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**MARYLAND LOTTERY and  
GAMING CONTROL COMMISSION**

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**1800 Washington Blvd., Suite 330, Baltimore, Maryland 21230**



**In Re the Application of  
Veterans Services Corporation  
d/b/a Vital Services Contractors, Inc.**

**MOBILE SPORTS WAGERING  
LICENSE APPLICANT**

**License Applicant Number SW-2022-47**

**Report Date: March 8, 2023**

**“Commission Presentation”**

## **INTRODUCTION**

### **Role of the Maryland Lottery and Gaming Control Commission (“Commission”)**

The Commission is required to determine whether sports wagering applicants have proven, by clear and convincing evidence, that they meet the qualifications for licensure under the Sports Wagering Law. Requirements for qualification include: (1) applicant’s financial stability and integrity; (2) integrity of any financial backers related to the application; (3) applicant’s good character, honesty, and integrity; (4) applicant’s business ability; and (5) whether there are any mandatory disqualifiers that prevent the applicant from proving its qualifications by clear and convincing evidence. The Commission cannot issue a license unless it determines that the applicant is qualified.

The Regulatory Licensing and Investigations Division of the Maryland Lottery and Gaming Control Agency (“Agency”) conducts the required background investigation of an applicant’s qualifications. A report of the background investigation is provided to the Commission to assist it in determining whether the applicant described in this Report has proven that it is qualified.

The Executive Summary that will be summarized by Staff at the Commission meeting is a public document, which will be provided in the Commission packets, and is also available on the Agency website with other Commission meeting documents. If the applicant is found qualified, the decision statement of the Commission will be forwarded to the Sports Wagering Application Review Commission for it to determine whether to award a license.

## **Process**

As a prerequisite to being eligible for a Mobile Sports Wagering License, an applicant must submit a Mobile Sports Wagering License Application to the Commission. The applicant must prove to the Commission, by clear and convincing evidence, that it meets the qualification criteria set forth in the Annotated Code of Maryland, State Gov't Article (“SG”), § 9-1E and the Commission’s sports wagering regulations in Code of Maryland Regulations (“COMAR”) 36.10 (collectively, “the Sports Wagering Law”). The Sports Wagering Law also includes and incorporates applicable licensing requirements in SG § 9-1A, and COMAR 36.03 (collectively, “the Gaming Law”), which establishes requirements for all casino-related licenses.

Specifically, the applicant must prove that it is qualified under SG § 9-1E-07(e) and COMAR 36.10.03.02 and 36.10.05 and not disqualified under SG § 9-1E-07(g)(1). An applicant must provide all information to the Commission that is necessary for a qualification determination as to the applicant, its principals, and its principal entities.

## **The Applicant**

The Agency (“MLGCA,” “we” or “our”), conducted a suitability background license investigation of Veterans Services Corporation, d/b/a Vital Services Contractors, Inc. (“Company” or “Applicant”), in connection with its application for a Mobile Sports Wagering License.

Veterans Services Corporation was incorporated in Washington, D.C. on June 15, 2009. The Company provides operational management and service of domestic government sponsored lottery gaming systems including traditional lottery products, lottery and retail and mobile sports wagering.

## **INVESTIGATION INTO APPLICANT**

### **Background and Ownership**

Veterans Services Corporation was founded and is wholly-owned by Mr. Emmanuel Bailey who also serves as the Company's President and Chief Executive Officer. The Company has been granted a gaming license by the District of Columbia Office of Lottery and Gaming. Veterans Services Corporation has filed a Mobile Sports Wagering License Application and Mr. Emmanuel Bailey has filed a Principal Employee License Application with the Commission.

On June 30, 2022, the Company entered into a revenue sharing agreement with Bee-Fee Limited to operate its mobile and online sports wagering platforms. Founded in 2013, Bee-Fee is a remote gaming software company based in London, United Kingdom, and is currently licensed to operate in Canada, Greece, Malta, Romania and the United Kingdom. The revenue sharing agreement is part of a broader joint venture that the two parties have entered into to pursue lottery gaming opportunities globally.

Bee-Fee will supply and license the online sports wagering platform to the Company, provide managed services, support and maintenance of the product, provide support and maintenance training to the Company's employees, and co-

develop gaming software enhancements with the Company. Additionally, Bee-Fee has contracted with Data Bridge Sites to provide gaming platform hosting services and will incur all related costs. Bee-Fee Limited has filed an Online Sports Wagering Operator License Application with the Commission.

**Subcontract with Intralot, Inc.**

On October 19, 2019, Veterans Services Corporation entered into a subcontract agreement with Intralot, Inc. (“Intralot”) to provide certain services to the District of Columbia Office of Lottery and Gaming.

**DISCUSSION OF FINANCIAL PERFORMANCE**

We performed a detailed review of Veterans Services Corporation’s unaudited financial statements for the calendar years ending December 31, 2017 through 2021 to assess its operating performance and financial condition.

The Applicant’s overall financial performance was positive as the Company benefitted greatly from its agreement with Intralot, Inc. During calendar years 2017 to 2021, the Company realized net profits. As the Company’s business expanded and revenue grew, it was proactive in managing its cost of revenue and operating expenses, thus driving its profitability. This positive operating performance has provided the Company with sufficient cash flows to fund its business expansion and avoid an overreliance on long-term debt to meet its financial demands. Additionally, the Applicant’s financial condition is sound and improved substantially over the review period.

The Applicant has contracted with an experienced gaming company to operate its mobile sports wagering business. The Company has substantial cash reserves

available and appears to be well positioned to meet its operating demands for the foreseeable future. Additionally, the Company's financial ratios and margins are generally sound and its credit report did not disclose any derogatory information. There are no financial concerns with the issuance of a Mobile Sports Wagering License to Veterans Services Corporation.

### **FINDINGS**

The Agency conducted a complete and thorough background investigation as authorized under the Sports Wagering Law by analyzing corporate records and documents; scrutinizing the business operations, practices, and transactions of Veterans Services Corporation d/b/a Vital Services Contractors, Inc., and conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability. The Agency adhered to well-defined and approved investigative protocols in assembling the factual information incorporated in this report. The results of the investigation for the specific qualification criteria enunciated in SG § 9-1E-07(e)(6), and COMAR 36.10.03.02 and 36.10.05, and not disqualified under SG § 9-1E-07(g)(1) are summarized as follows:

- 1) Veterans Services Corporation was found to have financial stability, integrity and responsibility
- 2) There were no material issues involving the known financial backers
- 3) Veterans Services Corporation possesses the requisite good character, honesty and integrity
- 4) Veterans Services Corporation has sufficient business ability and experience
- 5) There were no potential disqualifying factors

**APPLICANT**

The Applicant satisfies the applicable qualification criteria under SG § 9-1E-07 (e)(6) and COMAR 36.10.03.02 and 36.10.05 and is not disqualified under COMAR 36.10.03.02.C and SG § 9-1E-07(g)(1).

**PRINCIPAL QUALIFIER**

We identified the following individual as a principal of the Applicant. He has submitted a Principal Employee License Application to the Commission:

- Emmanuel Bailey - President/Chief Executive Officer (Principal License Issued: 02/16/2023)

**CONCLUSION AND RECOMMENDATION**

The Applicant has submitted a completed Mobile Sports Wagering License Application, an affidavit attesting to the minority- and women-owned interests of the Applicant, adequate proof of bond, and all required fees.

The Agency's investigation has confirmed that the Applicant has sufficient financial resources and found no derogatory information regarding the Applicant's qualifications. Based on the criteria in SG § 9-1E-07(e)(6) and COMAR 36.10.03.02 and 36.10.05, we conclude that the Applicant has established by clear and convincing evidence the qualifications required for a Mobile Sports Wagering License.

Staff recommends that the Commission find Veterans Services Corporation, d/b/a Vital Services Contractors, Inc., qualified for a Mobile Sports Wagering License based on the provisions of the Sports Wagering Law by clear and convincing evidence.

Staff recommends the Commission entertains motions to:

1. Find that Veterans Services Corporation has established, by clear and convincing evidence, its qualifications for a Mobile Sports Wagering License;
2. Delegate to Staff the authority to draft the Commission’s decision statement on the qualification of Veterans Services Corporation for a Mobile Sports Wagering License; and
3. Direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Application Review Commission.