

MASSACHUSETTS STATE LOTTERY COMMISSION

JUNE 2021 COMMISSION MEETING

DEBORAH B. GOLDBERG, CHAIR
TREASURER AND RECEIVER GENERAL

THOMAS A. TURCO, III
SECRETARY OF PUBLIC SAFETY

MEGHAN S. LIDDY
COMMISSIONER

ANTHONY J. SALVIDIO
COMMISSIONER

WILLIAM J. MCNAMARA
COMPTROLLER

MICHAEL R. SWEENEY
EXECUTIVE DIRECTOR
JUNE 29, 2021

Massachusetts State Lottery Commission

150 Mount Vernon Street

Dorchester, MA 02125

Tel: (781) 849-5555

Fax: (781) 849-5546

TTY: (781) 849-5678

NOTICE OF MEETING AND AGENDA

In accordance with G.L. c. 30A, §§ 18-25, 940 CMR 29.03, and Chapter 20 of the Acts of 2021, notice is hereby given of a meeting of the Massachusetts State Lottery Commission to be held remotely at the following time:

Tuesday, June 29, 2021

10:30 a.m.

Conference Call Meeting with Screen Sharing/Presentation

This meeting is open to the public. To access, please contact the Lottery at (781) 664-7168 or via email at cteja@masslottery.com and you will be provided with a Phone Number and Conference ID and/or link.

- I. Opening of Meeting**
- II. Approval of Minutes from May 25, 2021**
- III. Executive Director's Report**
- IV. Matters Requiring Approval of the Massachusetts State Lottery Commission**

VOTE (1): For the reasons set forth in the attached memorandum dated June 9, 2021, the Executive Director is authorized to enter into a three (3) year agreement, commencing on June 30, 2021, for Microsoft 365 Enterprise Solution and associated products with:

Dell Marketing, L.P.
One Dell Way
Round Rock, TX 78682

This award is made pursuant to statewide contract ITS58.

The aggregate total maximum obligation assumed for these services during this three-year period shall not exceed seven hundred fifteen thousand dollars (\$715,000.00).

VOTE (2): For the reasons set forth in the attached memorandum dated June 12, 2021, the Executive Director is authorized to encumber and expend up to five million dollars (\$5,000,000.00) for contracts through ITS63 with McInnis Consulting Services Inc., located at 100 Prospect Street, Norwell, MA 02061, for the consulting services of subject matter experts with any of the following firms to provide information technology expertise:

NTT Data Services
100 City Square
Charlestown, MA 02129

Rolta Advizex Technologies, LLC
3 Burlington Woods Drive, Suite 206
Burlington, MA 01803

Gartner, Inc.
125 Summer St # 4
Boston, MA 02110

The aggregate total maximum obligation assumed for the above services shall not exceed five million dollars (\$5,000,000.00). Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

VOTE (3): For the reasons set forth in the attached memorandum dated June 12, 2021, the Executive Director is authorized to encumber and expend up to one million, seven hundred thousand dollars (\$1,700,000.00) for contracts through ITS63 with McInnis Consulting Services Inc., located at 100 Prospect Street, Norwell, MA 02061, for the consulting services of subject matter experts with any of the following firms to provide Cyber Security expertise:

NTT Data Services
100 City Square
Charlestown, MA 02129

Rolta Advizex Technologies, LLC
3 Burlington Woods Drive, Suite 206
Burlington, MA 01803

Gartner, Inc.
125 Summer St # 4
Boston, MA 02110

The aggregate total maximum obligation assumed for the above services shall not exceed one million, seven hundred thousand dollars (\$1,700,000.00). Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

VOTE (4): For the reasons set forth in the attached memorandum dated June 12, 2021, the Executive Director is authorized to encumber and expend up to two hundred fifty thousand dollars (\$250,000.00) for Senior Program Engagement Management services for the ongoing modernization efforts at the Massachusetts State Lottery Commission for the period of July 1, 2021 through December 31, 2021 through the below OSD ITS63 vendor:

Overture Partners, LLC
57 Wells Avenue, Suite 22
Newton, MA 02459

The aggregate total maximum obligation assumed for the above services shall not exceed two hundred fifty thousand dollars (\$250,000.00). Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

VOTE (5): For the reasons set forth in the attached memorandum dated June 23, 2021, the Executive Director is authorized to encumber and expend, for Fiscal Year 2022, up to two hundred thirty thousand dollars (\$230,000.00) for ongoing Gaming System Technical Support from:

IGT Global Solutions Corporation
10 Memorial Boulevard
Providence, RI 02903

These services arise from the Massachusetts State Lottery Commission's Request for Response – Gaming System Software and Hardware (RFR LOT # 1501).

- V. Other Business – Reserved for Matters the Chair did not Reasonably Anticipate at the Time of Posting**
- VI. Executive Session**

Purpose 6 of G.L. c. 30A, sec. 21: to consider the purchase, exchange, lease or value of real property.

Date Posted to Website: Thursday, June 24, 2021 prior to 5:00 p.m.



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MASSACHUSETTS STATE LOTTERY COMMISSION

**APPROVAL OF MINUTES
FROM
May 25, 2021**

**Massachusetts State Lottery Commission
Draft/Unofficial Meeting Minutes for 05/25/2021 Meeting**

Massachusetts State Lottery Commission

150 Mount Vernon Street, Suite 300

Dorchester, Massachusetts 02125

Tel: (781) 849-5555

Fax: (781) 849-5546

TTY: (781) 849-5678

Draft/Unofficial Meeting Minutes

DATE: Tuesday, May 25, 2021

TIME: 10:30 a.m.

All Attendees Participated Remotely through Cisco Webex Conferencing System

MEMBERS PRESENT: Deborah Goldberg, Treasurer and Receiver General
William J. McNamara, Comptroller
Meghan Liddy, Commissioner
Anthony Salvidio, Commissioner
Arielle Mullaney, Assistant General Counsel, Executive Office of Public Safety and Security, designee of Secretary Thomas A. Turco III

ALSO PRESENT: Michael Sweeney, Executive Director, Lottery
Edward Farley, Chief Marketing Officer, Lottery
Didier Bertola, Chief Financial Officer, Lottery
Thomas Cream, Assistant Director of IT, Lottery
Liz Giffen, Director of Digital Operations, Lottery
Julie Goggin, HR/Legal Assistant Lottery
Judy Moore, Senior Executive Assistant, Lottery
Gregory Polin, General Counsel, Lottery
Christian Teja, Director of Communications, Lottery
Delwin Dickinson, Director for Modernization, Innovation and Performance, Lottery

James MacDonald, First Deputy Treasurer
Sarah Kim, General Counsel, Treasury
Chandra Bork, chief of Staff, Treasury
Susan Anderson, Designated Hearing Officer, Treasury
Emily Kowtoniuk, Deputy Legislative Director, Treasury
Andrew Napolitano, Deputy Communications Director, Treasury

Hamilton Rodrigues, Appellant
Phil Wettengel, O'Neil and Associates

Marsel Novak, Interested Member of the Public

**Massachusetts State Lottery Commission
Draft/Unofficial Meeting Minutes for 05/25/2021 Meeting**

I. Opening of Meeting

Treasurer Deborah Goldberg opened the Massachusetts State Lottery Commission (“Commission”) meeting at 11:56 a.m.

Treasurer Goldberg stated:

Pursuant to the Massachusetts Open Meeting Law, Massachusetts General Laws, Chapter 30A, section 20, all of the Commissioners; Comptroller William J. McNamara, Commissioner Meghan Liddy, Commissioner Anthony Salvidio, Assistant General Counsel Arielle Mullaney, and myself, Treasurer Deborah Goldberg, will be participating remotely for this meeting because physical attendance is unreasonably difficult.

Normally, the Commissioners are able to participate remotely only when a quorum of the members are physically present at the meeting location, however, the Commission is relying on Governor Baker’s March 12, 2020 Executive Order that allows remote participation by all members of a public body and suspends the requirement that a quorum of the body and the chair be physically present at the specified meeting location.

Commissioners, we are all participating by a conference call. Commissioners, please let us know if you have any sort of technical difficulty. The Commissioners may participate in any and all votes scheduled to take place at today’s meeting. All votes must be taken by roll call.

Treasurer Goldberg then made the following statement:

Pursuant to the Commonwealth’s Open Meeting Law, Massachusetts General Laws, Chapter 30A, Section 20, as the Chair of the Massachusetts State Lottery Commission, I would like to advise that any person may make a video or audio recording of this open meeting. However, I am obligated to inform attendees of anyone recording at the beginning of the meeting, so I ask that those who are doing so identify themselves.”

Judy Moore, Senior Executive Assistant, Lottery, identified herself as making a recording to assist in the preparation of the meeting minutes.

II. Approval of the Minutes from April 27, 2021

Treasurer Goldberg asked the Commission to accept the minutes from the meeting held on April 27, 2021. Commissioner William McNamara made a motion to accept the minutes of the meeting and Commissioner Meghan Liddy seconded the motion.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote.

Commissioner Anthony Salvidio: yes; Commissioner Meghan Liddy: yes; Assistant General Counsel Arielle Mullaney: yes; William McNamara: yes; and Treasurer Goldberg: yes. The Motion carried.

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The minutes were approved at 11:59 a.m.

Treasurer Goldberg noted that the agenda items would be taken out of order due to scheduling issues.

III. Matters Requiring Approval of the Massachusetts State Lottery Commission

VOTE (1): For the reasons set forth in the attached memorandum dated May 17, 2021, the Executive Director is authorized to expend up to twenty-one millions dollars (\$21,000,000.00) in Fiscal Year 2022 for the Massachusetts State Lottery Commission's contracts for instant tickets, game designs, and marketing services with the following firms:

IGT Global Solutions Corporation
10 Memorial Blvd. Providence,
RI 02903

Pollard Banknote Limited
140 Otter Street Winnipeg,
Manitoba, R3T 0MB

Scientific Games International, Inc.
1500 Bluegrass Lakes Pkwy.
Alpharetta, GA 30004

This original award was made pursuant a competitive bid process (RFR LOT # 2101). The aggregate maximum obligation assumed hereunder for the above referenced contracts for Fiscal Year 2022 shall not exceed twenty-one million dollars (\$21,000,000.00).

Commissioner Anthony Salvidio made a motion to authorize the Executive Director to expend the funds and Commissioner William McNamara seconded the motion.

Executive Director Sweeney described this as a straightforward vote which is approximately \$2 million to \$3 million dollars more than was spent in Fiscal Year 2021, with the extra cost going to stocking as well as any additional orders. This vote allows the authorization to spend up to that amount and if it is determined that the additional funds are not needed, the Lottery will make the adjustment during the course of the fiscal year.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner Anthony Salvidio: yes; Commissioner Meghan Liddy: yes; Commissioner William McNamara: yes; Assistant General Counsel Arielle Mullaney: yes; and Treasurer Goldberg: yes. The Motion carried.

VOTE (2): For the reasons set forth in the attached memorandum dated May 17, 2021, the Executive Director is authorized to expend up to four million, seven hundred fifty thousand dollars (\$4,750,000.00) in Fiscal Year 2022 for the Massachusetts State Lottery Commission's contracts for advertising services with:

Full Contact

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186 Lincoln Street, Floor 7 Boston,
MA 02081

This original award was made pursuant a competitive bid process (RFR LOT # 2006). The aggregate maximum obligation assumed hereunder for the above referenced contract for Fiscal Year 2022 shall not exceed four million, seven hundred fifty thousand dollars (\$4,750,000.00), subject to legislative appropriation.

Assistant General Counsel Arielle Mullaney made a motion to authorize the Executive Director to expend the funds and Commissioner William McNamara seconded the motion.

Executive Director Sweeney explained that this vote is subject to the final budgetary numbers that are approved for Fiscal Year 2022. This request is for services with the Lottery's outside advertising agency for the production of radio and television advertisements/commercials.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner Meghan Liddy: yes; Commissioner Anthony Salvidio: yes; Commissioner William McNamara: yes; Assistant General Counsel Arielle Mullaney: yes; and Treasurer Goldberg: yes. The Motion carried.

VOTE (3): That the Massachusetts State Lottery Commission hereby ratifies and adopts the Recommended Findings and Decision of Susan Anderson, Esq. (hearing officer sitting by designation) in re: Appeal of George's Northern Lights, d/b/a George's.

The Commission may elect to not vote on this matter at this meeting and instead opt to meet at a later time for the exclusive purpose of rendering a quasi-judicial decision in this matter pursuant to G.L. c. 30A, § 18.

Commissioner Anthony Salvidio made a motion to ratify and adopt the Recommended Findings and Decision and Assistant General Counsel Arielle Mullaney seconded the motion.

Lottery General Counsel Gregory Polin stated that this is a Commission hearing matter and these comes before the Commission on an as needed basis. He provided a brief explanation of the process of the Commission-level appeal. He stated recently, for these types of matters, it has been the practice that during an open session to have the vote on the agenda, hear a summary of the recommended decision from the hearing officer, then hear from the aggrieved party, followed by a deliberation and a vote by the Commission. He explained that the added sentence below the vote provides an alternative option for the Commission to if they wish to handle the process differently. If the Commissioners would feel more comfortable deliberating or discussing matters amongst themselves outside of the obligations of the Open Meeting Law, the Open Meeting Law provides an exception for quasi-judicial boards or Commissions, to meet for the sole purpose of making a decision as required in an adjudicatory proceeding. These types of limited meetings are not part of the definition of meeting in the Open Meeting Law. It is legally permissible for the Commission to meet within the confines of the Open Meeting Law if it is for the sole exclusive purpose of rendering a decision in a quasi-judicial matter. He asked the Commission if they would like to proceed with the discussion in open session, or, if they had any concerns, to continue the matter at a different time to render a decision.

General Counsel Polin introduced Treasury Hearing Officer Susan Anderson who conducted the hearing and who would be discussing her recommended findings and decision. He

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acknowledged the aggrieved appellant as a Lottery Sales Agent, being represented in this matter by the owner, Mr. Hamilton Rodrigues, and an attendee at the meeting.

Treasurer Goldberg communicated that this is a different approach than has been taken in the past and asked General Counsel Polin to clarify why this split choice is being presented today. General Counsel Polin explained that this alternative approach has always been available but it is something that has not been utilized by the Commission in prior hearings. The Treasurer then asked the members of the Commission for their comments and a consensus.

Commissioner McNamara said he believed that in a general setting, hearing the recommended findings and decision in the open meeting should be the default and acknowledged that he was comfortable to proceed. He added if after the Commission would like to suggest a consideration be discussed in an Executive Session, then it could be moved. Commissioner Salvidio, Commissioner Liddy and Assistant General Counsel Mullaney all agreed that they were comfortable to proceed.

Hearing Officer Anderson stated that this case relates to the obligations of a Lottery Sales Agent to adhere to the Lottery's requirements regarding the transmission of Lottery funds and an adherence to the funds of a provisional license. Hearing Officer Anderson noted that in 2019, Mr. Hamilton Rodrigues, Mr. Joao Cardoso, Maxwell Rosa, and Marcel Rosa executed a Lottery Sales Agent Agreement for George's Northern Lights –a restaurant in Brockton. She explained that George's was purchased by them, which she described as a growing concern. She disclosed that at the point of the actual hearing, Mr. Maxwell Rosa was no longer on the license, which was confirmed by both parties.

One of the requirements of the Lottery Sales Agent agreement is that the Sales Agent must authorize the Lottery to electronically collect funds owed to it for sales of Lottery tickets and products. However, there were three instances where George's had insufficient funds to cover the Lottery's draw which were the weeks ending May 25, 2019, June 22, 2019, and September 21, 2019. Hearing Officer Anderson stated that based on this, the Lottery identified Georges' Sales Agent License to be revoked. Mr. Rodrigues requested and was granted a hearing, which was held on October 31, 2019, and conducted by Christian Gonsalves, Deputy General Counsel for the Lottery. Under terms of Deputy General Counsel Gonsalves' decision, George's license was reinstated on a probationary basis. The conditions included that there would be no further incidences of insufficient funds and that Mr. Rodrigues and his business partner attend an agent training class at the Dorchester Headquarters of the Lottery on or before December 15, 2019.

For the week ending December 13, 2019, George's once again had insufficient funds to cover the Lottery's draw of \$2,597.00. In addition, Mr. Rodrigues and his partner had not attended a training session. On December 17, 2019, Deputy General Counsel Gonsalves wrote to Mr. Rodrigues notifying him that because of the violation of the terms, George's license was revoked. On January 15, 2020, Mr. Rodrigues filed an appeal on behalf of George's. In his claim, Mr. Rodrigues sought reinstatement of the license.

Hearing Officer Anderson stated that based on the evidence, she concluded that it was within the Executive Director's discretion in determining that upon George's failure to adhere to the terms and conditions of the license, that it should be revoked.

General Counsel Polin then introduced the appellant in this case, Mr. Hamilton Rodrigues, and asked that he be afforded the opportunity to be heard by the Commission to present any objections or arguments.

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Mr. Hamilton Rodrigues thanked the Commission for providing him with this platform to speak. He revealed that it has been well over a year of pain and suffering. He stated that from 2019 to the present, George's has been without the Lottery. He told the Commission that he has lost all of his partners, he is now the sole owner, and has employed new staff. He admitted that he held himself accountable and accepted full responsibility as the Lottery license was in his name. He asked for the Commission's forgiveness and indicated that as of now, he fully understands how a Lottery Sales Agents should operate. He stated that now that he is the sole owner, if his license was reinstated, he would take a different approach. He added that a new opportunity would greatly help his business that has been suffering for the past year and a half.

General Counsel Polin thanked Mr. Rodrigues and asked the Commission how they would like to proceed. Treasurer Goldberg expressed her total empathy towards Mr. Rodrigues but stated that she was unsure of the Commission's capacity to bestow forgiveness. She explained that she would require more information to determine if there was any precedence for this or if the Commission guided solely by statute or regulations.

General Counsel Polin clarified that Lottery Sales Agents sell Lottery products and the proceeds for those products need to go into a designated account. On a weekly or biweekly basis, the Lottery calculates how much a sales agent owes and sweeps the account for that amount. He explained that these sweeps happen all the time and is something that the Lottery takes very seriously. The fact pattern highlights a relatively high number of missed sweeps in a relatively short period of time. For this reason, the Lottery's finance department sought to revoke the license and it is the recommendation for the Commission to uphold based on the facts outlined in the recommended decision. General Counsel Polin added that there is nothing in the statute or regulations that precludes any sales agent who has had their license revoked, from submitting a new application. If the Commission upholds the revocation as recommended, George's could submit a new application that will be reviewed and changes of circumstances will be considered. General Counsel Polin highlighted the importance of the Lottery sweeping accounts and further commented that the Lottery does a good job collecting the proceeds of its sales and this is, in part, why the Lottery has the revenue that it does. General Counsel Polin reminded the Commission that there are over 7,000 Lottery sales agents.

Commissioner William McNamara stated that he joined the Treasurer in her empathy for Mr. Rodrigues and agreed that it was a tough situation. He added that as Commissioners, no matter how much understanding they had for Mr. Rodrigues's path forward, that they need to recognize that what occurred is known and understood by thousands of agents and sets a pattern that affects many. Commissioner McNamara asked that in other cases, how many sweeps are missed before an action like this is taken and are there suspensions that are put into place as opposed to revocations or is a revocation the normal course.

General Counsel Polin stated he believed that there if a number of sweeps are missed within a certain time period, there's an action to turn the terminal off until there is a payment. He then asked Lottery Chief Financial Officer Didier Bertola if he could speak on the specifics of how many sweeps would trigger this type of action. Chief Financial Bertola explained that the Lottery makes every effort to collect before asking for a suspension of an agent. Every week the Lottery does a first sweep and if there are any missed sweeps, the account is swept again days later to ensure that there wasn't a question of the bank holding the check for a day or two. After the first offense, the Lottery contacts the agent to ask for a certified check to bring the account up-to-date. However, if sweeps are missed every three weeks, the Lottery will then take action. He reiterated that in this situation, with 7,500 agents, the Lottery could not be calling agents in every other week to fulfill their obligations to pay the Lottery.

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Commissioner Anthony Salvidio said that although he sympathized with Mr. Rodrigues, George's missed five sweeps in 2019. He believed that the Lottery had enough safeguards in place to make sure that this is not a hasty reaction. He understands that there is a change of circumstances within the store itself as well as the ownership, and he encouraged Mr. Rodrigues to apply separately noting the fact that his business partners are no longer with him and he is the sole owner. He added that although it's unfortunate, he believes that there was enough due process provided and his vote would be to uphold the findings.

Assistant General Counsel Arielle Mullaney echoed the comments and opinions of the Commissioners and told Mr. Rodrigues that she appreciated his honesty but felt that the law needed to be followed. Treasurer Goldberg stated that this is a very difficult situation with universal empathy from the Commission for what has occurred. She was pleased that Mr. Rodrigues would be able to reapply as an individual owner. She added that these rules are a strong foundation for the security of the Lottery business. The Lottery is not a private business and has a responsibility to every single person in Massachusetts. In that respect, Treasurer Goldberg stated that her position is to uphold the recommendation of Hearing Officer Anderson and encourage Mr. Rodrigues to reapply for a new license. The Commission concurred with the Treasurer's statement. Commissioner Meghan Liddy thanked Mr. Rodrigues for coming before the Commission and presenting his case.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner Meghan Liddy: yes; Commissioner Anthony Salvidio: yes; Assistant General Counsel Arielle Mullaney: yes; Commissioner William McNamara: yes; and Treasurer Goldberg: yes. The Motion carried.

VOTE (4): For the reasons set forth in the attached memorandum dated May 11, 2021, the Executive Director is authorized to enter into a one (1) year contract for CheckPoint firewall maintenance and related support services with:

IntraSystems, Inc.
35 Braintree Hill Office Park, Suite 302
Braintree, MA 02184

This award is made pursuant to statewide contract ITC73 through a competitive bid process (Bid # 22-03). The maximum obligation for these services during Fiscal Year 2022 will not exceed one hundred seventy-five thousand dollars (\$175,000.00).

Commissioner Salvidio made a motion to authorize the Executive Director to enter into the contract and Commissioner McNamara seconded the motion.

Executive Director Sweeney explained that this was a straightforward vote for the purposes stated.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner William McNamara: yes; Commissioner Meghan Liddy: yes; Commissioner Anthony Salvidio: yes; Assistant General Counsel Arielle Mullaney: yes; and Treasurer Goldberg: yes. The Motion carried.

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VOTE (5): For the reasons set forth in the attached memorandum dated May 14, 2021, the Executive Director is authorized to enter into a five-year contract with five (5) one-year extension options for the provision ID Verification services in accordance with the attached memorandum with the following company:

Experian Information Solutions, Inc.
475 Anton Blvd.
Costa Mesa, CA 92626

This award is made pursuant to a competitive bid process (RFR LOT # 2108). The maximum obligation assumed hereunder for these services during this five-year period will not exceed eight hundred fifty thousand dollars (\$850,000.00).

Commissioner Anthony Salvidio made a motion to authorize the Executive Director to enter into the contract and Assistant General Counsel Arielle Mullaney seconded the motion.

Executive Director Sweeney stated that this vote primarily relates around the Lottery's need to perform customer verification, particularly on things such as remote ticket cashing.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner William McNamara: yes; Commissioner Meghan Liddy: yes; Commissioner Anthony Salvidio: yes; Assistant General Counsel Arielle Mullaney: yes; and Treasurer Goldberg: yes. The Motion carried.

VOTE (6): For the reasons set forth in the attached memorandum dated May 18, 2021 and pursuant to Massachusetts General Laws Chapter 10, § 24 and 961 CMR 2.46, the Commission authorizes the Executive Director to amend 961 CMR 2.00 as described in the attached memorandum and/or as otherwise deemed necessary by the Executive Director to address the anticipated increases to the number of Powerball and Lucky for Life drawings; further, is directed to file such regulation and/or amendment thereof with the Office of the Secretary of State.

Commissioner Meghan Liddy made a motion to authorize the Executive Director to amend 961 CMR 2.00 as described and Commissioner William McNamara seconded the motion.

Executive Director Sweeney conveyed that this is a necessary Massachusetts Code change that allows the Lottery to continue to participate in Powerball and Lucky for Life due to changes in those games.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner William McNamara: yes; Commissioner Meghan Liddy: yes; Commissioner Anthony Salvidio: yes; Assistant General Counsel Arielle Mullaney: yes; and Treasurer Goldberg: yes. The Motion carried.

VOTE (7): For the reasons set forth in the attached memorandum dated May 13, 2021, the Executive Director is hereby authorized to encumber and expend, pursuant to ITT46, an additional sixty thousand dollars (\$60,000.00) to support wireless service for cell phones, smartphones, iPads, etc. provided by:

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Verizon New England
DBA Verizon Business Network Services, Inc.
385 Myles Standish Blvd
Taunton, MA 02780

The maximum obligation for these services during Fiscal Year 2021 shall not exceed three hundred thousand dollars (\$300,000.00).

Commissioner William McNamara made a motion to authorize the Executive Director to encumber and expend the funds and Commissioner Meghan Liddy seconded the motion.

Executive Director Sweeney explained that this vote is a straightforward vote based on the Lottery's need to increase its remote capacity as well as doing day-to-day business.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner Meghan Liddy: yes; Commissioner William McNamara: yes; Assistant General Counsel Arielle Mullaney: yes; Commissioner Anthony Salvidio: yes; and Treasurer Goldberg: yes. The Motion carried.

VOTE (8): For the reasons discussed during the May 2021 Compensation Committee Meeting, the Commission adopts the Compensation Committee's recommendation to increase the salary of the Executive Director to \$200,000, retroactive to January 1, 2021.

Commissioner Meghan Liddy made a motion to adopt the recommendation and Commissioner William McNamara seconded the motion.

Treasurer Goldberg, recognizing there was no further discussion, moved the motion to a roll-call vote. Commissioner William McNamara: yes; Assistant Commissioner Meghan Liddy: yes; General Counsel Arielle Mullaney: yes; Commissioner Anthony Salvidio: yes; and Treasurer Goldberg: yes. The Motion carried.

Due to scheduling conflicts, Commissioner Anthony Salvidio left the meeting at 12:35 p.m.

IV. Executive Director's Report

In the interest of time, Treasurer Goldberg asked the Executive Director if he could limit his report to providing a sales breakdown.

Gross Sales Results – April Sales

Executive Director Sweeney discussed the Gross Sales Results of April FY21 versus the April FY20 Unadjusted Non-Fiscal Year, as well as the year-to-date results for FY21 versus FY20.

He reported on healthy sales across the board as compared to last year, but he reminded the Commission that these numbers are competing against the pandemic compared to last April sales.

Reporting on Year-to-date FY21 versus FY20 Unadjusted Non-Fiscal Year, Executive Director Sweeney stated that instant ticket sales continue to perform strongly and were up over 11 percent for the year. This year, instant tickets have experienced a number of historic highs on a weekly

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basis and he explained that some weeks have seen sales as high as \$88 million dollars, where in a typical week instant ticket sales generate around \$72 million dollars. During the last week or two, sales have started to pull back more towards a \$79 to \$81 million dollar range. He predicted that sales would revert to a more typical range of mid seventy million dollar range as the economy goes to a more normal footing and there are more options for customers to spend their dollars.

Executive Director Sweeney credited the Lottery's marketing group, and well as finance and sales, for doing a remarkable job in maintaining ticket orders and replenishing store owners with tickets.

In general, all games are performing well with strong numbers for the year.

Treasurer Goldberg thanked Executive Director Sweeney for his analysis. She noted that the Lottery has a very strict inventory control and the increase in instant tickets will be evaluated on an ongoing basis, and pulled back and adjusted if necessary.

V. Other Business – Reserved for matters the Chair did not reasonably anticipate at the time of posting

After asking if there was any other business to discuss, Treasurer Goldberg sought a motion to adjourn the meeting. Commissioner William McNamara moved to adjourn and Assistant General Counsel Arielle Mullaney seconded the motion.

Treasurer Goldberg moved the motion to a roll-call vote. Commissioner William McNamara: yes; Commissioner Meghan Liddy: yes; Assistant General Counsel Arielle Mullaney: yes; and Treasurer Goldberg: yes. The Motion carried.

The Commission meeting adjourned at 12:40 p.m.

List of Documents and Exhibits Used:

- MSLC May 2021 Commission Meeting Book
- MSLC Meeting Executive Director's Report, May 27, 2021 – PowerPoint Presentation

**MATTERS REQUIRING
APPROVAL OF THE
MASSACHUSETTS STATE
LOTTERY COMMISSION**

VOTE: For the reasons set forth in the attached memorandum dated June 9, 2021, the Executive Director is authorized to enter into a three (3) year agreement, commencing on June 30, 2021, for Microsoft 365 Enterprise Solution and associated products with:

Dell Marketing, L.P.
One Dell Way
Round Rock, TX 78682

This award is made pursuant to statewide contract ITS58.

The aggregate total maximum obligation assumed for these services during this three-year period shall not exceed seven hundred fifteen thousand dollars (\$715,000.00).

Dated: June 29, 2021



Massachusetts State Lottery Commission

DEBORAH B. GOLDBERG
Treasurer and Receiver General

MICHAEL R. SWEENEY
Executive Director

TO: Michael Sweeney, Executive Director

FROM: Tom Cream – Assistant Director of IT

DATE: June 9, 2021

Re: Microsoft 365 - Enterprise

It is requested that the Massachusetts State Lottery Commission (MSLC) authorize the Executive Director to enter into a three (3) year agreement with Dell Marketing, L.P. for the Microsoft 365 Enterprise Solution and associated products.

This purchase utilizes Massachusetts State Contract ITS58 for software and related services in which eligible State entities are able to procure Microsoft products through designated pre-qualified software re-sellers participating on ITS58.

The products offered through the M365 Enterprise Agreement will support the MSLC's critical IT infrastructure by continuing to provide productivity applications (e.g. Outlook, Word, Excel, Access, etc.). This renewal will also provide an upgrade in the platform provided by Microsoft and create a higher level of efficiency by connecting programs and community users.

Additional products related to this purchase include security solutions that will assist with visibility and analytics to monitor the MSLC's data networks. Products are also incorporated to protect against malware, phishing, and email compromise as well as investigative and response services on the backend.

Lastly, this purchase includes resources for the IT and operations staff to manage Lottery data and applications across platforms and devices.

It is requested the Executive Director contract with Dell Marketing, L.P. to procure Microsoft software under Massachusetts State Contract ITS58. The total maximum obligation for the three (3) year subscription shall not exceed \$715,000.00.



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VOTE: For the reasons set forth in the attached memorandum dated June 12, 2021, the Executive Director is authorized to encumber and expend up to five million dollars (\$5,000,000.00) for contracts through ITS63 with McInnis Consulting Services Inc., located at 100 Prospect Street, Norwell, MA 02061, for the consulting services of subject matter experts with any of the following firms to provide information technology expertise:

NTT Data Services
100 City Square
Charlestown, MA 02129

Rolta Advizex Technologies, LLC
3 Burlington Woods Drive, Suite 206
Burlington, MA 01803

Gartner, Inc.
125 Summer St # 4
Boston, MA 02110

The aggregate total maximum obligation assumed for the above services shall not exceed five million dollars (\$5,000,000.00). Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

Dated: June 29, 2021

MEMORANDUM

TO: Michael Sweeney, Executive Director, Massachusetts State Lottery Commission
FROM: Joshua Fredette, MSLC Senior Program Engagement Manager
RE: Massachusetts State Lottery Commission Technology Modernization Program
DATE: June 12, 2021

It is requested that the Massachusetts State Lottery Commission (MSLC) authorize the Executive Director the ability to encumber and expend up to five million dollars (\$5,000,000.00) for continued lottery technology modernization projects. Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

The following modernization phases will allow the MSLC to continue to innovate the Massachusetts State Lottery consumer facing applications to meet rapidly changing technology and cyber security landscapes along with retailer and player needs. Funding requests are being looked at on a monthly basis to ensure that vendors are providing phased approaches across the Modernization Projects to help mitigate any potential risks.

The Executive IT Team also continues to monitor progress on a weekly basis to mitigate risks by using an Agile approach and launching smaller, phased projects to reduce the risk to the Massachusetts Lottery, retailers and the players. In addition, progress on each project is reviewed with the Executive Office of Technology Services and Security (EOTSS) for continued feedback and funding approvals.

This vote will cover the following modernization efforts and Subject Matter Expert Consultants that are managing or developing:

- Cobol Mainframe Re-platforming: The legacy COBOL mainframe serves as a home-grown ERP system and presents a high operational risk to MSLC due to minimal internal and industry resources to support the obsolete technology. This project includes moving to an enhanced warehouse management and distribution system. The Senior Program Manager is also recommending that MSLC leverage the investment made in the Remote Ticket Cashing infrastructure to move the following from the legacy Cobol mainframe:
 - Season Tickets
 - Annuities
 - Check Writing
 - Backoffice Financial and Security Functionality
- Remote Ticket Cashing, Phase 2 (pushing claims via ACH)
 - Allowing lottery players to remotely cash claims from \$601.00 to \$5000.00 in a safe and secure manner, without the inconvenience and environmental impacts as a result of driving to Lottery claims centers. The Phase 2 Pilot began in April with success and positive player feedback. The Executive Technology Team will continue in the Pilot phase through July and then pivot to a more robust rollout. The Phase 1 Ticket Scanning was deployed with great success and to date over one million successful ticket checking scans have been made by players using the

new Lottery mobile apps. The apps are built using an Agile approach to reduce overall risk to the Lottery, Commonwealth and Players. The core IT Team also consults with EOTSS to ensure that best practice cyber security and fraud management practices are being executed.

- Complete the modernization of consumer facing application projects, including:
 - A more secure web/mobile player interface via Customer Management System (CMS).
 - Developing the infrastructure to support mobile ticket scanning.
 - Developing an integrated strategy and solutions for all digital assets (e.g., web, mobile, email, social media, etc.) including data analysis.
 - Modernizing the infrastructure for a modernized eCommerce portal.
 - These deliverables will enable MSLC to better respond to players needs and continue to find innovative ways to retain current players and capture new potential players/demographics.
 - Provide retailers with innovative ways to improve the player experience.
- Planning and developing cloud strategies.
- Any required Data Center prep, design for any potential required moves.
- Player/consumer facing services (help desks, service desks, etc.).
- Providing independent consulting for State and MUSL audits.
- Project management for all phases of the Player Activated Terminal projects.
- Continued Data Analytics projects to cultivate a data driven organization via a Player Database
- Providing ongoing technical program and vendor management subject matter expertise.

The SME Consultants work closely with the MSLC staff during critical technology and business transformation projects, proactively managing project tasks in addition to identifying and mitigating project risks.

It is important to note that these SME Consultants have been delivering ongoing management, consulting, weekly technical and project risk assessments that have been critical to keeping the overall MSLC Modernization Program on track including the new host system, data center moves and modernization projects, all of which have been delivered on time and under budget.

The SME Consultants arose out of the initial August 2017 Commission Vote. The MSLC is utilizing ITS63 – IT Staff Augmentation Lower Overhead Statewide Contract to contract with the ITS63 approved vendor McInnis Consulting Services Inc., located at 100 Prospect Street, Norwell, MA 02061, for the services of SME Consultants with the below three firms to provide information technology expertise:

- Rolta Advizex Technologies LLC, located at 3 Burlington Woods Drive Suite 206, Burlington, MA 01803
- NTT Data Services, located at 100 City Square Boston, MA 02129
- Gartner Consulting located at 125 Summer St # 4, Boston, MA 02110

The consulting services will help the MSLC continue the critical modernization efforts along with preparing to pivot to a more robust web and mobile presence.

These expenditures will allow the MSLC to continue to modernize the existing Lottery technology and help reduce the overall risk to the Treasury, Lottery, and Commonwealth of Massachusetts.

This vote will enable the Lottery to meet the constant competitive pressures and maintain the revenue that the Commonwealth Cities and Towns rely on.

VOTE: For the reasons set forth in the attached memorandum dated June 12, 2021, the Executive Director is authorized to encumber and expend up to one million, seven hundred thousand dollars (\$1,700,000.00) for contracts through ITS63 with McInnis Consulting Services Inc., located at 100 Prospect Street, Norwell, MA 02061, for the consulting services of subject matter experts with any of the following firms to provide Cyber Security expertise:

NTT Data Services
100 City Square
Charlestown, MA 02129

Rolta Advizex Technologies, LLC
3 Burlington Woods Drive, Suite 206
Burlington, MA 01803

Gartner, Inc.
125 Summer St # 4
Boston, MA 02110

The aggregate total maximum obligation assumed for the above services shall not exceed one million, seven hundred thousand dollars (\$1,700,000.00). Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

Dated: June 29, 2021

MEMORANDUM

TO: Michael Sweeney, MSLC Executive Director
FROM: Joshua Fredette, Senior Program Engagement Manager
RE: MSLC Cyber Security
DATE: June 12, 2021

It is requested that the Massachusetts State Lottery Commission (MSLC) authorize the Executive Director the ability to encumber and expend up to one million, seven hundred thousand dollars (\$1,700,000.00) for Subject Matter Experts (SME) to continue Cyber Security efforts and projects. Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

MSLC continues to improve and expand its Cyber Security posture in response to the evolving threat vectors. Examples of the risk mitigation strategies and scope that are driving the request include:

- End-to-End Cyber and fraud prevention scans of the anticipated Remote Ticket Cashing Mobile App
- Implementing SIEM Solutions for the Central Gaming System and Remote Ticket Cashing Solutions
- Developing and implementing Cloud Security solutions
- Developing processes and tools to protect the Central Gaming System
- Virtual Cyber Security Information Officer (VCISO) chartered with remediating Cyber gaps identified by previous 3rd party vendors
- Implementing best practices and Governance for Cyber Security across the entire Lottery Organization
- Implementing ongoing Cyber Security training and awareness campaigns for the origination
- Conducting penetration tests and vulnerability scans across all critical business applications

The MSLC is utilizing ITS63 – IT Staff Augmentation Lower Overhead Statewide Contract to contract with the ITS63 vendor McInnis Consulting Services, Inc., located at 100 Prospect Street, Norwell, MA 02061, for the services of SME Consultants with any of the below three firms to provide Cyber Security expertise:

- Rolta Advizex Technologies LLC, located at 3 Burlington Woods Drive, Suite 206, Burlington, MA 01803.
- NTT Data Services, located at 100 City Square, Boston, MA 02129.
- Gartner Inc., located at 125 Summer St. #4, Boston, MA 02110.

This vote will continue the ongoing Cyber Security efforts and programs that help to protect the integrity of the Massachusetts State Lottery and its players.

VOTE: For the reasons set forth in the attached memorandum dated June 12, 2021, the Executive Director is authorized to encumber and expend up to two hundred fifty thousand dollars (\$250,000.00) for Senior Program Engagement Management services for the ongoing modernization efforts at the Massachusetts State Lottery Commission for the period of July 1, 2021 through December 31, 2021 through the below OSD ITS63 vendor:

Overture Partners, LLC
57 Wells Avenue, Suite 22
Newton, MA 02459

The aggregate total maximum obligation assumed for the above services shall not exceed two hundred fifty thousand dollars (\$250,000.00). Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

Dated: June 29, 2021

MEMORANDUM

TO: Massachusetts State Lottery Commission

FROM: Michael Sweeney, Executive Director

DATE: June 12, 2021

RE: Massachusetts Technology Modernization Programs

It is requested that the Massachusetts State lottery Commission (MSLC) authorize the encumbrance and expenditure of two hundred fifty thousand dollars (\$250,000.00) for the continuation of Program Management Services, which are set to expire on June 30, 2021. This contract is for the services of the Senior Program Engagement Manager, Joshua Fredette, who provides senior program management to the MSLC for the ongoing modernization and technology projects. Any encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

The services requested would continue with the below OSD ITS63StaffAugCat2 vendor:
Overture Partners, LLC
57 Wells Avenue
Newton, MA 02459

The maximum obligation assumed hereunder shall not exceed two hundred fifty thousand dollars (\$250,000.00) without future Commission authorization

The Services are to ensure that all technology modernization milestones are met, and that each vendor is meeting their contractual obligations. This contract is for the services of the Senior Program Engagement Manager who is under contract with the Lottery to provide senior program management to the Lottery for the ongoing modernizations projects. The current contract ends on June 30, 2021, and the approval of this vote will extend Engagement Management contract from July 1, 2021, through December 31, 2021.

Executive Summary and Background:

The MSLC embarked on a mission critical large-scale Technology Modernization Program in early 2017 that has already proven to have positive impacts across the Lottery, Treasury and the Commonwealth of Massachusetts.

Over the last year, the MSLC has successfully launched digital modernization initiatives that include enhanced Keno to Go, All or Nothing, Digital Analytics and robust player facing portals that have demonstrated significant improvement in player experiences as illustrated by an increase in mobile traffic, Google/App Store ratings and positive player feedback.

The following mission critical projects will require significant management, strategies and risk mitigation over the next year.

- Continued decommissioning of the legacy mainframe, responsible for over \$3.7B in annual revenue
 - Projects Include
 - Season Tickets with secure connections to the Central Gaming System
 - Internal Control System
 - New Instant Ticket Allocation
 - Annuities
 - Promotions
 - Warehouse Management and Distribution
 - Critical back-office functions such as financial reconciliation and reporting
- Continued development of the Remote Ticket Cashing Program which will have significant positive environmental impacts

MSLC Successes to date include:

- Launch of successful Remote Ticket Scanning with over one million scans and an average of 4.7/5.0 player ratings
- Modernization of The Massachusetts State Lottery Content Management System (CMS) and website that is also integrated into the Gaming System utilizing best of breed digital strategies and cyber security safeguards
- Development and deployment of the Remote Ticket Cashing Pilot
- Deployment of over seven thousand five hundred (7,500) new Agent terminals, 4 months ahead of schedule
- Conversion of the Central Gaming System, responsible for \$5B in annual revenue that the Commonwealth depends on for unrestricted aid to the Cities and Towns
- Modernization and move of two data centers

VOTE: For the reasons set forth in the attached memorandum dated June 23, 2021, the Executive Director is authorized to encumber and expend, for Fiscal Year 2022, up to two hundred thirty thousand dollars (\$230,000.00) for ongoing Gaming System Technical Support from:

IGT Global Solutions Corporation
10 Memorial Boulevard
Providence, RI 02903

These services arise from the Massachusetts State Lottery Commission's Request for Response – Gaming System Software and Hardware (RFR LOT # 1501).

Dated: June 29, 2021

TO: Michael Sweeney, MSLC Executive Director

FROM: Thomas Cream, Assistant Director of IT

RE: IGT Technical Support

DATE: June 23, 2021

It is requested that the Massachusetts State Lottery Commission (MSLC) authorize the Executive Director the ability to encumber and expend up to two hundred thirty thousand dollars (\$230,000.00) for continued technical support through October 2021 from the Central Gaming System provider, IGT Global Solutions Corporation, located at 10 Memorial Blvd., Providence, RI 02903, on the Central Gaming System under RFR LOT #1501, Gaming System Software and Hardware SOW #2 Commbuys Bid Number: BD-15-1062-LOT-00001-00000002550.

Executive Summary:

IGT was the System Integrator that converted the Central Gaming System last year has been providing ongoing technical support to the core MSLC IT team since the go live of the System. This support provides MSLC with real-time troubleshooting and defect fixes to the Central Gaming System, which is responsible for five billion dollars in annual revenue.

It is anticipated that once MSLC completes this support agreement that this cost will be reduced over time as MSLC takes on the responsibility of running the Central Gaming System.