Security and Operations Committee Meeting
New Mexico Lottery Authority
June 18, 2025

MINUTES

Call to Order: Committee Chair Sal Baragiola called the meeting to order at 11:15 a.m. and asked for a roll call. Present and constituting a quorum were David Keylon and Sal Baragiola.

Introductions: Present from NMLA staff were Wilma Atencio, Carolyn Cabell, Michael Boland, and Darren Geffre.

Approve Proposed Agenda: D. Keylon moved to approve the proposed agenda; S. Baragiola seconded the motion. Motion carried 2-0.

Public Comment: None.

REPORTS:

Internal Audit Cybersecurity Readiness Engagement Report: M. Boland reported this informational report will be sent to the State Auditor and Legislative Finance Committee, as required by the Lottery Act. The Internal Auditor (IA) collaborated with the Information Technology (IT) division to document the Lottery's current state of cybersecurity readiness, as well as opportunities for additional cybersecurity practices.

The Lottery underwent a National Institute of Standards and Technology (NIST) cybersecurity framework gap analysis by an independent consultant and plans to address key recommendations on an ongoing basis. M. Boland stated that the Lottery has many sound cybersecurity protocols in place and will continue to enhance the Lottery's readiness in the future.

S. Baragiola asked what document is being submitted to the State Auditor and whether the report is routine or the result of an audit finding. M. Boland responded that the current document provided to the Committee in its packet will be submitted, as is standard. Mr. Boland stated that this is a routine engagement submission, not part of an audit finding.

D. Keylon inquired about recommendations. M. Boland stated that this was a consulting engagement to enhance our cybersecurity readiness, and there were recommendations to improve our practices.

Approve Recommending Policy Updates to the Full Board:

New Information Technology Policy and Repeal of Previous Policies: C. Cabell reiterated that the IT division has been working with a third-party consultant to identify opportunities to update our policies and procedures. C. Cabell stated that a revised policy or policies will be provided to the Committee for a future meeting. C. Cabell noted that, similar to the Leave Policy updated in December 2024, management and the IT division plan to consolidate several IT policies into one policy. This should allow for a clearer, more concise document for end users.

Revised Chief Executive Officer Policy Adoption Authority: C. Cabell reported this policy has been updated to the new format reviewed by the Board in December. This streamlined format replaces the cover page, purpose, definitions, and other information with a standard information box at the top of the policy. This will be the new format going forward.

C. Cabell reported that the Committee received both a redlined and a clean draft for the Chief Executive Officer Policy Adoption Authority in their packet. A substantive change was to amend a specific requirement that all division directors review policy changes before implementation. That process would not be efficient or necessary in all cases. Other changes are cleaning up language or removing items found elsewhere in the document.

Subsequent to the marked changes, and with consultation from the Committee Chair, the Lottery recommended two additional changes. One change was to codify a Board directive under which the Lottery has been operating for several years. That directive states that the CEO can move forward with a policy change without a Board vote if either (1) the policy updates are non-substantive changes that do not alter the intended meaning of the policy or (2) the policy updates are game rules changes, such as those adopted by multi-jurisdictional organizations of new or changing game information that has been previously approved by the Board. The CEO may approve and adopt such policy changes and inform the Board that the policies have been updated at a subsequent Board meeting. The second change stated that the CEO and/or designated NMLA staff members will review policies at least annually for correctness, applicability, and readability. The CEO and/or designated staff may use artificial intelligence software as a review tool.

S. Baragiola entertained a motion. Keylon moved to recommend the changes for the Chief Executive Officer Policy Adoption Authority, as presented, to the full Board for approval; S. Baragiola seconded the motion. Motion carried 2-0.

Repeal of Official Use of the Seal Policy: C. Cabell reported that the Lottery recommends repealing this policy. The Lottery does not currently use the embossing seal for contracts, policies, or certificates as addressed in the policy. The embossing seal was used at a time when businesses primarily used paper, and the current practice has moved toward electronic documentation. There was discussion about the embossing stamp and its applicability.

S. Baragiola moved to recommend to the full Board that the Official Seal of the New Mexico Lottery Authority Policy be repealed; D. Keylon seconded the motion. Motion carried 2-0.

Repeal of Terms and Conditions for Online Game Purchases: C. Cabell reported that the Lottery recommends repealing this policy. The policy was intended to be a framework for purchases should the Lottery sell its products online, such as via our website or a mobile app. C. Cabell reported that there is no current applicability since the Lottery does not sell products online. If the Lottery were to explore online purchases in the future, it would bring a new policy to the Board.

S. Baragiola moved to recommend to the full Board that the Terms and Conditions for Online Game Purchases policy be repealed; D. Keylon seconded the motion. Motion carried 2-0.

Other Items: None.

Adjournment: S. Baragiola made a motion to adjourn; D. Keylon seconded the motion. Motion carried 2-0. The meeting adjourned at 11:42 a.m.

S. Baragiola

S. Baragiola, Committee Chair
Date: 9/24/25