

**Office of the Chief Financial Officer
Office of Lottery and Gaming
Responses to Questions
Committee on Business and Economic Development
Performance Oversight Hearing
February 14, 2024**

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 (CBE) 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.

Privately Operated Sports Wagering Licensing

Class B licenses by their nature tend to involve local CBE businesses. Currently, there are two Class B operators. One of them, Over Under, is a Department of Small and Local Business Development (DSLBD) approved Joint Venture (JV) between Cloakroom and Elys Gameboard Technologies. Two additional JVs have been approved by DSLBD and are currently in the application process. A third Class B application has also been submitted by Maryland-based Sports & Social that will be using FanDuel as their Management Service Provider. The aforementioned will promote diverse, local business, involvement in sports wagering.

In addition, OLG works with the Mayor's constituency offices (Mayor’s Office on African Affairs, Mayor’s Office on Asian and Pacific Islander Affairs and Mayor's Office on Latino Affairs) to reach diverse business organizations. In FY 2023, OLG was able to work with Empower the Community Weekend (referred to OLG by Mayor’s Office on African Affairs (MOAA)) to reach out to Amharic speaking businesses regarding the process for obtaining a retailer license to sell lottery products.

- 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 is captured on applications for GambetDC and Game of Skill retailer applications. The questions capturing this information are optional and not all applicants choose to answer the questions. Below are the tables showing the results of the responses by applications for the period covering July 2021 through December 31, 2023:

GambetDC Sports Wagering Retailers (76 total applications)

| Demographic | Number |
|----------------------|--------|
| Males | 12 |
| Females | 5 |
| African American | 20 |
| White | 17 |
| Asian | 18 |
| Native-American | 0 |
| Hispanic/Latino | 0 |
| Preferred not to say | 2 |

Games of Skill Applications (60 total applications)*

| Demographic | Number |
|-------------------|--------|
| Males | 10 |
| Females | 2 |
| African American | 2 |
| White | 8 |
| Hispanic/Latino | 2 |
| Asian | 0 |
| Two or more races | 1 |
| High School | 3 |
| Bachelor's Degree | 7 |
| Master's Degree | 2 |

**Applications received between July 2021 and December 2023. Of these applications, 14 applicants answered or partially answered the demographic information questions...*

Race, gender, ethnicity and education are not considered in assessing suitability for any licenses issued by OLG. This information is gathered, on a voluntary basis, for information purposes to identify potential trends.

OLG considered changes to include demographic information on privately-operated sports wagering applications, but not implemented because, with the exception of occupational licenses,

100 percent of the applicants are entities, not individuals. Specifically, the applicants tend to be large national and international companies with complex organizational structures that cross multiple business lines.

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.

An important tool that OLG uses to build racial equity is through the Language Access Program, wherein OLG is scored every year. OLG also works with the mayor's constituency offices in conjunction with the Office of Human Rights to reach out to diverse communities within the District. OLG partnered with MOLA for the annual Senior Celebration Event. OLG partnered with the Chinese Consolidated Benevolent Association (referred to OLG by MOAPIA) for the 2023 Annual Chinese Lunar New Year parade.

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.

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. We reflect in our communication tools, including TV advertising racial diversity which is typical to DC.

4. 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 | 37 |
| 2 | 43 |
| 3 | 22 |
| 4 | 51 |
| 5 | 62 |
| 6 | 35 |
| 7 | 44 |
| 8 | 36 |
| Total | 330 |

As of December 31, 2023.

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

Over the course of the last six months in calendar year 2023, the Lucky Lottery Mobile (LLM) was able to complete three stops, spanning the period from July to December. This number is much lower than normal due to a lack of available LLM staffing for an extended period. Despite the temporary absence of our events staff for the LLM, we strategically adapted to the situation to ensure continuity across other key events in the District. In our commitment to providing engaging experiences, we successfully organized and executed a total of 11 other events at diverse sporting venues and the Wharf. We have resolved the staffing issue and look forward to continuing this momentum and increasing the LLM's presence and impact throughout the District in the coming months.

LLM Stops:

- DC United/Audi Field - July 8 – SW – Ward 6
- Nationals Stadium- August 17 – SE – Ward 8
- DC Boat Parade - December 2- SW – Ward 6

5. 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.

Biannually, OLG conducts a study to better understand its brand and its players. Race information is collected from over 1,000 respondents. This information provides a resource for OLG to understand the racial composition of our players and assist in creating better products, promotions, and programs that translate to improvements in customer satisfaction and brand engagement.

Additionally, OLG collects information on race 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 predetermined 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 OLG licensed facility, retail location, or mobile wagering platform. The Self-Exclusion Program launched in May 2020 and was updated in January 2022. The data is analyzed to determine if racial disparities exist among participants identifying as problem gamblers.

- 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 has been available to the public since sports wagering was launched in May 2020. Under the program, individuals could choose to exclude themselves from any gambling activity including lottery for periods of 18 months, three years, five years or lifetime. During the time of exclusion, they are prohibited from participating in any gambling activities and will forfeit any gambling winnings.

Initially, Self-Exclusion was only available to those that made a request in-person at OLG’s main offices. The program was expanded in January 2022 to include an option to self-exclude online (internet). The program was further expanded in December 2023 to allow individuals to begin the Self-Exclusion process at Class A sports wagering facilities. The expansion of the program to online has significantly increased the number of individuals requesting Self-Exclusion. Prior to January 2022 only two individuals requested Self-Exclusion. Below is the updated data on Self-Exclusion:

| Fiscal Year | No | Male | Female | DC | MD | VA | PA | NJ | 25-30 | 31-40 | 41-50 | 51 or older |
|--------------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|-------------|
| FY 2020 | 2 | 2 | | 2 | | | | | | 2 | | |
| FY 2021 | 0 | | | | | | | | | | | |
| FY 2022 | 11 | 11 | | 1 | 6 | 1 | 1 | | 3 | 4 | 1 | 1 |
| FY 2023 | 12 | 11 | 1 | 5 | | 6 | 2 | 1 | 5 | 5 | 3 | 1 |
| FY 2024 (1/10/24) | | | | | | | | | | | | |
| Totals | 25 | 24 | 1 | 8 | 6 | 7 | 3 | 1 | 8 | 11 | 4 | 2 |

The data indicates that, by far, most of the individuals requesting Self-Exclusion are male and 40 years of age or younger. In addition, most of the individuals from the DMV area evenly split between DC, Maryland and Virginia.

6. 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 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 OLG 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 the District. In addition, when able to operate safely, OLG works to have its Lucky Lottery Mobile visit 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. Except for 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 December 31, 2023, there were 330 licensed DC Lottery retailer locations operating in the District. A year earlier, that number was 354. Our goal for Fiscal Year 2024 and beyond is to increase the number of licensed DC Lottery retailers by recruiting new retailers using marketing and outreach efforts to promote racial equity.

Sports Wagering Retailers

GambetDC's self-service betting terminals are in 64 sports wagering licensed retail establishments throughout the District. The machines are located in retail establishments including social settings, restaurants, convenience stores, gas stations and liquor stores. This variety demonstrates the diversity of businesses being licensed that promote racial/ethnic equity in GambetDC's retail operations.

Privately Operated Sports Wagering

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

Operators and MSPs are also required to submit a CBE plan to the 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 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 Director of OLG's Regulation and Oversight division, along with executive staff, 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

7. 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; and

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.

No changes to the organizational chart were made during the previous year.

8. 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. 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.

9. Please discuss how the District's lottery sales and transfers to the General Fund are performing compared to anticipated projections for Fiscal Year 2024. Discuss the performance for Fiscal Year 2023 and how it compares with Fiscal Years 2022 and 2021. Finally, please provide the dollar amount transferred to the General Fund for Fiscal Years 2021, 2022 and 2023.

OLG's FY 2024 year-to-date transfer (as of December 31, 2023) is \$11.5 million, which is \$950k or 4.6% less than FY 2023's transfer of \$12.5 million through the same period in FY 2023. The FY 2024 decrease in transfer is primarily the result of decreased sales compared to the same period in FY 2023. FY 2024 year-to-date sales are \$51.4 million, a decrease of \$4.7 million or 8.4% below the \$56.1 million for the same period in FY 2023.

OLG's FY 2023 transfer was \$33.5 million, a decrease of \$7.2 million or 17.8% below the FY 2022 transfer of \$40.7 million, largely due to an increase in prize payout percentage. The FY 2023 prize payout was 63.41% as compared to 60.36% in FY 2022.

OLG's FY 2022 transfer was \$40.7 million, a decrease of \$7.4 million or 15.4% below the FY 2021 transfer of \$48.1 million, largely due to a decrease in sales and an increase in prize payout percentage. The FY 2022 prize payout was 60.36% as compared to 55.48% in FY 2021.

OLG's Fiscal Year 2021 transfer was \$48.1 million, an increase of \$10.1 million or 26.6% above Fiscal Year 2020 transfer of \$38 million, largely due to an increase in sales and a reduction in prize payout percentage. The Fiscal Year 2021 prize payout was 52.21% as compared to 59.09% in Fiscal Year 2020.

Lottery sales for FY 2024 (as of December 31, 2023) total \$51.4 million, compared to \$56.1 million through the same period last year. This represents a \$4.7 million or 8.4% decrease. FY 2024 year-to-date terminal game sales are \$34.1 million, compared to \$39.9 million through the same period last year. This represents a \$5.8 million or 14.5% decrease from last year. FY 2024 year-to-date Instant Ticket sales are \$9.7 million, compared to \$10.3 million through the same period last year. Instant Ticket sales have decreased by \$600 thousand or 5.8%. FY 2024 year-to-date eInstants sales total \$7.6 million, compared to \$5.9 million through the same period last year, representing a \$1.7 million or 28.8% increase. Sports Wagering sales for FY 2024 (as of December 31, 2023) total \$17.3 million with 572,840 wagers placed, compared to \$20.5 million with 692,320 wagers placed through the same period last year. This represents a decrease in Sports Wagering sales of \$3.2 million or 15.4% and 119,480 or 17.3% in wagers placed.

Lottery sales for FY 2023 totaled \$221 million, compared to \$217 million in FY 2022. This represents a \$4 million or 1.8% increase. FY 2023 and FY 2022 terminal game sales totaled \$151 and \$154 million, respectively, which amounted to a year-over-year decrease of \$3 million or 2%. FY 2023 Instant Ticket sales totaled \$43.1 million, compared to \$43.9 million in FY 2022, representing a \$800 thousand or 1.8% year-over-year reduction. FY 2023 eInstants sales totaled \$27.2 million, compared to the FY 2022 amount of \$19.1 million, representing an \$8.1 million or 42.4% year-over-year increase. Sports Wagering sales for FY 2023 totaled \$68.4 million with 2,175,869 wagers placed, compared to the FY 2022 total of \$57.5 million with 1,948,640 wagers placed. This represents year-over-year increases in Sports Wagering sales of \$10.9 million or 19% and \$227,229 or 11.7% in wagers placed.

Lottery sales for FY 2022 totaled \$217 million, compared to \$224 million in FY 2021. This represents a \$7 million or 3.1% decrease. FY 2022 and FY 2021 terminal game sales totaled \$154 and \$169.3 million, respectively, which amounted to a year-over-year decrease of \$15.3 million or 9%. FY 2022 Instant Ticket sales totaled \$43.9 million, compared to \$46.6 million in FY 2021, representing a \$2.7 million or 5.8% year-over-year decrease. FY 2022 Sports Wagering sales totaled \$57.5 million with 1,948,640 wagers placed, compared to the FY 2021 total of \$40.7 million with 1,226,366 wagers placed. This represents year-over-year increases in Sports Wagering sales of \$16.8 million or 41.3% and \$722,274 or 58.9% in wagers placed.

Lottery sales for Fiscal Year 2021 totaled \$224 million, compared to \$208.1 million in Fiscal Year 2020. This represents a \$15.9 million or 7.6% increase. Fiscal Year 2021 and Fiscal Year 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%. Fiscal Year 2021 Instant Ticket sales totaled \$46.6 million, compared to \$47.1 million in Fiscal Year 2020, representing a \$515,871 or 1.1% year-over-year decrease. Lottery launched *GambetDC* on May 28, 2020; in Fiscal Year 2021 Sports Wagering sales totaled \$40.7 million with 1,226,366 wagers placed.

10. Please list all intra-District transfers to or from the Office in Fiscal Years 2023 and 2024, 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 captured at the beginning of the budget year.

11. Please list any additional intra-district transfers planned for Fiscal Year 2024, including the anticipated agency(ies), purposes, and dollar amounts.

Metropolitan Police Department (MPD), Fingerprinting Services, \$4,000.

12. Please list all MOU executed by OLG during Fiscal Years 2023 and 2024, 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.

None.

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 2023 and 2024, 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, and while sharing best practices and tackling issues collectively to assist with efforts in individual jurisdictions and strengthen and improve the industry as a whole. The Executive Director for OLG serves on the MUSL Board, as Vice Chair of the MUSL Development Committee, and as a member of the MUSL Powerball Marketing Committee, as well as the NASPL Internet, Sports betting and Responsible Gaming Committees. The OLG Executive Director is also the Chair of the MUSL Product Group developing the multijurisdictional Jackpot USA game.

OLG Management Team attends the NASPL annual conference and trade show, exchanges best practices with the lottery colleagues and follows new developments in games, technology and equipment available for lottery industry.

OLG's Regulation and Oversight Division ("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 also works with several other jurisdictions including New Jersey, Pennsylvania, Tennessee, North Carolina, Ohio and others to identify best practices by other lotteries to continuously improve upon our operations.

The Division also 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. This includes membership in the Bank Secrecy Act Advisory Group (BSAAG).

In July 2023, the National Council on Problem Gambling ("NCPG") held its annual conference in Washington, D.C. OLG worked closely with NCPG with participation on the planning committee and provided resources and general assistance during the conference.

15. Please list each contract, procurement, or lease ("contract"), executed, extended, and option years exercised by the Office during Fiscal Years 2022, 2023, and 2024, 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, exempt from competitive 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.

[No RFPs are currently out for bid.](#)

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

[The contract was executed on May 4, 2022.](#)

18. Please attach copies of the required annual small business enterprise ("SBE") expenditure reports for OLG for Fiscal Years 2023 and 2024, to date.

[See attachment G. Expenditure reports for 2024 are not available yet.](#)

- 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.

[We do not have access to FY 21 in the DSLBD database.](#)

Fiscal Year: 2023
Budget Code: DC0
SBE Goal: \$20,886,510.92
SBE Spend: \$8,321,960.00
SBE Goal Completion: 39.84%

Fiscal Year: 2024
Budget Code: DC0
SBE Goal: \$19,987,337.28
SBE Spend: \$.00
SBE Goal Completion: 0%

19. Please provide the Committee with OLG's SBE goals for Fiscal Years 2021, 2022, and 2023.

FY 2021 SBE goal: \$14,741,522 --- SBE Spend: \$15,371,041; 104.27%
FY 2022 SBE goal: \$18,533,285; Spend: \$18,565,835; 100.18%
FY 2023 SBE goal: \$20,886,511; Spend: \$ 8,321,960; 39.84% (to be adjusted based on actual contract spend)
FY 2024 SBE goal: \$19,987,337; Spend: No DES data recorded as of December 31, 2023.

20. Please provide a breakdown of the SBE contracts awarded to minority and women owned businesses by OLG in Fiscal Years 2022, 2023, and 2024, to date.

Please see Attachment H.

21. For Fiscal Years 2023 and 2024, 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 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 continuously strives for transparency in its work to ensure the integrity of all its offerings.

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 OLG's revenue goes, and provides access to financial statements from 1997 through last year. The public can also gather information on our remaining Instant "Scratcher" prizes. 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.

In 2023 printed periodic "Ticket Times" was initiated for DC Lottery retailers, which is a new source to share our objectives, activities and new products, as well as financial results and how the money from lottery tickets sales are used.

The Regulatory and Oversight division is responsible for regulating privately-operated gaming operators and their suppliers, including sports wagering and electronic Games of Skill. On OLG's website, the public can find monthly financial statements for both privately-operated sports wagering and the District-operated sports wagering platform, GambetDC. A list is also provided on the website that identifies all sports wagering licensees (except occupational licensees). The website includes the minimum internal control standards applicable to all sports wagering operators and management service providers.

OLG continues to partner with DSLBD to deliver capacity-building seminars to encourage small, local, businesses to consider engaging in the sports wagering industry. These seminars provided local businesses opportunities to network and interact with well-established businesses in the sports wagering industry.

OLG continues to advertise and promote its products to the public and looks 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 has 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 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 K 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 to further incentivize bettors 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 bettors 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 2023 and 2024, to date. Include a description and status update for each. If the report is complete, please include a link.

GambetDC Study- [Link](#)

- Ipsos conducted a study to understand the player experience and help improve and enhance the GambetDC app. The study gathered feedback from 4 different player sets across multiple sessions:
 - Core players (have placed a bet within the last two months)
 - New players (open to sports wagering. Have not experienced GambetDC)
 - Considerers (use a competitor. Aware of GambetDC but have not used it)
 - Lapsed players (have used GambetDC, but not within the last 6-12 months)
- The study results showed that GambetDC is currently not viewed as offering the same experience as some industry leaders (FanDuel and Draft Kings) and that core players primarily use the app due to geographical obligations. To level the playing field, GambetDC must:
 - Improve Betting Odds/Change the perception that the odds offered are worse than those of its competitors.
 - Improve a range of user experience issues in the app.
 - Gradually build back trust
- License Brand Research; Questionnaire Phase
 - This research will help DC Lottery better understand the impact of different brands for Instant / Scratch-Offs. This research will seek to:
 - Measure the importance of Instant / Scratch-Offs game brands when players are making buying decisions.
 - Appeal, Purchase Intent, and Brand Fit with DC Lottery for the instant tickets and the licensed brands impact on the tickets.
 - Understand if there are any negative sentiments about the licensed brands in DC.
 - Players' perceptions of the instant tickets and their impact on brands.

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

- North American Association of State and Provincial Lotteries (NASPL) finalist in the Print Advertising Out of Home category for its GambetDC brand campaign.
- NASPL Ott Brown Scholarship - Melissa Davis
- NASPL Powers Award- Peter Alvarado

27. Please list all settlements entered into by OLG or by the District on behalf of OLG in Fiscal Years 2023 and 2024, 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 2023 and 2024, to date, regardless of whether those allegations were resolved.

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. As a subordinate office within the Office of the Chief Financial Officer (OCFO), any allegation of sexual harassment or misconduct committed by or against employers would be reported to and handled by the OCFO's Office of Human Resources. Accordingly, any such incidents will be included in the OCFO's responses to its Performance Oversight Hearing questions.

29. Please list any administrative complaints or grievances that OLG received or resolved in Fiscal Years 2023 and 2024, to date, broken down by source. For any complaints or grievances resolved in Fiscal Years 2023 and 2024, 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.

OLG has a Customer Service Division that responds to complaints. If the customer service specialist does not have the subject matter expertise (SME) to immediately respond to the complaint, the complaint is elevated to the SME to respond. Complaints are currently tracked in Zendesk until resolution.

As part of the Intralot contract, GambetDC and iLottery have a Customer Service Division staffed by Intralot personnel.

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

While OLG licenses and regulates privately-operated sports wagering and games of skill, it receives no additional appropriated funds. The regulatory activities required OLG to hire highly skilled staff in the areas of gaming, regulation and law enforcement. The staff dedicated to privately operated sports wagering and games of skill numbers eleven (11). Though OLG

receives license application fees, they do not cover the overall costs of licensing and continued oversight. In addition, the tax revenue received from private operators is paid to the Office of Tax and Revenue (OTR). Accordingly, the excess cost of regulation over applications fees becomes a reduction to OLG’s transfer to the general fund. For this reason, OLG may consider recommending legislation in FY 2024 that may bring parity between the cost of regulation and application and renewal fees.

32. Please list and describe any legislation or regulation the Office plans to introduce during the remainder of Fiscal Year 2024.

During the remainder of FY 2024, OLG anticipates making the following amendments to its rules and regulations:

- Amend OLG’s lottery game rules to implement new lottery game play types,
- Amend OLG’s Privately Operated Sports wagering rules to clarify the rules and add efficiency to internal processes, and
- Amend OLG’s lottery retailer rules to enhance customer convenience and add efficiency to internal processes.

33. Please list and describe any updates to OLG rules and regulations made in Fiscal Years 2023 and 2024, to date.

OLG made the following updates to its rules and regulation in FY 2023 and FY 2024, to date:

| Effective Date | Rules | Summary |
|---|---|---|
| 2/3/2023 70 DCR 001693 (February 3, 2023) | 30 DCMR §§ 2000, 2001, 2005, 2011, 2012, and 2021 | Amended OLG’s District Operated Sports Wagering rules to update the sports wagering platform’s Terms of Use, to implement changes to the requirements for opening and maintaining a sports wagering account, to implement changes to wager types, and implement changes to how wagers are settled for certain sports. |
| 8/13/2023 70 DCR 010840 (August 4, 2023) | 30 DCMR §§ 902-904 | Amended OLG’s game rules to add an additional daily drawing for the DC3 and DC4 games |
| 9/22/2023 70 DCR 012770 (September 22, 2023) | 30 DCMR § 2023 | Amended OLG’s District Operated Sports Wagering rules to give the Office authority to place limits on a person’s sports wagering activities at retailer |

| | | |
|--|---------------|--|
| | | locations in order to curb excessive sports wagering and ensure responsible play by individuals at retail locations. |
| 11/10/2023 70 DCR 014832 (November 10, 2023) | 30 DCMR § 503 | Amended OLG's game rules to make tickets paid for using an electronic transaction (cashless) not cancellable. |

34. List any new games introduced by the Lottery in Fiscal Year 2023 and describe how they are performing.

- DC 3 and DC 4 11:30PM Drawing was launched August 2023

| | |
|------------------------------|----------------------------|
| DC 3: 08.13.2023- 09.30.2023 | Gross Sales \$685,161.50 |
| DC 4: 08.13.2023-09.30.2023 | Gross Sales \$1,069,352.50 |

- Scratchers

| Month Launched (FY'23) | Price Point | Game Name | Total Sales |
|------------------------|-------------|------------------------------|-------------|
| October | \$3 | 10X Bingo | \$486,300 |
| October | \$5 | Fab 4 | \$1,073,400 |
| October | \$20 | Nothing But Cash | \$2,660,400 |
| November | \$1 | Peppermint Payout | \$185,600 |
| November | \$2 | Merry Money Multiplier | \$222,600 |
| November | \$5 | Festive \$500s | \$733,200 |
| December | \$2 | 2023 | \$344,600 |
| December | \$5 | Fat Wallet | \$878,800 |
| December | \$10 | \$50, \$100, & \$500 Blowout | \$2,163,600 |
| January | \$1 | Lucky 7s | \$292,400 |
| January | \$5 | DC Payout | \$986,000 |
| January | \$10 | Premier Play | \$1,459,500 |
| February | \$1 | 5X the Cash | \$309,600 |
| February | \$2 | 10X the Cash | \$399,600 |
| February | \$5 | 25X the Cash | \$1,226,800 |
| February | \$20 | 100X the Cash | \$2,335,800 |
| March | \$3 | Loteria | \$341,100 |

| | | | |
|-----------|------|--------------------------------|-------------|
| March | \$5 | Did I Win? | \$740,400 |
| March | \$10 | District of Columbia Black | \$1,620,900 |
| April | \$1 | Sapphire 6s | \$230,600 |
| April | \$2 | Ruby Red 7s | \$290,600 |
| April | \$5 | Emerald 8s | \$907,200 |
| May | \$3 | 5 Star Crossword | \$294,900 |
| May | \$10 | Wild Cash Multiplier | \$1,232,700 |
| May | \$30 | Ultimate Riches | \$2,556,000 |
| June | \$1 | \$50 Frenzy | \$174,000 |
| June | \$2 | \$100 Frenzy | \$211,600 |
| June | \$5 | \$500 Frenzy | \$557,000 |
| July | \$1 | Red Hot Double Doubler | \$165,200 |
| July | \$5 | Red Hot Cash | \$457,600 |
| July | \$10 | Red Hot Riches | \$686,700 |
| August | \$5 | Lady Luck | \$418,400 |
| August | \$5 | \$50,000 VIP Cashword | \$286,800 |
| August | \$20 | Platinum Diamond Spectacular | \$630,900 |
| September | \$2 | Electric 8s | \$105,200 |
| September | \$5 | 7s | \$214,000 |
| September | \$10 | \$50, \$100, \$500 Blowout (2) | \$280,800 |

- Fast Play

| | |
|---|--|
| DC Music game was launched in April 2023. | \$10 game with weekly average sales of \$6,281.90 in FY'23 |
| Ultimate Diamond Doubler was launched in June 2023. | 20 game with weekly average sales of \$11,990 in FY'23 |
| Cash Blowout was launched in August 2023. | \$10 game with weekly average sales of \$3,049.38 |

- iLottery (e-Instants)

iLottery has performed remarkably in YoY growth and continues to grow in our current fiscal year. Six of our top eight e-Instant games were released in FY22 and FY23, with our 2nd and 3rd highest games in e-Instant sales revenue coming in FY23 respectively (Premier Payout & Ancient Temple Riches).

- In FY23 iLottery introduced 25 new e-Instant games that resulted in a 43+ % increase in overall e-Instant Sales (\$27.2M) and GGR (\$3.2M) from the previous fiscal year – FY22 (\$19.1M in Sales, \$2.2M in GGR).

| Launch Date | Game Name |
|-------------------------------|------------------------|
| Wednesday, October 5, 2022 | Enchanted Multiplier |
| Wednesday, October 19, 2022 | Viva Las Jackpots |
| Wednesday, November 2, 2022 | Holiday Stacked Cash |
| Wednesday, November 16, 2022 | Merry Multiplier |
| Wednesday, November 30, 2022 | Walrus Winnings |
| Wednesday, December 14, 2022 | Icy Winnings |
| Wednesday, December 28, 2023 | Casino Multiplier |
| Wednesday, January 11, 2023 | 25 Card Cash Bonus |
| Wednesday, January 25, 2023 | Winter Wonders |
| Wednesday, February 8, 2023 | Premier Payout |
| Wednesday, February 22, 2023 | Bloomin' Bucks |
| Wednesday, March 8, 2023 | Lucky Start |
| Wednesday, March 22, 2023 | Ancient Temple Riches |
| Wednesday, April 5, 2023 | Wild Eagle Multiplier |
| Wednesday, April 19, 2023 | 21X Keno |
| Wednesday, May 3, 2023 | Magnificent Multiplier |
| Wednesday, May 24, 2023 | Turbo Match |
| Wednesday, June 14, 2023 | The Luckiest Number 13 |
| Wednesday, June 28, 2024 | Summer Landmarks |
| Wednesday, July 12, 2025 | Drop the Balls |
| Wednesday, July 26, 2026 | Multiplier Mania |
| Wednesday, August 9, 2023 | Spicy 7s |
| Wednesday, August 23, 2023 | Drop the Beat |
| Wednesday, September 6, 2023 | Instant Lotto |
| Wednesday, September 20, 2023 | Luck of the Dead |

34. List and describe any new games planned for Fiscal Year 2024.

- Scratchers

| Month Launched (FY'24) | Price Point | Game Name |
|------------------------|-------------|--------------------------|
| October | \$1 | Topaz 7s |
| October | \$3 | Twisted Treasure |
| October | \$5 | Diamonds |
| November | \$1 | Holiday Wishes |
| November | \$5 | Holiday Fun X20 |
| November | \$10 | Winter Winnings |
| December | \$2 | 2024 Make My Year |
| December | \$5 | Double-Sided Dollars |
| January | \$3 | Bingo Plus |
| January | \$5 | \$50,000 Win it All |
| January | \$30 | 300X |
| February | \$1 | 10X |
| February | \$2 | 20X |
| February | \$5 | 50X |
| February | \$10 | 100X |
| March | \$3 | One-Word Crossword |
| March | \$5 | Lucky Loot (HD) |
| March | \$20 | Full of \$5,000s |
| April | \$1 | Hit \$50 |
| April | \$5 | Aces & 8s |
| April | \$10 | Triple 777 (Infinity) |
| May | \$2 | Hit \$100 |
| May | \$5 | Hit \$500 |
| May | \$10 | Hit \$1,000 |
| June | \$2 | TBD (Gems-Theme) |
| June | \$5 | TBD (Money-Theme) |
| June | \$20 | 200X |
| July | \$2 | TBD (Gems/Numbers-Theme) |
| July | \$5 | TBD (Extended Play) |
| July | \$10 | TBD (Money-Theme) |
| August | \$3 | TBD (Extended Play) |
| August | \$5 | TBD (Gems/Money-Theme) |

| | | |
|-----------|------|-----------------------|
| August | \$20 | TBD (Gems-Theme) |
| September | \$2 | TBD (Whimsical-Theme) |
| September | \$5 | TBD (Money/SMB) |
| September | \$10 | TBD (Exclusive Prize) |

- Fast Play
 - Games planned for FY 2024
 - \$5, \$10, \$20 DC Lucky Numbers Progressive Jackpot games
 - \$20 20x the Cash
 - \$10 \$500 Frenzy

- iLottery (e-Instants)
 - In FY24, iLottery will introduce 26 new e-Instant games

| Launch Date | Game Name |
|------------------------------|---|
| Wednesday, October 4, 2023 | Werewolf Wilds |
| Wednesday, October 18, 2023 | Cash Vaults |
| Wednesday, November 1, 2023 | Vault of Lions (EQL) |
| Wednesday, November 15, 2023 | Lucky Card Flip |
| Wednesday, November 29, 2023 | Christmas Carol (Progressive Jackpot) |
| Wednesday, December 13, 2023 | Professor Clanks (EQL) |
| Wednesday, December 27, 2023 | Vegas VIP Spin |
| Wednesday, January 10, 2024 | VIP Rooms |
| Wednesday, January 24, 2024 | Wobbly Blobs (EQL) |
| Wednesday, February 7, 2024 | Dragon's Palace of Fortunes |
| Wednesday, February 21, 2024 | Coins of the Titans (Progressive Jackpot) |
| Wednesday, March 6, 2024 | Cherry Blossom Riches |
| Wednesday, March 20, 2024 | Wildcat Multiplier (Progressive Jackpot) |
| Wednesday, April 3, 2024 | Pirate Game (Name TBD) |
| Wednesday, April 17, 2024 | Boogie Opera (EQL) |
| Wednesday, May 1, 2024 | Diamond Multiplier (Progressive Jackpot) |
| Wednesday, May 15, 2024 | King Aurthur |
| Wednesday, May 29, 2024 | Piñata Party (EQL) |

| | |
|-------------------------------|----------------------------------|
| Wednesday, June 12, 2024 | NH (VIP Game) Individual Jackpot |
| Wednesday, June 26, 2024 | Lotto Loot |
| Wednesday, July 10, 2024 | Pond of Prosperity (EQL) |
| Wednesday, July 24, 2024 | Thunderbolt (New Jackpot) |
| Wednesday, August 7, 2024 | Big City Stacks |
| Wednesday, August 21, 2024 | Millionaire Goal (EQL) |
| Wednesday, September 4, 2024 | IWG - TBD (WAS Commanders Theme) |
| Wednesday, September 18, 2024 | IWG - TBD (Halloween Theme) |

36. List any games that were retired in Fiscal Year 2023.

- Scratchers
 - FY23

| Game Name |
|--------------------------------|
| Full of \$500s-Holiday Edition |
| A Wreath of Franklins |
| Festive \$50s |
| 200X |
| Win Big |
| Mystery Multiplier |
| Power Cash 10X |
| Power Cash 5X |
| Beltway Bucks |
| \$50 or \$100 |
| Money Tree |
| Lady Luck |
| Triple 777 |
| It's All Cash |
| Six Figures |
| 10X |
| 5X |
| Red Hot Double Doubler |
| King of Cash Multiplier |
| In the Money |
| Easy Money |

| |
|--------------------------------|
| \$1,000 Loaded |
| Lucky Loot Bingo |
| Dia De Los Muertos (2.0) |
| \$10 Million Cash Extravaganza |

37. Please provide the Committee with an overview of the iLottery betting platform. In your response, please include the following information for Fiscal Years 2023 and 2024, to date:

iLottery launched in December of 2020 and is the D.C. Lottery's digital platform. iLottery provides players with a new way to enjoy the lottery through a virtual gaming experience that includes playing fun and exciting games via digital devices such as a cell phone, laptop, iPad, or tablet. The platform has launched 75 e-Instant games and has expanded to offering not only e-Instants, but also the traditional retail draw games that players love. This includes Powerball, Mega Million, DC 3, DC 4, DC 5, Lucky for Life, and Race 2 Riches. In 2024, the D.C. Lottery plans to expand even further through the introduction of its newest digital channel, an all-new Mobile Lottery App.

The iLottery platform can be accessed at the following link: <https://dcilottery.com/>.

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

Below you will find some oversight on the growth of the iLottery platform:

| DC iLottery – FY 23 | | | |
|--|---------------------------|-------------------------|---------------------------|
| | e-Instants | Draw | Total |
| Amount Played (sales) | \$27,238,195 (\$27.2M) | \$3,131,639 (\$3.1M) | \$30,369,844 (\$30.4M) |
| Total Payout | \$24,027,764 (\$24M) | \$1,069,280 (\$1.1M) | \$25,097,044 (\$25.1M) |
| Wagers/Transactions (#) | 15,992,782 | 642,750 | 16,635,532 |
| DC iLottery – FY 24 to date (October 1, 2023 – December 31, 2023) – Q1 | | | |
| | e-Instants | Draw | Total |
| Amount Played (sales) | \$7,559,240 (\$7.6M) | \$727,531 (\$728K) | \$8,286,771 (\$8.3M) |
| Total Payout | \$6,584,560 (\$6.6M) | \$242,768 (\$243K) | \$6,827,328 (\$6.8M) |
| Wagers/Transactions (#) | 4,596,511 | 146,982 | 4,743,493 |

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

| Year | Number of Licensed Agents |
|-----------|---------------------------|
| FY 2024* | 330 |
| FY 2023** | 354 |
| FY 2022 | 379 |
| FY 2021 | 376 |
| FY 2020 | 412 |
| FY 2019 | 401 |

*As of December 31, 2023

**In FY 2022 and prior, the retailer agent count included more than 10 administrative accounts (e.g., Prize Center) used for accounting purposes as well as some retailer accounts closed but still listed as active. A quality check of the system was performed and appropriate adjustments were made. As a result, confirmed there was not a reduction in retailers between FY 2022 and FY 2023. The number of active retailers in FY 2023 increased by four (4).

- a. How many outlets are planned or anticipated for Fiscal Year 2024 and the next five fiscal years?

| Expected Retailer Growth | |
|--------------------------|-----|
| FY 2024 | 360 |
| FY 2025 | 370 |
| FY 2026 | 380 |
| FY 2027 | 390 |
| FY 2028 | 400 |
| FY 2029 | 410 |

The strategy of the retail network development lies in steady and quality launch of new outlets with their manageable distribution across the District and maximize availability of tickets and service for the players.

39. In response to the Committee's questions last year about Instant Ticket sales, OLG described a strong level of increasing Instant Ticket sales at the beginning of FY2022. Did OLG find this continued through FY2022. Please provide quarterly sales totals of Instant Tickets for Fiscal Years 2023 and 2024, to date.

| FY 23 | Gross Sales |
|--------------|--------------------|
| Q1 | \$10,420,400 |
| Q2 | \$10,702,000 |
| Q3 | \$11,492,200 |
| Q4 | \$10,934,900 |
| FY'24 | Gross Sales |
| Q1 | \$9,779,900 |

40. With the return of the Lottery Sales Coordinators to the field in FY 2022, how has reintroduction of these agents OLG gone for OLG, has the agency found any issues in the reintroduction of the agents and taken steps to mitigate them?

With the re re-introduction of Sales Coordinators to the field in FY 22, OLG has seen a remarkable increase in renewed overall engagement with lottery agents and re-establishment of key relationships at the agent level. A surprising by-product of this process has been an introduction to new players and a connection with established ones. The process quite simply has been to have every Sales Coordinator work within a specified territory and visit retailer locations to provide necessary service. They have KPI's and metrics to track the efficiency of their work with the retailers and measure progress towards assigned goals. Additionally, sales coordinators have been able to provide retailers with on-site training and information about new games and new equipment.

The reintroduction of Sales Agents to the field has not resulted in any issues that required mitigation.

41. 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.
- Strict 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 provides oversight of the gaming system by issuing and monitoring system access.

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

During FY 2023 there was a need to bring enhanced automation to the lottery and GambetDC sports wagering application process. By the end of FY 2023, these licensing processes were fully automated online with enhanced features on user friendliness, internal efficiencies, and improved statistical reporting. The next phase of automation will be addressing Charitable Games licensing.

43. Please describe the steps taken in Fiscal Years 2023 and 2024, to date, to be more competitive with Maryland and Virginia for games of skill.

Games of skill are not legal in either Maryland or Virginia. As the regulator of games of skill, OLG can only regulate this form of gaming. OLG is not legally authorized to operate games of skill.

Sports Wagering

44. Please discuss, with specificity, initiatives implemented by OLG in Fiscal Years 2023 and 2024, to date, to improve small and local business participation, especially 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 worked with DSLBD 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 2023 Initiatives

OLG and DSLBD have continued to conduct capacity training events focused on sports wagering licensing and recruitment. The following are activities conducted during FY 2023. Plans are currently in process for training events for FY 2024. DSLBD has the responsibility of outreach and advertising to CBEs to ensure they are aware of the training events.

February 8, 2023:

Class B Licensing Process (conducted virtually)

The “Class B Licensing Process” workshop was led by Elys Game Technology Business Development Manager. This workshop/training session targeted CBE’s who could potentially become Class B Sports Wagering Operators (specifically bars, lounges and restaurants). The presentation covered the application process for Class B licensure, associated fees, how Class B Joint Ventures are formed and CBE Subcontracting requirements.

Featured Speaker: Brian Vasile, Owner of Grand Central Sportsbook.

DSLBD Matchmaking Workshops: Various Dates in March 2023

Matchmaking sessions with CBEs and local Sportsbooks (conducted in-person)

In March, 2023, DSLBD’s Business Opportunities Division (BOD) hosted a series of weekly matchmaking events. These matchmaking sessions occurred weekly at each OLG licensed sportsbook (Caesars, BetMGM, Grand Central, FanDuel and Cloakbook). The purpose of the workshop was to generate new procurement opportunities for CBEs and increase the visibility of the sports wagering industry in the District. The BOD goal was to have 12 CBEs across various industries attend each event according to the need of the sportsbook. Each week BOD exceeded their goal with attendance ranging from 13-31 CBE attendees. In FY2023, three (3) contracts were awarded to CBEs. A BOD survey has been provided to the business community and sportsbook staff to capture all contracts awarded. Additionally, FanDuel Sportsbook fulfilled their capacity building initiative by sending a group of CBEs to the Global Gaming Expo a/k/a G2E, which was held in Las Vegas, NV (FanDuel paid for all of the following expenses: airline tickets, lodging and G2E registration fees). G2E is a gaming industry trade show presented by the American Gaming Association.

April 20, 2023:

Sports Wagering 101 (conducted virtually)

The Sports Wagering 101 workshop was conducted with Elys Game Technology, Over/Under Sportsbook and Grand Central Sportsbook. This workshop/training was held online for guests to gain insight surrounding Class B Joint Ventures Sports Wagering Operations, OLG policies, and learn the tips to becoming a successful sports betting operator.

Featured Speakers: Brian Vasile, Owner of Grand Central Sportsbook, and Dina Chanaud, Controller, Cloakbook Sportsbook a/k/a Over/Under.

July 20, 2023:

Sports Wagering: Terminology & Requirements (conducted virtually)

Grand Central Sportsbook and Elys Game Technology conducted an online presentation deck/workshop outlining key terms, policies, strategies for forming a joint venture sports wagering operation partnership and the requirements associated with operating a sportsbook. This workshop targeted CBE businesses who could potentially apply for a sports wagering license or create a joint venture sports wagering operation.

Featured Speakers: Brian Vasile, Owner of Grand Central Sportsbook, Aiden Ciavarella, Director of Operations at Elys Game Technology, and Stephen Maldonado, US Head of Product Compliance at Elys Game Technology.

September 13, 2023:

Sports Wagering 101 Overview (conducted in-person)

This workshop was facilitated by FanDuel Sportsbook personnel located at Audi Field. The in-person presentation was directed at the following entities: DC Chamber of Commerce; Greater Washington Hispanic Chamber of Commerce; and the Black Chamber of Commerce. The attendees were given an in-depth look at the sports wagering industry in the District, covered some of the immense opportunities it could offer, provided the day-to-day sportsbook operations, and potential CBE opportunities. DSLBD's team provided an industry overview along with sportsbook compliance and regulations.

Featured Speakers: David Gates, Sportsbook Manager at FanDuel and Michael Cohen, Procurement Manager at FanDuel.

September 14, 2023:

Navigating Compliance (conducted virtually)

This workshop was facilitated by DSLBD's Business Operations team and lead by Caesars Sportsbook Compliance Division personnel. Caesars Sportsbook Compliance personnel presented a slide deck covering policies surrounding sports wagering, outlined the day-to-day intricacies of gaming operations, and gave attendees insight based upon FanDuel Sportsbook personnel located at Audi Field. The in-person presentation was directed at the following entities: DC Chamber of Commerce; Greater Washington Hispanic Chamber of Commerce; and the Black Chamber of Commerce. The attendees were given an in-depth look at the sports wagering industry in the District, covered some of the immense opportunities it could offer, provided the day-to-day sportsbook operations, and potential CBE opportunities. DSLBD's team provided an industry overview along with sportsbook compliance and regulations.

Featured Speakers: David Gates, Sportsbook Manager at FanDuel and Michael Cohen, Procurement Manager at FanDuel.

September 28, 2023:

Understanding Minimum Internal Control Standards (MICS) and Generating Revenue (conducted virtually)

Elys Game Technology and Cloakbook personnel presented key strategies on successful revenue generation in sports wagering. Topics included marketing techniques, location build out, technology surrounding sportsbook hardware, and CBE subcontracting partnerships that lead to increased profitability.

Featured Speakers: Aiden Ciavarella, Director of Operations at Elys Game Technology, Stephen Maldonado, US Head of Product Compliance at Elys Game Technology, and Dina Chanaud, Controller of Cloakbook Sportsbook a/k/a Over/Under.

45. Please list all current applicants for Class B licenses, to date, and provide an update on the status of those applications.
 - a. Please list total applicants and total licenses awarded for FY 2020, 2021, 2022, 2023, and 2024 to date.

Class B Licenses:

| Applicant | Status | Fiscal Year | Comments |
|----------------------------|----------|-------------|--------------------------------------|
| Handle 19 | Denied | FY 2021 | Denied 1/28/2021 |
| Grand Central | Approved | FY 2021 | Operations started 10/1/2021 |
| Over/Under | Approved | FY 2022 | Approved 12/21/2022 |
| Grand Central II | Pending | FY 2023 | 2 nd location on H Street |
| Sports & Social | Pending | FY 2023 | MSP is FanDuel |
| The Ugly Mug | Pending | FY 2024 | Appl submitted 11/17/2023 |

Currently there are two licensed Class B operators. Both Grand Central (18th street location) and Over/Under use Elys Gameboard Tech as their MSP. Sports & Social is part of the Cordish Group that operates the Maryland Live casino.

- b. Describe, if any, challenges that OLG is experiencing, in terms of encouraging operators to apply and be approved of a Class B license.

Local businesses seeking a Class B license, many times, find the licensing process challenging due to the highly- regulated nature of the industry as well as associated risk. Specifically, some local businesses initially believe the licensing process is similar to lottery only to discover it is more complex requiring bonds, reserves, financial suitability, extensive background checks, gaming lab testing, and other requirements. These requirements are industry wide and not unique to the District. Accordingly, in the Class B area, local businesses typically team up with companies that have a sports wagering platform and experience to manage risk and adherence to OLG’s minimum internal control standards.

- 46. 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 2023 and 2024, to date:
 - a. Total handle;
 - b. Total payout;
 - c. Number of wagers played; and
 - d. Gross gaming revenue; and
 - e. Amount spent with CBEs.

**Privately-Operated Sports Wagering Operators
Financials- All fiscal years through December 31, 2023**

| Caesars Sportsbook (a) | | Wagers | Handle | Payout | GGR | Tax Revenue | CBE Spend* |
|------------------------|--|-----------|----------------|----------------|---------------|--------------|--------------|
| FY 2022 | | 1,184,761 | \$ 111,946,605 | \$ 101,735,534 | \$ 10,211,070 | \$ 1,021,107 | \$ 1,181,355 |
| FY 2023 | | 855,659 | \$ 65,447,375 | \$ 57,203,094 | \$ 8,244,281 | \$ 824,428 | \$ 1,462,027 |
| Totals | | 2,040,420 | \$ 177,393,980 | \$ 158,938,628 | \$ 18,455,352 | \$ 1,845,535 | \$ 2,643,382 |
| BetMGM (b) | | Wagers | Handle | Payout | GGR | Tax Revenue | CBE Spend |
| FY 2022 | | 929,759 | \$ 39,166,634 | \$ 36,325,733 | \$ 2,840,901 | \$ 287,182 | \$ 2,100,866 |
| FY 2023 | | 638,332 | \$ 33,679,146 | \$ 31,128,658 | \$ 2,550,488 | \$ 264,154 | \$ 1,400,295 |
| Totals | | 1,568,091 | \$ 72,845,780 | \$ 67,454,391 | \$ 5,391,389 | \$ 551,336 | \$ 3,501,161 |
| Grand Central (c) | | Wagers | Handle | Payout | GGR | Tax Revenue | CBE Spend |
| FY 2022 | | 124,861 | \$ 5,545,065 | \$ 4,802,680 | \$ 742,389 | \$ 74,238 | \$ 245,060 |
| FY 2023 | | 119,249 | \$ 5,069,507 | \$ 4,227,140 | \$ 842,367 | \$ 84,237 | \$ 144,847 |
| Totals | | 244,110 | \$ 10,614,573 | \$ 9,029,820 | \$ 1,584,756 | \$ 158,475 | \$ 389,907 |
| FanDuel (d) | | Wagers | Handle | Payout | GGR | Tax Revenue | CBE Spend |
| FY 2022 | | 33,321 | \$ 3,387,704 | \$ 2,837,758 | \$ 549,946 | \$ 54,995 | \$ 923,784 |
| FY 2023 | | 129,753 | \$ 11,678,609 | \$ 9,704,722 | \$ 1,973,887 | \$ 200,686 | \$ 218,061 |
| Totals | | 163,074 | \$ 15,066,312 | \$ 12,542,480 | \$ 2,523,833 | \$ 255,680 | \$ 1,141,845 |
| Cloakbook (e) | | Wagers | Handle | Payout | GGR | Tax Revenue | CBE Spend |
| FY 2022 | | | | | | | |
| FY 2023 | | 2,223 | \$ 321,646 | \$ 359,225 | \$ (37,578) | \$ 5,177 | \$ 50,076 |
| Totals | | 2,223 | \$ 321,646 | \$ 359,225 | \$ (37,578) | \$ 5,177 | \$ 50,076 |
| All Operators | | Wagers | Handle | Payout | GGR | Tax Revenue | CBE Spend |
| FY 2022 | | 2,272,702 | \$ 160,046,007 | \$ 145,701,706 | \$ 14,344,307 | \$ 1,437,522 | \$ 4,451,065 |
| FY 2023 | | 1,745,216 | \$ 116,196,284 | \$ 102,622,839 | \$ 13,573,445 | \$ 1,378,681 | \$ 3,275,306 |
| Totals | | 4,017,918 | \$ 276,242,291 | \$ 248,324,545 | \$ 27,917,752 | \$ 2,816,203 | \$ 7,726,371 |

*CBE Reporting is on a quarterly basis. The FY 2024 first quarter report (ending 12/31/2023) is not due until January 31, 2024 and OLG as of 1/19/2024 has not received such reports.

- (a) Started operations on July 31, 2020
- (b) Started operations on June 4, 2021
- (c) Started operations on October 1, 2021
- (d) Started operations on June 30, 2022
- (e) Started operations on December 29, 2022

47. 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, 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, operating history, and recent litigation, among other areas. The investigations for each qualifier including officers, directors, board members or key investors of the applicant covers, among other areas, their employment history, criminal record check, compliance with state and federal taxes, investment holdings and financial suitability.

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. As an operational partner in a sportsbook, an MSP plays an instrumental role that includes risk management. Therefore, the MSP licensee is evaluated using the same criteria imposed on an Operator applicant.

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 shows information and documentation that must be reviewed and approved by OLG prior to the issuance of any type of license.

| Requirement | Class A | Class B | MSP | Supplier | Occupational |
|---------------------------------|---------|---------|-----|----------|--------------|
| Basic Business License | X | X | X | X | |
| Cert. Of Clean Hands | X | X | X | X | |
| Compliance with 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 | X | X | X | X | X |
| Background Investigation | X | X | X | X | X |

*MICS- Minimum Internal Control Standards issued by OLG.

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 (e.g., 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 Minimum Internal Control Standards (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 | 9 to 12 months |
| MSP | 9 to 12 months |
| Supplier | 6 to 9 months |
| Occupational | Up to 2 months |

- a. Describe what, if any, resources are provided to Advisory Neighborhood Commissions (ANC) and/or civic association groups when an applicant is pursuing a Class B license and seeks approval from the ANC.

The Director and management staff of the Regulation and Oversight Division make themselves available to the ANCs anytime they have questions regarding sports wagering. At times, this has included attending ANC meetings to explain the licensing process and operational rules required of sportsbooks. In April 2023, the Director sent an email to all ANC board members (over 50) that briefly explained sports wagering, the licensing process and offered to provide additional information at ANC meetings. The email contained contact information for the Director and management staff.

48. 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.

| Revenue | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Total |
|---|------------------------|--------------------------|------------------------|------------------------|--------------------------|
| Private Operator Licensing Fees | \$ 1,412,000.00 | \$ 48,900.00 | \$ 149,000.00 | \$ 145,600.00 | \$ 1,755,500.00 |
| Payroll | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Total |
| Sports Wagering Reg. & Oversight | \$ 1,248,291.17 | \$ 1,342,276.32 | \$ 1,083,227.22 | \$ 348,327.46 | \$ 4,022,122.17 |
| Vendor | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Total |
| Limbic Systems | \$ 580,770.00 | \$ 417,424.99 | \$ - | \$ - | \$ 998,194.99 |
| Spectrum Gaming | 135,331.00 | - | - | - | 135,331.00 |
| Gaming Laboratories, Inc (GLI) | 46,375.00 | 127,975.14 | - | - | 174,350.14 |
| Michael & Carroll, P.C. | 29,289.38 | 20,030.00 | - | - | 49,319.38 |
| Thomas Reuters | 33,754.00 | 10,240.25 | - | - | 43,994.25 |
| Assoc. of Certified Financial Crime Specialists | 3,000.00 | - | - | - | 3,000.00 |
| Gambling Compliance | 13,050.00 | - | 19,700.00 | 21,950.00 | 54,700.00 |
| National Council For Problem Gambling | 32,750.00 | - | 9,500.00 | - | 42,250.00 |
| Networking For Future, Inc. | 60,694.44 | - | - | - | 60,694.44 |
| Subtotal | \$ 935,013.82 | \$ 575,670.38 | \$ 29,200.00 | \$ 21,950.00 | \$ 1,561,834.20 |
| Grand Total | \$ 2,183,304.99 | \$ 1,917,946.70 | \$ 1,112,427.22 | \$ 370,277.46 | \$ 5,583,956.37 |
| Surplus/ (Deficit) | \$ (771,304.99) | \$ (1,869,046.70) | \$ (963,427.22) | \$ (224,677.46) | \$ (3,828,456.37) |

FY 2024 data as of December 31, 2023

Private sports wagering operators licensed and monitored by the Regulation and Oversight Division pay a ten percent (10%) tax on monthly Gross Gaming Revenue (handle less payouts). The monthly tax is paid to the Office of Tax and Revenue (OTR). OLG does not receive any part of the sports wagering tax revenue paid to OTR. OLG only receives application fees for Class A, Class B, Management Service Providers, Suppliers and Occupational license applications. The complete list of application fees can be found at OLG's website, see following link.

Prior to the legalization of sports wagering in the District, the Regulation and Oversight Division did not exist. It was created in late 2019 to meet the statute and regulatory requirements on licensing and compliance oversight. The table above shows, for FY 2021 through 2024 (December 31, 2023), application fees received and associated payroll and other costs. Each year the Regulation and Oversight Division runs at a deficit which effectively becomes a reduction in the Transfer as OLG is bearing the excess cost above application fees.

49. Please provide a 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 |
|--------------|---------------------------------------|------------------|----------------|------------|
| 6062001 | Licensing Program Specialist/ Sports | 89,964 | 20,602 | vacant |
| 6062001 | Investigations & Enforcement Agent | 82,056 | 18,791 | 11/21/2022 |
| 6062001 | Investigation & Enforcement Officer | 133,559 | 30,585 | 10/28/2019 |
| 6062001 | Audit & Compliance Officer | 133,559 | 30,585 | 1/6/2020 |
| 6062001 | Director, Sports Wagering Regulation | 185,265 | 42,426 | 1/21/2020 |
| 6062001 | Responsible Gaming Program Specialist | 79,719 | 18,256 | 5/11/2020 |
| 6062001 | Staff Assistant | 71,916 | 16,469 | 3/29/2021 |
| 6062001 | Compliance Auditor | 115,093 | 26,357 | 2/16/2021 |
| 6062001 | Compliance Auditor | 89,964 | 20,602 | 7/18/2022 |
| 6062001 | Financial Auditor | 109,510 | 25,078 | 7/31/2023 |
| 6062001 | Financial Investigator | 112,302 | 25,717 | 7/17/2023 |
| TOTAL | | 1,202,907 | 275,468 | |

50. 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 2023 and 2024, to date.

| License Type/Inv. | FY 2023 | FY 2024 (12/31/24) |
|------------------------------|---------|--------------------|
| Class B | 2 | 1 |
| MSP | 1 | |
| Supplier | 3 | 1 |
| Supplier-renewed | 17 | 1 |
| Occupational-New | 76 | 78 |
| Occupational-Renewed* | 249 | |
| Investigations | 14 | 2 |

The figures above reflect the number of applications submitted and place into the licensing due diligence process.

*All occupational licenses expire on September 30th regardless of when they are issued. For this reason, license renewal applications are received within 90 days of expiration date.

51. 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 2023 and 2024, to date.

| | FY 2023 | FY 2024 (12/31/2023) |
|----------------------------|---------|----------------------|
| Audits | 1 | 1 |
| Inspections/Reviews | 36 | 2 |

52. 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.

| Privately Operated | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| December 2022 Revenue Estimate | \$4,798 | \$4,338 | \$4,412 | \$4,485 | \$4,485 |
| December 2023 Revenue Estimate | \$4,798 | \$8,329 | \$8,403 | \$8,527 | \$8,617 |
| OLG Operated | | | | | |
| December 2022 Revenue Estimate | \$2,473 | \$2,517 | \$2,517 | \$2,568 | \$2,568 |
| December 2023 Revenue Estimate | \$2,473 | \$2,517 | \$2,517 | \$2,568 | \$2,568 |

FY 2024 data as of December 31, 2023

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;
- b. Brief description of service or product provided;
- c. Dollar amount, including amount budgeted and amount actually spent;
- d. Subcontracting status; and
- e. Name of OLG contract monitor.

See Attachment O.

Intralot--

<https://dc.cobblestonesystems.com/public/ContractDetails.aspx?cid=1085&wc=oplYouSJ3cTDS2kwbVIpB%2ffa%2b0axPvc3ap4nlhDSLketQG2vYsud0%2fcjO31td8drRO0rMu63b7nnwp%2bVO8bv3WJ15d8uOVwPqSPOzwtkVUY%3d>

GLI--

<https://dc.cobblestonesystems.com/public/ContractDetails.aspx?cid=1073&wc=oplYouSJ3cTDS2kwbVIpB%2ffa%2b0axPvc3ap4nlhDSLketQG2vYsud0%2fcjO31td8drRO0rMu63b7nnwp%2bVO8bv3WJ15d8uOVwPqSPOzwtkVUY%3d>

54. Please provide the Fiscal Year 2024 budget – including dollar amounts, source codes, contracts –projected or anticipated to be spent on the implementation of sports wagering.

| Fund | Program | Cost Center | Account | Account Description | FY 2024 Budget |
|--------------|---------|-------------|---------|-----------------------------------|---------------------|
| 6062001 | 200132 | 20067 | 7011001 | Regular Pay - Continuing FT | \$ 1,112,114 |
| 6062001 | 200132 | 20067 | 7014008 | Fringe Benefits | 254,674 |
| 6062001 | 200132 | 20067 | 7015001 | Overtime Pay | 20,000 |
| 6062001 | 200132 | 20067 | 7111002 | Office Supplies | 5,000 |
| 6062001 | 200132 | 20067 | 7131002 | Travel - Local | 3,000 |
| 6062001 | 200132 | 20067 | 7131003 | Travel - Out of City | 20,000 |
| 6062001 | 200132 | 20067 | 7131009 | Professional Services - Contracts | 60,000 |
| 6062001 | 200132 | 20067 | 7132001 | Contractual Services - Other | 500,000 |
| 6062001 | 200132 | 20067 | 7132002 | IT Consulting Contracts | 300,000 |
| 6062001 | 200132 | 20067 | 7131020 | Tuition for Employee Training | 5,500 |
| 6062001 | 200132 | 20067 | 7131024 | Conference Fees | 15,000 |
| 6062001 | 200132 | 20067 | 7131025 | Membership Dues | 5,000 |
| 6062001 | 200132 | 20067 | 7131036 | IT Software Maintenance | 20,000 |
| 6062001 | 200132 | 20067 | 7171008 | Equipment & Rental (IT Hardware) | 160,000 |
| Total | | | | | \$ 2,480,288 |

| Contract# | Vendor Name | Description | Exec. Date | Term | Exp. Date | Base Value | FY'24 Contract Spend | FY'24 Budget |
|----------------|---------------------------|---------------------------|------------|----------------|-----------|------------------|----------------------|--------------|
| CFOPD-19-C-019 | Gaming Laboratories (GLI) | Sports Betting Consultant | 3/18/2019 | Base + 4 years | 3/17/2024 | NTE \$250,000.00 | \$0.00 | \$400,000.00 |

55. According to an audit by the Office of the District of Columbia Auditor, the CBE spending on with Intralot to provide sports wagering, lottery gaming systems and related services for OLG has been less than 1% through the 3rd quarter of 2020.

- a. Please provide the following information for Fiscal Years 2021-2023
- b. Amount paid to each CBE per Fiscal Year; and
- c. Percent Paid Toward Subcontracting Plan Amount.

| CBE | Subcontracting Plan Amount | Amount Paid in FY 2020 | Amount Paid in FY 2021 | Amount Paid in FY 2022 | Amount Paid in FY 2023 | % Paid Toward Subcontracting Plan Amount |
|---------|----------------------------|------------------------|------------------------|------------------------|------------------------|--|
| VSC | \$109,650,000 | \$1,165,539.35 | \$4,753,033.18 | \$7,576,988.08 | \$7,033,516.84 | 19% |
| OCTANE | \$3,500,000 | \$372,552.48 | \$1,383,917.18 | \$330,137.54 | \$0.00 | 60% |
| PSC | \$3,000,000 | \$439,403.00 | \$136,180.00 | \$290,110.00 | \$136,640.00 | 33% |
| M JONES | \$1,250,000 | \$148,231.20 | \$298,903.56 | \$284,693.12 | \$264,390.00 | 80% |
| DSM | \$1,200,000 | \$0.00 | \$25,148.00 | \$43,200.00 | \$69,663.00 | 12% |
| SBC | \$600,000 | \$119,558.05 | \$225,938.92 | \$213,762.06 | \$157,171.78 | 119% |
| GMP | \$300,000 | \$63,703.75 | \$60,000.00 | \$65,000.00 | \$60,000.00 | 83% |
| Total | \$119,500,000 | \$2,308,987.83 | \$6,883,120.84 | \$8,803,890.80 | \$7,721,381.62 | 22% |

56. Please discuss the marketing strategy for sports wagering and include the amount budgeted for these activities for Fiscal Year 2024.

Sports wagering comprises two essential components: promotions and the medium through which these promotions are delivered. Our approach emphasizes responsible tactics to avoid excessive advertising and to target potential customers who express genuine interest.

For the FY 2024 promotional strategy, we have identified two key segments. First, we aim to attract new users during optimal betting times, offering enticing promotions such as a \$20 2nd chance bet and a deposit boost of up to \$250 in January. Second, we prioritize delivering ongoing value to our existing user base through promotions like parlay boosts, deposit boosts, and a "bet a minimum and get back \$50" incentive.

Our chosen medium is predominantly digital, allowing us to connect with potential customers in spaces where sports wagering enthusiasts typically engage, without significant investments in traditional TV advertising. Acknowledging the competitive landscape and substantial marketing budgets of our rivals, we recognize the importance of focusing on proven channels, including Google, programmatic advertising, and in-app marketing, to acquire new customers.

The overall marketing budget is structured around ensuring a strategic and measured approach to promotional efforts. The amount budgeted for marketing and promotions in FY 2024 is \$1.4 million.

57. Please describe the difference in the scope of work for Taoti Creative and Octane with OLG.

Octane is no longer a subcontractor for Intralot and does not provide any services for OLG. A detailed summary of the Taoti scope of work can be found at the following link:
[Taoti Scope of Work](#).

Octane's subcontractor agreement with Intralot can be found at the following link:
[Octane Subcontract Agreement with Intralot.pdf](#)

58. Please provide a status update of the GAMBETDC sports wagering mobile app, including the number of users who have downloaded it in FY23 and how many users are projected to download it in Fiscal Year 2024. Please also include in your response the following information for Fiscal Years 2023 and 2024, to date:
- a. Total amount played;
 - b. Total payout;
 - c. A breakdown by iOS and Android; and

- d. Number of wagers played.

GambetDC Mobile App

| | FY22 | FY23 | FY24 Forecast |
|--------------------------------|--------------|--------------|---------------|
| Total amount played | \$45,255,937 | \$49,397,471 | \$52,000,000 |
| Total payout | \$39,466,223 | \$44,159,039 | \$46,800,000 |
| APP Downloads | | | |
| iOS | 13,200 | 10,800 | 11,800 |
| Android | 4,865 | 4,500 | 4,900 |
| Number of Wagers Played | 1,321,012 | 1,342,819 | N/A |

- 59. Please provide a detailed narrative description of how OLG handles GAMBETDC technical and performance complaints. Please also provide the following:
 - a. Number of complaints received during Fiscal Years 2023 and 2024, to date; and
 - b. A description of any trends identified in the complaints received.

Attachment P is the Standard Operating Procedure (SOP) for handling the escalation of sports wagering complaints. Complaints are handled by Intralot’s customer service personnel. Approximately 13 complaints have been escalated to OLG between Fiscal Year 2023 and Fiscal Year 2024. The most common complaints relate to iLottery withdrawal and technical issues, and a lack of understanding of GambetDC rules.

- 60. 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 OLG 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 OLG’s sports wagering 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.

- 61. Please describe the marketing strategy for GAMBETDC. What are the most successful marketing strategies and how they are helping GAMBETDC grow in userbase or revenue?

The marketing strategy for GambetDC focuses on both the acquisition of new players and on retaining current players and incentivizing them to play more. We primarily use proven digital channels, including Google search, programmatic advertising, and in-app marketing, to acquire new customers. Recently, we have begun advertising directly on the App Store, which has allowed us to acquire new players with a much lower cost per registration than we saw via other channels. This is a strategy we will expand upon in FY24 given its initial results.

For retention efforts, we leverage on-going promotions, such as "second chance" bets up to a specific amount, by offering some of the best matchups with No Juice (unbeatable odds), and by boosting winnings on parlays (up to 50%). We communicate these promotions on a weekly basis via banners on the app/site, email marketing, social media posts and by push notifications. On occasion during the highest acquisition periods of the sports calendar (NFL Playoffs and March Madness), we offer unique promotions such as a deposit money match up to a certain amount. For the 2022 NFL Playoffs we offered a deposit match up to \$1,000 which saw the highest engagement of any promotion to date.

62. How is OLG evaluating the effectiveness of the Gambet DC contract?

GambetDC represents an integral part of the contract with Intralot. Its efficiency is evaluated with the same standards utilized in evaluating the overall Intralot contract that includes services for traditional lottery and ilottery services.

The Intralot contract impacts all departments within the OLG. All departments interact with Intralot to produce the deliverables of the contract. The COTR for the Intralot contract ensures that OLG pays for what is actually delivered under the contract. The contract is monitored for technical mishaps, and liquidated damages are accessed where necessary and authorized under the contract. OLG also evaluates the performance of the GambetDC platform in terms of handle, wagers, GGR, active users, downloads and overall player satisfaction.

63. What is OLG's plan to increase profitability of sports betting in the District?

OLG has worked with its vendor partner, Intralot, to identify a new subcontractor for OLG's sports wagering platform. OLG and Intralot have evaluated the current platform and believe that evolving to one of the current private operator platforms will better compete within the highly competitive DMV region, while still maintaining a larger share of revenue and mitigating risk. Having a strong, nationally recognized platform will help to drive renewed revenue growth. Subject to successful negotiations and approvals, the contract will be modified to eliminate all sports wagering operational costs for OLG and will have minimum revenue guarantees that surpass current and past revenue results. This is expected to significantly increase sports wagering profitability moving forward.

64. Regarding GAMBET DC, please provide a chart showing the following information for Fiscal Years 2022, 2023, and 2024, 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.

| GambetDC | | | | | | | | | |
|--------------|----------------------|----------------------|---------------------|------------------------------|-------------------------|-------------------------------|----------------------|----------------------|--------------------------|
| Fiscal Year | Handle | Payout | Contractor Fees | Electronic Transaction Costs | Total Intralot Expenses | Marketing & Advertising Costs | Retailer Commissions | Total Expenses | Transfer to General Fund |
| 2024 | \$ 17,358,683 | \$ 15,425,708 | \$ 789,172 | \$ 149,497 | \$ 938,670 | \$ 122,076 | \$ 181,413 | \$ 1,242,158 | \$ 689,208 |
| 2023 | 69,564,132 | 61,831,686 | 2,799,094 | 583,661 | 3,382,755 | 874,080 | 969,011 | 5,225,846 | 1,254,594 |
| 2022 | 58,288,932 | 50,339,285 | 3,193,140 | 467,139 | 3,660,278 | 559,789 | 567,515 | 4,787,583 | 2,718,520 |
| Total | \$145,211,747 | \$127,596,679 | \$ 6,781,406 | \$ 1,200,297 | \$ 7,981,703 | \$ 1,555,945 | \$ 1,717,939 | \$ 11,255,587 | \$ 4,662,322 |

Notes:

FY 2024 Data as of December 31, 2023
 Sports Wagering launched May 20, 2020
 Handle and Payout includes bonuses.

| GambetDC | | Intralot Only | | | | |
|--------------|-----------------------|-----------------------|---------------------|------------------------------|-------------------------|--------------------------|
| Fiscal Year | Handle | Payout | Contractor Fees | Electronic Transaction Costs | Total Intralot Expenses | Transfer to General Fund |
| 2024 | \$ 17,358,683 | \$ 15,425,708 | \$ 789,172 | \$ 149,497 | \$ 938,670 | \$ 689,208 |
| 2023 | 69,564,132 | 61,831,686 | 2,799,094 | 583,661 | 3,382,755 | 1,254,594 |
| 2022 | 58,288,932 | 50,339,285 | 3,193,140 | 467,139 | 3,660,278 | 2,718,520 |
| Total | \$ 145,211,747 | \$ 127,596,679 | \$ 6,781,406 | \$ 1,200,297 | \$ 7,981,703 | \$ 4,662,322 |

Notes:

FY 2024 Data as of December 31, 2023
 Sports Wagering launched May 20, 2020
 Handle and Payout includes bonuses

65. Please provide a table as follows with the following information about GambetDC for Fiscal Years 2021, 2022, 2023, and 2024, to date, broken down by figures for both retailer/kiosk and mobile operations:

- a. Total number of wagers;
- b. Total wager amount;
- c. Gross gaming revenue; and

d. Total transfer to the General Fund.

| Kiosks | # of Wagers | Handle | GGR | Transfer |
|-----------------------------|--------------------|--------------------|-------------------|---------------------|
| FY2021 | 3,303 | 124,811.00 | 30,976.00 | - |
| FY2022 | 533,044 | 9,935,459 | 1,945,953 | 727,868 |
| FY2023 | 747,277 | 16,789,763 | 2,310,348 | 429,163 |
| FY2024 | 190,467 | 3,171,510 | 553,760 | 199,797 |
| Total | 1,474,091 | 30,021,543 | 4,841,037 | \$ 1,356,828 |
| | | | | |
| Mobile/ Internet | # of Wagers | Handle | GGR | Transfer |
| FY2021 | 1,223,053 | 42,098,995 | 7,633,098 | - |
| FY2022 | 1,415,596 | 48,353,473 | 6,162,835 | 1,990,652 |
| FY2023 | 1,428,592 | 52,774,369 | 5,565,026 | 825,431 |
| FY2024 | 382,373 | 14,187,173 | 1,416,952 | 489,411 |
| Total | 4,449,614 | 157,414,010 | 20,777,911 | \$ 3,305,494 |
| | | | | |
| Totals | # of Wagers | Handle | GGR | Transfer |
| FY2021 | 1,226,356 | 42,223,806 | 7,664,074 | - |
| FY2022 | 1,948,640 | 58,288,932 | 8,108,788 | 2,718,520 |
| FY2023 | 2,175,869 | 69,564,132 | 7,875,374 | 1,254,594 |
| FY2024 | 572,840 | 17,358,683 | 1,970,712 | 689,208 |
| Total | 5,923,705 | 187,435,553 | 25,618,948 | \$ 4,662,322 |
| | | | | |

FY 2024 data as of December 31, 2023

66. 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 2022, 2023, and 2024, to date.

Privately-Operated Sports Wagering Operations
Financials Fiscal years 2022 through 2024 (as of December 31, 2023)

| Caesars Sportsbook (a) | Handle | GGR | Tax Revenue |
|-------------------------------|-----------------------|----------------------|---------------------|
| FY2022 | \$ 111,946,605 | \$ 10,211,070 | \$ 1,021,107 |
| FY2023 | \$ 65,447,375 | \$ 8,244,281 | \$ 824,428 |
| FY2024 | \$ 17,390,918 | \$ 2,239,354 | \$ 223,935 |
| Totals | \$ 82,838,293 | \$ 10,483,635 | \$ 1,048,364 |
| | | | |
| BetMGM (b) | Handle | GGR | Tax Revenue |
| FY2022 | \$ 39,166,634 | \$ 2,840,901 | \$ 287,182 |
| FY2023 | \$ 33,679,146 | \$ 2,550,488 | \$ 264,154 |
| FY2024 | \$ 9,962,860 | \$ 722,218 | \$ 72,222 |
| Totals | \$ 43,642,006 | \$ 3,272,706 | \$ 336,375 |
| | | | |
| Grand Central (c) | Handle | GGR | Tax Revenue |
| FY2022 | \$ 5,545,065 | \$ 742,389 | \$ 74,238 |
| FY2023 | \$ 5,069,507 | \$ 842,367 | \$ 84,237 |
| FY2024 | \$ 1,469,795 | \$ 151,085 | \$ 15,108 |
| Totals | \$ 6,539,302 | \$ 993,452 | \$ 99,345 |
| | | | |
| FanDuel (d) | Handle | GGR | Tax Revenue |
| FY2022 | \$ 3,387,704 | \$ 549,946 | \$ 54,995 |
| FY2023 | \$ 11,678,609 | \$ 1,973,887 | \$ 200,686 |
| FY2024 | \$ 2,653,679 | \$ 691,529 | \$ 69,153 |
| Totals | \$ 14,332,288 | \$ 2,665,416 | \$ 269,839 |
| | | | |
| Cloakbook (e) | Handle | GGR | Tax Revenue |
| FY2022 | | | |
| FY2023 | \$ 321,646 | \$ (37,578) | \$ 5,177 |
| FY2024 | \$ 44,262 | \$ (11,411) | \$ 436 |
| Totals | \$ 365,909 | \$ (48,989) | \$ 5,613 |
| | | | |
| All Operators | Handle | GGR | Tax Revenue |
| FY2022 | \$ 160,046,008 | \$ 14,344,306 | \$ 1,437,522 |
| FY2023 | \$ 116,196,284 | \$ 13,573,445 | \$ 1,378,681 |
| FY2024 | \$ 31,521,514 | \$ 3,792,774 | \$ 380,854 |
| Totals | \$ 307,763,806 | \$ 31,710,525 | \$ 3,197,058 |
| | | | |

(a) Started operations on July 31, 2020

(b) Started operations on June 4, 2021

- (c) Started operations on October 1, 2021
- (d) Started operations on June 30, 2022
- (e) Started operations on December 29, 2022

67. Describe, in detail, how OLG monitors its contract with Intralot for sports wagering and lottery gaming services to ensure compliance with CBE requirements.
- 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 the person at OLG responsible for reviewing and approving invoices.

OLG monitors its contract with Intralot for compliance with 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 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.

Invoices are reviewed by the person requesting the deliverable and all invoices are approved in PASS by the COTR.

68. With both Maryland and Virginia now having legalized sports betting for some time, has OLG seen a difference in users of Gambet.

Yes. GambetDC saw a 56% decline in Handle and a 49% decline in wagers in FY 23 from accounts registered with Maryland addresses vs FY 22. This resulted in a negative GGR impact in FY23 of over \$800,000 for GambetDC.

Similarly, in FY 22, GambetDC saw a 52% decline in Handle and a 68% decline in wagers from accounts registered with Virginia addresses vs. FY 21. The impact on GambetDC was close to \$500,000 in less GGR.

- a. Please provide the total users for Fiscal Years 2021, 2022, 2023 and 2024, to date, delineated by jurisdiction and provide the Year over Year growth change?

| | FY21 | FY22 | FY23 | 10/1/23 - 1/22/24 |
|---|--------|--------|--------|-------------------|
| Active Players (placed at least 1 bet) | 11,670 | 11,761 | 11,947 | 6937 |
| YoY % change | | 1% | 2% | -16.9% |

69. OLG indicated it would take certain measures to improve the reviews the GamBetDC mobile app has received online, such as improving the odds and incorporating feedback from customers through a survey. Indicate the reviews of the GamBetDC app at the beginning of last calendar year, and today.

| App Store | January 1, 2023 Rating | January 2024 Rating |
|--------------|------------------------|---------------------|
| Apple Store | 1.7 | 3.6 |
| Google Store | 2.7 | 3.3 |

a. Indicate the ratings of the mobile sports wagering apps of private operators that currently operate Class A locations – Caesar's Sportsbook, BetMGM and FanDuel - and how they compare to GamBetDC.

| | (Ratings in Feb 2023) | | (Ratings in January 2024) | |
|-------------------------|-----------------------|--------------------|---------------------------|--------------------|
| | iOS | Google Play | iOS | Google Play |
| National Ratings | | | | |
| Caesar's | 4.6 (39K Reviews) | 4.5 (17K reviews) | 4.6 (54K reviews) | 4.2 (24K reviews) |
| FanDuel | 4.8 (877K reviews) | 4.7 (162K reviews) | 4.8 (1.3M reviews) | 4.7 (263K reviews) |
| BetMGM | 4.8 (141K reviews) | 4.4 (16K reviews) | 4.8 (183K reviews) | 4.2 (25K reviews) |
| Local Ratings | | | | |
| betWay NJ | 3.1 (48 reviews) | 3.6 (49 reviews) | 2.8 (66 reviews) | 3.6 (69 reviews) |
| GambetDC | 2.4 (57 reviews) | 2.5 (127 reviews) | 3.6 (375 reviews) | 3.3 (190 reviews) |
| Unibet Sportsbook VA | 2.4 (71 reviews) | 4.0 (64 reviews) | 2.8 (109 reviews) | 3.9 (71 reviews) |
| Caesar's Nevada | 1.8 (77 reviews) | 2.6 (127 reviews) | 4.6 (620 reviews) | 4.0 (385 reviews) |
| Sportsbook Rhode Island | 1.6 (68 reviews) | 2.5 (24 reviews) | 4.4 (2K reviews) | 4.1 (301 reviews) |

70. Since the funding for Problem Sports Gambling was cut in this year's budget, HAS the Office worked with the Department of Behavioral Health to help provide resources for Problem Gambling?

The Department of Behavioral Health advised OLG they are currently working to establish a program to provide treatment services to those individuals experiencing problem gambling issues. During FY 2023, OLG continued to enhance its Responsible Gambling program to provide resources to players on prevention. This includes expansion of Self-Exclusion program, new training for OLG staff and licensed retailers, development of reference guides (Pamphlets) and updated OLG's website for ease of reference to problem gambling resources. In addition, OLG provided interviews on radio and local television promoting its Gift Responsibility Campaign and related Responsible Gaming program.

71. How will the potential move of the Washington Capitals and the Washington Wizards affect the Sports Wagering market in the District of Columbia? Are there anticipated shortfalls?

Caesars Sportsbook possesses a Class A license, and as per regulations, this license is specifically associated with Capital One Arena rather than the professional teams based at the Arena. Furthermore, Caesars Sportsbook maintains a landlord-tenant arrangement with Monumental Sports, featuring a 10-year lease term. However, a material amount of Caesars gaming revenue is from its retail operations. If the move by the Washington Capitals and Wizards results in less "foot traffic" at Capital One Arena there may be a potential negative impact on Caesars Sportsbook revenue.

Committee Recommendations:

72. The Committee made the following policy and operating budget recommendations to the agency in its Fiscal Year 2024 Budget Report. Please provide an update on how the agency has addressed the Committee's recommendations.
- a. The Committee encourages OLG to consider options for increasing OLG-operated sports wagering revenue and competition.

In following with OLG's mission to responsibly maximize revenue for the District, increasing revenue for District-operated sports wagering is an ongoing focus. OLG has worked with its vendor partner, Intralot, to identify a new subcontractor for OLG's sports wagering platform. OLG and Intralot have evaluated the current platform and believe that evolving to one of the current private operator platforms will better compete within the highly competitive DMV region, while still maintaining a larger share of revenue and mitigating risk. Having a strong, nationally recognized and trusted platform will help to drive renewed revenue growth.

- b. The Committee recommends that OLG continue to improve the GambetDC mobile app and engage in robust efforts to improve user experience and consumer trust in the platform.

Please see response above to [Question 72.a.](#)