

**Office of the Chief Financial Officer
Office of Lottery and Gaming
Responses to Questions
Committee on Business and Economic Development
Performance Oversight Hearing
March 3, 2022**

Racial Equity

1. In response to the Committee’s questions last year about addressing racial inequity, OLG stated that the Office could increase marketing and communications to diverse business organizations about the licenses OLG offers. Please provide an update, including a description of OLG’s marketing and communication activity targeting diverse business organizations and how the Office targets diverse business organizations for marketing and communication.

The mission of the Office of Lottery and Gaming (OLG or DC Lottery) is “to responsibly maximize revenue generation for the District of Columbia through the sale of innovative lottery and sports wagering products while providing gaming regulation and oversight that upholds the highest standards of integrity and public trust.” Since its inception in 1982, the DC Lottery has been the only lottery operating in North America that requires its gaming system operator to partner with a Certified Business Enterprise to perform substantial work in providing the computer systems and services necessary to run a lottery.

For the last 40 years, OLG has partnered with a diverse network of small businesses to offer our games and promotions at retail locations throughout each of the District’s eight wards and OLG is constantly looking for ways to expand. In 2021, OLG committed to increasing marketing and communications to diverse business organizations about our licensing opportunities. Below is a listing of our efforts to support this initiative.

Lottery Licensing

OLG’s communication and marketing efforts begin at www.dclottery.com. On this site, parties interested in becoming DC Lottery retailers can find information regarding our organization; requirements to qualify for a DC Lottery retailer license; and obtain an application. OLG works closely with the business community and strategically aligns with relevant partner organizations to educate business owners about the benefits of becoming a DC Lottery licensee and the positive impacts that it can have on the community.

OLG created a strategic partnership with the Mayor’s constituency offices to reach diverse communities. In the Fall of 2021, OLG partnered with the Mayor’s Office on African Affairs (MOAA) and hosted three events that introduced the DC Lottery to business owners and potential players in the Amharic-speaking community. OLG also works with the Mayor’s Office of Hispanic Affairs (MOLA) and the Mayor’s Office of Asian and Pacific Islander Affairs (MOAPIA) to host outreach events to community businesses.

OLG has a relationship with the Restaurant Association of Metropolitan Washington (RAMW) as well as an on-going relationship of more than five years with the DC Chamber of Commerce. These relationships provide many opportunities and events where we can interact

with diverse businesses of all sizes. OLG also has a long-standing relationship with the Korean Grocers Association which we utilize to introduce ourselves and our mission to this thriving business community.

Furthermore, OLG fully participates in the District's Language Access Program to speak to current and future retailers in their native or preferred language. Under this program, OLG offers translated documents and interpretation services in the requested language of potential and current retailers.

Privately Operated Sports Wagering Licensing

OLG is committed to expanding the availability of privately operated sports wagering opportunities for minority-owned small businesses in the District. To that end, OLG partnered with the Department of Small and Local Business Development (DSLBD) to conduct four capacity training opportunities on recruitment initiatives and sports wagering licensing in Fiscal Year 2021. These opportunities involved a series of four recruitment sessions entitled "Betting on Small Business Power Hours," in partnership with the University of Nevada Las Vegas' International Gaming Institute (UNLV IGI). This partnership brings UNLV IGI's international expertise in sports wagering regulation development, sports book build-out and general operations/compliance to the District's small business community, including diverse, minority-owned businesses.

These sessions were conducted on May 26, 2021, June 9, 2021, June 23, 2021, and September 29, 2021. Hyperlinks for these capacity training opportunities are given below:

May 26, 2021: Betting on Small Business Power Hour

Get in on the Game with Sports Wagering

Featured Speakers: Craig Ferreira from the UNLV IGI, plus David Grolman and James Leonard from William Hill

[Click here to view the recorded session](#)

June 9, 2021: Betting on Small Business Power Hour

Beating the Odds! Exclusive Scoop to Navigating the Sports Gaming Industry

Featured Speakers: Craig Ferreira from the UNLV IGI and Sara Slane from Slane Advisory

[Click here to view the recorded session](#)

June 23, 2021: Betting on Small Business Power Hour

Selling Your Business to a Sports Book

Featured Speakers: Burt Foster from the Office of Lottery and Gaming, Tina Ramona Harrison from Infinity Solutions, and Melissa Resil from the Department of Small and Local Business Development

[Click here to view the recorded session](#)

September 29, 2021: Betting on Small Business Power Hour

Operating a Successful Sports Book

Featured Speakers: Peter Alvarado from the Office of Lottery and Gaming, Brian Vasile from

Grand Central LLC, and Matteo Monteverdi from Elys Game Technology.
[Click here to view recorded session.](#)

2. In last year’s responses, OLG also provided that the Office could modify its applications to include the option of providing demographic information, to better shape marketing and recruitment efforts. Has OLG done this? If so, please provide any results and explain how this information has helped OLG improve racial equity. If not, please explain why.

Demographic information was captured on applications for *GambetDC* and Game of Skill retailer applications. The questions regarding demographics are optional and not all applicants choose to answer them. Below are the tables showing the results of the responses by applicants:

***GambetDC* Sports Wagering Retailers (40 total applications)**

Demographic	Number
Males	35
Females	5
African American	11
White	10
Asian	14
Native-American	2
Other	3
Hispanic/Latino	0

Games of Skill Applications (27 total applications)

Of the 27 applications received, 16 answered the optional questions though many limited their answers to only certain questions.

Demographic	Number
Males	8
Females	2
African American	1
White	7
Hispanic or Latino	1
Asian	0
Two or more races	1
High school	2
Bachelor’s Degree	6
Master’s degree	2

Race, gender and ethnicity are not considered in determining suitability for any licenses issued by OLG. This information is gathered, on a voluntary basis for information purposes to identify potential trends. The information is relatively new and OLG is in the initial stages of using such

information for marketing and recruitment purposes.

Changes to include demographic information on privately-operated sports wagering applications were considered, but not implemented because, with the exception of occupational licenses, 100 percent of the applicants are entities and not individuals. Specifically, the applicants tend to be large national and international companies with complex organizational structures that cross multiple business lines. OLG will continue to evaluate if adding demographic questions to privately-operated sports wagering would be beneficial in the future.

3. Describe any areas/programs where OLG has had success in building racial equity over the past year and include an explanation of how OLG measures success in building racial equity through that area/program.

OLG is committed to driving racial equity and believes it essential to the success of the organization in its mission. OLG recently developed and launched new Mission, Vision and Values across the organization. This included the addition of a new Equity and Inclusion Value, which reads as follows:

Equity and Inclusion - We are committed to including and valuing diverse voices and fostering a culture that ensures all staff, customers, and stakeholders feel a sense of belonging and are encouraged to be their true self.

While the addition of this value isn't immediately measurable, it signifies how equity and inclusion are at the core of who we are and what we do. OLG prides itself on having a diverse employee population and leadership team. It is committed to building on its success internally and fostering an environment that values diversity and ensures equity.

In addition, OLG has built a successful Language Access Program, working with the DC Office of Human Rights (OHR). In Fiscal Year 2020 (latest available year), OLG received top scores for assisting limited-English and non-English populations (LEP/NEP) in accessing OLG products and services. OLG, via its website, offers public-facing documents in the top six non-English languages spoken in the District. OLG offers telephonic interpretation services for those visiting our facilities. Fiscal Year 2021 scores will be released soon by OHR, and OLG continues to strive to earn high marks in its diversity efforts.

OLG will also continue to work with the Mayor's constituency offices to develop ways we can further build racial equity and access to OLG products and services.

In response to the Committee's questions last year, OLG explained that the Office collects data on the location of licensed lottery retailers to ensure there is equitable access to Lottery products across all wards. Please provide the number of licensed lottery retailers in each ward

Ward	Lottery Retailers
1	43
2	56
3	23
4	59
5	70
6	46
7	39
8	43

- a. Please provide the number of stops the Lucky Lottery Mobile truck made, per ward, during each of the past six months.

The Lucky Lottery Mobile (LLM) operates each year from March to October. It has not been in market since the pandemic. OLG is excited to have the LLM back in the community in Fiscal Year 2022. We are modifying our activities to adhere to all safety protocols and align operations to evolving daytime population flow. The LLM will be celebrating its 10-year anniversary this year and will be operational beginning in March.

4. Consider one operational data point and one performance data point where OLG collects, or could collect, information on race, and describe how OLG could use this data to inform future programmatic decisions.

Bi-annually, the DC Lottery conducts a study to better understand its brand and its players. Race information is collected from over 1,000 respondents and this information can be analyzed to understand the racial composition of our players which would assist in the creation of better products, promotions, and programs that translate to improvements in customer satisfaction and brand engagement.

Operationally, OLG can use the information its collects on race information from participants in its Self-Exclusion Program. The Self-Exclusion Program allows a person to voluntarily request to be excluded from legalized gaming activities within the District of Columbia for a pre-determined length of time, and to be prohibited from collecting any winnings, recovering any losses, or accepting complimentary gifts or services or any other item of value from a DC Lottery-licensed facility, retail location, or mobile wagering platform. The Self-Exclusion Program was launched in 2019 and it has recently been revamped. The data can be analyzed to determine if racial disparities exist amongst participants identifying as problem gamblers to better inform OLG’s Responsible Gaming initiatives and budgeting, as well as inform the Department of Behavioral Health and the National Council on Problem Gambling for the services and outreach they conduct.

- a. In response to this question last year, OLG described the Self-Exclusion Program launched in 2019. Please provide an update on this program and describe any patterns OLG has identified.

The Self-Exclusion Program previously required individuals to meet, in-person, with the Responsible Gambling Specialist at OLG's office to submit their application for self-exclusion. This proved to be a challenge and was reflected in results whereby only two individuals self-excluded during a 19-month period. In January 2022, OLG launched a new online self-exclusion process that simplifies the process and does not require the applicant to appear in-person at OLG's office. Within three weeks of launch OLG received its first online applicant. OLG also plans to allow individuals to self-exclude at privately-operated sports wagering facilities. OLG is expecting to launch this method in the Spring 2022. The reduction in barriers to the Self-Exclusion Program is expected to make it more widely available and easier for individuals experiencing problem gambling issues to self-exclude. OLG hopes that this change will lead to obtaining a more actionable amount of data in the future.

5. Consider what a racially equitable District of Columbia would look like and describe how OLG's operations would reflect this achievement.

OLG is committed to driving racial equity throughout all of its operations, both internally and externally. OLG is proud of its highly diverse workforce and leadership team and continuously works to ensure that its employees embrace equity and inclusion, one of OLG's key core values.

OLG's racial equity efforts go beyond its workforce and include marketing and promotion efforts that help ensure that our diverse player base has equal access to lottery and sports wagering communication, education, and products. OLG achieves this through its use of inclusive advertising in minority publications and minority broadcast and digital media.

OLG also ensures that our footprint is seen throughout the community by participating in cultural and community events throughout District. In addition, when able to operate safely, OLG makes sure that its Lucky Lottery Mobile visits each Ward to reach players in the District's diverse neighborhoods.

Racial equity efforts for OLG also extend into our retailer licensing efforts. The following three programs encourage a diverse environment that promotes racial equity in the District. With the exception of Class A Sports Wagering Operators, these programs do not have a limit on the number of available licenses that would prevent entry into the market. OLG promotes transparency in its licensing process to ensure a fair and level "playing field" for all applicants. All that meet the qualifications are licensed. Consequently, it is expected that the results of OLG's efforts in promoting the three programs below will promote a racial demographic that is reflective of the District.

Traditional Lottery Retailers

As of February 10, 2022, there are 379 licensed DC Lottery retailer locations operating in the District. A year earlier that number was 376. This number includes the fluctuations in the opening and closing of retailers during the past year. Our goal for Fiscal Year 2022 and beyond is to continue to increase the number of licensed DC Lottery retailers through reactivating licensed

retailers who temporarily closed due to the pandemic and continue recruiting new retailers. Through marketing and outreach our efforts look to promote and achieve racial equity in the DC Lottery's retail operations. There is currently no licensing fee for a lottery retail license.

Sports Wagering Retailers

GambetDC's self-service betting kiosks terminals are now in 39 lottery-licensed retail establishments throughout the District. Since these machines are in social settings as well in local community convenience and liquor stores, it shows diversity of retailers and promotes racial equity in *GambetDC's* retail operations. The licensing fee for a *GambetDC* retail license is \$5,000 for two years and is set by statute.

Privately Operated Sports Wagering

Privately operated sports wagering licenses include 1) Operator, 2) Management Service Provider (MSP), 3) Supplier, and 4) Occupational. Applicants for these licenses, particularly the Operator and MSP licenses, are subjected to a rigorous due diligence process to assess overall suitability.

For Operators and MSPs, they are also required to submit a CBE plan to DSLBD for review and approval. This CBE plan must demonstrate that a minimum of 35% of the proposed sports book operations budget will be subcontracted with CBEs in the District. Reduced license fees are also available to Operators (Class A and B) if they enter a joint venture (applicant) that is 51% owned by a CBE. The CBE components of the licensing framework are intended to increase participation by local businesses, many of which are minority owned businesses, whose participation would promote racial equity.

To promote CBE participation and encourage racial diversity, OLG works closely with DSLBD on a variety of capacity training opportunities relating to recruitment initiatives and sports wagering licensing; the training opportunities were outlined in more detail in our previous responses. The Director of OLG's Regulation and Oversight division along with executive staff also regularly make themselves available for scheduled informational meetings with local business owners including CBEs that have questions regarding sports wagering licensing and operations. Through these efforts OLG is helping to foster racial equity in privately-operated sports wagering operations.

General Questions

6. Please provide a current organizational chart for OLG, including the number of vacant, frozen, and filled positions in each division or subdivision. Include the names and titles of all senior personnel and note the date when the information was collected. Additionally, provide the following:

Please see Attachment A for OLG's organizational chart.

- a. An explanation of the roles and responsibilities of each division and subdivision;

Please see Attachment B for explanation of roles and responsibilities of OLG

divisions and subdivisions.

- b. A narrative explanation of any changes to the organizational chart made during the previous year.

There have been no changes.

7. Please provide a current Schedule A for OLG, which identifies each position by program and activity, with the employee's title/position, salary, fringe benefits, and length of time with the Office. Please note the date when the information was collected. The Schedule A should also indicate whether the position is continuing/term/temporary/contract or if it is vacant or frozen. Please separate salary and fringe benefits and indicate whether the position must be filled to comply with federal or local law.

Please see Attachment C for OLG's Schedule A

8. Please discuss how the District's lottery sales and transfers to the General Fund are performing compared to anticipated projections for Fiscal Year 2022. Discuss the performance for Fiscal Year 2021 and how it compares with Fiscal Years 2020 and 2019. Finally, please provide the dollar amount transferred to the General Fund for Fiscal Years 2019, 2020 and 2021.

The Lottery's Fiscal Year 2022 year-to-date transfer (as of January 31, 2022) is \$15.9 million, which is \$3.3 million or 17.2% less than Fiscal Year 2021's transfer of \$19.2 million through the same period in FY 2021. The FY 2022 decrease in transfer is primarily the result of a higher prize payout percentage compared to the same period in FY 2021. FY 2022 prize payout percentage through January 31, 2022 is 59.73%, as compared to 52.60% through the same period in FY 2021.

The Lottery's FY 2021 transfer was \$48.1 million, an increase of \$10.1 million or 26.6% above the FY 2020 transfer of \$38 million, largely due to an increase in sales and a reduction in prize payout percentage. The FY 2021 prize payout was 55.48% as compared to 59.09% in FY 2020.

The Lottery's FY 2020 transfer was \$38 million, a decrease of \$7 million or 15.6% below FY 2019 transfer of \$45 million, largely due to a reduction in sales. The decrease in sales is attributed to the temporary shutdown of the District and modified work schedules that limited travel into the District due to the COVID-19 pandemic. The FY 2020 prize payout was 59.09% as compared to 57.91% in FY 2019.

Lottery sales for FY 2022 (as of January 31, 2022) total \$72.9 million, compared to \$70.2 million through the same period last year. This represents a \$2.7 million or 3.9% increase. FY 2022 year-to-date terminal game sales are \$52.2 million, compared to \$56.5 million through the same period last year. This represents a \$4.3 million or 7.6% decrease from last year. FY 2022 year-to-date Instant Ticket sales are \$15.4 million, compared to \$13.6 million through the same period last year. Instant Ticket sales have increased by \$1.8 million or 13.2%. FY 2022 year-to-date eInstants sales total \$5.3 million. Sports Wagering sales for FY 2022 (as of January 31, 2022) total \$21.2 million with 625,295 wagers placed.

Lottery sales for FY 2021 totaled \$224 million, compared to \$208.1 million in FY 2020. This represents a \$15.9 million or 7.6% increase. FY 2021 and FY 2020 terminal game sales totaled \$169.3 and \$160.9 million, respectively; which amounted to a year-over-year increase of \$8.4 million or 5.2%. FY 2021 Instant Ticket sales totaled \$46.6 million, compared to \$47.1 million in FY 2020, representing a \$500k or 1.1% year-over-year reduction. In its inaugural year, FY 2021, eInstants sales totaled \$8 million. Sports Wagering sales for FY 2021 totaled \$40.7 million with 1,226,366 wagers placed.

Lottery sales for FY 2020 totaled \$208.1 million, compared to \$213 million in FY 2019. This represents a \$4.9 million or 2.3% decrease. FY 2020 and FY 2019 terminal game sales totaled \$160.9 and \$160.7 million, respectively; which amounted to a year-over-year increase of \$200,000 or less than one percent. FY 2020 Instant Ticket sales totaled \$47.1 million, compared to \$52.3 million in FY 2019, representing a \$5.2 million or 9.9% year-over-year decrease. The Lottery launched *GambetDC* on May 28, 2020; in FY 2020, the platform accepted 197,637 wagers totaling \$6.4 million.

9. Please list all intra-District transfers to or from the Office in Fiscal Years 2021 and 2022, to date. For each transfer, include the following details:
 - a. Buyer agency;
Please see Attachment D
 - b. Seller agency;
Please see Attachment D
 - c. Program and activity codes and names in the sending and receiving agencies' budgets;
Please see Attachment D
 - d. Funding source (i.e., local, federal, SPR);
Enterprise
 - e. Description of Memorandum of Understanding ("MOU") services;
N/A
 - f. Total MOU amount, including any modifications;
N/A
 - g. Whether a letter of intent was executed for Fiscal Years 2021 or 2022, and if so, on what date;
N/A

- h. The date of the submitted request from or to the other agency for the transfer;
N/A
- i. The dates of signatures on the relevant MOU; and
N/A
- j. The date funds were transferred to the receiving agency.
The funds are taken up front at the beginning of the budget year by the Office of Financial Resources Management (OFRM).

10. Please list any additional intra-district transfers planned for Fiscal Year 2022, including the anticipated agency(ies), purposes, and dollar amounts.

Metropolitan Police Department (MPD), April 1, 2022 – September 30, 2022, Finger printing services, \$8,300.

11. Please list all MOU executed by OLG during Fiscal Years 2021 and 2022, to date, as well as any MOU currently in force. For each, indicate the date on which the MOU was entered and the termination date.

FY 2021 - Metropolitan Police Department (MPD), September 1, 2021 – September 30, 2021, Finger printing services, \$5,436.50.

13. *(No question was provided).*

14. Please list the ways, other than MOU, in which the Office collaborated with analogous agencies in other jurisdictions, with federal agencies, or with non-governmental organizations, during Fiscal Years 2021 and 2022, to date.

As a member of the Multi-State Lottery Association (MUSL) and the North American Association of State and Provincial Lotteries (NASPL), OLG collaborates with our counterparts in other jurisdictions on games, promotions, while sharing best practices and tackling issues collectively to assist with efforts in individual jurisdictions and strengthen and improve the industry as a whole.

OLG's Regulation and Oversight Division has engaged in a formal information sharing agreement with the regulatory body overseeing sports betting in Virginia to gain insight into licensees' operational and compliance history to assist in due diligence of applicants as well as with ongoing oversight. The Division has worked to establish connections with regulators in New Jersey, Pennsylvania, and Tennessee on their best practices to help continuously improve upon our operations.

Additionally, the Regulation and Oversight Division works with the Financial Crimes Enforcement Network (FinCEN, U.S. Administrator of the Bank Secrecy Act) on a variety of issues associated with the regulation of anti-money laundering programs required of sports wagering operators. In late February 2021, OLG was approved for a 3-year-term membership in

FinCEN's Bank Secrecy Act Advisory Group (BSAAG).

As previously mentioned, OLG has also partnered with the University of Nevada, Las Vegas' International Center for Gaming Regulation to conduct capacity training opportunities on recruitment initiatives and sports wagering licensing for CBEs in the District. These opportunities involved a series of four recruitment sessions entitled "*Betting on Small Business Power Hours.*" We also continue to collaborate with the National Council on Problem Gambling (NCPG) on best practices with respect to responsible gambling programs.

15. Please list each contract, procurement, or lease ("contract"), executed, extended, and option years exercised by the Office during Fiscal Years 2020, 2021, and 2022, to date. For each contract, please provide the following information, where applicable:
- a. Name of the contracting party;
 - b. Contract number;
 - c. Contract type (e.g., HCA, BPA, Sole Source, sing/exempt from competition award, etc.);
 - d. Nature of the contract, including the end product or service;
 - e. Contract's outputs and deliverables;
 - f. Status of deliverables;
 - g. Dollar amount of the contract, including amount budgeted and amount actually spent;
 - h. Term of the contract;
 - i. Whether the contract was competitively bid;
 - j. Subcontracting status (i.e., did the Contractor sub any provision of the goods and/or services with another vendor);
 - k. Certified Business Entity ("CBE") status;
 - l. Division and activity within Lottery utilizing the goods and/or services;
 - m. Name of OLG's contract monitor and the results of any monitoring activity; and
 - n. Funding source.

Please see Attachments E (list of contracts) and F (list of procurements).

16. Please list all Requests for Proposals ("RFPs") planned or currently out for solicitation by OLG and include a brief description of each.

The Mobile Vending Contract (Solicitation CFOPD-21-R-010 Lottery Promotions and Events Support Services) is in the final stages of the procurement process. To maintain and ensure a fair procurement process, information about future RFPs can only be released at the time notice of the RFP is provided to the public.

17. Please provide an update on the expected timeline previously provided for the following the Mobile Vendor contract.

The Mobile Vending Contract (Solicitation CFOPD-21-R-010 Lottery Promotions and Events Support Services) is in the final stages of the procurement process and will be awarded within the next 30 days.

18. Please attach copies of the required annual small business enterprise (“SBE”) expenditure reports for OLG for Fiscal Years 2021 and 2022, to date.
- a. D.C. Official Code § 2-218.53(b) requires each District agency to submit supplemental information with their annual SBE expenditure report, including: a description of the activities in which the agency engaged to achieve their fiscal year SBE expenditure goal; and a description of any changes the agency intends to make during the next fiscal year to achieve their SBE expenditure goal. Has OLG submitted the required information for Fiscal Year 2021? Please provide a copy as an attachment.

OLG has submitted the required information. Please see Attachment G.

19. Please provide the Committee with OLG’s SBE goals for Fiscal Years 2020, 2021, and 2022.

FY 2020 SBE goal: \$ 7,728,672 --- SBE Spend: \$ 9,458,271 --- **122.38% (Exceeded Goal)**
FY 2021 SBE goal: \$20,299,059 --- SBE Spend: \$10,443,850 --- **51.45%**
FY 2022 SBE goal: \$20,104,213 (may be adjusted at year-end based on actual contract spend)

The FY 2021 goal and spend information is what is reported in the District Enterprise System (DES); however, OLG has identified adjustments that need to be made to the goal due to actual contract spending. In addition, there are also adjustments that need to be made to the reported expenses. OLG is confident that when these adjustments take place, we will have met or exceeded our FY 2021 goal.

20. Please provide a breakdown of the SBE contracts awarded to minority and women owned businesses by OLG in Fiscal Years 2020, 2021, and 2022, to date.

Please see Attachment H.

21. For Fiscal Years 2021 and 2022, to date, please list any purchase card spending by the Office, including the employee making each expenditure and the general purpose for each expenditure.

Please see Attachment I.

22. Please identify all electronic databases maintained by OLG, including the following:

- a. A detailed description of the information tracked within each system;
- b. The age of the system and any discussion of substantial upgrades that have been made or are planned to the system; and
- c. Whether the public can access to all or part of each system.

Please see Attachment J.

23. Describe efforts by OLG over the past year to make its activities more transparent to the public.

The gaming industry's existence and success is predicated on the public's trust and confidence in its operations and activities. Therefore, OLG must continuously strive for transparency in its work to ensure the integrity of all its offerings. If OLG is unable to uphold this transparency and demonstrate fairness and integrity to the public, support of its operations and mission will waiver.

OLG prides itself on being as transparent as possible with the public. OLG's website contains a wide array of information about our games, promotions, winners, where the money goes, and provides access to financial statements from 1997 through last year. The public can also gather information on our Instant "Scratcher" prizes remaining. Daily draws can be viewed on the DC Lottery's website. Winning numbers are posted twice a day and multi-state games' numbers are posted immediately after the draws occur.

The Regulatory and Oversight division is responsible for regulating private operated gaming operators and their suppliers, including sports wagering and electronic Games of Skill. Posted on our website, players can find monthly financial statements for both private-operated sports wagering and the District-operated sports wagering platform, *GambetDC*. The public can also view the status of all received sports wagering applications, as well as Executive Director Orders governing sports wagering. Last year, OLG, in conjunction with DSLBD, held four capacity building seminars and a kick-off event for the small business community to learn about sports wagering. This created opportunities for members of the small business community to ask questions and interact with executives at OLG and DSLBD.

OLG continues to advertise and promote its products to the public and look for ways to educate our players and retailers about games and products. OLG has deployed "how to play" videos for our newest game offerings and have comprehensive information-rich websites as well as 24-hour customer support for our *GambetDC* and *DC iLottery* platforms. Additionally, OLG has updated its responsible gaming program and we continue to educate the playing public about responsible game play.

24. Please list all recommendations identified by the Office of the Inspector General, DC Auditor, or other federal or local oversight entities during the previous 3 years and provide an update on actions taken to address these recommendations. If the recommendation has not yet been implemented, please explain why.

- FY 2019 - Perform a periodic entitlement review of administrator and user accounts to evaluate if access roles are appropriate. – The OLG's Security division will review the permissions on a quarterly basis. – *CAFR Auditors*
- FY 2019 - Direct the OLG Agency Fiscal Officer to ensure compliance with instant ticket daily monitoring process. – A Finance team member has been identified as a back-up to provide the

In-transit Report in the absence of the designee. Both have been requested to either make a note (if issue is email related) or email any event(s) that are preventing the report from being distributed. It is also imperative to note that non-compliant retailers remain on the in-transit report until they become compliant, therefore eliminating a retailer falling through the cracks due to a circumstance that prevents report distribution for a particular day. – *Office of Integrity and Oversight (OIO) Auditors*

- FY 2019 - Reinforce record retention requirements to ensure pertinent files are maintained as outlined. – Following receipt of OIO’s draft report and recommendation, the OLG’s Agency Fiscal Officer discussed, in detail, record retention requirements with Finance staff. Additionally, OLG’s Resource Management division distributed the Office’s record retention schedule via email to all staff as a reminder of requirements during the week of November 26, 2019. – *OIO Auditors*
- FY 2019 - Update SOPs to include returns of instant tickets due to a change of ownership. Previous SOPs should be taken out of circulation to ensure consistency. – A DC Lottery license is non-transferrable, so there is no “change of ownership” license status that would support returning partial instant ticket packs. In the case that a store owner is selling their business and the new owner intends to sell lottery, the existing owner would need to surrender their license and the new owner would need to apply for licensure. Under this scenario, partial packs of instant tickets could not be returned. Full packs of instant tickets can be returned at any time, provided the pack(s) have not settled or reached “end of game” status. To help clarify any potential misunderstanding, OLG inserted language into the SOP No. 19-004, Return and Restock of Instant Ticket Inventory detailing that partial packs cannot be returned during a license surrender. The SOP was revised and circulated for review and signed by the involved personnel. The SOP was issued to all pertinent departments and the previous version was taken out of circulation. – *OIO Auditors*
- FY 2019 - Establish policies ensuring that all OLG Personnel (Sales, Security and Finance) involved in an administrative licensing action (suspension, revocation) meet in person before visiting a retailer, when possible. – OLG Personnel (Sales, Security, Finance and OGC) coordinate, typically via email, to carry out their respective responsibilities to support an administrative action against a retailer’s license. OLG drafted an SOP establishing a written policy on this coordination that culminates with an in-person meeting between pertinent internal parties before the retailer is visited. – *OIO Auditors*
- FY 2019 - Provide training on the revised and updated SOPs to all OLG personnel involved in the instant ticket return and monitoring processes. – Upon finalizing edits to SOP No. 19-004 as detailed in response #3, OLG required all staff who have a role in the process to sign and acknowledge that they have read and understand the corresponding Standard Operating Procedures. – *OIO Auditors*

- FY 2021 - OLG should reevaluate their NSF policy to ensure retailers face monetary penalties for reoccurring NSFs. – No action taken. Please see Attachment K for the complete response. – *Office of the District of Columbia Auditors (ODCA)*
- FY 2021 - OLG should develop standard operating procedures for when payment is not provided during the weekly electronic funds transfer sweep, which should include acceptable methods of payment. – No action taken. Please see Attachment K for the complete response. – *ODCA*
- FY 2021 - OLG should develop, implement, and monitor adherence to an official policy regarding oversight of the revenue reconciliation process. This policy should include a requirement for OLG to review and approve corrective actions taken, as identified within the incident reports. – No action taken. Please see Attachment K for the complete response. - *ODCA*
- FY 2021 - OLG should develop SOPs for the timely recording of instant tickets in the BOS. No action taken. Please see Attachment K for the complete response. - *ODCA*
- FY 2021 - OLG should establish and communicate uniform licensing requirements for prospective DC Lottery retailers. Action taken. Please see Attachment L for the complete response. - *ODCA*
- FY 2021 – Update procedures to provide comprehensive guidelines on the maintenance and monitoring of the fleet management program including well-defined regulatory compliance oversight roles and enforcement. Action taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 – Train all access users on the Geotab system functions and reporting. Action taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 – Conduct periodic reviews of Authorized Drivers to ensure drivers maintain compliance with requirements, including a periodic briefing of safety requirements. Action Taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 – Establish a vehicle operator checklist. Action taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 - Secure payment for the outstanding ticket and going forward, ensure all traffic enforcement violations are paid timely by vehicle operators. Action taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 - Implement a process for vehicles returned after hours that ensures access control and proper safeguarding of fleet keys. Action taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 - Develop recordkeeping standards and enforce submission and collection of

adequate records and supporting documentation of fleet utilization. Please see Attachment L for the complete response. – *OIO Auditors*

- FY 2021 - Ensure adequate monitoring of Geotab and vehicle utilization logs is maintained by Support Services and Department Heads. Action taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 - Implement a process to periodically review and analyze vehicle records and billing statements to ensure accuracy of the costs allocated to OLG. Action taken. Please see Attachment L for the complete response. – *OIO Auditors*
- FY 2021 - OLG should comply with contract terms and the appointment of duties memo from the CO to the COTR and not approve invoices without supporting documentation for all work performed, including work by CBEs. Action taken. Please see Recommendation #9 on Attachment M for complete response. -*ODCA*
- FY 2021 - OLG should require the assigned COTR to ensure adherence to terms of the contract or appoint personnel best suited to fulfill COTR duties. Action taken. Please see Recommendation #10 on Attachment M for complete response. – *ODCA*
- FY 2021 – OLG should consider building out a *GambetDC* retail network to increase revenue and benefit the District as authorized by the legislation. Action taken. Please see Consideration #1 on Attachment N for complete response. – *ODCA*
- FY 2021 - OLG should consider granting operator licenses to additional privately sponsored sportsbooks to enhance revenue as authorized by legislation. No action taken. Please see Consideration #2 on Attachment N for complete response. – *ODCA*
- FY 2021 – OLG should consider increasing the 10% tax rate on GGR to enhance total revenue. No action taken. Please see Consideration #3 on Attachment N for complete response. - *ODCA*
- FY 2021 – OLG should consider negotiating terms to eliminate OLG’s obligation to cover the contractor’s other direct operating expenses. Action taken. Please see Consideration #4 on Attachment N for complete response. - *ODCA*
- FY 2021 – OLG should consider increasing payouts in order to further incentivize betters to place bets with *GambetDC* to increase overall revenue even though it would reduce the District’s GGR margin. Action taken. OLG increased its *GambetDC* payout percentage from 80% to 90% for a one-year pilot program that commenced on February 11, 2022. Please see Consideration #5 on Attachment N for complete response. - *ODCA*
- FY 2021 – OLG should consider improving the *GambetDC* apps user experience and resolving technical issues experienced by users to assist in attracting additional betters to *GambetDC*. Action taken. Please see Consideration #6 on Attachment N for complete response. - *ODCA*

25. Please provide a list of all studies, research papers, reports, and analyses (“reports”) that OLG prepared or contracted for in Fiscal Years 2021 and 2022, to date. Include a description and status update for each. If the report is complete, please include a link.

OLG routinely engages with key stakeholders to gather information that is used to improve its performance. In FY 2021, OLG conducted the following:

- **Race2Riches Focus Groups** – *Race2Riches* core users were shown the new version of the game and asked to provide feedback on the bet types and game mechanics prior to the final development. Insights received from the focus groups were incorporated into the final game design.
- **In Store Player Intercepts** – OLG marketing and sales team did ad hoc in-store satisfaction surveys with players and retailers.
- **\$30 Instant Ticket Distribution** – OLG fielded a survey to retailers regarding our \$30 products and distribution.

In FY 2022, OLG has commissioned the following research:

- **Player Benchmark Study** – This benchmark study is fielded every two years and is meant to gain a baseline understanding of DC Lottery players and track their game play, spending and attribute ratings on factors associated with the DC Lottery.
- **Brand Study** – This brand study is fielded every two years and builds upon the Player Benchmark Study. The goal of this study is to better understand the perceptions of the DC Lottery brand among players and non-players.

26. List all awards, recognition, or accolades that OLG was awarded or nominated for in the past year.

In 2021, the Lottery was recognized with the following national and local awards

- Telly Awards - Local TV – Campaign Promotional: DCL “*iLottery*”(Silver)
- MarComm Award for the #DCLove campaign, February 2021 (Gold)
- Hermes Creative Awards, Best Website Redesign, 2021 (Gold)
- 2021 North American Association of State and Provincial Lotteries’ (NASPL) Powers Award recipient, Nicole Jordan (Director of Marketing and Communications), October 2021

27. Please list all settlements entered into by OLG or by the District on behalf of OLG in Fiscal Years 2021 and 2022, to date, and provide the parties’ names, amount of the settlement, and if

related to litigation, the case name and a brief description of the case. If unrelated to litigation, please describe the underlying issue or reason for the settlement (e.g., administrative complaint, etc.).

None.

28. Please describe OLG's procedures for investigating allegations of sexual harassment or misconduct committed by or against its employees. List and describe any such allegations received by OLG in Fiscal Years 2021 and 2022, to date, regardless of whether those allegations were resolved.

OLG is a subordinate office within the Office of the Chief Financial Officer (OCFO). As such, the OCFO's Office of Human Resources handles any OLG-related sexual harassment or misconduct complaints. Allegations of sexual harassment or misconduct are quickly and thoroughly investigated. If an investigation finds credible evidence that substantiates the allegation, appropriate disciplinary action is taken against the offender.

29. Please list any administrative complaints or grievances that OLG received or resolved in Fiscal Years 2021 and 2022, to date, broken down by source. For any complaints or grievances resolved in Fiscal Years 2021 and 2022, to date, describe the resolution.

None.

30. Please describe the process used by OLG to respond to complaints or grievances, and any changes to OLG policies or procedures that have resulted from complaints or grievances received.

Customer complaints and grievances are tracked by OLG's Resources Management Department. When complaints and grievances are received, they are uploaded to Zendesk and assigned by the Resources Management Department to the appropriate OLG staff person for a response. The resolution of each complaint is tracked in the Zendesk application. Please see Attachment O.

31. Please identify any legislative requirements that OLG lacks sufficient resources to properly implement.

None.

32. Please list and describe any legislation or regulation the Office plans to introduce during the remainder of Fiscal Year 2022.

OLG does not plan to introduce any legislation in FY 2022. In FY 2022, OLG plans to issue new game rules for a new version of its *Race2Riches* game. OLG also plans to update its sports wagering and game of skill rules.

33. Please list and describe any updates to OLG rules and regulations made in Fiscal Years 2021 and 2022, to date.

- Adopted final rules governing *iLottery* (30 DCMR ch. 11);
- Adopted final rules governing Games of Skill (30 DCMR ch. 22);
- Adopted final rules governing District operated retail sports wagering (30 DCMR ch. 20);
- Adopted final rules updating the *Powerball* game rules to increase the number of drawings per week from two to three (30 DCMR. ch. 9); and
- Adopted final rules updating the Lucky for Life game rules to increase the number of drawings per week to daily (30 DCMR ch. 9).

34. List any new games introduced by the Lottery in Fiscal Year 2021 and describe how they are performing.

The pandemic continues to impact the business operations of OLG and has required a shift in its game launch strategy. However, OLG was able to work through many of these challenges to ensure exciting new games were introduced to market in FY 2021.

OLG introduced 34 new Instant Tickets in FY 2021, which is six more game releases than FY 2020 but slightly less than pre-pandemic years. With less foot traffic at store locations, Instant Ticket orders from our retailer partners slowed significantly. Accordingly, OLG adjusted the number of games released per month to ensure proper inventory levels. In FY 2021, Instant Ticket sales totaled \$46.6 million.

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Instant Ticket Games Launched in FY 2021

Game Launch Month	Price Point	Game Name	FY 2021 Sales
October	\$1	Red Hot Double Doubler	\$311,200
October	\$5	Red Hot 5s Doubler	\$1,174,400
November	\$1	Snow Bank	\$248,600
November	\$2	Holiday Magic	\$286,800
November	\$5	Make It Rein	\$917,200
December	\$2	2X	\$455,800
December	\$5	5X	\$1,353,400
December	\$10	10X	\$1,690,500
January	\$1	Money Talks	\$304,600
January	\$5	Quick \$500!	\$1,692,200
January	\$10	Six Figures	\$1,785,300
February	\$2	Find the 9s	\$412,400
February	\$5	It's All Cash	\$1,226,800
February	\$10	Triple 777	\$1,859,400
March	\$1	Lucky Roll	\$262,400
March	\$3	Lucky 13	\$426,600
March	\$5	Lady Luck	\$1,195,200
April	\$1	Match 2 Win	\$215,200
April	\$5	Money Tree	\$832,600
April	\$10	\$50 or \$100	\$1,542,000
May	\$1	DC Ca\$h	\$259,600
May	\$2	Fast Cash	\$248,600
May	\$5	Beltway Bucks	\$968,000
June	\$1	Power Cash	\$199,400
June	\$2	Power Cash 2X	\$270,800
June	\$5	Power Cash 5X	\$836,800
June	\$10	Power Cash 10X	\$1,058,100
July	\$1	7-11-21	\$185,400
July	\$3	Fiesta	\$207,300
July	\$10	Mystery Multiplier	\$798,600
August	\$2	202 (2nd Edition)	\$196,800
August	\$5	Washington Football Team	\$454,800
September	\$1	Cash Money	\$118,800
September	\$5	\$ (Dollar Sign)	\$297,800

DC iLottery, launched on December 18, 2021, is a dynamic e-commerce platform which allows customers to experience lottery games online. They can play DC-3, DC-4, DC-5, Lucky for Life, Powerball, Mega Millions, and our new eInstant games from almost anywhere in the District using a smartphone, computer, or tablet. eInstants play similarly to traditional paper scratch tickets sold in retail stores, but these electronic games are strictly offered online. Every three to four weeks, OLG adds a new eInstant game to the *DC iLottery* platform. OLG introduced 25 new eInstant games in FY 2021, which generated \$8 million in sales.

DC *i*Lottery eInstant Games Launched in FY 2021

FY 2021 – Launch Date	Game	Sales to Date (2/10/22)
Friday, December 18, 2020	Jungle Tumble	\$1,478,293.50
Friday, December 18, 2020	DC Payout	\$312,520.00
Friday, December 18, 2020	Cashword Bonus	\$234,899.20
Friday, December 18, 2020	Lucky Clover	\$268,614.55
Friday, December 18, 2020	25 Card Cash	\$552,768.40
Friday, December 18, 2020	Fast Buck Lucky	\$159,561.50
Friday, December 18, 2020	Brr Bucks	\$491,247.00
Friday, December 18, 2020	Cash Buster Extreme	\$847,530.20
Wednesday, January 6, 2021	Winter Cash Drop	\$717,132.00
Wednesday, January 20, 2021	500x the Cash	\$532,929.50
Wednesday, February 3, 2021	Find the Treasure	\$219,548.10
Wednesday, February 17, 2021	DC Expander	\$1,078,479.00
Wednesday, March 3, 2021	Leprechaun Wishes	\$186,467.50
Wednesday, March 17, 2021	Rainbow Bonus	\$186,579.15
Wednesday, March 31, 2021	Money Bee	\$545,227.80
Wednesday, April 14, 2021	Medieval Match	\$221,530.25
Wednesday, April 28, 2021	DC Cash Club	\$323,424.50
Wednesday, May 12, 2021	Fruit Towers	\$242,552.35
Wednesday, May 26, 2021	Mining Bucks	\$250,849.00
Wednesday, June 9, 2021	Gem Stacks	\$441,306.50
Wednesday, June 23, 2021	Robo Match	\$415,020.65
Wednesday, July 14, 2021	Molten Money	\$335,307.50
Wednesday, August 4, 2021	Washington Football Team	\$518,081.25
Wednesday, August 25, 2021	Cash Buster Towers	\$862,753.40
Wednesday, September 15, 2021	200x Frenzy	\$83,117.80

35. List and describe any new games planned for Fiscal Year 2022.

In FY 2022, OLG will launch a new version of the existing *Race2Riches* horse-themed monitor game. *Race2Riches* is an interactive horse racing game with the opportunity to win up to \$1,000,000. The game will be available both in retail and on DC *i*Lottery. It will include new graphics, an improved prize structure, and new bet types.

In 2022, the DC Lottery will celebrate its 40th anniversary. Established in 1982, the DC Lottery is an integral thread woven into the cultural fabric of the District of Columbia’s entertainment landscape. In FY 2022, exciting games and promotions will be launched to celebrate *40 Years in the Game*. Thirty instant tickets will be released which includes a 40th anniversary ticket which has a year-long second chance promotion, a Family of Games loaded with cash, and a signature “DC themed ticket.” OLG will launch 17 eInstants games, including an instant win Keno game, a progressive jackpot game, and holiday themed games. There are two Fast Play Games and a Tap

and Play game slated to be developed in Fiscal Year 2022.

36. List any games that were retired in Fiscal Year 2021.

OLG closed 34 instant games in FY 2021. The games were closed based on percentage sold, time in market and remaining top prizes.

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Instant Tickets Closed in FY 2021

Price Point	Game Name
\$5	Lucky Fortune
\$10	100X
\$5	50X
\$2	20X
\$5	Holiday Cash
\$2	Peppermint Payout
\$1	Holiday Luck
\$5	\$5,000 Overload
\$10	Win Big
\$2	Super 7-11-21
\$10	Lion's Share
\$5	Electric Dice
\$1	Electric Slots
\$5	Make It Rain!
\$1	Dollar Signs
\$1	Silver Dollar
\$10	Fast Cash
\$5	Washington Nationals
\$2	Game of Riches
\$10	Red Hot Riches
\$5	DC Flag
\$2	202
\$10	High Roller's Fortune
\$5	Hit the Jackpot
\$5	Stanley Cup Champions
\$1	Electric 8s
\$10	Aces High
\$2	Double Match
\$1	Uno
\$20	20X the Money
\$3	\$25K Cash Fiesta
\$20	New Year New Money Cash Celebration
\$3	Bingo Boxes
\$20	Diamond Dollars

37. Please provide the Committee with an overview of the *iLottery* betting platform. In your response, please include the following information for Fiscal Years 2021 and 2022, to date:

- a. Total amount played;
- b. Total payout; and
- c. Number of wagers played.

DC iLottery- FY 2021

FY 2021	eInstant	Draw	Total
Amount Played	\$8,020,377	\$444,342	\$8,464,719
Total Payout	\$7,125,420	\$73,270	\$7,198,690
Number of Wagers	3,653,545	107,551	3,761,096

DC iLottery – FY 2022 (as of January 31, 2022)

FY 2022 YTD	eInstant	Draw	Total
Amount Played	\$5,333,875	\$497,719	\$5,831,594
Total Payout	\$4,681,565	\$108,184	\$4,789,749
Number of Wagers	2,848,650	177,054	3,025,704

The Lottery unveiled *DC iLottery*, on December 18, 2020. This digital sales platform generates new revenue for the District of Columbia by responding to the marketplace’s growing demand for innovative new entertainment options and making the Lottery more convenient for our technology-driven customers.

Players can access *DC iLottery* from their smart phone, computer, or tablet, and once registered for an account, can play the games while physically in the District, except within some areas of the District where lottery play is prohibited. The platform utilizes geolocation technology to confirm a player’s location before a ticket can be purchased.

To register for an account, players must be at least 18 years of age and must pass an identity verification process, which requires the submission of their legal name, address, date of birth, and Social Security Number. Registered players can securely deposit funds into their account using a credit card, debit card, ACH bank transfer, PayPal, and Skrill. The platform has strong mechanisms in place to maintain players’ financial information and to protect their privacy; it also features responsible gaming safeguards, including the ability for players to set bet limits, deposit limits, time limits, and cool off periods, as well as information to exclude themselves completely from gaming activities licensed and operated by OLG.

On *DC iLottery*, players can choose from a menu of games, including the popular multi-state draw games, *Powerball* and *Mega Millions*, as well as an array of electronic scratcher games (“eInstants”). eInstants play similarly to traditional paper scratch tickets sold in retail stores, but these electronic games are strictly offered online. New eInstant games are added monthly.

Powerball, Mega Millions, Lucky for Life, DC3, DC 4, and DC 5 are available on the platform. *Race2Riches* will be available by Summer 2022. Currently there are 13,147 registered users.

In October of 2021, the Lottery launched its first crossover game, *Washington Football Team*, in retail and on DC *iLottery*. Enhancements to the platform, the introduction of new game features, and significantly enhanced promotion and Customer Relationship Management (CRM) capabilities will occur in FY 2022. DC *iLottery* will continue to see growth in the years to come.

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All DC iLottery eInstant games launched in FY 2021

FY 2021 – Launch Date	Game	Game Style	Sales to Date (2/10/22)
Friday, December 18, 2020	Jungle Tumble	Instant Win Game	\$1,478,293.50
Friday, December 18, 2020	DC Payout	Instant Win Game	\$312,520.00
Friday, December 18, 2020	Cashword Bonus	Instant Win Game	\$234,899.20
Friday, December 18, 2020	Lucky Clover	Instant Win Game	\$268,614.55
Friday, December 18, 2020	25 Card Cash	Instant Win Game	\$552,768.40
Friday, December 18, 2020	Fast Buck Lucky	Instant Win Game	\$159,561.50
Friday, December 18, 2020	Brr Bucks	Instant Win Game	\$491,247.00
Friday, December 18, 2020	Cash Buster Extreme	Instant Win Game	\$847,530.20
Wednesday, January 6, 2021	Winter Cash Drop	Instant Win Game	\$717,132.00
Wednesday, January 20, 2021	500x the Cash	Instant Win Game	\$532,929.50
Wednesday, February 3, 2021	Find the Treasure	Instant Win Game	\$219,548.10
Wednesday, February 17, 2021	DC Expander	Instant Win Game	\$1,078,479.00
Wednesday, March 3, 2021	Leprechaun Wishes	Instant Win Game	\$186,467.50
Wednesday, March 17, 2021	Rainbow Bonus	Instant Win Game	\$186,579.15
Wednesday, March 31, 2021	Money Bee	Instant Win Game	\$545,227.80
Wednesday, April 14, 2021	Medieval Match	Instant Win Game	\$221,530.25
Wednesday, April 28, 2021	DC Cash Club	Instant Win Game	\$323,424.50
Wednesday, May 12, 2021	Fruit Towers	Instant Win Game	\$242,552.35
Wednesday, May 26, 2021	Mining Bucks	Instant Win Game	\$250,849.00
Wednesday, June 9, 2021	Gem Stacks	Instant Win Game	\$441,306.50
Wednesday, June 23, 2021	Robo Match	Instant Win Game	\$415,020.65
Wednesday, July 14, 2021	Molten Money	Instant Win Game	\$335,307.50
Wednesday, August 4, 2021	Washington Football Team	Instant Win Game	\$518,081.25
Wednesday, August 25, 2021	Cash Buster Towers	Instant Win Game	\$862,753.40
Wednesday, September 15, 2021	200x Frenzy	Instant Win Game	\$83,117.80

All DC iLottery eInstant games launched in FY 2022

FY 2022 – Launch Date	Game	Game Style	Sales to Date (2/10/22)
Wednesday, October 6, 2021	Cauldron of Cash	Instant Win Game	\$515,113.00
Wednesday, October 27, 2021	Autumn Cascade	Instant Win Game	\$437,067.50
Wednesday, November 17, 2021	Holiday Towers	Instant Win Game	\$233,040.15
Wednesday, December 8, 2021	Vegas Cash Drop	Instant Win Game	\$939,133.50
Wednesday, December 29, 2021	Viking Voyage	Instant Win Game	\$124,350.00
Wednesday, January 19, 2022	Lucky Keno	Instant Win Game	\$51,161.70
Wednesday, February 10, 2022	Jungle Tumble Jackpots	Progressive	TBD

All DC iLottery draw games launched in FY 2021

FY 2021 – Launch Date	Game	Game Style	Sales to Date (2/10/22)
Thursday, December 17, 2020	Mega Millions	Draw	\$255,443.00
Thursday, December 17, 2020	Powerball	Draw	\$359,480.00
August, 2021	DC 3	Draw	\$83,802.50
August, 2021	DC 4	Draw	\$135,145.00
August, 2021	DC 5	Draw	\$88,486.50
August, 2021	Lucky For Life	Draw	\$59,304.00

38. Please provide a table comparing the number of establishments selling Lottery tickets over the past five fiscal years.

As of February 8, 2022, there are 379 traditional licensed Lottery retail locations in the District.

Year	Number of Licensed Agents
FY 2022	379
FY 2021	376
FY 2020	412
FY 2019	401
FY 2018	409
FY 2017	423

- a. How many outlets are planned or anticipated for Fiscal Year 2022 and the next five fiscal years?

Expected Retailer Growth	
FY 2022	390
FY 2023	398
FY 2024	406
FY 2025	414
FY 2026	418
FY 2027	422

39. In response to the Committee’s questions last year about Instant Ticket sales, OLG described a small pilot program at 35 retail locations aimed at increasing Instant Ticket sales. OLG stated the pilot was paused because of the COVID-19 Pandemic, but that the Office would resume the program when sales reps could safely deploy back into the field. Please provide an update on the status of this pilot.

One of the more valuable projects that OLG has utilized as a tool is the use of tape in scratch ticket inventory management control. This allows two or more packs of Instant Tickets to be taped together to minimize the amount of times that dispensers must be refilled, minimizing out-of-stocks. It is an industry best practice and has a positive long-term effect on instant sales. In real time, the focus is to increase inventory at high-volume retailers and reduce the frequency of loading when inventory is depleted. Lottery Sales Coordinators recently returned to the field at the start of FY 2022. OLG has successfully launched this endeavor as a pilot program at traditional small business locations as well as with our corporate partners. This pilot program has contributed to the strong Instant Ticket growth OLG has experienced in FY2022 thus far. In summary, OLG is seeing some success with instant ticket sales, as well as increased retailer engagement and support for the program.

40. Describe the steps taken by OLG to monitor fraud, theft, and abuse of Instant Tickets and Scratchers.

OLG takes fraud, theft, and abuse very seriously. Numerous measures are in place to monitor instant ticket inventory. The processes and procedures were developed in conjunction with the OCFO’s Chief Risk Officer. OLG’s monitoring activities include, but are not limited to, the following:

- OLG’s Security division receives all instant ticket inventories via secured truck delivery and the tickets are placed in a secured vault.
- Multiple layers of access control are in place for the Instant Ticket inventory vault (i.e., badge swipe, pin code, and an alarm system).

- OLG’s Security division monitors the Instant Ticket inventory via closed circuit television.
- Any authorization for access to the secure area where Instant Tickets are warehoused must be granted by OLG’s Security division.
- OLG’s Inventory Manager monitors through the Back-Office System (BOS) active retailers’ Instant Ticket inventory reports. Discrepancies are escalated to the Security division for further review.
- Retailers are restricted to ordering Instant Tickets via OLG’s telephone sales (tel-sel) operation.
- Strick compliance with regulations which require system receipt of the Instant Ticket inventory within 24 hours, and activation within 30 days.
- “In Transit” and “Issue Status” reports are generated and monitored daily for regulatory compliance by the retailers.
- Retailers not in compliance with the 24-hour system receipt regulation are contacted daily until compliance is met or their Instant Ticket inventory is confiscated by OLG’s Security division.
- Retailers not in compliance with the 30-day activation regulation have their Instant Ticket inventory force activated (changing tickets to a selling status) by OLG to bring them into compliance.
- OLG’s billing terms were reduced to allow for quicker cash collections.
- Routine exterior rounds are conducted by OLG’s contract security officers, to ensure doors are secured.
- OLG’s Security division conducts background checks on all employees and contractors.
- Instant ticket inventory reported stolen from a retailer location is marked as such in OLG’s Back Office System. OLG’s Security division receives live notifications when validations of Instant Ticket inventory marked as stolen are attempted. OLG Security uses this information to assist the Metropolitan Police Department in apprehending suspected burglars. OLG Security also reviews the surveillance cameras at retailer locations when available and applicable to help with lottery-related investigations.
- OLG’s Security division communicates with industry security personnel regularly to discuss current trends, associated risk, and proactive solutions.
- OLG’s Security division monitors DC *iLottery* test accounts to maintain the integrity of employees and contractors.

- OLG's Security division provides oversight of the gaming system by issuing and monitoring system access.

41. In its responses to the Committee's questions over the past two oversight periods, OLG stated that implementation of an online application processes for retail licensing for Charitable Games had been delayed. Please provide an update on this effort.

OLG is presently working with OCFO's Office of the Chief Information Officer on the implementation of the online application process for Charitable Games. The Charitable Games online application process is expected to launch on or before September 30, 2022.

42. Please describe the steps taken in Fiscal Years 2021 and 2022, to date, to be more competitive with Maryland and Virginia.

The global pandemic has changed the retail environment in the District where many of our valued customers are no longer commuting into the District five days a week. OLG is strategically planning and adjusting to this paradigm shift. OLG is continually adapting and evolving its product offering and promotions strategy to not only be more competitive with neighboring jurisdictions, but also focus on our growth products: *Scratchers*, *Fast Play*, *GambetDC*, and *iLottery*. OLG will continue to offer its loyal player rewards and incentives to ensure core players maintain DC Lottery brand preference, as well as develop products and promotions that are only sold in the District. OLG's annual product plan aims to provide players with new and exciting product offerings, enhanced payout features, and unique player experiences.

The Lottery will continue to find new and innovative ways to differentiate itself from competing jurisdictions. *GambetDC* and *DC iLottery* provide current and new players with digital playing experiences that are comparable to Virginia and Maryland. OLG continues to study players' motivations and buying habits, and continues to develop new games, products, promotions, partnerships, and more that will drive people to actively choose to come into the District to purchase tickets and wagers.

OLG is enhancing its website to better support e-commerce. In 2020, OLG launched a new website which exceeds industry standards in terms of interaction and offerings and allows for OLG to engage with players in more meaningful and personalized ways. Although the site received over 9.6 million visits in FY 2021, OLG is revisiting the user experience of the website to ensure it most effectively introduces people to all of OLG's growth driving games and offerings. The findings from user testing, surveys and a comprehensive user experience analysis will drive future updates.

Sports Wagering

43. Please discuss, with specificity, initiatives implemented by OLG in Fiscal Years 2021 and 2022, to date, to improve small and local business participation, specially by minority and women owned businesses, in sports wagering in the District.

- a. In response to a similar question during last year’s Performance Oversight period, OLG provided that the Office was working with DSLBD to plan an expanded capacity building program focusing on how to involve CBEs from various business sectors in sports wagering. Please provide an update on this, including a description of the program, outreach/advertising to make CBEs aware of the program, and any data available to measure success.

FY 2021 Initiatives

OLG and DSLBD conducted four capacity training opportunities on recruitment initiatives and sports wagering licensing. These opportunities involved a series of four recruitment sessions entitled “Betting on Small Business Power Hours.” These sessions were presented in conjunction with the University of Las Vegas’ International Gaming Institute (UNLV IGI) a widely recognized premiere resource for gaming research, solutions, insights, and executive education. Thus, in Fiscal Year 2021 OLG and DSLBD partnered with UNLV IGI to bring their international expertise in sports wagering regulation development, sports book build-out, and general operations/compliance knowledge to the District’s small business community. These sessions were conducted on May 26, 2021, June 9, 2021, June 23, 2021, and September 29, 2021.

- **May 26, 2021: Betting on Small Business Power Hour**
Get in on the Game with Sports Wagering
Featured Speakers: Craig Ferreira from the UNLV IGI, plus David Grolman and James Leonard from William Hill
- **June 9, 2021: Betting on Small Business Power Hour**
Beating the Odds! Exclusive Scoop to Navigating the Sports Gaming Industry
Featured Speakers: Craig Ferreira from the UNLV IGI and Sara Slane from Slane Advisory
- **June 23, 2021: Betting on Small Business Power Hour**
Selling Your Business to a Sports Book
Featured Speakers: Burt Foster from the Office of Lottery and Gaming, Tina Ramona Harrison from Infinity Solutions, and Melissa Resil from the Department of Small and Local Business Development
- **September 29, 2021: Betting on Small Business Power Hour**
Operating a Successful Sports Book
Featured Speakers: Peter Alvarado from the Office of Lottery and Gaming, Brian Vasile from Grand Central LLC, and Matteo Monteverdi from Elys Game Technology

FY2022 Initiatives

January 11, 2022: Inside Track Session

Working with Caesar's Sportsbook, BetMGM, and Grand Central (included Q&A session)

Featured Speakers Peter Alvarado from the Office of Lottery and Gaming, Brian Vasile from

Grand Central, David Grolman from Caesars Sportsbook and Johnny Grooms from BetMGM

Outreach and advertising of Initiatives

Working with DSLBD, we use a variety of methods to promote and advertise Initiatives including the following:

- DC Business Toolkit (<https://www.dcbusinesstoolkit.com/>)
- DSLBD social media
- Direct email to DSLBD mailing lists
- Advertisements on OLG and DSLBD websites
- Everbrite (indoor/outdoor signage)

Success Metrics

- Attendance at events
- Evaluations conducted after the events
- Business opportunities resulting from events (DSLBD tracks event participants through to actual business opportunities)

44. Please list all current applicants for Class B licenses, to date, and provide an update on the status of those applications.

The following is the list of all Class B license applications submitted and their status:

Entity	Submitted	Status	Comments
Handle 19	FY2020	Denied 1/28/21	Applicant withdrew application Feb 2021
Grand Central	FY2021	Approved	License issued 8/26/2021
476K (The Cloakroom)	FY2021	Under Review	

Handle 19’s application was denied on January 28, 2021. OLG subsequently allowed Handle 19 to withdraw their Class B application which they did so on February 19, 2021.

45. Please list all Class A and B licensees currently operating a sports wagering business in the District. If said license(s) is provisional, please indicate when the provisional license expires. For each licensed operator listed, please provide the following information for Fiscal Years 2021 and 2022, to date:

- a. Total handle;
- b. Total payout;
- c. Number of wagers played; and
- d. Gross gaming revenue; and
- e. Amount spent with CBEs.

Caesars Sportsbook		Wagers	Handle	Payout	GGR	CBE
FY2020						
FY2021		1,515,101	\$ 144,285,149	\$ 123,056,956	\$ 21,228,193	\$ 1,793,077
FY2022		629,448	\$ 53,516,519	\$ 48,287,450	\$ 5,229,069	\$ 980,086
Totals		2,144,549	\$ 197,801,668	\$ 171,344,406	\$ 26,457,262	\$ 2,773,163
BetMGM		Wagers	Handle	Payout	GGR	CBE
FY2021		58,572	\$ 2,602,808	\$ 2,268,073	\$ 334,735	\$ 1,320,894
FY2022		208,791	\$ 8,554,336	\$ 8,016,529	\$ 568,728	\$ 683,403
Totals		267,363	\$ 11,157,144	\$ 10,284,602	\$ 903,463	\$ 2,004,297
Grand Central		Wagers	Handle	Payout	GGR	CBE
FY2021						\$ 7,100
FY2022		35,811	\$ 2,035,092	\$ 1,762,631	\$ 272,461	\$ 102,623
Totals		35,811	\$ 2,035,092	\$ 1,762,631	\$ 272,461	\$ 109,723

Fiscal Year amounts are through January 2022 except for CBE amounts which are for the first quarter of FY 2022 ending December 31, 2021. Grand Central was licensed on August 26, 2021 but did not begin operations until October 1, 2021. For October 2021, BetMGM incurred a GGR loss of (\$30,921.18). As a result, BetMGM did not owe any tax revenue for the month of October 2021. For tax revenue purposes, each month is independent and any GGR loss is not carried over or applied to another month. Accordingly, the BetMGM's \$30,921.18 GGR loss is effectively treated as \$0.00 and not applied against the GGR amounts reported in November 2021 through January 2022.

46. Describe the process and timeline for reviewing sports wagering applications for each type of license.

It is OLG's responsibility to ensure sports wagering is conducted in a fair and honest manner that protects the economic welfare and interest of the District, its residents, and all others engaged in sports betting activity. Accordingly, those (entities and individuals) seeking licensure are subject to OLG's strict qualification criteria consistent with other sports wagering regulators. In addition, those licensed are subject to oversight monitoring to ensure continued compliance with the District's laws and rules governing sports wagering.

A vital component of the licensing process is determining a sports wagering license applicant's suitability in matters related to finance, integrity, and credibility. Each applicant and its qualifiers (Applicant's 5% or more owners and entities or individuals having control over an Applicant) must undergo a thorough background investigation to ensure they meet our high standards for good character, honesty, integrity, and financial suitability to operate a sportsbook or supply its goods and/or services to a sportsbook operating in the District.

The due diligence investigations for each applicant (entity) and, if applicable, its parent company covers their regulatory history in other jurisdictions, financial stability, operational plans, compliance plans, internal controls, history, and recent litigation, among other areas. The investigations for each qualifier including officers, directors, board members or key investors of

the applicant covers their employment history, criminal record check, compliance with state and federal taxes, investment holdings and financial suitability, among other areas.

Scope of Due Diligence:

Class A and B Operators and Management Service Providers (MSP) pose a high risk as they are providing sport wagering services directly and any failure on their part could adversely impact the public and District. For this reason, greater due diligence is applied to Operators and MSPs. An applicant for an MSP license may share in the gaming revenue to be generated by sports wagering operations (Class A or B) and, generally, play an instrumental role in sports wagering operations. Therefore, the MSP licensee is evaluated according to the same criteria as an Operator.

For suppliers, the risk posed by each applicant is taken into consideration in determining the appropriate amount of due diligence to be conducted. There is a wide variety of services and products offered by suppliers, and based on the risk to sports wagering, due diligence is performed commensurate with risk.

An Occupational License is required for individuals whose work duties are directly related to or involve sports wagering operated under the jurisdiction of OLG. Key personnel, such as directors, officers, and principal shareholders who have the power to exercise significant influence over decision making with respect to the applicant’s business operations are also required to be licensed.

The chart below depicts information and documentation that must be reviewed and approved by OLG prior to the issuance of any type of license.

	Class A	Class B	MSP	Supplier	Occupational
Basic Business License	X	X	X	X	
Certificate of Clean Hands	X	X	X	X	
Internal Controls vs OLG Minimal Internal Control Standards (MICS)	X	X	X		
Bond	X	X			
Reserves	X	X			
Labor Peace Agreement	X				
Test Lab Certifications	X	X	X	X	
Approved CBE Plan	X	X	X		
Financial Suitability Assessment (individual and/or entity)	X	X	X	X	X
Background Investigation (entity and/or individual qualifiers/sports book employees)	X	X	X	X	X

All license applications are submitted via OLG’s sports wagering online licensing portal.

Overview of the application review process:

- An Applicant commences a “draft” application via the OLG online portal based on the required category of licensing (i.e., Class A or B Operator, Management Service Provider, Supplier, or Occupational).

- The Applicant must complete the online licensing questionnaire and uploads supporting documentation before they are allowed to “submit” an application.
- Once an application is “submitted” by the applicant, the licensing coordinator reviews the application for completeness.
- A payment collection letter is sent to the applicant once all information and documents have been submitted and deemed complete and accurate by the licensing coordinator.
- Due diligence begins once the applicant has paid the non-refundable application fee required for each license category.
- An investigator is assigned the application and commences the due diligence process (background investigation, compliance with MICS (e.g., sports wagering system, security, surveillance, anti-money laundering program, responsible gaming program, house rules, etc.) and financial suitability assessment of the applicant (entity and/or individual)).
- The investigator recommends approval or denial of an application to the Division Director based on the results of the due diligence.
- A recommendation memorandum is circulated from the Division Director to OLG Chief Counsel for legal sufficiency.
- The Executive Director ultimately issues an executive order approving or denying an application.

Approximate Timeline for Reviewing Sports Wagering Applications	
Class A and B Operator	6 to 9 months
MSP	6 to 9 months
Supplier	3 to 6 months
Occupational	Up to 2 months

47. Please provide an update on the Sports Wagering Regulatory & Oversight Division. Are there any revenues and expenses associated with the regulatory aspect of sports wagering? If so, please explain. Need to provide highlighted information

During FY 2021, the Regulation and Oversight Division (Division) made significant updates in its internal procedures and processes to increase the efficiency in licensing and compliance oversight. To enhance transparency, the Division issued Minimum Internal Control Standards (MICS) that detail the operational requirements for Class A, Class B and Management Service Providers. Interpretive guidance was also issued that clarifies some of the requirements for those businesses interested in becoming a Class B sports wagering operator. Critical vacancies were also filled in the areas of audit and investigations though recently two employees in these areas have resigned. Interviews and vacancy posting are currently in progress.

The Division further took on the licensing and regulatory responsibility of Games of Skill (GOS). This responsibility required the development of rules covering licensing and operational requirements as well as internal audit and inspection processes. Further, an application process was developed that allows for online submissions. As a result of the added responsibility of GOS, the “sports wagering” part of the Division’s name was dropped to reflect the Regulation and Oversight Division broad responsibilities.

OLG receives regulatory licensing fee revenue that is used to offset regulatory costs. In addition, to the expenses detailed on the table below, the Division is working with the Office of Contracts to procure a central accounting system for GOS and casement management system for sports wagering. An assessment is also planned to evaluate the staffing needs of the Division given the increasing workload.

Revenue	FY 2021	FY 2022	Total FY 2021 & 2022
Private Operator Licensing Fees	\$ 1,412,100.00	\$ 13,000.00	\$ 1,425,100.00
Payroll	FY 2021	FY 2022	Total FY 2021 & 2022
Sports Wagering Reg. & Oversight	\$ 1,248,291.17	\$ 526,870.62	\$ 1,775,161.79
Vendor	FY 2021	FY 2022	Total FY 2021 & 2022
Limbic Systems	\$ 580,770.00	\$ -	\$ 580,770.00
Spectrum Gaming	135,331.00	-	135,331.00
Gaming Laboratories, Inc (GLI)	46,375.00	22,031.25	68,406.25
Michael & Carroll, P.C.	29,289.38	-	29,289.38
Thomas Reuters	33,754.00	-	33,754.00
Assoc. of Certified Financial Crime Specialists	3,000.00	-	3,000.00
Gambling Compliance	13,050.00	-	13,050.00
National Council For Problem Gambling	32,750.00	-	32,750.00
Networking For Future, Inc.	60,694.44	-	60,694.44
Subtotal	\$ 935,013.82	\$ 22,031.25	\$ 957,045.07
Grand Total	\$ 2,183,304.99	\$ 548,901.87	\$ 2,732,206.86

*FY2022 (as of January 31, 2022)

48. Please provide list of all FTEs in the Sports Wagering Regulation & Oversight Division and indicate the salary and fringe for each.

Fund	Title	Salary	Fringe	Hire Date
6206	Licensing Coordinator	68,740	15,742	9/16/2019
6206	Investigations & Enforcement Agent - v	82,332	18,854	n/a
6206	Investigation & Enforcement Officer	126,506	28,970	10/28/2019
6206	Audit & Compliance Officer	126,506	28,970	1/6/2020
6206	Director, Sports Wagering Regulation	175,482	40,186	1/21/2020
6206	Responsible Gaming Program Specialist	71,081	16,278	5/11/2020
6206	Staff Assistant	66,292	15,181	3/29/2021
6206	Compliance Auditor	109,016	24,965	2/16/2021
6206	Compliance Auditor - v	106,372	24,359	n/a
6206	Financial Auditor	90,503	20,725	10/26/2020
6206	Financial Investigator	95,793	21,937	8/17/2020
TOTAL		1,118,623	256,167	

49. Regarding the Investigation and Enforcement unit of the Sports Wagering Regulation & Oversight Division, please provide the number of licenses processed and the number of investigations undertaken in Fiscal Years 2021 and 2022, to date.

Number of Licenses Processed:

- FY2021: 14
- FY2022: 4

Number of Investigations:

- FY2021: 13
- FY2022: 10

50. Regarding the Audit and Compliance unit of the Sports Wagering Regulation & Oversight Division, please provide the number of audits and reviews performed in Fiscal Years 2021 and 2022, to date.

Number of audits:

- FY2021: 1
- FY2022: 2

Number of reviews and inspections:

- FY2021: 10
- FY2022: 10

FY2022 numbers are as of January 31, 2022.

51. Please provide a copy of the current revenue projections for sports wagering in the District and explain the differences between the previous fiscal years' projections.

The below chart demonstrates the difference in revenue between the Sports Wagering Revenue Estimates included in the District Columbia Budget and Financial Plan released in February 2021 versus estimates to be released for February 2022. The difference in year-over-year Lottery-Operated revenue estimates can be directly attributed to a continued decline in commuter and visitor traffic into the District, and a shift in the start date for the Lottery-operated Retail Sports Betting from Fall 2020 to the Summer 2021.

Privately Operated	FY2021	FY2022	FY2023	FY2024	FY2025
February 2021 Revenue Estimate	\$2,596	\$2,856	\$3,141	\$3,455	\$0
February 2022 Revenue Estimate	\$2,014	\$5,123	\$4,598	\$4,138	\$4,212
OLG Operated					
February 2021 Revenue Estimate	\$6,200	\$20,450	\$20,000	\$22,450	\$0
February 2022 Revenue Estimate	\$0	\$1,459	\$1,532	\$1,576	\$1,576

**shaded numbers are actuals for FY 2021
(numbers in thousands)*

52. Section 315(c)(1) of the Sports Wagering Lottery Amendment Act of 2018 requires that the first \$200,000 of revenue be used to fund programs through the Department of Behavioral Health. Please provide an update on the status of these programs.

The Department of Behavior Health (DBH) was contacted regarding this question. DBH stated that DBH is in the process of developing a prevention, treatment and recovery program for problem gambling. To this end, they have submitted a Statement of Work to the Office of Contracts and Procurement. The Executive Director of OLG is scheduled to meet with the Director of the DBH to discuss in more detail the latter's status and plans for development of a problem gambling program.

53. Please list each contract associated with sports wagering and provide a link for the Committee to access each. For each contract, please provide the following:

- a. Contracting party name & CBE status;
Gaming Laboratories (GLI), non-CBE
- b. Brief description of service or product provided;
Sports Betting Consultation
- c. Dollar amount, including amount budgeted and amount actually spent;
\$250,000 budgeted, \$0 spent for FY 22
- d. Subcontracting status; and
n/a
- e. Name of OLG contract monitor.
Antar Johnson

The contract can be accessed [HERE](#).

54. Please provide the Fiscal Year 2022 budget – including dollar amounts, source codes, contracts – projected or anticipated to be spent on the implementation of sports wagering.

OLG fully implemented the regulatory sports wagering program prior to FY 2022. The below costs are for ongoing operations.

Fund	Index	PCA	Comptroller Object	Account Description	FY 2022 Budget
6206	96900	10690	0111	Regular Pay - Continuing FT	\$ 1,094,350
6206	96900	10690	0114	Fringe Benefits	232,549
6206	96900	10690	0115	Overtime Pay	20,000
6206	96900	10690	0201	Office Supplies	5,000
6206	96900	10690	0210	General Supplies and Materials	5,000
6206	96900	10690	0401	Travel - Local	2,500
6206	96900	10690	0402	Travel - Out of City	7,500
6206	96900	10690	0408	Professional Services - Contracts	857,000
6206	96900	10690	0409	Contractual Services - Other	2,775,000
6206	96900	10690	0417	IT Consulting Contracts	630,000
6206	96900	10690	0419	Tuition for Employee Training	5,500
6206	96900	10690	0424	Conference Fees	10,000
6206	96900	10690	0425	Membership Dues	10,000
6206	96900	10690	0442	IT Software Maintenance	7,000
6206	96900	10690	0710	Equipment & Rental (IT Hardware)	15,000
Total					\$ 5,676,399

55. Please discuss the marketing strategy for sports wagering and include the amount budgeted for these activities for Fiscal Year 2022.

The marketing plan for *GambetDC* is strategically designed to raise brand awareness, drive consumer excitement, and acquire and retain customers. OLG’s marketing goals for *GambetDC* are to:

- Position *GambetDC* as an exciting and conveniently available option for sports betting in the District of Columbia;
- Grow the *GambetDC* retail network;
- Create awareness and educate stakeholders on:
 - The *GambetDC* brand and product
 - OLG’s responsible gaming initiatives and
 - The revenue benefits for the District of Columbia

OLG’s strategy is focused on providing users with a convenient and easy way to bet on sports in the District. We will continue to increase the number of live betting *GambetDC* locations in the District while enhancing the mobile app to make it more intuitive and user-friendly. OLG will be repositioning *GambetDC*’s overarching brand to highlight the unique offerings we have as compared to competitors and will leverage our advertising to drive home this uniqueness with our audiences.

Given the dominance of mobile and the habits of our target audience, nontraditional channels (i.e. social media, search, streaming radio, digital video and display) will now be the focus. This will be supplemented at times by more traditional media such as radio and out-of-home (e.g., billboards and digital signage). In addition, OLG has formed partnerships with several popular sports brands in the DC market to help further the marketing goals for *GambetDC*, including leveraging local podcasts, influencers, and several other lifestyle brands.

The goal of acquiring and retaining players is at the root of all marketing efforts. OLG follows the principles of the CRM Lifecycle Management model (CLM is the measurement of multiple customer-related metrics, which, when analyzed for a period of time, indicate performance) and heavily monitor and adapt our marketing efforts accordingly. *GambetDC* offers competitive sign-up promotions in place to entice registrations and first-time deposits. Once a player becomes a registered user of *GambetDC*, they receive personalized communications to enhance their betting experience. Customer support is provided 24/7 via a toll-free phone number, email, and chat. We are constantly enhancing the product and product marketing, including promotions, to meet the market demands.

OLG commits up to 3% of handle (wagers or bets placed) generated via *GambetDC* to its marketing budget, which is estimated at approximately \$2.1 million for FY 2022. However, it is important to note that moving forward the budget will be adjusted based on sales trends throughout the year to ensure profitability.

56. Please provide a status update of the GAMBETDC sports wagering mobile app, including the number of users who have downloaded it and how many users are projected to download it in Fiscal Year 2022. Please also include in your response the following information for Fiscal Years 2021 and 2022, to date:

The Lottery launched *GambetDC*, the digital platform that supports wagering on authorized sporting events via a citywide mobile application (app) and website, in May of 2020. As of January 31, 2022, there are 30,070 registered users.

	2020	2021	22-Jan	Total as of 1/31/22
iOS	25,507	23,746	1,428	50,681
Android	3,707	17,026	356	21,089
Total App Downloads	29,214	40,772	1,784	71,770

GambetDC retail began in July of 2022 and there are currently 39 locations with 51 self-service kiosks throughout the City. As of January 31, 2022 *GambetDC* retail sales are \$2.1 million.

a. Total amount played;

FY 2022: \$18,437,609 (as of January 31, 2022)
 FY 2021: \$39,179,016

b. Total payout; and

FY 2022: \$15,746,423 (As of January 31, 2022)
FY 2021: \$31,956,310

c. Number of wagers played.

FY 2022: 512,780 (as of January 31, 2022)
FY 2021: 1,123,981

57. Please provide a detail narrative description of how OLG handles GAMBETDC technical and performance complaints. Please also provide the following:

- a. Number of complaints received during Fiscal Years 2021 and 2022, to date; and
- b. A description of any trends identified in complaints received.

Attachment O is the SOP for handling the escalation of sports wagering complaints. Complaints are handled by Intralot's customer service personnel. Approximately 10 complaints have been escalated to OLG between FY 21 and FY 22. The most common complaint relates to players' misunderstanding of how to withdraw their funds.

58. With respect to GAMBETDC and iLottery platforms, please describe, in detail, any operating limitations presented by the Shipstead-Luce Act in the District. Please provide any reports, research papers, research, and/or analysis on the subject matter.

The appropriations act that established OLG and its funding source in 1982 also included language that prohibited the advertising and sale of lottery and other forms of gaming within the Federal enclave as geographically defined by the Shipstead-Luce Act. Forty years later, this prohibition is still in existence, which means that the DC Lottery cannot license retailers, sell games, or advertise its games or brand within the monumental and governmental core of the District, along much of the Potomac waterfront, or abutting Rock Creek Park. This prohibition extends to the DC Lottery's sports betting and *iLottery* platforms, and licensing of private sports wagering operators as well.

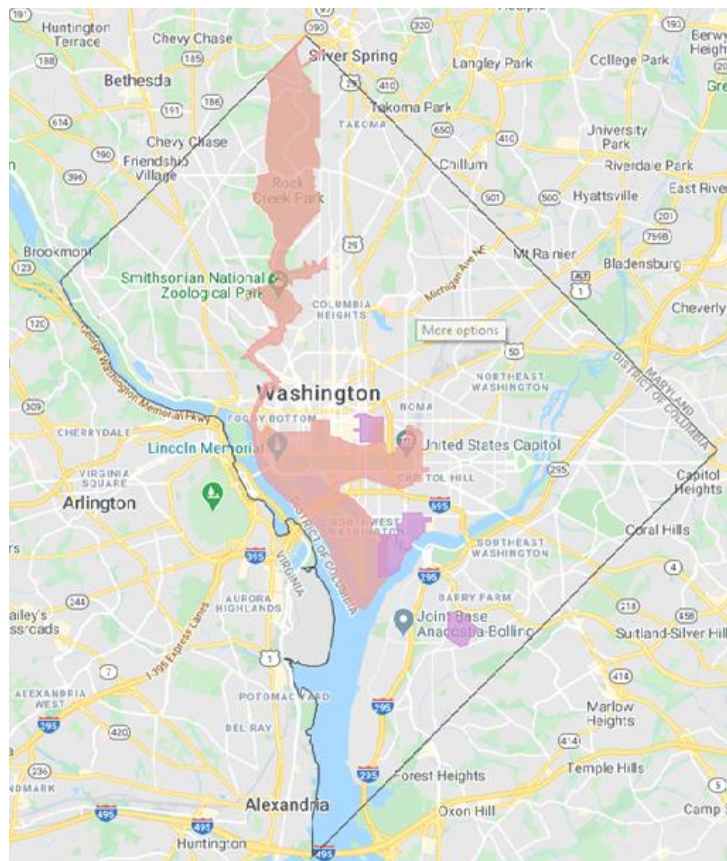
Essentially, OLG and its gaming licensees cannot have any presence in the heart of the District where people go to work, do business, and come to visit.

In addition to the enclave restriction, the DC Lottery also cannot operate its sports wagering mobile app or license sports wagering retail locations within the 2-blocks surrounding the four designated Class A facilities: Audi Field, Capital One Arena, Nationals Park, and St. Elizabeths East Entertainment Sports Arena. (*iLottery* can operate within the 2-blocks surrounding Class A facilities.)

These location-based restrictions are complex to navigate both from a player perspective and from

an operational standpoint. While all U.S. jurisdictions must comply with the federal Wire Act, which requires all wagering to remain within the state’s jurisdictional boundaries, and can quite easily relay this law’s requirement to players and consumers, the DC Lottery through in-app pop up messages and multi-media marketing campaigns must continuously communicate where the “restricted from play” areas are within the District and precisely why the app or website won’t allow them to place a wager even though they are physically within the District. The perception is that the *GambetDC* and *DC iLottery* platforms don’t work when they are working exactly as required by District and federal laws when not allowing wagers to take place within significant areas within the District.

The map below depicts the areas in which DC Lottery-operated gaming is prohibited. The pink-shaded area is the area defined by the Shipstead-Luce Act, while the purple-shaded areas are the Class A sports wagering facilities and the surrounding 2-block zones.



Both the *GambetDC* and *iLottery* platforms utilize sophisticated geolocation technology that pinpoints a player’s location to ensure they are within the District’s boundaries and not within any of the restricted areas of the District where play is prohibited. OLG receives reports from the geolocation technology provider that details information about successful and failed transactions. The excerpt below provided by the geolocation provider (GeoComply) details the number of failed transactions on each platform from May 1, 2020 to January 31, 2022, and where those transactions occurred. The number of transactions failed may represent multiple

Platform	Number of Players failed in the Exclusion Zones	Number of Transactions failed in the Shipstead-Luce Act Boundary	Number of transactions failed in the Class A Exclusionary Zones*
GambetDC	7,329	96,767	64,632
Ilottery	607	5,299	N/A

attempts by the same players which is why it far exceeds the number of players who failed at placing a wager while in an exclusion zone.

**For the period covering 5/1/2020 through 2/28/2021, only includes the transactions that failed in the Capital One Arena exclusionary zone. From 3/1/2021 forward includes transactions for all Class A exclusionary zones.*

59. Regarding GAMBET DC, please provide a chart showing the following information for Fiscal Years 2020, 2021, and 2022, to date:

- a. Handle (total amount wagered);
- b. Total amount paid out in winnings;
- c. Intralot’s “Other Direct Operating Expenses”;
- d. Intralot’s total expenses; and
- e. Amount transferred to the General Fund.

Fiscal Year	Handle	Payout	Contractor Fees	Other Contractor Expenses	Total Contractor Expenses	Transfer to General Fund
2022	\$ 21,493,751	\$ (18,416,480)	\$ (1,414,913)	\$ (145,373)	\$ (1,560,286)	\$ 930,954
2021	42,223,806	(34,559,733)	(3,278,134)	(7,272,969)	(10,551,103)	-
2020	6,240,446	(5,405,606)	(354,524)	-	(354,524)	352,465
Total	\$ 69,958,003	\$ (58,381,819)	\$ (5,047,571)	\$ (7,418,342)	\$ (12,465,913)	\$ 1,283,419

**Notes*

FY 2022 - Data as of January 31, 2022

FY 2020 - Sports Wagering launched May 20, 2020

60. Please list each privately operated sports book in the District. For each, please provide the total amounts wagered, Gross Gaming Revenue, and amount of tax revenue the District received in Fiscal Years 2020, 2021, and 2022, to date.

Caesars Sportsbook	Handle	GGR	Tax Revenue
FY2020	\$ 21,318,281	\$ 2,732,417	\$ 273,242
FY2021	\$ 144,285,149	\$ 21,228,193	\$ 2,122,819
FY2022	53,516,519	\$ 5,229,069	\$ 522,907
Totals	197,801,668	\$ 26,457,262	\$ 2,645,726
BetMGM	Wagers	Handle	Tax Revenue
FY2021	2,602,808	\$ 334,735	\$ 33,474
FY2022	8,554,336	\$ 568,728	\$ 56,873
Totals	11,157,144	\$ 903,463	\$ 90,346
Grand Central	Wagers	Handle	Tax Revenue
FY2021			
FY2022	2,035,092	\$ 272,461	\$ 27,246
Totals	2,035,092	\$ 272,461	\$ 27,246

**All amounts for FY 2022 are through January 31, 2022.*

Only Caesars Sportsbook had operations during fiscal year 2020, from July 31, 2020. BetMGM began operations in early June 2021 (mobile App only). BetMGM Retail operations began on January 28, 2022. Grand Central started operations on October 1, 2022.

61. Describe, in detail, how OLG monitors its contract with Intralot for sports wagering and lottery gaming services to ensure compliance with CBE requirements.

OLG monitors its contract with Intralot for compliance with the CBE requirements by requiring Intralot to submit supporting documentation with each contract invoice. The documentation required includes evidence of all work performed by the CBE subcontractors identified in the Intralot subcontracting plan. Prior to approving payment to Intralot, OLG reviews the evidence to ensure the supporting documentation supports the services outlined in Intralot’s contract and the services outlined in the CBE subcontracting plan. Additionally, OLG monitors Intralot’s compliance by review of the on-site work and participation in virtual meetings by the CBE subcontractors identified in the subcontracting plan.

OLG also monitors its contract with Intralot for compliance with the CBE requirements by reviewing Intralot’s quarterly report on CBE subcontractor payments. OLG reviews to ensure Intralot’s quarterly report states the amount paid by Intralot to the CBE and a description of the goods or services provided in accordance with the subcontracting plan.

- a. Describe the process by which invoices for the contract are approved, including the

documentation required to ensure all work is performed as represented and person at OLG responsible for reviewing and approving invoices.

All Intralot invoices are sent to OLG for pre-approval before uploading to PASS. When OLG receives these invoices, they are internally sent to the appropriate internal Subject Matter Expert (SME) for review and verification that all work was completed and that the invoice has all appropriate/necessary back-up:

- All marketing expenses are reviewed and pre-approved by OLG's Director of Marketing and Communications.
- All gross gaming revenue invoices and credit card processing invoices are reviewed and pre-approved by the OLG's Agency Fiscal Officer.
- All sales invoices are reviewed and pre- approved by OLG's Accountant.
- The COTR pre-approves all equipment and consumables invoices.

Once invoices are satisfactory approved by the OLG Subject Matter Expert Intralot is advised to upload the invoices into PASS. The COTR final approves all invoices in PASS. OLG's Chief Operating Officer is also the COTR and responsible for reviewing and approving all invoices in PASS.