

## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION JULY MINUTES – OPEN SESSION

DATE: July 15, 2025

TIME: 10:00 a.m.

PLACE: In-Person at Maryland Lottery Headquarters

PRESENT: Chair Everett D. Browning, Sr.  
Vice Chair E. Randolph Marriner  
Commissioner Ade Adebisi  
Commissioner Diane Croghan  
Commissioner Harold Hodges  
Commissioner Nicholas Mosby

John Martin, Director  
James Nielsen, Deputy Director, Chief Operating Officer  
James Butler, Assistant Deputy Director, Chief of Staff  
Craig Lindsey, Managing Director, Administration  
Mike Eaton, Managing Director, Gaming  
John Mooney, Managing Director, Regulatory Oversight  
Paula Yocum, Managing Director, Chief Financial Officer  
Solomon Ramsey, Managing Director, Sales and Marketing  
Seth Elkin, Managing Director, Communications  
John Lloyd, Director, Procurement  
Holly Citko, Principal Counsel, Attorney General's Office  
Kathy Lingo, Executive Assistant

**Everett D. Browning, Sr., Chair**

E. Randolph Marriner, Vice Chair; Commissioners: Ade Adebisi, Diane Croghan, Harold E. Hodges, Nicholas J. Mosby, James J. Stakem

### **QUORUM ESTABLISHED**

Chair Browning announced that there was a quorum established for the meeting. Also present in person were: Vice Chair Randy Marriner, and Commissioners Ade Adebisi, Diane Croghan, Harold Hodges, and Nicholas Mosby. Commissioner James Stakem was absent.

### **CALL TO ORDER**

After establishing there was a quorum, Chair Browning called the meeting of the Maryland Lottery and Gaming Control Commission to order at 9:57 a.m.

### **APPROVAL OF THE REVISED AGENDA**

Chair Browning said that the revised Agenda had been circulated, and asked for a motion to approve the revised Agenda. Vice Chair Marriner motioned to approve, Commissioner Croghan seconded, and the motion was unanimously approved.

### **APPROVAL OF THE MINUTES**

Chair Browning asked if there were any corrections or alterations to the Open Session minutes of June 26, 2025. There being none, Chair Browning asked for a motion to approve the Open Session minutes. Vice Chair Marriner motioned to approve, Commissioner Adebisi seconded, and the motion was unanimously approved.

### **COMMISSION ACTION ITEM**

*Gaming – Michael Eaton, Managing Director*

#### **Commission Action Item – Delegation to Staff - Authority to approve equipment, systems, and software of video lottery, instant bingo, and sports wagering operators**

Mr. Eaton reported that the Commission's regulations require the Commission to make determinations about whether equipment, systems and software meet specific regulatory requirements for use by video lottery facility, instant bingo facility, and sports wagering licensees, and to approve those items in writing. To date, MLGCA Staff has provided the Commission with documents that detail the specific equipment, systems, and software that require approval, and included the approval of each item in the Consent Agenda portion of Commission Meetings.

Mr. Eaton said that Agency Staff are subject matter experts on the various technical and operational requirements, and are qualified to make the required determinations about whether equipment, systems, and software satisfy applicable regulatory requirements. As such, Agency Staff can do so expeditiously and efficiently. Staff is requesting that the Commission delegate to it the authority to make the required determinations, and to issue the required written approvals. These delegations would help licensees by reducing the approval time for implementing and modifying their equipment, systems or software.

Specifically, MLGCA Staff is requesting that the Commission delegate to the Agency approval authority for:

**COMAR 36.04.01.02 - Testing, Certification, and Approval of Equipment, a System, or Software.**

This regulation requires written Commission approval of specific equipment, systems, or software that a manufacturer offers for sale, lease, distribution, or use in a video lottery facility, and that a facility operator purchases, leases, or otherwise acquires the right to install or make available for use in its facility.

**COMAR 36.07.06. Testing, Certification, and Approval of Equipment, a System, or Software.**

This regulation requires written Commission approval of specific equipment, systems, or software that a manufacturer offers for sale, lease, distribution, or use in an instant bingo facility, and that an instant bingo facility operator purchases, leases, or otherwise acquires the right to install or make available for use in its facility.

**COMAR 36.10.17. Sports Wagering Equipment and COMAR 36.10.18. Sports Wagering Technical Requirements.**

The regulations in these chapters require written Commission approval of a sports wagering licensee's sports wagering equipment, which is any mechanical, electronic or other device, mechanism, software, or equipment, and related supplies used or consumed in the operation of sports wagering, including a self-service kiosk on the premises of a sports wagering facility, and a sports wagering platform.

Mr. Eaton said that MLGCA Staff recommends approval and requests that the Commission approve a motion to delegate to MLGCA Staff approval authority under the foregoing specified regulations, and that Staff shall report to the Commission an exercise of the delegated authority, and that the Commission may revoke this Delegation at any time.

Chair Browning asked if any Commissioners had questions. There were no questions. Chair Browning then asked for a motion. Vice Chair Marriner motioned, Commissioner Adebisi seconded, and the motion was unanimously approved.

**CLOSED SESSION**

Chair Browning announced that the next item on the Agenda was a Pending Procurement Update on the Lottery Central Monitoring and Control System ("LCMCS") and Related Services Contract. Due to the nature of the item, Chair Browning said that he wanted to have a closed session to discuss the contract before contract award. The discussion would be directly related to the confidential contents of the proposals. He said that public discussion or disclosure of this information could adversely impact the competitive proposal process. The closed session may also be used to consult with counsel to obtain legal advice. Chair Browning said he would be asking for a motion to go into closed session pursuant to General Provisions Article § 3-305(b)(7) to consult with counsel to obtain legal advice, and § 3-305(b)(14) to discuss, before a contract is awarded, or bids are open, a matter directly related to a negotiating strategy or the contents of a bid or proposal if the public disclosure or discussion would adversely impact the ability of the public body to participate in competitive bidding or proposal process.

Chair Browning then asked for a motion for the Commission to go into closed session in order to discuss the pending procurement update. Commissioner Hodges motioned, Commissioner Adebisi seconded, and the motion passed unanimously. The Chair said the Commission would adjourn to Closed Session in a separate conference room.

At 10:03 a.m., the Commission Meeting went into Closed Session. During the Closed Session, in addition to the Commissioners, the following Agency Staff were present: John Martin, James Nielsen, James Butler, Seth Elkin, John Lloyd, and Holly Citko. The Closed Session ended at 11:13 a.m. The Closed Session Form was completed and signed by Chair Browning. A copy of the form is attached to these minutes.

Chair Browning stated that during the Closed Session, there was a discussion with Staff regarding the pending procurement prior to contract award. The Commission received legal advice about Commission's role in the pending procurement, discussed the Evaluation Committee's process and deliberation in evaluations for all Offerors' proposals. Chair Browning then asked for a motion to go back into Open Session to continue the meeting. Commissioner Mosby motioned, Commissioner Hodges seconded, and motion passed unanimously. The Open Session resumed at 11:23 a.m.

Chair Browning then said that Mr. Nielsen would be coming forward to discuss the Lottery Central Monitoring and Control System and Related Services Contract.

### **PENDING PROCUREMENT UIPDAT**

*Deputy Director – James Nielsen*

#### **Pending Procurement - Lottery Central Monitoring and Control System and Related Services Contract (#2024-01)**

Mr. Nielsen reported that he was presenting a recommendation for award of the new Lottery Central Monitoring and Control System Contract. He explained that this is a very important contract for the Agency because this system operates the Lottery. It processes every lottery ticket sale, all the prize validations, and scratch ticket inventory and billing and reporting.

Mr. Nielsen said that the Commissioners had access to publicly available information on the website, and documents on the confidential Commission drive. He highlighted some important points.

Mr. Nielsen explained how the procurement process involved many steps and many hours of work. Staff drafted the LCMCS Request For Proposals – RFP# 2024-01, and had it reviewed by stakeholders and other Agencies. The RFP was issued in November of 2024 and provided details about what was important to the Agency. The RFP stated that the Procurement Officer will recommend award of the Contract to the responsible Offeror that submitted the Proposal determined to be the most advantageous to the State. In making this most advantageous Proposal determination, technical factors will receive greater weight than financial factors.

The Director established an Evaluation Committee that included subject matter experts and support from advisory staff. Mr. Nielsen identified the three Offerors that submitted a proposal in response to the RFP: IGT, Intralot, and Scientific Games. Mr. Nielsen indicated that each of these firms currently operate lottery systems in North America. The Committee members all reviewed and considered each of the proposals and visited an Offeror-selected site for demonstrations and discussions. Technical evaluations of the proposals were completed first, and each was ranked. Scientific Games was ranked first, Intralot second, and IGT third.

Mr. Nielsen further explained that after the technical evaluation was completed, the financial proposals were opened with the whole Evaluation Committee present. The RFP's Financial Proposal Form asked for a proposed fee at each of three different tiers of annual sales. These were a proposed fee for sales up to \$3.25 billion, between \$3.25 to \$3.5 billion, and above \$3.5 billion for each year of

the Contract. The proposed fee was to be presented as a percentage of the sales. The Financial Proposal Form provided a calculation of costs for evaluation based on estimates and not guaranteed sales levels over the 10 years of the Contract. The Financial Proposal Form calculated an estimated effective price for that portion of the Proposal as the basis for the financial evaluation and allowed the Evaluation Committee to see a single price for evaluation purposes.

Next, Mr. Nielsen explained that after the initial review of the financial proposals, the Committee requested best and final financial offers (BAFOs) from the three Offerors. The same Financial Proposal Form was used for the BAFOs. These were then reviewed to determine the price from each Offeror for purposes of conducting a final financial evaluation. Based upon the pricing in the BAFOs, Intralot was ranked first with an estimated cost of \$260,394,000. Scientific Games was ranked second with an estimated cost of \$371,120,000. IGT was ranked third with an estimated cost of \$641,026,000.

The Evaluation Committee combined the technical rankings and the financial rankings and had discussions to determine which Proposal was the most advantageous to the State. When determining the most advantageous Proposal, a cost-benefit analysis was conducted and the fact that Scientific Games' proposal was ranked first had to be considered alongside the fact that their estimated cost was \$110,000,000 more than, or 42% more than, Intralot's costs. The Evaluation Committee concluded that the difference in cost outweighed the difference in technical ranking even with technical factors receiving a greater weight than financial factors.

Mr. Nielsen stated that the Evaluation Committee made its recommendation for an award to Intralot to the Agency's Procurement Officer. The Procurement Officer reviewed the Evaluation Committee's recommendation, conducted his own cost-benefit analysis, which was consistent with the Evaluation Committee's recommendation, and submitted his determination to the Director. The Director accepted the Procurement Officer's Determination. MLGCA is recommending today that the Commission approve the award of the new Contract for the LCMCS to Intralot.

Mr. Nielsen explained that MLGCA has identified a limited number of optional features in Intralot's proposal that the Agency would like to include in the Contract's not to exceed value (NTE), primarily some terminals to account for possible growth of the retailer network. The Agency is also including in the NTE funds to pay for debit transaction processing fees that the Offerors would all pass through to the Agency. Debit transactions are a very large percentage of MLGCA's sales and are expected to continue growing, so the Agency is adding \$100 million dollars over the 10- year term of the Contract to cover these fees, which are paid to third-party financial processors.

Mr. Nielsen explained that if the Commission approves this award, the Agency will be seeking a total NTE of \$369,077,500 for the base cost of the Contract, the optional equipment, and debit transaction processing fees. Following approval, the three Offerors will be provided with written Notice of Recommended Award. Each will have an opportunity to request a debriefing where we can provide feedback as to that Offeror's proposal. At the conclusion of the process, the Agency will gather all the required documents for submission to the Department of Information Technology (DoIT) and Department of General Services (DGS) for eventual presentation to the Board of Public Works.

Mr. Nielsen said that he would now take any questions the Commission may have. Chair Browning asked if any Commissioners had questions. There were no questions. Chair Browning asked Mr. Nielsen if he had a motion for the Commission. Mr. Nielsen asked for a motion to award the contract for a new LCMCS resulting from RFP 2024-01 to Intralot, Inc., a qualified Offeror whose proposal was determined to be the most advantageous to the State in a NTE amount of \$369,077,500.

Chair Browning asked for a motion. Vice Chair Marriner motioned to approve, Commissioner Adebisi seconded, and the motion passed 5 to 1, with Commissioner Hodges opposed.

Chair Browning thanked MLGCA Staff for their hard work, and thanked the Commission for their time and diligence.

#### **DATE AND TIME OF NEXT MEETING**

Chair Browning then announced the next Commission Meeting will be held on Thursday, August 28, 2025, at 10:00 a.m. in person at Lottery Headquarters.

#### **ADJOURNMENT**

There being no further business, Chair Browning adjourned the meeting at 11:31 a.m.

Respectfully submitted,

  
John Martin  
Director

**Maryland Lottery & Gaming Control Commission**  
**STATEMENT FOR MEETING IN CLOSED SESSION**

Location:  
Maryland Lottery & Gaming Control Agency  
1800 Washington Boulevard – Ste. 330  
Baltimore, MD 21230

Date: 7/15/2025  
Time: 10:03 am

Motion By: Commissioner Hodges Seconded By: Commissioner Adebisi  
Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Chair Everett Browning, Sr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Ade Adebisi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Diane M. Croghan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Harold Hodges	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice Chair E. Randolph Marriner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Nicholas J. Mosby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner James J. Stakem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**REASON(S) FOR MEETING IN CLOSED SESSION**

Pursuant to General Provisions Article §3-305(b), the Commission voted to meet in closed session or adjourn an open session to a closed session in order to:

- (1) ☐ Discuss:
- (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom it has jurisdiction; or
  - (ii) Any other personnel matter that affects one or more specific individuals.
- (2) ☐ Protect the privacy or reputation of an individual with respect to a matter that is not related to public business;
- (3) ☐ Consider the acquisition of real property for a public purpose and matters directly related to the acquisition;
- (4) ☐ Consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;
- (5) ☐ Consider the investment of public funds;
- (6) ☐ Consider the marketing of public securities;
- (7) ☒ Consult with counsel to obtain legal advice;
- (8) ☐ Consult with staff, consultants, or other individuals about pending or potential litigation;
- (9) ☐ Conduct collective bargaining negotiations or consider matters that relate to the negotiations;
- (10) ☐ Discuss public security, if the public body determines that public discussion would

constitute a risk to the public or to public security, including:

- (i) The deployment of fire and police services and staff; and
- (ii) The development and implementation of emergency plans;



- (11) [ ] Prepare, administer or grade a scholastic, licensing, or qualifying examination;
- (12) [ ] Conduct or discuss an investigative proceeding on actual or possible criminal conduct;
- (13) [ ] Comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;
- (14) [X] Discuss, before a contract is awarded or bids are opened, a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process;
- (15) [ ] Discuss cybersecurity, if the public body determines that public discussion would constitute a risk to:
  - (i) Security assessments or deployments relating to information resources technology;
  - (ii) Network security information, including information that is:
    - 1. Related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
    - 2. Collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or
    - 3. Related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
  - (iii) Deployments or implementation of security personnel, critical infrastructure, or security devices.

**TOPICS TO BE DISCUSSED AND REASON FOR CLOSED SESSION DISCUSSION:** Seek  
legal advice and discuss a pending procurement including contents of proposals, which would otherwise  
adversely impact the ability of the Commission to participate in the proposal process and impermissibly  
disclose confidential or pre-decisional and deliberative information.

  
 Signature of Presiding Officer

Time closed session began: 10 : 05

Time closed session ended: 11 : 13

**PERSONS PRESENT DURING CLOSED SESSION:** 6 Commissioners, John Martin  
Jim Nielsen, John Lloyd, Seth Elkin, James Butler,  
Holly Citko

**UPON RETURN TO OPEN SESSION, ANNOUNCE OUTCOME OF CLOSED SESSION** (e.g., specific action taken, results of vote, no action taken): Over →

Received legal advice about the Commission's role  
in this pending Procurement. Discussed the Evaluation  
Committee's process of deliberation &  
evaluation of the Offerors' Proposals.

Updated May 2025