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Maryland lottery plans expansion to online sales

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The Maryland State Lottery is planning to allow Marylanders to buy traditional lottery games through their computers and smartphones.

Officials are planning the iLottery program as a way to draw more -- and younger -- players.

The system would allow users to make purchases with a debit card, automated clearing house transfer or physical voucher from an existing lottery retailer, according to a report the State Lottery Agency presented to the General Assembly.

The move has angered some lottery retailers, who fear the agency is cutting them out of the process. Currently, retailers can only accept cash when selling lottery tickets.

"We kind of believe that this is a rigged deal," said Pete Horrigan of the Mid-Atlantic Petroleum Distributors Association, which represents about 1,500 gas stations in Maryland. "We think the lottery director is just going to do what he wants to do."

Horrigan said other states that have implemented online lottery payment have done a better job of including retailers. In Delaware, for instance, residents must go to a physical store and purchase credit to be used online later.

But the lottery said retailers will benefit from new players who are introduced through the online program. Marketing will continue to encourage players to participate at brick-and-mortar locations, the report said. A pair of town hall meetings were held this summer to gain feedback from retailers.

The state expects \$2.2 million in revenue from online lottery sales in fiscal 2013. Last year, the lottery reported a record \$1.8 billion in revenue.

"This is a government program based on pushing citizens deeper into personal debt," said Les Bernal, executive director of Stop Predatory Gambling. "The fact that they're going into Internet gambling reflects the fact that Maryland is actively trying to create new gamblers."

A report filed by the State Lottery Agency in December 2011 highlighted the need to expand to "ethnicities outside of the Caucasian market," saying, "An ecommerce platform featuring an emphasis on mobile commerce would help attract these growth areas, including African-American and Hispanic/Latino consumers."

The State Lottery Agency is forbidden from moving forward with the plan before the Senate Budget and House Appropriations committees have had 45 days to review and comment. Until then, Horrigan said, concerned retailers will continue to push to have their voices heard.

"We're not opposed to the lottery online," he said. "We want to stay in business, that's what the hell we want."

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