. In addition, this Commission announced it would open the eLicensing platform on June 17, to all businesses and individuals who wish to pursue Class B sports wagering facility licenses or mobile sports wagering licenses. At this meeting, SWARC also announced that it would hold a special SWARC meeting on June 29, at 9:00 a.m., to discuss the application and regulations.

B. Regulations Update

Below is an update of proposed regulations that were approved by the Commission:

1. Substantive Changes to Proposed Sports Wagering Regulations

The emergency and proposed regulations were published in the February 25 edition of the *Maryland Register*, and the 30-day public comment period ended on March 28. The Agency reviewed all comments received and will present its recommendations to the Commission at its June 23 commission meeting regarding the final action with these proposed regulations. The Joint Committee on Administrative, Executive, and Legislative Review (AELR) Committee approved the Commission's emergency action request on these amendments, with the emergency status beginning on January 26, 2022, and expiring on July 25, 2022.

2. Annual Gaming Regulatory Review

In February, Agency staff invited our casino partners to submit proposed changes to our existing casino regulations to ensure that the regulations are not outpaced by changes in technology. On May 26, the Agency submitted to the Commission six proposed amendments to existing regulations for its review and approval. Four of these changes were prepared at the request of Maryland's casino industry and two are Staff changes. On May 26, the Commission approved the Agency's proposed amendments to these six existing regulations. *See* <https://www.mdgaming.com/wp-content/uploads/2022/05/Agenda-Item-Amended-Casino-Regulations.pdf> for

more details. We have now submitted the regulations to AELR for its review and to the *Maryland Register* for publication, once approved.

II. HUMAN RESOURCES MATTERS

The Human Resources (HR) Department has created sports wagering jobs in the State's Workday system and is now in the processes of preparing the necessary job descriptions (MS-22s) for these sports wagering positions. In addition, HR continues to work with the Department of Budget and Management on recruiting and posting vacancy announcements for various existing positions within the Agency. This has been an ongoing task for the HR staff.

The State Board of Elections is looking for individuals to serve as election judges. The Agency is assisting in this recruitment effort by posting icons (links) on our two websites – mdlottery.com and mdgaming.com – alerting players about the need for election judges during this year's election cycle. We also posted information via social media (Facebook and Twitter) about this effort:

<https://www.facebook.com/mdlottery/posts/pfbid0dKx7fbVJ5bwi6ZzvcK2r37TzZeshAoSbEqqd8GGQQnwcFpBWBmJd2BUmpseSfyY6l> and <https://twitter.com/MDLottery/status/1530218032705986560>

III. PROCUREMENT MATTERS

The Procurement Department works closely with all Divisions to support the MLGCA's daily operations to include, but not limited to, procurement of printing of POS materials and various information sheets/brochures to support all games; promotional items, sponsorship agreements for events; and supplies/equipment for the Lottery's internal use, as well as the processing of all payments under \$5,000.00 using the State P-Card and monthly reconciliation of bank statement.

Procurement staff are working with other departments to implement tools available to modernize the procurement processes with a goal of reducing paper handling and allowing users more visibility into the status of requests. We hope to also integrate an inventory system for consumables and fixed assets.

Auditing and Accounting Services Contract (#2015-04) with Stout, Causey & Horning, P.A.: Contract with a Certified Public Accounting firm to provide auditing, accounting, and management services to include technical advice and assistance on various aspects of both Lottery and Gaming operations. This Contract expires on June 30, 2022. The MLGCA has prepared an RFP for a new replacement contract but needs to modify the contract to extend for 1-year in the amount of \$332,800 in order to provide time to complete the competitive procurement process. This Modification was approved by the BPW at its June 8, 2022 meeting.

RFP for Random Number Generator (RNG) System for MLGCA (#2022-15): This RFP is for the acquisition of four (4) identical independent Random Number Generator Systems (2 live production Systems, a test System, and a disaster recovery back-up System) to be used to conduct MLGCA Lottery Drawings. This RFP was issued May 18, a pre-proposal conference was held May 26 with three known potential offerors attending; and, Proposals are due by June 22.

RFP for Auditing and Accounting Services for MLGCA (#2022-10): This RFP is to obtain a Certified Public Accounting firm to provide auditing, accounting, and management services to include technical advice and assistance on various aspects of both Lottery and Gaming operations. Due to various factors including changes to the requirements of this RFP to accommodate Sports Wagering implementation and a new Random Number Generator process for Lottery Drawings, the RFP was delayed but has now completed internal review and has been submitted to DGS-Office of State Procurement for its review. Issuance of the RFP, subject to DGS approval, is anticipated in July.

MBE/VSBE/SBR Activities: A summary of the MLGCA's MBE/VSBE participation is attached.