Lottery should not ignore ‘think tank’

That was quick. A few weeks after a state think tank called for the New Mexico Lottery to rebid its contract for online vendor services, the lottery’s chief executive officer announced he would do just that.

Last month, Think New Mexico issued a scathing report detailing how the New Mexico Lottery needs to cut costs. The number one recommendation was that online vendor contract be rebid. The contract doesn’t expire for two more years, but Lottery Chief Executive Tom Romero announced last week that the rebidding process would begin by the end of this year.

If GTech, the current vendor loses the bid, the change can’t be made until November 2008, but it would at least give both companies adequate notice of the changeover.

The Think New Mexico report revealed that GTech charges 8.52 percent of sales for its services, while other states are paying as little as 2.16 percent to their vendors. The report also outlined numerous scandals in which GTech has been involved.

The purpose of Think New Mexico’s cost-saving recommendations was to free up more money for the college scholarships the lottery was created to fund.

But that apparently is where Think New Mexico and the Lottery Authority part ways. Romero wants to keep all the money saved by the rebid to hire more staff and do more promotion. Think New Mexico says those costs already are too high. It appears we are in for more controversy and intrigue.