



# DSLBD and OLG Sports Wagering Five-Year Capacity Building Plan

YEAR TWO UPDATE

(FY 2021 October 1, 2020 – September 30, 2021)

Revised and updated November 1, 2021

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## **BACKGROUND**

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Act 22-594, the Sports Wagering Lottery Amendment Act of 2018, as amended by Act 23-2, was signed into law on January 23, 2019, and became D.C. Law 22-312 on May 3, 2019. The law legalized sports wagering in the District of Columbia and designated the Office of Lottery and Gaming (OLG) to regulate privately-operated sports wagering throughout the District, licensing and monitoring these operations, and their gaming-related suppliers for compliance with applicable District and federal laws. The OLG adopted rules and regulations governing private-operated sports wagering on August 30, 2019.

In accordance with D.C. Law 22-312. Sec. 316. Sports Wagering Small Business Development Program (d)(1), within 180 days of the effective date of this title, the Department of Small and Local Business Development (DSLBD), in consultation with the OLG, shall establish a program, with a duration of not less than five (5) years, to train Small Business Enterprises (SBEs) and SBE-eligible firms to develop the capacity to become sports wagering Operators and Management Service Providers.

## **PLAN OVERVIEW**

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DSLBD and the OLG have developed a Five-Year Capacity Building Plan (“the Plan”) pursuant to the statutory requirements outlined above. The Plan outlines training, networking opportunities, events, and programs designed to inform and educate SBE and SBE-eligible firms on how to enter the District’s emerging sports wagering industry. As the District’s sports wagering sector continues to evolve, DSLBD and the OLG will amend and refine the Plan to best maximize SBE and SBE-eligible capacity building opportunities.

The Plan covers the period of March 1, 2019, through September 30, 2024, and focuses on the following three (3) time periods: **Pre-Application/Year One (FY 2019 and FY 2020); Year Two/Year Three (FY 2021 and FY 2022); and, Year Four/Year Five (FY 2023 and FY 2024)**. Starting in Year One and continuing forward, we will update this plan annually. The original plan and all updates will be available on DSLBD’s and the OLG’s respective websites.

## **PRE-APPLICATION**

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**FY 2019: October 1, 2018 – September 30, 2019**

The OLG's licensing process was under development in FY 2019. Therefore, no Operator or Management Service Provider (MSP) licenses were issued during this timeframe.

However, ahead of the OLG's application window opening, the DSLBD and OLG participated in the following events.

### **PRE-APPLICATION TRAINING SESSION**

#### **DC Sports Betting Pre-Application Conference**

April 25, 2019, 3:00 PM – 6:00 PM

Old Council Chambers - 441 4th Street, NW, Washington, DC 20001

The purpose of the event was to present to attendees the Sports Wagering Lottery Amendment Act of 2018, CBE requirements, and potential opportunities for SBEs. Representatives from three (3) of the four (4) Class A locations were present and were able to dialogue and engage with interested SBEs.

### **MATCHMAKING**

#### **DSLBD's District Connect 2019**

May 25, 2019, 1:30 PM – 3:30 PM

Gallaudet University's Kellogg Conference Center, 800 Florida Ave NE, Washington, DC 20002

Matchmaking sessions with SBEs and prospective Class A applicant, FanDuel.

### **SPORTS WAGERING INDUSTRY OVERVIEW AND ENGAGEMENT SESSION**

#### **DC Chamber of Commerce's 2019 Small Business Awards & Economic Development Summit**

May 10, 2019, 8:00 AM – 2:00 PM

Walter E. Washington Convention Center, 801 Mount Vernon Place, NW, Washington, DC 20001

**Panel Title:** The Business of Sports Betting in the Nation's Capital.

## **YEAR ONE**

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**FY 2020: October 2019 - September 2020**

The COVID-19 pandemic had a significant impact on sports wagering in the District during Year One with public facilities closed for most of the year. There was one (1) Class A Sports Wagering Operator that became licensed in the District: American Wagering, Inc. (dba William Hill Sports Book). The DSLBD and OLG continued to provide information about this emerging industry.

### **SPORTS WAGERING INDUSTRY INFORMATION AND ENGAGEMENT SESSIONS/TRAININGS**

The DSLBD and OLG conducted five (5) capacity development training opportunities on recruitment initiatives and sports wagering licensing. These opportunities included a series of four (4) recruitment sessions entitled “Betting on Small Business Power Hours.” The University of Las Vegas’ International Gaming Institute (UNLV IGI) is widely recognized as a premiere resource for gaming research, solutions, insights, and executive education. Thus, in FY 2020, the DSLBD and OLG sought to partner with UNLV IGI to bring their international expertise in sports wagering regulation development, sports book buildout, and general operations/compliance with the District’s requirements for small business inclusion in the sports wagering industry. The sessions are listed below.

#### **Washington DC Local Business Expo**

Date: June 24, 2020

Place: This event was conducted virtually.

Peter Alvarado, Director of Regulation and Oversight with the OLG was a featured speaker at this event.

#### **Betting on Small Business Power Hour: Start up to William Hill**

Date: July 15, 2020

Place: This event was conducted virtually.

Joe Bertolone, Executive Director of the UNLV International Center for Gaming Regulation was the featured speaker at this event co-produced by the DSLBD and OLG.

#### **Betting on Small Business Power Hour: How an Idea Became the Sports Book of the Future**

Date: July 23, 2020

Place: This event was conducted virtually.

John Lukasik, Director of Race, Sports & eSports with Caesars Entertainment was the featured speaker at this event co-produced by DSLBD and the OLG. A recording of the session is available on the DSLBD website.

### **Betting on Small Business Power Hour: Media Perspective and Breaking Barriers**

Date: August 27, 2020

Place: This event was conducted virtually.

Kelly Stewart, professional handicapper and media personality, was the featured speaker at this event co-produced by the DSLBD and OLG. A recording of the session is available on the DSLBD website.

### **DC Chamber of Commerce's Small Business Awards & Economic Development Summit**

Date: September 9, 2020

Place: This event was conducted virtually.

The OLG presented a session on sports wagering at the Summit. DSLBD hosted an information table and provided staff resources to connect with SBEs interested in entering the industry.

### **Betting on Small Business Power Hour: From Dealer to VSiN Vinny, A Life in Sports Betting**

Date: September 24, 2020

Place: This event was conducted virtually.

Vincent Magliulo, VSiN's Vice-President of Strategic Partnerships and Vice-President of Corporate Relations for Las Vegas Dissemination Company, presented at this event co-produced by DSLDB and the OLG. A recording of the session is available on the DSLBD website.

## **YEAR TWO**

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### **FY 2021: October 2020 - September 2021**

DSLBD and the OLG planned to produce two (2) trainings in this year and exceeded that goal by delivering five (5) sessions. The sessions are listed below.

#### **DC Chamber of Commerce's Small Business Awards & Economic Development Summit**

Date: May 7, 2021

Place: This event was conducted virtually.

Nicole Jordan, Director of Marketing and Communications for the OLG, presented a session on sports wagering at the Summit. DSLBD hosted an information table and provided staff resources to connect with SBEs interested in entering the industry.

#### **Betting on Small Business Power Hour: Get in on the Game with Sports Betting**

Date: May 26, 2021

Place: This event was conducted virtually.

Craig Ferreira from UNLV International Center for Gaming Regulation moderated a panel discussion featuring two (2) representatives from William Hill: David Grolman, President of Retail Operations, and James Leonard, Vice-President of Eastern Operations. Conducted on opening day of the Capital One sports book, this session gave participants the opportunity to connect with pioneers in the District's new gaming industry. DSLBD and the OLG co-produced this session. A recording of the session is available on the DSLBD website.

#### **Betting on Small Business Power Hour: Exclusive Scoop to Navigating the Sports Gaming Industry**

Date: June 9, 2021

Place: This event was conducted virtually.

The DSLBD and OLG co-produced this session which gave business owners a review of the current outlook of the sports gaming industry, including the impact of online betting. Craig Ferreira from UNLV International Center for Gaming Regulation interviewed Sara Slane, Owner and Operator of Slane Advisory - Global Gaming Strategies. A recording of the session is available on the DSLBD website.

#### **Betting on Small Business Power Hour: Selling Your Business to a Sportsbook**

Date: June 23, 2021

Place: This event was conducted virtually.

This session featured a representative from an SBE discussing how the District's small businesses could offer their products & services to sportsbook operators. The session featured the following speakers: Burt Foster, Audit & Compliance Officer from the OLG; Tina Ramona Harrison, Director of Business Development for Infinity Solutions, which is

currently contracting services to William Hill; and, Melissa Resil, Business Certification Manager at DSLBD. A recording of the session is available on the DSLBD website.

**Betting on Small Business Power Hour: Operating a Successful Sportsbook**

Date: September 29, 2021

Place: This event was conducted virtually.

DSLBD and the OLG co-produced this session which featured representatives from the first licensed Class B Sports Book to open in the District. They discussed their business model and their experiences through the licensing process. The session featured the following speakers: Peter Alvarado, Director of the OLG's Regulation and Oversight Division; Brian Vasile, Owner of Grand Central; and Matteo Monteverdi, Head of Special Projects for Elys Game Technology. A recording of the session is available on the DSLBD website.

Due to COVID-19 social distancing protocols, all sessions were virtual during Year Two (FY 2021). No change is expected leading into Year Three (FY 2022).

**ANNUAL REPORT**

The OLG FY 2021 CBE Participation in Sports Wagering Annual Report will be made available on the OLG website in FY 2022.



## **YEAR THREE**

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**FY 2022: October 2021 - September 2022**

Sports wagering is projected to grow in Year Three. The retail Sports Book operations at Nationals Park is scheduled to open in late January 2022, (in addition to existing mobile app operations). The retail Sports Book operation at Audi Field is scheduled to open during FY 2022. This will bring a total number of three (3) Class A Sports Wagering Operators to the District. Under current legislation the District is allowed to license four (4) Class A Sports Wagering Operations.

The year began with the first licensed Class B Sports Wagering Operator, Grand Central Sports Book, in October 2021. Moreover, the first licensed Management Service Provider, ELYS Gameboard Technology, teamed up with Grand Central to be their technology provider.

As sports wagering continues to grow in the District for private operators, the DSLBD and OLG will continue to provide training events, counseling, research, and public information sessions to help business owners interested in any sports wagering opportunity. Several District businesses have communicated and expressed an interest to the DSLBD and OLG in opening a Class B sports wagering operation.

### **SPORTS WAGERING ENGAGEMENT SESSIONS/TRAININGS**

In addition to The Power Hour series, DSLBD and OLG will expand the capacity building program with a new series called The Inside Track. The Inside Track will allow SBE owners to meet with firms seeking to outsource more contracts with the District's small businesses. The session formats will be matchmaking sessions and small group presentations.

Additionally, a new Mentor-Protégé program will launch during FY 2022.

**The Inside Track.** This new series will provide CBE owners the opportunity to introduce their companies to sports wagering firms which might need to hire CBEs. Along with the Class A sports wagering operators, such as BetMGM, Caesars, and FanDuel, we expect to host events with suppliers and contractors. Each session would feature one (1) sportsbook and/or their contractors.

- **Matchmaking sessions.** Business owners seeking to procure specific goods or services will provide a list of what they need to DSLBD, which will organize individual meetings with SBEs. SBE owners will have 15 minutes to pitch their products and to answer questions about their company. DSLBD will work with the SBEs to ensure that they have strong capability statements and pitches.

- **Pre-bid Conferences.** Pre-bid conferences are open to the public. They will focus on either a specific procurement need or serve as a general introduction to the licensee. DSLBD will send announcements about opportunities to the SBEs via electronic alerts.

The DSLBD and OLG will conduct at least four (4) sessions showcasing these opportunities. Sessions will be conducted between November 1, 2021, and September 30, 2022.

**Betting on Small Business Power Hours.** Building upon the success of this series over the past two (2) years, DSLBD and the OLG will continue to showcase thought leaders and industry practitioners discussing both the national and local sports wagering industry. A topic under consideration is a panel discussion with the managers of the existing sports books.

DSLBD and the OLG are planning to conduct two (2) Power Hour sessions in Year Three slated to begin in January 2022.

**Counseling.** DSLBD will create a new outreach effort to contact all license applicants before application submission to provide education and information on DSLBD's CBE Plan requirements. This is to educate the prospective applicant in developing strategies for meeting the required 35% of procurements with CBEs and to identify tools that the prospective applicant can use to find CBEs.

**Mentor-Protégé.** The DSLBD will match existing sportsbook suppliers with SBEs seeking to enter the industry. After recruiting both mentors and proteges, the program will open with a workshop on the goals of the program. Regular check-ins will ensure that the mentors and proteges are making progress.

## **YEARS FOUR AND FIVE**

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### **FY 2023 and FY 2024: October 2022 – September 2024**

Leading into Years Four and Five there will be rich data on businesses' activities which can be used to project future development in the sports wagering industry in the District. As the District's sports wagering industry matures, the guidance offered to licensees and subcontractors will need to mature as well, expanding beyond explanations of the application process and other introductory topics. DSLBD and the OLG will continue to offer trainings, business development seminars and matchmaking sessions to support licensees.

### **SPORTS WAGERING ENGAGEMENT SESSIONS/TRAININGS**

The DSLBD and OLG will continue to offer events which both educate and connect. There will be at least two (2) seminars per year. The Betting on Small Business Power Hour and Inside Track series may still be useful but they may need some adjusting to make them more relevant to a more mature sports wagering industry in the District. We anticipate that there will still be an interest in and need for the following types of events:

- Educational workshops;
- Matchmaking sessions;
- Networking with licenses and subcontractors;
- Individual counseling; and,
- Mentor-Protégé Program.

## **CONCLUSION**

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As the first jurisdiction in the country to mandate that licensees include, and build the capacity of, local businesses in the sports wagering industry, DSLBD and the OLG anticipate many positive outcomes from holding licensees and their subcontractors to the same procurement laws that the District Government follows in its purchases. The efforts of both DSLBD and the OLG will simultaneously require sports wagering businesses to adhere to the laws while also facilitating access to the CBE community.