

**Massachusetts State Lottery Commission
Official Minutes of 06/28/2022 Meeting**

Massachusetts State Lottery Commission

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Official Meeting Minutes

DATE: Tuesday, June 28, 2022

TIME: 10:30 a.m.

All Attendees Participated Remotely through Cisco Webex Conferencing System

MEMBERS PRESENT: James MacDonald, First Deputy Treasurer, designee of Treasurer and Receiver General Deborah Goldberg
William J. McNamara, Comptroller
Meghan Liddy, Commissioner
John Melander, Deputy General Counsel, Executive Office of Public Safety and Security, designee of Secretary Terrence Reidy

ALSO PRESENT: Mark William Bracken, Interim Executive Director, Lottery
Edward Farley, Chief Marketing Officer, Lottery
David Falcone, Chief Operating Officer, Lottery
Gregory Polin, Assistant Executive Director and General Counsel, Lottery
Didier Bertola, Assistant Executive Director, Chief Financial Officer, Lottery
Thomas Cream, Assistant Executive Director of IT, Lottery
Matthew DiFrancesco, Assistant Executive Director, Operations, Lottery
Michael Lorden, Assistant Executive Director, Sales, Lottery
Christian Teja, Assistant Executive Director, Communications, Lottery
Greg Versaw, Associate General Counsel, Lottery
Delwin Dickinson, Assistant Executive Director, Modernization, Innovation and Performance, Lottery
Judy Moore, Senior Executive Assistant, Lottery
Thomas Aiello, Manager, Product and Promotional Development, Instant Tickets, Lottery
Kerri Coyne, Marketing Specialist, Instant Tickets, Lottery
Julie Goggin, HR/Legal Assistant, Lottery
Sheila Capone-Wulsin, Stakeholder Engagement, Lottery
Liz Giffen, Assistant Executive Director, Digital Operations, Lottery
Patty Lyons, Customer Service Manager, Lottery
Lauren Luttrell, Marketing Consultant, Lottery
Jamie Martel, Marketing Specialist, Draw Games, Lottery
Keith Macri, Drawing Studio & Production Content Manager, Lottery
Geoff Filleti, Assistant Drawing Studio Manager, Lottery
Michelle Cheney, Agent Drawing Assistant Manager, Marketing, Lottery

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Victoria Varney, Summer Intern, Lottery
Shane Taylor, Manager, Product and Promotional Development Draw
Games, Marketing, Lottery
Thomas Dougherty, Regional Manager, Lawrence, Lottery
Steven Martins, Regional Manager, New Bedford, Lottery

Chandra Bork, Chief of Staff, Treasury
Carla Kath, Director of Communications, Treasury
Andrew Napolitano, Deputy Communications Director, Treasury
Steve Moore, Deputy Legislative Director, Treasury
John Durgin, Associate General Counsel, Treasury
Elizabeth Morrocco, Associate General Counsel, Treasury
Mary E. Wilkins, Executive Assistant of Communications, Treasury
Rayne Mahfood, Legal Co-Op, Treasury

Daniela Belice, Interested Member of the Public

I. Opening of Meeting

First Deputy Treasurer James MacDonald opened the Massachusetts State Lottery Commission (“Commission”) meeting at 10:30 a.m.

First Deputy Treasurer MacDonald identified himself and said that he would be chairing the meeting and he confirmed that Comptroller William J. McNamara, Commissioner Meghan Liddy, and Deputy General Counsel John Melander were all present. First Deputy Treasurer stated that the Commissioners would be participating remotely for this meeting because physical attendance is unreasonably difficult and pursuant to Chapter 22 of the Acts of 2022. He asked the Commissioners to provide notification if they experienced any sort of technical difficulty. He also noted that all votes would be taken by roll call.

First Deputy Treasurer MacDonald then stated:

“Pursuant to the Commonwealth’s Open Meeting Law, Massachusetts General Laws, Chapter 30A, section 20, as 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 any recording at the beginning of the meeting, so I ask that those who are making any recording 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 May 31, 2022

First Deputy Treasurer MacDonald asked the Commission to accept the minutes from the meeting held on May 31, 2022.

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Comptroller William McNamara made a motion to accept the minutes of the meeting and Commissioner Meghan Liddy seconded the motion.

Deputy General Counsel John Melander abstained from the approval of the minutes as he was not in attendance during the May meeting.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

The minutes were approved at 10:32 a.m.

III. Executive Director's Report

Lottery Sales Update – May

Interim Executive Director Mark William Bracken updated the Commission on Lottery figures for May 2022. He reported that the overall unadjusted sales for May 2022 were down \$32.0 million as compared to May 2021. Estimated May 2022 net profit and prize payout figures do not include accruals for prizes won that have not yet been paid.

Due to a combination of a \$32.0 million decrease in sales for the month, and a \$16.8 million decrease in Instant Ticket grand prizes being claimed for the month (\$28.0 million in May 2022 as compared to \$44.8 million in May 2021), the estimated Net profit for May 2022 was \$113.0 million as compared to \$77.5 million in May 2021. After subtracting a 7-day average net profit figure of \$22.6 million due to a shift in the calendar that resulted in 7 more days being included in the net profit figure for May 2022, the adjusted change for May 2022 versus May 2021 is an estimated \$12.9 million increase in net profit. The estimated prize payout for May 2022 was 72.23 percent, as compared to 76.08 percent in May 2021.

The estimated FY22 year-to-date net profit and prize payout figures both include accruals for prizes won that have not yet been paid. The estimated year-to-date net profit for the first 11 months of FY22 is \$1.037 billion as compared to \$1.050 billion for the first 11 months of FY21. After subtracting a 6-day average net profit figure of \$18.4 million due to a shift in the calendar that resulted in 6 more days being included in the net profit figure for the first 11 months of FY22, the adjusted year-over-year change for the first 11 months of FY22 versus the first 11 months of FY21 is an estimated \$30.8 million decrease in net profit. The estimated year-to-date prize payout for the first 11 months of FY22 is 73.72 percent as compared to 73.19 percent for the first 11 months of FY21.

Interim Executive Director Bracken provided a May 2022 sales breakdown. He reported that Keno sales were up \$4.3 million, Lucky for Life sales were up \$1.9 million, and Megabucks Doubler sales were up \$1.0 million (high jackpot of \$11.6 million as compared to \$1.59 million in May 2021). Interim Executive Director Bracken noted that Megabucks Doubler is on the precipice of having its highest jackpot to date.

In comparison to May of 2021, Instant Ticket sales were down \$26.7 million, Mega Millions sales were down \$6.8 million (high jackpot of \$170 million as compared to \$515 million in May 2021), The Numbers Game sales were down \$3.1 million, Powerball sales were down \$1.6 million

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(high jackpot of \$157 million as compared to \$252.2 million in May 2021), Mass Cash sales were down \$910,204, and All or Nothing sales were down \$35,867.

Five Year Comparison Chart

Interim Executive Director Bracken presented a five-year comparison chart showing the prize payout as a percentage of the Lottery's sales from the last five years. He stated that the prize payout dipped for the first time in recent months, which helped with the net profit.

Gross Sales Results –May Sales

Interim Executive Director Bracken discussed the Gross Sales Results for May FY22 versus May FY21 Unadjusted Non-Fiscal Year. He stated that Instant Tickets, Mega Millions, Powerball, Mass Cash, All or Nothing, and The Numbers Game all showed a decrease in sales, while Keno, Lucky for Life, and Megabucks Doubler all experienced increases. This led to a \$32 million reduction as compared to May 2021.

Reporting on year-to-date FY22 versus FY21 sales through May Unadjusted Non-Fiscal Year, Interim Executive Director Bracken reported that sales for Instant Tickets, Mega Millions, Mass Cash, The Numbers Game, and Megabucks Doubler were down. Sales for Powerball, All or Nothing, and Lucky for Life were all up. Keno showed strong sales and was up \$158 million over the previous year. This allows the Lottery in an unadjusted fashion to have an increase of \$41.2 million in sales through the end of May. He concluded that at the end of May, Lottery sales were on track to break a record.

Mobile Cashing – May Key Findings

Interim Executive Director Bracken described the Lottery's mobile cashing app that was implemented last fall as successful and asked Assistant Executive Director of Digital Operations, Liz Giffen, to update the Commission on the key findings.

Assistant Executive Director Giffen reported that during the month of May, mobile cashing and the ticket scanner within the Mass Lottery app continues to see positive momentum. There were more than 5,700 new account registrations in May, which is a strong number considering there wasn't a jackpot run or an advertising campaign in May, which typically drives an increase in account registrations. There were more than 2.6 million tickets scanned and nearly 48,000 app users who scanned tickets in May. The percent of account holders who have ever scanned a ticket remained steady at 88% last month. Assistant Executive Director Giffen reported that more than 20,500 mobile claims have been processed since the launch, totaling nearly \$27 million in mobile prize claims, and 18% of all prizes from \$601-\$5,000 were claimed through mobile cashing in May.

Interim Executive Director Bracken pointed out that the mobile app is limited to \$601-\$5,000 and that any prize \$600 and under can be cashed at Lottery retail locations through our sales agents who are strong business partners. Federal tax withholdings start at anything over \$5,000 and the Lottery is looking at options to expand the amount to over \$5,000.

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Keno Promotions

Chief Marketing Officer Edward Farley asked Draw Game Project Manager Shane Taylor to report on the recent Keno promotions.

Draw Game Project Manager Taylor announced that the Lottery continues to run promotions to celebrate the Lottery's 50th Anniversary. Recently, from May 22nd to June 4th, the Lottery increased the prize for matching all five numbers in a 5-spot Keno game by \$50, from \$450 to \$500. As a result of this promotion, Keno sales for the two weeks were 3 percent higher than sales for the previous two weeks, which was a \$1,363,942 increase. The prize payout during this time was 69.7%, an increase from the two weeks prior when the prize payout was 69.3%. Keno sales on Friday, June 3rd were \$4,330,580, which is the 8th highest daily Keno sales in history. The 5-spot wager accounted for 38.7% of total Keno sales, an increase over the previous month. The 5-spot game was played 475,943 more times in May than in April.

Continuing with the 50th Anniversary celebrations, Draw Game Project Manager Taylor reported on the Keno/All or Nothing 2X Bonus Promotion. From June 30th to July 4th, an additional multiplier of 2X will be added to Keno Bonus and All or Nothing Bonus, resulting in more games having a Bonus multiplier. When playing Keno or All or Nothing, the Bonus doubles the price of a wager while offering players the chance to multiply their prizes 2, 3, 4, 5 or 10 times. When you play the Bonus and win a prize, the prize is multiplied by the value of the Bonus multiplier. Draw Game Project Manager Taylor noted that a similar promotion during March contributed to the first and third highest Keno sales weeks since the launch of the game in 1993. As part of this promotion, the Lottery provided its retailers with point of sale (POS) material and Keno swag items, something that hasn't been done in a while. Chief Marketing Officer Farley added that these Keno items have been delivered to the Lottery's regional offices and several boxes have been put together for monitor game agents so that they can promote the 4th of July promotion in their stores with some fun giveaways.

July 12th Instant Ticket Launch

Product Manager Tom Aiello reported on the first instant ticket launch of the fiscal year. The July 12th instant ticket launch features a \$2 price point game – \$100,000 Bankroll, with a top prize of \$100,000. In a continued effort to rebuild inventory, the Lottery will also be launching two \$5 games – Electric 7's with a top prize of \$1,000,000 and Big Blue Bonus Cashword, an additional extended play game that will complement the current extended play game on the market, which is \$500,000 Cashword Corners. Product Manager Aiello stated that last July, the Lottery had launched an additional \$2 extended play game to complement the Powerplay Cashword ticket that had been on the market. Product Manager Aiello further commented that with the addition of the new \$2 Cashword game, the \$2 price point for extended play games saw very good results and was raised by 10 percent. Product Manager Aiello noted that extended play sales, which incorporates the \$2, \$5, \$10, and \$20 games, accounted for approximately 15 percent of FY22 instant sales this year. Also, included in the July launch is the \$10 game – \$4,000,000 Jumbo Cash, with a top prize of \$4,000,000 and featuring four bonus spots.

Zip Trip Partnership

Chief Marketing Officer Farley reported on the partnership with Fox 25 for the annual Zip Trips. On Friday, July 1st, for the first time in three years, the Lottery team will be on the road and in Dorchester. The Zip Trip will include eight locations throughout the summer and this year the

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Lottery is the lead sponsor. As the lead sponsor, the Lottery receives additional airtime on Fox25 and recently a commercial was shot that included members of Fox25 and Lottery Executive Assistant Judy Moore. Chief Marketing Officer Farley then played the commercial for the Commission.

Scratch for Cash Promotion

Product Manager Aiello reported on the Scratch for Cash promotion held in conjunction with the Zip Trips. He stated that this Scratch for Cash promotion will offer Mass Lottery VIP members a chance to win one of five instant ticket prize packs. He revealed that the unique and fun thing about this promo is that it's free and easy. All a VIP member would need to do is log into their account, access the promotions page, and check a box that certifies their entry. The entry period for this promotion starts this Friday, July 1st, and runs through August 5th. Five winners will be randomly selected by the Lottery and the names will be announced during the August 12th Zip Trip broadcast. The winners will appear at the August 19th Zip Trip where they will find out which one of the five instant ticket prize packs they've won and will scratch these tickets live during the Zip Trip broadcast. Last year there was over 29,180 entries and it was the second highest number of entries ever. The Lottery hasn't done a live event finale in a few years due to the pandemic and so this is an exciting opportunity.

50th Anniversary Celebrations at Regional Offices

Interim Executive Director Bracken asked Assistant Director of Stakeholder Engagement Sheila Capone-Wulsin to update the Commission on the 50th Anniversary Celebrations being planned at the Lottery regional offices.

Assistant Director Capone-Wulsin announced that as part of the Lottery's 50th Anniversary campaign, the Lottery will be taking the mid-day Numbers Game on the road. She revealed that this will be the first time since the 1990's that the Lottery has taken a drawing on the road. For six Wednesdays, beginning on July 13th, and ending on August 24th, the Lottery will be having regional office celebrations that will be fun, interactive days where the public can participate in giveaways and competitive games. She revealed that the day will also include a special anniversary edition of the Lottery's incredibly successful Cashwheel Live show. Assistant Director Capone-Wulsin specified that the Live Midday Numbers Game Drawing will begin at 2:00 p.m. and will be followed by the Cashwheel Live show where contestants will be able to enter and win prizes.

Assistant Director Capone-Wulsin stated that these will be exciting events with a decade theme to each one of the celebrations. The West Springfield location event will have a '70s theme and going forward, with each event, the theme will advance to the '80s, '90s, etc. This is an opportunity to celebrate by getting people involved. In addition, each one of the regions will have signage related to the Lottery's mission that the Massachusetts State Lottery gives back to the communities.

Drawing Presentations

Chief Marketing Officer Farley reminded the Commission that over the last four years, as a modernization initiative, the Massachusetts Lottery has upgraded its equipment. The Numbers Game, particularly, was so antiquated that the second machine that the Lottery relied on had broken parts and the Lottery was unable to find the parts to fix them. The Lottery moved forward to upgrade its draw machines and in addition to that, the in-state draw game times have changed to 2:00 p.m. for the

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midday Numbers Game and consecutive draws at 9:00 p.m. for Megabucks Doubler, The Numbers Game and Mass Cash. The visual, as a whole, is a huge leap forward in terms of modernization for the Lottery.

Chief Marketing Officer Farley asked Drawing Studio and Production Content Manager Keith Macri and Assistant Drawing Studio Manager Geoff Filleti to elaborate on where the Lottery drawings were and where they are today. Manager Macri explained that he started his career at the Lottery in October 2019. He described the evolution of the drawings as amazing. The level of drawing productions has been elevated from a technology standpoint and an entertainment standpoint. He credited Assistant Manager Filleti for specializing in studio production and who has truly helped to push things forward. He described the new equipment as having a lot more capabilities and stated that this is just the baseline and the beginning of what the future can hold. He revealed that he is excited to think about where and how we can develop from here.

He then played for the Commission a video/audio comparison between the old equipment and the new equipment as it is today.

Chief Marketing Officer Farley thanked Manager Macri for his report and added that the new equipment provides a streamlined presentation with smartballs for chips, where the numbers appear directly onto the screen, and a great improvement all-around.

Draw Game Project Manager Taylor reported on the viewership regarding the new draw times. He stated that there was an all-around increase for all of the games. The midday Numbers Game showed a 94% increase on YouTube and a 25 percent increase on Facebook. For the evening Numbers Game presentation, YouTube showed a 96 percent increase and a 26 percent increase on Facebook. By moving Mass Cash and Megabucks Doubler to 9:00 p.m., there was even a bigger increase. YouTube viewership increased by 235 percent and 122 percent on Facebook for Mass Cash. Megabucks Doubler viewership increased 311 percent on YouTube and a 224 percent increase on Facebook. Project Manager Taylor concluded it was too early to report the effect the new draw times have had on sales and he hoped to report on that data during the next Commission meeting.

Social Media

Draw Games Marketing Specialist Jamie Martel provided the Commission with an update on the ways social media has been utilized to connect with players. She reported that in conjunction with the draw updates over the last month, the Lottery has made a concerted effort to consistently share timely winning content by aligning itself with winning brands. She acknowledged the Lottery's partnership with the Springfield Thunderbirds, who were in the finals, and this was shared on Facebook. In addition, the Lottery has increased how often photos of recent jackpot winners are being shared across social media.

Specialist Martel extended appreciation to Drawing Studio and Production Content Manager Macri and Assistant Drawing Studio Manager Filleti, whose in-house produced video supported the June instant ticket launch. She reported that over the last thirty days, post impressions are up over 350 percent on Facebook, Instagram, and Twitter and shares are up over 215 percent on Facebook. She concluded that thanks to new instant ticket releases, promotions, and events, the winning content will keep coming and we should continue to see great analytics throughout all social platforms.

The in-house video promoting the June instant ticket launch was then played for the Commission, followed by a footnote from Manager Macri that the in-house video cost \$0 to produce.

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Boston/New England Regional Emmy® Award

Chief Marketing Officer Farley extended special congratulations to Drawing Studio and Production Content Manager Macri and Assistant Drawing Studio Manager Filleti for receiving the New England Regional Emmy Award. Manager Macri and Assistant Manager Filleti received the award for Writer-Short Form Content. Chief Marketing Officer Farley stated that the Mass Lottery has received this award in large part to the tremendous talent and creative work that has been done with in-house content. Chief Marketing Officer Farley revealed that he was proud of the team and of this achievement and hoped it would be the first of many more to come.

Hatch Award (Advertising)

Assistant Executive Director for Communications Christian Teja reported on another Lottery win.

The Hatch Awards is an annual advertising event held in New England, for advertising. Full Contact, the Lottery's advertising agency partner, presented last month and received the honor at the 61st Hatch Awards. The Lottery's "Defining Wins" spot, produced by Full Contact, was awarded bronze in the category of Film.

Assistant Director Teja noted that these submissions include locally produced regional and national spots. Some of the large advertising agencies in Boston that produce well-known commercials for some of the major insurance companies are included in the nominations. This was a very competitive category to receive recognition in and Assistant Director Teja extended his thanks to Full Contact for the great work they did in producing this spot.

Assistant Director Teja then played the Defining Wins spot for the Commission.

IV. Matters Requiring Approval of the Massachusetts State Lottery Commission

VOTE (1): For the reasons set forth in the attached memorandum dated June 9, 2022, the Executive Director is authorized to utilize state contract VEH110 and expend funds to purchase vehicles during Fiscal Year 2023.

The maximum obligation assumed hereunder shall not exceed three hundred sixty thousand dollars (\$360,000.00).

Comptroller William McNamara made a motion to authorize the Executive Director to utilize state contract VEH110 and expend funds and Commissioner Meghan Liddy seconded the motion.

Interim Executive Director Bracken stated that this vote is to purchase any upcoming vehicles that the Lottery may need to refresh its dying fleet. These will be hybrid vehicles per the Green Community Act that was passed into law and through the Executive Office.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; Deputy General Counsel John Melander: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

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VOTE (2): For the reasons set forth in the attached memorandum dated June 15, 2022, the Executive Director is authorized to make payments in Fiscal Year 2023 to vendors providing the below identified services to the Lottery:

Postage expenses pursuant to Statewide Contract OFF39: Mail Equipment with a maximum obligation not to exceed three hundred thirty-six thousand dollars (\$336,000.00)

Fuel expenses for Lottery-issued vehicles pursuant to Statewide Contract VEH117: Fuel Cards with a maximum obligation not to exceed four hundred thirty thousand dollars (\$430,000.00)

Wireless service and support pursuant to Statewide Contract ITT72 with a maximum obligation not to exceed two hundred thousand dollars (\$200,000.00)

Network bandwidth support pursuant to Statewide Contract ITT72 with a maximum obligation not to exceed two hundred fifty thousand dollars (\$250,000.00)

Metered electrical costs for Lottery facilities with a maximum obligation not to exceed one hundred eighty thousand dollars (\$180,000.00)

Commissioner Meghan Liddy made a motion to authorize the Executive Director to make payments in Fiscal Year 2023 to vendors providing these services to the Lottery and Comptroller William McNamara seconded the motion.

Interim Executive Director Bracken reported on each of the services stating that the postage expense with Pitney Bowes is level funded over last year with no increase and is for all in-house mailings. The second service is for the gasoline expenses and is also level funded. The third service is off a statewide contract for \$200,000.00 to support wireless services such as cell phones, smartphones and IPADS. The fourth service is for the Lottery's internal network connection between offices and Lottery data centers. The fifth service is for NSTAR and National Grid for \$180,000.00 for electrical costs at Lottery locations where electricity was not included in the lease agreements, and this is also level funded from FY22.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; Deputy General Counsel John Melander: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

VOTE (3): For the reasons set forth in the attached memorandum dated June 21, 2022 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 allow prize claims of up to one hundred three thousand dollars (\$103,000.00) to be claimed at the Lottery Regional Claim Centers; further, is directed to file such regulation and/or amendment thereof with the Office of the Secretary of State.

Comptroller William McNamara made a motion to amend 961 CMR 2.00 and Commissioner Meghan Liddy seconded the motion.

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Interim Executive Director Bracken described this vote as a minor adjustment where regional offices are allowed to cash winners up to \$100,000.00. Increasing this by \$3,000.00 only affects a Mass Cash winner and although it doesn't happen a lot, there are times where someone will purchase a Mass Cash ticket for multiple draws and will win \$100,000.00, but then they also win an additional amount such as \$250.00 on another draw on the same ticket. This vote will allow these types of winners to avoid a drive to Lottery headquarters and instead claim the ticket at a more convenient regional office. Although this vote won't affect a lot of people, it will make the few that it does affect very happy.

Comptroller McNamara asked how a winner, who comes into a Lottery office, receives their winnings in terms of a physical transfer. Interim Executive Director Bracken responded that a check is written. Comptroller McNamara then asked if that would require financial controls for staffing or approvals in these regional offices. Interim Executive Bracken explained that winners can already cash up to \$100,000.00 at the regional offices and a signature from the regional manager or assistant regional manager is required for such claims. Commissioner Liddy asked if the \$103,000.00 is the maximum and is it allowing the reasonable flexibility the Lottery would need. Interim Executive Director Bracken explained that it was, and that it only affects Mass Cash. It won't affect any instant games and because of the way the prize structure is, it wouldn't affect the Mega Millions, and it is highly unlikely that it will affect Powerball where someone would have a multiple draw ticket and win \$50,000 one day and \$50,000 another day. He concluded that this just affects the Mass Cash ticket.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; Deputy General Counsel John Melander: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

VOTE (4): For the reasons set forth in the attached memorandum dated June 14, 2022, the Massachusetts State Lottery Commission authorizes the Executive Director to expend the necessary funds in Fiscal Year 2023 for State Police details and overtime expenses for Lottery drawings.

The total maximum obligation for the above referenced services in Fiscal Year 2023 shall not exceed one hundred seventy-five thousand dollars (\$175,000.00).

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

Interim Executive Director Bracken stated that this vote is to approve payment to the State Police for overtime when overseeing Lottery drawings. The presence of State Police at Lottery drawings secures the integrity of the games.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; Deputy General Counsel John Melander: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

VOTE (5): For the reasons set forth in the attached memorandum dated June 21, 2022, the Executive Director is authorized to utilize the ITS77: Staff Augmentation Statewide Contract to

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contract with McInnis Consulting Services Inc., located at 100 Prospect Street, Norwell, MA 02061, for the consulting services of subject matter experts with the following firm to provide information technology expertise:

Interaction Gaming LLC d/b/a Gambyt
118 S Main Street
Ann Arbor, MI 48104

The aggregate total maximum obligation assumed for the above services during Fiscal Year 2023 shall not exceed nine million, one hundred twenty-one thousand dollars (\$9,121,000.00). Any future encumbrance or expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

Comptroller William McNamara made a motion to authorize the Executive Director to utilize the contract and Commissioner Meghan Liddy seconded the motion.

Interim Executive Director Bracken stated that this vote is dependent on funding that the Lottery is waiting for approval on from the Executive Office of Technology Services and Security sometime this summer. He reminded the Commission that the Lottery is decommissioning its IBM mainframe, which is an antiquated COBOL system. Some operations have already been moved off the IBM mainframe but there's still a lot more that needs to be moved. This includes the Season Tickets and annuities platform, check writing, tax reporting, financial and security, and promotion and loyalty programs, as well as other things. Gambyt has been a good partner to the Lottery and is used through a statewide contract for McInnis Consulting. Gambyt has already created the Remote Ticket Cashing (RTC) app as well as the VaxMillions site. He stated that the majority of this would be CapEx funded.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; Deputy General Counsel John Melander: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

VOTE (6): For the reasons set forth in the attached memorandum dated June 14, 2022, the Commission amends its vote from October 26, 2021 to authorize the Executive Director to expend an additional five hundred thousand dollars (\$500,000.00) to utilize the ITS77: Staff Augmentation Statewide Contract to engage McInnis Consulting Services Inc., located at 100 Prospect Street, Norwell, MA 02061, for the consulting services of subject matter experts with the following firms to assist with the Massachusetts State Lottery Commission's data center relocation project:

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

Interaction Gaming LLC d/b/a Gambyt
118 S Main Street
Ann Arbor, MI 48104

The aggregate total maximum obligation assumed for the above services shall not exceed one million, three hundred fifty-five thousand dollars (\$1,355,000.00). Any future encumbrance or

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expenditure pursuant to this vote is contingent upon appropriate availability of funding for the Lottery.

Comptroller William McNamara made a motion to amend its vote from October 26, 2021, to authorize the Executive Director to expend the additional funds and Commissioner Meghan Liddy seconded the motion.

Interim Executive Director Bracken reminded the Commission that the Lottery is moving its two data centers to colocations in Boston and on the North Shore. This vote is to help with the expertise that is needed in this project. He revealed that the project is nearing the completion and if all goes as planned, will be completed in November and these extra funds will help to cross that finish line.

Commissioner Liddy asked if these additional funds are for something that Rolta could not provide. Interim Executive Director Bracken explained that the Lottery currently uses Rolta and will continue to do so but will also need to add Gambyt in dealing with the continuity plan and the project coordination. He added that there has also been some architectural design that is a little different and was not expected. Interim Executive Director Bracken stated that he would have liked to have done this in-house, but the Lottery is understaffed, underfunded, and the Lottery has been unable to fill engineering job postings that have been on the state website for months.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; Deputy General Counsel John Melander: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

VI. 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, First Deputy Treasurer MacDonald sought a motion to adjourn the meeting. Comptroller William McNamara moved to adjourn and Commissioner Meghan Liddy seconded the motion.

First Deputy Treasurer MacDonald, recognizing there was no further discussion, moved the motion to a roll call vote. Comptroller William McNamara: yes; Commissioner Meghan Liddy: yes; Deputy General Counsel John Melander: yes; and First Deputy Treasurer MacDonald: yes. The Motion carried.

The Commission meeting adjourned at 11:25 a.m.

List of Documents and Exhibits Used:

- MSLC June 2022 Commission Meeting Book
- MSLC Meeting Executive Director’s Report, June 28, 2022